

Case No.

579

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Application, Transcript,  
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Introduction of Exhibits

EXHIBIT NO. I

Q. I want you to tell me what has been marked as Exhibit I and ask you to tell the Commission what this Exhibit represents?

A. Exhibit I is a structural map contoured on the top of the Yates formation, the contour interval is 5 feet.

Q. Will you explain to the Commission what is represented by the area outlined in red?

A. The area outlined in red on the map is the outline of the proposed Falby-Yates pool which incorporates a part of the Cooper-Jal Pool and a part of the Langlie Mattix Pool.

Q. Will you show to the Commission the present common boundary of the Cooper-Jal and Langlie-Mattix pools.

A. The common boundary between the two pools runs North and South through Sections 24 and 25 and is represented by a light blue line on the map.

Q. Where was the information obtained in order to ~~prepare this~~ prepare this Exhibit?

A. This information was obtained from Commission files and correlation of electric log data throughout this area.

Q. From this data will you explain to the Commission the geological features involved.

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A. It will be noted from the map that a structural low exists, the center of which is in Section 24 with a continued secondary low in the W/2 of Section 19. It is my opinion that this structural low in the Yates section has reversed the trend of regional gas accumulation which is typical of this formation in the area and has instead resulted in a favorable oil accumulation.

Q. I hand you what has been marked Exhibit II and ask you to tell the Commission what this map represents.

A. Exhibit II is a gas-oil ratio contour map showing the relatively low gas-oil ratios encountered within the designated low structural area with rapidly rising ratio upstructure, which increase to infinity or relatively high values in the direction of the gas wells completed up the structure.

Q. Will you tell the Commission the status of the wells in Section 18 as to their production capabilities and their producing formation.

A. Many of the wells in Section 18 are completed in the Queen section. It is typical of the low production area in the Queen section.

Q. Will you explain the status of a typical well located in Section 18 which has been originally a Queen producer and which has subsequently been plugged back and recompleted in the Yates section.

A. A typical well is the R. Olsen No. 1 Blankenship located in the NW/4 SE/4 of Section 18. The well was completed in 1946 producing from the Queen zone, the original total depth being 3601 feet with casing set at 3425 feet. This well produced approximately 11,400 barrels of oil and by December 1950 had declined to less than five barrels of oil per day and

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SANTA FE, NEW MEXICO

and no water. The well was plugged back to 3425 feet and the 5 1/2 inch casing perforated in the Yates Zone from 3152 feet to 3205 feet and the formation hydrafraced. At present the well is capable of producing gas at the rate of 1171MCF and 533 pounds back pressure.

Q. What does this illustrate?

A. It illustrates the tremendous difference in the producing characteristics of each zone.

Q. I hand you what has been marked Exhibit III and ask you to explain to the Commission what this Exhibit shows?

A. Exhibit 3 is a map of the area showing the monthly oil production by 40 acre units.

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Q. Will you explain to the Commission what the different colors represent.

A. The green indicates a production of 1,000 barrels per month or over. The Blue represents 500 to 1,000 barrels per month while the uncolored area is production from either the Queen zone or from dry gas wells located upstructure.

Q. From your actual field experience and the information available to you can you ~~explain~~ express an opinion as to whether the Yates and the Seven-Rivers-Queen Zone are from separate reservoirs in this area?

A. From my actual field experience and information available to me it is my opinion that the Yates section and the lower Seven Rivers-Queens sections are two separate reservoirs in the Falby area.

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Q. Do you have any further recommendation to make in regard the area.

A. For further proof that the two sections are completely separate reservoirs it is recommended that a bottom-hole pressure survey be conducted in this area with special emphasis placed on surveying adjoining wells completed in the Queens zone so that a direct comparison of pressures can be made of the two zones in question.

Q. How would this bottom-hole pressure survey be accomplished?

A. It is suggested that efforts be made to have Mr. Staley's organization, the New Mexico Oil and Gas Engineering Committee run the pressures on all flowing wells in the area after a 48 hour shutin. In the event it is impossible for Mr. Staley's Unit to do the work, it is suggested that an independent survey unit be employed and the work coordinated with the help of the operators.

Q. In the event that a marked pressure differential is noted what are your recommendations?

A. In that event it would be my recommendation that the Falby-Yates Pool be delineated as advertised. Secondly, it would be my ~~RECOMMENDATION~~ recommendation that the Yates zone be considered as one reservoir and the Seven Rivers-Queen Zone considered as a separate reservoir and the ~~RECOMMENDATION~~ combining of the two zones for production of oil and gas through one well bore not be permitted in this area. It is further recommended that there be no gas-oil ration limit. My reason for this is that since the original Yates section is principally a gas producing zone, the present

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practice of producing the gas wells should remain on a dry gas well productive status and not be penalized on the basis of volumetric withdrawal due to their proximity to the small oil trap in the Falby-Yates pool.

Q. Would it therefore be in line for you to recommend that this case be continued for thirty days pending the results of the bottom-hole pressure surveys.

A. Yes, sir that is my recommendation.

*Exhibits Proposed by Stanley*

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**OIL CONSERVATION COMMISSION**

P. O. BOX 871

SANTA FE, NEW MEXICO

July 31, 1953

Mr. John M. Kelly  
Box 3671  
Roswell, New Mexico

Dear John:

Reference is made to the Yates producing area in the neighborhood of your Jack lease in Township 24 South, Ranges 36 and 37 East. I have detailed an outline of the area for the proposed Falby-Yates Oil Pool as follows:

Township 24 South, Range 36 East  
E/2 SE/4 of Section 23; All of Section  
24 except the NW/4 NW/4 and the NW/4 NE/4  
and the N/2 of Section 25; the E/2 NE/4 of  
Section 26.

Township 24 South, Range 37 East  
W E/2 of Section 19; NW/4 of Section 30.

All of the wells located within this area are oil wells producing from the Yates formation with the exception of your #5 Jack. After the pool has been formed your #5 well will be put up into the Langlie-Mattix Pool and of course your other four wells will be placed in this newly formed Falby-Yates Pool. It will be of course, necessary to delete the above described area from the Cooper-Jal and Langlie-Mattix Pools with the exception of the NW/4 NW/4 of Section 19, Township 24 South, Range 37 East.

It will be impossible, due to the lack of time for us to advertise this for August but it will be definitely set up for the September hearing and in the meantime I am going to order a number of electric logs of wells in the area in case anyone should question the advisability of the formation of the new pool.

Very truly yours,

W. B. Macey  
Chief Engineer

WBM:vc

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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR THE  
PURPOSE OF CONSIDERING:

CASE NO. 579  
ORDER NO. R-395

THE APPLICATION OF THE COMMISSION ON  
ITS OWN MOTION FOR AN ORDER CREATING THE  
FALBY-YATES POOL AND DELETING CERTAIN  
EXISTING AREAS FROM THE COOPER-JAL AND LANGLIE-  
MATTIX POOLS IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing on September 17, 1953, and October 15, 1953, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," at Santa Fe, New Mexico.

NOW, on this 10<sup>th</sup> day of December, 1953, the Commission, a quorum being present,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by reason of the special geological situation existing, deletion of certain acreage from the Cooper-Jal and Langlie-Mattix Pools, and the creation and classification of the Falby-Yates Pool for Yates zone production should be accomplished; and

(3) That special regulations for the area are indicated.

IT IS THEREFORE ORDERED:

(1) That the application of the Commission upon its own motion for the deletion of:

Twp. 24 South, Rge. 36 East, NMPM  
Section 23: E/2 SE/4;  
Section 24: NE/4 NW/4, S/2 NW/4, SW/4;  
Section 25: NW/4;  
Section 26: E/2 NE/4

from the Cooper-Jal Pool in Lea County, New Mexico; and the deletion of:

Twp. 24 South, Rge. 36 East, NMPM  
Section 24: NE/4 NE/4, S/2 NE/4, SE/4;  
Section 25: NE/4

Twp. 24 South, Rge. 37 East, NMPM  
Section 19: NE/4 NW/4, S/2 NW/4, SW/4;  
Section 30: NW/4

from the Langlie-Mattix Pool, in said County of Lea, New Mexico, be, and the same hereby is approved.

(2) That the application of the Commission upon its own motion for an order creating a new pool, classified as an oil pool for Yates production, designated as the Falby-Yates Pool and described as:

Twp. 24 South, Rge. 36 East, NMPM  
Section 23: E/2 SE/4;  
Section 24: NE/4 NW/4, NE/4 NE/4, S/2 N/2, S/2;  
Section 25: N/2;  
Section 26: E/2 NE/4

Twp. 24 South, Rge. 37 East, NMPM  
Section 19: W/2; Section 30: NW/4

be, and the same hereby is approved.



(3) That all existing producing oil wells in the Falby-Yates Pool, as of January 1, 1954, which are marketing casinghead gas in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid, on a gas-oil ratio limitation of 5,000 CF to 1 barrel of oil.

IT IS FURTHER ORDERED: That each and all operators in the Falby-Yates Oil Pool shall, prior to January 15, 1954, submit reports on OCC Forms C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon GOR tests, and casinghead gas marketing conditions.

IT IS FURTHER ORDERED: That from and after the entering of this order, all wells drilled or recompleted in the Falby-Yates Pool shall be completed or recompleted in such a manner that the Yates zone shall be completely segregated from every other zone or geologically identified formation, the method and separation subject to approval of Commission engineers.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

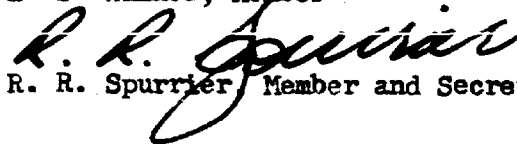
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



Edwin L. Mechem, Chairman



E. S. Walker, Member



R. R. Spurrier, Member and Secretary

SEAL

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

Santa Fe, New Mexico  
September 17, 1953

In the Matter of:

Application of the Oil Conservation Commission of New Mexico upon its own motion for an order creating the Falby-Yates Pool and deleting certain existing areas from the Cooper Jal and Langlie Mattix Pools in Lea County, New Mexico and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why the creation and deletions should not be made as follows:

Case No. 579

(a) Create a new pool in Lea County, New Mexico classified as an oil pool for Yates production, designated as the Falby-Yates Pool and described as:

Twp. 24 South, Range 36 East, NMPM  
E/2 SE/4 of Section 23;  
NE/4 NW/4, NE/4 NE/4, S/2 N/2,  
S/2 Section 24;  
N/2 Section 25;  
E/2 NE/4 Section 26;

Twp. 24 South, Range 37 East, NMPM  
W/2 Section 19;  
NW/4 Section 30;

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(b) Delete from the Cooper Jal Pool in Lea County, New Mexico the following described area:

Twp. 24 South, Range 36 East, NMPM  
E/2 SE/4 Section 23;  
NE/4 NW/4, S/2 NW/4, SW/4 Sec. 24;  
NW/4 Section 25;  
E/2 NE/4 Section 26;

(c) Delete from the Langlie Mattix Pool, Lea County, New Mexico the following described area:

Twp. 24 South, Range 36 East, NMPM  
NE/4 NE/4, S/2 NE/4, SE/4 Sec. 24;  
NE/4 Section 25;

Twp. 24 South, Range 37 East, NMPM  
NE/4 NW/4, S/2 NW/4, SW/4 Sec. 19;  
NW/4 Section 30;

TRANSCRIPT OF HEARING

MR. SPURRIER: The next case on the docket is Case 579.

(Notice of Publication read by Mr. Graham)

(Witness Sworn)

STANLEY J. STANLEY

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. MACEY:

Q. Will you state your name, please?

A. Stanley J. Stanley.

Q. Mr. Stanley, with reference to the Exhibit which has been marked Exhibit I, which is the left hand map on the board, I would like to have you tell the Commission what that Exhibit represents, please?

A. Exhibit I is a structural map contoured on the top of the Yates formation, the contour interval is five feet.

Q. Will you explain to the Commission what is represented by the area outlined in red on the map?

A. The area outlined in red on the map is the outline of the proposed Falby-Yates pool which incorporates a part of the Cooper Jal Pool and a part of the Langlie Mattix Pool.

Q. Will you show to the Commission which is presently designated as Cooper Jal Pool and which is presently designated as Langlie Mattix pool?

A. The common boundary between the two pools runs North and South through Sections 24 and 25 and is represented by a light blue line on the map.

Q. Where did you obtain the information obtained in order to prepare this Exhibit?

A. This information was obtained from Commission records and files and correlation of electric log data throughout this area.

Q. From the data which you have prepared on this map will you explain to the Commission what are the geological features involved?

A. It will be noted from the map that a structural low exists, the center of which is in Section 24 with a continued secondary low in the west half of Section 19. It is my opinion that this structural low in the Yates section has reversed the trend of regional gas accumulation which is typical of this formation in the area and has instead resulted in a favorable oil accumulation.

Q. Mr. Stanley, with reference to the middle map which has been marked Exhibit II, will you tell the Commission what this map represents?

A. Exhibit II is a gas-oil ratio contour map showing the relatively low gas-oil ratios encountered within the designated low structural area with rapidly rising ratio upstructure, which increase to infinity or relatively high values in the direction of the gas wells completed up the structure.

Q. Will you tell the Commission the status of the wells located in Section 18-24-37, that is the northeast section located on the map?

A. Many of the wells in Section 19 are completed in the Queen section. It is typical of the low production area in the Queen section.

Q. Would you mind explaining to the Commission the status of a typical well located in that area? One that's been completed as a Queen producer possibly and recompleted in the Yates?

A. A typical well is the R. Olsen No. 1 Blankenship located in the NW/4 SE/4 of Section 18. The well was completed in 1946 producing from the Queen zone, the original total depth being 3601 feet with casing set at 3425 feet. This well produced approximately 11,400 barrels of oil and by December of 1950 had declined to less than five barrels of oil per day without any production of water. The well was plugged back to 3425 feet and the 5 1/2 inch casing perforated in the Yates Zone from 3152 feet to 3205 feet and the formation hydraulically fractured. At present the well is capable of producing gas at the rate of 1,171 MCF with 533 pounds back pressure.

Q. Exactly what does that illustrate to you, Mr. Stanley?

A. It illustrates the tremendous difference in the producing characteristics of each zone.

Q. With reference to the map on the right hand side, marked Exhibit III, will you tell the Commission what that represents?

A. Exhibit III is a map of the area showing the monthly oil production by 40-acre units.

Q. Will you explain what the different colors represent?

A. The green indicates a production of 1,000 barrels per month or more. The blue represents 500 to 1,000 barrels per month

and the uncolored area is less than 500 barrels per month.

Q. The uncolored area also includes any dry gas production?

A. Yes, sir.

Q. From your actual field experience and the information available to you, can you express an opinion as to whether the Yates and the Seven-Rivers-Queen zone are <sup>two</sup> separate reservoirs in this area?

A. From my actual field experience and information available to me at the present time, it is my opinion that the Yates section and the lower Seven-Rivers-Queen sections are two separate reservoirs in the Falby area.

Q. Do you have any further recommendation to make in regard to the area?

A. For further proof that the two sections are completely separate reservoirs it is recommended that a bottom hole pressure survey be conducted in this area with special emphasis placed on surveying adjoining wells completed in the Queens zone so that a direct comparison of pressures can be made of the two zones in question.

Q. How would this bottom hole pressure survey be accomplished?

A. I would suggest that efforts be made to have Mr. Staley's organization, the New Mexico Oil and Gas Engineering Committee, run the pressures on all flowing wells in the area after a 48 hour shut-in. In the event it is impossible for Mr. Staley's unit to do the work, it is suggested that an independent survey be employed and the work coordinated with the help of the operators.

Q. In the event that a marked pressure differential between the two zones exists, what would your recommendation be?

A. In that event, it would be my recommendation that the Falby Yates pool be delineated as advertised. Secondly, it would be my recommendation that the Yates zone be considered as one reservoir and the Seven Rivers-Queen zone considered as a separate reservoir and the combining of the two zones for production of oil and gas through one well bore not be permitted in this area.

It is further recommended that there be no gas-oil ratio limit. My reason for this is that since the original Yates section is principally a gas producing zone, the present practice of producing the gas wells should remain on a dry gas well production status and not be penalized on the basis of volumetric withdrawal due to their proximity to the small oil trap in the Falby-Yates pool.

Q. In line with what you just said, would it be your recommendation that this case be continued for thirty days pending the results of the bottom-hole pressure surveys?

A. Yes, sir, that is my recommendation.

Q. One other question Mr. Stanley, did you prepare those Exhibits yourself?

A. Yes, sir, I did.

MR. MACEY: I'd like to move that the Exhibits be admitted in evidence and that this case be postponed in line with Mr.

MR. SPURRIER: Without objection the Exhibits will be admitted.

Is there objection to Mr. Stanley's motion to continue the case to the regular October hearing? If there is no objection, it will be continued to the regular October hearing.

Is there anything further in the case? Mr. Hinkle.

MR. HINKLE: Clarence Hinkle representing the Humble Oil and Refining Company. We would like to concur with Mr. Stanley's request that this matter be kept open until the regular October hearing.

MR. SPURRIER: If there's no one else to be heard, the witness may be excused and we'll move on to the pool cases on the docket beginning with Case 582 through 590, for the moment as a group.

#### C E R T I F I C A T E

I hereby certify that the foregoing and attached transcript of hearing before the Oil Conservation Commission, State of New Mexico, at Santa Fe, September 17, 1953, in Case No. 579, is a true and correct record to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico this 15th day of October, 1953.

Virginia M. Deaver  
Notary and Reporter



MEMORANDUM: TO THE OIL CONSERVATION COMMISSION 11-10-53

FROM: W. B. MACEY

SUBJECT: CASE 579 - Creation of the Falby-Yates Pool, Lea County, N. M., and deletion of the same area from two oil pools, the Cooper-Jal and the Langlie-Mattix.

The proposed creation of the Falby-Yates Pool is closely tied to the gas pool orders to be written in Cases 582 and 583, the Jalco and Langmat Pools. The reason for this is that the areal extent of the Jalco Pool overlies the Falby-Yates, both in part being productive from the same horizon. Essentially the entire Yates productive zone in this area is a common reservoir, with miscellaneous oil pools being encountered on the flanks of the structure and in geological or structural "lows." The Falby pool occupies a structural low and the pool is predominantly composed of high gas-oil ratio oil wells, which in some cases are offset by dry gas wells producing from the same zone.

Although it is apparent that no harm can be done by adopting this pool, it should be pointed out that the formation of this pool will start a chain reaction and cause a lot of operators to request similar pools so that they can twin wells and thereby get two allowables. The twin wells will be completed in such a manner that one well is an oil or gas well in the Yates, while on the same forty-acre tract there will be a Queen oil well. While it is obvious that better drainage of the entire reservoir will be effected, there are some wells presently completed that have both formations exposed to the well-bore, and thus the separate reservoir theory is not in existence.

RECOMMENDATION:

It is recommended that the Falby-Yates Pool be created as advertised, and that the area as advertised to be deleted from the Cooper-Jal and Langlie-Mattix Pools also be put into effect. This order should further state that all wells which are productive in the pool shall have an unlimited gas-oil ratio, provided that the gas is marketed. If the gas is not marketed, then a gas-oil ratio of 6,000 to 1 should be placed into effect. The order should require each operator to submit Form C-110 showing the disposition of the casinghead gas produced with the oil from the Falby-Yates Pool, and could be made effective January 1, 1954, so that the proper allowables could be assigned based on GOR tests.) The majority of operators do not oppose the pool formation, provided that the total withdrawals from gas properties do not exceed the total withdrawals from oil properties, and vice versa. Because of this, a study is to be made of the entire Cooper-Jal Pool to see if the pool is a common reservoir, and to see that withdrawals are equitable and in the event that withdrawals are not equitable, then the allowables - both oil and gas - will have to be adjusted to accomplish eq

The order should contain a further provision to the effect that in the event the present study of the productive zones and the extent of it in the Jalco and Langmat Pools requires a revision in any of the provisions of this order, then they may be changed after due notice and hearing.

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The order should also contain a provision that each well hereinafter drilled or recompleted in the Falby-Yates area shall be completed in such a manner that the Yates zone is completely separated from any other formation, so that the Yates and any other formation are not exposed to the same well bore.

October 27, 1953

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Gentlemen:

In connection with the hearing of Case 579, being the Application of the Oil Conservation Commission for an Order creating the Falby-Yates Pool and deleting certain areas from the Cooper Jal and Langlie-Mattix Pools in Lea County, the Humble Oil and Refining Company was granted permission, before a decision is rendered in this case to file a statement setting forth its position with respect to the matters involved therein.

The Humble would like for the following statement to be considered as a part of the record in this case:

In the event that the Commission establishes the Falby-Yates Pool, it is recommended that the Oil Conservation Commission adopt rules which will permit equitable withdrawals between the owners of gas properties and the owners of oil properties.

Respectfully submitted,

HUMBLE OIL & REFINING CO.

By:

  
Clarence E. Hinkle

CEH:vc

New Mexico  
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN I. MEEHLEN  
CHAIRMAN  
LAND COMMISSIONER E. S. WALKER  
MEMBER  
STATE GEOLOGIST R. R. SPURRIER  
SECRETARY AND DIRECTOR



P. O. BOX 2045  
HOBBS, NEW MEXICO

Mr. Glenn Staley  
New Mexico Oil & Gas Engineering Committee  
Hobbs, New Mexico

Mr. John M. Kelly  
Box 5671  
Roswell, New Mexico

American Petroleum Corp.  
Drawer D  
Monument, New Mexico

Western Natural Gas Co.  
823 Midland Tower  
Midland, Texas

Southern California Corp.  
905 McClintic Bldg.  
Midland, Texas

Cities Service Oil Co.  
Box 97  
Hobbs, New Mexico

The Texas Company  
Box 1270  
Midland, Texas

Humble Oil & Refining Co.  
Box 2347  
Hobbs, New Mexico

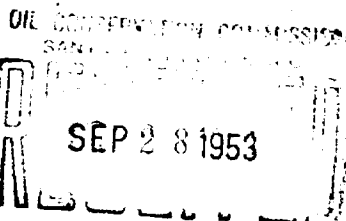
R. Olsen Oil Co.  
Drawer Z  
Jal, New Mexico

Wm. B. Paddock  
410 North Texas St.  
Odessa, Texas

Haynes & V. T. Drlg. Co.  
1725 North Grant St.  
Odessa, Texas

Gulf Oil Corporation  
Box 2167  
Hobbs, New Mexico

Carper Drilling Co.  
200 Carper Bldg.  
Artesia, New Mexico



Gentlemen:

In accordance with Case 579, New Mexico Oil Conservation Commission, pertaining to the proposed Falby-Yates Pool, it was recommended that a bottom-hole-pressure survey be conducted in the area of question prior to the October, 1953, hearing.

Mr. Glenn Staley, New Mexico Engineering Committee is willing to cooperate in this matter with the Commission and assist in obtaining the information by utilizing the Committee's bottom-hole-pressure unit for the survey.

Attached is a schedule of bottom-hole-pressures desired by the Commission showing the time and date of the survey. It is recommended that the operators run a weight-bar or if necessary employ a de-paraffin device to assure the Committee of a successful "humb-run". In addition it is recommended that the operators furnish a "roustabout" to assist the bottom-hole-pressure operator in conducting the survey on their respective leases in accordance with the date and time schedule attached.

The wells to be surveyed should flow during a regular allowable production period prior to shut in as outlined on the schedule.

The results of the survey will be computed by the New Mexico Engineering Committee and the information distributed to all participants upon the completion of the survey.

For further information the operator should contact S. J. Stanley, New Mexico Oil Conservation Commission, Phone 3-4731, Hobbs, New Mexico.

Yours very truly,

*S. J. Stanley*  
OIL CONSERVATION COMMISSION  
S. J. Stanley, Engineer

| OPERATOR                       | LEASE     | WELL NO. | S.T.H.   | SCHEDULED TIME FOR SHUT-IN | SCHEDULED DATE FOR SHUT-IN | TIME OF BOOB RUN | DATE OF BOOB RUN | WELL NO. | GAUGE DEPTH | REMARKS  |
|--------------------------------|-----------|----------|----------|----------------------------|----------------------------|------------------|------------------|----------|-------------|--|
| Southern California Pet. Corp. | Russell A | 1        | 18-24-37 | 8:00 A.M.                  | Sept. 27, 1953             | 8:00 A.M.        | Sept. 29, 53     | 3303     | 3003        | Tester to meet operator @ Russell A #1 @ 8:00 AM |
|                                | Gutman    | 1        |          |                            |                            |                  |                  | 3303     | 3003        |  |
|                                | Hunter    | 2        | 13-24-36 |                            |                            |                  |                  | 3312     | 3012        |  |
|                                |           | 1        |          |                            |                            |                  |                  | 3321     | 3021        |  |
|                                |           | 2        |          |                            |                            |                  |                  | 3324     | 3024        |  |
|                                |           | 3        |          |                            |                            |                  |                  | 3326     | 3026        |  |
|                                | Thomas    | 5        | 13-24-36 |                            |                            |                  |                  | 3316     | 3016        |  |
|                                |           | 1        |          |                            |                            |                  |                  | 3315     | 3015        |  |
|                                |           | 2        |          |                            |                            |                  |                  | 3318     | 3018        |  |
|                                |           | 3        |          |                            |                            |                  |                  | 3320     | 3020        |  |
| Phillips-Yates                 |           | 4        |          |                            |                            |                  |                  | 3325     | 3025        |  |
|                                |           | 1        | 24-24-36 |                            |                            |                  |                  | 3299     | 2999        |  |
|                                |           | 2        |          |                            |                            |                  |                  | 3306     | 3006        |  |
|                                |           | 4        |          |                            |                            |                  |                  | 3310     | 3010        |  |
| Southern California Pet. Corp. | Dunn      | 1        | 24-24-36 | 8:00 A.M.                  | Sept. 29, 1953             | 8:00 A.M.        | Sept. 30, 53     | 3316     | 3016        | Tester to meet operator @ Dunn #1 @ 8:00 AM      |
|                                |           | 2        |          |                            |                            |                  |                  | 3310     | 3010        |  |
|                                |           | 3        |          |                            |                            |                  |                  | 3314     | 3014        |  |
|                                | Harrison  | 1        | 25-24-36 |                            |                            |                  |                  | 3301     | 3009        |  |
|                                |           | 2        |          |                            |                            |                  |                  | 3312     | 3012        |  |
|                                |           | 3        |          |                            |                            |                  |                  | 3316     | 3016        |  |
| Van Zandt                      |           | 4        |          |                            |                            |                  |                  | 3307     | 3007        |  |
|                                |           | 1        | 25-24-36 |                            |                            |                  |                  | 3309     | 3009        |  |
|                                |           | 2        |          |                            |                            |                  |                  | 3293     | 2993        |  |
|                                |           | 3        |          |                            |                            |                  |                  | 3277     | 2977        |  |
| Humble Oil & Refg. Co.         | Hunter    | 4        |          |                            |                            |                  |                  | 3283     | 2983        |  |
|                                |           | 1        | 24-24-36 | 8:00 A.M.                  | Sept. 29, 1953             | 8:00 A.M.        | Oct. 1, 53       | 3337     | 3037        | Tester to meet operator @ Hunter #1 @ 8:00 AM    |
|                                |           | 2        |          |                            |                            |                  |                  | 3329     | 3029        |  |
|                                |           | 3        |          |                            |                            |                  |                  | 3344     | 3044        |  |
| Thomas                         |           | 4        |          |                            |                            |                  |                  | 3338     | 3038        |  |
|                                |           | 2        | 24-24-36 |                            |                            |                  |                  | 3344     | 3044        |  |
|                                |           | 3        |          |                            |                            |                  |                  | 3344     | 3044        |  |
|                                |           | 4        |          |                            |                            |                  |                  | 3329     | 3029        |  |
| Western Natural Gas Co.        | Dunn B    | 1        | 13-24-36 |                            |                            |                  |                  | 3304     | 3004        | Tester to meet operator @ Dunn B #1 @ 11:00AM    |
|                                | Toby      | 1        | 13-24-36 |                            |                            |                  |                  | 3318     | 3018        |  |
|                                | Bates     | 1        | 18-24-37 |                            |                            |                  |                  | 3315     | 3015        |  |
|                                |           | 2        |          |                            |                            |                  |                  | 3321     | 3021        |  |
| Carrier Drilling Co.           |           | 3        |          |                            |                            |                  |                  | 3314     | 3014        |  |
|                                | Jack      | 1        | 18-24-37 | 8:00 A.M.                  | Sept. 30, 1953             | 8:00 A.M.        | Oct. 2, 53       | 3317     | 3017        | Tester to meet operator @ Jack #1 @ 8:00 A.M.    |
|                                |           | 2        |          |                            |                            |                  |                  | 3317     | 3017        |  |

| OPERATOR                 | LEASE     | WELL NO. | S.T.B.   | SCHEDULE TIME SCHEDULED DATE | TIME OF FOR SHUT-IN FOR SHUT-IN | DATE OF FOR SHUT-IN  | DATE OF FOR SHUT-IN | GAUGE | REMARKS   |
|--------------------------|-----------|----------|----------|------------------------------|---------------------------------|----------------------|---------------------|-------|---|
| Carper-Barnett & Hanson  | Jack      | 1        | 16-24-37 | Sept. 30, 1953               | 8:00 A.M.                       | Oct. 2, 53           | 3311                | 3011  |   |
| John M. Kelly            | Jack      | 2        | 15-24-37 | 11:00 A.M.                   |                                 |                      | 3308                | 3008  | Tester to meet operator @ Jack #1 @ 11:00 A.M.      |
|                          |           | 1        |          |                              |                                 |                      | 3298                | 2998  |   |
|                          |           | 2        |          |                              |                                 |                      | 3298                | 2998  |   |
|                          |           | 3        |          |                              |                                 |                      | 3300                | 3000  |   |
|                          |           | 4        |          |                              |                                 |                      | 3303                | 3003  |   |
|                          |           | 5        |          |                              |                                 |                      | 3300                | 3000  |   |
| Amerada Pet. Corp.       | Palby     | 3        |          |                              |                                 |                      | 3283                | 2983  |   |
|                          |           | 2        |          |                              |                                 |                      | 3295                | 2995  |   |
|                          |           | 4        |          |                              |                                 |                      | 3284                | 2984  |   |
| The Texas Co.            | Pristoe   | 1        | 30-24-37 | 8:00 A.M.                    | Oct. 3, 1953                    | 8:00 A.M. Oct. 5, 53 | 3278                | 2978  | Tester to meet operator @ Pristoe #1 @ 8:00 A.M.    |
|                          |           | 2        |          |                              |                                 |                      | 3268                | 2968  |   |
|                          |           | 3        |          |                              |                                 |                      | 3276                | 2976  |   |
|                          |           | 4        |          |                              |                                 |                      | 3282                | 2982  |   |
| Gulf Oil Corp.           | Woolworth | 3        | 30-24-37 |                              |                                 |                      | 3280                | 2980  | Tester to meet operator @ Woolworth #3 @ 10:00 A.M. |
|                          |           | 2        |          |                              |                                 |                      | 3270                | 2970  |   |
| Cities Service Oil Co.   | Thomas    | 1        | 15-24-37 |                              |                                 |                      | 3293                | 2993  | Tester to meet operator @ Thomas #1 @ 11:00 A.M.    |
|                          |           | 2        |          |                              |                                 |                      | 3327                | 3027  |   |
| Haynes & V. T. Drig. Co. | Woolworth | 1        | 26-24-36 |                              |                                 |                      | 3315                | 3015  |   |
|                          | Dunn      | 1        | 13-24-36 |                              |                                 |                      | 3312                | 3012  |   |
|                          |           | 2        |          |                              |                                 |                      | 3327                | 3027  |   |
| R. Olsen Oil Co.         | Meyer     | 1        | 13-24-36 | 8:00 A.M.                    | Oct. 4, 1953                    | 8:00 A.M. Oct. 6, 53 | 3333                | 3003  | Tester to meet operator @ Meyer #1 @ 8:00 A.M.      |
|                          | Meyer B   | 1        | 26-24-36 |                              |                                 |                      | 3343                | 3043  |   |
|                          | Cooper    | 6        | 14-24-36 |                              |                                 |                      | 3311                | 3011  |   |
|                          | Bates     | 1        | 18-24-37 |                              |                                 |                      | 3303                | 3003  |   |
|                          | Russell   | 1        | 18-24-37 |                              |                                 |                      |                     |       |   |

It is estimated that a bottom-hole-pressure will require approximately 45 minutes running time. Please judge your shut-in time accordingly and pumpers should record the time of shut-in so that the tester will have this information for the final bottom-hole-pressure calculation.

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO

January 12, 1954

C  
O  
P  
Y  
  
The Texas Company  
Box 1270  
Midland, Texas

Gentlemen:

Your attention is hereby directed to the following provisions of Commission Order R-395:

"That all existing producing oil wells in the Falby-Yates Pool, as of January 1, 1954, which are marketing casinghead gas in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid, on a gas-oil ratio limitation of 6,000 CF to 1 barrel of oil.

IT IS FURTHER ORDERED: That each and all operators in the Falby-Yates Oil Pool shall, prior to January 15, 1954, submit reports on OCC Forms C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon GOR tests, and casinghead gas marketing conditions."

The deadline date for filing form C-116 in compliance with the above provisions has been extended to February 15, 1954, and the tests reported at that time will be considered as the regular annual survey tests since they will be taken during the regular survey period for this pool.

Form C-110 showing the transporter of casinghead gas should be filed immediately for each well for which it is required.

Since this pool was created effective January 1, 1954, it will be necessary that all wells be reported on your January form C-115, Operators Monthly Report, under the name Falby-Yates and not under Casper Jal or Lang's Mattix, the pools from which they were deleted.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr.  
Proration Manager

ALP/cc  
cc/ OCC-Santa Fe.



OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO

JAN 15 1954

January 12, 1954

C  
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Southern California Pet. Corp.  
905 McClintic Bldg.  
Midland, Texas

Gentlemen:

Your attention is hereby directed to the following provisions of Commission Order B-795:

"That all existing producing oil wells in the Falby-Yates Pool, as of January 1, 1954, which are marketing casinghead gas in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid, on a gas-oil ratio limitation of 6,000 CF to 1 barrel of oil.

IT IS FURTHER ORDERED: That each and all operators in the Falby-Yates Oil Pool shall, prior to January 15, 1954, submit reports on OGC Forms C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon GOR tests, and casinghead gas marketing conditions."

The deadline date for filing form C-116 in compliance with the above provisions has been extended to February 15, 1954, and the tests reported at that time will be considered as the regular annual survey tests since they will be taken during the regular survey period for this pool.

Form C-110 showing the transporter of casinghead gas should be filed immediately for each well for which it is required.

Since this pool was created effective January 1, 1954, it will be necessary that all wells be reported on your January form C-115, Operators Monthly Report, under the name Falby-Yates and not under Casper Jai or Langlie Mattix, the pool from which they were deleted.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr.  
Proration Manager

ALP/ed  
cc/ OGC-Santa Fe.

OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO

January 12, 1954

C  
O  
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Y  
  
R. Olsen Oil Company  
Drawer 2  
Jal, New Mexico

Gentlemen:

Your attention is hereby directed to the following provisions of Commission Order R-395:

"That all existing producing oil wells in the Falby-Yates Pool, as of January 1, 1954, which are marketing casinghead gas in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid, on a gas-oil ratio limitation of 6,000 CF to 1 barrel of oil.

IT IS FURTHER ORDERED: That each and all operators in the Falby-Yates Oil Pool shall, prior to January 15, 1954, submit reports on OCC Forms C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon GOR tests, and casinghead gas marketing conditions."

The deadline date for filing form C-116 in compliance with the above provisions has been extended to February 15, 1954, and the tests reported at that time will be considered as the regular annual survey tests since they will be taken during the regular survey period for this pool.

Form C-110 showing the transporter of casinghead gas should be filed immediately for each well for which it is required.

Since this pool was created effective January 1, 1954, it will be necessary that all wells be reported on your January form C-115, Operators Monthly Report, under the name Falby-Yates and not under Cooper Jal or Langlie Mattix, the pools from which they were deleted.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr.  
Production Manager

ALP/ed  
cc/ OCC- Santa Fe.

OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO

JAN 15 1954

January 12, 1954

John M. Kelly  
Box 5671  
Roswell, New Mexico

Gentlemen:

Your attention is hereby directed to the following provisions of Commission Order R-395:

"That all existing producing oil wells in the Falby-Yates Pool, as of January 1, 1954, which are marketing casinghead gas in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid, on a gas-oil ratio limitation of 6,000 CF to 1 barrel of oil.

IT IS FURTHER ORDERED: That each and all operators in the Falby-Yates Oil Pool shall, prior to January 15, 1954, submit reports on OCC Forms C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon GOR tests, and casinghead gas marketing conditions."

The deadline date for filing form C-116 in compliance with the above provisions has been extended to February 15, 1954, and the tests reported at that time will be considered as the regular annual survey tests since they will be taken during the regular survey period for this pool.

Form C-110 showing the transporter of casinghead gas should be filed immediately for each well for which it is required.

Since this pool was created effective January 1, 1954, it will be necessary that all wells be reported on your January form C-115, Operators Monthly Report, under the name Falby-Yates and not under Cooper Jal or Langlie Mattix, the pools from which they were deleted.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr.  
Production Manager

ALP/ed  
cc/ OCC-Santa Fe.

C  
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OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO

January 12, 1954

C  
O  
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Y  
  
Humble Oil & Refining Co.  
Box 2347  
Hobbs, New Mexico

Gentlemen:

Your attention is hereby directed to the following provisions of Commission Order R-395:

"That all existing producing oil wells in the Falby-Yates Pool, as of January 1, 1954, which are marketing casinghead gas in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid, on a gas-oil ratio limitation of 6,000 CF to 1 barrel of oil

IT IS FURTHER ORDERED: That each and all operators in the Falby-Yates Oil Pool shall, prior to January 15, 1954, submit reports on OOC Forms C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon OOR tests, and casinghead gas marketing conditions."

The deadline date for filing form C-116 in compliance with the above provisions has been extended to February 15, 1954, and the tests reported at that time will be considered as the regular annual survey tests since they will be taken during the regular survey period for this pool.

Form C-110 showing the transporter of casinghead gas should be filed immediately for each well for which it is required.

Since this pool was created effective January 1, 1954, it will be necessary that all wells be reported on your January form C-115, Operators Monthly Report, under the name Falby-Yates and not under Cooper Jnl or Langlie Mattix, the pools from which they were deleted.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr.  
Production Manager

ALP/ed  
cc/ OOC-Santa Fe.

OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO

January 12, 1954

C  
O  
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Haynes & V-T Drilling Co.  
113 O'Michael Bldg.  
Odessa, Texas

Gentlemen:

Your attention is hereby directed to the following provisions of Commission Order H-395:

"That all existing producing oil wells in the Falby-Yates Pool, as of January 1, 1954, which are marketing casinghead gas in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid, on a gas-oil ratio limitation of 6,000 CF to 1 barrel of oil.

IT IS FURTHER ORDERED: That each and all operators in the Falby-Yates Oil Pool shall, prior to January 15, 1954, submit reports on OCC Forms C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon GGR tests, and casinghead gas marketing conditions."

The deadline date for filing form C-116 in compliance with the above provisions has been extended to February 15, 1954, and the tests reported at that time will be considered as the regular annual survey tests since they will be taken during the regular survey period for this pool.

Form C-110 showing the transporter of casinghead gas should be filed immediately for each well for which it is required.

Since this pool was created effective January 1, 1954, it will be necessary that all wells be reported on your January form C-115, Operators Monthly Report, under the name Falby-Yates and not under Cooper Jal or Langlie Mattix, the pools from which they were deleted.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr.  
Proration Manager

ALP/ed  
cc/ OCC-Santa Fe.

OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO

January 12, 1954

Amerada Petroleum Corporation  
Drawer D  
Monument, New Mexico

Gentlemen:

Your attention is hereby directed to the following provisions of Commission Order R-395:

"That all existing producing oil wells in the Falby-Yates Pool as of January 1, 1954, which are marketing casinghead gas in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid, on a gas-oil ratio limitation of 6,000 CF to 1 barrel of oil.

IT IS FURTHER ORDERED: That each and all operators in the Falby-Yates Oil Pool shall, prior to January 15, 1954, submit reports on OCC forms C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon GOR tests, and casinghead gas marketing conditions."

The deadline date for filing form C-116 in compliance with the above provisions has been extended to February 15, 1954, and the tests reported at that time will be considered as the regular annual survey tests since they will be taken during the regular survey period for this pool.

Form C-110 showing the transporter of casinghead gas should be filed immediately for each well for which it is required.

Since this pool was created effective January 1, 1954, it will be necessary that all wells be reported on your January form C-115, Operators Monthly Report, under the name Falby-Yates and not under Cooper Jal or Langlie Mattix, the pools from which they were deleted.

Yours very truly,

OIL CONSERVATION COMMISSION

A. L. Porter, Jr.  
Production Manager

ALP/ed  
cc/ GOC

Case 579

## OIL CONSERVATION COMMISSION

HOBB, NEW MEXICO

### PROPOSED FALBY-YATES POOL

The area outlined in Red in Exhibit One is the proposed Falby-Yates Pool designation which incorporates a part of the Cooper Jal and Langlie Mattix Pool boundaries.

**EXHIBIT ONE** is a structural map on the productive top of the Yates section. This information was obtained from Commission files and correlation of electric log data throughout the area in question. From this data a structural low has been observed, the center of which is in Section 24 with a continued secondary low center in the W/2 of Section 19. In my opinion this structural low in the Yates Section has reversed the trend of regional gas accumulation which is typical of this formation in the area and instead has resulted in a favorable oil accumulation.

**EXHIBIT TWO** is a gas-oil ratio contour showing the relatively low gas-oil ratios encountered within the designated low structural area with rapidly rising ratios upstructure which increase to infinity or relatively high values in the direction of the gas wells completed up the structure.

The low productive rates encountered in the W/2 of Section 18, T24S, R37E, is typical of the low productive rates of the Queen section. It is becoming a practice of the operators to recomplete the wells in this area to the Yates-gas-production zone whenever the Queen zone becomes uneconomical. Typical of this type of operation is the R. Olsen, Blankenship #1. Unit J-Section 18, T24S, R37E. The original T. D. was 3601, Csg. set @ 3425 completed August 5, 1946, from the Queens Zone. The well produced 11,394 bbls of oil declining to 5 bbls of oil per day in December of 1950. The well was plugged back to 3425 ft. and 5½" csg. perforated from 3152 to 3205 and hydraulically fractured with 1500 gals. At present the well is producing gas at the rate

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO

of 1,171,000 cu. ft. per day @ 533 lbs. pack pressure.

EXHIBIT THREE shows the monthly oil production throughout the area on 40 acre units.

Green: indicates 1000 bbls per month or over

Blue: 500, 1000 bbls per month

Uncolored area: is production from either the Queens or non-oil production from the dry gas wells located up the structure.

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From my actual field experience and information available to me at the present time it is my opinion that the Yates Section and the lower Seven-Rivers-Queen Sections are two separate reservoirs. For further proof, however, it is recommended that a B. H. P. survey be conducted in this area with special emphasis placed on surveying adjoining Queen completed wells so that a direct comparison of pressures be made of the two zones in question. In the event a marked difference in pressure is noted it is recommended:

1. That the area of the Falby-Yates Pool be delineated as advertised in Case 579.
2. That the Yates Zone be considered as one reservoir and the Seven-Rivers-Queen Zones be considered a separate reservoir and the combining of the two zones for production of oil and gas through one well bore not be permitted.
3. That the gas-Oil ratio limit remain unlimited.
4. That since the regional Yates section is principally a gas producing zone, the present practice of producing the gas wells up structure remain on a dry gas productive status and not be penalized on the basis of volumetric withdrawals due to their proximity to a small oil trap in the Falby-Yates Pool.



MEMORANDUM: TO THE OIL CONSERVATION COMMISSION

FROM: W.B.MACEY

SUBJECT:: CASE 579:: Creation of the Falby-Yates Pool, Lea County, N.M. and deletion of the same area from 2 Oil pools, the Cooper-Jal and Langlie-Mattix Pools.

The proposed creation of the Falby-Yates Pool is closely tied to the Gas Pool orders to be written in Cases 582 and 583, the Jalco and Langmat Pools. The reason for this is that the areal extent of the Jalco pool overlies the Falby-Yates, both in part being productive from the same horizon. Essentially the entire Yates productive zone in this area is a common reservoir with miscellaneous oil pools being encountered on the flanks of the structure and in geological or structural "Lows". The Falby pool occupies a structural low and the pool is predominantly composed of high gas-oil ratio oil wells which in some cases are offset by dry gas well producing from the same zone.

Although it is apparent that no harm can be done by adopting this pool, it should be pointed out that the formation of this pool will start a chain reaction and cause a lot of operators to request similar pools so that they can twin wells and thereby get two allowables. The twin wells will be completed in such a manner that one well is an oil or gas well in the Yates while on the same forty acre tract there will be a queen oil well. While it is obvious that better drainage of the entire reservoir will be affected there are some wells presently completed that have both formations exposed to the well bore and thus the separate reservoir theory is not in existence.

RECOMMENDATION:

It is recommended that the Falby-Yates pool be created as advertised and that the area as advertised to be deleted from the Cooper-Jal and Langlie Mattix Pools also be put into effect. This order should further state that all wells which are productive in the pool shall have an unlimited Gas-Oil Ratio provided that the gas is marketed. If the Gas is not marketed, then a Gas-Oil ratio of 6000 to 1 should be placed into effect. The Order should require each operator to submit Form C-110 showing the disposition of the casinghead gas produced with the oil from the Falby-Yates pool and could be made effective Jan. 1, 1954 so that the proper allowables could be assigned based on GOR tests. The majority of Operators do not oppose the pool formation, provided that the total withdrawals from Gas properties does not exceed the total withdrawals from oil properties and vice-versa. Because of this a study is to be made of the entire Cooper-Jal Pool to see if the pool is a common reservoir and to see that withdrawals are equitable and in the event that withdrawals are not equitable then the ~~pool~~ allowables, both oil and gas, will have to be adjusted to accomplish equity.

The order should contain a further provision to the effect that in the event the present study of the productive zones and the extent of them in the Jalco and Langmat Pools requires a revision in any of the provisions of this order then they may be changed after due notice and hearing.

The order should also contain a provision that each well hereinafter drilled or recompleted in the Falby-Yates area shall be completed in such a manner that the Yates zone is completely separated from any other formation so that the Yates and any other formation are not exposed to the same well bore.

Case 579

STATE OF NEW MEXICO    )  
                              ) ss  
COUNTY OF BERNALILLO   )

I HEREBY CERTIFY that the within transcript of proceedings  
before the Oil Conservation Commission is a true record of the same  
to the best of my knowledge, skill and ability.

DONE at Santa Fe, N. M., this 9th day of November, 1953.

Margaret E. Allen  
Reporter

SWORN TO before me this 9th day of November, 1953.

M. J. [Signature]  
Notary Public

My Commission Expires January, 24, 1954

My Commission Expires:

CASE 579:

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order creating the Falby-Yates Pool and deleting certain existing areas from the Cooper-Jal and Langlie-Mattix Pools in Lea County, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such creation and deletions should not be made as follows:

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Yates production, designated as the Falby-Yates Pool and described as:

Twp. 24 South, Range 36 East, NMPM  
E/2SE/4 of Section 23;  
NE/4NW/4, NE/4 NE/4, S/2 N/2,  
S/2 Section 24  
N/2 Section 25  
E/2 NE/4 Section 26

Twp. 24 South, Rge. 37 East, NMPM  
W/2 Section 19:  
NW/4 Section 30

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

( b ) Delete from the Cooper-Jal Pool in Lea County, New Mexico, the following described area:

Twp. 24 South, Rge. 36 East, NMPM  
E/2 SE/4 Section 23  
NE/4 NW/4, S/2 NW/4, SW/4 Sect. 24;  
NW/4 Section 25;  
E/2 NE/4 Section 26

(c) Delete from the Langlie-Mattix Pool, Lea County, New Mexico, the following described area:

Twp. 24 South, Rge. 36 East, NMPM  
NE/4 NE/4, S/2 NE/4, SE/4 Sect. 24;  
NE/4 Sect. 25

Twp. 24 South, Rge. 37 East, NMPM  
NE/4 NW/4, S/2 NW/4, SW/4 Sect. 19;  
NW/4 Sect. 30.

COM. SPURRIER: The next case is 579

(Mr. Graham reads the advertisement of the case.)

\*\*\*\*\*

S. J. STANLEY

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MACEY:

Q At the hearing last month, the record shows that you recommended a postponement of thirty days awaiting the outcome of a survey. Are you prepared to testify as to the result of the survey?

A I am.

Q Will you do so please?

(Maps are placed on board.)

A We have concluded Bottom Hole Pressure Survey. I feel the information we have will prove, in my opinion, that the two reservoirs, that is the Queen-Seven Rivers and Yates Sections are separate. They are segregated in this area and I, therefore, recommend that the area we advertised in Case 579 should have Yates production and that it be permissible to co-mingle the Queen and Yates sections. The reason for this is the fact that the Queen section is a very old area. In fact, some of the wells in the Jal area have been drilled in the late 20's and it has been observed throughout the area that the pressures have declined to three hundred or four hundred pounds on the average. That is borne out by the

Western National Gas Company which have completed wells in Queen and Southern California, which has completed a well in Queen. We have attempted to take good wells into consideration to show there is a difference in Bottom Hole Pressure between Yates and Queen. You can see on this contour map there is a difference in Southern California's Russell No. 1, as this Bottom Hole Pressure after 48 hours was 178 pounds. In the meantime, Southern California has flooded back in a diagonal offset on No. 1 and they have plugged off from Queen section and have converted it to a gas well in the Yates section. We are fortunate in obtaining Bottom Hole Pressures in support of these wells. On a gas well completed in the Yates section, it has a Bottom Hole Pressure of 1,065 pounds. The Southern California Russell No. 1, which is a Queen well, as 178 pounds. Therefore, if the two reservoirs were connected over a period of twenty years, pressure should have equalized between the two formations and not created such a differential. And this would prevail throughout the entire area.

In Bates No. 1, natural gas, we have a pressure of 380 pounds. As we previously stated, Southern California's Russell No. 1, in Queen, as a pressure of 178 pounds.

R. E. Olson No. 1 has a pressure of 151 pounds. Therefore, the average pressure which has been recorded in Jal and Queen is three hundred pounds. This is different in the Yates section. As indicated here, the pressures range between 700 and 800 and a low pressure area within the oil section. This is down to structural. I think the

Yates structure is better. I therefore recommend that, due to differential in pressures and available engineering data, that to me means that the Queen and Yates sections are separate zones and should be treated as such.

COM. SPURRIER: Has anyone a question of the witness?

Q (By Mr. Macey) The point involved is the delineation of the Falby-Yates Pool and taking certain areas away as advertised, from the Cooper-Jal and Langlie-Mattix Pools in Lea County and there is one forty acre tract overlapping the Falby-Yates Pool. Can you point that out to the Commission?

A You have reference to West Dunn No. 1. I could get a map here showing where the two fields are separate.

Q You have one forty acre tract in the Falby-Yates Pool where the Langlie-Mattix overlaps it. There is a well that produces out of Queen.

A That is the John M. Kelly Well No. 5, which is a Seven Rivers, and there is a Queen producer which is on the same forty acre tract as the John M. Kelly No. 5. The two wells are on the same forty and one is producing from Queen and one from Yates. However, it is noted there is a considerable pressure differential on these two wells, indicating there is complete segregation in the entire area. The John M. Kelly Well No. 5 has a pressure of 240 pounds, or approximately 300 pounds difference in pressure. These two wells do overlap. One would be in the Langlie-Mattix and the other, even though on the same 40 acres, would be in the Falby-Yates Pool.

COM. SPURRIER: Anyone else have a question?

(No other questions indicated.)

COM. SPURRIER: The witness is excused.

(Witness excused.)

COM. SPURRIER: Anyone else to be heard?

J. K. SMITH: I represent the Stanolind Oil and Gas Company. I would like the Commission to understand that the situation out there is novel and whatever is done by the Commission in this respect, should be done on the basis of it being a unique condition and not as something that may establish a precedent.

JACK M. CAMPBELL: I would like to make a statement on behalf of Gulf. Gulf has no producing wells in this immediate area, as the Commission knows. This is an extremely complicated area and they want to urge the Commission, in view of the long history of production in this area, to proceed with caution against designating the individual pool areas, which have been recognized by the Commission, as consisting of one pool. We have no testimony to offer with regard to this particular case, but we do wish to urge the Commission in reference to this area, to proceed with caution, not upsetting situations which, for many years, have been recognized by the Commission.

COM. SPURRIER: Anyone else?

CLARENCE HINKLE: I represent the Humber Oil and Refining Company. I would like to voice the same statement that Jack Campbell made. We think the Commission should proceed with a great deal of caution because of the record heretofore established in this field. Humber was

was under the impression that the case had been continued because the Commission had not completed Bottom Hole Pressures , and our man has left, but if he had stayed, he would have presented some testimony on behalf of Humber. I would ask, therefore, that this case be continued until the next hearing.

COM. SPURRIER: John M. Kelly is an operator in the area. Humber asked for a postponement last month. They had a man here and let him go and I do not think there is much of an excuse to ask that the case be continued. What precedent is going to be set by having a field designated here, by taking that area out of Cooper-Jal Pool and calling it by another name? That is the same thing the Commission does, month after month.

JACK CAMPBELL: We did not offer any particular objection to this application. However, the fact that this application is made is some recognition that it is rather a complicated geological situation in that area and that the Commission, in considering this and future applications, use caution in each case, so they will not affect rights over a number of years. As to this particular case, we have no pointed objection to make to this application but, in any situation, such as in this area, and I am sure it is not the first or last time this question is going to arise, we simply want the Commission to consider the fact that, over a number of years, this area has been drilled in a manner which has created situations, not particularly in this application, but it may arise in this area in the future.

JOHN M. KELLY: I think your statement is along the line of my



thought of Cooper-Jal and Langlie-Mattix Fields. They cover a tremendous area. This is a local area in these two fields and, for clarification, I believe the Commission should set this field out with a different name. The Commission has even combined other pools together and given them the same name when the fact was found that they were in the same reservoir. The Commission's engineer tells us there is segregation in the area, in the zones and, under the definition of pool, is says: "any underground pool containing a common accumulation of crude petroleum oil or natural gas or both. Each zone of a general structure, which zone is completely separated from any other zone in the structure, is covered by the word "pool" as used herein". So, I think it is within the Commission's power to call it a separate pool. It is a unique case. I am not asking that this be a General Order. I am just asking the Commission to consider this as one general business and set it out for clarification purposes.

COM. SPURRIER: Any one else?

(No other remarks indicated.)

COM. SPURRIER: The Commission would like to have Humber's testimony. Mr. Hinkle, would you ask Mr. Dewey to forward that information, please?

MR. HINKLE: I will be glad to do so.

COM. SPURRIER: The case will be taken under advisement, and we will move on to the next case.

FINDS:

1. That due notice having been given as required by law, the Commission has jurisdiction of this case.
2. That by reason of the special geological situation existing, deletion of certain acreage from the Cooper-Jal and Langlie-Mattix Pools, and the creation and classification of the Falby-Yates Pool <sup>for Yates gas production</sup> comprising ~~the deleted~~ acreage aforesaid, and other acreage, should be accomplished; and
3. That special regulations for the area are indicated.

IT IS THEREFORE ORDERED:

1. That the application of the Commission upon its own motion for the deletion of:

Twp. 24 South, Range 36 East, NMPM  
 Section 23: E/2 SE/4;  
 Section 24: NE/4 NW/4, S/2 NW/4, SW/4;  
 Section 25: NW/4;  
 Section 26: E/2 NE/4

from the Cooper-Jal Pool in Lea County, New Mexico; and the deletion of:

Section 24: NE/4 NE/4, S/2 NE/4, Twp. 24 South, Rge. 36 East, NMPM  
~~SE/4; Section 19: NE/4 NW/4, S/2 NE/4, SE/4;~~  
 Section 25: NE/4

Twp. 24 South, Rge. 37 East, NMPM  
 Section 19: NE/4 NW/4, S/2 NW/4, SW/4;  
 Section 30: NW/4

from the Langlie-Mattix Pool, in said County of Lea, New Mexico;  
*be, and the same hereby is approved and ordered.*

2. That the application of the Commission upon its own motion for an order creating a new pool, classified as an oil pool for Yates production, designated as the Falby-Yates Pool and described as:

Twp. 24 South, Rge. 36 East, NMPM  
 Section 23: E/2 SE/4;  
 Section 24: NE/4 NW/4, NE/4 NE/4, S/2 N/2, S/2;  
 Section 25: N/2;  
 Section 26: E/2 NE/4

Twp. 24 South, Rge. 37 East, NMPM  
 Section 19: W/2;  
 Section 30: NW/4

be, and the same hereby is approved and ordered.

3. That all existing producing oil wells in <sup>*The Falby-Yates oil*</sup> such pool, as of January 1, 1954, which are marketing  <sup>*casing gas*</sup> ~~gas~~ in addition to oil, shall be accorded an unlimited gas-oil ratio; that such wells producing but not marketing, or otherwise beneficially using, gas are hereby placed, as of the date aforesaid,

~~upon a gas-oil ratio limitation of 6,000 CF to 1 barrel of oil; that any well in the pool determined by Commission engineers to be a "dry" gas well shall be produced in conformity with the regulations applicable to the gas pool within which the same may be located (oil or gas, as the case may be).~~

IT IS FURTHER ORDERED:

That each and all operators in the Falby-Yates Oil Pool shall, prior to <sup>January</sup> ~~December~~ 15, 1954, and regularly thereafter, submit reports ~~on~~ on OCC Form C-116 and C-110 showing oil and gas production, and disposition of casinghead gas produced with oil, as criteria for assignment of allowables based upon GOR tests <sup>consolidated gas</sup> ~~and marketing~~ conditions.

IT IS FURTHER ORDERED:

That from and after the entering of this order, all wells drilled or recompleted in the Falby-Yates Pool shall be completed or recompleted in such a manner that the Yates zone shall be completely segregated from every other zone or geologically identified formation, the method and separation subject to approval of Commission engineers.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

E. S. Walker, Member

R. R. Spurrier, Member and Secretary

FINDS

1. That due notice having been given in compliance with law the Commission has jurisdiction of this case.

2. That by reason of the special geological situation existing, deletion of certain acreage from the Cooper-Jal, and Langlie-Matrix pools, and the creation <sup>AND</sup> classification of the Gallego-Yates Pool <sup>for Yates zone production</sup> ~~comprising the deleted acreage aforesaid~~ <sup>OK</sup> and other acreage, should be accomplished, and

3. ~~That special regulations for the area are indicated.~~

IT IS THEREFORE ORDERED (1) That the application of the Commission upon its own motion, for the deletion of:

Twp 24 S. R. 36 E. N. 1/2 PM

E 1/2 SE 1/4 Sec 23; NE 1/4 NW 1/4, S 1/2 NW 1/4, SW 1/4 Sec 24;  
NW 1/4 Sec 25; E 1/2 NE 1/4 Sec 26,

from the Cooper-Jal pool, in Lea County, New Mexico, and,

the deletion of:

Twp 24 S. R. 36 E. N. 1/2 PM

NE 1/4 NW 1/4, S 1/2 NE 1/4, SE 1/4, Sec 19;  
NE 1/4, Sec 25;

Twp 24 S. R. 37 E. N. 1/2 PM

NE 1/4 NW 1/4, S 1/2 NW 1/4, SW 1/4 Sec 19;  
NW 1/4 Sec 30;

from the Langlie-Matrix pool, in said County of Lea, New Mexico  
be and the same hereby is approved  
and ordered.

Yates zone

check description  
OK

check description

(2) That the application of the rules herein provides  
our action for an order relating to a pool, described  
as an oil pool for YATES production, designated as the  
Falby-Yates pool and described as:

Twp. 24 S. R. 36 E. N. 10 N.

E $\frac{1}{2}$  SE $\frac{1}{4}$ , Sec. 23; NE $\frac{1}{4}$  NW $\frac{1}{4}$ , NE $\frac{1}{4}$  NE $\frac{1}{4}$ , S $\frac{1}{2}$  N $\frac{1}{2}$ ,  
AND S $\frac{1}{2}$  Sec. 24; N $\frac{1}{2}$  Sec. 25; E $\frac{1}{2}$  NE $\frac{1}{4}$  Sec. 26;

Twp. 24 S. R. 37 E. N. 10 N.

W $\frac{1}{2}$  Sec. 19; NW $\frac{1}{4}$  Sec. 30.

Be, and the same hereby is approved, and ordered.

(3) That all existing producing oil wells in such pool, as of  
January 1, 1954, which are marketing dry gas in addition to oil  
shall be accorded an unlimited gas-oil ratio; that such wells  
producing, but not marketing, or otherwise beneficially using,  
gas ~~are hereby~~ placed, as of the date aforesaid, upon a gas-oil ratio  
limitation of 6000 ~~to 1~~ barrel of oil <sup>in the pool</sup> [that any well <sup>in the pool</sup>  
mined by Commission Engineers to be a "dry" gas well shall be produced  
in conformity with the regulations applicable to the gas-oil ratio which  
the same are to be observed, also or (as not the case may be)]  
[It is further ordered that each and all operators  
in the Falby-Yates oil pool shall prior to December 15, 1953, and  
thereafter, regularly submit to the Commission Engineers, showing production and disposition of  
casinghead gas produced with oil, as criteria for assignment of  
allocations based upon GOR tests.]

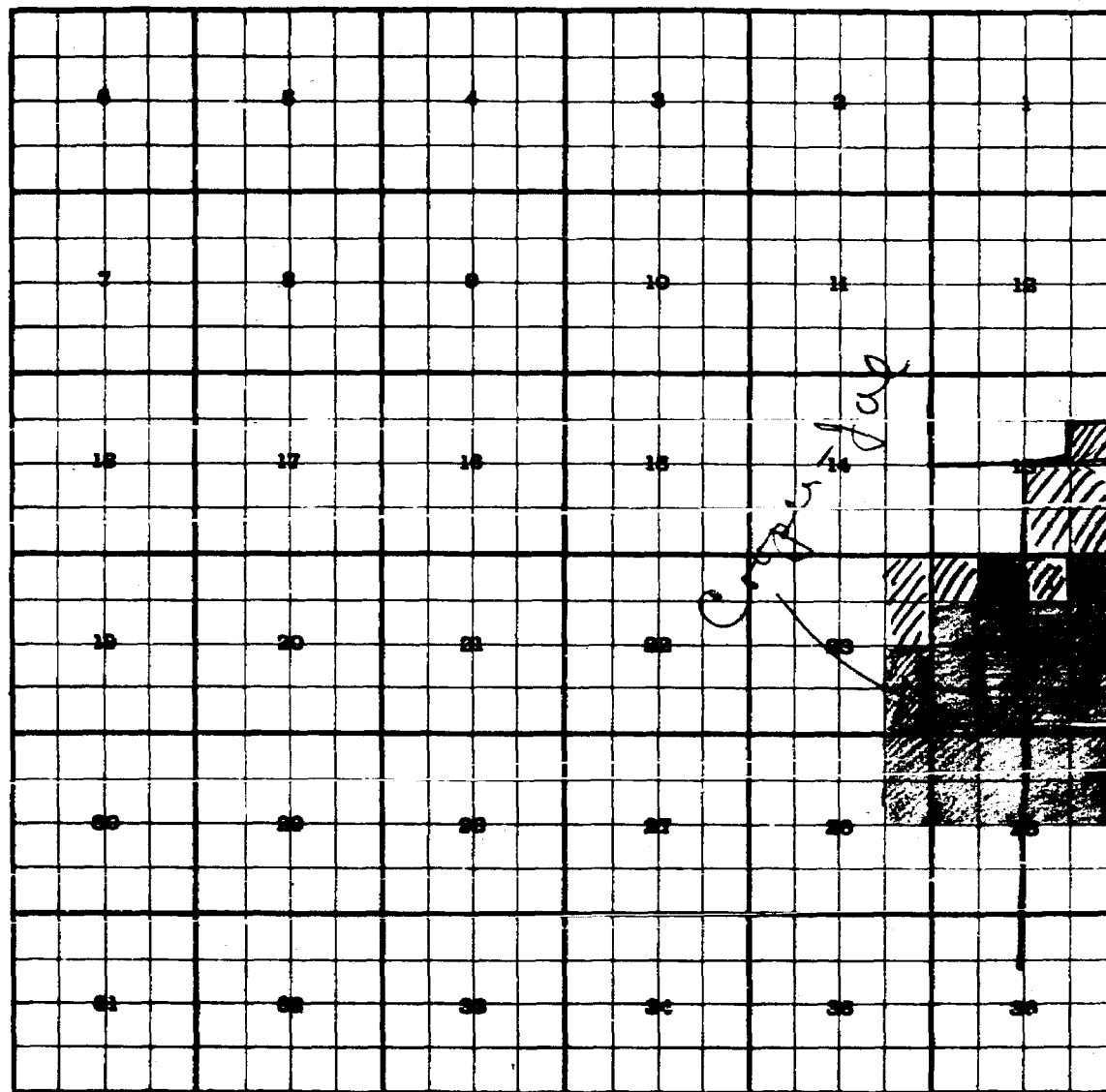
It is further ordered that from and after the entering  
of this order, all wells drilled or recompleted in the Falby-Yates  
pool shall be completed or recompleted in such a manner that the  
Yates zone shall be completely segregated from every other zone  
or geologically identified formation, the ~~method~~ and separation  
subject to approval of Commission Engineers.

Done at Santa Fe, New Mexico on the 24th day of June 1954

County \_\_\_\_\_ Pool \_\_\_\_\_



TOWNSHIP \_\_\_\_\_ South RANGE \_\_\_\_\_ East NEW MEXICO PRINCIPAL MERIDIAN



Request to file C-103's

C-103

30 days

CASE: 579

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order creating the Falby-Yates Pool and deleting certain existing areas from the Cooper Jal and Langlie Mattix Pools in Lea County, New Mexico and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such creation and deletions should not be made as follows:

(a) Create a new pool in Lea County, New Mexico classified as an oil pool for Yates production, designated as the Falby-Yates Pool and described as:

Twp. 24 South Range 36 East, NMPM

E/2 SE/4 of Section 23;  
NE/4 NW/4, NE/4 NE/4, S/2 N/2,  
S/2 Section 24;  
N/2 Section 25;  
E/2 NE/4 Section 26::

Twp. 24 South, Range 37 East, NMPM

W/2 Section 19;  
NW/4 Section 30;

and such other lands contiguous lands as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(b) Delete from the Cooper Jal Pool in Lea County, New Mexico the following described area:

Twp. 24 South, Range 36 East, NMPM

E/2 SE/4 Section 23;  
Ne/4 NW/4, S/2 NW/4, SW/4 Section 24;  
NW/4 Section 25;  
E/2 NE/4 Section 26;

NW/4

(c) Delete from the Langlie Mattix Pool, Lea County, New Mexico the following described area.

Twp. 24 South, Range 36 East, NMPM

NE/4 NE/4, S/2 NE/4, SE/4 Section 24;  
NE/4 Section 25:

Twp. 24 South, Range 37 East, NMPM

NE/4 NW/4, S/2 NW/4, SW/4 Section 19;  
NW/4 Section 30;

Kelly's SUGGESTIONS      RE. FAIRBY YATES  
DEC 7, 1952                      PODC

(1) SEES NO PERSON FOR SPECIAL  
REGULATION IN PARAGRAPH 3 OF  
ORDER - "THAT MAY WELL BE DETERMINED  
BY COMM ENGINEERS TO BE A DRY  
GAS WELL ETC."

(2) SEES NO USEFUL PURPOSE  
FOR THE FIRST - FURTHER ORDER  
ABOUT C 116S AND C 110S  
SINCE THEY COME IN ANYWAY  
UNDER GENERAL RULES

BUTLER PAPER COMPANY