

Case No.

1095

Application, Transcript,
Small Exhibits, Etc.

CASE 1095: Gulf Oil Corp., Application
for 120 acre non-standard gas proration
unit in Lea County, Bell-Ramsay "A" No. 5

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

August 1, 1956

C
O
P
Y

Mr. Don Walker
Gulf Oil Corporation
P.O. Drawer 1290
Fort Worth 1, Texas

Dear Sir:

We enclose a copy of Order R-850 issued August 1, 1956, by the Oil Conservation Commission in Case 1095, which was heard on July 11th at Hobbs.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

brp
Encl.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 1095
Order No. R-850

THE APPLICATION OF GULF OIL
CORPORATION FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE EUMONT GAS
POOL AS SET FORTH IN ORDER R-520
IN ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 120 CONTIGUOUS
ACRES CONSISTING OF SW/4 SW/4 OF
SECTION 4 AND THE W/2 OF THE NW/4 OF
SECTION 9, TOWNSHIP 21 SOUTH, RANGE
36 EAST, NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on July 11, 1956, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", in accordance with Rule 1214 of the Commission's Statewide Rules and Regulations.

NOW, on this 15th day of August, 1956, the Commission, a quorum being present, having considered said application, the evidence adduced and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to the provisions of Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool as set forth in Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after a notice and hearing by the Commission.

(3) That applicant, Gulf Oil Corporation, are the owners of state oil and gas leases in Lea County, New Mexico, a portion of which consists of other than a legal section and described as follows:

Township 21 South, Range 36 East, NMPM
SW/4 SW/4 of Section 4
W/2 NW/4 of Section 9

containing 120 acres, more or less.

(4) That applicant, Gulf Oil Corporation, has a producing well on the aforesaid property known as Bell-Ramsay "A" Well No. 5, located 660 feet from the South and West lines of said Section 4.

(5) That the royalty is of common interest throughout, being that of the State of New Mexico.

(6) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(7) That the creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Eumont Gas Pool consisting of the following described acreage in Lea County, New Mexico:

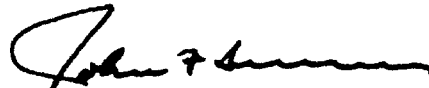
Township 21 South, Range 36 East, NMPM
SW/4 SW/4 of Section 4
W/2 NW/4 of Section 9

consisting of 120 acres be and the same is hereby approved and a proration unit consisting of aforesaid acreage is hereby granted.


(2) That applicant's Bell-Ramsay "A" Well No. 5, located 660 feet from the South and West lines of Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 120 acres bears to the standard proration unit of the Eumont Gas Pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


A. L. PORTER, JR., Member and Secretary



BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
July 11, 1956

IN THE MATTER OF:

CASE NO. 1095

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HORRS, NEW MEXICO
JULY 11, 1956

IN THE MATTER OF: :
:

CASE NO. 1095: Application of Gulf Oil Corporation for :
an order granting a 120 acre non-stand- :
ard gas proration unit in the Eumont Gas :
Pool, Lea County, New Mexico, in excep- :
tion to Rule 5 (a) of the Special Rules :
and Regulations of the Eumont Gas Pool, :
as set forth in Order R-520. Applicant, :
in the above-styled cause, seeks an :
order granting the establishment of a :
120 acre non-standard gas proration unit :
comprising the SW/4 SW/4 of Section 4 :
and the W/2 NW/4 of Section 9, Township :
21 South, Range 36 East, Eumont Gas Pool, :
Lea County, New Mexico; said unit to be :
dedicated to Gulf's Bell-Ramsay "A" Well :
No. 5 located 660 feet from the South :
and West lines of said Section 4. :

BEFORE:

Warren W. Mankin, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. MANKIN: The next case on the docket is Case No. 1095.

MR. WALKER: Don Walker, Gulf Oil. Apparently, I misfired
on my attorney, but if it is all right with the Examiner, I would
like to go ahead and put on my case rather than wait.

MR. GURLEY: Application of Gulf Oil Corporation for an
order granting a 120 acre non-standard gas proration unit in the
Eumont Gas Pool, Lea County, New Mexico, in exception to Rule 5 (a)
of the Special Rules and Regulations of the Eumont Gas Pool, as set
forth in Order R-520.

(Witness sworn.)

D O N W A L K E R,

the witness on behalf of the applicant, having been first duly sworn on oath, testified as follows:

MR. WALKER: I am Don Walker, petroleum engineer for Gulf Oil Corporation. I have testified many times before this body, and if my qualifications are acceptable, I will go ahead.

MR. MANKIN: They are acceptable.

MR. WALKER: Thank you. This concerns our request as advertised in Case 1095 for a non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 SW/4 of Section 4 and the W/2 NW/4 of Section 9, Township 21 South, Range 36 East, Lea County, New Mexico. We propose to assign this 120 acres to our Bell-Ramsay "A" Well No. 5 which is located 660 feet from the West line and 660 feet from the North line of Section 4, Township 21 South, Range 36 East, Lea County, New Mexico. I have a platt here which we will call Exhibit 1, which sets out the Gulf's Bell-Ramsay No. 5 which was originally treated October 15, 1955, in the upper San Andres formation of the Eunice Gas Pool. On April 28, 1956, this well was plugged back to 3672 feet and recompleted in the Queen formation through casing perforations from 3350 to 3380 feet, 3395 to 3455 feet, and 3475 to 3495 feet, all of which is within the vertical limits of the Eumont Gas Pool. These are perforated with two and one-half inch jet hose per foot in that interval. Here, as Exhibit 2, we have a log, radio active log which sets out the top of the Yates and top of the Queen, the plugback depth, casing point and the perforated interval. The royalty interests under this proposed unit all belongs to the State of New Mexico. This well was connected to the Permian

Basin Pipe Line Company's gathering system on June 11, 1956, and it is closed in pending the approval of this 120 acre unit requested. The maximum flow on the initial test at a back pressure of 400 lbs. per square inch was 3953 M.C.F. per day. The estimated open flow potential is 6250 M.C.F. per day. The acreage included in this proposed 120 acre unit can be reasonably assumed to be productive of gas. I have an exhibit, I believe, of the top of the Yates contour. I have already presented that. I am sorry. Also, I have an exhibit here which shows the units in the immediate area which have been approved in each direction from this proration unit. In view of the contours indicated on the Exhibit No. 1, and the fact that this well is surrounded by gas wells producing on all sides of the 120 acre unit, we can reasonably assume this 120 acres to be productive of gas. We believe that correlative rights of the offset operators will not be impaired, and we need to have this unit approved across section lines in order to get our fair share of the gas in this area. I believe that is all that I have to present.

MR. GURLEY: You have notified all of the offset operators?

MR. WALKER: Yes, sir. In our letter of application to the Commission, which was dated June 1st, we notified all offset operators within a 1500 foot radius of the proposed well.

MR. GURLEY: The list on the application constitutes all of the operators?

MR. WALKER: Yes, sir, and this well produces no fluid. As a matter of fact, it is still closed in. I don't anticipate it will produce any fluid and I believe I said it is connected to the Permian Basin Pipe Line. I believe that is all.

MR. MANKIN: Any questions of the witness in this case?
Did you wish to have Exhibits 1, 2 and 3 introduced?

MR. WALKER: I would like to have all the Exhibits, 1, 2
and 3 marked and made a part of this record.

MR. MANKIN: Is there any objection to the Exhibits 1, 2 and
3 in this case? If not, they will be entered.

(Whereupon, Exhibits 1,
2 and 3 were admitted
in evidence.)

MR. WALKER: There is one other point I forgot to make.
There are two other oil wells on this unit, but they are producing
from the Eunice Oil Pool in the upper San Andres formation.

MR. MANKIN: Any further questions of the witness in this
case? If not, the witness may be excused. Is there anything else
to be presented in this case? If not, we will take the case under
advisement.

C E R T I F I C A T E

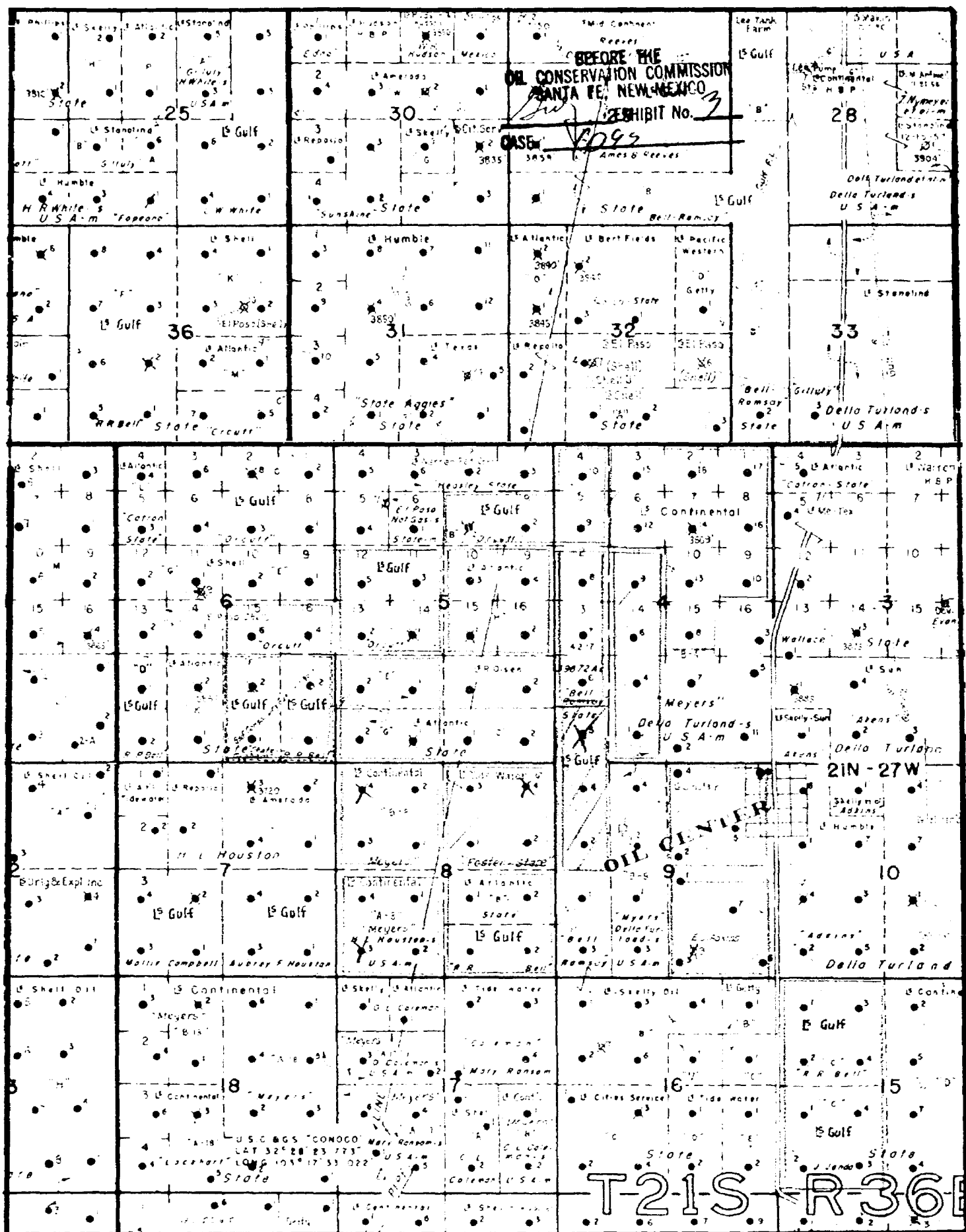
STATE OF NEW MEXICO)
: 38
COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 19th day of July, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public.

My Commission Expires:
April 3, 1960.



Examiner Hearing



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

June 1, 1956

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

FORT WORTH
PRODUCTION DIVISION

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

EXC to Rule 5(b)
Case # 1091
Send Copy
Do not to Don will on 6/21/56
Re: Application for Approval of a 120-acre Non-Standard Gas Proration Unit to be Assigned Gulf Oil Corporation's Bell-Ramsay "A" Well No. 5 in the Eumont Gas Pool, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully submits application for a 120-acre non-standard gas proration unit comprising the SW/4 of the SW/4 of Section 4 and the W/2 of the NW/4 of Section 9, T-21-S, R-36-E, Lea County, New Mexico, to be assigned Gulf's Bell-Ramsay "A" Well No. 5 recently recompleted as a gas well in the Queen formation of the Eumont Gas Pool. It is requested that the Commission set this matter for hearing at an early date.

The following facts are offered in support of this application:

- (1) Gulf Oil Corporation is the owner and operator of the Bell-Ramsay "A" Lease, as shown on the attached plat, which consists of the W/2 of the W/2 of Section 9 and the W/2 of the W/2 of Section 4, T-21-S, R-36-E.
- (2) The proposed unit well, Gulf's Bell-Ramsay "A" No. 5, located 660 feet from the west line and 660 feet from the south line of Section 4, T-21-S, R-36-E, Lea County, New Mexico, was originally completed October 15, 1935, in the upper San Andres formation of the Eunice Oil Pool. On April 28, 1956, this well was plugged back to 3672 feet and recompleted in the Queen formation of the Eumont Gas Pool through casing perforations from 3350-3380', 3395-3455', and 3475-3495', which is within the vertical limits of the Eumont Gas Pool as defined in Order No. R-520.

Oil Conservation Commission

-2-

June 1, 1956

- (3) Gulf Oil Corporation proposes to assign the SW/4 of the SW/4 of Section 4 and the W/2 of the NW/4 of Section 9, a portion of our Bell-Ramsay "A" Lease, to the above described unit well as a non-standard 120-acre gas proration unit in exception to Rule 5 of the New Mexico Oil Conservation Commission Order No. R-520.
- (4) No other Eumont gas well is completed on the 120-acre unit proposed under this application.

Respectfully submitted,

GULF OIL CORPORATION

By:

B. B. Thompson
Division Production Manager

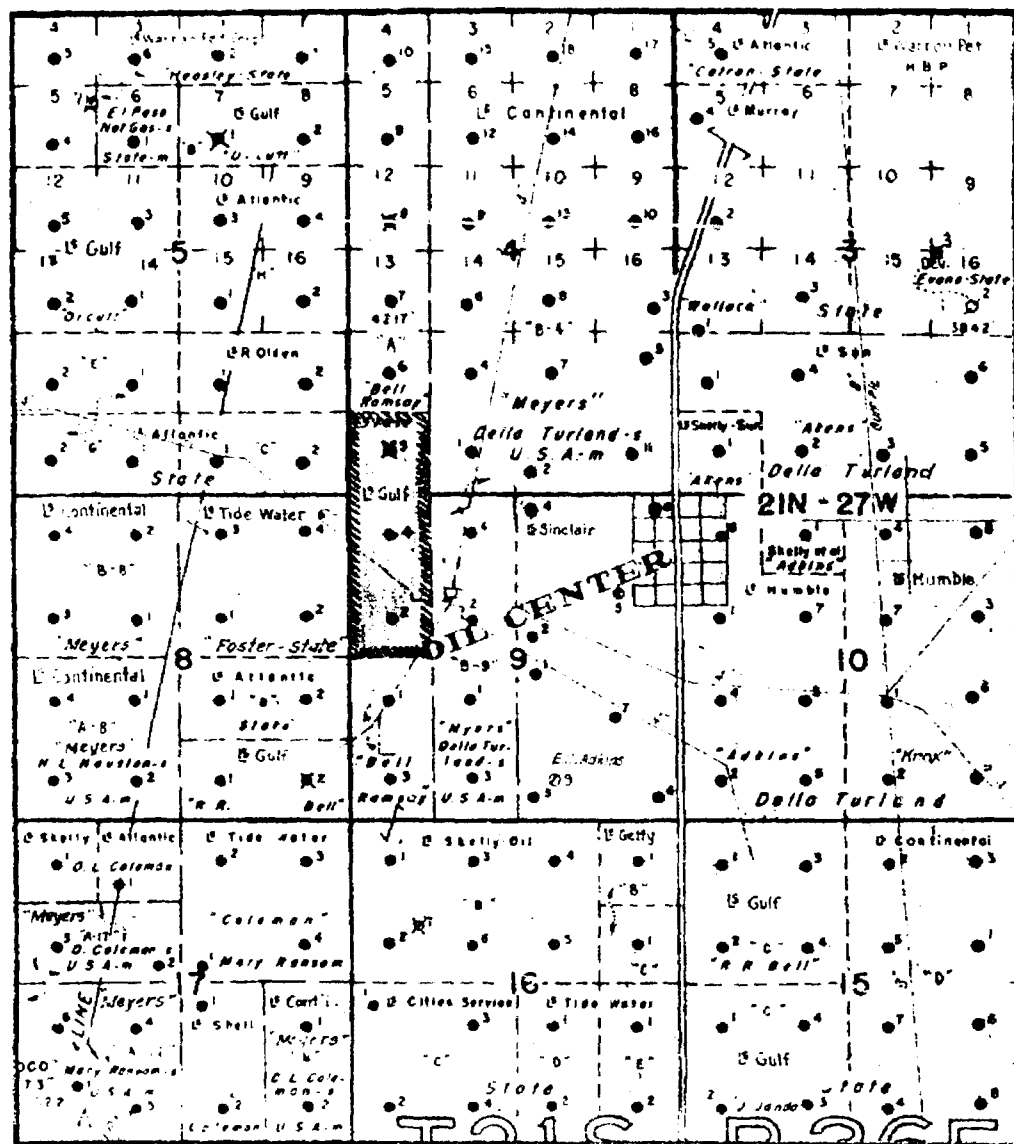
cc: New Mexico Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

The Atlantic Refining Company
P. O. Box 871
Midland, Texas

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

R. Olsen Oil Company
Drawer Z
Jal, New Mexico

Tidewater Associated Oil Company
P. O. Box 1404
Houston, Texas
Att'n: Mr. J. B. Holloway



Gulf Oil Corporation
Fort Worth Production Division

120-Acre Non-Standard Gas Unit
Assigned to Gulf's Bell-Ramsay "A"
Well No. 5

Scale 1" = 3000'