

1981 Amerada Petroleum Corp.
orations application to make up under-
production in exception to Rule 503 (f)

Casa No.

1150

Application, Transcript,
Small Exhibits, Etc.

DOCKET: EXAMINER HEARING SEPTEMBER 26, 1956

New Mexico Oil Conservation Commission 9:00 a. m., Hobbs, New Mexico

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 1150:

Application of Amerada Petroleum Corporation for an order granting permission to make up underproduction on its M. J. Raley "A" No. 1 Oil Well resulting from pipeline proration in exception to Rule 503 (f) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks permission to make up approximately 3,990 barrels of under-produced oil which accrued to its M. J. Raley "A" No. 1 Well located 660 feet from the North and East lines of Section 18, Township 20 South, Range 38 East, North Warren McKee Pool, Lea County, New Mexico, which resulted from the Cities Service pipeline proration during the months of April and May of 1956.

CASE 1151:

Application of The Texas Company for an order establishing a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 114.41-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the following acreage:

Township 24 South, Range 37 East
Section 31: Lots 3 & 4 (W/2 SW/4)

Township 25 South, Range 37 East
Section 6: Lot 4 (NW/4 NW/4)

Said unit to be dedicated to applicant's C. C. Fristoe "B" (NCT-4) No. 2 Well located 660 feet from the South and West lines of Section 31, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 1152:

Application of Continental Oil Company for an order authorizing a gas-gas dual completion in the Tubb and Blinbry formations of undesignated gas pools in the SE/4 of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico, in exception to Rule 112-A of the New Mexico Oil Conservation Commission Rules and Regulations, and further, authorizing the commingling of the liquids produced from the two zones in exception to Rule 303 of the New

Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause proposes to dually complete in the Tubb and Blinberry formations its Warren Unit Well No. 8 located 1980 feet from the South and East lines of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico, by means of parallel strings of tubing and to store the liquids produced therefrom in common tankage.

CASE 1153:

Application of Continental Oil Company for an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 of Section 10 and the SW/4 of Section 11, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Britt "B-10" Well No. 3 located 660 feet from the South and East lines of said Section 10.

CASE 1154:

Application of Continental Oil Company for an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 Section 14 and E/2 E/2 Section 15, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Skaggs "B-14" Well No. 1 located 1980 feet from the South line and 660 feet from the West line of said Section 14.

CASE 1155:

Application of Continental Oil Company for an order establishing a 240-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 240-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 and E/2 SW/4 of Section 31, Township 21 South, Range 36 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Lockhart "B-31" Well No. 4 located 330 feet from the South line and 660 feet from the East line of said Section 31.

CASE 1156:

Application of Continental Oil Company for a 240-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool, and for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool in compliance with Section 65-3-14 (c) NMSA (1953). Applicant, in the above-styled cause, seeks an order establishing a

240-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 and the E/2 NW/4 of Section 28, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Meyer B-28 "A" Well No. 1 located 1980 feet from the North and East lines of said Section 28; and further for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool.

CASE 1157:

Application of Continental Oil Company for a 360-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool, and for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool in compliance with Section 65-3-14 (c) NMSA (1953). Applicant, in the above-styled cause, seeks an order establishing a 360-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 and E/2 SW/4 of Section 28, and N/2 NE/4 and NE/4 NW/4 of Section 33, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Meyer B-28 "A" Well No. 2 located 660 feet from the South line and 1980 feet from the East line of said Section 28; and further for the forced pooling of all interests therein within the vertical limits of the Eumont Gas Pool.

CONTINUED CASE

CASE 1137:

Application of Humble Oil and Refining Company for permission to convert its State "A" Well No. 2 into a salt water disposal well in the San Andres formation of the Hobbs Pool in accordance with New Mexico Oil Conservation Commission Statewide Rule 701. Applicant, in the above-styled cause, seeks an order granting permission to convert its previously abandoned State "A" Well No. 2 into a salt water disposal well; said well is located 330 feet from the South and East lines of Section 25, Township 18 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject salt water below the oil-water contact of the San Andres formation in the Hobbs Pool.

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. 1180
Order No. R-900-A

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR AN
ORDER GRANTING PERMISSION TO
MAKE UP UNDERPRODUCTION WHICH
ACCURED, AS A RESULT OF PIPELINE
OPERATION DURING THE MONTHS OF
APRIL AND MAY OF 1956, TO ITS E. J.
RALEY "A" NO. 1 WELL LOCATED IN THE
NE/4 SE/4 OF SECTION 18, TOWNSHIP
20 SOUTH, RANGE 33 EAST, NEWM,
NORTH WARREN MCKEE POOL, LEA COUNTY,
NEW MEXICO.

NUNC PRO TUNC ORDER OF THE COMMISSION

BY THE COMMISSION:

It appearing to the Commission that Order No. R-900,
dated October 15, 1956, does not correctly state the intended
order of the Commission in two particulars due to clerical error.

IT IS THEREFORE ORDERED:

1. That the paragraph immediately following "IT IS
THEREFORE ORDERED" on Page 2 of the original signed order be
corrected to read as follows:

That the applicant be permitted to
file with the Commission, within
thirty (30) days from the date of
this order, an application to make
up the underproduction which accrued
as a result of pipeline prerationing
by the Texas-New Mexico Pipeline
Company during the months of April and
May of 1956 to its E. J. Raley "A" No.
1 Well, located 600 feet from the North
line and 600 feet from the East line of
Section 18, Township 20 South, Range 33
East, NEPM, North Warren McKee Pool, Lea
County, New Mexico.

2. That the corrections and amendments set forth in this
order be entered nunc pro tunc as of October 15, 1956, the date of
said Order R-900.

DONE at Santa Fe, New Mexico, on this 7th day of
November, 1956.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Sims
JOHN F. SIMS, Chairman

E. J. Raley
E. J. RALEY, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 12, 1956

C
O
P
Y

**Mr. W. C. Abbott
American Petroleum Corporation
Drawer D
Albuquerque, New Mexico**

Dear Sir:

**We enclose a copy of Order R-990-A (nunc pro tunc) issued
on November 7, 1956, by the Oil Conservation Commission in Case 1150,
which was heard on September 26, 1956.**

Very truly yours,

**A. L. Porter, Jr.
Secretary-Director**

**ja
encl.**

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 16, 1956

C
O
P
Y

**Mr. W. G. Abbott
Amarada Petroleum Corporation
Drawer B
Monument, New Mexico**

Dear Sir:

We enclose a copy of Order R-900 issued October 15, 1956, by the Oil Conservation Commission in Case 1150, which was heard on September 26, 1956.

Very truly yours,

**A. L. Porter, Jr.
Secretary-Director**

**jh
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. 1150
Order No. R-000

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR AN ORDER GRANTING
PERMISSION TO MAKE UP UNDER-

PRODUCTION WHICH ACCRUED, AS A
RESULT OF PIPELINE PRORATIONING DURING
THE MONTHS APRIL AND MAY OF 1956,
TO ITS M. J. RALEY "A" NO. 1 WELL
LOCATED IN THE NE/4 SE/4 OF SECTION
12, TOWNSHIP 20 SOUTH, RANGE 28 EAST,
HMPN, BROWN CANYON MOUNTAIN POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on September 26, 1956 at Hobbs, New Mexico before Daniel S. Nutter, 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 Rules and Regulations.

Now, on this 15th day of October, 1956, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Daniel S. Nutter, 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 the applicant is the operator of the M. J. Raley "A" No. 1 Well located 680 feet from the North line and 680 feet from the East line of Section 12, Township 20 South, Range 28 East, HMPN, Lea County, New Mexico.

(3) That the said M. J. Raley "A" No. 1 Well accrued underproduction in the amount of 3,992 barrels of oil as a result of pipeline prorationing by the Texas-New Mexico Pipeline Company during the months of April and May of 1956, which was necessitated by the Cities Service Oil Company refinery strike.

(4) That the applicant's failure to make application to the Commission for permission to make up the aforesaid underproduction within the time limit prescribed by Rule 503 (f) of the Commission Rules and Regulations was the result of clerical error.

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Case No. 1180
Order No. R-880

(5) That the approval of the subject application will not cause waste nor jeopardize correlative rights.

IT IS FURTHER ORDERED:

That the applicant be permitted to file with the Commission, within thirty (30) days from the date of this order, an application to make up the underproduction which accrued as a result of pipeline prorationing by the Texas-New Mexico Pipeline Company during the months of April and May of 1955 to its N. J. Bailey "A" No. 1 Well, located 600 feet from the East line of Section 18, Township 20 South, Range 30 East, NMPN, North Warren McKee Pool, Eddy County, New Mexico.

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

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

John F. Simms

JOHN F. SIMMS, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary

lr/

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, President

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

1220
(R H-54)

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

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(33)

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NEW MEXICO OIL CONSERVATION COM

BOX 871 SANTAFE NMEX

*sent copy
of 10 to
Cott 9/1/56*

GENTLEMEN: AMERADA PETROLEUM CORPORATION REQUESTS A HEARING AT YOUR EARLIEST CONVENIENCE BEFORE AN EXAMINER FOR EXCEPTION TO RULE 503 (F) CONCERNING THE APPLICATION TO THE COMMISSION FOR AUTHORIZATION TO INCLUDE UNDER PRODUCTION IN SUBSEQUENT PRORATION SCHEDULES FOR SHORTAGES OCCURRED ON THEIR M J RALEY "A" NO 1 IN THE NORTH WARREN MCKEE POOL, LEA COUNT, NEW MEXICO, DURING THE PIPELINE PRORATIONING RESULTING FROM A CITIES SERVICE OIL COMPANY REFINERY STRIKE IN APRIL MAY 1956. SUCH PRORATIONING RESULTED IN A SHORTAGE OF 2090 BARRELS FOR THE MONTH OF APRIL AND 1902 BARRELS FOR THE MONTH OF MAY 1956. THE FAILURE OF AMERADA TO APPLY FOR AUTHORIZATION TO RECOVER THIS LOSS OF PRODUCTION ON SAID WELL WAS BECAUSE OF A CLERICAL ERROR.

AMERADA PETROLEUM CORP BY W G ABBOTT

1956 SEP 7 PM 1:49

MAIN OFFICE OCC

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OK
to approve
10/18/56
WJW

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 10/5/56

CASE 1150

Hearing Date 9/26/56

My recommendations for an order in the above numbered cases are as follows:

Enter an order ~~and~~ granting an exception to Rule 503(f) of the Rules and Regulations.

Applicant, thru clerical error, neglected to include their Paley "A" lease well no. 1 in the North Warren McKee Pool when they filed applications for back allowable due to Cities Service pipeline prorating. No objections against such exception were entered and in fact, Gerald McGraw ~~agreed~~ verbally ~~with~~ advised me that Cities Service had no objection and would run Ameradas back allowable. Final action on the allowable will of course have to come at the allowable hearing to authorize ^{the} production. My interpretation of this application is ^{only} to allow them to make ^{timely} application after the 30 day period.

Staff Member

San Juan

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
SEPTEMBER 26, 1956

CASE NO. 1150

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
HOBBS, NEW MEXICO
SEPTEMBER 26, 1956

IN THE MATTER OF:

CASE 1150: Application of Amerada Petroleum Corporation :
for an order granting permission to make up :
underproduction on its M. J. Raley "A" No. 1 Oil Well re- :
sulting from pipeline proration in exception to Rule 503 :
(f) of the New Mexico Oil Conservation Commission Rules :
and Regulations. Applicant, in the above-styled cause, :
seeks permission to make up approximately 3,990 barrels :
of underproduced oil which accrued to its M. J. Raley "A":
No. 1 Well located 660 feet from the North and East lines :
of Section 18, Township 20 South, Range 38 East, North :
Warren McKee Pool, Lea County, New Mexico, which resulted :
from the Cities Service pipeline proration during the :
months of April and May of 1956. :

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT of PROCEEDINGS

MR. NUTTER: The first case on the Docket will be Case No.
1150.

MR. COOLEY: Application of Amerada Petroleum Corporation
for an order granting permission to make up underproduction on its
M. J. Raley "A" No. 1 Oil Well resulting from pipeline pro-
ration in exception to Rule 503 (f) of the New Mexico Oil Conser-
vation Commission Rules and Regulations.

MR. NUTTER: Are you the only witness?

MR. ABBOTT: Yes, sir.

(Witness sworn.)

W. G. ABBOTT

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

DIRECT EXAMINATION

A My name is W. G. Abbott, I am representing the Amerada Petroleum Corporation; I am District Engineer for Amerada in New Mexico, and I have appeared before the Commission before.

Amerada is asking for an exception to Rule 503 (f); this is concerning the application of the Commission for authorization to include underproduction in subsequent proration schedules for shortages incurred on our M. J. Raley No. 1, North Warren McKee Pool, resulting from a Cities Service Oil Company Refinery strike in April and May of 1956.

This prorationing resulted in a shortage of 2,090 barrels for the month of April, and 1,902 barrels for the month of May, 1956. This failure of Amerada to apply for this authorization to recover this loss of production on this well was because of a clerical error.

BY MR. NUTTER:

Q Mr. Abbott, you have had other underproductions during those months?

A Yes, sir.

Q And you made application for the other underproduction?

A Yes, sir.

Q And it has been approved by the Commission?

A That's right.

Q And this is the total amount of underproduction which was not applied for?

A Yes, sir.

Q And this is the last of it?

A Yes, sir.

Q Do you have anything further in this case?

A No. We would like, if the Commission approves this, to make this oil up any way the Commission suggests, we could make it up in a four months' period very easily.

Q Your wells could handle the underproduction if it were spread out over a four month period?

A Yes, sir. It is a one-well lease, and this well is a top allowable well.

MR. NUTTER: Does anyone have any questions of Mr. Abbott? If not, he may be excused.

(Witness excused.)

MR. NUTTER: Does anyone have anything else in this case? If not, we will take this case under advisement.

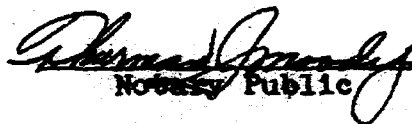
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C E R T I F I C A T E

STATE OF NEW MEXICO)
: ss
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 1st day of October, 1956,
in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public

My Commission Expires:

April 3, 1960.

NEW MEXICO OIL CONSERVATION COMMISSION

1000 W. Broadway

Hobbs, NEW MEXICO

REGISTER

HEARING DATE September 26, 1956

TIME: 9:00

NAME:	REPRESENTING:	LOCATION:
H. N. Wade	The Texas Co.	Ft. Worth
V. T. Lyon	CONTINENTAL OIL CO	ROSWELL, N. M.
W. G. Abbott	Amerada Pet Corp	Monument, N. Mex
J. M. McCague	Shell Oil Co.	Hobbs.
J. J. Bowden	El Paso Natural Gas Co.	El Paso, Texas
L. R. Daniel	" "	" "
C. M. Cole	Aztec Oil & Gas Co	Hobbs
L. K. Bray	THE TEXAS Co.	FORT WORTH
J. D. Roney	Skelly	Hobbs
Al Dewey	Humble Oil & Refining Co	Midland Texas
C. R. Smith	Continental Oil Co.	Emice
John A. Weideman	Continental Oil Co.	Hobbs, N. M.
J. G. Moore	" "	Roswell, N. M.
E. V. Boynton	Continental Oil Co	Hobbs.
Jason Kellahan	" "	Santa Fe, 4 hr.
W. T. Wheeler Jr	" "	Emice, N. M.
S. B. CHRISTY	HERVEY, Dow, & Hinkle	Roswell, N. M.

