

Case No.

1436

Application, Transcript,
Small Exhibits, Etc.

CONFIDENTIAL - SECURITY INFORMATION
EXCLUDED FROM AUTOMATIC DOWNGRADING AND
DECLASSIFICATION

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 6, 1958

IN THE MATTER OF,

CASE 1436

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 6, 1958

IN THE MATTER OF: CASE 1436

Application of Amerada Petroleum Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool consisting of the SE/4 of Section 3 and the NE/4 of Section 10, all in Township 12 South, Range 33 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Amerada Mathers No. 2 Well located in the SE/4 SE/4 of said Section 3.

BEFORE:

Mr. Daniel S. Nutter

TRANSCRIPT OF PROCEEDINGS:

MR. PAYNE: Case 1436, application of Amerada Petroleum Corporation for a non-standard gas proration unit.

MR. FOX: I have one witness, Mr. Harold Kidd.

Mr. Examiner, does the application on file show an amendment as to the name of the well being Mathers rather than Mathis and upper rather than lower?

MR. NUTTER: The application has been of record.

MR. FOX: I move at this time the application be amended to appear as it is entered in the Commission's file.

MR. COOLEY: It was advertised properly. That was stamped out when it was filed.

MR. NUTTER: There's no record of it ever having been --

HAROLD C. KIDD

a witness, of lawful age, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. FOX:

Q State your name, please?

A Harold C. Kidd.

Q Where are you employed, Mr. Kidd?

A I am employed as District Engineer for Amerada Petroleum Corporation at Monument, New Mexico.

Q You have not previously testified before this Commission, have you?

A No, sir.

Q Have you testified before the Texas Railroad Commission?

A Yes sir, I have.

Q Will you state your education and experience for the Examiner?

A I have a B. S. degree in petroleum engineering from the University of Tulsa. I graduated from there in the summer of 1948 and have been employed since I graduated as a petroleum engineer by the Creole Petroleum Corporation, the Raby American Oil Corporation and then with Amerada.

Q Where are you presently stationed?

A At Monument, New Mexico.

Q And your present position is District Engineer?

A Yes, sir.

MR. FOX: Will the Examiner accept Mr. Kidd's qualifications?

MR. NUTTER: Mr. Kidd is qualified.

Q (By Mr. Fox) Are you familiar with the application filed in Case Number 1436, Mr. Kidd?

A Yes, sir.

Q Will you describe it?

A It is an application to form a non-standard three hundred and twenty acre gas pro-ration unit for production of gas for Amerada at Mathers Number Two Well located in the Bagley-Upper Pennsylvanian Gas Pool. The proposed unit will be in the section being the southeast quarter of Section 10, Township 12 South, Range 33 East and is an exception to Rule 2-A of Order Number R-1091.

Q And why is it necessary to file this application for approval?

A The proposed unit is non-standard and crosses the Governmental section line.

Q Is Amerada the operator of the lease involved in the application?

A Yes sir, they are.

Q Now referring to Exhibit One, what does this exhibit show?

A Exhibit One applies to the Bagley field. It shows lease ownership and well locations in the field, the location of the proposed three hundred twenty acre gas unit and the location of the proposed unit well and also horizontal lines of the Bagley-

Upper Pennsylvania Gas Pool.

Q Does it also show the well locations in the vicinity of the non-standard proposed pro-ration unit?

A Yes sir, it does. I might also point out that the proposed three hundred twenty acre unit is outlined in red. The unit is circled in red and the horizontal limits are shown in yellow on the exhibit.

Q Mr. Kidd, has there been a communitization agreement executed in respect to this matter?

A Yes sir, it is partially completed in that all the lease owners have signed and it is in the hands of the Federal Government for their signature.

Q Do you expect their approval?

A Yes, sir.

Q With reference to Exhibit Number Two, what does this show?

A Exhibit Number Two is a structure map contouring the base of twenty-five feet. Here again the proposed unit is outlined in red and the horizontal limits of the pool are shown in yellow. The structure map shows that there is a maximum of fifty feet of structural clay over the proposed unit area and that the proposed unit will be approximately on the midpoint of the structure of the unit.

Q The limits of the pool are as defined to the Commission and shown in yellow, is that correct?

A Yes sir, the horizontal limits are shown and I might point

that the proposed unit will complete development within the horizontal limits. T. and P. has a hundred and sixty acre unit in the northeast quarter of Section 4 and Amerada has a three hundred and twenty acre unit in the south half of Section 34 and we have a unit in the process of being formed to take the north half of Section 3.

Q Now, in your opinion and based on the information which you have given us, are you reasonably sure that this well is productive of gas from the pool in question?

A Yes sir, I believe it is.

Q Now, referring to Exhibit Number Three. I might say that Exhibit Number Three is the log and it is not included in your group of exhibits, Mr. Payne. Will you state what this exhibit shows, Mr. Kidd?

A Yes sir, Exhibit Number Three is marked log of Mathers Number Two, the proposed unit well, showing the top and bottom of the Bagley-Upper Pennsylvanian Gas Pool and the proposed producing performances.

Q The performances in this formation are shown?

A Yes sir, the perforations are shown in red from 8605 to 8705.

Q Is this well within the vertical limits of the Bagley-Upper Pennsylvanian Gas Pool as defined by the Commission?

A Yes sir, the vertical limits of the Bagley-Upper Pennsylvanian Gas Pool as defined by the Commission in Order R-1091

from a minus 4250 to a minus 4515 and from a minus 4395 to a minus 4450.

Q Now, with reference to Exhibit Four, Mr. Kidd, what is that, what does it show?

A Exhibit Number Four is a tabulation of the drill stem test data for the Bagley-Upper Pennsylvanian Gas Pool reservoir and the tests for the wells within the proposed area have been underlined in red and shows that Caudill Three tested at a rate of one million, six hundred seventy-two thousand cubic feet per day.

MR. NUTTER: Show us the position of Caudill Three well, please?

A All right. Caudill Three would be in the northeast quarter of the northeast quarter of Section 10. Caudill Number Four would be in the southwest quarter of the southeast quarter of Section 3 and tested at a rate of two million, five hundred forty-three thousand cubic feet per day. Mathers Number Two, the subject well, in the southwest quarter of the southeast quarter of Section 3 tested at eight hundred two thousand cubic feet per day while Mathers Number Three, located in the northwest quarter of the southeast quarter of Section 3, had no show on drill stem tests.

I am not able to explain the test on Mathers Number Three Well. It has good log pay and showed very good sample pay and in my opinion would be productive if perforated. Simmons Number One is located in the northwest quarter of the northwest quarter of Section 11 just offsetting Caudill Number Three. It has a drill

stem test from a hundred and eighty-three thousand to seventy-six thousand cubic feet per day and that well is located as low structurally as any point on the proposed unit will be.

Q Mr. Kidd, have you examined logs pertaining to other wells in this area?

A Yes sir, I have.

Q What did you find on the examination?

A I found from the marker logs pay in all the wells in the unit area. Caudill Number One had ten feet of pay, Caudill Number Three, sixteen feet of pay, Caudill Number Four, eleven feet of pay, Mathers Two, fifteen feet of pay and Mathers Three, eight feet of pay.

Q Now, directing your attention to Exhibit Number Five, what is this, what does it show, Mr. Kidd?

A Exhibit Number Five is a tabulation of the productive history of Mathers Number Two, which has produced since completion in April of 1951 in the Bagley-Upper Pennsylvanian Gas Pool. Mathers Number Two is a cumulative production of approximately a billion, four hundred thirty-six million cubic feet of gas and fifty-one thousand one hundred forty-six barrels of distillate. The later production tests on the well shows the well producing at four hundred eighty-two thousand four hundred twenty-five cubic feet per day, making twelve and a half barrels of distillate with a G. O. R. of thirty-eight thousand, seven hundred seventy. At that rate the well has a flowing tubing pressure of approximately

two thousand and the graft of the distillate was sixty-eight degrees
A. P. I.

Q Mr. Kidd, in your opinion, is this well capable of producing a three hundred twenty acre allowable from the pool in question?

A Yes sir, I believe it is. The well will be easily capable of making a three hundred twenty acre allowable. The well, I feel, was one of the better gas wells in the Bagley field and pressure production calculation presented in Case Number 1325 previously to the Commission showed the well to be draining in excess of two thousand acres.

Q Were the exhibits which have been presented to the Examiner prepared by you or under your supervision or direction?

A Yes sir, they were.

MR. FOX: I would at this time like to move the introduction of these exhibits in evidence.

MR. NUTTER: One through five?

MR. FOX: Yes sir, one through five.

MR. NUTTER: Is there any objection to Amerada's exhibits? If not, they will be received.

Q (By Mr. Fox) One further question, Mr. Kidd. In your opinion, is the approval of this application in the interests of prevention of waste and protecting correlative rights?

A Yes sir, I believe it is.

MR. FOX: That is all I have.

MR. MUTTER: Anyone have any questions of Mr. Kidd?

CROSS EXAMINATION

BY MR. UTZ:

Q What is your name again, Kidd?

A Kidd, K-I-D-D.

Q Is Amerada the owner of the leases to the west under your proposed units?

A No sir, I believe we let most of those go.

Q Do you know whether or not any drilling is being done in that area?

A No sir, I don't believe there is. I believe we do have the north half of the southwest quarter of Section 3, but I believe everything else in that area has been released.

Q The structural map indicates that the area might be productive.

A Yes sir, it does.

Q Can you explain why there is no anticipated development in that area?

A Actually, production from this Bagley-Upper Pennsylvanian Gas Pool depends more on the old perosity developments rather than it does the structural features and I don't know whether you would want to go out there and drill or not. It would be a risk.

Q Would the northeast quarter of ten be dry?

A The northeast quarter?

Q Yes.

A No sir, we actually have a flowing drill stem test in Caudill Number Three in that section and on Caudill Number One we didn't test, but it shows good marker log pay and also had good sample pay in it.

Q What is the base of your control to the west of this proposed unit?

A Actually, there isn't too much control there, just more or less our Geological Department's interpretation of the structural features in that area.

MR. UTZ: That is all I have.

CROSS EXAMINATION

BY MR. COOLEY:

Q Do you feel the northwest quarter of Section 3 is producing from the Bagley-Upper Pennsylvania Gas Pool?

A Northwest --

Q Yes.

A Quarter of Section 3?

Q Yes.

A Yes sir, I do.

Q The northwest quarter of Section 3?

A We have a well actually completed there now.

Q Producing a substantial quantity of gas?

A We are producing from the Bagley-Lower Pennsylvanian in that well but I believe we never produced the Bagley-Upper Pennsylvanian. It has tested, though, as productive.

Q It has tested as productive?

A Yes, sir.

Q In the northeast quarter of Section 4, a T.P. Well is producing a considerable quantity of gas from the Bagley-Upper Pennsylvania Gas Pool in the southeast quarter of Section 3. Isn't it reasonable to assume that production on three sides of it, that the southwest quarter of Section 3 would likewise be productive from the Bagley-Upper Pennsylvania Gas Pool?

A Yes, sir. Actually in our interpretation as I recall when we were on the first hearing we were showing that that area was productive but we were contested at the hearing on the nomenclature on the field and that cut the acreage out.

Q Now, Mr. Kidd, the Commission determinations as to nomenclature are by excluding acreage and not determinations by this Commission in most instances that the acreage is dry, but merely that it has not been proven productive in a given --

A Yes, sir, and I believe it would require a well in that area to prove it productive. Like I say, that the pay in this zone is more perosity development than it is structure but you take east of the horizontal limits and the field is structural and there is pay in all or most of the wells. Where we did test them, we of course got no gas.

Q But the perosity development is sufficient on three sides of the well in the quarter of Section 3 to render a substantial quantity of gas from that pool, is it not?

A Yes, sir.

Q Do you feel that any drilling will be warranted in Section 10 in the Bagley-Upper Pennsylvanian Gas Pool?

A Well, I think you could make a productive well there, it would be, oh --

Q Do you think you could drill a commercial well there?

A Yes sir, I do.

Q It might be warranted there, but in your opinion it wouldn't be warranted in --

A No.

Q If you can drill a commercial well there, what about the limit of --

A Actually, I don't believe a hundred and sixty acre well is profitable to drill. It requires three hundred and twenty acres to pay out.

Q That's precisely my point. You dedicate the northwest quarter of Section 10 to your existing wells in the southeast quarter of Section 3 and you will then have destroyed the possibility of forming a three hundred and twenty acre well to the north side of Section 10, will you not?

A Yes sir, I questioned whether you would ever be able to profit to the north. I may have misunderstood you a while ago that the northwest quarter of Section 10 would be productive.

Q Do you feel that the quarter section to the west, we will say the northwest quarter of Section 10 and the southwest quarter

of Section 3 is less likely to be productive than the acre directly offsetting those quarter sections to the east where you have actually drilled and completed and found gas to exist?

A I am not sure I understood your question.

Q What are the conditions in the southwest quarter of 3 and the northwest quarter of 10 that make you believe that drilling would not be warranted in either of those locations?

A Actually, there's nothing to prove that that acreage would be productive, but until there's a well in there, why you have no control and since it is a perosity development, it would be I think just a risk to drill a well there for just gas.

Q Isn't it substantially a risk to drill where the Mathers Number Two is? Isn't that a risk?

A That well was drilled more or less for oil, all these wells that we have and in the process of drilling them, why we found that upper zone gas was productive.

Q But these are more or less salvage operations where wells were drilled for oil and found to be non-existent and you are trying to salvage these wells by making them gas producers?

A All the wells with the exception of one have been previous producers in the oil zone.

Q However, I believe you did state that you felt that you could complete a commercial well in the northwest quarter of the northeast quarter of Section 10?

A Yes sir, on the basis of the drill stem tests on your

Caudill Number Three.

Q What has been the defense of Amerada to the development of the Bagley-Upper Pennsylvanian Gas Zone if they can obtain commercial production there?

A Well, until just recently, why we had no field rules for gas and no one was producing gas in that area. It has just been in the last eight months or a year that anyone has attempted to make a gas well.

Q Do you think there will be further development in the Bagley-Upper Pennsylvanian for gas larger than is presently outlined?

A No sir, actually I believe that they have completed development of the Bagley-Upper Pennsylvanian.

Q Why do you believe this is so?

A Well, actually here again is a combination of porosity and structure and there are no indications as yet, of we will say to the west here being productive or having any gas pay in it.

Q To the same extent, there's been no wells drilled down there?

A Yes, sir.

MR. COOLEY: That's all the questions I have.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Kidd, do you have a map showing contours of the top of the Upper Pennsylvanian Gas Zone?

A No sir, I don't.

Q Has any such map been prepared to your knowledge by Amerada?

A Yes sir, when I was in Tulsa, I prepared a map of the top of it and one of the base and I sent for the structural map on preparation for this hearing and that's the one I got. We do have one of the top, it is almost a mirror picture of it.

Q The top of the pay or the top of the upper pay.

A The top of the upper pay, gas and oil.

Q I wonder if you can furnish us with a copy of that map?

A Yes, sir.

Q We sure would appreciate receiving one. You say that the preparation of this well is within the vertical limits of the Bagley-Upper Pennsylvania Gas Pool and defined to the Commission?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Kidd?

CROSS EXAMINATION

BY MR. STAMETS:

Q Do you have a map such as this comparing the relative porosity of the wells?

A No sir, I don't

MR. STAMETS: That is all.

MR. NUTTER: Any further questions?

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Kidd, is it a fact that you don't feel that the area to the west of your proposed unit is productive of oil or gas,

that you won't recommend drilling or development in there?

A I don't feel it is productive of oil for sure and I would really question whether it would be productive of gas. It would be a distinct risk to drill a well there.

Q If you felt it was productive in oil, you would probably drill it?

A Yes, sir.

Q You would take a chance on it?

A Yes, sir. Actually, the oil wells in that area are very poor Pennsylvanian oil wells.

MR. UFZ: That is all.

MR. NUTTER: Are there any further questions?

(No response).

MR. NUTTER: If not, Mr. Kidd may be excused.

(Witness excused).

MR. NUTTER: Does anyone have anything further to say in Case Number 1436?

(No response).

MR. NUTTER: The case will be taken under advisement.

C E R T I F I C A T E

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, JERRY MARTINEZ, 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 under my personal supervision, and that the same is a true and correct record of the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 8th day of May, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Jerry Martinez
Notary Public

My Commission expires:
January 24, 1962

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiners hearing of case No. 1436
heard by me on 5-6, 1958.

[Signature], Examiner
New Mexico Oil Conservation Commission

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

June 11, 1958

C
O
P
Y

Mr. Robert Fox
Kellahin & Fox
P.O. Box 1713
Santa Fe, New Mexico

Dear Mr. Fox:

On behalf of your client, Amerada Petroleum Corporation, we enclose two copies of Order R-1190 issued June 10, 1958, by the Oil Conservation Commission in Case 1436, which was heard on May 6th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

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. 1436
Order No. R-1190

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR THE ESTABLISHMENT
OF A 320-ACRE NON-STANDARD GAS
PRORATION UNIT IN THE BAGLEY-UPPER
PENNSYLVANIAN GAS POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1958, at Santa Fe, New Mexico, before Daniel S. Matter, 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 10th day of June, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Matter, and being fully advised in the premises,

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 the applicant, Amerada Petroleum Corporation, is the owner and operator of the SE/4 of Section 3 and the NE/4 of Section 10, all in Township 12 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the operator of the Amerada Mathers No. 2 Well, located in the SE/4 SE/4 of said Section 3.

(4) That the applicant proposes to dedicate the above-described acreage to the said Amerada Mathers No. 2 Well.

(5) That all working interests in the proposed non-standard proration unit are common.

(6) That the establishment of the proposed non-standard gas proration unit will not cause waste nor impair correlative rights.

-2-
Case No. 1436
Order No. R-1190

IT IS THEREFORE ORDERED:

1. That the application of Amerada Petroleum Corporation for the establishment of a 320-acre non-standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool, consisting of the SE/4 of Section 3 and the SE/4 of Section 10, all in Township 12 South, Range 33 East, NMPN, Lea County, New Mexico, be and the same is hereby granted. Said unit is to be dedicated to the applicant's Amerada Mathers No. 2 Well located in the SE/4 SE/4 of said Section 3.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



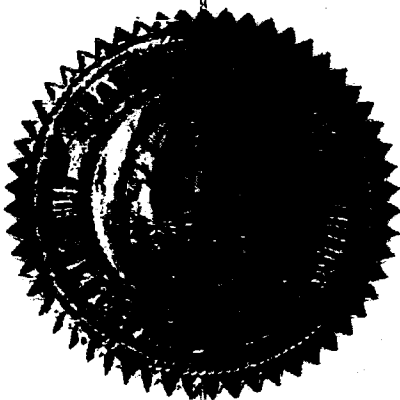
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



lr/

AMERADA PETROLEUM CORPORATION

P. O. BOX 2040

TULSA 2, OKLA.

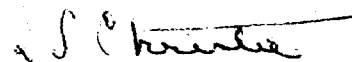
June 5, 1958

Mr. Dan Nutter
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Nutter:

Attached hereto are the structure maps you requested in Case
No. 1436 held on May 6, 1958.

Yours very truly,



R. S. Christie

RSC:mt
enclosures

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 5-27

CASE NO. 1436

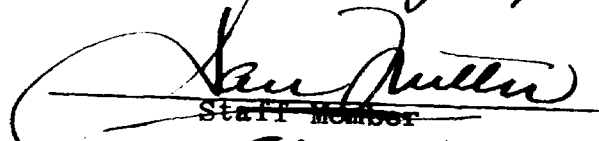
HEARING DATE 5-6-58 9am SF DSN

My recommendations for an order in the above numbered case(s) are as follows:

Enter an order approving the 320-acre unit comprising the SE 1/4 Sec 3 and the NW 1/4 of Sec 4, as requested by applicant.

10

Applicant has proved been reasonable doubt that acreage is productive of gas from the Bagley Upper Penn gas pool all WI common - Royalty interest not common under proposed unit -


Staff Member
Examiner

DOCKET: EXAMINER HEARING MAY 6, 1958

OIL CONSERVATION COMMISSION 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE, NM

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

- CASE 1425: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the E/2 E/2 of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Lockhart B-14 "A" Well No. 2, located 660 feet from the South and East lines of said Section 14.
- CASE 1426: Application of Neville G. Penrose for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Percy Hardy No. 1 Well, located 660 feet from the South line and 1980 feet from the West line of said Section 17.
- CASE 1427: Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's O. J. Gillully "A" No. 4 Well, located 660 feet from the North line and 1980 feet from the East line of said Section 24.
- CASE 1428: Application of E. G. Rodman for the approval of a communitization agreement and for a forced pooling order. Applicant, in the above-styled cause, seeks an order approving a communitization agreement embracing the NW/4 and the W/2 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons produced from said tract from the Eumont Gas Pool; and further, for an order force pooling the interests of all persons in the above-described tract who have not voluntarily subscribed to above-referenced communitization agreement.
- CASE 1429: Application of Standard Oil Company of Texas for a dual completion and for permission to commingle the production from two common sources of supply. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. L. Leavitt No. 2 Well, located 1650 feet from the North line and 2310 feet from the West line of Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Atoka-Grayburg Pool and oil from the Atoka (San Andres Pool through parallel strings of tubing; and further, for permission to commingle the production from the said V. L. Leavitt No. 2 Well from both of the above-described pools in common tankage

CASE 1429
Continued

after separately measuring the oil from each of said pools by means of volume type meters.

CASE 1430:

Application of El Paso Natural Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the W/2 of Partial Section 6 and the NW/4 of Partial Section 7, Township 30 North, Range 8 West, San Juan County, New Mexico, said unit to be dedicated to the applicant's Howell No. 2-G Well located 990 feet from the South and West lines of said Section 6.

CASE 1431:

Application of Skelly Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its P. L. Davis Well No. 1, located 990 feet from the North and East lines of Section 26, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and gas from an undesignated Dakota gas pool underlying the above-described area.

CASE 1432:

Application of King Oil Company for approval of three unorthodox gas well locations. Applicant, in the above-styled cause, seeks an order authorizing the unorthodox gas well locations for the following described wells:

Navajo A-1 Well, located 2310 feet from the South line and 2310 feet from the West line of Section 4, Township 30 North, Range 17 West;

Navajo A-2 Well, located 1650 feet from the North line and 330 feet from the East line of Section 4, Township 30 North, Range 17 West;

Navajo B-2 Well, located 660 feet from the South line and 660 feet from the East line of Section 34, Township 31 North, Range 17 West,

all in San Juan County, New Mexico.

- CASE 1433: Application of Graridge Corporation to expand a pilot water flood project in the Caprock Queen Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order permitting the expansion of the pilot water flood project authorized by Order No. R-972 in the North Caprock Queen Unit in the Caprock-Queen Pool, Lea County, New Mexico, to include eight additional water injection wells in Sections 30, 31, and 32 of Township 12 South, Range 32 East, Lea County, New Mexico.
- CASE 1434: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Coates "C" Well No. 11, located 1980 feet from the North line and 1650 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard formation adjacent to the Justis-Drinkard Pool and oil from the Justis-Fusselman Pool through parallel strings of tubing.
- CASE 1435: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 5 and the NE/4 of Section 8, all in Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Hawk A-8 No. 2 Well located 660 feet from the North line and 1980 feet from the East line of said Section 8.
- CASE 1436: Application of Amerada Petroleum Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool consisting of the SE/4 of Section 3 and the NE/4 of Section 10, all in Township 12 South, Range 33 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Amerada Mathers No. 2 Well located in the SE/4 SE/4 of said Section 3.
- CASE 1437: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 7, Township 23 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Stevens B-7 Unit Well No. 1 located 990 feet from the North and West lines of said Section 7.
- CASE 1438: Application of Monsanto Chemical Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location for its Viersen Well No. 1 at a point 660 feet from the North and East lines of Section 19, Township 30 North, Range 13 West, San Juan County, New Mexico.

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copy

GENERAL OFFICES
120 BROADWAY NEW YORK

case file
Case 1436

AMERADA PETROLEUM CORPORATION

BEACON BUILDING
P.O. BOX 2040
TULSA 2, OKLA.

ROBERT J. STANTON
GENERAL COUNSEL
JOHN S. MILLER
ASSISTANT GENERAL COUNSEL

LEGAL DEPARTMENT
April 16, 1958

H. D. BUSHNELL
HAROLD J. FISHER
ROBERT T. JAMES
ROBERT E. LEE
JAMES C. MCWILLIAMS
VIRGIL C. MORELLE
ARDEN E. ROSS
ATTORNEYS

New Mexico Oil Conservation Commission
107 Mabry Hall Capital Building
Santa Fe, New Mexico

Re: Amerada's Application to form 320-acre
non-standard gas proration unit for
production of gas from Amerada-Mathers No. 2
Well in Bagley-Lower Pennsylvanian Gas
Pool, Lea County, New Mexico, as an
exception to Rule 2(a) of Order R-1031

Gentlemen:

On April 14, I mailed Amerada's application to captioned cause
and request that you note for the purpose of publication of notice that the
proper spelling of the well concerned is Amerada-Mathers No. 2.

Very truly yours,

H. D. Bushnell
H. D. BUSHNELL

HDB:MT

66211/36

NEW MEXICO
OIL CONSERVATION COMMISSION
P. O. Box 871
Santa Fe, New Mexico

Date April 18, 1958

Amerada Petroleum Corp.
P.O. Box 2040
Tulsa 2, Oklahoma

ATTENTION: H. D. Bushnell

Gentlemen:

Your application for a 320-acre non-standard gas proration unit in the
Bagley-Upper Pennsylvanian Gas Pool

dated April 14, 1958 has been received, and has been tentatively
scheduled for hearing before an examiner on
May 6, 1958.

A copy of the docket will be forwarded to you as soon as the matter is
advertised.

Very truly yours,


A. L. PORTER, Jr.,
Secretary-Director

ga

GENERAL OFFICES
120 BROADWAY NEW YORK

Case 1436

AMERADA PETROLEUM CORPORATION

BEACON BUILDING
P. O. BOX 2040

TULSA 2, OKLA.

ROBERT J. STANTON
GENERAL COUNSEL
JOHN S. MILLER
ASSISTANT GENERAL COUNSEL

LEGAL DEPARTMENT

April 14, 1958

H. D. BUSHNELL
HAROLD J. FISHER
ROBERT T. JAMES
ROBERT E. LEE
JAMES C. MCWILLIAMS
VIRGIL C. MORELLE
ARDEN E. ROSS
ATTORNEYS

New Mexico Oil Conservation Commission
107 Mabry Hall Capital Building
Santa Fe, New Mexico

Re: Amerada's Application to form 320-acre
non-standard gas proration unit for
production of gas from Amerada-Nath's No. 2
Well in Bagley-Power Pennsylvanian Gas
Pool, Lea County, New Mexico, as an
exception to Rule 2(a) of Order R-1031

Gentlemen:

Enclosed in triplicate is Amerada's Application to captioned
cause and request this case be set for hearing in May if such setting can be
made possible at that time.

Very truly yours,

H. D. Bushnell
H. D. BUSHNELL

HDB:MT
Encl.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
 AMERADA PETROLEUM CORPORATION TO FORM
 A 320-ACRE NON STANDARD GAS PRORATION
 UNIT FOR PRODUCTION OF GAS FROM THE
 AMERADA-~~MATHEUS~~ NO. 2 WELL COMPLETED IN THE
 BAGLEY-~~LOWER~~ PENNSYLVANIAN GAS POOL,
 SAID UNIT TO COMPRISE OF TWO CONTIGUOUS
 QUARTER SECTIONS INCLUDING THE SE/4
 SECTION 3 AND THE NE/4 SECTION 10,
 TOWNSHIP 12 SOUTH, RANGE 33 EAST, LEA
 COUNTY, NEW MEXICO, AS AN EXCEPTION
 TO RULE 2 (a) OF ORDER NO. R-1031

CASE NO.

1436APPLICATION

COMES NOW Amerada Petroleum Corporation and alleges and states the following:

1. Applicant, Amerada Petroleum Corporation, is owner of the Amerada-~~MATHEUS~~ No. 2 Well located in SE/4 SE/4 of Section 3-12S-33E, Lea County, New Mexico, which was drilled to a total depth of 9460 feet and completed on April 4, 1951, in the Bagley-~~LOWER~~ Pennsylvanian Gas Pool as defined in Order No. R-1031 issued by this Commission on August 14, 1957, in Case No. 1276, as shown on the attached exhibit which is made a part of this application. 1325

2. Applicant, owner of 100% of the working interest under leases covering the SE/4 of Section 3 and the NE/4 of Section 10-12S-33E, proposes by this Application to have dedicated to said well the 320 acres as described in the preceding paragraph.

3. The owners of the nonparticipating royalty interest under the tracts herein described have executed a communitization agreement agreeing therein to pool their royalty interest in the tracts herein described; except, the said communitization agreement has been mailed to the office of the U. S. Geological Survey, Roswell, New Mexico, for approval and execution of same on behalf of the United States in order to pool the royalty owned by the United States under said tracts.

4. The establishment of the 320-acre non-standard gas proration unit comprising the lands herein described as an exception to Rule 2(a) of Order No. 1031, Special Rules and Regulations for the Bagley-~~LOWER~~ Pennsylvanian Gas Pool, is necessary to prevent waste, will afford the owner of each tract in the unit the opportunity to recover and receive his just and equitable share of the gas in the Bagley-~~LOWER~~ Pennsylvanian Gas Pool.

WHEREFORE, Applicant respectfully requests that this Application be set for hearing, that notice of such hearing be given as required by law, and, upon the conclusion of said hearing, that this Commission enter its order approving the formation of a non-standard gas proration unit in exception to Rule 2(a) of the Special Rules and Regulations for the Bagley-~~LOWER~~ Pennsylvanian Gas Pool as set forth in Order R-1031, consisting of the SE/4 of Section 3 and the NE/4 of Section 10-12S-33E, Lea County, New Mexico, and granting to the Amerada-~~MATHEUS~~ No. 2 Well an allowable of the 320 acres herein described for the production of gas from the Bagley-~~LOWER~~ Pennsylvanian Gas Pool.

AMERADA PETROLEUM CORPORATION

By

H. D. Bushnell

Attorney for Applicant

STATE OF OKLAHOMA)
) SS
COUNTY OF TULSA)

H. D. BUSHNELL, of lawful age, being duly sworn upon his oath states: That he is attorney for the Applicant herein, Amerada Petroleum Corporation, a Delaware corporation authorized to do business within the State of Oklahoma; and that he has read the foregoing Application and is familiar with the contents thereof, and believes that the facts therein set forth are true.

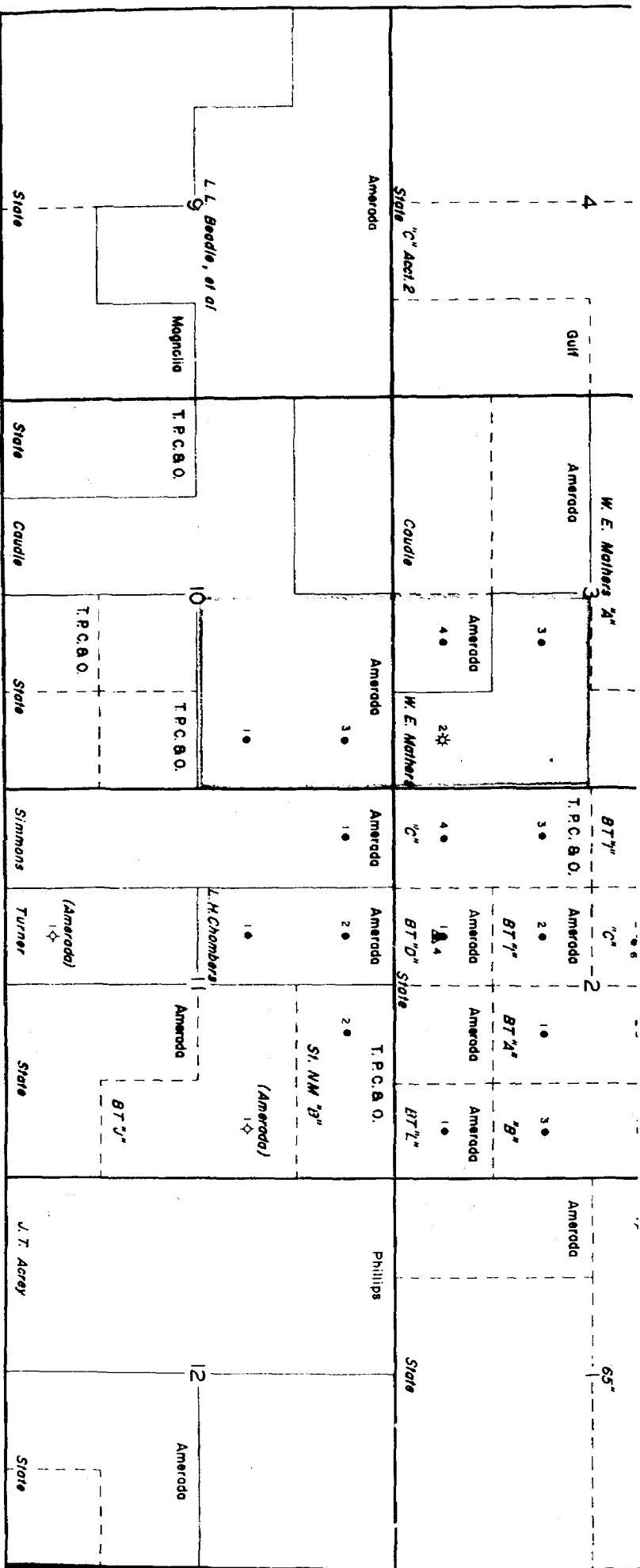
H. D. Bushnell

Subscribed and sworn to before me this 14th day of April, 1958.

Florence A. Carson
Notary Public

My commission expires:

May 19, 1960

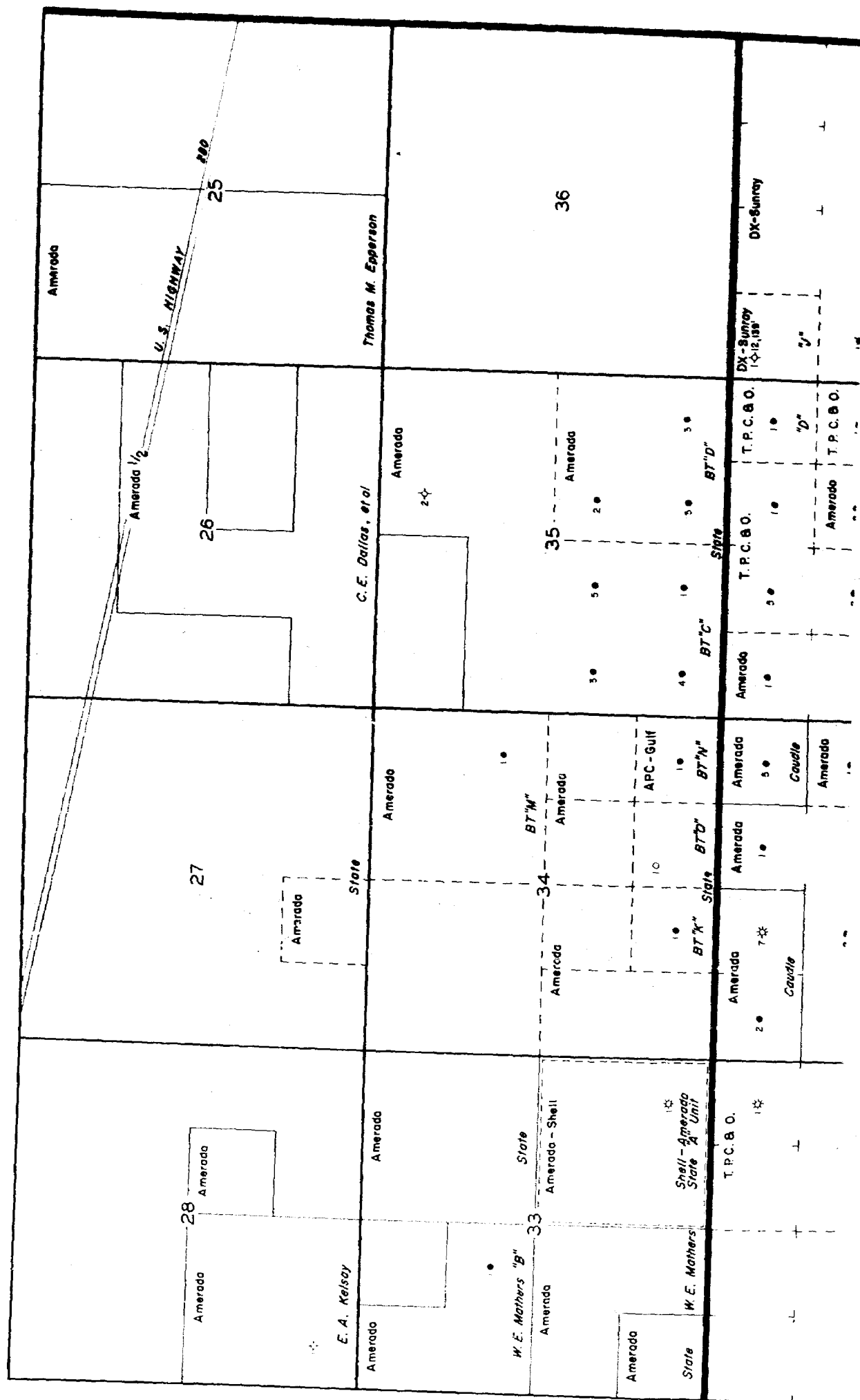


BAGLEY FIELD

LEA COUNTY, NEW MEXICO

T 11-12 S R 33 E

SCALE: 1 INCH = 1000 FEET



DRILL-STEM TEST DATA
BAGLEY UPPER PENNSYLVANIAN GAS ZONE

RECORD EXAMINER NUTTER
430

Caudle #2

Caudle #3
NE NE 10

Caudle #4
SW SE 3

Caudle #7

Chambers #2

Mathers #1

Mathers #2
SE SE

Mathers #3
NW SE
Mathers "A" #2

Mathers "B" #1

Simmons #1
NW NW 11

State BT "A" #2

State BT "I" #1

State BT "K" #1

(#2) DST 8565-8717'. 4-hr test. Gas to surface in 4 min, mud and distillate, 8 min. Flowed 41.40 bbls distillate in 4 hours. Gas volume 6,850 Mcf/day. FFP 1575#. BUP 3050#.

(#1) DST 8665-8722' - Gas to surface in 3 min, oil in 16 min. Flowed 79.96 BO/4 hrs. Gas volume 1,672 Mcf/day. FFP 840#. BUP 2770#.

(#1) DST 8644-8765'. Gas to surface in 6 min, distillate in 2 hrs 5 min. Flowed 10.61 bbls dist/4 hours. Gas volume 2,543 Mcf/day. FFP 1350#. BUP 2785#.

(#1) DST 8585-8665' - Gas to surface in 3 min, distillate in 10 min. Flowed 37.62 bbls dist/4 hours. Gas volume 6965 Mcf/day. FFP 1970#. BUP 3060#.

(#1) DST 8665-8723' - 4-hr test - no show.

(#2) DST 8610-8675' - gas to surface in 3 min, volume diminished from 71 Mcf/day to 36 Mcf/day at end of 4-hr test. Rec. no oil or water. FFP 100#. BUP 855#.

(#1) DST 8645-8715'. Gas to surface in 4 min, oil in 35 min. Flowed 89.16 bbls distillate in 4 hrs, gas volume 802 Mcf/day. FFP 1150#.

(#1) DST 8644-8725', no show - 4-hr test.

(#1) DST 8615-8670' - gas to surface in 3 min. Distillate in 31 min. Flowed 26.58 bbls dist/4 hrs. Gas volume 3436 Mcf/day. FFP 1100#. BUP 2950#.

(#1) DST 8580-8690' - gas to surface in 7 min, mud in 40 min, oil in 50 min. Flowed 100.77 bbls oil & trace BS&W in 4 hrs, gravity 46.7 corrected, IFP 555#, FFP 850#, BUP 2145#.

(#1) DST 8675-8726' - gas to surface in 6 min, volume diminished from 138 Mcf/day to 67 Mcf/day at end of 4-hr test. FFP 0#, BUP 1230#.

(#1) DST 8560-8771', no show in 4-hr test.

(#1) DST 8585-8771', no show in 4-hr test.

(#1) DST 8586-8672' - gas to surface in 3 min, distillate in 6 min. Flowed 35.92 bbls dist/4 hrs, gas volume 5420 Mcf/day. FFP 1630#, BUP 2970#.

PRODUCTION HISTORY
W. E. MATHERS NO. 2
BAGLEY PENNSYLVANIAN FIELD

<u>1951</u>			<u>1952</u>		
<u>MONTH</u>	<u>GAS MCF</u>	<u>OIL BBLs</u>	<u>MONTH</u>	<u>GAS MCF</u>	<u>OIL BBLs</u>
April	5,423	4,353	Jan.	47,731	1,147
May	31,134	3,344	Feb.	39,040	1,131
June	15,987	1,909	March	41,349	992
July	13,688	1,414	April	37,965	958
Aug.	13,822	938	May	24,110	307
Sept.	12,154	937	June	31,406	852
Oct.	8,103	992	July	36,267	732
Nov.	6,160	487	Aug.	38,146	961
Dec.	<u>11,915</u>	<u>1,663</u>	Sept.	20,041	545
	118,386	16,037	Oct.	41,817	561
			Nov.	15,550	286
			Dec.	<u>30,273</u>	<u>558</u>
				403,695	9,030
<u>1953</u>			<u>1954</u>		
Jan.	26,722	558	Jan.	18,264	527
Feb.	26,858	504	Feb.	9,838	476
March	37,910	558	March	13,422	527
April	24,908	540	April	16,823	510
May	26,388	558	May	10,428	527
June	30,164	540	June	8,709	510
July	29,788	558	July	16,204	527
Aug.	19,183	558	Aug.	17,289	527
Sept.	20,609	540	Sept.	11,350	480
Oct.	29,175	558	Oct.	21,924	496
Nov.	9,198	510	Nov.	28,948	482
Dec.	<u>15,022</u>	<u>527</u>	Dec.	<u>28,502</u>	<u>535</u>
	295,925			201,701	6,124
<u>1955</u>			<u>1956</u>		
Jan.	28,072	539	Jan.	14,134	437
Feb.	15,480	490	Feb.	11,799	408
March	8,291	537	March	9,839	438
April	11,077	515	April	8,554	418
May	8,633	531	May	8,259	405
June	10,839	512	June	6,890	392
July	9,377	436	July	7,903	400
Aug.	9,291	432	Aug.	10,392	407
Sept.	8,624	423	Sept.	12,541	385
Oct.	11,101	400	Oct.	11,372	377
Nov.	12,582	461	Nov.	13,333	355
Dec.	<u>13,743</u>	<u>494</u>	Dec.	<u>10,971</u>	<u>360</u>
	147,110	5,770		125,987	4,782
<u>1957</u>			<u>1958</u>		
Jan.	10,922	400	Jan.	0	0
Feb.	9,461	365	Feb.	0	0
March	13,181	402	March	0	0
April	11,177	396	April	0	0
May	18,330	408			
June	15,440	348			
July	17,823	372			
Aug.	17,770	376			
Sept.	17,598	330			
Oct.	11,412	197			
Nov.	0	0			
Dec.	<u>0</u>	<u>0</u>			
	143,114	3,594			

Cumulative Gas - 1,435,918 MCF
Cumulative Oil - 51,846 Bbls