

CASE 1828: Application of FRANCIS L.
~~HARVEY~~ for exception to well comple-
tion

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Case No.

1828

Application, Transcript,
Small Exhibits, Etc.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 11, 1959
EXAMINER HEARING

IN THE MATTER OF:)

Application of Francis L. Harvey for an excep-)
tion to Rule 104 of the Commission Rules and)
Regulations and for certain exceptions to well)
completion requirements. Applicant, in the)
above-styled cause, seeks an order establish-)
ing 2½-acre spacing for Mesaverde wells in)
Sections 10, 11, 21, 22, 23 and 33 of)
Township 18 North, Range 3 West, Sandoval)
County, New Mexico, in exception to Rule 104.)
Applicant further proposes certain exceptions)
to well completion requirements.)

Case 1828

BEFORE:

Mr. Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will take Case 1828.

MR. PAYNE: Case 1828: Application of Francis L.
Harvey for an exception to Rule 104 of the Commission Rules and
Regulations and for certain exceptions to well completion require-
ments.

MR. HARVEY: I am Francis Harvey.

MR. PAYNE: You propose to represent yourself, Mr.
Harvey?

MR. HARVEY: Yes, sir.

MR. PAYNE: All right, I'll swear you in.

(Witness sworn.)



FRANCIS L. HARVEY

called as a witness, having been first duly sworn on oath, testified as follows:

MR. HARVEY: As stated in my application, my partners and I have drilled a number of shallow wells in 18 North, 3 West over the past several years. We encountered the Mesaverde formation somewhere between 200 to 500 feet from the surface. We have found that a number of these wells, we have oil shows, and last summer we drilled one well in Section 21. We cored 20 feet of what we thought might be a pay section at approximately 700 feet, and then 900 feet we picked up a much better pay section and cored 20 feet of it.

We set 5-1/2 inch casing and have produced a well since then through the core hole without any treatment of any sort. The well makes from 12 to 15 barrels of oil per day with approximately six percent fresh water. We then went north on 40-acre spacing program and encountered something that might be considered as the 700 foot sand, but with more water, and we didn't consider it commercial, and we didn't encounter the 900 foot sand at all.

Then we drilled two wells south, one on 40-acre spacing and another 40-acre spacing a way to the south. We encountered perhaps two or three feet on the 40-acre tract immediately south of the oil well at the 900 foot pay, and none of the 900 foot pay on the other well to the south.

Since it's pretty obvious the Mesaverde formation is

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very lenticular, and while this well that we now have is held up and we have produced approximately 1500 barrels and we still receive about the same amount of oil as we did when we first brought it in, we have decided that if we could get close enough to this well, probably to the west or east, that we should certainly pick up this 20 feet of pay, because we just don't believe there is one little spot with 20 feet of pay.

But to step out on the regular 40-acre spacing certainly hasn't proved profitable, and we haven't been able to find it. I have a plat that I have drawn up here. It shows the spacing we propose and on a 40-acre spacing, our wells would have to be 1320 feet apart; on 10-acre spacing, our wells would be 660 feet apart. On two and a half acre spacing, our wells could be 330 feet apart. We believe that we can define the pool if we're allowed to step out 330 feet apart and not run off the pay zone.

The acreage that our group owns or controls in 18 North, 3 West, is checked on this plat. I'm sorry that I haven't sent plats in sooner, but due to a death in my brother's family, he was unable to get plats for me. This is -- I don't want to leave this with you unless I must.

MR. PAYNE: All right.

MR. HARVEY: This is a surface geological map made by Mr. Chaney, a geologist who worked that area for many years. He was the one who got us interested in the area in the first place. Here is our oil well on this plat.



CROSS EXAMINATION

BY MR. NUTTER:

Q If we mark this oil well on this checkered exhibit, Mr. Harvey --

A Yes, sir.

Q -- we probably would have the location of it and we won't need your contour map then. That's in Section 21?

A Yes, the oil well is in Section 21. That would be the Northwest of the Southeast, that's just right where your pencil is.

Q It's slightly west of the center?

A Yes, sir.

Q Of that 40?

A Yes, sir. Then the dry hole is in the Southwest of the Northeast.

Q What distance is it from the producing well?

A It's about 1320 feet.

Q Then you came south and drilled two wells?

A Yes, sir, we came south and drilled two more wells. This one is less than 1320 feet. I think it's probably about, oh, in the neighborhood of a thousand feet from that well.

Q Would you depict it as being a dry hole?

A It's a dry hole, yes, sir.

Q And then the second well?

A It would be in Section 28, and that is the Northwest of the Northeast.

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MR. PAYNE: That's also a dry hole?

A Dry hole, yes, sir.

Q (By Mr. Nutter) Is this a well over here?

A That's an oil well. It's a small oil well. We drilled, now that is a small oil well, and this was a little gas well here. They have been drilled at different depths. We didn't pick up the oil sand in any of those wells. The first wells we drilled, this map doesn't show them but we have drilled a number of wells scattered through the past several years. We drilled wells to the Dakota sand.

Q Is this well that's in the Southeast of the Northeast of Section 21, would you consider that a commercial well?

A Well, it's very marginal. It's in a 500 foot sand and it isn't the same producing horizon as this at all.

Q If the Commission should find it necessary to create a pool here, what would you recommend as being the limits of the pool that have been proven productive so far, the 40-acre tract in which the one well is producing?

A At the present moment, yes, sir.

Q In the neighborhood of 14, 15 barrels?

A Yes, we have an application in that is more or less subject to this application by Mr. Arnold, and we want to drill very close to this line right here in this 40-acre tract.

Q You have a proposed location, then, in the Northeast of the Southwest of Section 21?

A That's correct.



(Applicant's Exhibits 1 and 2 marked for identification.)

Q Mr. Harvey, does your application seek anything besides the two and a half acre spacing for this proposed area?

A No, sir, it does not.

Q What is your proposed casing program for the wells in here?

A Well, I bought a load of 5-1/2 inch casing and for the next few wells, we will use a 5-1/2 inch casing.

Q That's a single string of casing?

A Well, we run 5-1/2 and tubing and rods.

Q There's no separate surface casing being set?

A Yes.

Q What diameter?

A 7-3/4.

Q Approximately what depth do you run that?

A 20 or 30 feet, and cement it in, one joint of the casing cemented in, we don't have any pressure bomb. We don't want, of course, to take a chance. We're drilling with small rotary rigs, we don't want to take a chance on messing up our oil.

Q Then you are running a tubing and setting a pump?

A Yes.

MR. PAYNE: You are aware that no matter how many wells you drill on the 40-acre, you just get a 40-acre allowable?

A We would be very happy to get an allowable on one of the wells. What would the allowable be there?

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Q (By Mr. Nutter) The present allowable is 52 barrels per 40.

A We intend, as I told you a while ago, nothing has been done to this well, naturally, but if we encounter the same sand here, we intend to sand frac and hope to make a bigger well, in which case, of course, we won't want to drill any more wells on the acre.

MR. PAYNE: This well that you are drilling, is that a flowing or pumping well?

A It's flowing. There's very little gas pressure. When it's shut in any length of time, it gets up close to a hundred pounds. We have had difficulty getting enough gas to run our pump from the well.

MR. PAYNE: Is this Federal acreage?

A Yes.

MR. PAYNE: Have you plugged all the dry holes?

A Every one but this one is still producing.

MR. NUTTER: Does anyone have any further questions of Mr. Harvey? Do you have anything further you want to offer?

A No, sir, I believe not.

MR. NUTTER: These exhibits have been identified as Nos. 1 and 2 in the hearing, if you wish to offer them.

MR. HARVEY: Yes, sir.

MR. NUTTER: We accept these as Exhibits and as evidence in this case. Does anyone have anything for Case 1828?

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Mr. Payne, do you have anything?

MR. PAYNE: Mr. Examiner, we have received a letter from Pan American Petroleum Corporation regarding this application, and Pan American has no objection to the proposal of the applicant; provided, however, that the total allowable accruing to a 40-acre tract, regardless of number of wells thereon, be set no higher than for a normal unit allowable for a 40-acre well, which is, of course, consonant with Commission Rules and Regulations.

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

MR. HARVEY: Thank you very much.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision, and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 26th day of December, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1963.

I do hereby certify that the foregoing is a correct record of the proceedings in the hearing of Case No. 1828 heard by me on 12-11, 1959.

James B. Deane Examiner
New Mexico Oil Conservation Commission

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SEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CR 4671

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 11, 1959

EXAMINER HEARING

IN THE MATTER OF:)

Application of John M. Kelly for an exception)
to the overproduction shutin provisions of)
Order R-520, as amended by Order R-967, for)
one well in the Jalmat Gas Pool. Applicant,)
in the above-styled cause, seeks an order)
allowing its Shahan Well No. 3 in the SW/4)
NE/4 of Section 33, Township 25 South, Range)
37 East, Jalmat Gas Pool, Lea County, New)
Mexico, to compensate for its overproduced)
status without being completely shut-in in)
order to prevent possible waste.)

Case
1829

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please.
We're going to take Case 1829 first and then the sequence of
cases will be as they appear on the docket after that case.

MR. PAYNE: "Application of John M. Kelly for an ex-
ception to the overproduction shut-in provisions of Order R-520,
as amended by Order R-967, for one well in the Jalmat Gas Pool."

(Witness sworn.)

JOHN M. KELLY

called as a witness, having been previously duly sworn, testified
as follows:

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DIRECT EXAMINATIONBY MR. PAYNE:

Q Will the witness please state his name?

A My name is John M. Kelly. I'm the operator of the Shahan Well No. 3, located in the SW/4 NE/4 of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico.

Q Do you propose to represent yourself in this hearing?

A I do. This well is located within the vertical limits of the Jalmat Gas Pool. By Commission Order SF 854 this well was shut-in on October 9, 1959 and the order stated that "this well shall remain shut-in until further notice by the Commission due to the overage of gas production". And as of December 1st, 1959 this well was overproduced in the amount of 21,963,000 cubic feet.

It is our contention that if this well remains shut-in, that we will have serious damage to the reservoir surrounding the well due to fluid encroachment, and we respectfully request the Commission that we be granted a partial allowable in order to flow the well each month. We request a partial allowable of 100,000 cubic foot per day.

The reason that we believe that the well will be damaged is due to drillstem test taken while drilling the well. Drillstem test No. 1 in the Yates formation, which is the formation from

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which the well is producing. We tested from 2501 to 2590 feet. The tool was open for one hour. We had gas to the surface in one half minute, we flowed an estimated two and a half million feet of gas with a spray of sulphur water. Our next drillstem test in the Yates zone from 2705 to 2811, tool open one hour, gas to surface in forty-five minutes. We recovered 60 foot of slightly gas-cut mud and 733 feet of highly gas-cut sulphur water.

Pressure history on the well shows that the well makes water, or let me say solution water, as it produces gas. The pressure history is very erratic. From February, 1954 to March, 1959 the pressure history varies as follows: 650 pounds, 482 pounds, 469 pounds, 389 pounds, jumps up to 600, 474 to 483, 424 jump to 465. 459 increases again to 478, 460 and 443.

These are the regular pressure tests required by the Commission. From these tests we believe that every time we have an increase in pressure it shows that the well is logging up with water and then is slugged out. The surrounding wells show water and testimony has been presented to the Commission concerning these surrounding wells in previous cases. I refer to the Jal Oil Company Case. Based on the data that I have presented, I request that the well be given an allowable of 100,000 cubic foot per day until such time as the overage is made up.

MR. NUTTER: Any questions of Mr. Kelly?

MR. PAYNE: Yes, sir.

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MR. NUTTER: Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Kelly, could you, you say this well is shut-in now?

A It has been shut-in since October 9.

Q Could you tell me what the average allowable was prior to that time per month?

A Approximately six million a month.

Q Approximately what?

A Six million a month. Specifically for December it's 5,553,000.

Q So what you are proposing, in effect, is an allowable for this well which is about half of the normal unit allowable?

A Approximately, based on a yearly average.

Q Do you know how much liquid this well makes when it produces gas?

A No, sir, we have not measured it.

Q Now, you say you are offset by the Jal Oil Company wells?

A No, not offset in the same area.

Q In the same general area?

A In the same general area.

MR. PAYNE: Thank you.

BY MR. NUTTER:

Q These pressures that you gave us extend over what period

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of time?

A From February, 1954 to March, 1959.

Q These are semi-annual pressures?

A These are semi-annual and then some extra ones that were taken at the request of the Commission, or taken by El Paso Natural Gas for their own information.

Q You stated that you felt that the increase in pressure was due to loading up with fluids. At least that was the impression I got.

A These are surface pressures, by the way, shut-in surface pressures.

Q Shut-in surface pressures?

A That's right.

Q Now, the decline in pressures, the first four go from 650 to 389 pounds?

A That's right, over a year.

Q Do you think this is a normal decline in pressure of the well?

A No, sir, I think that's a little abnormal. During that period we produced a hundred million feet of gas, which at that time that was before proration and probably the well was being pulled on a little too hard at that time.

Q Then the period of time -- to what do you attribute this 600 pound pressure then?



A The well loading up with water and being shut-in probably for a month, I mean a few days, probably ten or fifteen days during the month, and of the surface pressure build up, the well equalized with that high water table.

Q Then we had a pressure decline?

A The 600 pounds is actually abnormal the other way. As I read the pressures, it went from 469 to 389, jumped to 600 and jumped down to 483. It's probable that the 600 pressure is an erroneous pressure altogether.

Q We had a decline again from 483 to 424?

A Yes.

Q An increase to 465?

A Yes.

Q To what do you attribute the 465 pressure?

A Fluid encroachment.

Q In the normal operation of the well has it been necessary to blow liquid off the well periodically?

A Yes.

Q Are they liquid hydrocarbons or water?

A Water.

Q Always water?

A Yes.

Q You haven't made any determination of the actual water?

A No. We just blow it into the air until we get it back in production.

Q How frequent is this necessary?

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A Approximately once every sixty days.

MR. PAYNE: Was this well shut-in by Commission order?

A Yes, sir.

Q Or did you voluntarily shut it in?

A No, Commission Order SF 584.

Q It's been shut-in now approximately two months?

A That's right.

Q Has any attempt been made to open the well up to see what the condition of the well is at the present time?

A No, because it's shut-in by the Commission order.

Q How much water did you say you made on the second drill-stem test?

A Second drill-stem test made 733 foot of highly gas-cut sulphur water. That was in one hour.

Q Now, the two drillstem tests that did show water were from 2501 to 2590 and 2705 to 2811, I believe?

A That's right.

Q What is the perforated interval on the well?

A It's in the upper zone, it's between 2501 and 2590. We didn't perforate the bottom zone because we felt it would be flooded out. You want the exact perforations?

Q Yes, sir, I would like to have the interval, please.

A 2512 to 2680. So the bottom perforations, so I mean we took in some of the bottom zone.



Q What period of time do you think it would be necessary to make up the current amount of overproduction at the proposed --

A At my proposed rate I think we can make up the overproduction with the average allowable in one year.

MR. PAYNE: Does this well have tubing, Mr. Kelly?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Kelly? You may be excused.

(Witness excused.)

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1829? We'll take that case under advisement and take Case 1804.

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STATE OF NEW MEXICO)
: SS
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of December, 1959.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the hearing on case No. 1829 heard by me on 12-11, 1959.

[Signature], Examiner
New Mexico Oil Conservation Commission

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DOCKET: EXAMINER HEARING DECEMBER 11, 1959

OIL CONSERVATION COMMISSION - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico.

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary:

CASE 1804:

(Continued)

Application of Cabot Carbon Company for an oil-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Howard Fleet Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 35, Township 13 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Pennsylvanian oil pool and the production of oil from the King-Devonian Pool through parallel strings of 1½-inch tubing. Applicant further seeks permission to commingle the Devonian and Pennsylvanian production from said Howard Fleet Well No. 1.

NEW CASES

CASE 1824:

Application of The Atlantic Refining Company for an exception to Rule 104 (c) of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an exception to Rule 104 (c) so that it may recomplete in the Denton Wolfcamp Pool its Federal Jones Well No. 2, located 330 feet from the South and East lines of Section 34, Township 14 South, Range 37 East, Lea County, New Mexico, said well being located closer than 660 feet to a well producing from the same common source of supply.

CASE 1825:

Application of Continental Oil Company for an amendment of Order R-1440. Applicant, in the above-styled cause, seeks an order amending Order R-1440 to permit the commingling of Tubb and Blinebry production on its Lockhart A-17 lease in Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, without separate measurement.

CASE 1826:

Application of Continental Oil Company for an amendment of Order R-1445. Applicant, in the above-styled cause, seeks an amendment of Order R-1445 to permit the installation of automatic custody transfer equipment to handle the Delaware production from its Wilder, Payne and Bradley leases in Sections 25, 26 and 35, Township 26 South, Range 32 East, and in Sections 30 and 31, Township 26 South, Range 33 East, Lea County, New Mexico, and for permission to produce more than 16 wells in a common tank battery.

CASE 1827:

Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Learcy McBuffington Well No. 5, located 1650 feet from the South line and 1980 feet from the East line of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Paddock pool and the production of oil from the Justis-Blinebry Pool through parallel strings of tubing.

- CASE 1828: Application of Francis L. Harvey for an exception to Rule 104 of the Commission Rules and Regulations and for certain exceptions to well completion requirements. Applicant, in the above-styled cause, seeks an order establishing 2 $\frac{1}{2}$ -acre spacing for Mesaverde oil wells in Sections 10, 11, 21, 22, 23 and 33 of Township 18 North, Range 3 West, Sandoval County, New Mexico, in exception to Rule 104. Applicant further proposes certain exceptions to well completion requirements.
- CASE 1829: Application of John Kelly for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for one well in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing its Shahan Well No. 3 in the SW/4 NE/4 of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to compensate for its overproduced status without being completely shut-in in order to prevent possible waste.
- CASE 1830: Application of Texaco Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its United Royalty "A" Well No. 3 located in Unit F, Section 19, Township 24 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Dollarhide-Queen Pool and the production of oil from the Dollarhide-Drinkard Pool through parallel strings of tubing.
- CASE 1831: Application of Texaco Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its United Royalty "A" Well No. 4, located in Unit K, Section 19, Township 24 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Dollarhide-Queen Pool and the production of oil from the Dollarhide-Drinkard Pool through parallel strings of tubing.
- CASE 1832: Application of Jal Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for one well in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described well in the Jalmat Gas Pool to compensate for its overproduced status without being completely shut-in in order to prevent possible waste:

Watkins Well No. 2, SE/4 NE/4 of Section 25,
Township 24 South, Range 36 East, Lea County,
New Mexico.

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

ALEX CLARKE, JR.
DIVISION ENGINEER

FORT WORTH, TEXAS

December 3, 1959

File: GWK-5017-986.510.1

Subject: Case No. 1828, N.M.O.C.C.
Examiner Hearing Docket
December 11, 1959, Application
of Francis L. Harvey for
Exception to Rule 104, Sections
10, 11, 21, 22, 23, and 33 of
T-18-N, R-3-W, Sandoval
County, New Mexico

*See 7/24/58
1828*

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

Attention: Mr. A. L. Porter, Jr.

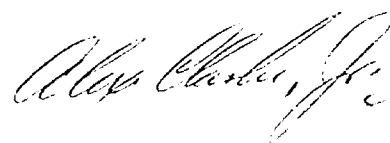
Gentlemen:

Case 1828 is scheduled to be heard on the N.M.O.C.C. Examiner Hearing Docket for December 11, 1959. Applicant in this case is seeking an exception to Rule 104 of the Commission Rules and Regulations to permit $2\frac{1}{2}$ acre spacing for Mesaverde Oil Wells in Sections 10, 11, 21, 22, 23, and 33 of Township 18 North, Range 3 West, Sandoval County, New Mexico.

Regardless of the spacing established for this pool, Pan American Petroleum Corporation requests that the total allowable accruing to a 40 acre tract regardless of the number of wells completed thereon, be set no higher than the normal unit allowable for a regular 40 acre well.

It is respectfully requested that this statement of Pan American's position be read into the record of the December 11, 1959 Hearing.

Very truly yours,



RVC:lj

CLASS OF SERVICE

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WESTERN UNION

TELEGRAM

W. F. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter
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=NEW MEXICO OIL CONSERVATION COMMISSION=

1959 DEC 11 PM 4 52

MABRY HALL STATE CAPITOL SANTA FE NMEX

=RE EXAMINER HEARING, DOCKET OF DECEMBER 11, 1959,
REGARDING CASE NO 1828 APPLICATION OF FRANCIS L HARVEY
FOR EXCEPTION TO STATEWIDE RULE 104, FOR PERMISSION TO
ESTABLISH 2-1/2 ACRE SPACING FOR NESA VERDE OIL WELLS
IN CERTAIN SECTIONS IN T 18N, R3W, SANDOVAL COUNTY NEW
MEXICO.

9 SOCONY MOBIL OIL COMPANY INC AS AN OWNER OF
POTENTIALLY PRODUCTIVE ACREAGE IN THIS AREA, OBJECTS
TO THE APPROVAL OF THIS APPLICATION ON THE GROUNDS THAT
A PRECEDENT WOULD BE SET WHICH, IF FULL ALLOWABLE WERE
GRANTED TO EACH WELL ON A 2-1/2 ACRE UNIT, WOULD RESULT
IN FIELDS OF THIS TYPE OBTAINING MORE THAN THEIR SHARE
OF THE MARKET DEMAND FOR THE STATE =

D V CARTER SOCONY MOBIL OIL CO INC =

11 1959 1828 104 2-1/2 NESA VERDE T 18N R3W 2-1/2.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Can 1828

FRANCIS L. HARVEY

OIL AND GAS OPERATOR

P. O. BOX 990 • TELEPHONE 767-1451

WICHITA FALLS, TEXAS

GERBERT M. ORL
ACCOUNTANT

NOV 18 1959

New Mexico Oil Conservation Commission
P.O. Box 871
Sante Fe, New Mexico

Gentlemen:

My partners and I have owned a large amount of Federal and State oil and gas leases in Township 18N, Range 3W, N.M.P.M. for many years.

During the past several years we have drilled or caused to be drilled in this Township some ten or twelve wells, for oil or gas. The results of this drilling have convinced us that an exception to Rule 104 in this area is eminent if such drilling is to be commercially profitable.

Accordingly, we are asking for a tolerance of 2-1/2 acre spacing, particularly in sections 10, 11, 21, 22, 23 and 33 of said Township, for the reasons stated below.

1. We are attempting to produce oil from the Mesa Verde ~~oil~~ formation, the top of which is from 200' to 500' below the surface in this area.
2. The Mesa Verde formation is composed of lenticular sand beds, interstratified with shale and coal beds. We have been unable to correlate the sand beds from one 40 acre location to an adjoining 40 acre location.
3. At one location in Section 21, 18N, 3W, we have a commercial oil well with 20 feet of pay section at a depth of 900 feet. We have followed the 40 acre spacing pattern and have drilled both North and South of the oil well but have not encountered the 900 foot pay section in either well.
4. Should we be allowed 2-1/2 acre spacing, we could proceed with our drilling program, after any discovery, in a manner that would allow us to outline the pay section without unnecessary drilling expense.
5. The pressure in the Mesa Verde formation in Township 18N, 3W is 100% P.S.I. or less. Due to this low pressure, it is unlikely that spacing of more than 2-1/2 acres would ever drain any oil formation encountered.
6. Plats covering the acreage are being submitted under separate cover.

We respectfully request the required necessary action on the part of the Commission to consider our proposal.

FLH/mm

Locher
mailed
11-30-59
JH

Yours very truly,

Francis L. Harvey

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 17, 1959

Mr. Francis L. Harvey
P. O. Box 990
Wichita Falls, Texas

Dear Mr. Harvey:

We enclose herewith two copies of Order No. R-1535
issued by the Oil Conservation Commission on December
16, 1959 in Case No. 1828.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Enclosures: (2)

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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. 1828
Order No. R-1555

APPLICATION OF FRANCIS L. HARVEY
FOR THE CREATION OF A NEW OIL
POOL FOR MESAVERDE PRODUCTION IN
SECTION 21, TOWNSHIP 18 NORTH,
RANGE 3 WEST, SANDOVAL COUNTY,
NEW MEXICO, AND FOR 2 $\frac{1}{4}$ -ACRE
SPACING IN SAID POOL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 11, 1959, at Santa Fe, 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 16th day of December, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 on the basis of a discovery well drilled in the NW/4 SE/4 of Section 21, Township 18 North, Range 3 West, N&PM, Sandoval County, New Mexico, to a depth of less than 1000 feet, the applicant, Francis L. Harvey, seeks an order creating a new oil pool for Mesaverde production to be known as the San Luis-Mesaverde Oil Pool and to comprise the NW/4 SE/4 of said Section 21.
- (3) That the applicant seeks an exception to Rule 104 of the Commission Rules and Regulations to provide that wells drilled in said San Luis-Mesaverde Oil Pool may be located 150 feet from the outer boundary line of the quarter-quarter section on which they are located and to provide that they may be located 300 feet from the nearest well producing from the same common source of supply.
- (4) That approval of the subject application will neither cause waste nor impair correlative rights provided that no 40-acre proration unit in said pool shall receive in excess of a 40-acre

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Case No. 1828
Order No. R-1555

top unit allowable for wells in the 0-5000 foot depth range in Northwest New Mexico, regardless of the number of wells drilled on said 40-acre proration unit.

IT IS THEREFORE ORDERED:

(1) That a new pool in Sandoval County, New Mexico, classified as an oil pool for Mesaverde production, be and the same is hereby created and designated as the San Luis-Mesaverde Oil Pool, consisting of the following-described acreage:

TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM
Section 21: NW/4 SE/4

(2) That for all proration purposes, the 40-acre proportional factor for pools in the 0-5000 foot depth range shall apply to the said San Luis-Mesaverde Oil Pool.

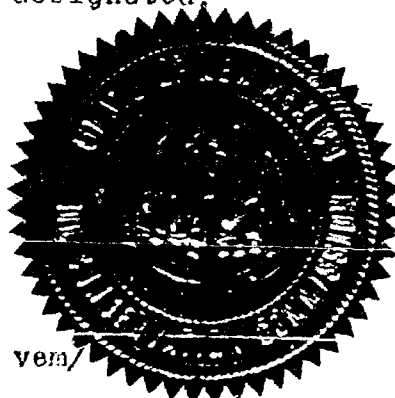
(3) That special rules and regulations for the said San Luis-Mesaverde Oil Pool be and the same are hereby promulgated as hereinafter set forth.

SPECIAL RULES AND REGULATIONS FOR THE
SAN LUIS-MESAVERDE OIL POOL

RULE 1. Each well drilled in the San Luis-Mesaverde Oil Pool shall be located no nearer than 150 feet to the outer boundary of the quarter-quarter section on which it is located and shall be located no nearer than 300 feet to the nearest well producing from the same common source of supply; provided, however, that offset wells to the discovery well which are drilled in the NW/4 SE/4 of Section 21 may be located nearer than 300 feet to the discovery well.

RULE 2. No 40-acre proration unit in said San Luis-Mesaverde Oil Pool shall produce in excess of the 40-acre top unit allowable for wells in the 0-5000 foot depth in Northwest New Mexico, regardless of the number of wells drilled on such 40-acre proration unit.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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