

CASE 2136: Application of BYARD
BENNETT for a non-standard gas pro-
duction unit and for unorthodox gas
well location, (Ascarte-Fed. #1)

Case No.

2136

Application, Transcript,
Small Exhibits, Etc.

DRAFT

RSM/esr
December 13

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. 2136
Order No. R- 1844

12/16
12-16-60
APPLICATION OF BYARD BENNETT
FOR AN 80-ACRE NON-STANDARD
GAS PRORATION UNIT IN THE
JALMAT GAS POOL, LEA COUNTY,
NEW MEXICO, AND FOR AN UNOR-
THODOX GAS WELL LOCATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 12, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, 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 _____ day of December, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Byard Bennett, is the owner and operator of the E/2 NW/4 of Section 24, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, which ^{across the} applicant proposes be established as an 80-acre non-standard gas proration unit in the Jalmat Gas Pool.

(3) That the applicant is the operator of a gas well in the Jalmat Gas Pool, located at an unorthodox location at a point 330 feet from the North line and 2310 feet from the West line of said Section 24, to which well the proposed 80-acre non-standard gas proration unit would be dedicated.

(4) That the ^{necessity for the} non-standard gas proration unit and unorthodox gas well location are occasioned by ~~reason of~~ the fact that the subject well was originally projected as an oil well.

(5) That the proposed 80-acre proration unit can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

(6) That establishment of the above-described non-standard gas proration unit and approval of the proposed unorthodox gas well location will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 NW/4 of Section 24, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to a gas well located ^{on an unorthodox location} at a point 330 feet from the North line and 2310 feet from the West line of said Section 24, which location is hereby approved.

(2) That the above-described gas well be and the same is hereby assigned an acreage factor for allowable purposes in the proportion that the acreage in the non-standard gas proration unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool, subject to the provisions of the Special Rules and Regulations for said pool.

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

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

Case 2136

C
O
P
Y

November 8, 1960

Mr. Byard Bennett
P. O. Box 48
Roswell, New Mexico

Dear Sir:

Reference is made to your application for an 80-acre non-standard gas proration unit in the Jalmat Gas Pool. This could be granted administratively provided you notified all offset operators and none objected. However, the 330 foot location is unorthodox for a Jalmat gas well and this unorthodox location does not appear to have resulted from topographical conditions or from the recompletion of a well previously drilled to another horizon. These are the only two grounds for approving an unorthodox location in this pool without notice and hearing.

Please advise me whether you wish to have the matter docketed for an examiner hearing.

Very truly yours,

OLIVER E. PAYNE
General Counsel

OMP/ear

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

For file
mailed
12-5-60
[Signature]

MAIL OFFICE CCC

BYARD BENNETT

P.O. Box 48

ROSWELL, NEW MEXICO

1960 NOV 1 PM 1:24 October 31, 1960

*Case
2136*

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

Gentlemen:

I would like to request that a Non-Standard Proration Unit be granted for a gas well on acreage, as shown on attached plat, located in the Jalmat field of Lea County, New Mexico, described as follows:

The East half of the Northwest Quarter of Section 24, Township 25 South, Range 36 East, N.M.P.M.

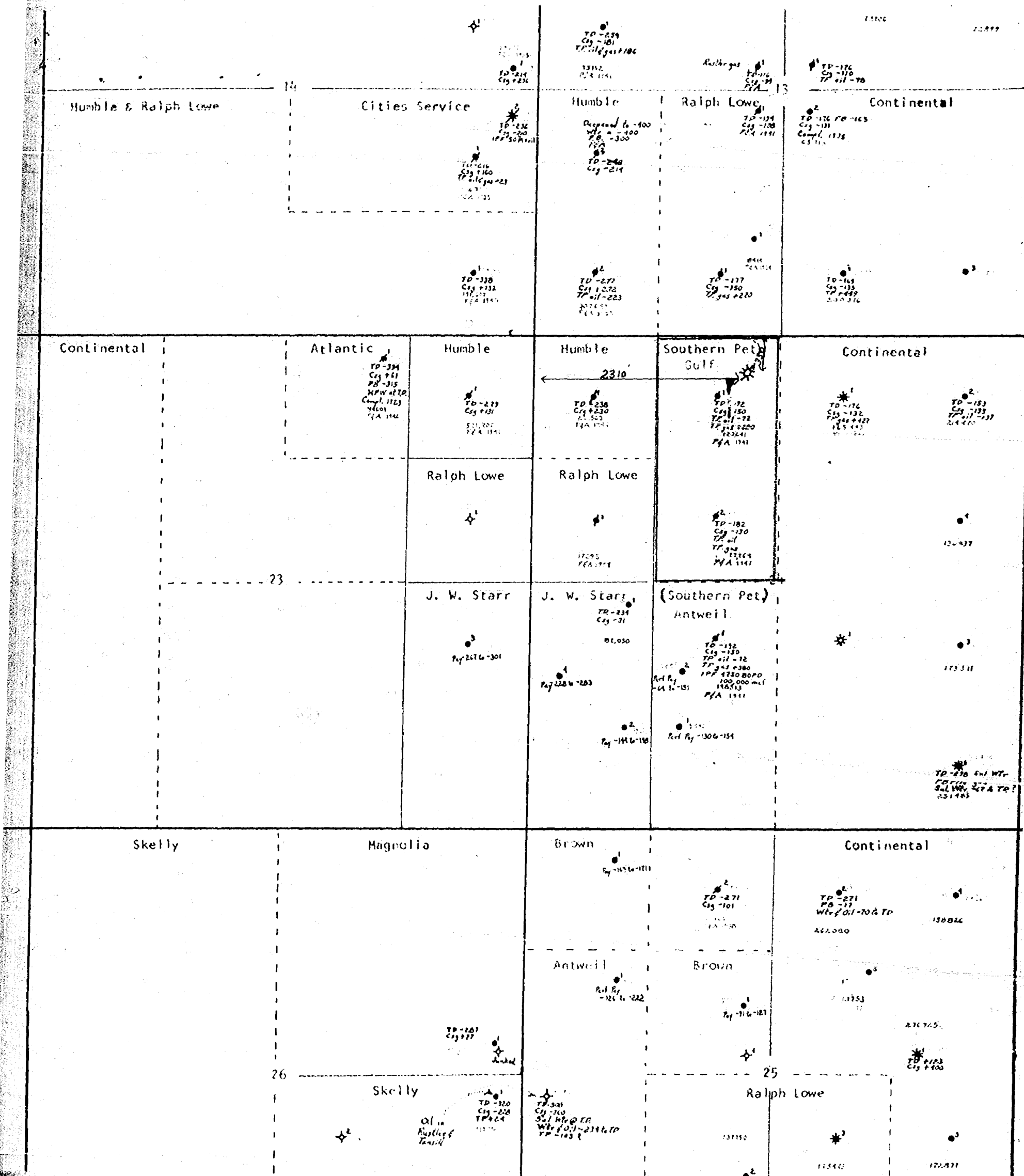
Well drilled on this acreage is 330' from the North line and 2310' from the West line of Section 24. Well was drilled to a total depth of 3,285', 4½" Casing was set at 3,213' and cemented with 150 sacks. Casing was perforated from 2,936-38', 2,943-48', 2,974-78', 2,982-86', 3,009-11', 3,018-20', 3,028-34', 3,044-48', 3,054-56', 3,060-62', 3,068-72', 3,088-94' in the Yates formation and water-fraced with 15,000# sand and 15,000 gal. water. Top of the Yates formation is 2,894'. On volume test made on Oct. 24, 1960 the well flowed gas at the rate of 1,716 MCF per day.

The above acreage is on Federal Lease No. NM 048582 subleased by myself from Gulf Oil Corporation.

To the best of my knowledge the granting of this unit will not violate anyone elses correlative rights.

Yours very truly,

Byard Bennett
Byard Bennett



DOCKET: EXAMINER HEARING, MONDAY, DECEMBER 12, 1960

Oil Conservation Commission - 9 a.m., STATE LAND OFFICE BUILDING, SANTA FE, NM

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, attorney, as alternate examiner:

CASE 2136: Application of Byard Bennett for a non-standard gas proration unit and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 NW/4 of Section 24, Township 25 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Ascarte-Federal Well No. 1, located at an unorthodox location at a point 330 feet from the North line and 2310 feet from the West line of said Section 24.

CASE 2137: Application of Caulkins Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West. Said unit is to be dedicated to the D-268 well located in the SE/4 NE/4 of said Section 16.

CASE 2138: Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle without separately measuring the production from the Penrose Skelly and Drinkard Pools from all wells presently completed on its Baker "B" Lease consisting of the SW/4 and the W/2 SE/4 of Section 10, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 2139: Application of Cosden Petroleum Corporation for the promulgation of special rules and regulations governing the South Prairie-Pennsylvanian Pool, Roosevelt County, New Mexico, including a provision for 80-acre oil proration units.

CASE 2140: Application of Humble Oil & Refining Company for approval of the North Kirtland Unit Agreement. Applicant, in the above-styled cause, seeks approval of the North Kirtland Unit Agreement, which unit embraces 11,478 acres of Federal and State land in Township 30 North, Range 14 West, San Juan, New Mexico.

CASE 2141: Application of Honolulu Oil Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its McKittrick Canyon Unit Agreement, which unit is to embrace 6708 acres of Federal, State and fee lands in Township 22 South, Ranges 25 and 26 East, Eddy County, New Mexico.

CASE 2145:

Application of Oil Development Company of Texas for off-lease storage of oil. Applicant, in the above-styled cause, seeks an order authorizing it to store the East Crossroads-Devonian production from its Santa Fe Pacific Railroad Lease (S/2 SW/4 of Section 19, Township 9 South, Range 37 East) in a separate tank battery to be located on its Santa Fe Pacific Railroad Lease, Crossroads-Devonian Pool (NE/4 of Section 26, Township 9 South, Range 36 East) both in Lea County, New Mexico.

CASE 2146:

Application of Humble Oil & Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its D. H. Crockett Well #1, located in Unit C, Section 21, Township 15 South, Range 36 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Caudill-Wolfcamp Pool and the production of oil from the Caudill-Devonian Pool through the annulus between strings of 5½-inch casing and 2½-inch tubing and through 2½-inch tubing, respectively.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
BYARD BENNETT FOR APPROVAL OF A NON-)
STANDARD GAS WELL LOCATION FOR HIS)
ASCARTE-FEDERAL WELL NO. 1 SITUATED)
330 FEET FROM THE NORTH LINE AND)
2310 FEET FROM THE WEST LINE OF SEC-)
TION 24, TOWNSHIP 25 SOUTH, RANGE)
36 EAST, LEA COUNTY, NEW MEXICO, AND)
FOR APPROVAL OF THE E $\frac{1}{2}$ NW $\frac{1}{4}$ SECTION 24,)
TOWNSHIP 25 SOUTH, RANGE 36 EAST, AS)
A NON-STANDARD GAS PRORATION UNIT IN)
THE JALMAT GAS POOL, LEA COUNTY, NEW)
MEXICO.)

NO. 2136

APPLICATION

COMES NOW Byard Bennett, Applicant, by his attorneys,
Campbell & Russell, and states:

1. He is the operator of the Ascarte-Federal Well No. 1 situated 330 feet from the North Line and 2310 feet from the West line of Section 24, Township 25 South, Range 36 East, Lea County, New Mexico, completed in the Seven Rivers and Lower Yates formation.

2. Said well has been completed as a gas well and Applicant desires to dedicate the E $\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 24 in Jalmat Gas Pool to said well.

3. Granting of this Application will tend to prevent waste and will protect correlative rights.

WHEREFORE, Applicant requests that the Commission set this matter down for hearing before an Examiner for the Commission, to publish notice as required by law, and, after hearing, issue

its Order approving the location of the said well as a non-standard gas well location and establishing a non-standard 80 acre gas production unit in the Jalmat Gas Pool, being the E $\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 24, for such well.

Respectfully submitted,

BYARD BENNETT

By

Jack M Campbell

CAMPBELL & RUSSELL
P. O. Box 766
Roswell, New Mexico

His Attorneys

DATED: November 10, 1960

*Robert
M. Miller
Rec. 5/19/60
[Signature]*

Case # 2136

Heard 12-12-60

Rec. 12-16-60

1. Grant Byard Bennett request for 804.
NSL in Jalmat Gas Pool for his
Associate Fred #7 330/N, 2310/W, Dec 24-
255-36 E.
2. This well was drilled on an oil well
location. Operator had reason to
believe he would get oil in this
well.

Grant. H.

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

December 21, 1960

Mr. Jack Campbell
Campbell & Russell
Box 766
Roswell, New Mexico

Re: Case No. 2136

Order No. H-1844

Applicant:

Byard Bennett

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

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

lr/

Carbon copy of order also sent to:

Hobbs OCC ☒
Artesia OCC _____
Aztec OCC _____

Other _____

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. 2136
Order No. R-1844

APPLICATION OF BYARD BENNETT
FOR AN 80-ACRE NON-STANDARD
GAS PRORATION UNIT IN THE
JALMAT GAS POOL, LEA COUNTY,
NEW MEXICO, AND FOR AN UNOR-
THODOX GAS WELL LOCATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 12, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, 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 21st day of December, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Byard Bennett, is the owner and operator of the E/2 NW/4 of Section 24, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, which acreage the applicant proposes be established as an 80-acre non-standard gas proration unit in the Jalmat Gas Pool.

(3) That the applicant is the operator of a gas well in the Jalmat Gas Pool, located at an unorthodox location at a point 330 feet from the North line and 2310 feet from the West line of said Section 24, to which well the proposed 80-acre non-standard gas proration unit would be dedicated.

(4) That the necessity for the non-standard gas proration unit and unorthodox gas well location are occasioned by the fact that the subject well was originally projected as an oil well.

(5) That the proposed 80-acre proration unit can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

-2-

CASE No. 2136

Order No. R-1844

(6) That establishment of the above-described non-standard gas proration unit and approval of the proposed unorthodox gas well location will neither cause waste nor impair correlative rights.

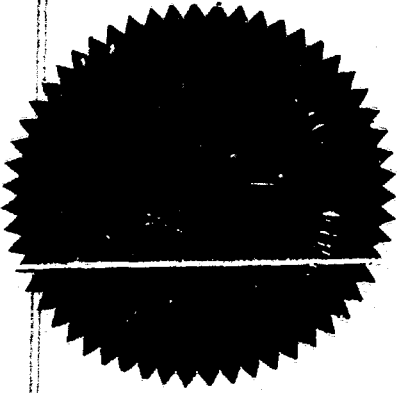
IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 NW/4 of Section 24, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to a gas well located on an unorthodox location at a point 330 feet from the North line and 2310 feet from the West line of said Section 24, which location is hereby approved.

(2) That the above-described gas well be and the same is hereby assigned an acreage factor for allowable purposes in the proportion that the acreage in the non-standard gas proration unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool, subject to the provisions of the Special Rules and Regulations for said pool.

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

esr/

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

(Form C-104)
Revised 7/1/57

REQUEST FOR (OIL) - (GAS) ALLOWABLE

New Well
Recompletion

This form shall be submitted by the operator before an initial allowable will be assigned to any completed Oil or Gas well. Form C-104 is to be submitted in QUADRUPLICATE to the same District Office to which Form C-101 was sent. The allowable will be assigned effective 7:00 A.M. on date of completion or recompletion, provided this form is filed during calendar month of completion or recompletion. The completion date shall be that date in the case of an oil well when new oil is delivered into the stock tanks. Gas must be reported on 15.025 psia at 60° Fahrenheit.

Roswell, New Mexico Oct. 31, 1960
(Place) (Date)

WE ARE HEREBY REQUESTING AN ALLOWABLE FOR A WELL KNOWN AS:

Byard Bennett (Company or Operator), Well No. 1, in NE 1/4 NW 1/4,
0 (Unit Letter), Sec. 24, T. 25 S., R. 36 E., NMPM., Jalisco Pool

Lea County. Date Spudded Oct. 5, 1960 Date Drilling Completed 10/14/60
Elevation 3,105 Total Depth 3,285 PSTD
Top Oil/Gas Pay 2,894 Name of Prod. Form Y488

Please indicate location:

D	C	B	A
E	F	G	H
L	K	J	I
M	N	O	P

PRODUCING INTERVAL - 2,936-38', 2,943-48', 2,974-78', 2,982-86'
Perforations 3,009-11', 18-20', 28-34', 44-48', 54-56', 60-62'
68-72', 88-94' Depth Open Hole 3,213' Depth Casing Shoe 3,108' Depth Tubing 3,108'

OIL WELL TEST -

Natural Prod. Test: _____ bbls. oil, _____ bbls. water in _____ hrs, _____ min. Choke Size _____
Test After Acid or Fracture Treatment (after recovery of volume of oil equal to volume of load oil used): _____ bbls. oil, _____ bbls. water in _____ hrs, _____ min. Choke Size _____

GAS WELL TEST -

Natural Prod. Test: _____ MCF/Day; Hours flowed _____ Choke Size _____

Method of Testing (pitot, back pressure, etc.): _____

Test After Acid or Fracture Treatment: 1,716 MCF/Day; Hours flowed 1

Choke Size 3/4" Method of Testing: Orifice

Acid or Fracture Treatment (Give amounts of materials used, such as acid, water, oil, and sand): 15,000" sand - 15,000 gal. water

Casing Press. 680 Tubing Press. 460 Date first new oil run to tanks _____

Oil Transporter _____

Gas Transporter El Paso Natural Gas Co.

Remarks: _____

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved _____, 19 _____ Byard Bennett
(Company or Operator)

OIL CONSERVATION COMMISSION

By: _____ (Signature)

Title Operator

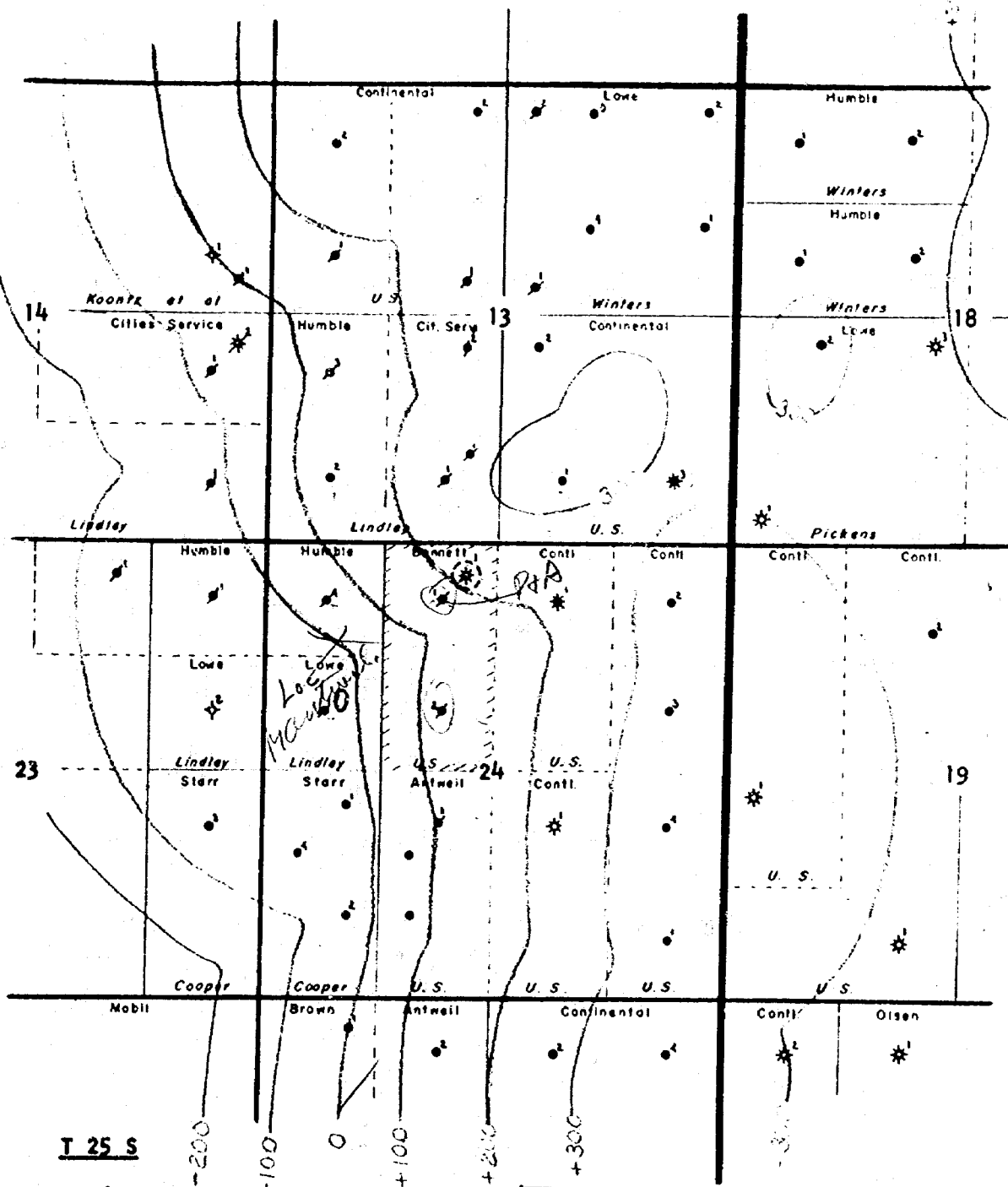
Send Communications regarding well to:

Byard Bennett

Name _____

Box 48 Roswell, N.M.

Address _____



T 25 S
R 36 E

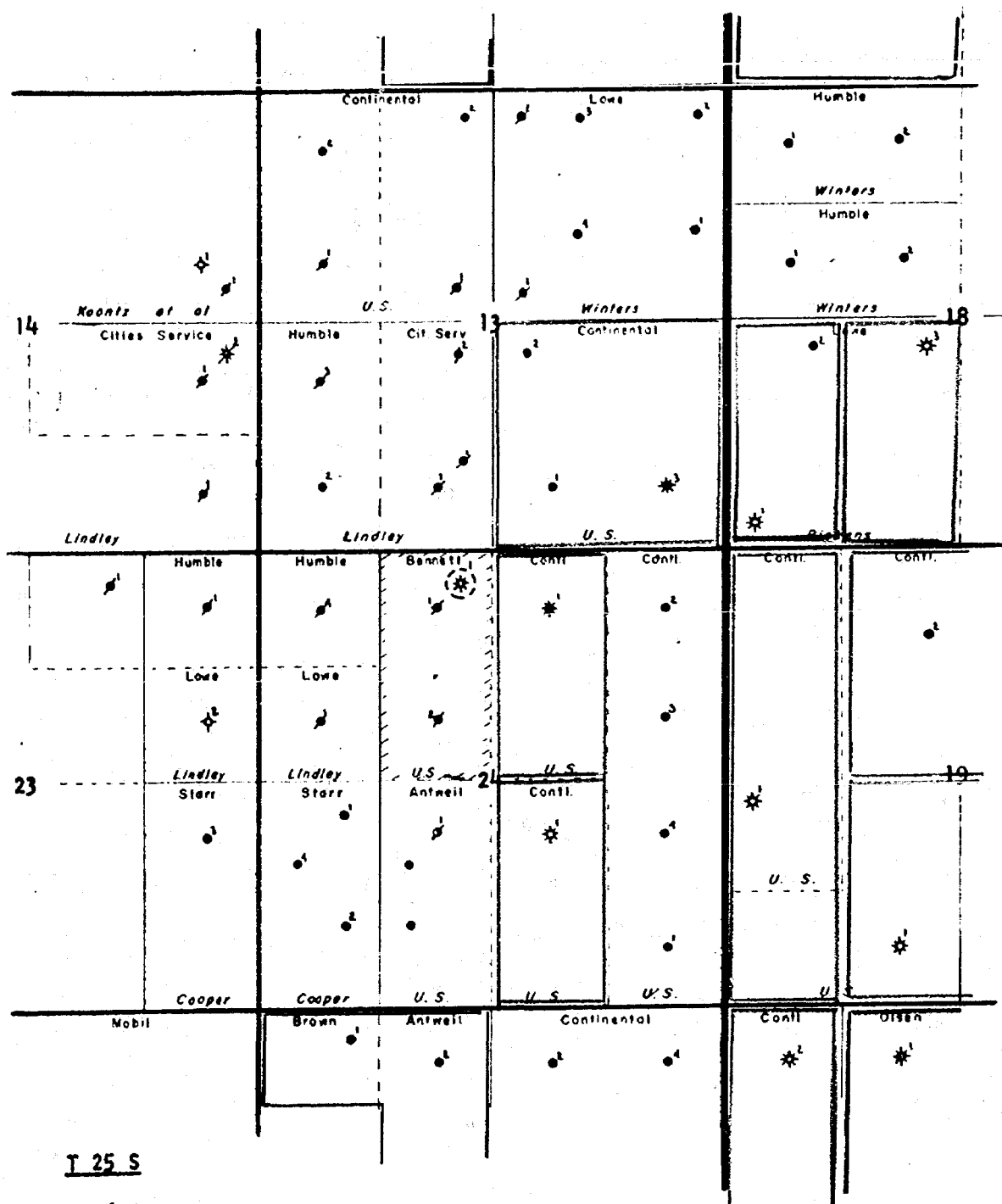
BEFORE EXAMINER UTZ

PORTION OF JALISCO CONSERVATION COMMISSION
LEA COUNTY, NEW MEXICO
CASE NO. 136

CONTOURED ON TOP OF YATES FM.

CASE NO. 136 EXHIBIT NO. 2
BYARD BENNETT DECEMBER 12, 1960

G.A.S.



T 25 S

R 36 E

BEFORE EXAMINER UTZ
 PORTION OF JALMAT POOL
 OIL CONSERVATION COMMISSION
 LEA COUNTY, NEW MEXICO
 EXHIBIT NO. 3
 CASE NO. 2136

CASE NO. 2136 EXHIBIT NO. 3
 BYARD BENNETT DECEMBER 12, 1960

G.A.S.

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing - Elvis A. Utz

Santa Fe, NEW MEXICO

REGISTER

HEARING DATE December 12, 1960 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
Paul M Campbell	Campbell + Russell	Roswell, N.M.
Edy A. Davis	Boat Co.	Roswell, N.M.
Arthur Baumgardner	Stelly & Company	Hobbs, N.M.
L.C. White	Edy & White, Inc.	Santa Fe, N.M.
H.C. [unclear]	Thompson [unclear]	[unclear]
H.V. Summers	Cosco Pet. Corp.	Big Spring, Texas
R.G. Warfield	Cosco Pet. Corp.	Midland, Texas
James W. Kellahan	Kellahan & Fox	Santa Fe, N.M.
Frank [unclear]	Caulkins Oil Co.	Albuquerque, N.M.
Roy E. Lawrence	Humble Oil & Ref.	Roswell, N.M.
J.E. Willingham	Humble	Midland, Texas
George C. Hoy	Honolulu	Midland
Leo Knott	Maunululu	Midland
John C. Wagon	Oil Development Co.	Albuquerque, Texas

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

PAGE 1

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
DECEMBER 12, 1960

IN THE MATTER OF:

CASE 2136 Application of Byard Bennett for a non-standard gas proration unit and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 NW/4 of Section 24, Township 25 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Ascarte-Federal Well No. 1, located at an unorthodox location at a point 330 feet from the North line and 2310 feet from the West line of said Section 24.

BEFORE:

Elvis A. Utz, Examiner.

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

MR. UTZ: The hearing will come to order, please. First case on the docket will be 2136.

MR. MORRIS: Case 2136. Application of Byard Bennett for a non-standard gas proration unit and for an unorthodox gas well location.

MR. CAMPBELL: Mr. Examiner, Jack M. Campbell, Campbell & Russell, Roswell, New Mexico, appearing on behalf of the applicant. We have one witness, Mr. Guy Swartz.

(Witness sworn)



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

MR. UTZ: Any other appearances in this case?

GUY A. SWARTZ,

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q State your name, please.

A My name is Guy A. Swartz, S-w-a-r-t-z.

Q Where do you live, Mr. Swartz?

A I live in Roswell, New Mexico.

Q What is your profession?

A I am a consulting geologist.

Q In your capacity as consulting geologist, have you been employed by Byard Bennett in connection with the well, the well located in the northwest quarter of 24, 25 South, in Jalmat Gas Pool?

A Yes, sir.

Q That is the Ascarte-Federal No. 1?

A That is correct.

Q What are you seeking with regard to this well and its location?

A We are seeking approval of a non-standard gas proration unit consisting of 80 acres on which the well is. The subject well is located 330 from the North and East corners of the unit.

Q What has been your connection with the drilling and completion of this well, Mr. Swartz?



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

A I supervised the geological and engineer work concerning the drilling and completion of this well.

Q Was that well originally intended to be drilled as an oil well?

A Yes, sir. It was my recommendation that the well be drilled and an attempt made to recomplete it as an oil well in the Seven Rivers formation, which was the normal producing horizon for the oil in this area.

Q Is that the reason that it was located at 330 location?

A Yes, sir. It was located 330 from the North and East corners of the 80-acre tract in order to obtain the highest structural advantage.

Q Are you acquainted with the drilling and completion history of this well, Mr. Swartz?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

Q I hand you what has been identified as Exhibit No. 1 in this case, and ask you to state what that is, please?

A Exhibit No. 1 is a radioactivity log which was run by Welex.

Q Referring to that log and your notes and information concerning the drilling and the completion of this well, will you point out to the Examiner the drilling history and completion history as reflected on that log, please?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Yes, sir. The well was drilled to a total depth of 2900 -- I am sorry -- 3040 feet. A drill stem test was taken from 2920 to 3030 feet and had gas to the surface in forty-five minutes, which was too small to measure. This test recovered 660 feet of gas cut mud, the well was subsequently drilled to the total depth of 3180 feet, whereupon a second drill stem test was taken at the top of the Seven Rivers formation, the normal oil bearing formation, and gas was surfaced in two minutes and water was surfaced in thirteen minutes.

The drill stem test had died in thirty-five minutes; the gas volume measured 480,000 cubic feet per day. The pool was open one hour and recovered 2795 feet with salt water; there were no shows of oil or gas. The well was subsequently drilled to a total depth of 3285 feet, and no indications of any oil or gas were shown throughout the Seven Rivers formation. Four and a half inch casing was then run to a total depth of 3213 feet and cemented in place. Based upon other shows in the area, existing other oil shows in the area, existing in the lower Yates formation, the well was perforated from 3009 to 11,318 to 2328 to 34 feet, 3044 to 48, 3054 to 56 feet, 3060 to 62 feet, 3068 to 72 feet, and 3088 to 94 feet. These perforations were fracture treated, and no show of oil was indicated. The frac treatment sanded off during the treatment and inasmuch as no shows -- oil shows were indicated from this interval, the well was subsequently shot in the upper Yates formation from 2936 to 38 feet, 2943 to 48, 2974 to 78 feet, and 2982 to



86 feet. These upper perforations were subsequently frac treated, and the well swabbed and tested for gas production.

Q Now, do you have some information as to the results of the treating for gas production?

A Yes, sir.

Q What information do you have?

A El Paso Natural Gas tested this well on 10/24/60.

Q Do you have the results of that test with you?

A Yes, sir.

Q Will you give us that information, then, and advise the Examiner what the test showed?

A Gas was measured with three-quarter inch orifice, and the pressure dropped from 170 to 115 pounds during the one hour rate which stabilized in forty-five minutes. The corrected volume for the flow period was 1705 MCF per day, and a twenty-four hour shut-in pressure was taken with 480 pounds per square inch in the tubing and 606 pounds on the casing.

Q Do you have some information concerning the structural position of this well?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 2 marked for identification.)

Q I hand what has been identified as Exhibit No. 2 in this case, and ask you to state what that is, please.

A Exhibit No. 2 is a structural contour map of the portion



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

of the Jalmat Pool, that area concerning the adjacent portions and leases to this area. The Bennett No. 1 Escarado-Federal was indicated to be 106 feet high to its diagonal offset and plug the Seven Rivers oil producer which was the Southern Union No. 1 Escarado. The well is further located on the flange of a high reef structure existing on the edge of the central basin platform, and the main structure is one of steep dips from the central basin platform dipping into the Delaware basin.

Q Do you believe, then, it was reasonable for you to assume at the time you located this well that there was a probability if you obtained production it would be oil production?

A Yes, sir.

Q Now, based upon the information that you have concerning the wells in this area and the contours as indicated on Exhibit No. 2, is it your opinion that all of the acreage proposed to be attributed to this particular gas proration may reasonably, too, be productive of gas from the Jalmat Gas Pool?

A There are enough gas wells indicated as low as zero contour on the top of the Yates structure.

Q Do you believe that one gas well such as you have completed here will efficiently and economically drain an area of 80 acres?

A Yes, sir, inasmuch as the Yates formation is a blanket sand which occurs with porosity and permeability throughout the area indicated on the map.

Q Do you believe that the approval of this application, Mr.



Swartz, will in any way impair correlative rights?

A No, sir.

Q Do you believe that it will protect the correlative rights of the applicant?

A Yes, sir, I do --

Q In what respect?

A -- inasmuch as, if this application is not approved, there will be no productive capacity of the Bennett No.1 Escarado. This well would necessarily be plugged out, and the area of the applied non-standard proration unit would not be as effectively drained if this well is left to be productive.

Q In your opinion, in the past, has uncompensated draining been occurring from this particular proposed unit?

A Yes, sir. This is evidenced by the low pressures encountered in the gas tests taken by El Paso Natural Gas as opposed to the normal version pressures which were encountered in approximately 1935.

Q Are you acquainted with the other gas proration units in this particular area of the Jalmat Gas Pool?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 3 marked for identification.)

Q I hand you what has been identified as Exhibit No. 3, and ask you to state what that is.

A Exhibit No. 3 is a plat showing the known existing non-

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standard proration units in this area, and the location of the wells thereon.

Q And from that Exhibit there is an 80 non-standard gas proration immediately to the east of this proposed unit?

A Yes, sir. There are several 80-acre non-standard proration units in this area, as well as several wells which are located within 330 feet of the boundary lines of the unit.

Q Is the royalty interest common under this 80 -- proposed 80-acre unit?

A It is all Federal, yes, sir.

Q Is there a market for the gas from this well in the event the non-standard proration is approved and an allowable granted the well?

A Yes, sir. Contracts will be signed probably by El Paso.

Q Were the non-standard gas proration not approved, would it be necessary to plug this well?

A I believe that it would be, inasmuch as there appears to be no other pay horizon.

MR. CAMPBELL: That is all the questions I have. I would like to offer Exhibits 1, 2 and 3 in evidence.

MR. UTZ: Without objection, Exhibits 1, 2 and 3 will be entered into the record.

(Whereupon, Applicant's Exhibits Nos. 1, 2 and 3 were received in evidence.)

MR. UTZ: Any questions of the witness?



CROSS-EXAMINATION

BY MR. PAYNE:

Q Mr. Swartz, inasmuch as you testified that this well was originally projected as a Jalmat oil well, did your original C-1-28 show a 40-acre dedication?

A Yes, sir.

Q Has any gas at all been sold from this well?

A No, sir, it has not yet.

Q No problem as to underproduced or overproduced status?

A No, sir.

MR. PAYNE: Thank you.

BY MR. UTZ:

Q Mr. Swartz, in 1070 MCF, a test you got, was that the one that was tested at 606 pounds working pressure, casing pressure?

A No, sir, that was not a deliverability test. It was --

Q What is the 1070, is it an absolute?

A It is as far as I know. It is absolute open flow, yes, sir.

Q What was your flow, then, as 606 pounds working pressure?

A I don't believe a test was taken at that pressure, with that back pressure.

Q These pressures you gave me here, was that shut-in, then? 480 and 606?

A Twenty-four hour shut-in pressures, yes, sir; 480 and 606 pounds.

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Q You don't know what well would produce at any back pressure?

A No, sir. The pressures on a forty-five minute test range between 170 pounds and 115 pounds after the initial drop, the stabilization.

Q On that test, did that well produce any liquids?

A No, as far as I know. The well may be capable of very small amounts of liquids. However, none were indicated on the test.

Q You are producing the well through tubing?

A Yes, sir.

Q Now, is the west offset a plugged oil well?

A Yes, sir.

Q And the southwest diagonal offset is also a plugged oil well?

A Yes, sir.

Q And the south offset --

A Is also a plugged oil well.

Q And I believe you said that the No. 1 Southern Union was a plugged oil well?

A Yes, sir.

Q And likewise the two offsets to the north?

A That is correct.

Q And it would appear that the only producing oil wells in this area would be a northwest diagonal and northeast diagonal off-



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set, is that correct?

A That is correct. There has been recently a new well spotted, and the location has been spotted for an oil well in the southwest of the northwest quarter. However, I do not believe it is drilling at this time.

Q That is the Lowe-Linely lease?

A Yes, sir. I believe that will be drilled by Morris Antwell.

Q Continental does have an east offset and gas well?

A Yes, sir.

Q In view of all the plugged oil wells and the nearness of the Continental gas well, wouldn't it be reasonable to think you might get a gas well in this location?

A Because of the various wells higher and lower on the structure, it was thought that the oil possibilities were good under this location.

MR. UTZ: Any other questions of the witness? If there are not, the witness may be excused.

(Witness excused)

MR. UTZ: Any statements in this case in response? The case will be taken under advisement.



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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, LLEWELYN NELSON, Court Reporter, 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 machine shorthand and reduced to typewritten transcript 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 16 day of Dec, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Llewellyn Nelson
NOTARY PUBLIC

My Commission expires:

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2136, heard by me on Dec. 12, 1960.
Thomas A. [Signature], Examiner
New Mexico Oil Conservation Commission

