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2332

phiction, Transcript,
and Exhibits, Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

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

P. O. BOX 871
SANTA FE

July 18, 1961

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

Re: CASE NO. 2332
ORDER NO. R-2024
APPLICANT:
Wolfson Oil Company

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.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Ateco 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. 2332
Order No. R-2024

APPLICATION OF WOLFSON OIL COMPANY
FOR A NON-STANDARD GAS UNIT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 6, 1961, 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 13th day of July, 1961, 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 the applicant, Wolfson Oil Company, seeks the establishment of a 160-acre non-standard gas unit adjacent to the North Skaggs-Drinkard Gas Pool, consisting of the S/2 SW/4 of Section 5 and the N/2 NW/4 of Section 8, all in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the proposed non-standard gas unit is presumed to be productive of gas from the North Skaggs-Drinkard Gas Pool.

(4) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas unit adjacent to the North Skaggs-Drinkard Gas Pool is hereby established, consisting of the S/2 SW/4 of Section 5 and the N/2 NW/4 of Section 8, all in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-2-
CASE No. 2332
Order No. R-2024

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



E. L. Mechem

EDWIN L. MECHEM, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

esr/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 7/6/61

CASE 2532

Hearing Date 9am 7/6/61

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

Enter order approving 160-acre
std gas unit in H. Skaggs -
Dr Gas Pool comprising
S/2 SW/4 Sec 5 and N/2
NW/4 Sec 8, T 20 S R 38 E
Lea Co. H. Mep as requested
by Walfson Oil Co.

Stan Hunter
Staff Engineer

No. 19-61

DOCKET: EXAMINER HEARING - THURSDAY, JULY 6, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, as alternate Examiner:

- CASE 2328: Application of Texas Pacific Coal & Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the S/2 NE/4 and the SE/4 of Section 14, Township 24 South, Range 36 East, Lea County, New Mexico, to be dedicated to the Cooper Well No. 5 located 1980 feet from the North line and 660 feet from the East line of said Section 14. Applicant further seeks the establishment of a 320-acre non-standard gas proration unit in said pool consisting of the SW/4 of Section 4 and the NW/4 of Section 9, all in Township 23 South, Range 36 East, Lea County, New Mexico, to be dedicated to the State A Account No. 1 Well No. 18 located 660 feet from the South and West lines of said Section 4.
- CASE 2329: Application of Texaco Inc. for an unorthodox gas well location, for a non-standard gas proration unit and for a gas-gas dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate its L. M. Barton Well No. 1 at an unorthodox location in the Blanco-Mesaverde Gas Pool, 1850 feet from the North line and 1650 feet from the West line of Section 12, Township 30 North, Range 12 West, San Juan County, New Mexico, and to complete said well as a dual completion (tubingless) with gas production from the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool through 2 7/8-inch and 4 1/2-inch casing, respectively, cemented in a common well bore. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in said pools consisting of the W/2 NW/4, the SE/4 NW/4 and the NE/4 SW/4 of said Section 12, to be dedicated to said well.
- CASE 2330: Application of Southwest Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool at a point

--2--

CASE 2330: (Cont.)

1912 feet from the South line and 2310 feet from the East line of Section 16, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2331:

Application of Southwest Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool at a point 990 feet from the North line and 330 feet from the West line of Section 16, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2332:

Application of Wolfson Oil Company for a non-standard ^{gas}~~oil~~ proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit adjacent to the North Skaggs-Drinkard Gas Pool consisting of the S/2 SW/4 of Section 5 and the N/2 NW/4 of Section 8, all in Township 20 South, Range 38 East, Lea County, New Mexico.

CASE 2333:

Application of Nash, Windfohr & Brown for the creation of a new oil pool and for special rules therein, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a new oil pool for Abo production to be designated the Jackson-Abo Pool consisting of the E/2 of Section 23 and all of Section 24, Township 17 South, Range 30 East, Eddy County, New Mexico. Applicant further seeks the establishment of special rules governing said pool including a provision for a limiting gas-oil ratio of 10,000 : 1.

CASE 2334:

Application of General American Oil Company of Texas for an amendment of Order No. R-1970. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1970 to add the following-described acreage in Eddy County, New Mexico, to the buffer zone established in paragraph (2) of said order:

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST

N/2 SW/4 SW/4

N/2 SW/4

W/2 SW/4 NE/4

NE/4 SW/4 NE/4

NW/4 SE/4 NE/4

CASE 2335:

Application of Ambassador Oil Corporation for an amendment of Order No. R-1971. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1971 to add the following-described acreage in Eddy County, New Mexico, to the buffer zone established in paragraph (2) of said order:

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST
NW/4 NW/4 SE/4
S/2 NW/4

CASE 2336:

Application of Fair Oil Company for an amendment of Order No. R-1972. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1972 to add the following-described acreage in Eddy County, New Mexico, to the buffer zone established in paragraph (2) of said order:

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 29 EAST
N/2 N/2 SE/4

non-standard unit

332

WOLFSON OIL COMPANY

OIL PRODUCERS
1222 DAVIS BUILDING

DALLAS 2, TEXAS

June 7, 1961

HOBBS OFFICE OCC
1961 JUN 9 AM 7:48

Santa Fe!

Re: Request for Hearing

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

Gentlemen:

Wolfson Oil Company respectfully requests a hearing to permit us to consolidate our McCallister Lease of 160 acres, more or less, into a normal 160 acre gas unit.

Our McCallister Lease contains 80 acres in the S/2 SW/4 of Section 5, and 80 acres in the N/2 NW/4 of Section 8, T-20-S, R-38-E, Lea County, New Mexico.

With our Fred Turner No. 1 gas well offsetting the McCallister acreage we found it necessary to have a similar hearing which granted approval for a 160 acre gas unit across section lines.

The Turner No. 1 gas well was in an Undesignated gas pool but has been redesignated by the Commission as the North Skaggs-Drinkard Gas Pool.

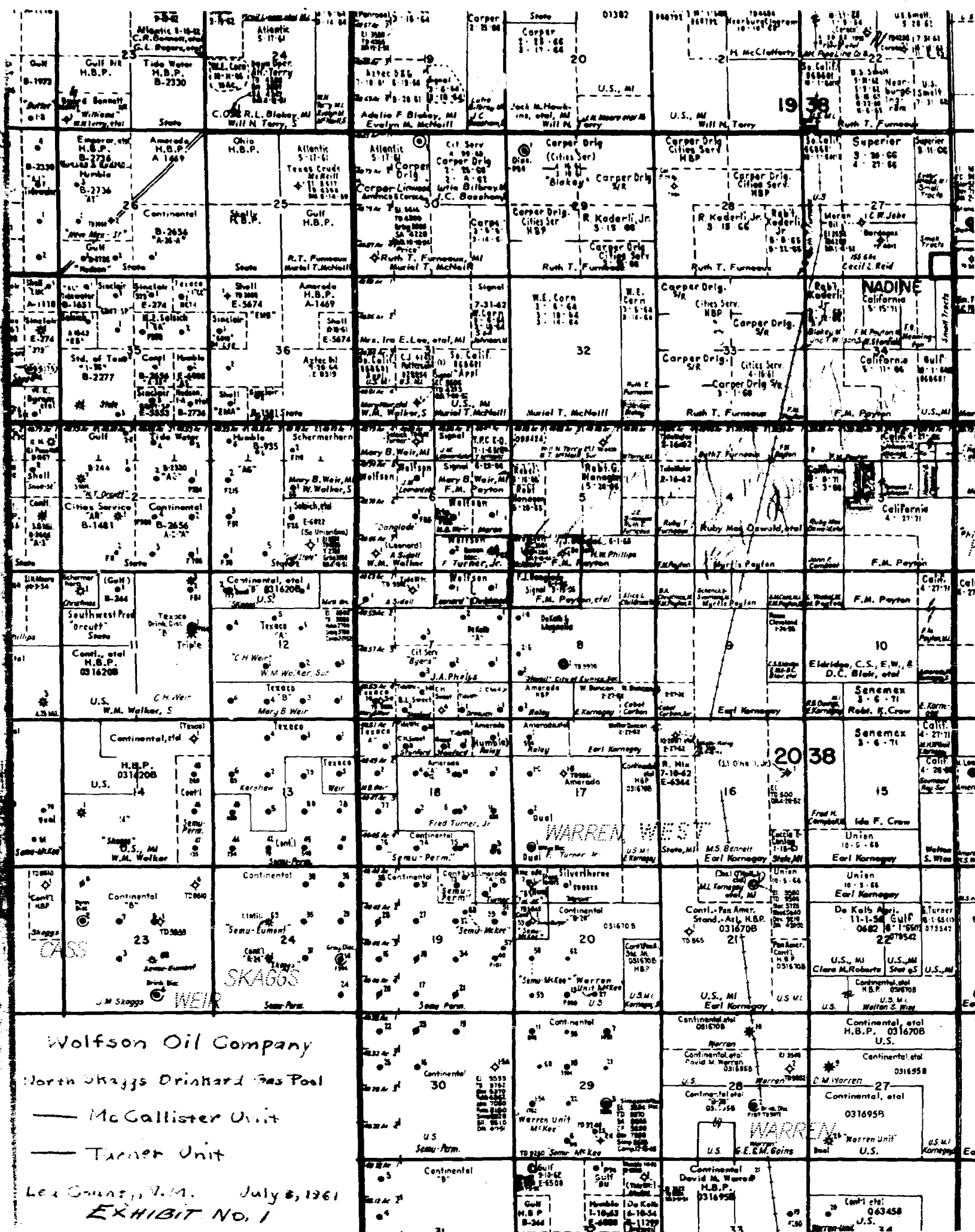
Your early consideration of our request would be appreciated.

Very truly yours,

WOLFSON OIL COMPANY

J. L. Grutchfield
J. L. Grutchfield
Office Manager

Wolfe
Maibach
6-21-61
JK



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 6, 1961

EXAMINER HEARING

Case 2332

TRANSCRIPT OF HEARING

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 6, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Wolfson Oil Company for a
non-standard oil proration unit, Lea
County, New Mexico. Applicant, in the
above-styled cause, seeks the establish-
ment of a 160-acre non-standard gas prora-
tion unit adjacent to the North Skaggs-
Drinkard Gas Pool consisting of the S/2
SW/4 of Section 5 and the N/2 NW/4 of
Section 8, all in Township 20 South,
Range 38 East, Lea County, New Mexico.

Case
2332

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case Number 2332.

MR. MORRIS: Application of Wolfson Oil Company for a
non-standard oil proration unit, Lea County, New Mexico.

MR. FOX: Robert Fox, Kellahin and Fox, Santa Fe. I
have one witness, Mr. Hal Freedman.

(Witness sworn.)

H A L F R E E D M A N, called as a witness, having been first
duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. FOX:

Q State your name, please.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-4691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6491

ALBUQUERQUE, NEW MEXICO

A Hal Freedman.

Q You are employed by Wolfson Oil Company.

A Yes, sir.

Q In what capacity?

A As a Petroleum Engineer.

Q Have you appeared before the New Mexico Oil Conservation Commission previously, Mr. Freedman?

A No, sir, I have not had the pleasure.

Q Would you state your educational background briefly and your training in the oil business?

A I have a B. S. degree in Engineering from Texas A. & M. granted in 1947. I worked for Continental Oil in various capacities until 1959 when I joined Wolfson Oil Company.

Q Your capacity with Wolfson is a petroleum engineer?

A That's correct.

MR. FOX: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir. Please proceed.

Q (By Mr. Fox) Are you familiar with the application in Case Number 2332 of Wolfson Oil Company?

A Yes, sir.

Q What does this application propose?

A It is a request for a non-standard proration 160 acre gas unit utilizing the south half of the southwest quarter of Section 5 and the north half of the northwest quarter of Section 8 offsetting a similar non-standard proration gas unit.



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PHONE CN 3-4691

ALBUQUERQUE, NEW MEXICO

Q Have you prepared an Exhibit showing the acreage in question here?

A Yes, sir.

Q With reference to Exhibit Number 1, does this show the acreage, Mr. Freedman?

A Yes, sir. The acreage is outlined in red that we are requesting.

Q The acreage which is shown immediately to the west of the red delineated acreage, what is that?

A The Turner unit. We purchased these properties from Signal Oil and Gas and previous to our purchase, they requested and received a non-standard proration gas unit.

Q Now, will you tell the Examiner why it is not practical to form a standard proration unit?

A 160 -- we own the lease and it's offset by a similar non-standard proration gas unit.

Q Is the ownership in this unit the same?

A Yes, sir.

Q And what about the royalty ownership, is it the same?

A Fee royalty, all the same.

Q Have you made a study of the structures with respect to this acreage involved here?

A Yes, sir.

Q Would you say that the acreage in question might reasonably be presumed to be productive?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-4691

ALBUQUERQUE, NEW MEXICO

A Yes, I believe it is all productive of gas.

Q Now, the Exhibit in question shows a dry hole. I believe it is southwest of Section 5?

A Yes, sir.

Q Explain that, please.

A It is a dry hole producing in the Skaggs -- the North Skaggs-Drinkard Gas Pool at the approximate depth of 7000 feet. This well did not penetrate it.

Q Do you feel a well in the proposed non-standard unit is necessary to offset the production in the Turner well referred to by you previously?

A Yes, sir.

Q Have you made any effort to -- in regard to the formation of a standard unit in regard to this acreage?

A We have attempted to form 320 acre gas unit and we have not been successful as yet. This would include the north 320 acres, but it would still constitute a non-standard unit because of the north half of the southwest quarter.

Q This is fee land, is it not?

A Yes, sir.

MR. FOX: That's all I have.

MR. NUTTER: Are there any questions of Mr. Freedman?

MR. MORRIS: Yes, sir.



CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Freedman, 160 unit is standard, would be standard for this pool, would it not?

A There is only one producing well in the pool and the Commission has granted 160. In the event there are more, we hope to request a 320.

Q A 320 proration unit which you stated you had attempted to form -- that would be premature, before the Commission established that size unit in its pool, would it not?

A We have a 320 acre unit formed east of there. However, the Commission granted 160 pending further drilling.

Q Mr. Freedman, has any attempt been made to join the north half of the southwest quarter of Section 5 with the south half of that quarter section?

A Yes, sir.

Q To form a standard 160 acre unit?

A Yes. We have contacted the royalty owners and also we are negotiating with Hannagan, and it is possible. However, it does not appear likely that we can. We have been unsuccessful over the last year.

Q Do you feel that the north half of Section 5 is productive in this pool?

A Well, there isn't really special information to the north to determine that, but it is my belief that it is.

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Q In Section 8, has any attempt been made to join the south half of the northwest quarter of Section 8 with the north half of that quarter section to form a standard 160 acre unit?

A We have not attempted to do that. We have attempted to purchase the property, but have also been unsuccessful.

Q Is that acreage in Section 8 as being the south half of the northwest quarter, is that dedicated to any well in the Skaggs Pool at this time?

A The south half of the northwest quarter?

Q Right.

A No, sir. I don't believe so. There is the McKee Well 2 G and the DeKalb. I am not familiar if they have dedicated to that or not.

MR. NUTTER: 1 G is in the south half of the northwest quarter.

Q (By Mr. Morris) Were you referring to Number 1 G?

A No, sir, 2 G. 1 G is a Grayburg well and has 40 acres dedicated to it.

MR. MORRIS: That's all; thank you.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Freedman, at the present time there is only one well in the Skaggs-Drinkard Pool, is that correct?

A No, the North Skaggs.

Q Your Turner unit?



A In the North Skaggs-Drinkard unit.

Q Has your well there in the southwest of Section 5 been completed in the pool?

A No, sir. We hope to deepen in it.

Q Is the ownership of the south half of the southwest quarter of Section 5 identical with the ownership of the north half of the northwest quarter of Section 8?

A Yes, sir.

Q No communitization is necessary?

A No, sir.

MR. NUTTER: Are there any further questions of Mr. Freedman?

MR. PORTER: Yes.

CROSS EXAMINATION

BY MR. PORTER:

Q Does the well in this pool produce any liquid?

A Some distillate, yes, sir.

Q Do you know about what the gravity is?

A About forty-four.

MR. PORTER: Thank you.

MR. NUTTER: Are there any further questions of the witness?

The witness may be excused.

(Witness excused.)

MR. FOX: I would like to offer Exhibit 1 into evidence.



MR. NUTTER: Exhibit 1 will be entered into evidence.

Are there any other questions in Case 2332?

The case will be taken under advisement.

We will take a fifteen minute recess.

(Recess taken.)

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

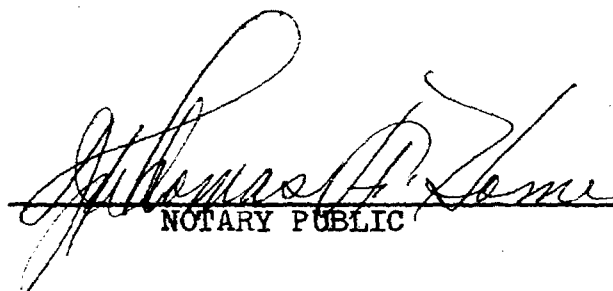


C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, THOMAS F. HORNE, 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 to the best of my knowledge, skill and ability.


WITNESS my Hand and Seal, this, the 5th day of July, 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


 NOTARY PUBLIC

My commission expires:

May 4, 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2332, heard by me on 7/5, 1961.

, Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

