

Case No.

219

Application, Transcript,
Small Exhibits, Etc.

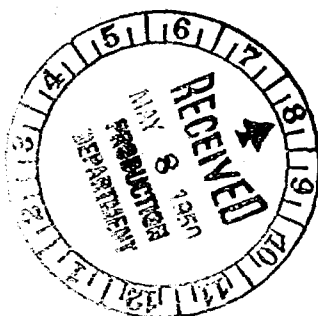
Case
219

GAS LIFT WELLS CONNECTED TO THE GULF EUNICE GASOLINE PLANT
FROM WHICH GAS IS PARTIALLY VENTED

<u>Lease</u>	<u>Well No.</u>	<u>Location</u>	<u>Pool</u>	<u>Producing Zone</u>	<u>Depth of Producing Zone</u>
Andrews	1	C-NW-NE-32-22S-38E	Drinkard	Andrews	6925' - 7000'
Andrews	2	C-SW-NE-32-22S-38E	Drinkard	Andrews	6920'
Baker	2	C-NE-SE-5-22S-37E	Penrose-Skelly	Eunice Dolomite	3590' - 3735'
Brunson	1	C-NW-NE-10-22S-37E	Penrose-Skelly	Eunice Dolomite	3590' - 3705'
Christmas "C"	1	C-NW-NW-NW-18-22S-37E	Arrowhead	Eunice Dolomite	3640' - 3730'
Higgins	1	C-NW-SE-29-22S-38E	Drinkard	Andrews	6925' - 7003'
Linebery	1	C-NE-SE-29-22S-38E	Drinkard	Andrews	6920' - 7002'
Mark	1	C-NW-NE-3-22S-37E	Penrose-Skelly	Eunice Dolomite	3640' - 3735'
Mattern "B"	2	C-SE-NE-31-21S-37E	Penrose-Skelly	Eunice Dolomite	3725' - 3806'
Mattern "B"	4	C-SE-SE-SE-30-21S-37E	Penrose-Skelly	Eunice Dolomite	3660' - 3800'
Mattern "E"	1	C-NW-SE-1-22S-36E	Arrowhead	Eunice Dolomite	3710' - 3790'
Mattern "E"	3	C-NW-NW-12-22S-36E	Arrowhead	Eunice Dolomite	3690' - 3780'
Mattern "E"	4	C-SW-SW-1-22S-36E	Arrowhead	Eunice Dolomite	3670' - 3790'
Mattern "E"	7	C-SW-SW-NE-12-22S-36E	Arrowhead	Eunice Dolomite	3660' - 3755'
Mattern "E"	10	C-SE-SW-1-22S-36E	Arrowhead	Eunice Dolomite	3680' - 3790'
McCormack	1	C-NE-NE-32-21S-37E	Penrose-Skelly	Upper San Andres	3630' - 3802'
McCormack	3	C-SE-SE-32-21S-37E	Penrose-Skelly	Eunice Dolomite	3655' - 3762'
McCormack	4	C-SW-SE-32-21S-37E	Penrose-Skelly	Eunice Dolomite	3660' - 3770'
McCormack	5	C-SW-NE-32-21S-37E	Penrose-Skelly	Eunice Dolomite	3650' - 3770'
McCormack	6	C-NW-SE-32-21S-37E	Penrose-Skelly	Eunice Dolomite	3660' - 3780'
McCormack	8	C-SE-NE-32-21S-37E	Penrose-Skelly	Eunice Dolomite	3610' - 3765'
M. Owen	1	C-NW-SE-34-21S-37E	Penrose-Skelly	Eunice Dolomite	3616' - 3735'
M. Owen	2	C-SW-SE-34-21S-37E	Penrose-Skelly	Eunice Dolomite	3635' - 3740'
Paddock	1	C-SW-SE-1-22S-37E	Paddock	Glorieta	5170' - 5230'
Paddock	2	C-NW-SE-1-22S-37E	Paddock	Glorieta	5167'
Paddock	4	C-SW-NE-1-22S-37E	Paddock	Glorieta	5160' - 5245'
Rinewalt	1	C-SW-NW-4-22S-37E	Penrose-Skelly	Eunice Dolomite	3640' - 3752'
Stebbins	1	C-SE-NW-5-22S-37E	Penrose-Skelly	Eunice Dolomite	3640' - 3760'
Stebbins	2	C-SW-NW-5-22S-37E	Penrose-Skelly	Eunice Dolomite	3670' - 3770'
Stebbins "B"	1	C-NE-NE-5-22S-37E	Penrose-Skelly	Upper San Andres	3625' - 3755'
Sticher	1	C-SE-SW-4-22S-37E	Penrose-Skelly	Upper San Andres	3600' - 3735'
Watkins	1	C-SW-SE-29-22S-38E	Drinkard	Andrews	6910' - 7000'

JLR:pjt

Hobbs, New Mexico
April 27, 1950



GENERAL OFFICES
120 BROADWAY, NEW YORK
BEACON BLDG., TULSA

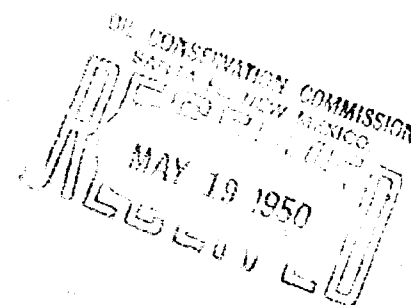
*Case
219*

AMERADA PETROLEUM CORPORATION

W. T. WAGGONER BUILDING
P. O. BOX 1348

Ft. Worth 1, Texas

May 17, 1950



Oil Conservation Commission
Santa Fe, New Mexico

In Re: Case No. 219

Attention: Mr. R. R. Spurrier

Gentlemen:

On April 25, 1950 a public hearing was held before the Oil Conservation Commission at which time evidence was submitted by the Gulf Oil Corporation under Case 219 in the matter of their application for an order granting it permanent exceptions to 32 gas lift wells in various pools in Lea County, from Rule 404 (Natural Gas Utilization) of the Rules and Regulations of the Oil Conservation Commission, effective January 1, 1950 - Order No. 850.

This is to advise the Oil Conservation Commission the Amerada Petroleum Corporation has no objection to the granting of a permanent exception in this instance.

Very truly yours,

RSC/VR

AMERADA PETROLEUM CORPORATION

J. O. Hathaway

CC: Mr. E. J. Gallagher
Gulf Oil Corp.
Hobbs, New Mexico

By *R. S. Christie*
R. S. Christie

Mr. Lloyd Gray
Gulf Oil Corp.
Tulsa, Oklahoma

Mr. C. V. Millikan

April 11, 1950

Mr. E. J. Gallagher
District Superintendent
Gulf Oil Corporation
Box 1667
Hobbs, New Mexico

Dear Mr. Gallagher:

We enclose herewith Notice of Publication, for the hearing to be held
in Santa Fe, New Mexico, on April 25, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrer
R. R. Spurrer
Secretary-Director

RRS:bw
encl.



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P.O. BOX 661 • TULSA 2, OKLAHOMA

GYPSY
DIVISION

May 10, 1950

Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier, Director

Gentlemen:

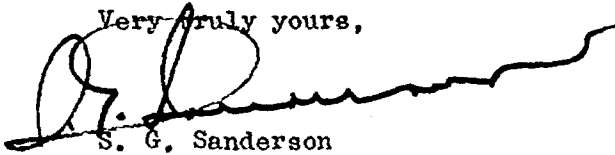
At the conclusion of the hearing held on April 27 on Case No. 219 involving a request for exception to the General Rules by Gulf Oil Corporation, it was requested that a list of 32 wells in the vicinity of the town of Eunice be submitted to the Commission and to Mr. R. S. Christie of the Amerada Petroleum Company at Fort Worth. For your information I am attaching the list of 32 wells requested. A copy of this list has been furnished Mr. Christie.

Since the time of the hearing we have received approval to proceed with the installation of additional facilities at our Eunice Gasoline Plant which will add adequate capacity to handle the volume of gas produced from these 32 wells. Construction should be started in the near future and the program completed within six months.

There was one item of interest of which I feel sure you are aware but which we did not wish to present for fear of misinterpretation by some of those present at the hearing. As you know, our plant is connected to a large number of leases in the general Eunice area and it would be possible at the present time to take all of the gas from the 32 wells listed provided we turned out a like volume of gas from wells flowing naturally. This would have permitted us to be within the rules so far as the 32 wells are concerned, but such practice would be neither a profitable nor a conservation measure since the naturally flowing wells from which gas would have to be vented have a considerably higher gasoline and LPG content than the gas from the 32 wells. If the gas from naturally flowing wells was vented substantial quantities of gasoline and LPG products would have been vented and permanently lost.

If there is anything further in this case on which you wish information I shall be glad if you will advise.

Very truly yours,


S. G. Sanderson
Manager of Production

LIG:ahb
Att'd.



PETROLEUM AND ITS PRODUCTS

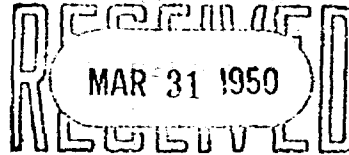
GULF OIL CORPORATION

P. O. BOX 661 · TULSA 2, OKLAHOMA

GYPSY
DIVISION

Hobbs, New Mexico
March 29, 1950

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.



Mr. R. R. Spurrier, Secretary
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

In regard to Paragraph 3 of Commission Order No. 850 relating to exception to the rules and regulations adopted January 1, 1950, we are submitting herewith three copies of formal application for permanent exception to certain rules with respect to oil and/or gas wells in existence prior to their adoption.

In the event the Commission should require additional information, we will be quite happy to furnish it upon request.

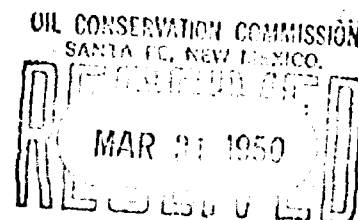
Yours very truly,

E. J. Gallagher
District Superintendent

MBM:pjt
Encl.

In reply, please address P.O.Box 1667, Hobbs, New Mexico.

In the matter of the application of)
Gulf Oil Corporation for permanent)
exception on certain wells from)
Rules 112, 202 (b), 309, and 404)
as ordered by the New Mexico Oil)
Conservation Commission, "Rules and)
Regulations" effective January 1, 1950.)



A P P L I C A T I O N

Comes now Gulf Oil Corporation and shows to the New Mexico Oil Conservation Commission of the State of New Mexico as follows:

1. That Applicant, in accordance with Paragraph 3, Case No. 189, Order No. 850, "Rules and Regulations", is presently operating certain wells in the State of New Mexico under an exception granted until March 31 from the new rules and regulations promulgated by the Oil Conservation Commission, effective January 1, 1950.

2. That Applicant is operating said wells in compliance with former rules and regulations of the Oil Conservation Commission.

3. That Applicant desires to be granted a permanent exception from the requirements of the "Rules and Regulations", effective January 1, 1950, in the cases as herein below specified.

A. Rule 112, Multiple Zone Completions, orders that a multiple zone completion of any well including a bradenhead gas well may be permitted only by order of the Commission upon hearing.

(1) Gulf Oil Corporation R. R. Bell No. 2, located at the SE SE of Section 8, T 21S, R 36E, produces oil from the Grayburg formation and gas from the Yates zone, exposed below an intermediate casing string set at 2789' and cemented with 450 sacks. The gas is used to supply domestic fuel for a company house on the R. R. Bell lease, the Houston camp, and a Skelly Oil Company house in the vicinity. This well was completed on January 6, 1935, and bradenhead gas was first produced in April 1935. An oil string is set and cemented at 3748' and completely segregates the bradenhead gas production from the oil production. Attached is Exhibit No. 1, which shows the location of all wells on applicant's lease and all offset wells on offset leases; and Exhibit No. 2, which shows the manner and method of completion in accordance with Rule 112 (b).

(2) Gulf Oil Corporation E. V. Gulp No. 1, located at the NE NW of Section 19, T 19S, R 37E, produces oil from the Grayburg formation.

The Yates, Seven Rivers and Queen gas formations are also exposed in this well below an intermediate casing string set at 2512' and cemented with 875 sacks. The gas is used only for domestic purposes at a company house on the B. V. Culp lease. This well was completed on September 23, 1935, and has been producing bradenhead gas since October 1, 1936. An oil string is set and cemented at 3760' and completely segregates the bradenhead gas production from the oil production. Attached is Exhibit No. 3 which shows the location of all wells on Applicant's lease and all offset wells on offset leases; and Exhibit No. 4, which shows the manner and method of completion in accordance with Rule 112 (b).

(3) Gulf Oil Corporation Graham State No. 2, located at the NE NE NE of Section 24, T 18S, R 37E, produces oil from the Hobbs Lime formation. The Yates and Seven Rivers formations are also exposed below an intermediate casing string set at 2790' and cemented with 600 sacks. The gas produced from this well is utilized for domestic fuel at a company house on the Graham State lease, for gas lifting wells Nos. 1 and 2 on the D. W. Hardin lease, and as required for gas lift at wells 2, 3, and 4 on the Graham State lease. Graham State No. 2 was completed on August 10, 1932, and has been producing bradenhead gas since May 5, 1938. An oil string is set and cemented at 3975' and completely segregates the bradenhead gas production from the oil production. Attached is Exhibit No. 5 which shows the location of all wells on Applicant's lease and all offset wells on offset leases; and Exhibit No. 6, which shows the manner and method of completion in accordance with Rule 112 (b).

B. Rule 202 (b) specifies that if a well is to be temporarily abandoned and no casing pulled, then a plug shall be placed at the top and bottom of the casing in such a manner as to prevent intrusion of any foreign matter into the well.

(1) Gulf Oil Corporation has temporarily abandoned eight wells in New Mexico which do not conform to the requirements of this new order. These eight wells and their locations are tabulated as follows:

Bell Ramsay No. 8	NW NW 4-21S-36E
W. A. Ramsay "B" No. 2	SW NW 25-21S-36E
M. Campbell No. 2	NE SW 7-21S-36E
H. Leonard No. 3	NW NE 22-21S-36E
S. J. Carr No. 1	NW SW 3-24S-37E
J. R. Holt No. 1	SW SE 16-24S-37E
H. T. Orcutt No. 1	SE NW 5-21S-36E
H. T. Orcutt "B" No. 1	Lot 7 5-21S-36E

(2) Exhibit No. 7 attached shows the well name, completion date, producing formation and depth, date of temporary abandonment, casing size and setting depth, sacks of cement used, top of cement column (if available), tubing size and setting depth (if any), packer setting (if any), total depth, and type of casinghead on each of the eight temporarily abandoned wells.

(3) Exhibit No. 7 shows that in each case the oil string has been cemented and that only one productive zone is open.

(4) All of the eight wells as tabulated under Paragraph 3-B-(1) above are closed off at the surface by fittings with a WP of 1000 psi or greater and therefore in no instance are these wells exposed to the atmosphere.

C. Rule 309 stipulates that common tankage is limited to eight units on the same basic lease.

(1) Gulf Oil Corporation H. T. Mattern "E" lease, described as the N/2 of Section 12 and SW/4 of Section 1, T 22S, R 36E, in the Arrowhead Pool, has twelve producing wells for which common tankage is provided as permitted under exception to former rules and regulations.

(2) Gulf Oil Corporation W. A. Ransay lease, located in Section 35, T 21S, R 36E, in the Arrowhead Pool, has eleven producing wells for which common tankage is provided as permitted under exception to former rules and regulations.

(3) Gulf Oil Corporation Arnett-Ransay "C" lease, located in Section 21, T 21S, R 36E, in the Eunice Pool, has fourteen producing wells for which common tankage is provided as permitted under exception to former rules and regulations.

(4) In each case above where common tankage is provided for more than eight producing units, adequate facilities are available for testing individual wells whenever necessary.

(5) In order to comply with Rule 309 substantial expense in erecting new tankage and providing for new lead line connections would be required.

D. Rule 404, among other things, stipulates that no gas from a natural gas well shall be used to gas lift oil wells unless all gas produced is processed in a gasoline plant or beneficially used thereafter without waste.

(1) Gulf Oil Corporation Vinson-Ramsay No. 1, located at the SE SE of Section 12, T 26S, R 36E, is being produced by gas lift operation with gas furnished from Gulf Arnott Ramsay "B" No. 1, NW SW SW Section 32, T 25S, R 37E. Vinson-Ramsay No. 1 is not presently connected to a gas gathering system. The total daily volume of gas used for gas lift purposes at Vinson-Ramsay No. 1 is estimated to average 1810 Mcf per month.

(2) Gulf Oil Corporation has five wells in the Teague Pool which are being gas lifted with gas from Gulf Elson No. 1, located at the NE SW of Section 21, T 23S, R 37E. These wells and their locations are tabulated as follows:

G. G. Travis No. 1	NE SE Section 21-23S-37E
Saltmount No. 1	SE SE Section 21-23S-37E
Lakunyon No. 6	NE NE Section 28-23S-37E
Lakunyon No. 8	SE SW Section 22-23S-37E
Lakunyon No. 10	SE NW SW Section 22-23S-37E

The five wells tabulated above are not presently connected to a gas gathering system, but it is Applicant's understanding that El Paso Natural Gas Company contemplates extending their gathering system to this area in the near future.

(3) Gulf Oil Corporation has approximately 34 wells connected to the Eunice Gasoline Plant gathering system from which the gas lift gas produced is being partially vented because of lean gasoline content and incapacity of the plant to process all available gas. However, Gulf Oil Corporation is presently considering an expansion of facilities at the Eunice Gasoline Plant which should substantially reduce or eliminate the venting of gas.

(4) Gulf Oil Corporation has several other wells in the Teague Pool and the Langlie Mattix Pool for which gas lift operation is contemplated in the near future. The source of gas will be from the same gas system or an extension of the system that furnishes gas to the five wells tabulated in 3-D-(2) above. Tabulated below are the wells for which gas lift operation is contemplated:

Stewart No. 1	NW SE Sec. 29-23S-37E
La Munyon No. 3	SE NW Sec. 29-23S-37E
La Munyon No. 4	NW NW Sec. 29-23S-37E
La Munyon No. 5	NW NW Sec. 21-23S-37E
La Munyon No. 7	SW SW Sec. 22-23S-37E
La Munyon No. 9	NW NW Sec. 27-23S-37E
La Munyon No. 11	NE NW Sec. 27-23S-37E
La Munyon No. 12	SW NW Sec. 27-23S-37E
La Munyon No. 13 (drlg)	SE NW Sec. 27-23S-37E
La Munyon No. 14 (drlg)	NE SW Sec. 22-23S-37E

The gas gathering facilities as contemplated in Paragraph 3-D-(1) would extend to all of the above wells.

Wherefore, your Applicant prays that the Oil Conservation Commission of the State of New Mexico grant a permanent exception to the "Rules and Regulations" ordered effective as of January 1, 1950, in the specific cases included in this Application as follows:

(1) In Paragraphs 3-A-(1), 3-A-(2), and 3-A-(3) permanent exception to Rule 112, Multiple Zone Completions, is requested for Gulf wells R. R. Bell No. 2, B. V. Culp No. 1, and Graham State No. 2.

(2) In Paragraph 3-B-(1) permanent exception to Rule 202 (b) is requested for eight wells as specified.

(3) In Paragraphs 3-C-(1), 3-C-(2), and 3-C-(3) permanent exception to Rule 309 is requested for Gulf leases H. T. Mattern "E" and W. A. Ramsay, Arrowhead Pool; and Arnott-Ramsay "C", Eunice Pool.

(4) In Paragraphs 3-D-(1), 3-D-(2), and 3-D-(3) permanent exception to Rule 404 is requested for Gulf wells Vinson-Ramsay No. 1, G. G. Travis No. 1, Saltmount No. 1, La Munyon No. 6, La Munyon No. 8, La Munyon No. 10, and 34 wells connected to the Eunice Gasoline Plant from which gas is partially vented.

(5) In Paragraph 3-D-(4) permanent exception to Rule 404 is requested for Gulf wells Stewart No. 1, La Munyon Nos. 3, 4, 5, 7, 9, 11, 12, 13, and 14, for which gas lift operation is contemplated in the near future.

Respectfully submitted,

GULF OIL CORPORATION

By 

S. G. Sanderson
Manager of Production

March 20, 1950

EXHIBIT NO. 1

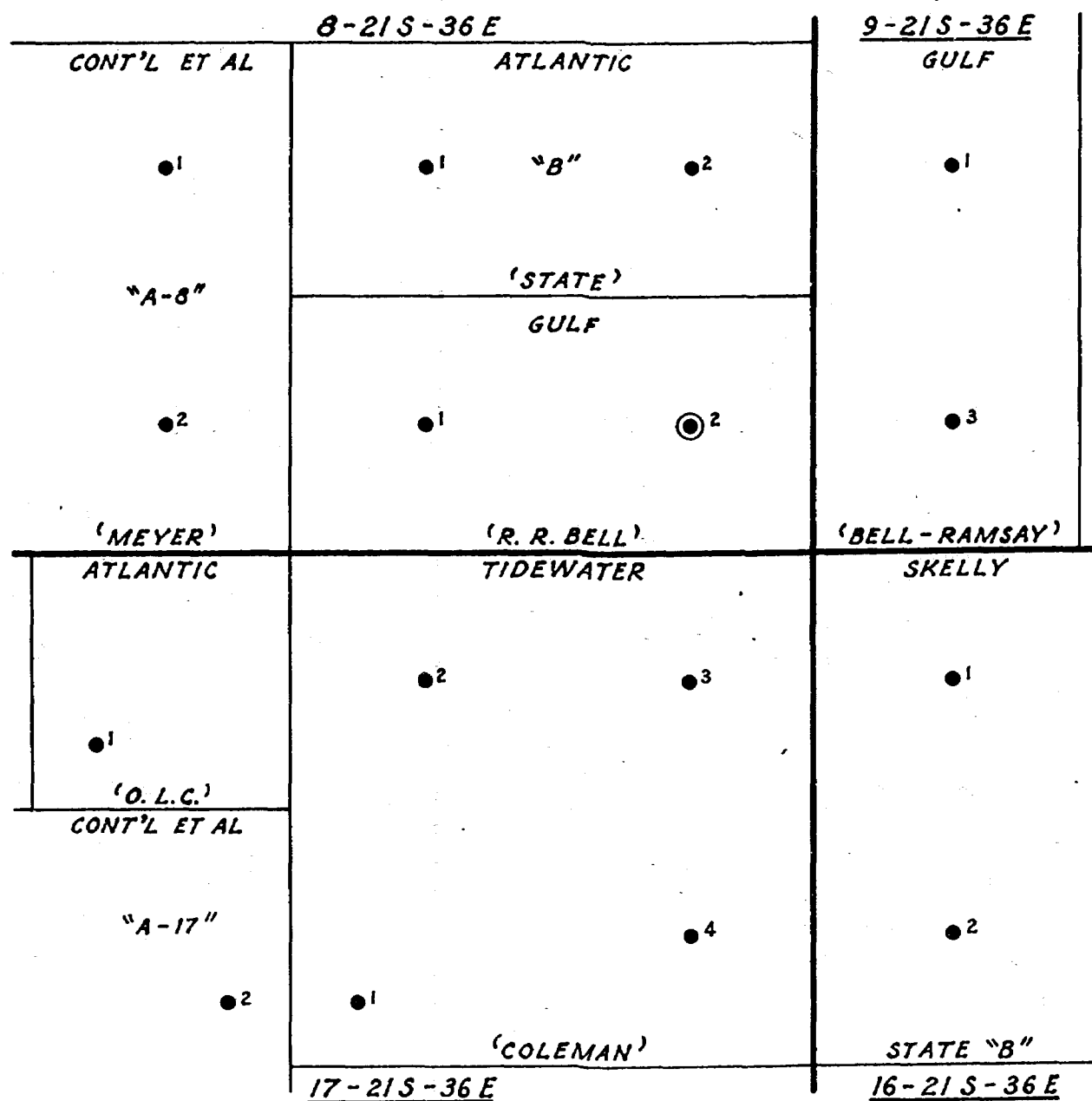
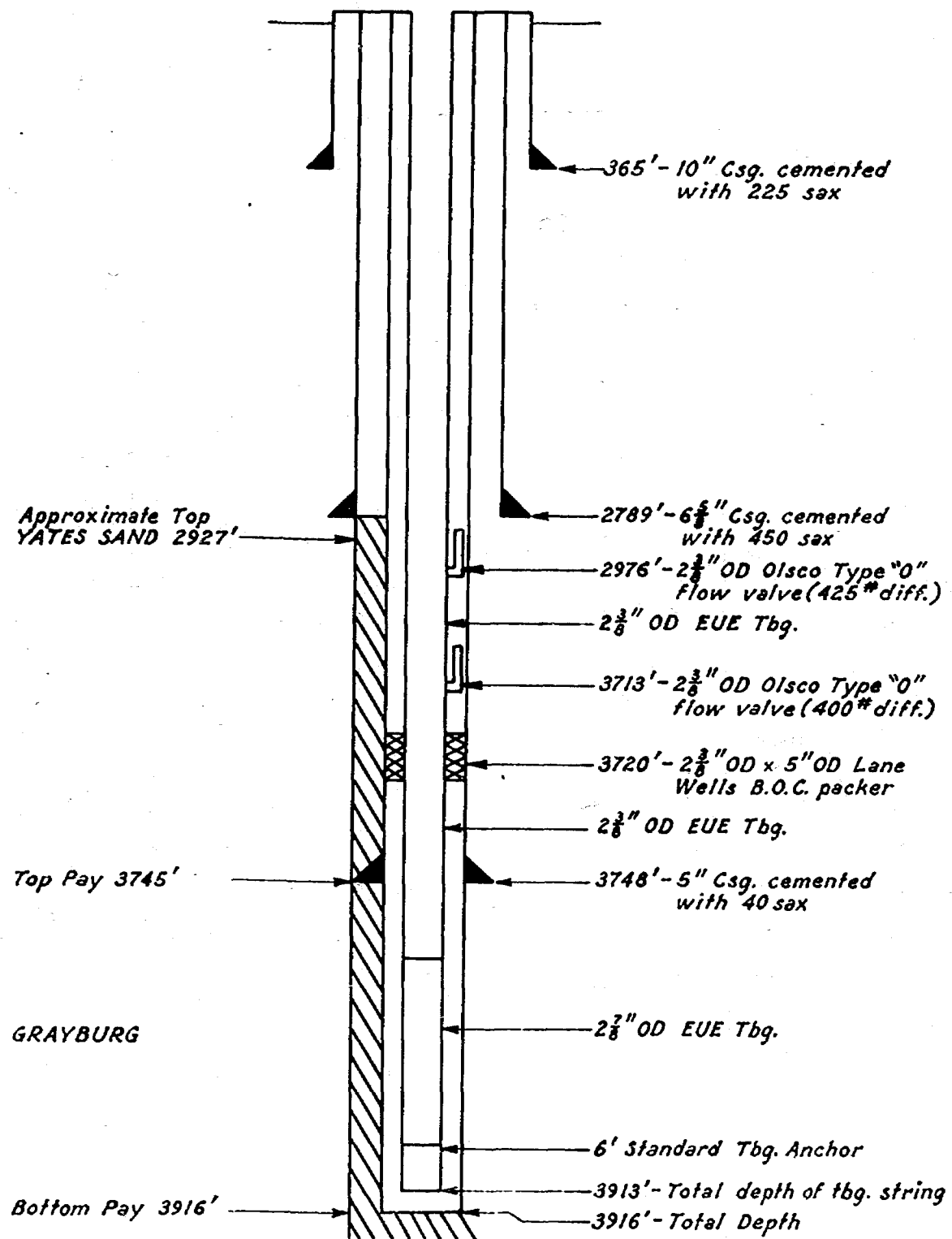


EXHIBIT NO. 2

R. R. BELL NO. 2
WELL COMPLETION DATA



<u>13-195-36E</u>		<u>18-195-37E</u>		<u>17-195-37E</u>	
SKELLY		AMERADA		TEXAS	
●1		●1		●2	
(MON-STATE)		(STATE "G")		(SAUNDERS)	
SHELL		PHILLIPS		GULF	
●1		●●1		⊙1	
		(CULP)		●6	
●2		●2		●7	
				(STATE "K")	
(STATE "C")				TIDE WATER	
TEXAS		CONT'L		(STATE "F")	
●1		PHILLIPS		AMERADA	
		(B. V. CULP)			
		SHELL		(STATE "L")	
(STATE "F")		(STATE "A-19")		TEXAS	
<u>24-195-36E</u>		●1		●1	
		(LAND OFFICE)			
		●1		(STATE "D")	
				●2	
		<u>19-195-37E</u>		(H. T. MATTERN)	
				<u>20-195-37E</u>	
		●1			

EXHIBIT NO. 3

EXHIBIT NO. 4
B. V. CULP NO. 1
WELL COMPLETION DATA

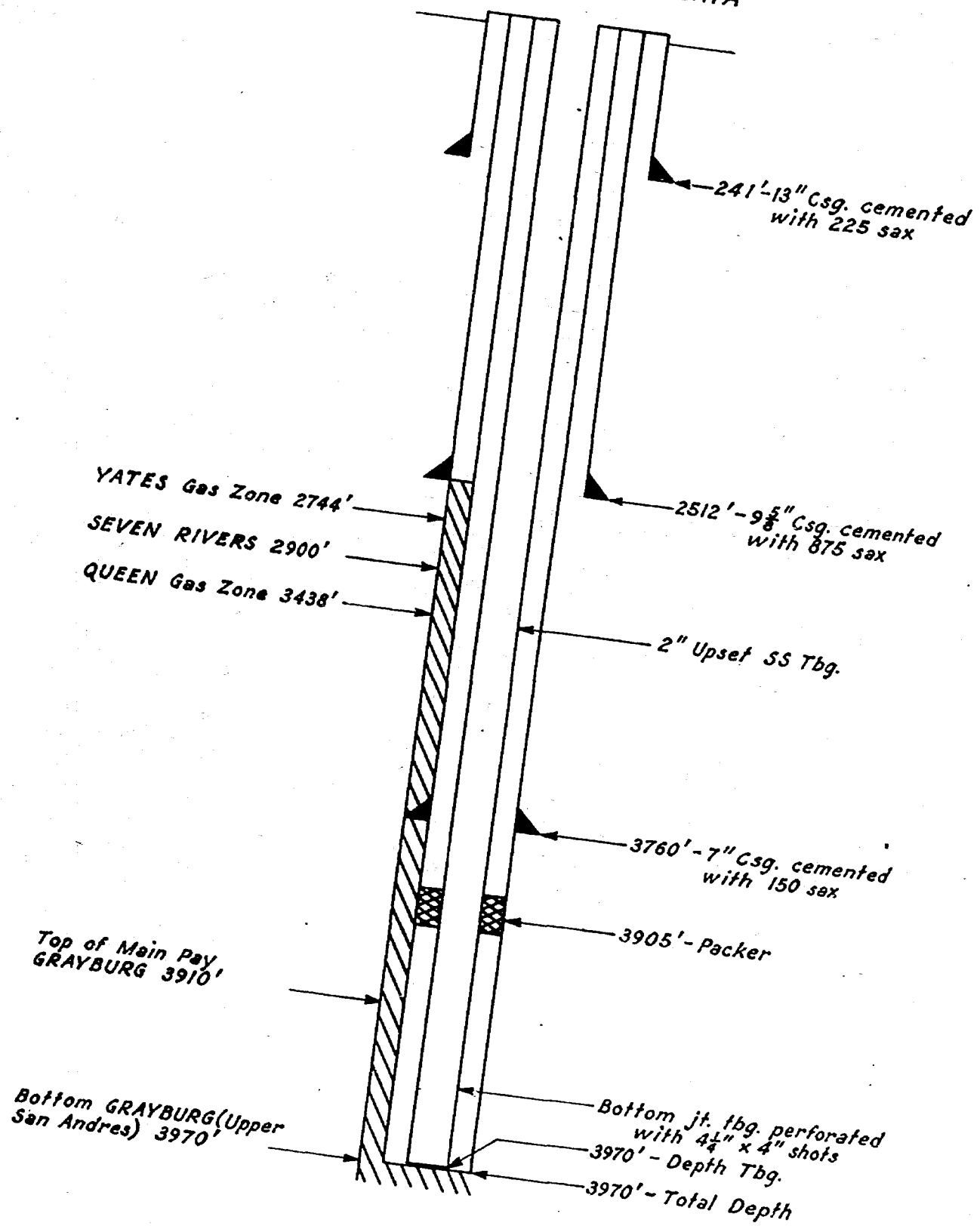


EXHIBIT NO. 5

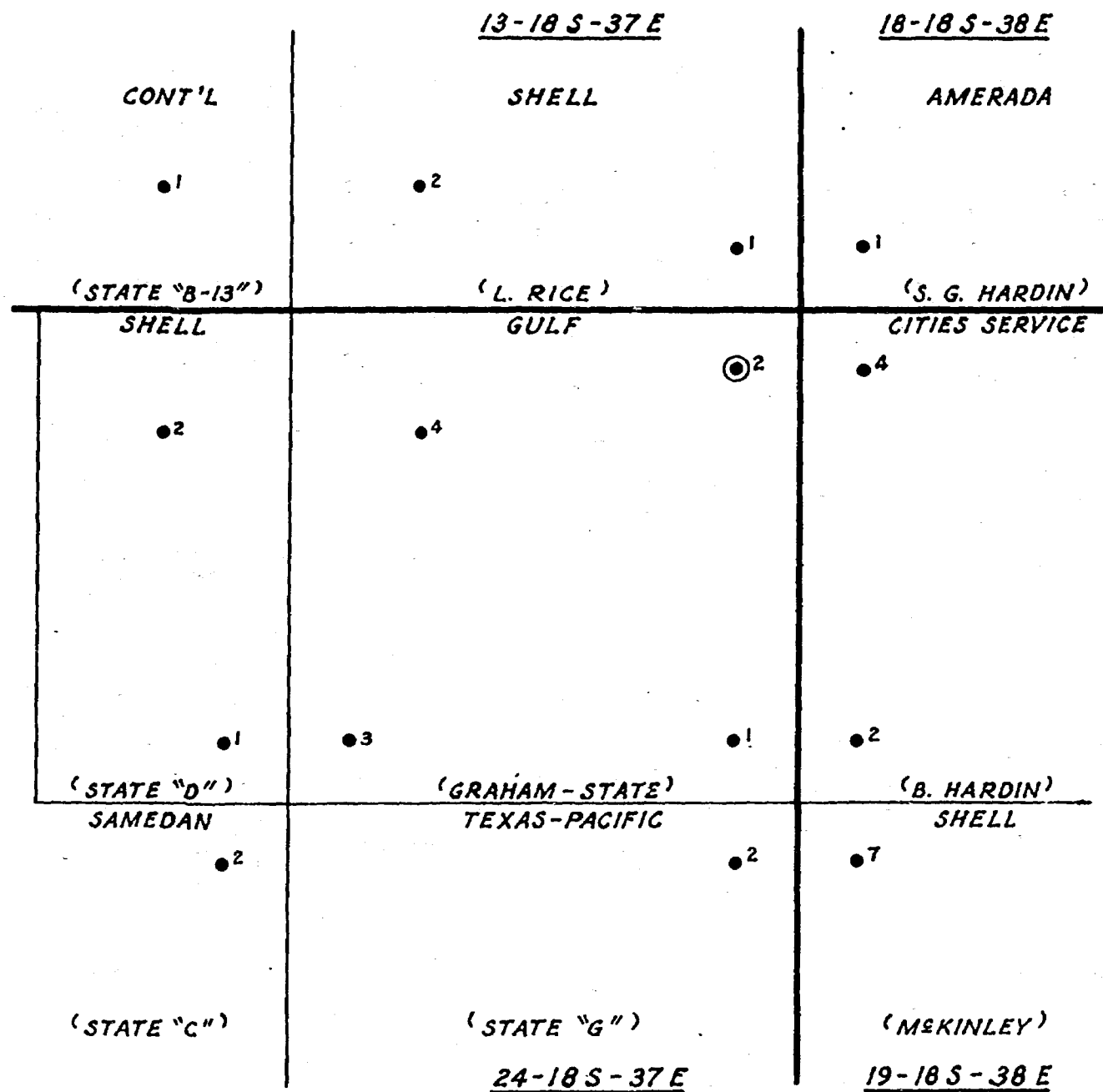


EXHIBIT NO. 6

GRAHAM STATE NO. 2
WELL COMPLETION DATA

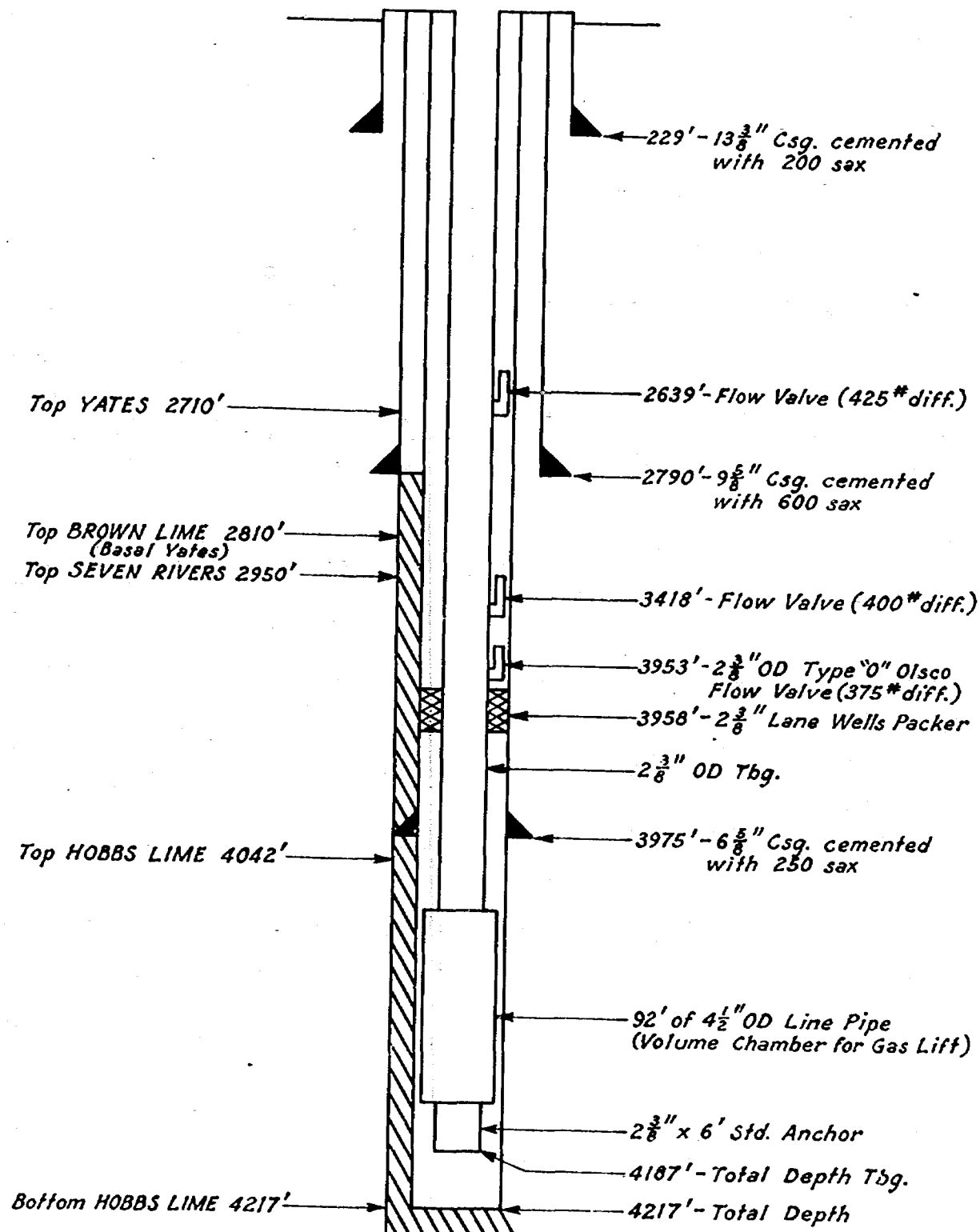


Exhibit 7 Temporarily Abandoned Wells											
Well	Completion Date	Prod. Form. and Depth	Date Temp. Abandoned	Casing		Sacks Cement Used	Top Cement per Temp. Survey		Tubing		
				Size	Setting Depth		Size	Setting Depth	Packer Setting	Total Depth	Casing Head
Bell Ramsey No. 8	7-20-36	Grayburg 3840-90'	7-13-45	5 1/2"	3630'	300	2 3/8" EUE	3880'	None	3890'	7 5/8" x 5 1/2" Hercules Type "A"
M. Campbell No. 2	2-8-37	Grayburg 3805-3900'	12-1-45	5 1/2"	3733'	150	2 3/8" EUE	3900'	3804'	3900'	7 5/8" x 5 1/2" Hercules Type "A"
Carr No. 1	9-9-36	Penrose Sand, 3514-46'	6-3-45	7"	3484'	100	None	--	--	3625'	10 3/4" x 7" Hercules Type "A"
Folt No. 1	11-19-38	Penrose Sand, 3425-55'	8-1-46	7"	3395'	350	2 3/8" EUE	3460'	None	3548'	10 3/4" x 7" Hercules Type "A"
Leonard No. 3	11-6-36	Grayburg 3805-40' 3860-90'	7-24-48	5 1/2"	3760'	175	2 3/8" EUE	3890'	None	3895'	7 5/8" x 5 1/2" Hercules Type "A"
Orcutt No. 1	9-16-35	Grayburg 3805-90'	11-1-48	5 1/2"	3713'	15	2 3/8" EUE	3890'	3810'	3890'	7 5/8" x 5 1/2" Hercules Type "A"
Orcutt No. 1	4-29-36	Grayburg 3765-3865'	9-1-49	5 1/2"	3745'	300	2 3/8" EUE	3838'	3788'	3865'	7 5/8" x 5 1/2" Hercules Type "A"
W. A. Ramsey "B" #2	10-31-44	Grayburg 3845-55'	2-4-45	5 1/2"	3746'	200	None	--	--	3855'	9 5/8" x 5 1/2" Hercules Type "A"