

CASE 2420: Application of ZAPATA
PETROLEUM CORP. for authority to
inject water into Maljamar Pool.

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2420

plication, Transcript,
all Exhibits, Etc.

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. 2420
Order No. R-2106

APPLICATION OF ZAPATA PETROLEUM
CORPORATION FOR WATER INJECTION,
MALJAMAR POOL, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 25, 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 1st day of November, 1961, the Commission, a quorum being present, having considered the application and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

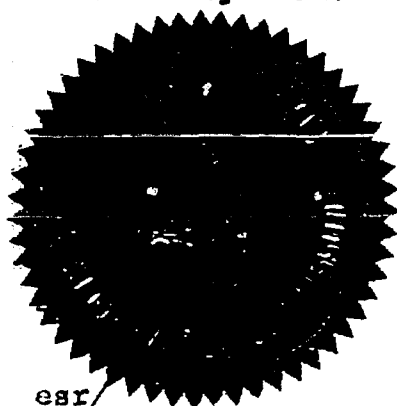
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Zapata Petroleum Corporation, has requested that Case No. 2420 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2420 is hereby dismissed.

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



esr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

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

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

November 1, 1961

Mr. John F. Russell
Campbell & Russell
P. O. Drawer 640
Roswell, New Mexico

Re: Case No. 2420
Order No. R-2106
Applicant:
Zapata Petroleum 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.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER

LAW OFFICES OF
CAMPBELL & RUSSELL

J. P. WHITE BUILDING - P. O. [REDACTED] ROSWELL, NEW MEXICO

TELEPHONES
MAIN 2-4641
MAIN 2-4642

JACK M. CAMPBELL
JOHN F. RUSSELL

October 17, 1961

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

Gentlemen:

This is to advise you that Zapata Petroleum Company desires to dismiss their application which has been set for hearing on October 25 seeking to obtain an order authorizing the injection of water into the Grayburg and San Andres formations in the Maljamar Field, Lea County, New Mexico.

It is our understanding that this case will be refiled at a later date.

Very truly yours,

Jack M. Campbell

Jack M. Campbell

For CAMPBELL & RUSSELL

JMC:np

cc: Zapata Petroleum Company
302 Midland National Bank Bldg.
Midland, Texas

No. 29-61

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 25, 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:

Cases 2413 through 2420 will not be heard before 1:00 P.M.

- CASE 2403: In the matter of the hearing called by the Oil Conservation Commission to permit Henry W. Etz, Jr. and all interested parties to appear and show cause why the Rice Andrews Well No. 1, located in Unit C, Section 14, Township 14 South, Range 25 East, Chaves County, New Mexico, should not be replugged in accordance with a Commission-approved plugging program.
- CASE 2404: Application of Continental Oil Company for a 272.38-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 272.38-acre non-standard gas proration unit in the Eumont Gas Pool, comprising Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico; said unit is to be dedicated to the State F-1 Well No. 6, located 660 feet from the North and West lines of said Section 1.
- CASE 2405: Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Ida Wimberly Well No. 11, located in the NW/4 SW/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, as a dual completion in the Justis-Paddock and Justis-Blinebry Pools, with the production of oil from the Paddock zone to be through a tapered string of tubing of 2 3/8-inch and 2 1/16-inch diameter and the production of oil from the Blinebry zone to be through a tapered string of tubing of 2 3/8-inch and 1-inch diameter.

CASE 2406: Application of Shell Oil Company for an exception to Rule 502-I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 502-I to increase from 25 percent to 100 percent the daily production tolerance applicable to all of its wells located in the Hobbs, Eunice-Monument, Vacuum-Abo and Vacuum-San Andres Pools, Lea County, New Mexico.

CASE 2407: Application of Shell Oil Company for approval of the Cabezon Unit Agreement, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cabezon Unit Agreement embracing 22,743 acres, more or less, of State, fee and Federal lands in Townships 16 and 17 North, Ranges 2, 3 and 4 West, Sandoval County, New Mexico.

CASE 2408: Application of Texaco, Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its V. M. Henderson Well No. 6, located in Unit C, Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion adjacent to the Paddock, Blinebry, and Drinkard Pools, with production of oil from the Paddock and Drinkard zones to be through parallel strings of 2 1/16-inch tubing and the production of gas from the Blinebry Gas Pool to be through the tubing-casing annulus.

CASE 2409: Application of Texaco Inc. for a quintuple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its G. L. Erwin "b" NCT-2 Well No. 2, located in Unit J, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, as a quintuple completion (tubingless) in undesignated Ellenburger, McKee, Fusselman, Siluro-Devonian and Drinkard pools, with the production of oil from the McKee, Fusselman, Siluro-Devonian and Drinkard zones to be through parallel strings of 2 3/8-inch tubing and the production of oil from the Ellenburger-zone to be through a string of 2 7/8-inch tubing, all strings of tubing to be cemented in a common well bore.

CASE 2410: Application of Hondo Oil & Gas Company for permission to directionally drill and for an unorthodox bottom hole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill a well in Section 26, Township 17 South, Range 28 East, Eddy County,

CASE 2410: (Cont.)

New Mexico, the surface location to be 2310 feet from the North line and 1980 feet from the East line of said Section 26 and the bottom hole location to be in the Empire-Abo Pool at a situs 2540 feet from the North line and 1980 feet from the East line of said Section 26.

CASE 2411:

Application of Socony Mobil Oil Company, Inc., for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303 (a) to permit the commingling of the production from the Anderson Ranch-Devonian and the Anderson Ranch-Wolfcamp Pools on its New Mexico "S" lease, which includes Lot 2 of Section 2, Township 16 South, Range 32 East, Lea County, New Mexico. Applicant proposes to meter the production from one pool only, and to allocate production to the other pool according to the subtraction method; the API gravity of the Anderson Ranch-Devonian crude is greater than 45°.

CASE 2412:

Application of Val R. Reese & Associates, Inc., for an unorthodox gas well location and a non-standard gas unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate its Benn Well No. 1-9 at an unorthodox gas well location in an undesignated Gallup pool, 2210 feet from the North line and 330 feet from the East line of Section 9, Township 23 North, Range 7 West, Rio Arriba County, New Mexico, said well to be dedicated to a 152.02-acre non-standard gas unit comprising the NE/4 of said Section 9.

The following cases will not be heard before 1:00 P.M.

CASE 2413:

Application of Aspen Crude Purchasing 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 Totah-Gallup Oil Pool for a well to be drilled 1190 feet from the South line and 2210 feet from the East line of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico.

CASE 2414:

Application of Southwest Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox

CASE 2414: (Cont.)

gas well location in an undesignated Mesaverde pool for a well located 2360 feet from the South line and 830 feet from the West line of Section 26, Township 30 North, Range 12 West, San Juan County, New Mexico. Said well is to serve as the unit well for a 160-acre gas proration unit comprising the SW/4 of said Section 26.

CASE 2415:

Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 14, Township 30 North, Range 12 West, San Juan County, New Mexico. Interested parties include the unknown heirs of Abas Hassan, deceased, the unknown heirs of D. M. Longstreet, deceased, and Robert E., Alice L., and Samuel Glenn Goodwin, and/or their unknown heirs.

CASE 2416:

Application of Southwest Production Company for an order pooling all mineral interests in an undesignated Mesaverde gas pool in the E/2 of Section 22, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 2417:

Application of Scanlon Engineering Company for an order fixing the spacing of wells, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks an order fixing the spacing of wells producing from the Mesaverde formation in Sections 21, 22 and 27, all in Township 20 North, Range 9 West, McKinley County, New Mexico. Applicant recommends the establishment of two and one-half acre well spacing.

CASE 2418:

Application of Humble Oil & Refining Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State BM Well No. 1, located in Unit I, Section 2, Township 25 South, Range 37 East, Lea County, New Mexico, as a dual completion (Tubingless) in undesignated Fusselman and Ellenburger pools, with the production of oil from the Fusselman zone through 2 7/8-inch casing and the production of oil from the Ellenburger zone through 2 3/8-inch casing cemented in a common well bore.

CASE 2419:

Application of Leonard Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Federal Ginsberg Well No. 11, located in Unit E, of Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, as a triple completion (conventional) in the Justis Blinbry Pool, in an undesignated

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Docket No. 29-61

CASE 2419: (Cont.)

Tubb Pool and in the Justis Fusselman Pool, with production of oil from the Tubb and Fusselman zones to be through parallel strings of 2 3/8-inch tubing and the production of oil from the Blinebry zone through a string of 2 1/16-inch tubing.

CASE 2420:

Application of Zapata Petroleum Corporation for authority to inject water into the Maljamar Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to inject water into the Maljamar Pool (Grayburg and San Andres formations) through eight wells located in Sections 17, 18 and 19, all in Township 17 South, Range 33 East, Lea County, New Mexico, for the purpose of secondary recovery.

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BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
ZAPATA PETROLEUM CORPORATION FOR AN)
ORDER AUTHORIZING THE INJECTION OF)
WATER INTO THE GRAYBURG AND SAN ANDRES)
FORMATIONS FOR THE PURPOSES OF SECON-)
DARY RECOVERY IN SECTIONS 17, 18, AND)
19, TOWNSHIP 17 SOUTH, RANGE 33 EAST,)
IN THE MALJAMAR FIELD, LEA COUNTY, NEW)
MEXICO.)

No. 2426

APPLICATION

COMES NOW Zapata Petroleum Corporation, by its Attorneys,
Campbell & Russell, and states:

1. It is the owner or the owner of operating rights to
the Grayburg and San Andres formations underlying all of Section
17; the E $\frac{1}{2}$ and SW $\frac{1}{4}$ of Section 18; the N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SW $\frac{1}{4}$
of Section 19; the N $\frac{1}{2}$ of Section 20, all in Township 17 South,
Range 33 East, and the SE $\frac{1}{4}$ of Section 13, Township 17 South, Range
32 East, in the Maljamar Field, Lea County, New Mexico.

2. It proposes to commence the injection of water in
certain wells in Sections 17, 18, and 19 of said Township and Range,
which wells are identified on Exhibit 1 attached hereto, said ex-
hibit being a plat also showing the location of all other wells
within a radius of two miles from said proposed injection wells
and the lessees within said two mile radius.

3. It is filing simultaneously with the filing of this
Application copies of well logs of the proposed injection wells.

4. It attaches hereto as Exhibit 2 a record of the
casing program of the proposed injection wells.

Handwritten:
Received
10/11/61
2

5. It proposes to flood the Grayburg and San Andres formations at depths ranging from 4,000 feet to 4,500 feet from the surface at the rate of approximately 500 barrels of water per day for injection wells until fill up and 250 to 300 barrels of water per day thereafter. The water used will be purchased from Yucca Water Company.

WHEREFORE, Applicant requests that the Commission set this matter down for hearing before its Examiner, publish notice as required by law and, after hearing, issue its Order authorizing the injection of water as aforesaid.

Respectfully submitted,

ZAPATA PETROLEUM CORPORATION

By Jack M. Campbell
CAMPBELL & RUSSELL
P. O. Drawer 640
Roswell, New Mexico

Its Attorneys

DATED: September 19, 1961

Sum = 470

CASING RECORD

<u>Lease and Well No.</u>	<u>Location</u>	<u>Surface Casing</u>	<u>Cemented With - Sx</u>	<u>T.D.</u>	<u>5-1/2 @</u>	<u>Cemented With - Sx</u>
<u>Murphy H. Baxter</u>						
Phillips State 17-5	E 17-17-33	8-5/8 @ 300'	50	4473'	4472'	150
Phillips State B-3	I 18-17-33	9-5/8 @ 330'	250	4605'	4605'	270
Phillips State B-5	O 18-17-33	9-5/8 @ 330'	150	4589'	4589'	250
<u>Zapata Petroleum Corp.</u>						
Phillips State B-4	A 19-17-33	8-5/8 @ 365'	175	4586'	4585'	160
Phillips State B-6	G 19-17-33	8-5/8 @ 368'	175	4410'	4409'	160
Phillips State B-11	C 19-17-33	8-5/8 @ 356'	175	4390'	4390'	180
Western State 11	M 17-17-33	9-5/8 @ 279'	Circ	4420'	4400'	1500
Western State 14	K 17-17-33	8-5/8 @ 278'	Circ	4450'	4450'	2800

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 10/27

CASE 2420

Hearing Date Jan 20/25

DSN OF

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

Dismiss as requested by applicant

San Juan

PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

October 23, 1961

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Zapata Petroleum Corporation
P. O. Box 3195
Midland, Texas

Attention: Mr. J. Hugh Liedtke

Gentlemen:

Our attention has been called to an application which you have filed before the Oil Conservation Commission of the State of New Mexico for certain water flood operations in the Maljamar Field, Lea County, New Mexico, and being Case No. 2420. In the application, you assert that you are the owner or the owner of operating rights to the Grayburg and San Andres formations underlying all of Section 17 and the N/2 of Section 20 in Township 17 South, Range 33 East, as well as other properties.

As you know, Phillips Petroleum Company asserts ownership of the operating rights to the oil, gas and other mineral rights in the S/2 of Section 17 and the N/2 of Section 20, and has recently filed suit against you and Western Oil Fields, Inc., in the District Court of Lea County, State of New Mexico (No. 19874) to have Phillips' prior rights and interests in such properties established.

You appear to contemplate operations on said properties without Phillips' permission or consent.

Please be advised that you proceed on said S/2 of Section 17 and N/2 of Section 20 without the consent of Phillips and at your own risk and that Phillips does not intend to waive or relinquish any of its rights to or interests in said properties and that Phillips will hold you accountable to it for any violation of Phillips' rights in said properties and for any damage done to its interests in, and for production obtained from, said S/2 of Section 17 and said N/2 of Section 20.

Additionally, your application before the New Mexico Oil Conservation Commission alleges that you are the "owner or the owner of operating rights" to the Grayburg and San Andres formations underlying the N/2 of Section 17, SW/4 of Section 18 and all of Section 19, except the SW/4 SW/4, all in Township 17 South, Range 33 East, and the SE/4 of Section 13, Township 17 South, Range 32 East, all in Lea County, New Mexico, as well as

Zapata Petroleum Corporation

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October 23, 1961

other properties. Phillips Petroleum Company has preferential purchase rights covering said described properties. Your application, a copy of which was just recently received by Phillips, was the first indication to Phillips that there may have been assignments of interests in said properties to you and to which Phillips may be entitled to exercise its preferential purchase rights. Please advise what assignments or other transfer or conveyance of interests in whole or in part of the oil and gas leasehold estates covering said properties you have secured and the full terms thereof so that we may consider the exercise of our preferential purchase rights thereto.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

By


Vice President

CMS:rvh

cc: Western Oil Fields, Inc.
1827 Grant Street
Denver, Colorado

Oil Conservation Commission
of New Mexico
Santa Fe, New Mexico

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 25, 1961

EXAMINER HEARING

IN THE MATTER OF:)

Application of Zapata Petroleum Cor-)
poration for authority to inject water)
into the Maljamar Pool, Lea County,)
New Mexico. Applicant, in the above-)
styled cause, seeks authorization to)
inject water into the Maljamar Pool)
(Grayburg and San Andres formations))
through eight wells located in Sections)
17, 18 and 19, all in Township 17)
South, Range 33 East, Lea County, New)
Mexico, for the purpose of secondary)
recovery.)

CASE 2420

BEFORE: Mr. Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. MORRIS: Application of Zapata Petroleum Corpora-
tion for authority to inject water into the Maljamar Pool,
Lea County, New Mexico.

MR. RUSSELL: John F. Russell, of Campbell and
Russell, appearing on behalf of the applicant, and request that
Case 2420 be dismissed at this time.

MR. NUTTER: Case 2420 will be dismissed. The hearing
is adjourned.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



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 2nd day of November, 1961.

Ada Dearnley
 Notary Public-Court Reporter

My commission expires:
 June 19, 1963.

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the Examination of Case No. 2420, heard by me on 10/25, 1961.

[Signature], Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
 PHONE 325-1182

ALBUQUERQUE, N. M.
 PHONE 243-6601



NO.

NAME

Case 2421; Texaco NE Caprock

Unit waterflood - See Case 2421 in Unit 7B