

2-657

tion, Transcript,

// Exhib. Etc.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 10, 1962

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, alternate examiner:

- CASE 2647: (Continued)
Application of Carper Drilling Company for a tubingless completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Baetz Well No. 1, located in the SE/4 SW/4 of Section 35, Township 14 South, Range 27 East, Chaves County, New Mexico, as a tubingless gas well completion producing through perforations from 8182-8270' in 2 7/8 inch casing.
- CASE 2654: Application of Carper Drilling Company for the creation of a new gas pool and for temporary special rules and regulations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool to be designated the Buffalo Valley-Pennsylvanian Gas Pool for its Baetz Well No. 1, located in the SE/4 SW/4 of Section 35, Township 14 South, Range 27 East, Chaves County, New Mexico. Applicant, further seeks the establishment of temporary special rules and regulations governing said pool, including provisions for 320-acre gas units.
- CASE 2655: Application of Martin Yates III and S. P. Yates for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Lusk-Strawn Pool to form a 160-acre oil proration unit comprising the NE/4 of Section 30, Township 19 South, Range 32 East, Lea County, New Mexico, to be dedicated to a well to be drilled in the NE/4 NE/4 of said Section 30.
- CASE 2656: Application of Western Development Company for a secondary recovery project, East Millman Queen-Grayburg Field, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a secondary recovery project in the East Millman Queen-Grayburg Field, with the injection of water into the Queen and Grayburg formations initially to be through 16 wells, located in Sections 11, 14, 15, 22 and 23, Township 19 South, Range 28 East, Eddy County, New Mexico, said project to be governed by the provisions of Rule 701.

Docket No. 29-62

Examiner Hearing - Wednesday October 10, 1962

CASE 2657:

Application of Odessa Natural Gasoline Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks establishment of a 320-acre non-standard gas proration unit comprising the SE/4 of Section 23 and the NE/4 of Section 26, Township 25 South, Range 37 East, Justis Gas Pool, Lea County, New Mexico, to be dedicated to its Carlson "A" Well No. 1 located in Unit P of said Section 23.

CASE 2658:

Application of Cabot Corporation for temporary special rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations for the North Bagley-Pennsylvanian Pool, Lea County, New Mexico, including provisions for 80-acre proration units.

CASE 2659:

Application of Cabot Corporation for the creation of a new oil pool and the establishment of temporary rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool to be designated the North Bagley-Wolfcamp Pool for its Humble State Well No. 1, located in the NW/4 NW/4 of Section 23, Township 11 South, Range 33 East, Lea County, New Mexico. Applicant further seeks establishment of temporary rules and regulations governing said pool including provisions for 80-acre proration units.

CASE 2660:

Application of Midwest Oil Corporation for the creation of a new oil pool and for the establishment of temporary special rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Pennsylvanian production in the vicinity of its LLE State Well No. 1, located in the NW/4 SW/4 of Section 14, Township 10 South, Range 33 East, Lea County, New Mexico. Applicant further seeks the promulgation of temporary special rules and regulations governing said pool to include provisions for 80-acre proration units and fixed well location requirements.

CASE 2661:

Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion (conventional) of its Southland Royalty "A" Well No. 2, located in Unit B of Section 9, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce

oil from the Drinkard and Blinebry formations and gas from the Tubb formation through parallel strings of tubing.

CASE 2662:

Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion (conventional) of its South Mattix Unit Well No. 14, located in Unit K of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce gas from the Fowler Paddock and an undesignated Tubb pool, and oil from an undesignated Blinebry pool through parallel strings of tubing.

CASE 2663:

Application of Arnold H. Bruner for permission to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill his Federal Intex Well No. 1, the surface location of which is in the center of the NW/4 SE/4 of Section 8, Township 9 South, Range 37 East, Allison Pennsylvanian Pool (extension), Lea County, New Mexico. Target for said directionally drilled well would be 100 feet from the North and West lines of the NW/4 SE/4 of said Section 8.

CASE 2664:

Application of Southwest Production Company for a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Davis Federal Well No. 1, located in Unit L of Section 24, Township 26 North, Range 11 West, San Juan County, New Mexico, as a dual completion with production of oil from the Gallup zone and production of gas from the Dakota zone to be through parallel strings of 1 1/4-inch tubing.

CASE NO. 2657
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

OCTOBER 10, 1962

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Case 2 EXHIBIT NO. *1*
CASE NO. *2657*

CASE NO. 2657

Application of Odessa Natural Gasoline Company for a non-standard gas proration unit, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks establishment of a 320-acre non-standard gas proration unit comprising the SE/4 of Section 23 and the NE/4 of Section 26, Township 25 South, Range 37 East, Justis Gas Pool, Lea County, New Mexico, to be dedicated to its Carlson "A" Well No. 1 located in Unit P of said Section 23.

COMPLETION DATA
ODESSA NATURAL GASOLINE COMPANY
CARLSON "A" WELL NO. 1

LOCATION

990 feet from the south line and 660 feet from the east line of Section 23, Township 25 South, Range 37 East, Lea County, New Mexico.

ELEVATION

3085 feet Derrick Floor

OIL STRING

4-1/2" casing set at 4876 feet and cemented with 405 sacks.

PERFORATIONS

Perforated from 4660 to 4692 feet and from 4703 to 4738 feet.

TOTAL DEPTH

4877 feet.

ABSOLUTE POTENTIAL

41,000 MCFPD

TREATMENT

Acidized each zone (perforations 4660-92' and 4703-38') with 3500 gallons regular acid. Fraced each zone with 10,000 gallons of refined oil plus 10,000 pounds of sand.

COMPLETION DATE

April 18, 1962



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857

Roswell, New Mexico

October 4, 1962

Odessa Natural Gasoline Company
P. O. Box 3908
Odessa, Texas

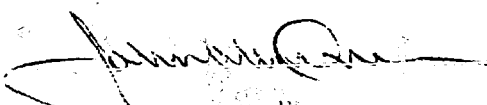
Attention: Mr. W. T. Edwards

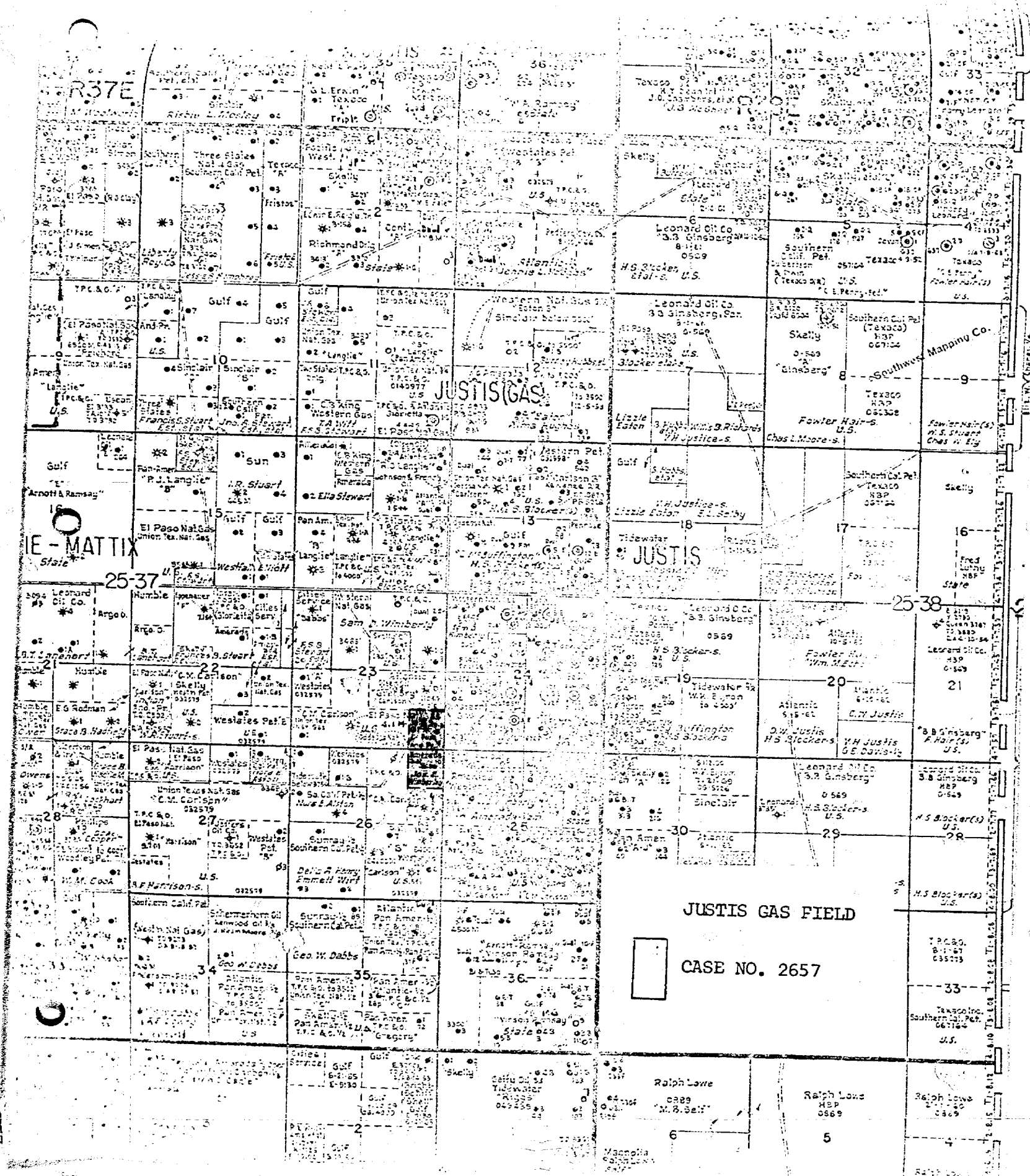
Gentlemen:

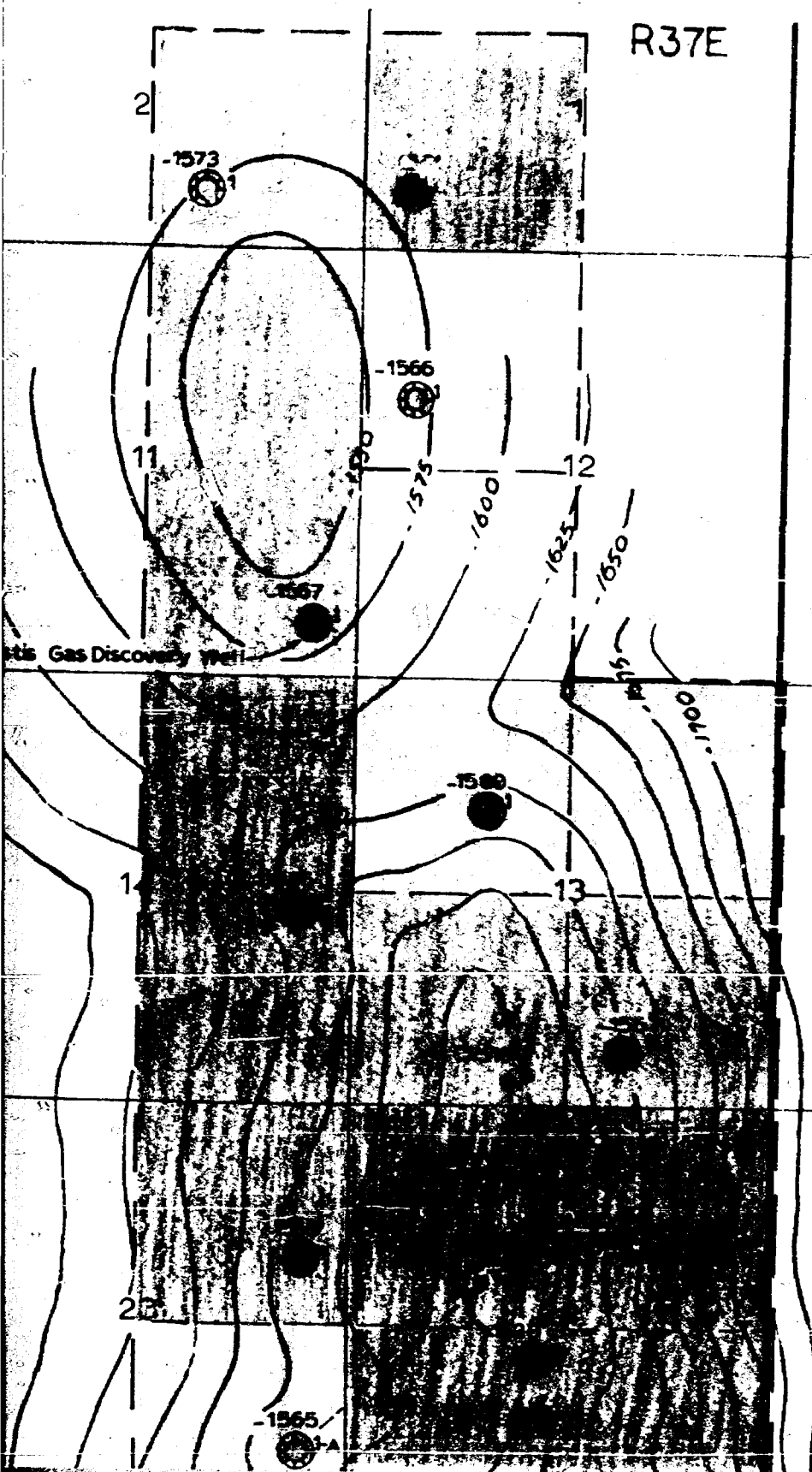
Receipt is acknowledged of 10 copies of a Glorieta formation communitization agreement embracing the SE $\frac{1}{4}$ sec. 23 and the NE $\frac{1}{4}$ sec. 26, T. 25 S., R. 37 E., Lea County, New Mexico.

This agreement for the spacing unit dedicated to your Federal-Carlson "A" No. 1 well will be in condition for approval upon the receipt of the New Mexico Oil Conservation Commission administrative order approving this unorthodox proration unit.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor





- Continental Oil Co.
State "A"-2 No. 1
- Cities Service Petr. Co.
Hodge "B" No. 1
- Western Natural Petr. Co.
Eaton "B" No. 1
- El Paso Natural Gas Co.
Justis Federal No. 1
- Odessa Natural Gasoline Co.
Carlson Federal No. 1
- Odessa Natural Gasoline Co.
Langlie Federal No. 1
- Gulf Oil Corporation
McBuffington No. 3
- T-P Coal & Oil
Wimberly No. 1
- Tidewater Oil Co.
Coates "C" Federal No. 1
- Tidewater Oil Co.
Coates "C" Federal No. 13
- Odessa Natural Gasoline Co.
Carlson Federal "A" No. 1
- Westates Petr. Co.
Carlson Federal No. 1
- El Paso Natural Gas Co.
Carlson Federal No. 1
- Gulf Oil Corporation
A. Ramsay No. 3

JUSTIS GAS POOL
Lea County, New Mexico

Order No. 850, January 1, 1950, Re-defining Pool, As Amended by Order No. R-544, November 17, 1954; Order No. R-902, October 26, 1956; Order No. R-1017, June 28, 1957; Order No. R-1105, December 30, 1957; Order No. R-1221, July 21, 1958; Order No. R-1372, April 21, 1959.

1-23-5, N-31-E SW/4 Sec. 1; SE/4 Sec. 2;
E/2 Sec. 11; W/2 Sec. 12; Sec. 13; E/2
Sec. 23; Secs. 24, 25; NE/4 Sec. 26; N/2
Sec. 36.

26

25

30

1545



35

1650

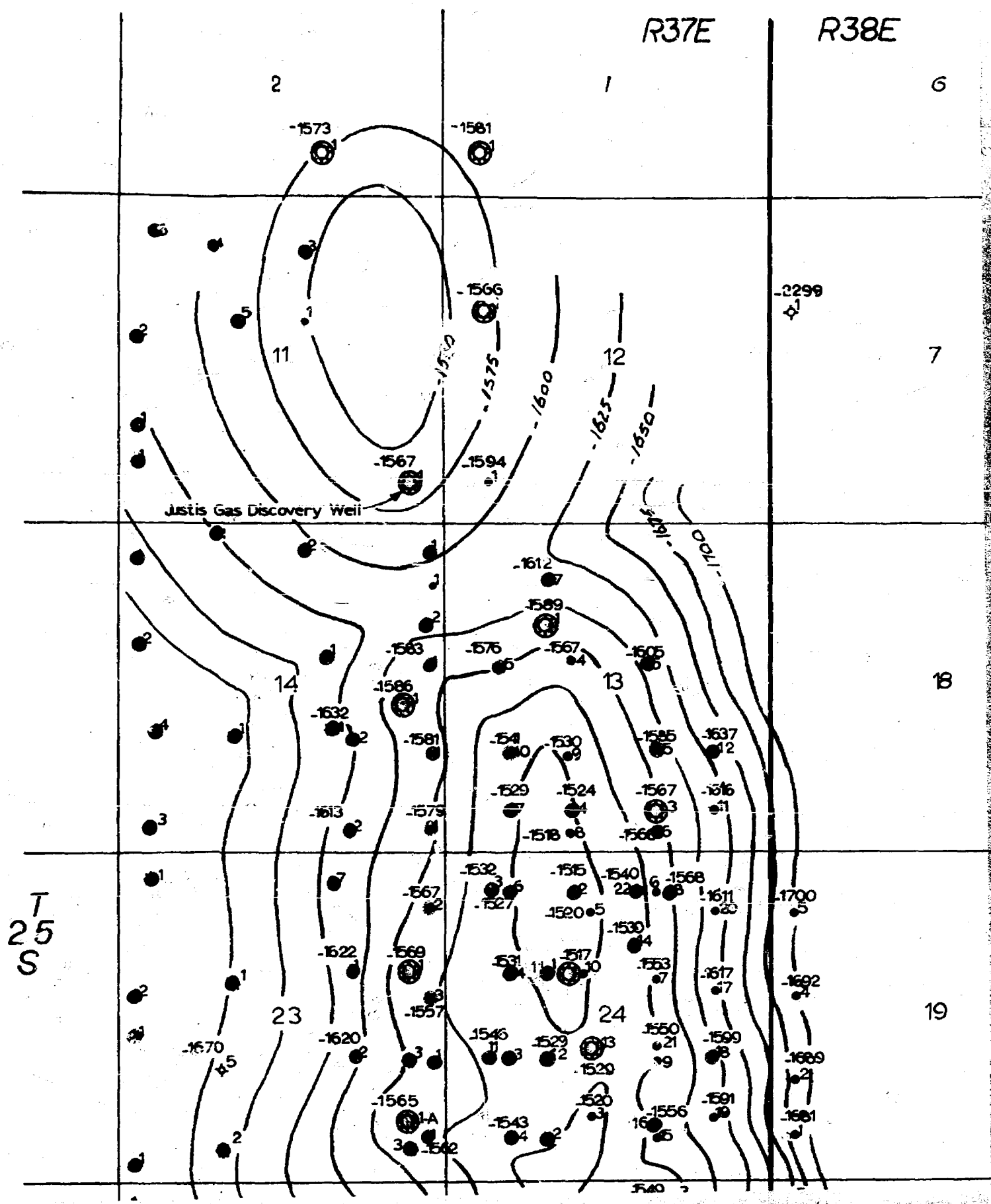
36

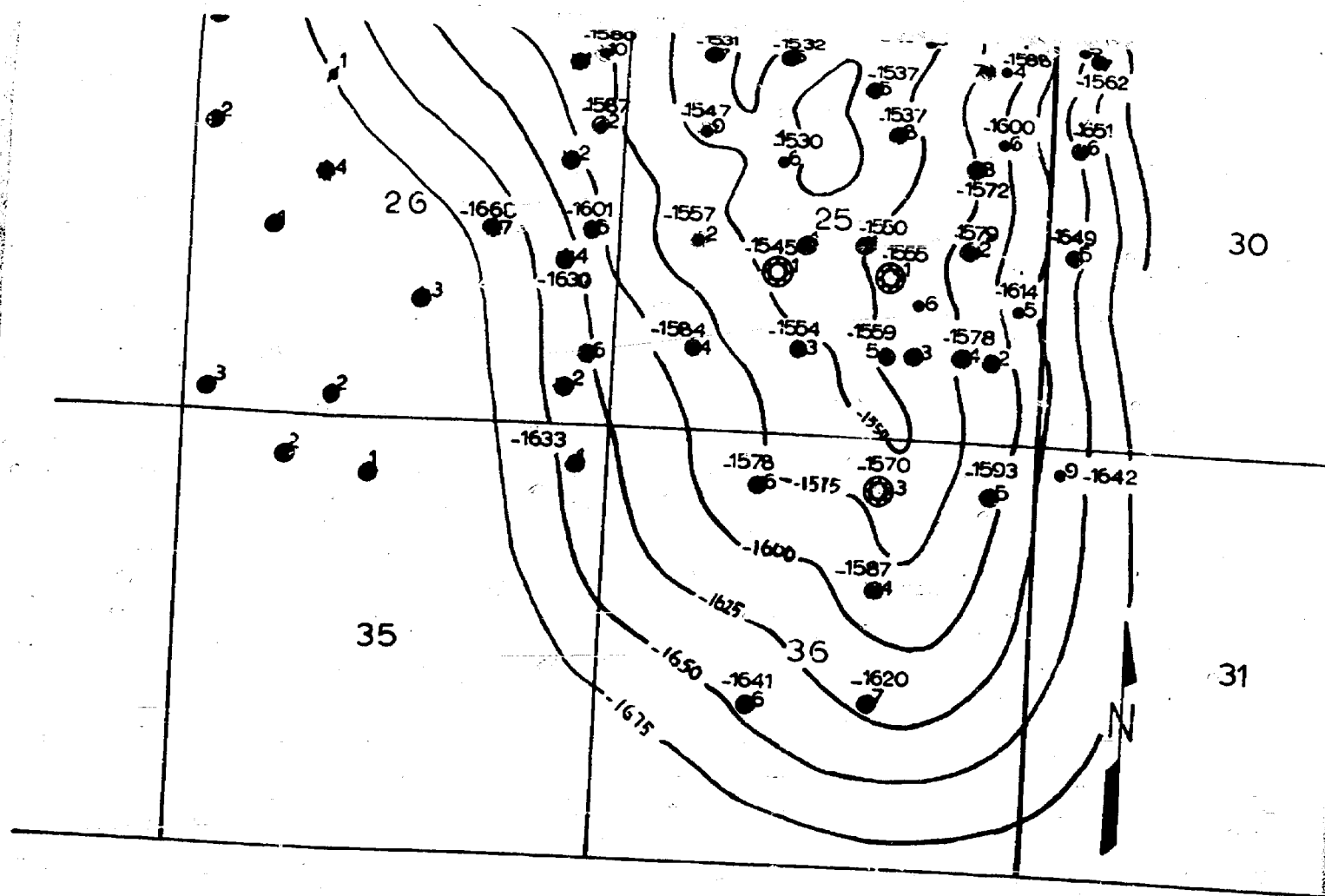
31

1675

N

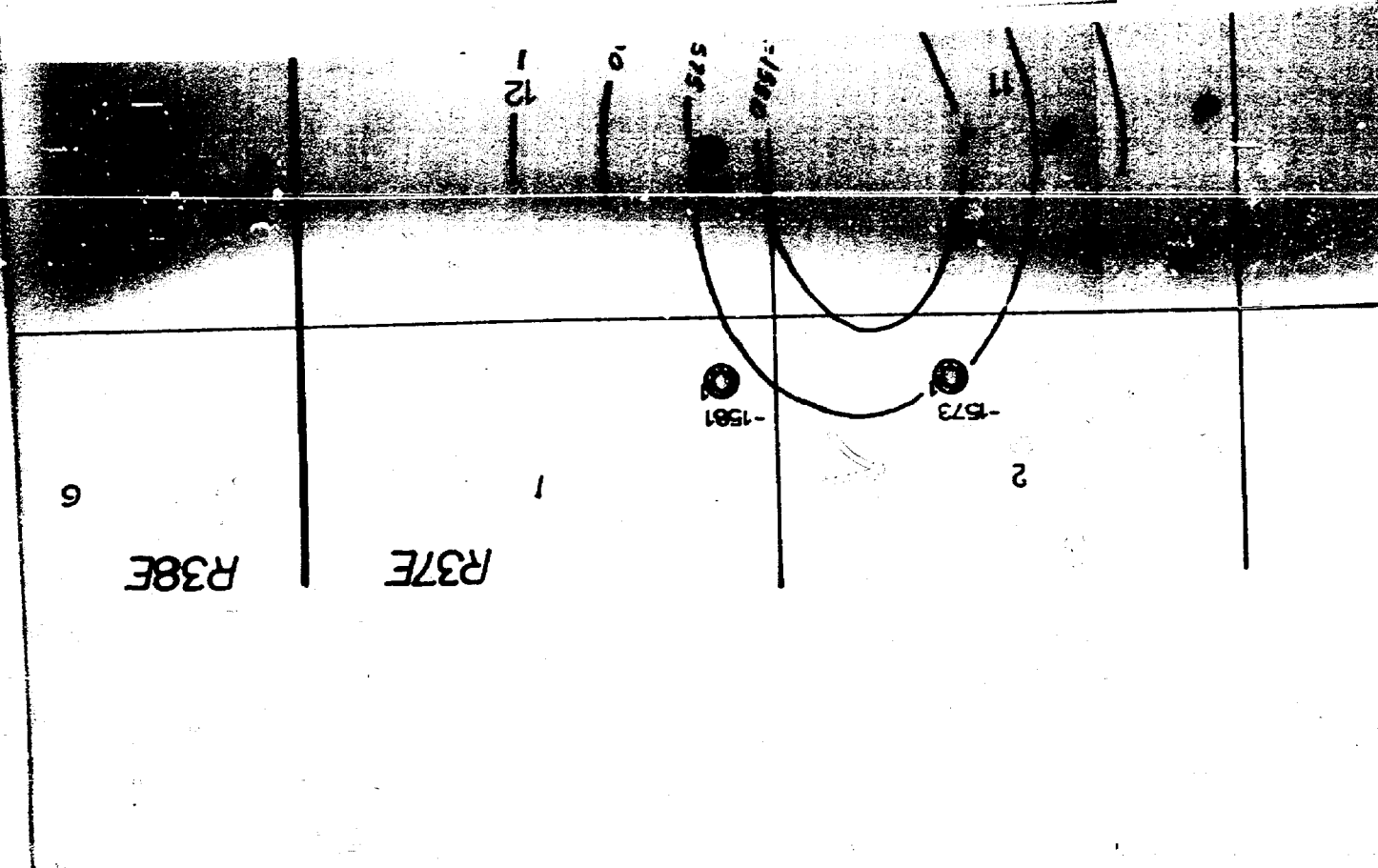
JUSTIS GAS FIELD
Lea County, New Mexico
Structural Cont. - T/Glorieta
Cont. Int. = 25'
Map Scale - 1" = 2000'





- Langlie Mattix
- ⊙ Glorieta Gas
- Paddock Oil
- Blinebry
- Drinkard
- Blinebry - Tubb Dual
- Blinebry - Drinkard Dual
- Paddock - Blinebry Dual
- Paddock - Tubb Dual

JUSTIS GAS FIELD
 Lea County, New Mexico
 Structural Contours - T/Glorieta
 Cont. Int. = 25'
 Map Scale - 1" = 2000'



WELL SURVEYING CORPORATION

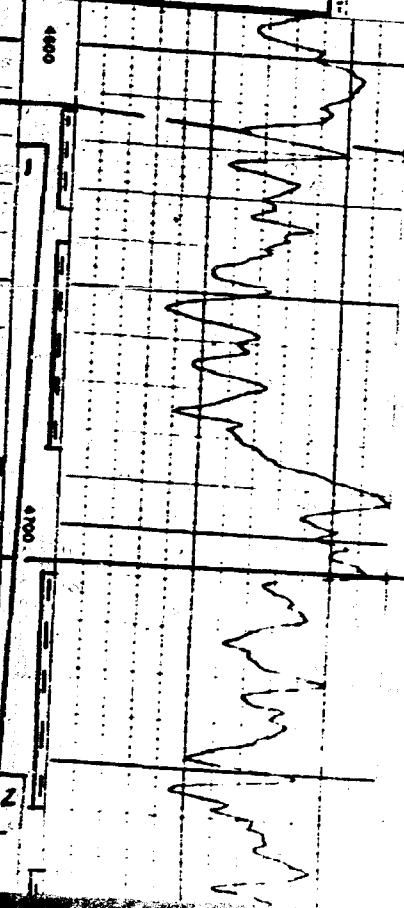
PASO NATURAL
S COMPANY
WILSON FEDERAL

Location of Well
1980' FS WLS
GRN SG. MLL

Elevation: D.F. 2058
K.S.
or G.L. 2050.8

FLING No.

25 Y-255
37 E
MEXICO



RADIOACTIVITY LOG WELEX JET SERVICES, Inc.

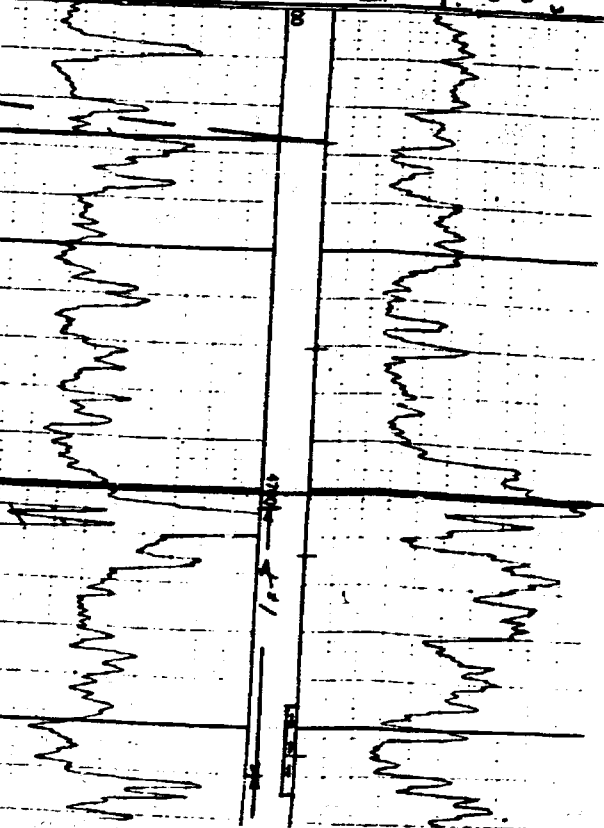
FILE NO.

Location of Well

COMPANY GULF OIL CORPORATION
WELL ARROYO GRANDE (W-7) NO. 3
FIELD LAMBLE-ARROYO GRANDE GAS
COUNTY LEA STATE NEW MEXICO
LOCATION 660' WIL & 1980' WIL, SEC. 36,
T-25-S, R-37-E.

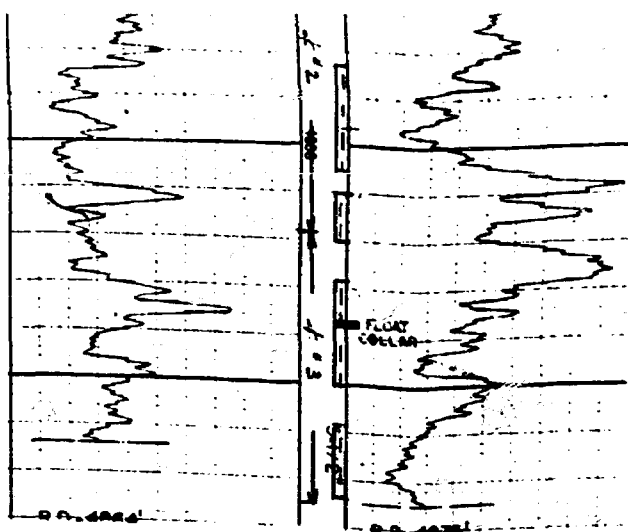
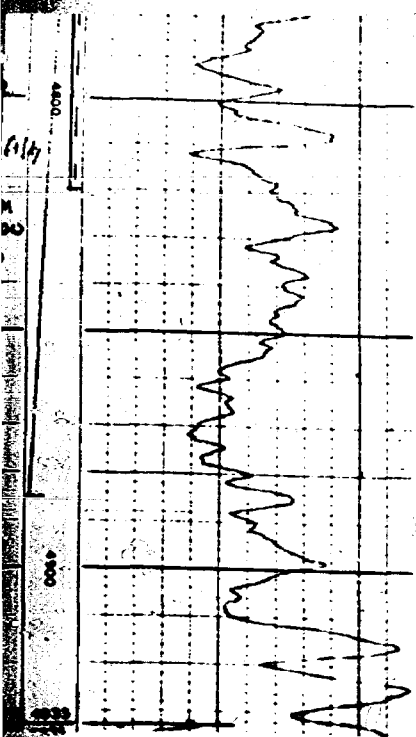
COMPANY GULF OIL CORPORATION
WELL ARROYO GRANDE (W-7) NO. 3
FIELD LAMBLE-ARROYO GRANDE GAS
COUNTY LEA STATE NEW MEXICO
LOCATION 660' WIL & 1980' WIL, SEC. 36,
T-25-S, R-37-E.

LOG MEAS. FROM 1' ABOVE ROTARY TABLE REV. 3051
ORIG. MEAS. FROM 1' ABOVE ROTARY TABLE REV. 3051
PERM. DATUM GROUND LEVEL REV. 3052




A'

-1650



SCHLIMBERGER W

	
COUNTY LEA FIELD BY JAL MAT LOCATION CARLSON FEDERAL WELL COMPANY EL PASO NATURAL COMPANY GAS COMPANY	COMPANY EL GA WELL CA FIELD JA LOCATION SE RA COUNTY LE STATE NE

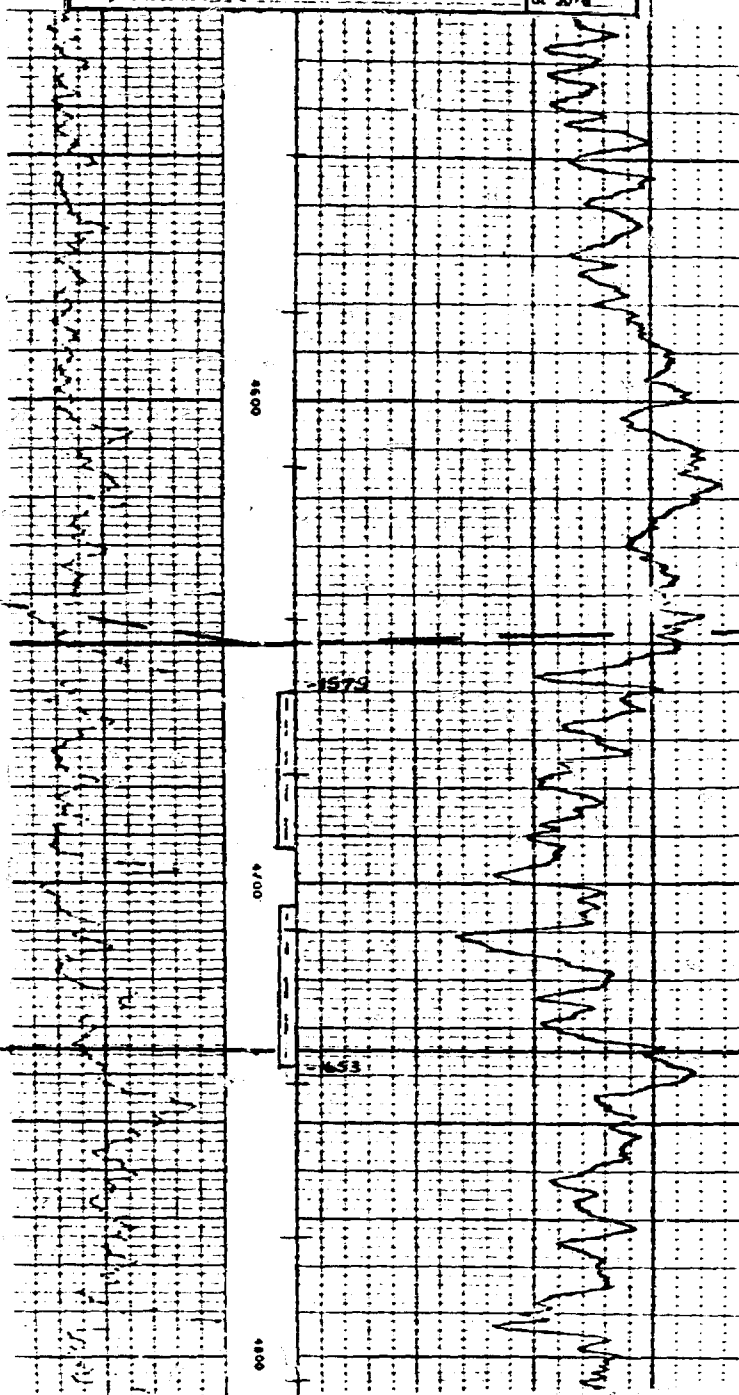
TOP GLORIETA

JB SEA -1650

DST No.
 GTS 2
 1,800,000
 574 SWCM
 RSIP 2110

WELLS

FILE NO.	COMPANY ODESSA NATURAL GASOLINE	
	WELL FEDERAL CARLSON "A" NO 1	
	FIELD JUSTIS GAS	
	COUNTY LEA	STATE NEW MEXICO
LOCATION 990' FSL @ 660' FEL		
SEC 23 TWP 25-S RGE 37-E		
Permanent Datum	Ground Level	Elev. 3075
Log Measured from	K. B	ft Above Permanent Datum
Drilling Measured from	K. B	ft
		KB 3086
		DB 3085
		GL 3078



9

RULE 25 (A). The vertical limits of the Justis Gas Pool shale be defined as follows:

From the top of the Glorieta formation, found at a depth of 4599 feet (Elevation 3080, Subsea Datum -1519) in the Gulf Oil Corporation McBuffington Well No. 8, located 350 feet from the South line and 1980 feet from the West line of Section 13, Township 25 South, Range 37 East, N.M.P.M. Lea County, New Mexico, to a point 40 feet above the marker encountered at 4879 feet (Subsea Datum -1799) in sand McBuffington Well No. 8.

Cross Section A-A'

Vert. Scale - 2.5" = 100'

LIN. Scale - 1" = 500'



REFER TO RULE 25-A

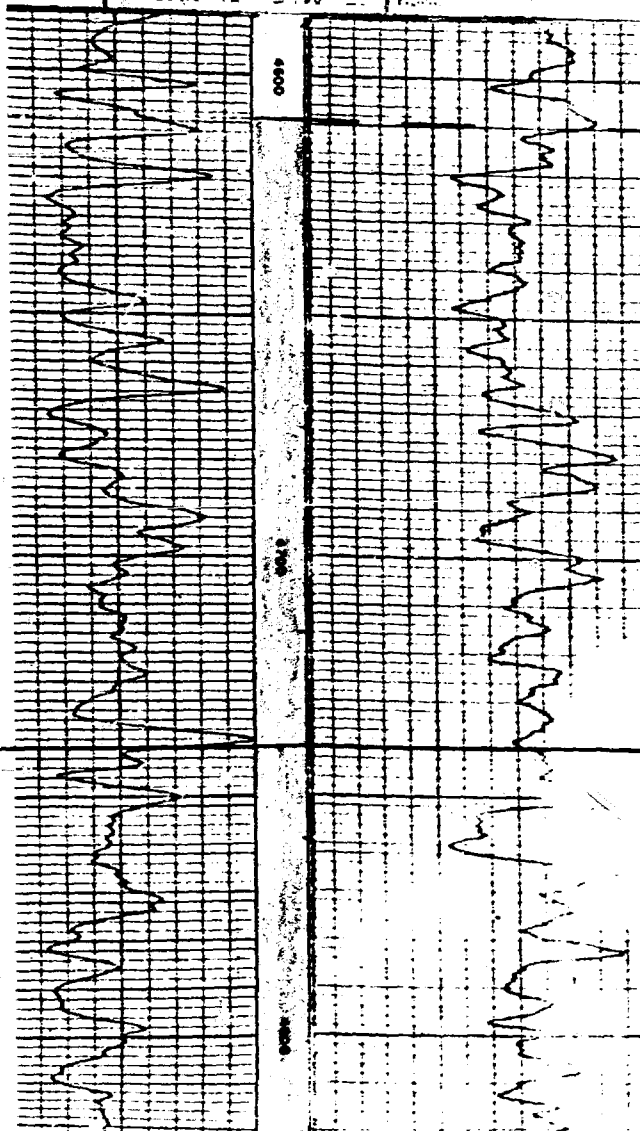
STILLBERGER WELL SURVEYING CORPORATION

STILLBERGER WELL SURVEYING CORPORATION

Location of Well	WELL NO.	WELL NAME
Other Surveys	COMPANY	DATE
	GULF OIL	
	McBuffington	
	Well No. 8	

SCHLUMBERGER WELL SURVEYING CORPORATION

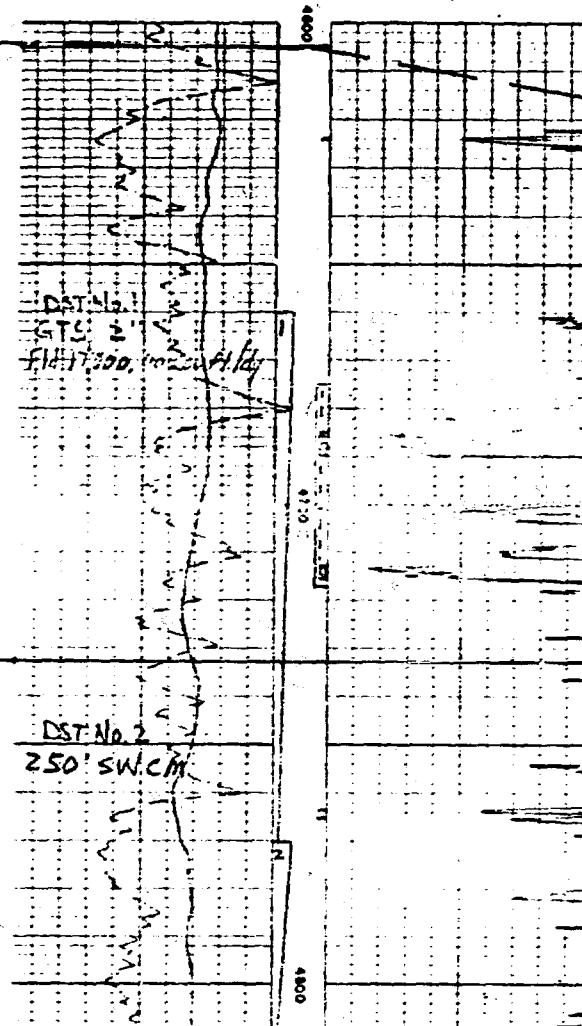
COMPANY GULF OIL CORPORATION	Other Surveys
WELL LEARCY McRUEFFINGTON	Location of Well
PR	1530' ± W/L 330' ± S/L
FIELD JUSTIS	Elevation
LOCATION SEC. 13-25S-37E	or G.L.
COUNTY LEA	State
STATE NEW MEXICO	

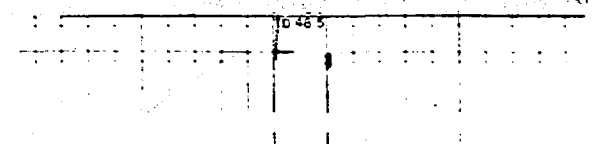
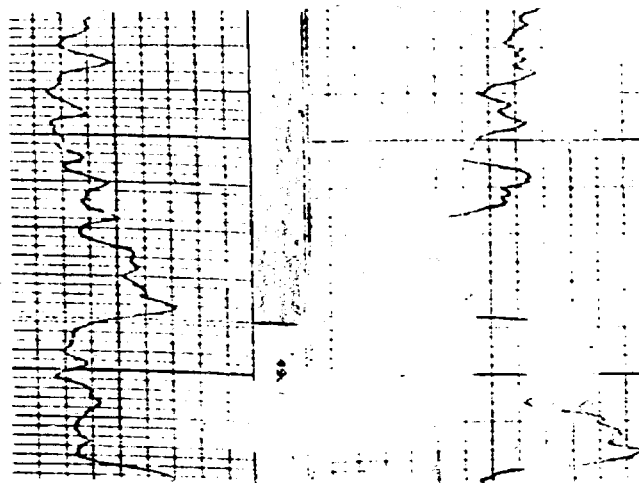


A
-1650

SCHLUMBERGER WELL SURVEYING CORPORATION

COMPANY IDEAL OIL COMPANY	Location of Well
OIL COMPANY	1780' ± W/L 300' ± S/L
WELL COATS C. & I.	Elevation
FIELD WILCOIT	or G.L.
LOCATION SEC. 24-25S-37E	FILING No.
COUNTY LEA	
STATE NEW MEXICO	





COMPANY ODESSA NATURAL GASOLINE WELL FEDERAL CARLSON "A" NO. 1 FIELD JUSTIS GAS COUNTY LEA LOCATION STATE NEW MEXICO 990 FSL @ 660' FEL SEC 25 TWP 25-S R02 37-E GROUND LEVEL 3078 Log Measured from 0 To Above Permanent Datum CL 3078 DE 3088 DI 3078		Well No. 10485
--	--	-------------------

W. D. NOEL
PRESIDENT

E. G. ROOMAN
EXEC. VICE-PRESIDENT

W. T. EDWARDS
VICE-PRESIDENT

JOHN BEN SHEPPERD
SECY-TREAS.

J. W. COLE
ASST SECY-TREAS.

ODESSA NATURAL GASOLINE CO.
NATURAL GASOLINE AND BY-PRODUCTS

POST OFFICE BOX 3908
ODESSA, TEXAS

October 12, 1962

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

ATTENTION: Mr. D. S. Nutter
Chief Engineer

Gentlemen:

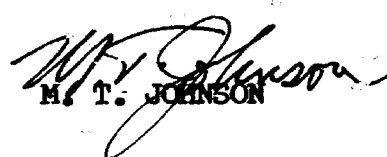
Attached hereto please find three copies of an east-west cross section
Justis Gas Pool which you requested during the hearing of Case No. 2657.

The producing intervals of the Odessa Natural Gasoline Federal Carlson
"A" No. 1 and the Tidewater Coates "C" No. 13 are shown on the cross
section. Also, drill stem test data on the Anderson-Pritchard Harrison
No. 5 is shown.

Please advise if we can furnish any additional data which may be helpful
in this case.

Yours truly,

ODESSA NATURAL GASOLINE COMPANY


M. T. JOHNSON

MTJ:jan

Attachments

Anderson-Prichard Oil Corporation - No. 5 Harrison

Located in the center of the NE/4 of the SW/4 of Section 23.

DST No. 2 - 4776-4811 feet. Recovered 75 feet of oil and gas cut mud.

DST No. 3 - 4791-4885 feet. Recovered 100 feet of drilling mud - slightly oil cut.

DST No. 4 - 4885-4964 feet. Recovered 150 feet drilling mud - slightly cut with oil and sulphur water.

DST No. 5 - 4966-5026 feet. Recovered 210 feet of drilling mud - slightly cut with oil and sulphur water.

First show of sulphur water at 4885 feet (-1795)

Gulf Oil Corporation - A. Ramsey No. 3

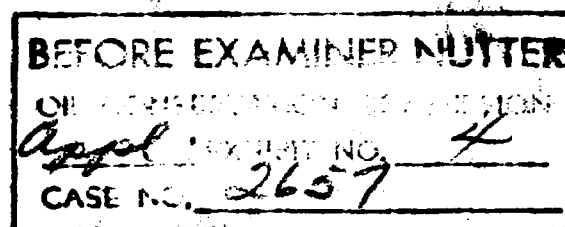
Located in the NE/4 of Section 36. This is a Justis Gas well producing from perforations -1694 to -1824 feet.

El Paso Natural Gas Company - Carlson Federal 1-B

Located in the SE/4 of Section 25. This is a Justis Gas well and is producing through perforations from -1555 to -1762 feet.

Westates Petroleum Company - Carlson B-26 No. 7

Located in the NW/4 of the SE/4 of Section 26. This is a Paddock-Blinbry Dual. The upper perforation in the Paddock is at a sub-sea of -1999, which is only 175 feet below the perforations in the Gulf Oil Corporation, A. Ramsey No. 3, Justis Gas well.



OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date Oct 15, 62

CASE 2657 Hearing Date 9 am Oct 10

DSN @ SF

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

Enter an order approving a 320 acre
non-staked gas production unit
comprising the SE/4 Sec 23 & the
NE/4 Sec 26 Twp 25 S Rge 31E
within gas Pool Lea Co for
Odessa Natl Gasoline Corp. Said
unit may be ~~presumed~~ reasonably
presumed to be productive of
gas. It is to be dedicated
to applicant's "A" No 1
located in Unit D of Sec 23.

Staff Harbor

Staff Harbor

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 871
SANTA FE

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

October 23, 1962

Mr. Howard Bratton
Harvey, Dow & Hinkle
Attorneys at Law
P. O. Box 10
Roswell, New Mexico

Re: Case No. 1257
Order No. B-2342
Applicant:
Odessa Natural Gasoline 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
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. 2657
Order No. R-2342**

**APPLICATION OF ODESSA NATURAL GASOLINE
COMPANY FOR A NON-STANDARD GAS PRODUCTION
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 October 10, 1962, 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 22nd day of October, 1962, 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, Odessa Natural Gasoline Company, seeks the establishment of a 320-acre non-standard gas production unit in the Justis Gas Pool comprising the SE/4 of Section 23 and the NE/4 of Section 26, Township 25 South, Range 37 East, N25M, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the above-described unit to its Carlson "A" Well No. 1, located in Unit P of Section 23, Township 25 South, Range 37 East, N25M, Lea County, New Mexico.

(4) That the proposed 320-acre non-standard gas production unit may be reasonably presumed to be productive of gas from the Justis Gas Pool.

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

-2-

CASE No. 2657

Order No. R-2342

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Justis Gas Pool comprising the SE/4 of Section 23 and the NE/4 of Section 26, Township 25 South, Range 37 East, NMPN, Lea County, New Mexico, is hereby established. Said unit is to be dedicated to the Carlson "A" Well No. 1, located in Unit P of Section 23, Township 25 South, Range 37 East, NMPN, Lea County, New Mexico.

(2) That the acreage factor for allowable purposes assigned to the above-described 320-acre non-standard gas proration unit shall bear the same ratio to a standard acreage factor as the acreage in said unit bears to the acreage in a standard gas proration unit in the Justis Gas Pool.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



E. L. Meehan

EDWIN L. MEEHAN, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

esr/

W. D. NOEL
PRESIDENT

E. G. RODMAN
EXEC. VICE-PRESIDENT

W. T. EDWARDS
VICE-PRESIDENT

JOHN BEN SHEPPERD
SECY-TREAS.

J. W. COLE
ASST SECY-TREAS.

ODESSA NATURAL GASOLINE CO.
NATURAL GASOLINE AND BY-PRODUCTS
POST OFFICE BOX 3908
ODESSA, TEXAS

September 19, 1962

Case 2657

Mr. A. L. Porter, Jr.
Secretary Director
Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

Attached is "Application" of Odessa Natural Gasoline Company for Non-Standard Gas Proration Unit, Justis Gas Pool which is self explanatory.

Because this "Application" requires hearing before the Oil Conservation Commission, please have this matter set for hearing at the earliest possible date.

Yours very truly,

ODESSA NATURAL GASOLINE COMPANY

M. T. Johnson
M. T. JOHNSON

MTJ:jan

Attachment

DOCKET MAILED

Date 9/28/62
JK

"APPLICATION"

TO: Oil Conservation Commission
State of New Mexico
Mr. A. L. Porter, Jr.
Secretary Director

FROM: Odessa Natural Gasoline Company
Odessa, Texas

WHEREAS Odessa Natural Gasoline Company has drilled and completed a well styled as their Carlson "A" Well No. 1;
that the location of said well is 990 feet from the south line and 660 feet from the east line of Section 23, Township 25 South, Range 37 East, Lea County, New Mexico;
that said well is productive of gas and is completed within the vertical and horizontal limits of what is known as the Justis Gas Pool.

NOW, THEREFORE, and based upon the facts set out above, Odessa Natural Gasoline Company desires approval from the Oil Conservation Commission to form a 320 acre gas unit comprising the south-east one quarter of Section 23 and the northeast one quarter of Section 26, T-25-S, R-37-E.

IN support of said "Application", the following facts are submitted:

- (1) Applicant's Carlson "A" well No. 1 is productive of gas and is within the vertical and horizontal limits of the Justis Gas Pool.
- (2) The proposed non-standard unit consists of contiguous quarter sections.
- (3) The entire non-standard unit may reasonably be presumed to be productive of gas in the Justis Gas Pool.
- (4) The length or width of the proposed unit does not exceed 5280 feet.
- (5) The acreage to be unitized is the only acreage available within the present limits of the field to form the required 320 acre proration unit.
- (6) All working interest owners and royalty owners have agreed to the proposed unitization.

Respectfully submitted,

ODESSA NATURAL GASOLINE COMPANY

STATE OF TEXAS
COUNTY OF ECTOR

BEFORE ME, the undersigned authority, on this day personally appeared M. T. Johnson known to me to be the person whose name is subscribed to the above instrument and that he has knowledge of the facts stated therein.

SUBSCRIBED AND SWORN To Before me, this the 19 day of September 1962

J. H. Kennedy
Notary Public in and for Ector County, Texas

DRAFT

JMD/esr
October 19, 1962

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. 2657

Order No. R- 2342

APPLICATION OF ODESSA NATURAL GASOLINE
COMPANY FOR A NON-STANDARD GAS PRORATION
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
October 10, 1962, 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 _____ day of October, 1962, 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, Odessa Natural Gasoline Company,
seeks the establishment of a 320-acre non-standard gas proration
unit in the Justis Gas Pool comprising the SE/4 of Section 23
and the NE/4 of Section 26, both in Township 25 South, Range 37
East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the above-
described unit to its Carlson "A" Well No. 1, located in Unit P
of Section 23, Township 25 South, Range 37 East, NMPM, Lea
County, New Mexico.

(4) That the proposed 320-acre non-standard gas proration
unit may be reasonably presumed to be productive of gas from
the Justis Gas Pool.

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

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Justis Gas Pool comprising the SE/4 of Section 23 and the NE/4 of Section 26, ~~both in~~ Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established. Said unit is to be dedicated to the Carlson "A" Well No. 1, located in Unit P of Section 23, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the acreage factor for allowable purposes assigned to the above-described 320-acre non-standard gas proration unit shall bear the same ratio to a standard acreage factor as the acreage in said unit bears to the acreage in a standard gas proration unit in the Justis Gas Pool.

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

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

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 10, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Odessa Natural Gasoline
Company for a non-standard gas proration
unit, Lea County, New Mexico. Applicant,
in the above-styled cause, seeks estab-
lishment of a 320-acre non-standard gas
proration unit comprising the SE/4 of
Section 23 and the NE/4 of Section 26,
Township 25 South, Range 37 East, Justis
Gas Pool, Lea County, New Mexico, to be
dedicated to its Carlson "A" Well No. 1
located in Unit P of said Section 23.

CASE 2657

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call next Case 2657.

MR. DURBETT: Application of Odessa Natural Gasoline
Company for a non-standard gas proration unit, Lea County, New
Mexico.

MR. BRATTON: Howard Bratton, appearing on behalf
of the Applicant. We have one witness.

(Witness sworn.)

MARSHALL T. JOHNSON

called as a witness, having been first duly sworn on oath, testi-
fied as follows:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-8891



DIRECT EXAMINATION

BY MR. BRATTON:

Q Will you state your name, by whom you are employed and in what capacity?

A Marshall T. Johnson, employed by Odessa Natural Gasoline Company, petroleum engineer.

Q Are you familiar with the area in question and the application under consideration?

A Yes.

Q Would you state very briefly your professional educational background, Mr. Johnson?

A Graduate Petroleum Engineer from Pennsylvania State University. Following that I worked four years for Kenelray Refining Company in Pennsylvania as a petroleum engineer; following that I worked for thirteen years as a petroleum engineer and production geologist for Shell Oil Company; and then with this company I'm with now for about twelve years as a petroleum engineer.

MR. BRATTON: Are the witness's qualifications acceptable?

MR. NUTTER: Yes, sir, they are. Please proceed.

Q (By Mr. Bratton) What is Odessa asking in this case, Mr. Johnson? What do we want?

A This is the application of Odessa Natural Gasoline Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant in the above-styled cause seeks establishment of

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

a 320-acre non-standard gas proration unit comprising the Southeast Quarter of Section 23 and the Northeast Quarter of Section 26, Township 25 South, Range 37 East, Justis Gas Pool, Lea County, New Mexico, to be dedicated to its Carlson "A" Well No. 1 located in Unit P of said Section 23.

Q The pool rules call for 320-acre proration units, is that correct?

A That's correct.

Q And the only reason that this case comes on for hearing is because the two 160's cross the Section line, is that correct?

A That's correct.

MR. BRATTON: If the Commission please, we'll just refer to this as Applicant's Exhibit No. 1, the entire book, and we'll just go through it page by page.

MR. NUTTER: Fine.

Q (By Mr. Bratton) Now the well in question, the completion data on it is reflected on page number two, is that correct?

A That is correct.

Q And the most significant factors are, it was completed in April of this year, a potential of 41 million cubic feet a day, is that correct?

A That's correct.

Q Let's refer briefly for the moment to page number four.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

skipping the communitization. On page four is shown a map of the area and colored in yellow is the 320 acres we are talking about, is that correct?

A That's correct.

Q Does Odessa have all of the gas rights in that area, that would be the gas that would be produced from this well?

A We have all the working interest rights there with the exception of 40 acres, being the Northeast of the Northeast of Section 26, which is owned by Amerada.

Q So in order to form this 320-acre unit, you had to communitize it, is that correct?

A That's right.

Q And you have communitized it with Amerada?

A That is correct.

Q You have submitted it to the U.S.G.S., who are the royalty owners?

A Correct.

Q And referring back to page three, it shows where the U.S.G.S. says that the communitization is in condition for an approval upon receipt of the Oil Commission order approving the unit?

A That's correct.

Q Let's turn to our first big map on page five. This is a map of the entire field, is that correct?

A That's correct.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

Q The well we're interested in is in the Southeast Quarter of Section 23?

A That's right. That's the Carlson 1-A.

Q It is completed in the Glorieta, as we will go into in a moment?

A The Glorieta formation, that is correct.

Q So actually the only wells likewise in the Glorieta are also shown in the same color on the map?

A Same color, that's right.

Q Before we leave this map, let's turn to Well No. 5 in the Southwest Quarter of Section 23. Is that a dry hole?

A That's a dry hole. It's drilled as Anderson Pritchard No. 5 Harrison. It's located in the Northeast Quarter of the Southwest Quarter of Section 23. It's a dry hole and it tested the Glorieta formation and had some shows of hydrocarbon in it but was, these shows were of non-commercial significance there.

Q This map is a structural contour on top of the Glorieta?

A That's correct.

Q It shows the dip to the west there from this well over into that Southwest Quarter?

A That's right.

Q And there is a well completed in the Northeast Quarter in the Glorieta?

A That's correct.

Q Let's turn to our next map, Mr. Johnson, page number



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

six. That reflects, does it not, the proration units that are assigned to the various Glorieta wells in the pool?

A That's right. Of course, there hasn't been one assigned yet to the Carlson 1-A, but it's shown there in yellow.

Q It's shown hopefully in yellow as the proration unit requested here?

A Yes.

Q In line with our discussion on the previous exhibit, you cannot put in the Northeast Quarter because it already has a well on it?

A Yes.

Q You can't put in the Southwest Quarter because it already has a dry hole on it?

A Yes, that's correct.

Q And the spacing in the pool is 320 acres?

A Correct.

Q The pool outline is reflected here on this exhibit?

A Yes. This is what is defined as the pool limits by the Conservation Commission. Well, the part that's colored in is the pool area.

Q The defined pool area?

A Yes.

Q So as to the area that we're interested in, the defined pool limits cover exactly the Southeast of 23 and the Northeast of 26?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1192

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

A Yes.

Q Here again you've had your structural contour on top of the Glorieta. Do you have any additional control as to the acreage in the Northeast of 26 as to whether your contours there are correct?

A Yes. I'll have to refer back to the other map. There's a West States Petroleum Company Carlson B-26 No. 7 located in the Northwest Quarter of the Southeast Quarter of Section 26. It was drilled -- it's a producing well in the Paddock and Blinebry pays, which are below the Glorieta gas pay. The Paddock pay is approximately 175 feet below the Glorieta gas pay.

Q So between the information from it and from your dry hole to the west in the Southwest of 23, you have pretty good structural control for your interpretation there in the Northeast of 26?

A That's correct.

Q Let's go to your next exhibit, your cross section. I believe it is reflected on your last map, the line of this cross section, is that correct?

A Yes, it is. It starts in there in Section 13, that well is the Gulf McBuffington No. 8. That's the well which is a key well insofar as defining the vertical limits of the Justis Gas Field. It's put in there on the section for that purpose there to show where the vertical limits are as far as Odessa Natural Gas Company Carlson A-1, how it falls within the vertical limits



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

of the pool.

Q Your cross section comes down through the Carlson 1-A Well, and then it goes to two wells further south, one in the Southwest of 25 and one in the Northeast of 36, is that correct?

A That's correct.

Q As to those two wells, I believe they're the two wells on the extreme right hand of the cross section. Does it show them to be completed in intervals below what you've contoured as to the Northeast of 26?

A Well, for example, the well in the Southwest of 25 is a Justis gas well which is producing through perforations from a minus 1555 to a minus 1762; and of course, our dry hole out here in the Southwest of 23, the top Glorieta there is a minus 1670, so it's actually producing below the subsea depth of the top of the Glorieta there. Then the well in Section 36, which is Gulf Oil Corporation Ramsay No. 3, it's producing in the interval a minus 1694 to a minus 1824, which is also below the top of the Glorieta formation as encountered in the Anderson Pritchard No. 5 in Section 23.

Q So you have, based on that you would have confidence that the acreage in the Northeast of 26 would be productive in the Glorieta?

A I feel like it's reasonably productive.

Q And it is the only acreage within the defined pool limits which could be contributed to the Carlson 1-A Well?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

A Yes.

Q In addition, of course, to the 160 on which that well is located?

A Yes.

Q From the structure that you have constructed and from the producing intervals, would it appear to you, Mr. Johnson, that the delineated limits of the pool are probably correct?

A Yes. I would say they're just about as close as you can get them.

Q In your opinion, Mr. Johnson, would the allocation of the 320 acres requested for this well protect the correlative rights of Odessa Natural Gasoline Company?

A I think they would, yes.

Q Do you believe those correlative rights would be violated if the entire 320 could not be dedicated to the well?

A Yes, I think so, because we would, of course, wouldn't be allowed to produce as much gas if we didn't have a full unit there. I don't think we would get a fair share of the gas reserves there.

Q You'd suffer drainage particularly from the Northeast of 26 to that well in Section 25, wouldn't you?

A Yes.

Q If it's producing at twice the allowable?

A Yes.

Q Is there anything else you care to state in connection



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

with the application or with any of your exhibits, Mr. Johnson?

A I have a log of the well in question here, the Carlson 1-A, that I could leave as an exhibit and also I have a log of the Anderson-Pritchard Harrison No. 5 in the Southwest of 23.

Q That's the dry hole in the Southwest Quarter?

A It's a dry hole, and the drillstem test data associated with that well.

MR. BRATTON: Mark those, if we could, as Exhibits 2, 3, and 4, and leave them with the Commission.

(Whereupon, Applicant's Exhibits Nos. 2, 3, and 4 marked for identification.)

Q (By Mr. Bratton) Is there anything further you care to state, Mr. Johnson?

A I think that in regard to the 320 acres being productive, that the Carlson A No. 1 well is the top of the Glorieta formation, there is a minus 1565, and in the pool there are wells completed down the top of the Glorieta being as low as a minus 1589, which is say 24 feet lower, so I think that that adds somewhat to the 320-acre unit being productive in its entirety.

Q There just isn't any other acreage that you can go with to form a 320-acre?

A No, there's no other acreage.

Q Were Exhibits 1 through 4 prepared by you or under your supervision?

A Yes.



DEARNLEY-MEIER REPORTING SERVICE, Inc.
 FARMINGTON, N. M.
 PHONE 325-1182
 SANTA FE, N. M.
 PHONE 983-3971
 ALBUQUERQUE, N. M.
 PHONE 243-6691

MR. BRATTON: We would offer in evidence Exhibits 1 through 4.

Q (By Mr. Bratton) I might ask one further thing, Mr. Johnson. The location of the well is standard for a 320-acre unit, is that correct?

A Yes, it's 660 feet from the east line and it is 990 feet from the south line of Section 23, which makes it within the requirements.

Q So the only deviation is crossing the Section line?

A Crossing the Section line.

MR. NUTTER: Applicant's Exhibits 1 through 4 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 4 entered in evidence.)

CROSS EXAMINATION

BY MR. NUTTER:

Q I wonder, first of all, in my brochure here, page No. 3 or 4, that has the tract colored in in yellow, there's just 80 acres colored in in yellow on this particular brochure. Was that intended to be the full 320?

A It sure was.

Q It would be the Southeast of 23 and the Northeast of 26?

A You are sure right. It should have been the Southeast of 23 and the Northeast of 26.

Q I wonder, if we would return the two logs to you, Exhibits 2 and 3, if it would be possible for you to prepare a



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 963-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

cross section similar to the north-south cross section which you prepared and have it run from the Anderson-Pritchard No. 5 dry hole through your No. 1-A and then east to the No. 13 Well in the Northeast Southwest of Section 24.

A Yes.

Q Showing thereon the top of the Glorieta and the subsea datum and the perforated interval just as you have on this cross section.

A All right.

Q We would appreciate receiving something like that from you.

MR. BRATTON: What wells?

MR. NUTTER: Running west to east from the No. 5 dry hole through Odessa's No. 1-A, and then eastward to the No. 13 Well in the Northeast of the Southwest of Section 24, so we can have an east-west as well as a north-south.

MR. BRATTON: Okay.

MR. NUTTER: I'll just return those and you can send the logs then with your exhibit when you send it in.

A All right.

MR. NUTTER: Are there any further questions of Mr. Johnson? He may be excused.

(Witness excused.)

MR. NUTTER: Did you have anything further, Mr. Bratton?

MR. BRATTON: No, sir.



MR. NUTTER: Does anyone have anything they wish to offer in Case 2657? We'll take the case under advisement and take a fifteen-minute recess.

(Whereupon, a recess was taken.)

* * * * *

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

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

WITNESS my Hand and Seal this 25th day of October, 1962.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2657 heard by me on 10/11, 1962.

[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

