

CASE 2797: Application of TEXACO
for a non-standard gas proration
unit

CASE No.

2797

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

DRAFT

JMD/esr
April 26, 1963

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. 2797

Order No. R-2474

APPLICATION OF TEXACO INC.
FOR A NON-STANDARD GAS PRO-
PORTION 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 April 24, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 1144 day of April, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That Order No. R-1949, entered by the Commission on April 28, 1961, established a 275.96-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the ~~following described acreage:~~

SW/4, E/2 SE/4 and NW/4 SE/4 of Section 31,
Township 23 South, Range 37 East, NMPM, Lea
County, New Mexico.

(3) That Order No. R-1949 dedicated the above-described non-standard gas proration unit to Texaco's E. E. Blinbry Well No. 2 at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 31.

(4) That the applicant, Texaco Inc., now seeks the establishment of a 355.96-acre non-standard gas proration unit in the Jalmat Gas Pool to be dedicated to its E. E. Blinebry Well No. 2 *and* consisting of the ~~following described acreage:~~ <

and
SW/4, N/2 SE/4, ~~the~~ SE/4 SE/4 of Section 31,
and the S/2 SW/4 of Section 32, Township 23
South, Range 37 East, NMPM, Lea County, New
Mexico.

(5) That the S/2 SW/4 of said Section 32 can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

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

IT IS THEREFORE ORDERED:

(1) That a 355.96-acre non-standard gas proration unit in the Jalmat Gas Pool is hereby established consisting of the ~~following described acreage:~~ <

and
SW/4, N/2 SE/4, ~~the~~ SE/4 SE/4 of Section 31,
and the S/2 SW/4 of Section 32, Township 23
South, Range 37 East, NMPM, Lea County, New
Mexico.

(2) That the above-described non-standard gas proration unit shall be dedicated to the applicant's E. E. Blinebry Well No. 2 located 1980 feet from the South line and 660 feet from the East line of said Section 31.

(3) That the acreage factor for allowable purposes assigned to the above-described 355.96-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 Jalmat Gas Pool.

(4) That Order No. R-1949, entered by the Commission on April 28, 1961, is hereby superseded insofar as it concerns establishment of a non-standard gas proration unit.

(5) 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.

RECEIVED
1963 MAR 11 11 13
DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

TEXACO
INC.

PETROLEUM PRODUCTS



44-3797
P. O. BOX 3109
MIDLAND, TEXAS

March 27, 1963

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

Attn: Mr. A. L. Porter, Jr.

Gentlemen:

Texaco Inc. respectfully requests that a hearing be set to consider its application for a 360-acre non-standard Jalmat gas proration unit to be dedicated to its E. E. Blinebry "A" NCT-2 Well No. 2. Texaco also requests approval of an unorthodox location for this well. In support of our application we wish to state the following facts:

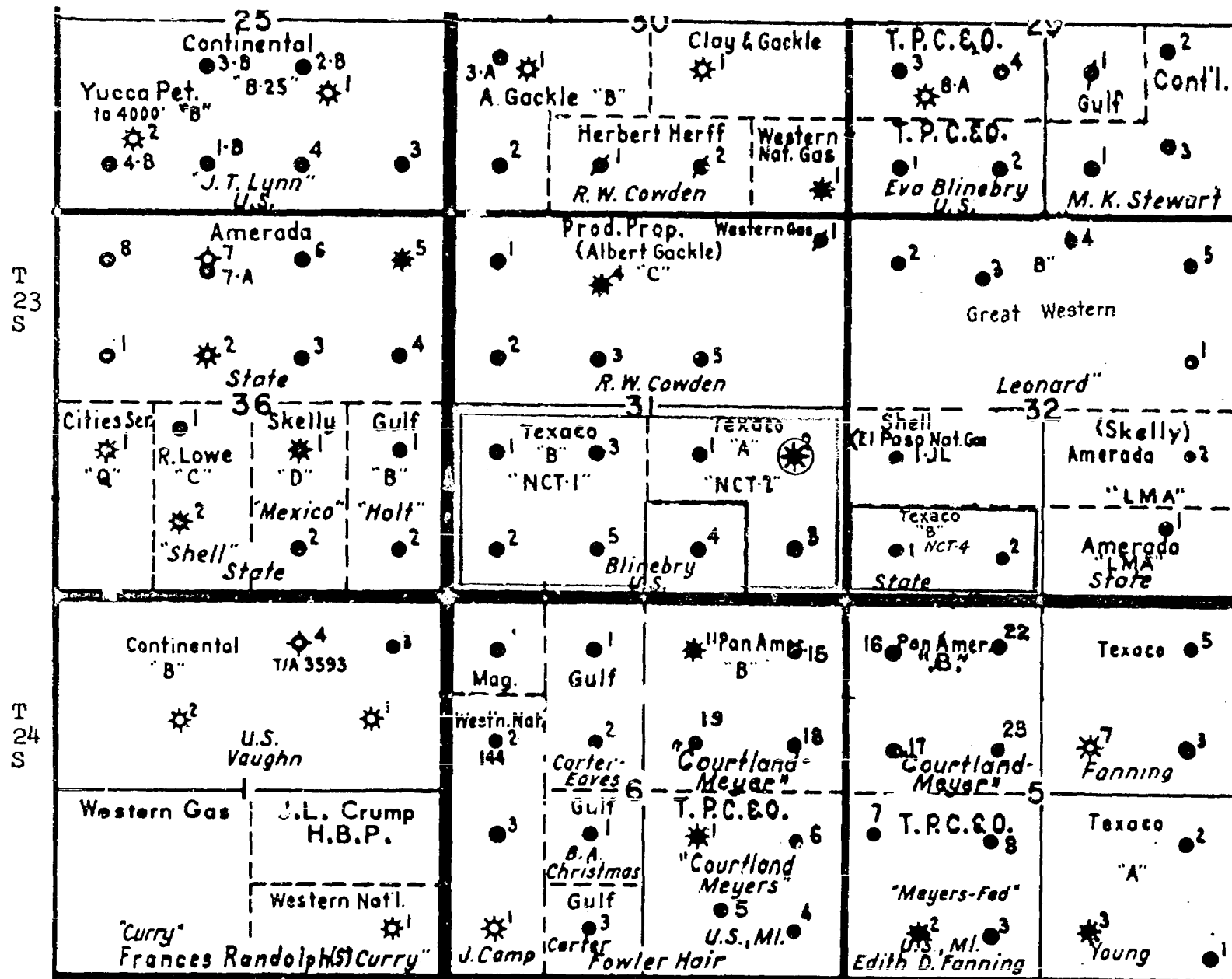
1. Texaco Inc. is the operator of the 120-acre E. E. Blinebry "A" NCT-2 lease consisting of the N/2 SE/4, SE/4 SE/4, Section 31, the 200-acre E. E. Blinebry "B" NCT-1 lease consisting of the SW/4, SW/4 SE/4, Section 31, and the 80-acre State of New Mexico "B" NCT-4 lease consisting of the S/2 SW/4, Section 32, T-23-S, R-37-E, Lea County, New Mexico.
2. The E. E. Blinebry "A" NCT-1 Well No. 2 is completed in the Jalmat Gas Pool and is located in Unit I, said Section 31.
3. Well No. 2 currently has a 280-acre non-standard proration unit consisting of the SW/4, N/2 SE/4 and SE/4 SE/4 dedicated to it.
4. Texaco proposes to add the State of New Mexico "B" NCT-4 lease to this non-standard unit and thus form a 360-acre non-standard unit to be dedicated to said Well No. 2.
5. All of the acreage to be dedicated to said Well No. 2 can be reasonably considered to be productive of gas.

DOCKET MAILED

4-11-63
Date
JL

R-36-E

R-37-E



TEXACO ACREAGE
 — CURRENT PRORATION UNIT
 — ADDITIONAL ACREAGE TO BE ASSIGNED

OWNERSHIP MAP
 TEXACO INC.
 E. E. BLINEBRY "A" NCT-2 LEASE
 E. E. BLINEBRY "B" NCT-1 LEASE
 STATE OF NEW MEXICO "B" NCT-4 LEASE
 LEA COUNTY, NEW MEXICO
 SCALE 1" = 2000'

OFFSET OPERATORS
TEXACO INC.
E. E. BLINEBRY "A" NCT-2 LEASE
E. E. BLINEBRY "B" NCT-1 LEASE
STATE OF NEW MEXICO "B" NCT-4 LEASE
LEA COUNTY, NEW MEXICO

Amerada Petroleum Corporation
P. O. Box Drawer D
Monument, New Mexico

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Albert Gackle
P. O. Box 2076
Hobbs, New Mexico

Great Western Drilling Co.
P. O. Box 1659
Midland, Texas

Gulf Oil Corporation
P. O. Box 2167
Hobbs, New Mexico

Mobil Oil Company
P. O. Box 2406
Hobbs, New Mexico

Pan American Petroleum Corp.
P. O. Box 68
Hobbs, New Mexico

Shell Oil Company
P. O. Box 1858
Roswell, New Mexico

NMOCC

-2-

March 27, 1963

6. The acreage involved is contained in two governmental sections.
7. One side of the non-standard unit will exceed 5,280' in length.

Attached is a copy of the ownership map showing the three leases involved and the area immediately surrounding these leases. Also attached is a list of the offset operators and their mailing addresses. It is respectfully requested that this application be set for hearing on the first available Examiner hearing docket.

Yours very truly,



C. R. Black
Division Proration Engineer

CRB-MM
Attach.

No. 13-63

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 24, 1963

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

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

- CASE 2792: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Everett D. Burgett and all other interested parties to appear and show cause why the Meyers Union Well No. 1, located in Unit I of Section 11, Township 23 South, Range 27 East, and the Richardson-Bass State Well No. 1, located in Unit H of Section 5, Township 25 South, Range 28 East, both in Eddy County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2793: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Everett D. Burgett and all other interested parties to appear and show cause why the Pure State Wells Nos. 1, 2, 3, and 7, located in Units J and O of Section 13, and the Magnolia State Well No. 1, located in Unit E of Section 14, all in Township 21 South, Range 27 East, Eddy County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2794: Application of Ambassador Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Grayburg-Jackson Unit Area comprising 1600 acres of Federal and State lands in Township 17 South, Range 30 East, Eddy County, New Mexico.
- CASE 2795: Application of Marathon Oil Company for a multiple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion (conventional) of its State McCallister Well No. 5, located in Unit M of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico, to produce oil from the North Vacuum Abo, the Vacuum-Wolfcamp, and the Vacuum-Devonian Pools through parallel strings of tubing.
- CASE 2796: Application of Texaco Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its L. R. Manning Federal "B" Well No. 4 at an unorthodox location 330 feet from the South line and 1491 feet from the East line of Section 28, Township 18 South, Range 30 East, North Benson Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 2797: Application of Texaco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 360-acre non-standard gas proration unit comprising the SW/4, N/2 SE/4, and SE/4 SE/4 of Section 31, and the S/2 SW/4 of Section 32, Township 23 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its E. E. Blinebry "A" Well No. 2, located in Unit I of said Section 31.

CASE 2798: Application of Pan American Petroleum Corporation for a salt water disposal dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Navajo "C" Well No. 1, located in Unit D of Section 1, Township 29 North, Range 17 West, San Juan County New Mexico, to produce hydrocarbons from the Pennsylvanian-Paradox formation and to dispose of produced salt water through the intermediate casing annulus into the open hole interval from 2300 feet to approximately 5000 feet.

CASE 2784: (Continued from April 10, 1963 Examiner Hearing)
Application of Continental Oil Company for authority to conduct interference tests, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to shut-in all wells in the Oil Center-Blinebry Pool, Lea County, New Mexico, for approximately 7 days to achieve stabilization, to leave one well shut-in for a period not to exceed 90 days to observe pressure behavior, and to transfer the allowables and make-up underproduction from the shut-in wells.

CASE 2799: Application of Phillips Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations, Maljamar Pool, Lea County, New Mexico, through one well in Unit J, Section 2, Township 17 South, Range 32 East.

CASE 2800: Application of Olen F. Featherstone for a special allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the assignment of a special allowable to his Valentine Well No. 1, located in Unit M of Section 27, Township 16 South, Range 31 East, Eddy County, New Mexico. Said well offsets and has received a response from Newmont's East Square Lake Waterflood Project.

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Docket No. 13-63

CASE 2801: Application of Socony Mobil Oil Company, Inc. for a multiple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its State Bridges Well No. 96, located in Unit H of Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, to produce oil from the Vacuum-Pennsylvanian, Vacuum-Wolfcamp, and North Vacuum-Abo Pools through parallel strings of tubing.

iqg/

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. 2251
Order No. R-1949

APPLICATION OF TEXACO INC. FOR A
NON-STANDARD GAS PRORATION UNIT
AND FOR AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 19, 1961, at Santa Fe, New Mexico, before A. L. Porter, Jr., 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 28th day of April, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, A. L. Porter, Jr., 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, Texaco Inc., seeks the establishment of a 275.96-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the SW/4, the E/2 SE/4 and the NW/4 SE/4 of Section 31, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the above-described non-standard gas proration unit can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.
- (4) That the applicant proposes to dedicate the above-described non-standard gas proration unit to its E. E. Blinbry Well No. 2, located at an unorthodox location at a point 1980 feet from the South line and 660 feet from the East line of said Section 31, for which unorthodox location approval is sought.
- (5) That the establishment of the above-described non-standard gas proration unit and approval of the unorthodox gas

-2-

CASE No. 2251
Order No. R-1949

well location will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 275.96-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the SW/4, the E/2 SE/4 and the NW/4 SE/4 of Section 31, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established.

(2) That the applicant is hereby granted permission to locate its E. E. Blinebry Well No. 2 at an unorthodox location at a point 1980 feet from the South line and 660 feet from the East line of said Section 31, to which well the above-described non-standard gas proration unit is to be dedicated.

(3) That the acreage factor for allowable purposes assigned to the above-described 275.96-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 Jalmat Gas Pool.

(4) 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

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

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

S E A L

esr/

Case. 2787,

Heard. 4-24-63

Rec. 4-25-63

1. Grant Texaco's request for a
new oil unit in Jalisco gas pool.
to consist of:

235-37E,

sec. 31, SW/4, N1/2SE/4, SE/4SE/4,

sec. 32, S1/2 SW/4

2. The unit well shall be the Texaco-
~~not a~~ Blinby 'A' OCT-2 # 2, I-31-235-
37E.

Grant Texaco.

3. S1/2 SW/4 can be reasonably assumed
to be productive.

E. D. D.

State of New Mexico
Oil Conservation Commission



May 3, 1963

Re: Case No. 2796 and 2797
Order No. R-2473 and R-2474
Applicant:
Texaco Inc.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

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. 2797
Order No. R-2474

APPLICATION OF TEXACO INC.
FOR A NON-STANDARD GAS PRO-
PORTION 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 April 24, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of May, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That Order No. R-1949, entered by the Commission on April 28, 1961, established a 275.96-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SW/4, E/2 SE/4 and NW/4 SE/4 of Section 31, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That Order No. R-1949 dedicated the above-described non-standard gas proration unit to Taxaco's E. E. Blinbry Well No. 2 at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 31.

(4) That the applicant, Texaco Inc., now seeks the establishment of a 355.96-acre non-standard gas proration unit in the Jalmat Gas Pool to be dedicated to its E. E. Blinbry Well No. 2 and consisting of the SW/4, N/2 SE/4, and SE/4 SE/4 of Section 31, and the S/2 SW/4 of Section 32, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

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CASE No. 2797
Order No. R-2474

(5) That the S/2 SW/4 of said Section 32 can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

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

IT IS THEREFORE ORDERED:

(1) That a 355.96-acre non-standard gas proration unit in the Jalmat Gas Pool is hereby established consisting of the SW/4, N/2 SE/4, and SE/4 SE/4 of Section 31, and the S/2 SW/4 of Section 32, Township 2 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the above-described non-standard gas proration unit shall be dedicated to the applicant's E. E. Blinebry Well No. 1 located 1980 feet from the South line and 660 feet from the East line of said Section 31.

(3) That the acreage factor for allowable purposes assigned to the above-described 355.96-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 Jalmat Gas Pool.

(4) That Order No. R-1949, entered by the Commission on April 28, 1961, is hereby superseded insofar as it concerns establishment of a non-standard gas proration unit.

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

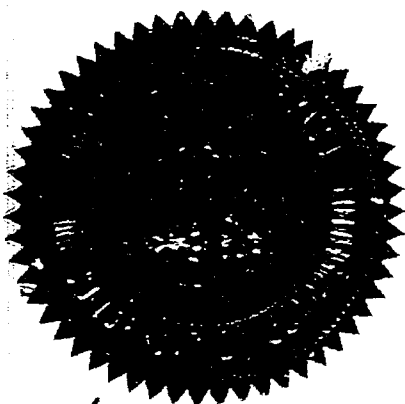
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

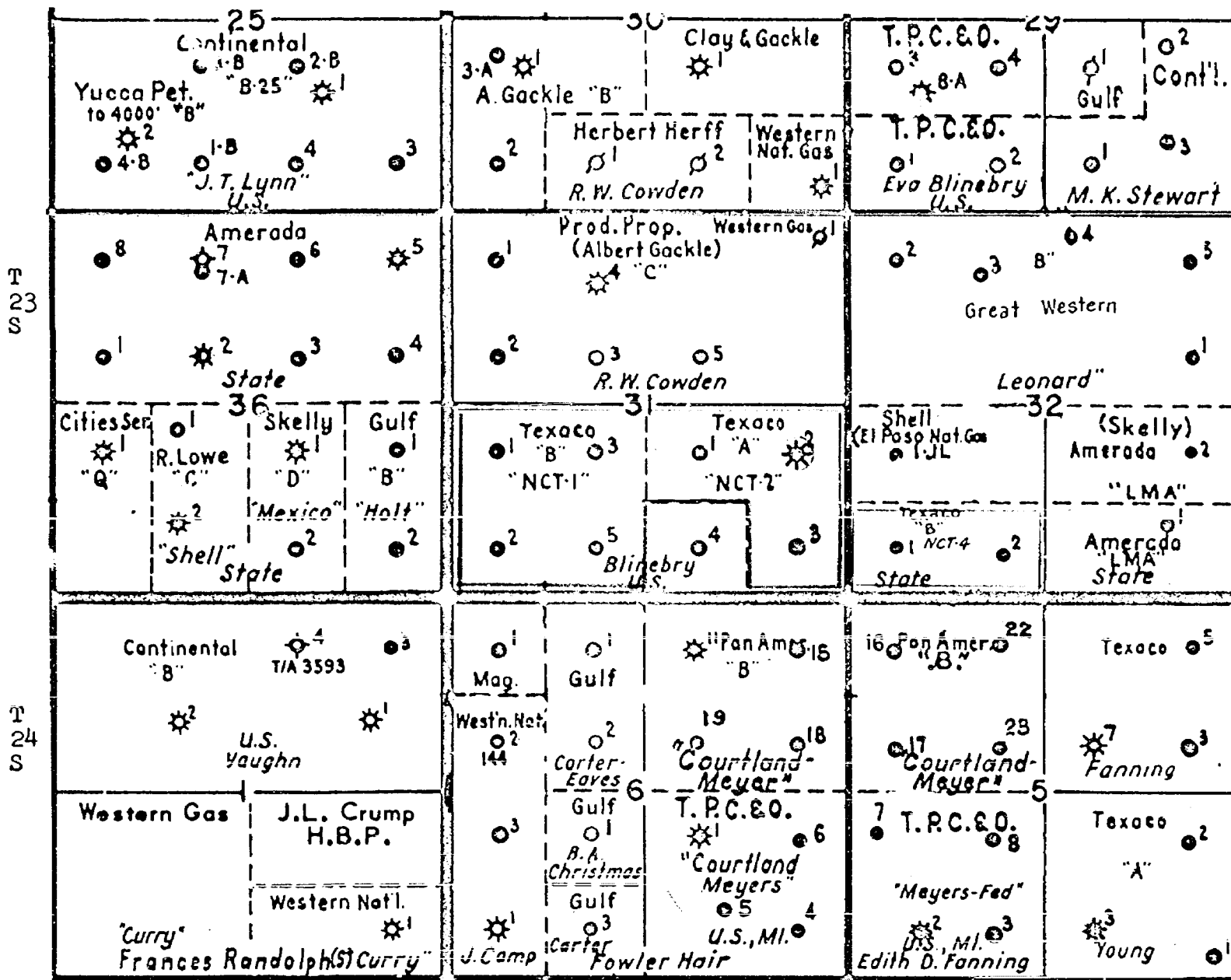
Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

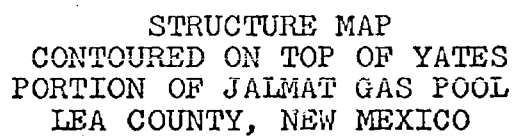
A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



esr/



R-37-E



4. CONSERVATION COMMISSION

EXHIBIT NO. 2

... DE NO. 2795

TEXACO INC.
E. E. BLINEBRY "A" (NCT-2) WELL NO. 2
JALMAT GAS POOL
LEA COUNTY, NEW MEXICO

<u>Month</u> <u>1962</u>	<u>Allowable</u> <u>MCF</u>	<u>Production</u> <u>MCF</u>
Jan.	77,940	76,411
Feb.	68,764	61,407
March	76,447	66,295
April	49,327	66,695
May	51,418	66,185
June	38,096	65,698
July	36,973	58,293
Aug.	29,851	30,816
Sept.	31,085	27,139
Oct.	17,129	-
Nov.	15,673	36,234
Dec.	18,650	21,052
Total	511,353	576,225
<u>1963</u>		
Jan.	28,079	45,681
Feb.	21,326	33,131
Total	49,405	78,812

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 2797

DEARNLEY-MEIER REPORTING SERVICE, Inc.

SARASOTA, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 24 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc. for a non-standard
gas proration unit, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks
approval of a 360-acre non-standard gas pro-
ration unit comprising the SW/4, N/2 SE/4,
and SE/4 SE/4 of Section 31, and the S/2 SW/4
of Section 32, Township 23 South, Range 37
East, Jalmat Gas Pool, Lea County, New Mexico,
to be dedicated to its E. E. Blinbry "A"
Well No. 2, located in Unit I of said Section
31.

CASE 2797

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2797.

MR. DURRETT: Application of Texaco Inc. for a non-
standard gas proration unit, Lea County, New Mexico.

MR. WHITE: May the record show the same appearances,
including the witness, as in Texaco's application in Case 2796.

MR. DURRETT: Let the record show that Mr. Black was
placed under oath in 2796, and he is still under oath.

(Whereupon, Applicant's Exhibits
1, 2, and 3 marked for identi-
fication.)

C. R. BLACK

called as a witness, having been previously sworn, testified as
follows:



DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Black, will you state the purpose of the application in Case 27972

A This is the application of Texaco, Inc. for a 355.96-acre non-standard unit to be dedicated to our E. E. Blinebry "A" (NCT-2) Well No. 2.

Q Would you like to amend the application at this time, and if so, in what respect?

A Yes, sir, the original application was made for a 360-acre unit, but on further investigation it's been found that Lots 3 and 4 of Section 31 contain 37.97 and 37.99 acres, respectively, instead of the 40 that we originally thought they contained.

MR. UTZ: Would you give me those figures again?

A 37.97 and 37.99. So therefore the application should be amended to provide for a 355.96-acre unit.

MR. WHITE: At this time we request that the amendment be allowed.

MR. UTZ: The application will be amended to correct for the variation in the size of Lots 3 and 4.

Q (By Mr. White) Mr. Black, will you now refer to what has been marked as Exhibit No. 1 and explain the purpose of that exhibit?

A Exhibit No. 1 is an ownership map showing this immediate

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 983-3573

ALBUQUERQUE, N. M.
PHONE 243-6691

area. The Texaco acreage is bordered in yellow. The existing proration unit assigned to No. 2 was established by Order No. R-1949, and this set forth a 275.96-acre unit, and this order was dated April 28, 1961. This is shown on the exhibit bordered in green, and the additional acreage to be assigned to the well is shown bordered in red.

The location of the subject well is 660 feet from the East line and 1980 feet from the South line of Section 31.

Q Is that an unorthodox location?

A Yes, it is, and it was approved in Order R-1949.

Q Will you give a brief history of Well No. 2?

A Well No. 2 was completed on November 17, 1960, as a dual completion in the Langley-Mattix Oil and the Jalmat Gas Pools. The Jalmat Gas Pool flowed 2.095 million cubic feet of gas per day through a 28/64ths inch choke with a tubing pressure of 600 and a casing pressure of 750 pounds. It was producing from various perforated intervals from 3,037 to 3,220 feet. As I said, it was dually completed with the Langley-Mattix Oil zone.

Q I note that Well No. 4 on the Blinebry "B" lease is not included in the proposed proration unit. Will you comment on that and in so doing, refer to Exhibit No. 2?

A Yes, sir. Exhibit No. 2 is a structure map showing this immediate area. It's contoured on top of the Yates formation and it should be noted that Well No. 4 is one of the lowest wells structurally in this area. Apparently this low structural



position has resulted in an oil accumulation around this well, rather than gas as is accumulated around the other Jalmat wells in this area.

Q And you are not asking that it be included in the unit in this application?

A No, sir, it is excluded from the existing unit, and we ask that it be excluded from the proposed unit.

Q Give a brief history of Well No. 4.

A Well No. 4 was completed in 1950 as a Langley-Mattix Oil well. In 1955 the Langley-Mattix Oil zone was plugged off and it was recompleted in the Jalmat zone as an oil well. It flowed 63 barrels of oil through the 10/64ths choke with 900 pounds tubing pressure. The gas-oil ratio was 1940. The April allowable for No. 4 is 16 barrels of oil a day, and the GOR is 2961. This is the latest reported gas-oil ratio. So it is still definitely an oil well and we ask that it remain classified as an oil well.

Q What is the acreage denoted in green supposed to signify?

A This acreage is acreage that is dedicated to the other Jalmat gas wells in this area. These gas wells are circled in red. It can be noted that there is acreage dedicated higher structurally than any of the acreage we propose to dedicate to Well No. 2. We find that the wells in the Jalmat Field in this area are producing from the Yates formation and producing from various sand stringers which are inter-bedded with alternating

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 2-13-6691

SANTA FE, N. M.
PHONE 983-3971

FARMINGTON, N. M.
PHONE 325-1182



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182SANTA FE, N. M.
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dolomite stringers. The total gross thickness is approximately 250 feet. We find that as we move up-structure, the sand is displaced or replaced by anhydrite losing porosity and this is normally what causes the upper limits or delineates the upper limits of the Jalmat reservoir in this area.

So with wells producing at structurally higher positions than the acreage to be dedicated and acreage assigned to those wells at even higher positions, we certainly feel that the acreage in the South Half of the Southwest Quarter of Section 32, which is the Texaco State of New Mexico "B" (NCT-4) lease, is definitely productive of gas in the Jalmat zone.

Q I note that Texas No. 7 Fanning Well that's in Section 5 is a Jalmat gas producer. Will you elaborate on this, please?

A It's a Jalmat gas producer, and as you said, it's located in Section 5, Township 24 South, 37 East. The top of the Yates is plus 521. There is acreage dedicated to this well that is as high as plus 550, some 45 feet higher than the acreage contained in the State of New Mexico "B" lease that will be assigned. This well in April had an allowable of 13 million, and the February production from the well was 19 million, which was in excess of its February allowable. So it is definitely a good Jalmat gas well and is producing a substantial amount of gas from the Jalmat gas zone in this area.

Also, the Texas Pacific Coal and Oil Eva Blinbry 8-A in Section 29, Township 23 South, Range 37 East, is completed



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higher structurally than the acreage to be assigned, and has acreage assigned to it that is structurally comparable or higher than the State of New Mexico "B" lease, and it's a good Jalmat gas producer, also. It's April allowable was 10 million, and the February production was 22 million, which was in excess of its February allowable.

Q What do you conclude from this data?

A This further substantiates our opinion that the South Half of the Southwest Quarter of 32 is definitely productive of gas from the Jalmat gas reservoir.

Q Refer now to Exhibit No. 3 and explain that.

A Exhibit No. 3 is a tabulation of the monthly allowable and monthly production for the E. E. Blinebry (NCT) Well No. 2 for the year 1962 and the first two months of 1963. It can be seen that the total allowable for '62 was 511,353,000 cubic feet of gas; total production for 1962 was 576,225,000 cubic feet of gas. As of January 1st, 1963, the well was 14,684,000 cubic feet overproduced. The January and February allowable totaled 49,405,000; the January and February production totaled 78,801,000, and as of March 1st, 1963, the well was 44,091,000 cubic feet overproduced.

The total cumulative gas production from the well as of March 1st, 1963, is 768,204,000.

Q The past performance of this well, do you consider it capable of producing the corresponding increase of the allowable



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should the application be granted?

A Yes, sir. I believe this production history certainly substantiates the fact that the well will be capable of producing an allowable increase. Take for example, January, 1963, assuming the well had a 355-acre proration unit assigned to it, it would have had an allowable of 39 million cubic feet of gas. You can see that the January production was 45.6 million cubic feet, so the well would have been capable of producing this increased allowable in January.

Q You will be pooling Federal land and State lands. Did you obtain permission from the U.S.G.S.?

A We have tentative approval from the U.S.G.S. to communitize this acreage, and they have assured us they will give formal approval.

Q If they give approval, will you execute an agreement with them?

A Yes, if this application is approved, Texaco will enter into a formal communitization agreement for these 355 acres so they can be assigned to the well.

Q Were Exhibits 1, 2, and 3 prepared by you or under your direction?

A Yes, they were.

MR. WHITE: At this time we offer the exhibits.

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



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

MR. WHITE: If the Examiner please, that concludes our testimony.

CROSS EXAMINATION

BY MR. UTZ:

Q Have you contacted the State in regard to this communitization?

A Our Land Department, of course, has been working on this problem, and we have been advised that they do have tentative approval from the State Land Office to communitize this acreage.

Q In regard to the other producing wells on these three leases, what are they completed in?

A All of the other producing wells, with the exception of No. 4, as was pointed out, are producing from the Langley-Mattix Oil Pool.

Q Is the Langley-Mattix lower than the Jalmat?

A Yes, it is. The completions in the Langley-Mattix are at approximately 36 to 3700 feet. The completions in the Jalmat are around 3,000 feet. The Jalmat completions in this area are primarily Yates zones completions and the Langley-Mattix are San Andres completions.

Q Did you happen to get any tests on your No. 1, is it, the No. 2 State, on your NCT No. 4 in the Jalmat zone?

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A No, sir. We didn't. Those wells were drilled strictly as Langley-Mattix oil wells and we didn't pause for any test in the Yates gas zone.

Q In between the Northeast Quarter of Section 5 and the Southwest Quarter of Section 29, are all those wells completed in the Langley-Mattix?

A Yes, sir, these wells included in Section 32?

Q Yes.

A Those wells are Langley-Mattix oil producers. There is no Jalmat gas producer in that area.

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

(Witness excused.)

MR. UTZ: Are there any other statements in this case? The case will be taken under advisement.

* * *



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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 before the New Mexico Oil Conservation Commission was reported by me, 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 3rd day of May, 1963.

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. 2797, heard by me on *April 24* 19 *63*.
[Signature], Examiner
New Mexico Oil Conservation Commission

