

CASE 2995: Application of DEANE
H. STOLTZ for two non-standard
oil proration units, Lea County.

CASE No.
2995

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
C. E. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

March 18, 1964

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 2995
Order No. B-2674
Applicant:
Deane H. Stoltz

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

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
542 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713 • 1769
SANTA FE, NEW MEXICO

TELEPHONES
983-9396
982-2991

February 3, 1964

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Gentlemen:

Enclosed find original and two copies of application of
Deane H. Stoltz for approval of two non-standard proration
units in the North Bagley-Upper Pennsylvanian Pool, Lea
County, New Mexico.

Very truly yours,

Jason W. Kellahin

JASON W. KELLAHIN

jwk:mas
enclosures

DOCKET MAILED

Date 2-10-64

BEFORE THE OIL CONSERVATION COMMISSION OF
NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
DEANE H. STOLTZ FOR APPROVAL OF TWO
NON-STANDARD PRORATION UNITS IN THE
NORTH BAGLEY-UPPER PENNSYLVANIAN POOL,
LEA COUNTY, NEW MEXICO.

A P P L I C A T I O N

Comes now Deane H. Stoltz and applies to the Oil Conservation
Commission of New Mexico for approval of two non-standard proration
units in the North Bagley-Upper Pennsylvanian Pool consisting of

1. The SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 22, Township 11 South, Range
33 East, to be dedicated to applicant's Well No. 1 J. D. Guye;
2. The SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 22, Township 11 South, Range
33 East, to be dedicated to the Deane H. Stoltz No. 1 State 262
well.

Wherefore, applicant prays that this matter be set for hearing
before the Commission's duly appointed examiner and after notice
and hearing, the Commission enter its order approving the non-
standard units as applied for.

DEANE H. STOLTZ

By

James A. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 19, 1964

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, Alternate Examiner:

- CASE 2991:** In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Dwight L. Smith and all other interested parties to appear and show cause why the Walker Well No. 1, located 2290 feet from the South line and 500 feet from the East line of Section 21, Township 15 South, Range 11 East, Otero County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2992:** Application of Consolidated Oil & Gas, Inc., for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of their Hoyt Well No. 3-5, located 1850 feet from the North line and 110 feet from the West line of Section 5, Township 26 North, Range 4 West, Blanco Me averde Pool, Rio Arriba County, New Mexico.
- CASE 2993:** Application of Sinclair Oil & Gas Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Southwest Jal Unit Area comprising 6401 acres, more or less, of State, Federal and fee lands in Townships 25 and 26 South, Range 36 East, Lea County, New Mexico.
- CASE 2994:** Application of Skelly Oil Company for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Gallup formation underlying its Navajo "P" and "M" leases in Sections 25, 26, 33, 34, 35, and 36, Township 32 North, Range 17 West, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico. Initial injection will be through applicant's Navajo "P" Well No. 6 located in Unit P of said Section 35. Applicant further seeks the promulgation of special rules governing the operation of said project.
- CASE 2995:** Application of Deane H. Stoltz for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 80-acre non-standard oil proration units in the North Bagley-Upper Pennsylvanian Pool, Lea County, New Mexico, the first to comprise the SE¹/₄ NE¹/₄ and NE¹/₄ SE¹/₄ of Section 22, Township 11 South, Range 33 East, to be dedicated to a well completed in the SE¹/₄ NE¹/₄ of Section 22; the second to comprise the SW¹/₄ NE¹/₄ and the NW¹/₄ SE¹/₄ of

CASE 2995: said Section 22 to be dedicated to a well to be re-entered
(Cont.) in the SW/4 NE/4 of said Section 22.

CASE 2984: (Continued from the February 5th Examiner Hearing)

Application of The Pure Oil Company and Continental Carbon Company to utilize natural gas in a carbon black plant, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to utilize approximately 7 million cubic feet of Morrow gas per day in the Continental Carbon Company carbon black plant near Eunice, New Mexico, said gas to be produced from The Pure Oil Company Wilson Deep Unit Well No. 1, located in the SE/4 NW/4 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico.

CASE 2996: Application of Nearburg & Ingram for the creation of a new gas pool and for special temporary pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for San Andres production in Sections 10, 11, 12, 13, 14 and 15, Township 8 South, Range 37 East, Roosevelt County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 320 acre spacing.

CASE 2739: (Reopened)

In the matter of Case No. 2739 being reopened pursuant to the provisions of Order No. R-2421, which order established temporary 80-acre proration units for the North Vacuum-Abo Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2740: (Reopened)

In the matter of Case No. 2740 being reopened pursuant to the provisions of Order No. R-2422, which order established temporary 80-acre proration units for the Vacuum-Wolfcamp Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2741: (Reopened)

In the matter of Case No. 2741 being reopened pursuant to the provisions of Order No. R-2423, which order established temporary 80-acre proration units for the Vacuum-Devonian Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2742: (Reopened)

In the matter of Case No. 2742 being reopened pursuant to the provisions of Order No. R-2424, which order established temporary 80-acre oil proration units for the Fowler-Blinebry Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2743: (Reopened)

In the matter of Case No. 2743 being reopened pursuant to the provisions of Order No. R-2425, which order established temporary 320-acre spacing units for the Fowler-Tubb Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 2744: (Reopened)

In the matter of Case No. 2744 being reopened pursuant to the provisions of Order No. R-2426, which order established temporary 320-acre spacing units for the Fowler-Paddock Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 2997: Application of Socony Mobil Oil Company, Inc., for the abolishment of an existing pool and the creation of two new oil pools, and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for lower Pennsylvanian production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 80-acre units and for the establishment of a gas-oil ratio limitation of 6000 cubic feet of gas per barrel of oil produced. Said pool would be created by the abolishment of the Vacuum-Pennsylvanian Pool in Township 17 South, Range 34 East, and the subsequent creation of the Vacuum Upper Pennsylvanian and Vacuum Lower Pennsylvanian Pools.

CASE 2998: Application of Tenneco Oil Company for a gas well-water injection well, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Central Totah Unit Well No. 24 located in Unit O of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico, to produce gas from the Basin-Dakota Gas Pool through 1 1/2 inch tubing and to inject water into the Gallup formation, Totah-Gallup Oil Pool, through 2 1/16 inch tubing with separation of the zones by a packer set at 5766 feet.

CASE 2999: Application of Phillips Petroleum Company for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of an 80-acre non-standard oil proration unit for each of two pools, the Vacuum Wolfcamp Pool and the North Vacuum Abo Pool, said units to comprise the NW/4 SW/4 and the SW/4 NW/4 of Section 31, Township 17 South, Range 35 East, Lea County, New Mexico, to be dedicated to applicant's Santa Fe Well No. 87, located 2310 feet from the South line and 660 feet from the West line of said Section 31.

CASE 3000: Application of Franklin, Aston & Fair Inc. for the creation of a San Andres Gas Pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres Gas Pool comprising all or portions of Sections 22, 23, 25, 26, 27 and 28, Township 7 South, Range 35 East, and the establishment of special pool rules, including 320 acre spacing and fixed well locations, Roosevelt County, New Mexico.

CASE 2979: (Continued from February 5, 1964, Examiner Hearing)

Application of Pan American Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through its U.S.A. Malco Refineries 'G' Well No. 13, located 2302 feet from the South line and 1650 feet from the West line of Section 10, Township 18 South, Range 27 East, Empire Abo Pool, Eddy County, New Mexico.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 19, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Deane H. Stoltz for two
non-standard oil proration units, Lea
County, New Mexico.

Case No. 2995

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 19, 1964

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Deane H. Stoltz)
for two non-standard oil proration)
units, Lea County, New Mexico.)
)

CASE NO. 2995

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING

MR. UTZ: Case 2995.

MR. DURRETT: Application of Deane H. Stoltz for two
non-standard oil proration units, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin of Kellahin & Fox of
Santa Fe, appearing for the applicant. I have one witness I
would like to have sworn, please.

(Witness sworn)

CYRIL WAGNER, JR.,

called as a witness herein, having been first duly sworn, was
examined and testified as follows:



DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Cyril Wagner, Jr.

Q All right.

MR. UTZ: Would you state that name again?

A Cyril Wagner, Jr.

Q (By Mr. Kellahin) By whom are you employed and in what position, please?

A With Deane H. Stoltz. I am a partner, geologist.

Q Have you ever testified before the Oil Conservation Commission?

A No.

Q For the benefit of the Examiner, would you briefly outline your educational background and experience as a geologist?

A From 1956 through '60, I was employed by Amerada Petroleum, and from '60 through '61, I was employed by J. E. Jones Drilling out of Midland, Texas, and from '61 through today, partner with Deane H. Stoltz.

Q Have you worked in the State of New Mexico in connection with your work?

A Yes, sir, I have.

Q Where did you go to school?

A Oklahoma University.



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Q What degree do you hold there?

A BS in Geology.

Q When did you get that degree?

A 1956.

Q Are you familiar with the Bagley area?

A Yes, I am.

Q All right.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir.

Q (By Mr. Kellahin) Mr. Wagner, are you familiar with the application of Deane H. Stoltz in Case 2995?

A Yes, I am.

Q Briefly state what is proposed by you and your partner in this case?

A What we would like to do is use all of our acreage, take best advantage of it by re-entering an old dry hole, Sinclair State 262, and getting the acreage south of that in our unit. This is not by present rules acceptable within the unit.

Q Now, what do the rules for the North Bagley Upper Pennsylvanian Pool require as to a unit?

A 80 acres contiguous.

Q Do the 80 acres have to be within a quarter-quarter section; is that correct?

A Yes, that's correct.



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Q Now, referring to what has been marked as Exhibit Number One, would you identify that exhibit, please?

A This is simply a lease plat of the North Bagley area, which we are concerned with.

Q Now, on that lease plat, what acreage do you propose to dedicate to the two units involved here?

A What we would like to do would throw- - Please restate your question. I didn't understand it.

Q I say referring to Exhibit Number Two, now what acreage do you propose to dedicate to the two units?

A What we want to do is dedicate the Southeast Quarter, the Southeast of the Northeast, and the Northeast of the Southwest Quarter, as one unit, taking advantage of the well 1980 from the Stoltz Number One Guy.

Q State that again, please? I believe you got it mixed up there on that.

A Oh, I am sorry.

Q What acreage do you propose to dedicate to the two wells now?

A Southeast Quarter of the Northeast Quarter of Section 22 and the second is the Southwest Quarter of the Northeast Quarter and the Northwest Quarter of the Southeast Quarter of Section 22.

Q And those do not comprise the standard units under the rules for the Babley Upper Pennsylvanian Pool, do they?

A No, that's correct.



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Q Where are the well locations on these two units?

A Well location for the Number One Guy is 1980 from the North and 660 from the East. The Stoltz Number One Sinclair State is 1980 from the North and 1980 from the East of Section 22.

Q Now, are those orthodox locations under the pool rules for the North Bagley Upper Pennsylvanian Pool?

A They are.

Q They are?

A Yes, they are.

Q So, you are not affecting any drainage pattern by the creation of these two units; is that correct?

A That's correct.

Q In your opinion, will any offset operators be adversely affected by the formation of these two units?

A Not at all.

Q The offset operators be able to form a unit for their further development of this pool?

A Yes, they will.

Q Refer to what has been marked as Exhibit Number Two, and would you identify that exhibit and discuss that information shown on it?

A Exhibit Number Two is a composite of logs within the area that we are interested in, the North Bagley, all of the logs just showing that there have been no limit set to the pool.

Q Now, you did not make a cross section as such, did you,



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Mr. Wagner?

A No, I didn't.

Q Did you just take all of the wells within the vicinity of the proposed units?

A Yes, I did.

Q And they are the wells which appear on your Exhibit Number One, are they not?

A Yes, sir.

Q Now, what information is reflected on this exhibit?

A Exhibit Number Two?

Q Yes, sir.

A Just showing that the zones that are producing in the are and to date there have been no limit set by any of these zones. One zone, what we refer to as the Dallas zone, has produced oil in all of the wells.

Q Now, referring to this exhibit and in connection with your Exhibit Number One, based on the information available to you, in your opinion, is all of the acreage you propose to dedicate in these two units productive from the North Bagley Upper Pennsylvanian?

A Yes, sir.

Q There is no development to the west; is that correct?

A That's correct, sir.

Q How does this area then compare to other Pennsylvanian pools in the vicinity?

A Most of these Pennsylvanian pools in the vicinity show



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Suite 1120 Simms Building

large areal extent, which you can expect in this development.

Q What control do you have on the east side?

A On the east side, there is a well in Section 23, that is unusually low well, reflecting a fault in the area which you can also see in the Bagley area to the south.

Q And the same formation, in your opinion, exists in the Bagley to the south as it appears up here?

A The same formation, yes, sir.

Q Do you think that it will be comparable in structural extent, the areal extent of the structure?

A I think it could be, yes, sir.

Q Is that the information on which you base your conclusion that all of the acreage is productive?

A Yes, sir.

Q Were Exhibits One and Two prepared by you or under your supervision?

A They were.

Q In your opinion, will approval of this unit be in the interest of the conservation and greater development in the area?

A Yes, sir.

Q Would it be possible for you to form, with your offset operators, standard units?

A I don't think-- Would it be possible?

Q Yes, sir.

A Yes, sir.



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Q It would, but it would cause serious complications, would it not?

A Oh, yes, sir.

Q That is all the questions I have on direct examination at this time.

MR. KELLAHIN: We offer Exhibits One and Two.

MR. UTZ: Without objection, Exhibits One and Two will be entered into the record of this case.

CROSS EXAMINATION

BY MR. UTZ:

Q On your Exhibit Number Two- -

A Yes, sir.

Q - -you don't show us the traverse or number of wells, direction of wells, on your Exhibit Number One or on that exhibit, that this cross section covers, did you?

A No, sir. This is all- -

Q Let's run through that, will you, please? Start over on the left-hand side and give me the location of wells so we can see where it goes.

A On the left would be the Cabot Carbon Number One.

Q Give me the section and part of the section first, if you will, please?

A Section 15, 11 South, 33 East.

Q Just the section will be sufficient.



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A All right. Cabot.

Q Cabot Number One, that would be in the Southeast-Southeast?

A Yes, sir. Would you like the footage on these?

Q No.

A The second well, Section 22, would be the Cabot Number One "M", State "M".

Q All right, sir.

A Third well, would be the Sinclair One State 262, Section 22.

Q All right, sir.

A The third well was the Great Western, Section 22, Great Western Number One, Guy.

Q Now, where is that well located?

A That is the Stoltz Number One Guy.

Q All right.

A The next well, Section 23, was the Cabot Number One Humble State.

Q All right, sir.

A Next well, Section 23, was the Cabot Number One State "L".

Q All right, sir.

A And the next well, Section 23, was the Cabot Number One Thompson.

Q This is just a cross section of practically all the wells?



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Phone 243-6691

PAGE 11

A Yes, sir, just a composite.

Q You do not have any development to the west or the south of these units you are proposing?

A No, sir.

Q Do you have any subsurface information of any nature that would- -

A Yes, sir.

Q - -show that this may be a part of the pool?

A Yes, sir. This is a subsurface map.

MR. KELLAHIN: You are referring to Exhibit Number Three?

A Number Three. Mapped on a Wolfcamp marker, which I refer to on any composite of logs as the relative datum. This is an easy marker to depict in the area and reflects all the pertinent subsurface information. You can see in Section 23 a steep dip established from the Humble State to the Williamson well. This reflects probably a fault, which you can also see on the flank of the Bagley to the south. In the area of Sections 35 and 36 and Section 1, this area is relatively flat for the most part in the area we are interested in; to date, there have been - - all wells have tested free oil and have made completions in what we refer to as the Dallas zone. Presently, the Stoltz Number One Guy is the only well producing from that. Because of volumes of water, this zone has to be put on artificial lift, Cabot's position being that they wanted to put a temporary plug in there and flow



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PAGE 12

zones up above it, is the simple reason why they aren't producing from the zone right now, but they have produced from it in all wells. We see no limiting factor so far saying this won't cover the whole area.

Q The Wolfcamp zone is just above the Pennsylvanian?

A Yes, sir.

Q Actually, on these contours you have pretty good control, probably down pretty well south in your units, do you not?

A Yes, sir.

Q But, beyond that, you are conjecturing to quite an extent?

A Conjecturing.

Q What acreage is dedicated to the Cabot State "M"?

A Just the North half of the Northeast Quarter, Section 22

Q That is a standard unit, is it not?

A Yes, sir.

Q I wonder if you can explain how you got two wells on the South Half of the Northeast Quarter?

A How? I see. The Sinclair well was drilled previous to development of the Cabot. It was drilled as a Devonian dry hole, and was plugged and Cabot discovered the field in their Number One Dallas in Section 15. Subsequent to that, they drilled the wells in Section 23 and 22. We drilled the well, the Number One Guy, meeting the offset of Section 23. We plan to re-enter the Sinclair Oil & Gas well and put it on production in these zones.



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Q Sinclair well in which we had a previous hearing in regard to re-entering?

A No.

Q Some similar situation to this, and I thought this might be it. So, have you completed the State 262, Sinclair State 262?

A We are in the process of it right now.

Q But, you have completed the Number One Guy?

A Yes, sir.

Q The State 262 was drilled to the Devonian?

A Yes, sir.

Q And you want to make use of that hole for economic reasons?

A Yes, sir.

Q In your opinion, you can make a well in the Upper Pennsylvanian?

A Yes, sir.

Q The Upper Pennsylvanian is the equivalent to what you have termed here the Dallas zone, is it not, in this area?

A The Dallas and it is also what we refer to as the Bough B, Bough C and Bough D, from that interval down, they are - -

Q All right.

MR. UTZ: Are there questions of the witness?

MR. DURRETT: I have one question.



CROSS EXAMINATION

BY MR. DURRETT:

Q Mr. Wagner, would you please tell us who owns the South Half of the Southeast Quarter?

A The South Half of the Southeast Quarter is owned by Sinclair.

Q But, there is no well there?

A There is no well there.

Q They own the entire South Half of the Southeast Quarter?

A Yes, sir.

MR. DURRETT: Thank you.

A You want the structural map as an exhibit?

MR. DURRETT: Pardon?

MR. KELLAHIN: Do you want the structural map as an exhibit?

MR. UTZ: I think it would be well.

MR. KELLAHIN: Was the Exhibit Number Three prepared by you or under your supervision?

A It was.

MR. KELLAHIN: According to your testimony, the use of this Sinclair well is a salvage operation, which would prevent economic waste, would it not?

A Yes, sir.

MR. KELLAHIN: At this time, I would like to off-

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Exhibit Number Three.

MR. UTZ: Without objection, Exhibit Number Three will be entered in the record of this case. Are there other questions? The witness may be excused. Are there other statements in this case? Is this the only witness you have?

MR. KELLAHIN: Yes, sir.

MR. UTZ: The case will be taken under advisement.

* * * *

STATE OF NEW MEXICO §

COUNTY OF BERNALILLO §

I, ROY D. WILKINS, 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 of Office, this 29th day of February, 1964.

NOTARY PUBLIC

My Commission Expires:

September 6, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2885 heard by me on Feb. 19, 1964.

Examiner
New Mexico Oil Conservation Commission



Case 2895

Heard 2-19-64

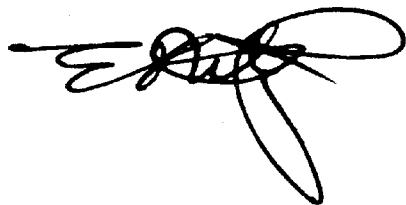
Rec. 2-25-64

1. Grant Deane H. Slotz 2 N & P's
in A. Bagley-Penn - as follows:

(A) SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, 22-11S-33E, to
Slotz J. D. Huger #1 1980/10 + 660/6 lines
of sec

(B) SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, 22-11S-33E to
Slotz - St. # 262 #1, 1980/N + ~~10~~ lines sec.
22.

2. The NW $\frac{1}{4}$ SE $\frac{1}{4}$ is already ded. to
the Cabot St M #1 + Sinclair owns the
SE $\frac{1}{4}$ so the $\frac{1}{2}$ sec can be ded. in
this manner without going beyond
sec. lines.



OFF. MU 2-5623
RES. MU 3-2285

Set for hearing

DEANE H. STOLTZ
BOX 1714 • MIDLAND, TEXAS

February 1, 1964

Re: Request for Hearing
Non Standard Proration Unit
North Bagley Upper Penn Field
Lea County, New Mexico

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Attn: Mr. Dan Nutter

Dear Sir:

It is requested that a place on the forthcoming docket be granted for the hearing of our request for two non-standard proration units in the North Bagley Upper Penn Field of Lea County, New Mexico:

First Unit

Deane H. Stoltz #1 J. D. Guye

Unit described as SE/4 NE/4 & NE/4 SE/4 of Section 22,
T-11-S, R-33-E, Lea County, New Mexico (80 acres)

Second Unit

Deane H. Stoltz #1 State 262

Unit described as SW/4 NE/4 & NW/4 SE/4 of Section 22,
T-11-S, R-33-E, Lea County, New Mexico (80 acres)

Both requests motivated by actual leasehold tract owned by operator and conforming to field rules in effect with the exception that the proposed units cross legal quarter sections.

Thank you.

Very truly yours

Deane H. Stoltz
Deane H. Stoltz

DOCKET MAILED

DHS/fcl

Date 2-10-64

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. 2995
Order No. R-2674

APPLICATION OF DEANE H. STOLTZ
FOR TWO NON-STANDARD OIL PRORA-
TION UNITS, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
February 19, 1964, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this 18th day of March, 1964, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Deane H. Stoltz, seeks the estab-
lishment of two 80-acre non-standard oil proration units in
Section 22, Township 11 South, Range 33 East, NMPM, North Bagley-
Upper Pennsylvanian Pool, Lea County, New Mexico, described as
follows:

(a) SE/4 NE/4 and NE/4 SE/4 of Section 22.

(b) SW/4 NE/4 and NW/4 SE/4 of Section 22.

(3) That the two above-described 80-acre non-standard oil
proration units are to be dedicated, respectively, to the
following-described wells:

(a) Deane H. Stoltz-J. D. Guye Well No. 1,
located 1980 feet from the North line
and 660 feet from the East line of
said Section 22.

-2-

CASE No. 2995
Order No. R-2674

- (b) Deane H. Stoltz State 262 Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of said Section 22.

(4) That the proposed 80-acre non-standard oil proration units can be efficiently and economically drained and developed by said wells.

(5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risks arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, the subject application should be approved.

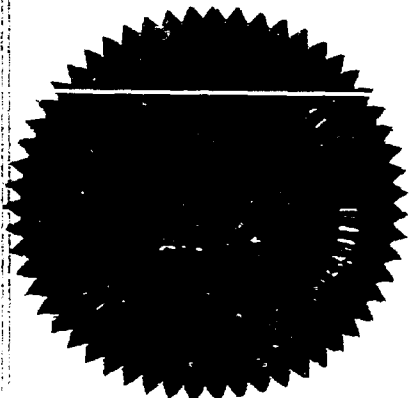
IT IS THEREFORE ORDERED:

(1) That the following-described 80-acre non-standard oil proration units in Section 22, Township 11 South, Range 33 East, NMPM, North Bagley-Upper Pennsylvanian Pool, Lea County, New Mexico, are hereby established:

- (a) SE/4 NE/4 and NE/4 SE/4 of Section 22, to be dedicated to applicant's J. D. Guye Well No. 1, located 1980 feet from the North line and 660 feet from the East line of said Section 22.
- (b) SW/4 NE/4 and NW/4 SE/4 of Section 22, to be dedicated to applicant's State 262 Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of said Section 22.

(2) 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.



esr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. B. Walker
E. B. WALKER, Member

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

Diane H. S. L.
North Bayley Upper Room
Oil Point

well: 22 115 33 E
#12 D. Dug
SE/4 NE/4 Sec 22
80 acre SE/NE & NE/SE

SW/4 NE/4 ~~Sec 22~~
SW/4 NE/4 NE/4 SE/4
↗ Sec 22 #1 well
(State located)

Book 1714
Gardner
Tract 25623

Memo

From

JAMES M. DURRETT JR.
GENERAL COUNSEL

To Bayley Upper Penn
N/2 S/2 E/2 or W/2 of 1/4 Sec

Great Western G.D. Guze
Well No 1 Unit H

22-11-33

Dedicated E/2 of NE/4

Calbot had a well in

unit is ~~not~~ NW/4 NE/4 (drilled 1st)

They dedicated N/2 NE/4

Stolty took over Great
Western Well

Memo

From

JAMES M. DURRETT JR.
GENERAL COUNSEL

To E/2 of Dec 22 T115R33E

Cabot	
.	.
	Stoltz

DRAFT
JMD/esr

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. 2995

Order No. R- 2674

APPLICATION OF DEANE H. STOLTZ
FOR TWO NON-STANDARD OIL PRORA-
TION UNITS, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
February 19, 1964, at Santa Fe, New Mexico, before Examiner 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 _____ day of March, 1964, the Commission,
a quorum being present, having considered the ~~application and~~ testimony,
the record ~~and evidence adduced~~, and the recommendations of the Examiner,
-----, 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, Deane H. Stoltz, seeks the estab-
lishment of two 80-acre non-standard oil proration units in ~~the~~
Section 22, Township 11 South, Range 33 East, NMPM,
Lea County, New Mexico,
~~North Bagley-Upper Pennsylvanian Pool,~~ described as follows:

- (a) SE/4 NE/4 and NE/4 SE/4 of Section 22,
~~Township 11 South, Range 33 East, NMPM,~~
~~Lea County, New Mexico.~~
- (b) SW/4 NE/4 and NW/4 SE/4 of said Sec-
tion 22.

(3) That the two above-described 80-acre non-standard oil
proration units are to be dedicated, respectively, to the follow-
described
ing wells:

- (a) Deane H. Stoltz-J.D. Guye Well No. 1, located 1980 feet from the North line and 660 feet from the East line of said Section 22.
- (b) Deane H. Stoltz State 262 Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of said Section 22.

(4) That ~~each of~~ the proposed 80-acre non-standard oil proration units can ~~reasonably be presumed to be productive of~~ *be efficiently and economically drained and developed by one well the prop said wells.* oil from the North Bagley-Upper Pennsylvanian Pool.

(5) That ~~approval of the subject application will not cause waste and will not impair correlative rights.~~

IT IS THEREFORE ORDERED:

80 acres

(1) That the following-described ¹non-standard oil proration units in *Section 22, Township 11 South, Range 33 East, NMPM,* the North Bagley-Upper Pennsylvanian Pool, Lea County, New Mexico, are hereby established:

- (a) SE/4 NE/4 and NE/4 SE/4 of Section 22, ~~Township 11 South, Range 33 East, NMPM, comprising 80 acres; said unit is to be dedicated to applicant's J. D. Guye Well No. 1, located 1980 feet from the North line and 660 feet from the East line of said Section 22.~~
- (b) SW/4 NE/4 and NW/4 SE/4 of ~~said~~ Section 22, ~~comprising 80 acres;~~ to be dedicated to applicant's State 262 Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of said Section 22.

(2) 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.

(5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risks arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, the subject application should be approved.