

CASE 2996: Application of NEARBURG  
& INGRAM for the creation of a new  
gas pool and special rules.

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CASE No.  
2996

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

*Elvis - One extra copy please.  
JH*

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. 2996

Order No. R- 2665

NOMENCLATURE

APPLICATION OF NEARBURG & INGRAM  
FOR THE CREATION OF A NEW GAS POOL  
AND FOR SPECIAL TEMPORARY POOL RULES,  
ROOSEVELT 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, the~~ testimony, the record, ~~evidence, and the~~ 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, Nearburg & Ingram, seeks the creation of a new gas pool for San Andres production <sup>in Roosevelt County, New Mexico</sup> and the promulgation of temporary special rules and regulations governing said pool, including provisions for 320-acre spacing units and fixed well locations.

(3) That a new gas pool for San Andres production should be created and designated the Bluitt-San Andres Gas Pool; that said pool was discovered by the Kirkpatrick Well No. 1, located in Unit P of Section 11, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

(4) That the evidence concerning reservoir characteristics establishes that the Bluitt-San Andres Gas Pool can be efficiently

and economically drained and developed on 320-acre spacing units.

(5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 320-acre spacing units should be promulgated for the Bluitt-San Andres Gas Pool.

(6) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a new pool in Roosevelt County, New Mexico, classified as a gas pool for San Andres production is hereby created and designated the Bluitt-San Andres Gas Pool, consisting of the following-described area:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM  
Section 11: S/2      Section 12: SW/4  
Section 14: N/2      Section 13: NW/4

(2) That Special Rules and Regulations for the Bluitt-San Andres Gas Pool are hereby promulgated as follows, effective April 1, 1964.

SPECIAL RULES AND REGULATIONS  
FOR THE  
BLUITT-SAN ANDRES GAS POOL

RULE 1. Each well completed or recompleted in the Bluitt-San Andres Gas Pool or in the San Andres formation within one mile of the Bluitt-San Andres Gas Pool, and not nearer to or within the limits of another designated San Andres <sup>gas</sup> pool shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Bluitt-San Andres Gas Pool shall be located on a <sup>Standard Unit</sup> tract consisting of

approximately 320 acres <sup>which shall comprise</sup> ~~comprising~~ any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a unit consisting of between 316 and 324 surface contiguous acres shall be considered a standard unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections ~~or~~ lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

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RULE 4. Each well completed or recompleted in the Bluitt-San Andres Gas Pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section ~~and no~~ nearer than 330 feet to any governmental quarter-quarter section line, ~~provided, however, that any well which was projected to or completed in said pool prior to \_\_\_\_\_, is~~ ~~excepted from the requirements of this rule.~~

RULE 5. The Secretary-Director may grant an exception to the ~~requirements~~ <sup>postage</sup> of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, <sup>provided the well will be located no nearer than 330 feet to the outer boundary of the unit.</sup> All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the San Andres formation within the Bluitt-San Andres Gas Pool or within one mile of the Bluitt-San Andres Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before April 1, 1964.

(2) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Bluitt-San Andres Gas Pool shall file a new Form C-128 with the Commission on or before April 1, 1964.

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CASE No. 2996

(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.

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

EXAMINER      HEARING

IN THE MATTER OF:

Application of Nearburg & Ingram for the  
creation of a new gas pool and for special  
temporary pool rules, Roosevelt County,  
New Mexico.

Case No. 2996

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING

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

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IN THE MATTER OF: )  
)  
)

Application of Nearburg & Ingram for )  
the creation of a new gas pool and for )  
special temporary pool rules, Roosevelt )  
County, New Mexico. )  
)  
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CASE NO. 2996

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING

MR. UTZ: Case 2996.

MR. DURRETT: Application of Nearburg & Ingram for the  
creation of a new gas pool and for special temporary pool rules,  
Roosevelt County, New Mexico.

MR. RUSSELL: John F. Russell, Roswell, New Mexico,  
representing the applicant. I have one witness.

(Witness sworn)

RALPH L. GRAY,

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



DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, address and occupation?

A My name is Ralph L. Gray, my occupation is Consulting Petroleum Engineer.

Q Where do you live, Mr. Gray?

A Artesia, New Mexico.

Q Have you previously qualified to testify before the Commission?

A Yes, I have.

Q Are you familiar with the application of Nearburg & Ingram in Case Number 2996?

A Yes, sir.

Q Will you briefly state what the application seeks?

A This application proposes to create a new gas pool and to establish 320 acre drilling units, and also to provide for a uniform spacing pattern for the pool.

Q Mr. Gray, referring to what has been identified as Exhibit One, will you explain what that exhibit portrays?

A Exhibit One is a map which shows this general area. It also shows the structural conditions with contours drawn on top of the San Andres formation. The map shows an outline of the proposed pool boundary which is indicated by red on the map. All of the portion of the map colored yellow indicates tracts in which Nearburg and Ingram have an interest.



Q Will you give the location of the two wells which have been drilled or completed within this proposed area?

A Yes. The Nearburg and Ingram Kirkpatrick Number One is located in the Southeast Quarter of the Southeast Quarter of Section 11, and Township 3 South, Range 37 East. And the Kirkpatrick Number Two well is located in the Northwest Quarter of the Northeast Quarter, Section 14, and the same township and range.

Q And the proposed area outlined in red is Sections 10, 11, 12, 13, 14 and 15?

A That's right.

Q Of Township 3 South, Range 37 East?

A Yes, sir.

Q And the plat also shows all leases and wells within one mill of the proposed boundary?

A Yes, sir.

Q And the two wells which you have described are the only wells within the proposed area; is that correct?

A That's correct.

Q I refer you to Exhibit Two and ask you to explain what that shows? After we go through these various exhibits, after indicating what they portray, if there is anything significant which you want to point out as to any exhibit, do it at that time.

A Exhibit Two shows a Gamma Ray Sonic log through the pay portion of the reservoir, and also shows core data plotted. Also



shows the perforations from which the well produces or is producing, and the net pay intervals are also indicated on this log.

Q All right. Referring to what has been identified as Exhibit Three, and ask you to explain that exhibit?

A Exhibit Three shows a portion of the Gamma Ray Nuetron log for the Kirkpatrick Number Two and this also shows the casing depth and perforations from which the well produces.

Q All right. Now, refer to Exhibit Four, and ask you what that portrays?

A Exhibit Four is a coregraph showing the porosity and permeability and other core data for the various intervals which were cored and analyzed. This log also indicates the fracturing that exists in the formation.

Q All right. Now, I refer you to Exhibit Number Five and ask you to explain that one?

A Exhibit Number Five shows pertinent well data for the Kirkpatrick Number One well showing the total depth and the elevation, casing depth, perforations, treatment, and the drillstem test. This shows a completion date of November 20th and I believe maybe that conflicts with the- - perhaps that should be November 22nd in order to agree with the operator's records.

Q And November 22nd is the date shown in the application?

A Yes, sir, that is the correct date.

Q All right. I will now refer you to Exhibit Number Six and ask you to explain that one?



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A Exhibit Number Six is also a sheet showing well data for the Kirkpatrick Number Two well, showing similar information which was shown in Exhibit Number Five.

Q All right. Now, turn to Exhibit Number Seven.

A Exhibit Number Seven shows the results of a multiple point back pressure test which was conducted on the Kirkpatrick Number One well. This shows that the well has an absolute calculated open flow of 1,675,000 cubic feet of gas per day. This exhibit also shows conditions of various rates of flow during the test, with the surface pressure and the bottom hole pressure for those particular rates.

Q All right. Now, to Exhibit Eight.

A Exhibit Eight is a similar data for the Kirkpatrick Number Two. This shows the back pressure test conducted on this well and it shows an absolute open flow of 890,000 cubic feet of gas per day.

Q Mr. Gray, based upon the information contained in the exhibits you have referred to, in your opinion, will one gas well in the San Andres formation within the proposed pool boundary efficiently and economically drain 320 acres?

A Yes, sir, it is my opinion that it will.

Q Will you please point out the specific data upon which you base that opinion?

A Well, this Kirkpatrick Number One well was cored through the pay section, and the cores showed evidence of a high degree of



fracturing in the formation, and, of course, this is the type of permeability that permits a good drainage and good recovery in a reservoir.

Q Have you made any computations reflecting the cost of drilling an operating a San Andres gas well in the proposed area, based upon a 160 acre spacing and a 320 acre spacing in connection with the economic return for each?

A Yes, I have.

Q What are those figures or computations?

A My calculations show that the approximate cost for drilling a well, equipping the well, would amount to approximately \$45,000.00. The estimated operating cost over the life is calculated to be \$8,400.00 based on a 160 acre drilling tract, and operating cost for a 320 acre tract is estimated at \$14,400.00. The total expense for drilling on the basis of 160 acre tracts would be \$53,400.00 and \$59,400.00 for a 320 acre tract. Now, as to the value of gas that can be recovered, it is estimated that the recoverable gas for a 160 acre tract would amount to 783,576 MCF, and for 320 acres, would be 1,566,752 MCF. It is estimated that the value of the working interest gas for a 160 acre unit would be approximately \$45,788.00, and for a 320 acre tract, would be approximately 91,576.00. So, in comparing the anticipated income for a 160 acre tract and a 320 acre tract, as against the estimated expense, it is very clear that drilling on a 160 acre unit would result in a loss to the operator, whereas, drilling on a 320 acre



tract would perhaps allow a small profit.

Q If it be set up on 160 acre spacing, there are not too many operators, on the basis of the information you have given, who would develop it?

A I can't imagine any operator wanting to drill on 160 acres.

Q And the economic loss factor would result in non-development of this area and the consequent loss of gas; is that correct?

A I think that's correct.

Q Do you have any recommendation to make to the Commission as to the formation of standard units within the proposed gas pool?

A I would recommend that any two contiguous quarter sections within a single governmental section be permitted to form a 320 acre unit. These could be formed in either a north-south or east-west direction.

Q And do you have any recommendation as to fixed well locations on the basis of those units?

A Yes, it is recommended that the wells be located in either the Southeast Quarter, or the Northwest Quarter of a section.

Q And in your opinion, that would provide for an orderly development of the pool?

A Yes, sir.

Q Now, do you recommend that an exception to the stated fixed well locations be granted for wells drilled or drilling prior to the establishment of the pool boundaries?



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Yes, I think exception should be permitted these wells.

Q Referring you back to Exhibit One, the Kirkpatrick Number Two well is not on one of the fixed locations, which you have recommended, is it?

A No, sir.

Q Can you give, or will you explain the reason for that?

A The Kirkpatrick Number Two well was originally drilled by Shell Oil Company, I think, in 1954, and was plugged in that year, and in November, 1963, Nearburg and Ingram re-entered this hole and made a completion in the gas zone.

Q It was drilled and abandoned prior to the drilling of the discovery well of Kirkpatrick Number One; is that correct?

A Yes, sir, that's correct.

Q In your opinion, do you feel that there are any conditions existing, in the proposed pool, which would require any casing program?

A No, we do not have any recommendations to make regarding any special casing program.

Q Do you have any recommendations to make as to a name for this gas pool?

A It is recommended that the gas pool be named the Bluit-San Andres Gas Pool.

Q How do you spell that?

A B-l-u-i-t-t-.

Q Were these exhibits all prepared by you or under your





direction?

A Yes, sir.

MR. RUSSELL: I would like to offer in evidence at this time Exhibits One through Eight, inclusive.

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

Q (By Mr. Russell) And you are asking that temporary rules be set up for development of this gas pool?

A Yes.

Q Giving the operator time to obtain additional information to present as to the boundaries of the pool and capabilities of draining the 320 acres with one well; is that correct?

A Well, I think it is generally the policy that the Commission has to set up field rules similar to this on a temporary basis, however, I don't think my client would object to a permanent set of rules.

Q You think that he would take it on a permanent basis if it was offered?

A Yes, sir.

MR. RUSSELL: I have no further questions.

\* \* \*

MR. UTZ: You feel safe in that latter statement, do you?

A Yes, sir.

MR. UTZ: Are there questions of the witness?



CROSS EXAMINATION

BY MR. PORTER:

Q Mr. Gray, you said, but who drilled this Number Two well?

A Shell Oil Company.

Q Shell Oil Company. What I am trying to determine here, there was a Bluit-San Andres Oil Pool in this area. Do you know whether, or not any of those wells are still producing, whether it is in this particular area, or not? I didn't check it before the hearing.

A There was a well in Section 18 of Township 8 South, Range 38 East, which was originally completed as an oil well and it is my understanding that this well has been plugged.

Q That was over near the State line; is that right?

A Well, this well is just approximately half a mile east of the boundary that is shown on the map for the proposed gas pool.

Q I haven't checked the status of that pool in sometime.

A It is my understanding that it has been plugged.

Q As I recall, this was a well somewhere in the depth of around 5,000 feet or 5200, but anyway, in this particular area that you are requesting now, there is no San Andres oil production at the present time?

A No, sir, there is not within these proposed boundaries.

MR. PORTER: That's all I have.

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CROSS EXAMINATION

BY MR. UTZ:

Q Referring to your coregraph, which I believe is Exhibit Number Four, are the zones shown here perforated in the Number One well?

A I am sorry, I missed your question.

Q Are the zones here, as having been sampled in your core, are they the zones that are completed in the Number One well?

A Yes, the zone that is shown on the lower portion of the coregraph is the bottom zone that is perforated, and shown on Exhibit Number Two in the lower perforations, and then, the coregraph shows some core data from 4519 to 4538, and that is depicted on Exhibit Two.

Q All right.

A If you will notice under core data on Exhibit Two, there are two things shown by, the porosity is shown by a solid dot and permeability is shown by a hollow dot, and all of these are also shown on the coregraph, which is shown on Exhibit Four.

Q Really, the only zone that has very much permeability is your upper zone; is that a reasonable interpretation?

A Well, I would like to explain just a little bit about the permeability that is shown on this coregraph. The type of analysis which was run on the cores was - - is what we call a linear type or permeability measurement, and it measures permeability in a



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certain direction and in a certain local area on the core, and you will note that most of these permeability measurements that are shown on the coregraph are a very low order of permeability, but the fallacy is, in taking these permeability measurements, that as a general rule, they will miss one of these fractures unless you just happen to take this permeability measurement right on one of these fractures, you don't actually determine the permeability that exists in the fracture itself. So, anyway, the permeability measurements that are shown on the coregraph are misleading in that they don't show accurately the permeability that actually exists in the fracture itself.

Q Is the entire section of the core checked for permeability or just slugs taken out of the core and checked?

A Only the sections which are shown on the coregraph in Exhibit Four were the parts of the core that were analyzed. The other parts were not thought good enough to make an analysis of.

Q And this core was then fractured?

A Yes, sir.

Q Would you say it was highly fractured, or partially fractured?

A Yes, I would say it was highly fractured. Now, if you will note on the coregraph, the column shown directly after total water under residual saturation, there is a column there that shows a large number of "F's" all up and down where the core was analyzed. These "F's" mean "fractured". So, you will notice



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there, practically all of the pay section was highly fractured.

Q And these fractures are in all probability the reason for the accumulation?

A Yes, I think so.

Q Of course, the permeability in fractures are very high; is that true?

A Yes, generally, fractured permeability is of a high order.

Q These absolute open flows that you have shown here, aren't what you would term as being real rip roaring gas wells, are they?

A Well, no, and yet, they are, I would say they are fair. Here is one that has a calculated absolute open flow of a little more than a million and a half a day. In considering that this is a shallow reservoir and that the reservoir pressure is not too high, I think they are reasonable, the absolute open flows are within reasonable brackets.

Q Would you ordinarily expect a fractured reservoir to have a little higher- -

A If you have a deeper reservoir with higher pressure, you would, but in such a shallow reservoir, I think it is about what you might expect.

Q Are these bottom hole AOF's, or top hole?

A Pardon?

Q Are these absolute open flows at the surface or bottom hole absolute open flows?



A They are calculated in accordance with the Oil Conservation Commission methods.

Q You used your surface pressure in making this calculation?

A Well, surface and measurements were taken both at the surface and at the bottom of the hole.

Q Which pressure was used in making the calculation, the bottom hole pressure or the surface pressure, do you recall?

A Well, it is based on our surface pressure.

Q Absolute open flows would be absolutely lower than the bottom hole pressure, absolute open flow pressure?

A Yes, sir, that's right.

Q Would you say that this pool was stratigraphic trap?

A Yes. I think generally, the geologists consider that this is a stratigraphic type of reservoir.

Q I note that you have asked to be included in the pool rules six sections which have previously been described and are shown on Exhibit Number One. In your opinion, are all of these sections productive of gas from this zone, or is this just an area which you would desire to be lineated for spacing purposes?

A Well, based on the information which we have at this time, we think that all of the area included within the proposed pool boundary is probably productive of gas in this formation and it doesn't necessarily show what might be the entire size of the reservoir, but when you start out with only two wells, well, you have to arrive at some reasonable estimate of the size of the pool.



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and this essentially takes in all of the offsetting drilling units that might be formed around these wells, and it is just the operator's recommendation for an initial pool boundary, and we think that in time, of course, this will probably be extended.

Q You are familiar with the usual order that is written in spacing cases by the Commission in that any well a mile or less from the pool shall be operated in accordance with the pool rules, are you not?

A Yes, sir.

Q That rule in itself would take in virtually all of this area which you recommend here, except the West Half of Section 10 and 15, would it not?

A Yes, sir, that's right.

Q I wonder if you would go through your economic figures once more for me. I didn't get quite all of them jotted down.

A Is there anything specific that you would like to ask or would you prefer that I- -

Q Well, the well cost on 160 and 320 acres, as well as your gross income, your operating cost and so forth. I think probably all of it.

A All right. The estimated well cost and lease equipment cost, this is combined in one figure, is estimated at \$45,000.00. The estimated operating cost over the life is \$8,400.00 for 160 acre tract and \$14,400.00 for a 320 acre tract. The estimated recoverable gross gas from the 160 acre tract is 783,376 MCF, and



for 320 acres, 1,566,752 MCF. Now, the estimated value for the working interest gas is \$45,788.00 for 160 acre tract, and \$91,576.00 for 320 acre tract. The net loss for 160 acre tract would be \$7,612.00, and net profit for 320 acre tract would be \$32,176.00 with no discount factor applied.

Q In calculating these reserves, what kind of net pay did you use?

A We used a net pay of 26 feet for each of these wells.

Q Porosity?

A An average of 5.5 percent.

Q And your connate water?

A 20 percent.

Q And you used a bottom pressure as shown on Exhibit-- your absolute open flow exhibit?

A Well, we used an average bottom hole pressure for this well of 1495 pounds per square inch absolute.

Q For a recovery factor, what did you use?

A We didn't actually use a recovery factor. We approached it in a little different manner. We estimated the original total gas in place and then, we estimated the abandonment pressure and estimated the remaining gas in place in the reservoir at the time of abandonment, then we subtracted the two to come out with our recoverable gas.

Q What was your abandonment estimate?

A We used 415 pounds per square inch absolute.





Q Reservoir, no doubt?

A Yes, sir.

Q You don't believe that gas will be taken out of the reservoir at pressures below this?

A No, I don't. Exhibits Seven and Eight show both the tubing pressure at the surface and also the bottom hole pressure under these varying rates of flow conditions, and if you will note there, roughly there is about 200 pounds difference between your bottom hole and your surface pressure. And, of course, this is due to the weight of the column of gas and it is also due to the friction loss that occurs in getting from the bottom of the hole to the surface. So, you have at least 200 pounds there and then, if you assume that you need, say, an additional 100 pounds at the surface to buck the line pressure of the market outlet, you come out with about 300 pounds. You have to have some kind of pressure differential in your reservoir, and if you use another 100 pounds there, you come out with at least 415 pounds per square inch absolute that you will have to abandon at.

Q Of course, at your low flows the friction does become less and less a factor, does it not?

A Yes, sir, that's right.

Q However, the weight in the column is about the same, isn't that true?

A Yes, sir.

Q So, you do have, as compared with the abandonment flows



and the flows taken here, this probably would not be too far off?

A Well, except as you progress in depleting a reservoir, you are draining further away from the bore hole all the time so that your friction within the formation, I think, gets greater as you produce the well.

Q What use is being put to the gas from this pool?

A The gas will be piped to the gasoline plant, which is located in the Allison Pennsylvanian pool and is operated by Nearburg and Ingram.

Q All this gas will go to the plant for stripping and the residue will be sold to Interstate Commerce?

A My understanding is the residue gas is sold to the Transwestern.

MR. UTZ: Are there other questions of the witness?

\* \* \*

RECROSS EXAMINATION

BY MR. PORTER:

Q Mr. Gray, did you say whether, or not either one of these wells made any liquid, any well head liquids?

A Very little. It is essentially dry gas.

Q Then, you would expect no liquids except those extracted at the plant?

A That is all.

MR. PORTER: Thank you.



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MR. UTZ: Are there other questions? The witness may be excused. Do you have any further testimony?

MR. RUSSELL: No further testimony.

MR. UTZ: Are there other statements to be made in this case?

MR. CAMMACK: Mr. Examiner, I am Van Cammack with Atlantic Refining, and with your permission, I would like to state Atlantic's thoughts pertaining to this reservoir in this case. We don't have any acreage within the area, delineated here, but we do have some interest within the Allison-Bluitt Pool. Our own reserve estimates are very much in agreement with the reserves here presented by Mr. Gray, and the economics of such reserve pictures certainly support wise spacing, however, we think that one well can drain 640 acres, and we think that establishment of 320 acre proration units might lead to drilling unnecessary wells at this time. Our own economics indicate that 640 acres is more desirable, however, 320 acres will show a profit.

Now, if it is within the call of the hearing here as it was advertised, we would recommend that 640 acres be established as a standard unit with an option to drill on 320 acres if an operator prefers to have his wells on that close a spacing.

Then, we would recommend that allocation in the gas market, the individual wells in the pool be on an acreage basis.

MR. UTZ: I am afraid, sir, that 640 acre spacing would



not be within the call of the hearing. As I read it, it plainly states the application was for 320 acres.

Are there other statements to be made?

MR. DURRETT: If the Examiner please, the Commission received a telegram from Shell Oil Company stating they support the application.

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

\* \* \* \*

STATE OF NEW MEXICO

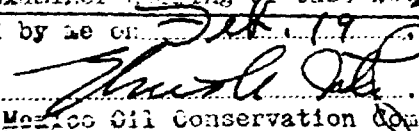
COUNTY OF BERNALILLO

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 2nd day of March, 1964.

  
NOTARY PUBLIC

My Commission Expires ~~it~~ I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2886, heard by me on Feb 19 1964.

  
Examiner  
New Mexico Oil Conservation Commission



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
OF NEARBURG & INGRAM FOR AN ORDER )  
CREATING AND DESIGNATING A NEW GAS )  
POOL FOR THE PRODUCTION OF GAS FROM )  
THE SAN ANDRES FORMATION, SUCH POOL )  
TO CONSIST OF ALL OF SECTIONS 10, )  
11, 12, 13, 14 and 15, IN TOWNSHIP )  
8 SOUTH, RANGE 37 EAST, N.M.P.M., )  
ROOSEVELT COUNTY, NEW MEXICO, AND )  
ESTABLISHING SPECIAL RULES AND REGU- )  
LATIONS FOR SAID POOL, INCLUDING )  
320 ACRE SPACING. )

No. 2496

APPLICATION

COMES NOW Applicant, Nearburg & Ingram, by its attorney,  
John F. Russell, and states:

1. That Applicant did complete its Kirkpatrick No. 1  
Discovery Well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 11, Township 8 South, Range  
37 East, N.M.P.M., Roosevelt County, New Mexico, on or about Novem-  
ber 22, 1963, and said well potentialled 1,675 MCF of gas per day  
on a calculated open flow test from the San Andres Formation in the  
depth interval of 4,536 to 4,600 feet.

2. That Applicant did complete its Kirkpatrick No. 2  
Discovery Well in the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 14, Township 8 South, Range  
37 East, N.M.P.M., Roosevelt County, New Mexico, on or about Novem-  
ber 24, 1963, and said well potentialled 890 MCF of gas per day on  
a calculated open flow test from the San Andres Formation in the  
depth interval of 4,528 to 4,592 feet.

3. That said wells discovered a new common source of  
supply in this area.

4. That in conformity with the practices of the Commission a pool should be created, defined and classified including such acreage as appears to cover the newly discovered source of supply located in Sections 10, 11, 12, 13, 14 and 15, Township 8 South, Range 37 East, N.M.P.M., Roosevelt County, New Mexico.

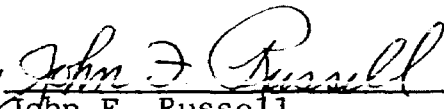
5. That the probable areal extend of the common source of supply is limited, and to prevent waste and to protect correlative rights, proration units of 320 acres should be established.

6. That one well will efficiently and economically drain at least 320 acres of the said common source of supply.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before one of its examiners, to publish notice as required by law, and, after hearing, issue its order creating and designating a new gas pool as prayed for herein, and to provide for the orderly development of the common source of supply, and to prevent waste, drilling units of 320 acres, well-spacing regulations, and a casing program for said common source of supply.

Respectfully submitted,

NEARBURG & INGRAM

By   
John F. Russell  
Its Attorney

P. O. Drawer 640  
Roswell, New Mexico

*Jan 1964*

LAW OFFICES OF  
**JOHN F. RUSSELL**  
SUITE 1010 SECURITY NATIONAL BANK BUILDING  
P. O. DRAWER 640  
ROSWELL, NEW MEXICO

TELEPHONE 622-4641  
AREA CODE 505

February 4, 1964 *Mar 29 1964*

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

Gentlemen:

I transmit herewith application of Nearburg &  
Ingram for an order creating a new gas pool.

Very truly yours,

*John F. Russell*  
John F. Russell

JFR:np

Enclosure

DOCKET MAILED

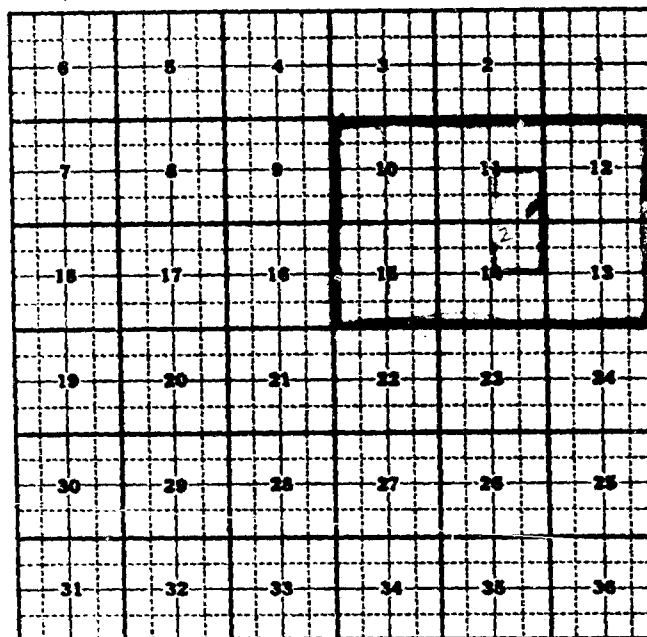
Date *2-10-64*  
*JK*

Name

Address

Ph.

Remarks:



T ..... R ..... State  
or County .....



# Memo

From

E. A. UTZ  
GAS ENGINEER

To: *W. J. ...*

*...*

*...*

A - 1 - 125-882

*...*

*...*

*...*

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

1201 (4-60)

SYMBOLS

DL = Day Letter  
NL = Night Letter  
LT = International Letter Telegram

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at destination.

1964 FEB 17 PM 3 53

LA417 SSA220

L RWA097 PD=ROSWELL NMEX 17 320P MST=  
NEW MEXICO OIL CONSERVATION COMMISSION=  
SANTA FE NMEX=

ATTENTION: MR. A. L. PORTER JR SECRETARY DIRECTOR  
RE: NMOCC CASE NO. 2996 THIS IS TO ADVISE THAT  
SHELL OIL COMPANY SUPPORTS THE APPLICATION OF NEARBURG  
AND INGRAM FOR FIELD RULES PROVIDING 320-ACRE PRORATION  
UNITS IN THE BLUITT SAN ANDRES GAS POOL=  
T H DWYER DIVISION PRODUCTION MANAGER SHELL OIL  
CO ROSWELL NEW MEXICO=

2996 320 BLUITT=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

*Feb 19th Rearing*

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 Mesa Verde 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 SE<sup>1</sup>/<sub>4</sub> NE<sup>1</sup>/<sub>4</sub> and NE<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub> of Section 22, Township 11 South, Range 33 East, to be dedicated to a well completed in the SE<sup>1</sup>/<sub>4</sub> NE<sup>1</sup>/<sub>4</sub> of Section 22; the second to comprise the SW<sup>1</sup>/<sub>4</sub> NE<sup>1</sup>/<sub>4</sub> and the NW<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub> 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.

Case 2886 (Nomenclature)

Revised 2-19-64

Rec. R-26-64

1. Grant. Kearney & Ingram pool  
Rules for a new San Andreas  
Gas pool to be known as the  
Blunt-San Andreas Gas Pool.

2. Use order R-1670 E, Atoka-Penn.  
Gas Pool as a model order  
for this pool. (page 71 Byrnes) &  
make order permanent.

3. Define pool as:

~~to~~ 1/2 sec 11 & N 1/2 sec 14, 85-  
37 E.

4. Make exception for No. 1 & 2 -

Kirkpatrick ~~for~~ ~~for~~ ~~for~~ for  
location exception. The #1 as to  
forage only, 660/N, 660/E, The #2 as to  
forage, 660/N, 1980/E + 44 acres, NE corner  
of SW.

Thos. H. H.

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. 2996  
Order No. R-2665  
NOMENCLATURE

APPLICATION OF NEARBURG & INGRAM  
FOR THE CREATION OF A NEW GAS POOL  
AND FOR SPECIAL TEMPORARY POOL RULES,  
ROOSEVELT 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 13th 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, Nearburg & Ingram, seeks the creation of a new gas pool for San Andres production in Roosevelt County, New Mexico, and the promulgation of temporary Special Rules and Regulations governing said pool, including provisions for 320-acre spacing units and fixed well locations.

(3) That a new gas pool for San Andres production should be created and designated the Bluitt-San Andres Gas Pool; that said pool was discovered by the Kirkpatrick Well No. 1, located in Unit P of Section 11, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

(4) That the evidence concerning reservoir characteristics establishes that the Bluitt-San Andres Gas Pool can be efficiently and economically drained and developed on 320-acre spacing units.

(5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of



-2-

CASE No. 2996  
Order No. R-2665

risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 320-acre spacing units should be promulgated for the Bluit-San Andres Gas Pool.

(6) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a new pool in Roosevelt County, New Mexico, classified as a gas pool for San Andres production is hereby created and designated the Bluit-San Andres Gas Pool, consisting of the following-described area:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM

Section 11: S/2  
Section 12: SW/4  
Section 13: NW/4  
Section 14: N/2

(2) That Special Rules and Regulations for the Bluit-San Andres Gas Pool are hereby promulgated as follows, effective April 1, 1964.

SPECIAL RULES AND REGULATIONS  
FOR THE  
BLUIT-SAN ANDRES GAS POOL

RULE 1. Each well completed or recompleted in the Bluit-San Andres Gas Pool or in the San Andres formation within one mile of the Bluit-San Andres Gas Pool, and not nearer to or within the limits of another designated San Andres gas pool shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Bluit-San Andres Gas Pool shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and

hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Bluit-San Andres Gas Pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection

-4-

CASE No. 2996  
Order No. R-2065

to the unorthodox location within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

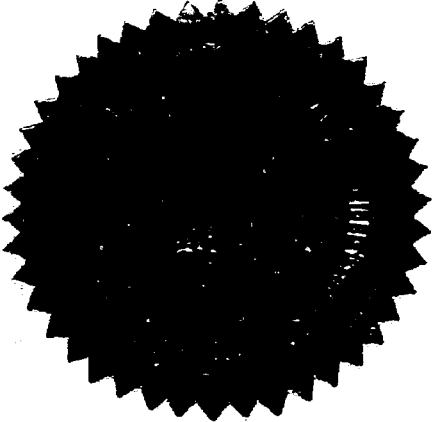
(1) That any well presently drilling to or completed in the San Andres formation within the Bluit-San Andres Gas Pool or within one mile of the Bluit-San Andres Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before April 1, 1964.

(2) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Bluit-San Andres Gas Pool shall file a new Form C-128 with the Commission on or before April 1, 1964.

(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



*Jack M. Campbell*

JACK M. CAMPBELL, Chairman

*E. S. Walker*

E. S. WALKER, Member

*A. L. Porter, Jr.*

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

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



P. O. BOX 871  
SANTA FE

LAND COMMISSIONER  
E. B. JOHNNY WALKER  
MEMBER

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

March 13, 1964

Mr. John Russell  
Attorney at Law  
Post Office Drawer 640  
Roswell, New Mexico

Re: Case No. 2996  
Order No. R-2665  
Applicant:  
Nearburg & Ingram

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 Mr. Van Cammack, Atlantic Refining Company, Roswell, N.M.

MULTI-POINT BACK PRESSURE TEST  
NEARBURG & INGRAM - KIRKPATRICK #2  
Sec. 14-8S-37E

Date of Test: November 23, 1963

Specific Gravity: .70

Absolute Open Flow: 890 MCFPD

<u>SURFACE</u> <u>TBG. PRESSURE</u>	<u>RATE</u> <u>OF FLOW-MCFPD</u>	<u>BHP</u> <u>PSIG</u>
1287	Shut In	
208	819.9	500.2
536	728.0	701.2
765	661.1	909.2
995	487.0	1,175.2

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 8  
CASE NO. 2996

(8)

MULTI-POINT BACK PRESSURE TEST

NEARBURG & INGRAM - KIRKPATRICK #1  
Sec. 11-8S-37E

Date of Test: Nov. 20, 1963

Reservoir temperature - 105° F.

Specific Gravity - - - - .70

Absolute Open Flow - - - 1,675 MCFPD

<u>SURFACE</u> <u>TBG. PRESSURE</u>	<u>RATE</u> <u>OF FLOW-MCFPD</u>	<u>BHP.</u> <u>PSIG</u>
1294 psig.	S.I.	1,515
208	1,485	529.2
599	1,255.1	807.2
754	1,063.2	959.2
1042	799.8	1,238.2

RECEIVED BY EXAMINER 11/22  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 7  
CASE NO. 2996

⑦

WELL DATA

NEARBURG & INGRAM

KIRKPATRICK #2 WELL

Location: 660' f. N. & 1980' f. E. lines, Section 14-8S-37E.

Elevation: 4041.5

Total Depth: 4628 (P.B.)

Casing: 4½" liner 4628'-3978' with 150 sacks cement.

Perforations: 4528-30, 4580-82, 4584-86 and 4590-92 with 2 shots/ft.

Treatment: Acidized with 1,000 gallons at 700 to 1400 psi., 3 BPM.

Re-acidized with 6,000 gallons.

Flowed 790 MCFPD on 24/64" choke with 280 psi., tubing pressure.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	6
CASE NO.	2996

6

WELL DATA

NEARBURG & INGRAM

KIRKPATRICK #1 WELL

Location: 660' E. S. & E. lines, Section 11-8S-37E.

Elevation: 4031

Total Depth: 4622'

Casing: 4½" at 4620' with 150 sacks.

Perforations: 4536-38, 4592-94 and 4598-4600' with 2 shots/ft.

Treatment: Acidized with 1,000 gallons.

Treated at 1800 psi. at 3½ BPM.

Re-acidized with 6,000 gallons

Drill Stem Tests:

No. 1 - 4470-4542 open 2 hours. Fair blow to strong.

Recovered 330' slightly oil and gas cut mud.

1 hr. I.S.I.P. - 317 psi.

1 hr. F.S.I.P. - 383 psi.

FP - 79 to 92 psi.

No. 2 - 4540-4612, open 3 hours, gas to surface in 5 minutes.

Flowed at rates of 497 to 694 MCFPD with pressures

varying from 15 to 375 psi.

Recovered 270' sulfur water.

1 hr. I.S.I.P. - 1480 psi.

1 hr. F.S.I.P. - 1454 psi.

FP - 131 to 366 psi.

Completed: November 20, 1963.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>5</u>
CASE NO. <u>2996</u>

5



CORE LABORATORIES, INC.



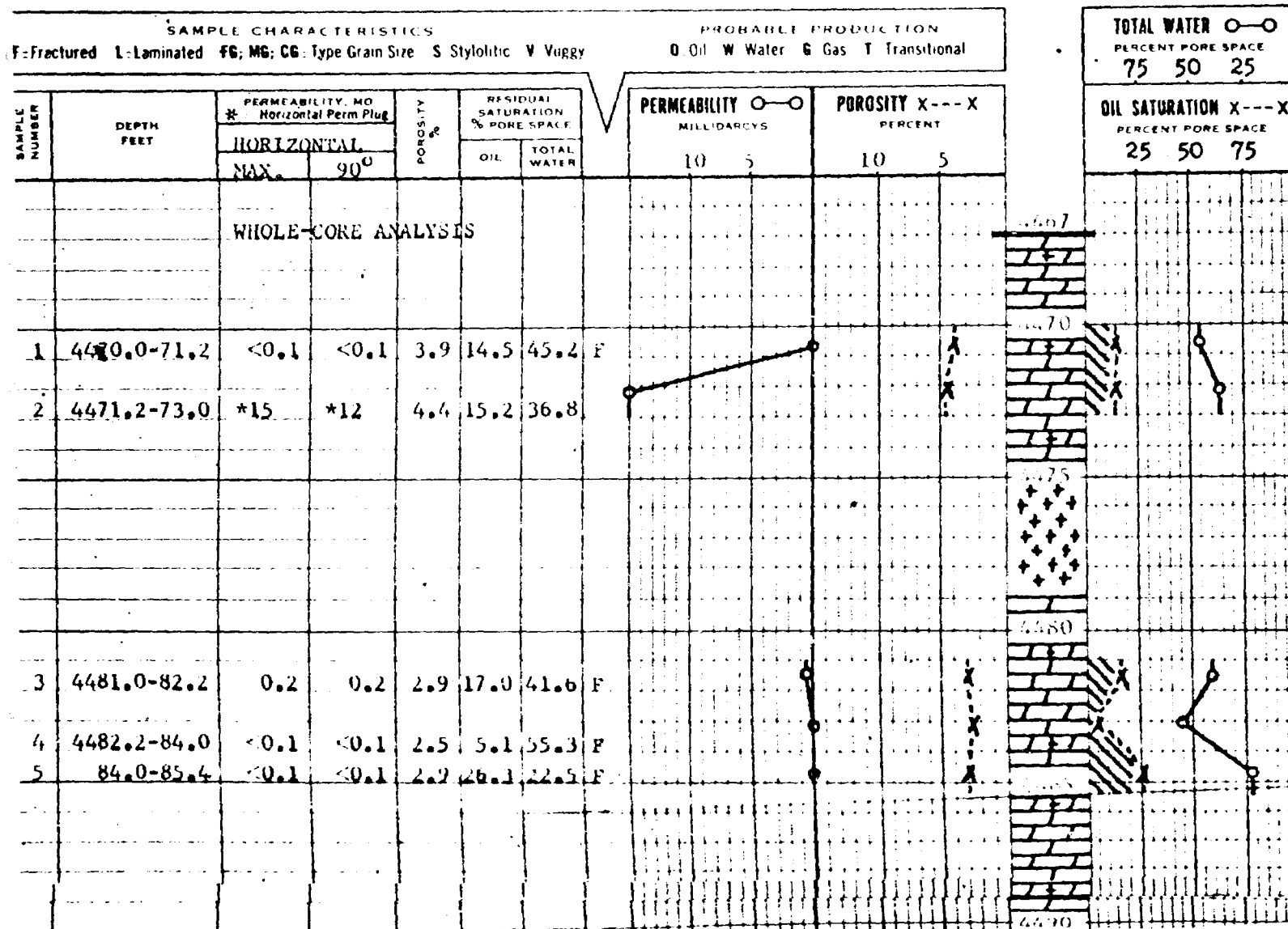
Petroleum Reservoir Engineering

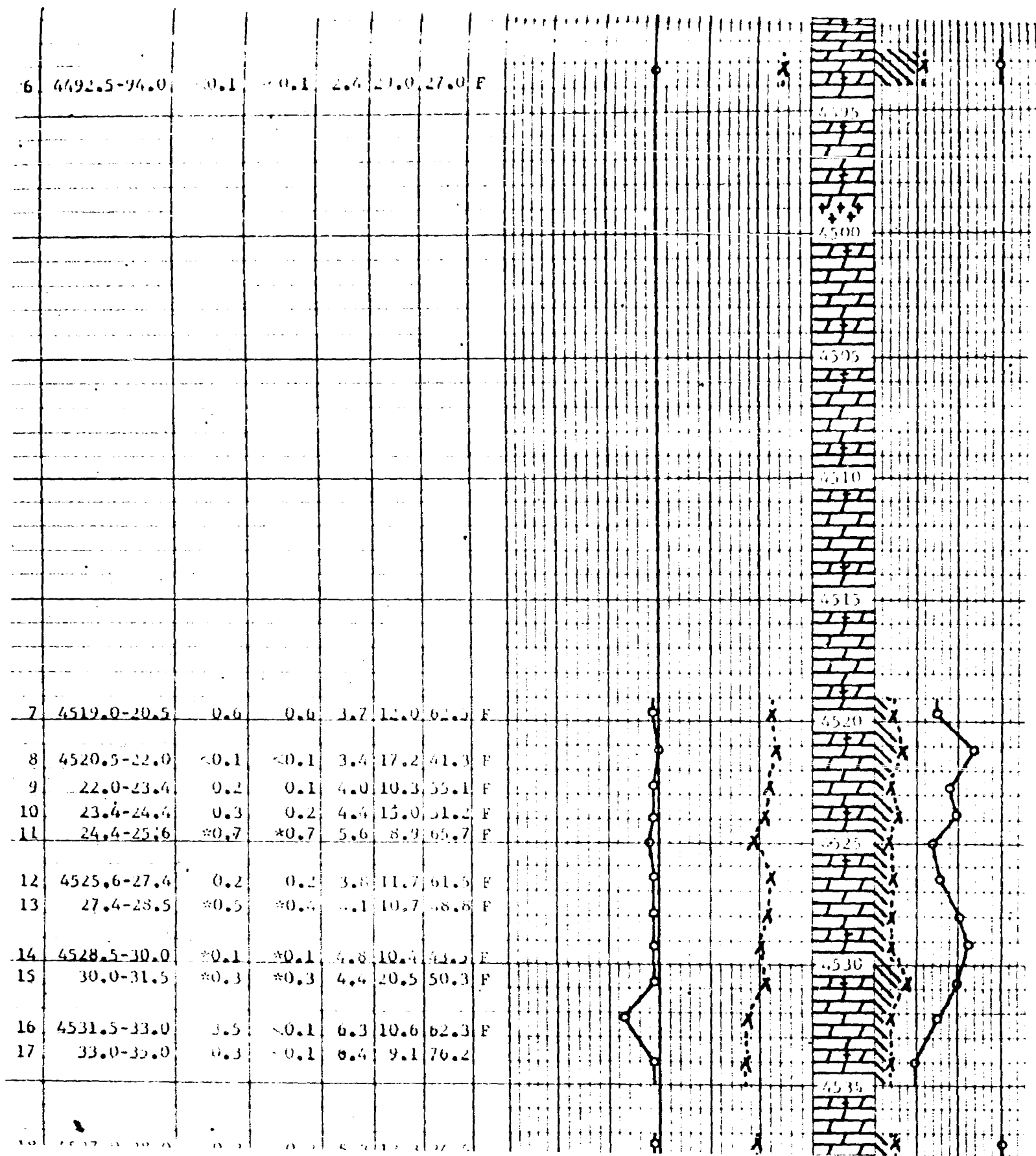
COMPANY NEARBURG & INGRAM FILE NO WP-3-2211  
 WELL KIRKPATRICK NO. 1 DATE 11-2-63 ENGRS BOONE  
 FIELD WILDCAT FORMATION SAN ANDRES ELEV. 4031' DE  
 COUNTY ROOSEVELT STATE NEW MEXICO DRILL FLD WATER BASE MUD CORES DIAMOND 4 3/8"  
 LOCATION 660 ES & EL SEC 11-T8S-R37E REMARKS SAMPLED AS DIRECTED BY CLIENT

## COMPLETION COREGRAPH

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SAND LIMESTONE CONGLOMERATE CHERT ANHYDRITE   
 SHALE DOLOMITE OOLITES





# CORE LAB

BEFORE EXAMINER, UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 4  
CASE NO. 2996

