

CASE 3833: Appli. of PETROLEUM
CORP. FOR NON-STANDARD GAS UNIT &
TWO UNORTHODOX GAS WELL LOCATIONS

Case Number
3833

Application
Transcripts.

Small Exhibits

ETC.

State of New Mexico
Oil Conservation Commission



P. O. BOX 2088
SANTA FE

August 20, 1968

Re: Case No. 3823
Order No. R-3477
Applicant:
PETROLEUM CORPORATION

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

Carbon copy of order also sent to:

Hobbs OCC x
 Artesia OCC _____
 Aztec OCC _____
 Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3833
Order No. R-3477

APPLICATION OF PETROLEUM CORPORATION
OF TEXAS FOR A NON-STANDARD GAS PRORA-
TION UNIT AND TWO UNORTHODOX GAS WELL
LOCATIONS, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 7, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 20th day of August, 1968, 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, Petroleum Corporation of Texas,
seeks approval of a non-standard gas proration unit comprising
the N/2 SE/4 and the SW/4 SE/4 of Section 13, Township 24 South,
Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico,
said unit to be dedicated to applicant's Maggie Dunn Well No. 2,
located 1650 feet from the South line and 990 feet from the
East line, and applicant's Maggie Dunn Well No. 3, located
1650 feet from the South line and 1650 feet from the East line
of said Section 13.

(3) That the proposed non-standard gas proration unit can
be efficiently and economically drained and developed by said
Maggie Dunn Wells Nos. 2 and 3.

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CASE No. 3833

Order No. R-3477

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective September 1, 1968, a 120-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 SE/4 and SW/4 SE/4 of Section 13, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Petroleum Corporation of Texas Maggie Dunn Well No. 2, located 1650 feet from the South line and 990 feet from the East line, and to the Petroleum Corporation of Texas Maggie Dunn Well No. 3, located 1650 feet from the South line and 1650 feet from the East line, both in said Section 13.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 120 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(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


DAVID F. CARGO, Chairman


GUITON B. HAYS, Member


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


esr/

Case 3833

Heard 8-7-68

Rec. 8-9-68

Grant Pet. Corp of Tex. a
dual well zone std unit.
in Joliet Gas Pool consisting
of $N\frac{1}{2}/SE$, & $SW/SE/4$ sec. 13-24S-
36E. operators Maggie Dumas
Nos. 2 & 3 shall be dedicated to the
unit.

~~#1~~ well location

#2-1850/S + 290/E line sec. 13

#3-1850/S + 1650/E - - -

No production restrictions shall be
put on either well.

Effective date shall be
Sept. 1, 1968.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 19, 1968

C
O
P
Y

Petroleum Corporation of Texas
P. O. Box 911
Breckenridge, Texas 76024

Attention: Mr. T. A. Ford

Gentlemen:

Your application, dated July 17, 1968, for approval of a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 SE/4 and SW/4 SE/4 of Section 13, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, to be simultaneously dedicated to your Maggie Dunn Wells Nos. 2 and 3 located in Units I and J, respectively, of said Section 13, is not eligible for administrative approval and has been docketed for the August 7, 1968, Examiner Hearing.

The filing of Forms C-102 and C-104 should await the result of the hearing.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

cc: Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico

PETROLEUM CORPORATION OF TEXAS

P. O. BOX 911

BRECKENRIDGE, TEXAS 76024

July 17, 1968

Case 3833

*Set for
hearing Aug. 7, 1968
notify applicant
case is being set
for hearing*

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Elvis Utz

Re: Maggie Dunn #2
Unit I, S13, 24S, 36E
Jalmat (Yates) Field
Lea County, New Mexico

Gentlemen:

Attached is a copy of Form C-102 on #2 which we have previously filed with your Hobbs office. The #3 well location has been added to the plat. They have advised that it will be necessary to get a non-standard gas proration unit since we have only 120 acres in our lease.

Our #3 well has been producing the gas for this lease, but it seems to have mechanical problems and will no longer make the allowable. We would like to produce both #2 and #3 together in order to try to make our allowable.

We hereby apply for a non-standard gas proration unit consisting of the 120 acres in our Maggie Dunn lease and request that both #2 and #3 be allowed to produce gas. We trust administrative approval for this can be given, but if a hearing is necessary we request a hearing date be set.

In order to produce both wells from one non-standard gas proration unit, we presume we will need to file a new Form C-102 showing both wells on one plat. We presume it will also be necessary to file Forms C-104 for both gas and condensate. Please advise if the above is correct.

Very truly yours,

T. A. Ford

T. A. Ford
Manager of Production

'68 JUL 19 AM 8 25

PCT/TAF:jde

cc: See page 2.



DOCKET MAILED

Date 7-26-68

Page 2.
July 17, 1968

cc: Oil Conservation Commission
Box 1980
Hobbs, New Mexico 88240

cc: El Paso Natural Gas Company
Box 1492
El Paso, Texas 79900

MEXICO OIL CONSERVATION COMMISS. .
WELL LOCATION AND ACREAGE DEDICATION PLAT

Case 3833
Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

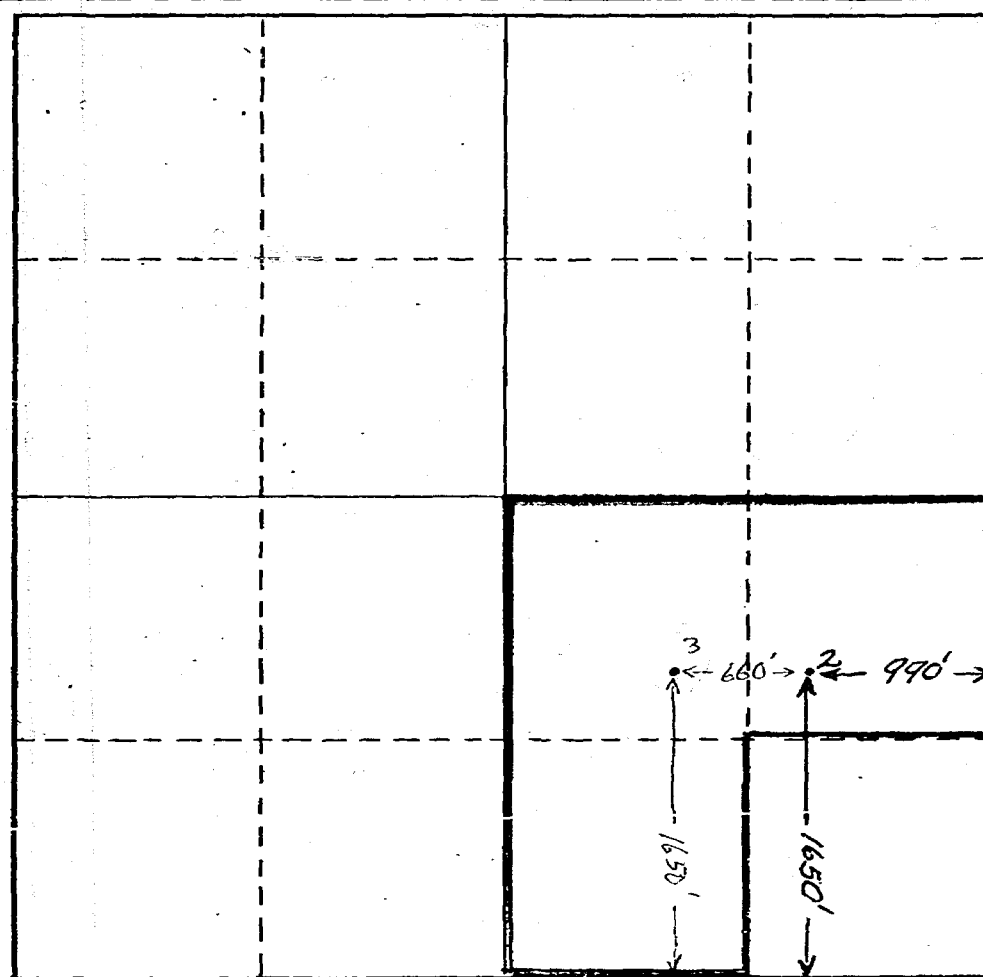
Operator Petroleum Corporation of Texas			Lease Maggie Dunn		Well No. 2
Unit Letter I	Section 13	Township 24S	Range 36E	County Lea	
Actual Footage Location of Well:					
1650 feet from the South line and		990 feet from the East line			
Ground Level Elev:	Producing Formation Yates	Pool Jalmat (Gas)	Dedicated Acreage: 120 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Manager, Secondary Recovery
Position
Petroleum Corp. of Texas
Company
June 18, 1968
Date

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____

Registered Professional Engineer
and/or Land Surveyor

Certificate No. _____

- CASE 3829: Application of Getty Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C II (a) to permit the drilling of a well at an unorthodox gas well location 1980 feet from the North line and 900 feet from the East line of Section 27, Township 12 South, Range 34 East, West Ranger Lake-Devonian Gas Pool, Lea County, New Mexico. The N/2 of said Section 27 to be dedicated to said well.
- CASE 3830: Application of Kewanee Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Atoka San Andres Unit Area comprising 3,360 acres, more or less, of fee land in Township 18 South, Range 26 East, Atoka-San Andres Pool, Eddy County, New Mexico.
- CASE 3831: Application of Kewanee Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Atoka San Andres Unit Area by the injection of water into the San Andres formation through 28 injection wells located in Township 18 South, Range 26 East, Atoka-San Andres Pool, Eddy County, New Mexico.
- CASE 3832: Application of Sinclair Oil & Gas Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Guadalupe Ridge Unit Area comprising 23,358 acres, more or less, of federal and fee lands in Townships 25 and 26 South, Range 21 and 22 East, Eddy County, New Mexico.
- CASE 3833: Application of Petroleum Corporation of Texas for a non-standard gas proration unit and two unorthodox gas well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard gas proration unit comprising the N/2 SE/4 and SW/4 SE/4 of Section 13, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, said unit to be dedicated to applicant's Maggie Dunn Wells Nos. 2 and 3 located 990 feet from the East line and 1650 feet from the South line and 1650 feet from the East line and 1650 feet from the South line, respectively, of said Section 13. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

EXAMINER HEARING

Application of Petroleum Corporation
of Texas for a non-standard gas
proration unit and two unorthodox gas
well locations, Lea County, New Mexico.

Case No. 3833

TRANSCRIPT OF HEARING

(Whereupon, Applicant's Exhibit Number 1 was marked for identification.)

MR. UTZ: Case 3833.

MR. HATCH: Case 3833. Application of Petroleum Corporation of Texas for a non-standard gas proration unit and two unorthodox gas well locations, Lea County, New Mexico.

MR. CAMPBELL: Mr. Examiner, I am Jack M. Campbell, Stephenson, Campbell and Olmsted, Santa Fe, New Mexico, appearing for the Applicant. I have one witness.

MR. UTZ: Would you stand and be sworn.

(Witness sworn.)

THOMAS A. FORD

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A Thomas A. Ford.

Q By whom are you employed and in what capacity, Mr. Ford?

A Petroleum Corporation of Texas as Manager of Production.

Q And how long have you held this position?

A With this company, some five or six years, and with a predecessor company, a total of about twelve years.

Q During that period of time, have you testified before

this Commission or its Examiners as an expert witness?

A I have.

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

MR. UTZ: Yes, they are.

Q I hand you or refer you to what has been marked Applicant's Exhibit Number 1. Will you please refer to this exhibit, Mr. Ford, and using it, will you explain to the Examiner what it is you are seeking in this application?

A We're seeking a non-standard gas proration unit and permission to produce the allowable from this unit from both wells, Number 2 and Number 3.

Q Will you give the Examiner a brief history of the wells which are shown as wells Number 1, 2, 3 and 4 in the proposed proration unit outlined in Red on Exhibit 1?

A Well Number 1 was completed in 6-6, 1950 from the Yates Pay, 3,010 to 3,328 as a Yates oil well. The well apparently went to a high GOR and was shut-in in 1962. We did take a test on it in April of 1967 which showed it as a high GOR well, so it has been shut-in ever since 1962 to the best of our knowledge.

Q Do you have any intention of producing from this well?

A No.

Q Now, as I understood you, to complete the record, the company, Petroleum Corporation of Texas, the Applicant here,

acquired this property in 1965, is that correct?

A That is correct.

Q Now, would you proceed to describe the other well?

A All right. Number 2 was completed 6-13, 1950 from the Yates Pay, 2,998 to 3,235 as a Yates oil well. The well apparently went to a high GOR and was shut-in in 1961. This is kind of a repeat to the other one.

We tested it on April the 1st, 1967, got 663 mcf, 2.75 oil, which gave us our gas-oil ratio of 241,000. As I say, this well has been shut-in since 1961 to the best of my knowledge.

Well Number 3 was completed 9-8, 1950 from the Yates Pay, 3,035 to 3,211 as a Yates oil well. The well went to a high GOR in, I believe, 1954. I'm not -- I didn't have the records complete, but I believe that's correct, and was reclassified as a Yates gas well. It has had mechanical problems. We are not sure quite what they are. The well only produced 388 mcf in May and only 14 mcf in June.

We felt that it would cost money to recomplete this Number 3, and the Number 2 was about as good a well as Number 3 and so we decided we would like to get our production from Number 2, primarily, and then if it got weak, we would like to also possibly recomplete Number 3 to work it over to make some additional gas if such were necessary to make our allowable.

Well Number 4 was completed 9-21-51 as a Langlie-Mattix oil well from the Seven Rivers to the Queen Formation; 3,423 to 3,494. It went to a high GOR well and was reclassified as a gas well. We do not know at what time this happened. The May production was 888 mcf; in June, 836 mcf. No oil.

Q Are you the sole owners of the lease covering this proposed gas unit?

A No. We own 50% and Sinclair Oil and Gas owns 50%.

Q And I notice from the plat, Exhibit 1, that Sinclair apparently is the owner of the southeast quarter of this quarter section, is that correct?

A Yes.

Q Have you notified Sinclair of your intentions in connection with this application and the production of the allowable from Wells Numbers 2 and 3?

A I have, and they have written a letter of approval.

MR. CAMPBELL: I believe that's all now, Mr. Examiner.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Ford, is it the Number 3 well that is presently dedicated to the unit? Is that correct?

A That's correct.

Q And that well has been marginal for some months now, has it not?

A That's correct.

Q Therefore, the unit is now marginal.

A Right.

Q The Number 2 well, in your opinion, is capable of making 128 allowable Jalmat Gas Pool?

A Yes.

Q If it's not, it's a pretty sorry well.

A Yes. I was trying to think about whether it was producing, if the allowable got back up, I believe it would.

Q And it's your request that you produce both of these wells unrestricted?

A Correct.

Q If this application is granted, this unit will, of course, become a non-marginal unit to the second well drilled and, therefore, a non-marginal status will start probably the first of next month.

A Fine.

Q Is that satisfactory with you?

A Yes, sir.

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

MR. CAMPBELL: Yes. I neglected something. Was Exhibit 1 prepared by you or under your supervision and direction?

THE WITNESS: Yes.

MR. CAMPBELL: I'd like to offer Exhibit Number 1 in evidence.

MR. UTZ: Without objection, Exhibit Number 1 will be entered into the record in this case.

(Whereupon, Applicant's Exhibit Number 1 was admitted into evidence.)

MR. CAMPBELL: I have no further questions, Mr. Examiner.

MR. UTZ: Are there any statements in this case? The case will be taken under advisement, and the Hearing is adjourned.

I N D E XWITNESSPAGE

THOMAS A. FORD

Direct Examination by Mr. Campbell

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Cross Examination by Mr. Utz

5

E X H I B I T

<u>Number</u>	<u>Marked for Identification</u>	<u>Received in Evidence</u>
Applicant's Exhibit Number 1	2	7

STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

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

Witness my Hand and Seal this 27th day of September, 1968.

Charlotte Macias

My Commission Expires:

February 10, 1971.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 3833 heard by me on August 19, 1968.
[Signature]
 Examiner
 New Mexico Oil Conservation Commission