

Case Number

6007

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
31 August 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Energy and Mineral  
Company for a non-standard proration  
unit, simultaneous dedication and unorthodox locations, Lea County, New Mexico.

CASE  
6007

BEFORE: Daniel S. Nutter.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant: Jeffrey Shrader, Esq.  
P. O. Box 1150  
Midland, Texas 79702

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I N D E X

CHARLES F. KALTEYER

Direct Examination by Mr. Shrader

3

E X H I B I T S

Applicant Exhibit 1, Map

7

Applicant Exhibit 2, Tabulation

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1 MR. NUTTER: Call Case Number 6007.

2 MS. TESCHENDORF: Case 6007. Application of Gulf  
3 Energy and Mineral Company for a non-standard proration unit,  
4 simultaneous dedication and unorthodox locations, Lea County,  
5 New Mexico.

6 MR. SHRADER: Mr. Examiner, my name is Jeffrey  
7 Shrader. I'm employed by Gulf Oil Corporation in Midland,  
8 Texas. I have one witness.

9 Mr. James Sperling of Albuquerque has again filed  
10 an entry of appearance by letter in this case.

11 MR. NUTTER: We have your appearance.

12 MR. SHRADER: I have one witness, who is Mr. Kalteyer.  
13 Is the witness still sworn and qualified?

14 MR. NUTTER: Mr. Kalteyer is still under oath.

15  
16 CHARLES F. KALTEYER

17 being called as a witness and being duly sworn upon his oath,  
18 testified as follows, to-wit:

19  
20 DIRECT EXAMINATION

21 BY MR. SHRADER:

22 Q Mr. Kalteyer, what is Gulf seeking in this appli-  
23 cation?

24 A Gulf is seeking authority to recomplete its J.  
25 F. Janda (NCT-F) Well No. 12 in the Jalmat Pool at an unor-

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1 thodox location 660 feet from the south line and 1980 feet  
2 from the east line in Unit O, Section 4, Township 22 South,  
3 Range 36 East, and to simultaneously dedicate the present  
4 600 acre non-standard proration unit comprising all of Sec-  
5 tion 4, except the northeast quarter of the northwest quarter  
6 to Wells 7, 12, and 13 by the addition of Well No. 12 to  
7 this 600 acre unit which is now simultaneously dedicated to  
8 Wells 7 and 13, and to produce the unit allowable in any  
9 proportion between the three wells.

10 Q Do you have an exhibit which shows the J. F. Janda  
11 (NCT-F) lease?

12 A Yes, sir.

13 Q Will you please explain what is shown on this  
14 exhibit?

15 A Our Exhibit 1 shows the J. F. Janda (NCT-F) Lease  
16 outlined in red, and the 600 acre unit presently dedicated  
17 to Wells No. 7 and 13 is outlined by hachures. As previous-  
18 ly stated, the 600 acres encompasses all of Section 4 except  
19 the 40 acres dedicated to Well No. 8. The Jalmat gas com-  
20 pletions are circled in yellow and the Jalmat oil comple-  
21 tions are enclosed in red triangles.

22 Q What is the current status of the 600 acre unit?

23 A Under Case Number 4688, Order Number R-4288, the  
24 Oil Conservation Commission approved the 600 acre non-  
25 standard gas proration unit in the Jalmat Pool, comprising

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1 the southwest quarter, the south half of the northwest quart-  
2 er, the northwest quarter of the southwest quarter, and the  
3 east half of Section 4 and simultaneously dedicated the  
4 acreage to Gulf Oil's Janda (NCT-F) Well No. 7, located  
5 1980 feet from the south line and 1980 feet from the west  
6 line of Unit K, and to Well No. 13, located 660 feet from the  
7 south and east lines in Unit P, on April of 1972. The Com-  
8 mission further ordered that the allowable assigned on the  
9 basis of the 600 acres and may be produced from the two  
10 wells in any proportion.

11 Q. What is the current producing capacity of Wells  
12 No. 7 and 13?

13 A. Wells No. 7 and 13 are currently classified as  
14 marginal and are incapable of producing the non-marginal  
15 allowable which would not normally be assigned to the acreage  
16 dedicated to these wells. Based on June's production, Well  
17 No. 7 produced at the average rate of 60 McF per day and  
18 No. 13 at the rate of approximately 30 McF per day.

19 Q. What is the present status of Well No. 12 and what  
20 work are you planning for it?

21 A. No. 12 is currently completed in the interval  
22 3621-25 in the South Eunice Gas Pool and in May of this year  
23 was producing at the rate of approximately 2 McF per day.  
24 We propose to squeeze off the South Eunice perforations and  
25 complete in the Jalmat in the interval 3242 to 3580.

1 Q Is this request in the interest of protection of  
2 correlative rights?

3 A Yes, sir. Gulf's Exhibit Number 2 is a tabulation  
4 of production and allowable data for the Jalmat gas comple-  
5 tions in the immediate vicinity of Section 4. You will note  
6 that on this tabulation that the June gas production and  
7 August gas allowables, in Exhibit 2, in the offsetting sec-  
8 tions 34 of Township 21 South, 36 East, and in Sections 3,  
9 to the east, 9, to the south, 10 to the southeast, in Town-  
10 ship 22 South, Range 36 East, that these production allowables  
11 are higher than those of Section 4.

12 Q Has a precedent been set in this area for a second  
13 or third well on a non-standard gas proration unit with  
14 simultaneous dedication of acreage?

15 A Yes, sir, as previously mentioned, under Case  
16 Number 4638, Order No. R-4288, the Commission granted  
17 Gulf's request for simultaneous dedication of this 600 acres  
18 to our Janda Unit Wells 7 and 13.

19 And you will note on our Exhibits 1 and 2 that  
20 Texas Pacific Oil Company has simultaneously dedicated 480  
21 acres located in the east half of Section 8 and the south-  
22 west quarter of Section 9 of Township 22 South, Range 36  
23 East, to their State Account Wells -- State Account 2 Wells  
24 Nos. 38, 43, and 56. This unit lies immediately to the  
25 southwest of Gulf's 600 acre J. F. Janda (NCT-F) Lease.

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 Phone (505) 982-9212

1 Q Will you again summarize what Gulf is seeking in  
 2 this application?

3 A Gulf is seeking authority to recomplete the J. F.  
 4 Janda (NCT-F) Well No. 12 in the Jalmat Gas Pool at an un-  
 5 orthodox location 660 feet from the south line and 1980 feet  
 6 from the east line in Section -- in Unit O, Section 4,  
 7 Township 22 South, Range 36 East; and two, to simultaneously  
 8 dedicate the present 600 acre non-standard proration unit  
 9 comprising all of Section 4 except the northeast quarter of  
 10 the northwest quarter, to Wells 7, 12, and 13 by the addi-  
 11 tion of Well No. 12 to this 600 acre unit which is now sim-  
 12 ultaneously dedicated to Wells 7 and 13; and three, to pro-  
 13 duce the unit allowable in any proportion between the three  
 14 wells.

15 Q Were these exhibits prepared by you or under your  
 16 supervision?

17 A Yes, sir, they were.

18 MR. SHRADER: Mr. Examiner, I have no further ques-  
 19 tions. I would move that our Exhibits Number 1 and 2 be  
 20 admitted into evidence in this case.

21 MR. NUTTER: Gulf Exhibits 1 and 2 will be admit-  
 22 ted in evidence.

23 Are there any questions of the witness? He may  
 24 be excused.

25 Do you have anything further, Mr. Shrader?



1 MR. SHRADER: No, sir, Mr. Examiner. Thank you.

2 MR. NUTTER: Does anyone have anything they wish  
3 to offer in Case Number 6007?


4 We'll take the case under advisement.

5 (Hearing concluded.)  
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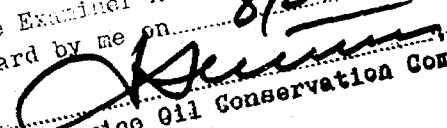
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Phone (505) 982-9212

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill  
and ability.

  
Sidney F. Morrish, C.S.R.

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Phone (505) 982-9212

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 6007  
heard by me on 8/31, 1977.  
 Examiner  
New Mexico Oil Conservation Commission

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
17 August, 1977

IN THE MATTER OF:

Application of Gulf Energy and Minerals Company for a non-standard production unit, simultaneous dedication and unorthodox locations, Lea County, New Mexico.

CASE  
6007

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

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General Court Reporting Service  
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Phone (505) 982-9212

MR. STAMETS: Call next Case 6007.

MS. TESCHENDORF: Case 6007. Application of Gulf Energy and Minerals Company for a non-standard proration unit, simultaneous dedication and unorthodox locations, Lea County, New Mexico.

The applicant has requested that this case be continued to the August 31st Examiner Hearing.

MR. STAMETS: Case 6007 will be so continued.


(Hearing concluded.)

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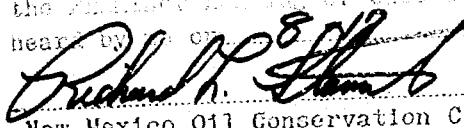
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill  
and ability.

  
Sidney F. Morrish, C.S.R.

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General Court Reporting Service  
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Phone (505) 982-9212

I do hereby certify that the foregoing is  
a copy of the original of the transcript in  
the custody of the Commission of the 6007  
heard by on 8/12/75, 1975  
, Examiner  
New Mexico Oil Conservation Commission



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. 6007  
Order No. R-5523

APPLICATION OF GULF ENERGY AND MINERALS  
COMPANY FOR A NON-STANDARD PRORATION UNIT,  
SIMULTANEOUS DEDICATION AND UNORTHODOX  
LOCATIONS, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 31, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of September, 1977, 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, Gulf Energy and Minerals Company,  
seeks approval of a 600-acre non-standard gas proration unit  
comprising all of Section 4 except the NE/4 NW/4 thereof, Township  
22 South, Range 36 East, NMPM, to be dedicated to its J. F. Janda  
Wells No. 7, located in Unit K, and Nos. 12 and 13, at unorthodox  
locations in Units O and P, respectively, of said Section 4.
- (3) That the entire non-standard proration unit may  
reasonably be presumed productive of gas from the Jalmat Gas Pool  
and that the entire non-standard gas proration unit can be  
efficiently and economically drained and developed by the  
aforesaid wells.
- (4) That approval of the subject application will afford  
the applicant the opportunity to produce his just and equitable  
share of the gas in the Jalmat Gas Pool, will prevent the economic  
loss caused by the drilling of unnecessary wells, avoid the  
augmentation of risk arising from the drilling of an excessive  
number of wells, and will otherwise prevent waste and protect  
correlative rights.

-2-

Case No. 6007  
Order No. R-5523

(5) That Order No. R-4288, which previously approved the subject 600-acre non-standard proration unit for dedication to Wells Nos. 7 and 13 only, should be superseded.

IT IS THEREFORE ORDERED:

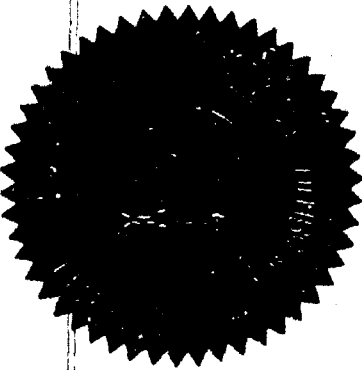
(1) That a 600-acre non-standard gas proration unit in the Jalmat Gas Pool comprising all of Section 4 except the NE/4 NW/4 thereof, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to its J. F. Janda Wells No. 7 located in Unit K and Nos. 12 and 13, at unorthodox locations in Units O and P, respectively, of said Section 4.

(2) That Commission Order No. R-4288, dated April 17, 1972, is hereby superseded.

(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

  
*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

jr/



Case 6007

# Gulf Energy and Minerals Company - U. S.

SOUTHWEST DIVISION  
HOBBS AREA

C. D. Borland  
AREA PRODUCTION MANAGER

July 27, 1977

P. O. Box 670  
Hobbs, NM 88240

JUL 29 1977  
OIL CONSERVATION COMMISSION  
SANTA FE

Mr. Joe D. Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, NM 87501

Dear Sir:

Gulf Oil Corporation has requested your approval for an amendment to R-4288 in a letter dated July 26, 1977 addressed to Mr. Joe D. Ramey of the New Mexico Oil Conservation Commission. Please correct your copy of the letter to read "consisting of all units of Section 4-22S-36E, Lea County, New Mexico, except Unit C".

Yours very truly,

*D. F. Berlin*

for: C. D. Borland

LBI/dch

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, NM 88240

Atlantic Richfield Company  
P. O. Box 1610  
Midland, TX 79701

Texas Pacific Oil Company, Inc.  
P. O. Box 4067  
Midland, TX 79701

J. M. Thacker - Midland



A DIVISION OF GULF OIL CORPORATION

[illegible]

Application of Puhani Gas Inc. for completion of drilling and an emergency location. See also County, New Mexico. Applicant, in the above-captioned case, seeks an order compelling all third persons in the Puhani formation underlying the WAD of Section 12, Township 10 North, Range 12 West, Basin Dakota Pool, the same county, New Mexico, to be obligated to a well to be drilled at an emergency location WAD that that the fourth line and E40th Street from the West 1/4 of this Section 12. Also to be covered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as related operating costs and charges for an extension. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Application of Lemuel G. Casper for domestic coalmining, Rio Arriba County, New Mexico. Applicant, in the above-entitled cause, seeks approval for the domestic coalmining of Blaine, Harvardo and Redin Lignite production in the wellbore of its "Giantville 7" Well No. 1 in Unit L of Section 18, "B" Well No. 2 in Unit B of Section 15, "C" Wells Nos. 4, 5, 6, 7, and 8, located, respectively, in Units F and I of Section 24, F of Section 14, and M and N of Section 13, all in Township 26 North, Range 5 West, Rio Arriba County, New Mexico.

Dockets Nos. 22-77 and 23-77 are tentatively set for hearing on September 14 and 23, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

EXAMINER HEARING - MONDAY - JUNE 20, 1977

9 A.M. - OIL CONSERVATION COMMISSION MEETING ROOM 404,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel G. Butler, Examiner, or Richard L. Stenets, Alternate Examiner:

CASE 6018: In the matter of the hearing called by the Oil Conservation Commission on its own action to permit land oil company, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Garner Well No. 1 located in Unit D of Section 23, Township 14 South, Range 25 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6017: Application of E. L. Bates, Jr. and Roy C. Barton, Jr., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 NW/4 of Section 29, Township 9 South, Range 32 East, Flying M-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6018: Application of Walter Duncan for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open-hole interval from 687 feet to 706 feet in his North Hogback 1 Well No. 24 located in Unit G of Section 1, Township 29 North, Range 17 West, and from 691 feet to 702 feet in his North Hogback 6 Well No. 3 in Unit L of Section 6, Township 29 North, Range 16 West, Slickrock-Dakota Pool, San Juan County, New Mexico.

CASE 6019: Application of Gulf Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Littlefield "11" Federal Com. Well No. 1 located in Unit J of Section 20, Township 18 South, Range 31 East, Eddy County, New Mexico, to produce gas from undesignated Atocha and Morrow gas pools.

CASE 6020: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elevins "1-2" Well No. 1 to be drilled 660 feet from the North and West lines of Section 35, Township 17 South, Range 26 East, Eddy County, New Mexico, to test the Morrow formation, the N/2 of said Section 35 to be dedicated to the well.

CASE 6021: Application of Yates Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from 952 feet to 1240 feet in its Federal M Well No. 1 located in Unit A of Section 31, Township 6 South, Range 26 East, Linda-San Andres Pool, Chaves County, New Mexico.

CASE 6022: Application of Continental Oil Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Conoco 29-4 Well No. 8 to be drilled 2265 feet from the South line and 1635 feet from the West line of Section 20, Township 29 North, Range 4 West, Gobernador-Pictured Cliffs Pool, Rio Arriba County, New Mexico, the SW/4 of said Section to be dedicated to the well.

CASE 6023: Application of Inxco Oil Company for downhole commingling and a tubing exception, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the downhole commingling of Upper Penn and Strawn production in the wellbore of its Federal 10 State Com Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, Avalon Gas Field, Eddy County, New Mexico. Applicant further seeks an exception to Commission Rule 107(d) to permit setting tubing 370 feet above the uppermost perforation in said well.

CASE 5957: (Continued from July 6, 1977, Examiner Hearing)

Application of Helco Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 8 and in the other Pennsylvanian formations underlying the E/2 of said Section 8, Township 22 South, Range 25 East, Cinta Roja-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

J. R. MODRALL  
JAMES E. SPERLING  
JOSEPH E. ROEHL  
GEORGE T. HARRIS, JR.  
DANIEL A. SISK  
LELAND S. SEDBERRY, JR.  
ALLEN C. DEWEY, JR.  
FRANK H. ALLEN, JR.  
JAMES A. PARKER  
JOHN R. COONEY  
KENNETH L. HARRIGAN  
PETER J. ADAMS  
DALE W. EK  
DENNIS J. FALK  
JOE P. G. FULCHER  
ARTHUR D. MELENDEZ  
JAMES P. HOUGHTON  
GEORGE J. HOPKINS  
PAUL M. FISH  
JUDY A. FRY  
MARK B. THOMPSON III  
JEFFREY W. LOUBET  
RUTH M. SCHIFANI  
THOMAS L. JOHNSON  
LYNN H. SLADE  
ALAN KONRAD

LAW OFFICES OF  
MODRALL, SPERLING, ROEHL, HARRIS & SISK

PUBLIC SERVICE BUILDING

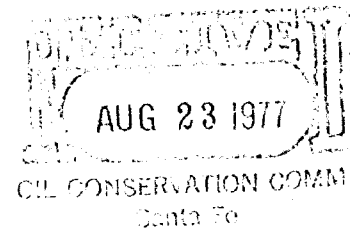
P. O. BOX 2168

ALBUQUERQUE, NEW MEXICO 87103

August 22, 1977

JOHN F. SIMMS (1885-1954)  
AUGUSTUS T. SEYMOUR  
(1907-1965)

TELEPHONE 243-4811  
AREA CODE 505



Mr. Joe D. Ramey  
Secretary-Director  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Applications of Gulf Oil Corporation -  
Case Nos. 6007 and 6019

Dear Mr. Ramey:

Enclosed, please find Entry of Appearance on behalf of  
Gulf Oil Corporation in cases numbered 6007 and 6019,  
which have been docketed for the Examiner's Hearing  
on August 31, 1977.

Very truly yours,

*James E. Sperling*  
James E. Sperling

/jev  
Enclosures

cc: Mr. Morgan L. Copeland, w/encl.  
Regional Attorney  
The Gulf Companies

Mr. Jeffrey G. Shrader, w/encl.  
Law Department  
The Gulf Companies

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF GULF OIL CORPORATION FOR A  
NON-STANDARD PRORATION UNIT,  
SIMULTANEOUS DEDICATION OF ACRE-  
AGE AND UNORTHODOX LOCATIONS,  
JALMAT GAS POOL, IN LEA COUNTY,  
NEW MEXICO

Case No. 6007

ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris & Sisk,  
of Albuquerque, New Mexico, hereby enter their appearance for  
the applicant, Gulf Oil Corporation, with its house counsel  
of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By: 

James E. Sperling, Attorneys for  
Gulf Oil Corporation  
P. O. Box 2168  
Albuquerque, New Mexico 87103  
Telephone: (505) 243-4511

# Gulf Energy and Minerals Company - U.S.

SOUTHWEST DIVISION

J. L. Huitt  
VICE-PRESIDENT  
C. E. Fields  
CONTROLLER  
R. E. Galvin  
GENERAL MANAGER-PRODUCTION  
J. A. Hord  
GENERAL MANAGER-EXPLORATION

August 16, 1977

P. O. Drawer 1150  
Midland, TX 79702

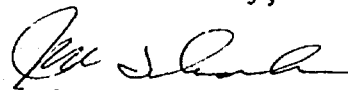
Joe D. Ramey  
New Mexico Oil Conservation  
Commission  
Post Office Box 2088  
Santa Fe, New Mexico 87501

RE: Case No. 6007, Non-Standard  
Proration Unit, Simultaneous  
Dedication and Unorthodox  
locations, J. F. Janda, Wells  
No. 7, 12, and 13, Jalmat Gas  
Pool, Lea County, New Mexico.

Dear Sir:

This will confirm conversation between our C. F. Kalteyer and  
your D. S. Nutter for the continuation of the subject case to  
your August 31, Hearing Docket. Your cooperation in this  
matter is appreciated.

Yours very truly,

  
J. M. THACKER  
Manager - Operations

CFK:sdn

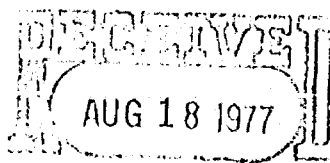
cc: J. T. Sexton  
New Mexico Oil Conservation  
Commission  
Post Office Box 1980  
Hobbs, New Mexico 88240

Atlantic Richfield Company  
Post Office Box 1610  
Midland, Texas 79701

Texas Pacific Oil Co., Inc.  
Post Office Box 4067  
Midland, Texas 79701



A DIVISION OF GULF OIL CORPORATION



OIL CONSERVATION COMM  
Santa Fe

Dockets Nos. 27-77 and 28-77 are tentatively set for hearing on August 31 and September 14, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 17, 1977

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6001: (Continued from August 3, 1977, Examiner Hearing)

Application of Mesa Petroleum Co. for an exception to Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Primo Well No. 1-A located in Unit D of Section 6, Township 31 North, Range 10 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool as defined by said order.

CASE 6007: Application of Gulf Energy and Minerals Company for a non-standard proration unit, simultaneous dedication and unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 600-acre non-standard proration unit comprising all of Section 4 except the NE/4 NW/4 thereof, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. F. Janda Wells Nos. 7 located in Unit K and Nos. 12 and 13, at unorthodox locations in Units O and P, respectively, of said Section 4.

CASE 6003: Application of Texaco Inc. for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Central Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, by the injection of water into the Grayburg-San Andres formation through 55 wells.

CASE 6009: Application of Morris R. Antwell for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 29, Township 18 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5992: (Readvertised)

Application of Bureson & Huff for compulsory pooling, a non-standard unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 NW/4 of Section 14, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to form a non-standard 40-acre gas proration unit to be dedicated to applicant's Cooper Well No. 1 at an unorthodox location 2310 feet from the North and West lines of said Section 14, or in the alternative to drill another well at a standard location. Also to be considered will be the cost of recompletion or of drilling and completing the unit well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in recompleting or drilling said well.

CASE 6010: Application of Manana Gas Inc. for compulsory pooling and an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 13, Township 30 North, Range 12 West, Basin-Dakota Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 840 feet from the South line and 1400 feet from the West line of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

- CASE 6011: Application of Tenneco Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blanco Mesaverde and Basin Dakota production in the wellbores of its Jicarilla "A" Well No. 1 in Unit L of Section 18, "B" Well No. 8 in Unit B of Section 15, "C" Wells Nos. 4, 5, 6, 7, and 8, located, respectively, in Units F and I of Section 24, F of Section 14, and M and E of Section 13, all in Township 26 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 6012: Application of Tenneco Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Strawn formation through the perforated interval from 11,174 feet to 11,236 feet in its Jones Federal Well No. 1, located in Unit K of Section 23, Township 19 South, Range 31 East, Eddy County, New Mexico.
- CASE 6013: Application of HNG Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 9, Township 24 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6014: Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the South line and 330 feet from the West line of Section 6, Township 21 South, Range 27 East, Burton Flat-Morrow Gas Pool, Eddy County, New Mexico, the W/2 of said Section 6 to be dedicated to the well.
- CASE 6015: Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1980 feet from the South line and 660 feet from the East line of Section 32, Township 20 South, Range 27 East, Avalon-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 32 to be dedicated to the well.



Case 6007

OIL CONSERVATION COMMISSION  
Hobbs DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE July 27, 1977

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_  
NSP X

AUG - 1 1977  
OIL CONSERVATION COMMISSION  
HOBBS, NM

Gentlemen:

I have examined the application dated \_\_\_\_\_  
for the Gulf Oil Corp. J. F. Janda NCT-F #7,12 & 13 4-22-36  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.---J.S.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours very truly,

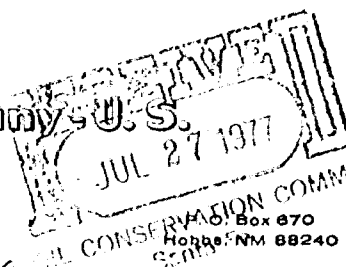
*Jerry L. Smith*

# Gulf Energy and Minerals Company - U.S.

SOUTHWEST DIVISION  
HOBBS AREA

C. D. Borland  
AREA PRODUCTION MANAGER

July 26, 1977



Mr. Joe D. Ramey  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, NM 87501

Dear Sir:

4-22-36

Gulf Oil Corporation requests your administrative approval for an amendment to R-4288, for a 600 acre non-standard proration unit in the Jalmat Gas zone, consisting of all units of Section ~~22-218-37E~~, Lea County, New Mexico, except Unit C, to be dedicated simultaneously to our J. F. Janda (NCT-F) No. 7, located 1980'FSL & 1980'FWL; J. F. Janda (NCT-F) No. 12, located 660'FSL & 1980'FEL; and our J. F. Janda (NCT-F) No. 13, located 660'FS&EL.

In support of this application the following facts are submitted:

- (1) R-4288 authorized the simultaneous dedication of the 600 acre non-standard unit to the No. 7 and 13 wells.
- (2) There are no other wells producing from the Jalmat Gas zone in this nonstandard proration unit.
- (3) The attached plat shows the 600 acre unit and wells outlined.
- (4) All offset operators have been furnished a copy of this application.

Your early consideration will be appreciated.

Yours very truly,

*C. D. Borland*  
for: C. D. BORLAND

Attachment  
LBI/dch

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, NM 88240

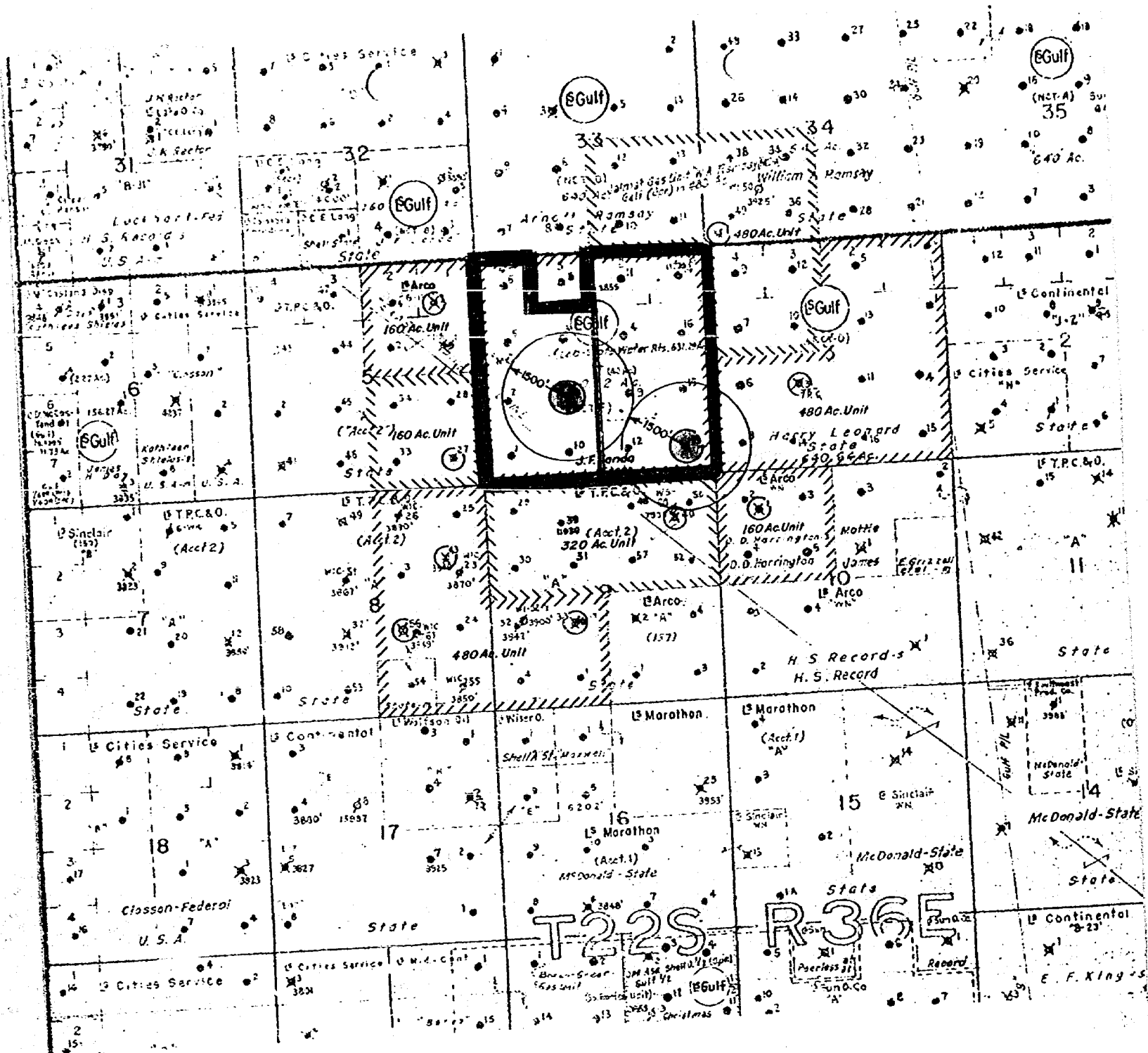
Atlantic Richfield Company  
P. O. Box 1610  
Midland, TX 79701

Texas Pacific Oil Company, Inc.  
P. O. Box 4067  
Midland, TX 79701

J. M. Thacker - Midland



A DIVISION OF GULF OIL CORPORATION



GULF OIL CORPORATION  
J.F. JANDA (NCT-F) LEASE  
JALMAT GAS POOL  
Lea County, New Mexico  
1" 3000'

LEGEND





-  Existing Non-Standard Unit
-  Proposed Consolidated Non-Standard Unit
-  Existing Unit Wells
-  Jalmat Gas Completions w/Acreage Dedications

Exhibit No. 1  
Case No. 4688  
Date 4-5-72

DRAFT

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

dr/

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

CASE NO. 6007

Order No. R- 5523

APPLICATION OF GULF ENERGY AND  
MINERALS COMPANY FOR A NON-STANDARD  
PRORATION UNIT, SIMULTANEOUS DEDICATION AND UNORTHODOX  
LOCATIONS, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August ~~31~~ 31, 19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets ~~P.S.N.~~

NOW, on this August day of ~~August~~, 19 77, 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, Gulf Energy and Minerals Company, seeks approval of a 600-acre non-standard gas proration unit comprising all of Section 4 except the NE/4 NW/4 thereof, Township 22 South, Range 36 East, NMPM, to be dedicated to its J. F. Janda Wells Nos. 7, located in Unit K, and Nos. 12 and 13, at unorthodox locations in Units O and P, respectively, of said Section 4.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid wells.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

→(5)

IT IS THEREFORE ORDERED:

(1) That a 600-acre non-standard gas proration unit in the Jalmat Gas Pool comprising all of Section 4 except the NE/4 NW/4 thereof, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to its J. F. Janda Wells No. 7 located in Unit K and Nos. 12 and 13, at unorthodox locations in Units O and P, respectively, of said Section 4.

→(2)

(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 Order No R-4288, which previously approved the subject 600-acre non-standard proration unit for dedication to wells Nos. 7 and 13 only, should be superseded.

(2) That Commission Order No. R-4288, dated April 17, 1972, is hereby superseded.

