CASE 6270: ENSERCH EXPLORATION, INC.
FOR POOL CREATION AND SPECIAL POOL
RULES, ROOSEVELT COUNTY, NEW MEXICO

Continued
July 25

CASE NO.

C220

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
25 July 1979

EXAMINER HEARING

IN THE MATTER OF:

In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771 which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico. CASE 6270

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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E X H I B I T S

MR. NUTTER: The hearing will come to order and we'll hear first this afternoon Case Number 6270.

MR. PADILLA: In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771, which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, and provided for 80-acre spacing.

MR. CARR: May it please the Examiner, I'm William F. Carr, Campbell and Black, P. A., appearing on behalf of Enserch Exploration, Inc.

I have two witnesses.

MR. NUTTER: Call for other appearances.

MR. KELLAHIN: Tom Kellahin of Kellahin and Kellahin, Santa Fe, New Mexico, appearing on behalf of Phillips Petroleum Company, and I have one witness.

MR. NUTTER: Are there other appearances? Mr. Carr?

MR. CARR: I'd call Mr. Tom Brown.

(Witnesses sworn.)

THOMAS E. BROWN

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

DIRECT EXAMINATION

BY MR. CARR:

Q. Will you state your name and place of residence?

A. Thomas E. Brown. I live in Midland, Texas.

Q. Mr. Brown, by whom are you employed and in what capacity?

A. I'm employed by Enserch Exploration, Incorporated, as a Senior Petroleum Geologist.

Q. Have you previously testified before this Commission and had your credentials accepted and made a matter of record?

A. No.

Q. Would you briefly summarize for the Examiner your educational background and your work experience?

A. I received a Bachelor of Science and a Master of Science degree from Baylor University in geology.

I've worked eleven years for four different companies as a petroleum geologist.

Q. Are you familiar with the subject matter

of this case?

A. Yes.

MR. CARR: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q. (Mr. Carr continuing.) Mr. Brown, will you refer to what has been marked for identification as Exhibit Number One, and explain to the Examiner what it is and what it shows?

A. Exhibit Number One is a lease plat. The acreage colored yellow on the lease plat is acreage that is joint ownership acreage, the Enserch and R. L. Burns Company, or assigned by Phillips Petroleum to Enserch.

It shows the location of all the producing wells in South Peterson Field.

Q. And where is the Peterson Field in respect to the South Peterson?

A. It's north about two miles. You can just barely see four of the producing wells at the very top part of the plat.

Q. And when we're talking about the South Peterson-Fusselman, we're talking about the Fusselman wells in Sections 30 and 31, is that correct?

A. That's correct.

Q. And are these wells separated from the

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Peterson-Penn by dry holes?

A. Yes.

Q. And where are they located?

A. One's in Section 29 and that's the Amoco Peterson 1-B. In Section 30 there's a well that was a dry hole but it did not penetrate the Fusselman. And they have the other producers, as you can see, in Section 19 and Section 20, produced out of the Penn.

Q. Are there --

A. Did not produce out of Fusselman.

Q. Are there other Fusselman pools in the area?

A. Yes. I don't know the section number. It would be in the section immediately north of Section 19. There is a Fusselman producer there, some two miles north of the most northernmost producer which -- in South Peterson Field, which is the Lamberth No. 7 Well in the southeast corner of Section 30.

Q. Now, Mr. Brown, would you refer to what has been marked for identification as Exhibit Number Two, and explain to the Examiner what it is and what it shows?

A. There are two, actually, exhibits in one. In this corner, the righthand corner, there's a map prepared on the top of the Fusselman. On the cross section that's this point right here, following this line, labeled top of the Fusselman dolomite.

This is a structure map and really all this is for, it shows all the producers on here, but the cross section runs from the most northerly Fusselman well to the most southerly producing well in the field, which is not a Fusselman well.

This is mainly just a structure reference point. It shows that it's not a closed structure as such. The cross section goes from north, the No. 7 Well, which is the only well present in Section 30, and it goes all the way down to the Lamberth No. 4 Well, which is in the southeast corner of Section 31.

What I wanted to show on this is that the Fusselman -- incidentally, the little flourescent dots you see on here shows where these wells are presently producing; it's the productive interval.

What I wanted to show with this section is that the Fusselman dolomite for the area of the South Peterson Field is continuous until it gets up on this granite high. From there it's been scrubbed off where you've got this pre-Penn unconformity.

MR. NUTTER: Okay, the discovery well for the pool was the Lamberth No. 1.

A. The No. 1 was the discovery.

MR. NUTTER: In K of 31. That's the second well from the right on the cross section.

A. That's this one, that's correct.

It presently is the highest well at the top of the Fusselman. Actually, the Fusselman here is not a Fusselman top but -- and the No. 4 has a higher structural point, but it's in the lower part of the Fusselman here. It's -- actually the top of the Fusselman in the well is not the top of the Fusselman in the field.

Q. Mr. Brown, looking at the structure map, the area colored in blue is what?

A. That's where you expect anywhere within this area, in fact, the Enserch A there in Section 32, which should have been about straight in from this No. 1, eastward almost nearly a full mile, encountered Montoya, which is underneath the Fusselman dolomite. The Fusselman dolomite was absent at that point.

So what I'm saying, within the area of the blue that you see on here you would expect the well drilled at those points to miss the Fusselman entirely. It's gone; it's absent; missing.

The area in red, you would go into granite.

MR. NUTTER: At what depth?

A. At the map depth. At the Penn level you wouldn't expect, only a few places. It's much smaller.

Q. And is it your testimony that from this exhibit the Fusselman pay is continuous throughout the --

this area?

A. That is correct.

Q. Now, is the field well defined at this time? The limits of the field?

A. Not entirely.

Q. And where is the additional development going on in this area?

A. Right now the only well that's presently drilling is the Enserch No. 5 Lambirth in Section 1, which is in the next township down from the producers, so it's south of any production at present, and it's -- it's drilling in the Wolfcamp at present.

MR. NUTTER: Well, Mr. Brown, on your Exhibit Number One, how many of these wells in Sections 30 and 31 and so forth are completed in this South Peterson-Fusselman Pool?

A. How many wells at present?

MR. NUTTER: Yeah. Which of these wells on this exhibit are Fusselman wells?

A. All right. Starting at the north, the No. 7 Lambirth.

MR. NUTTER: Okay.

A. The No. 6 Lambirth.

MR. NUTTER: That's in the northwest northwest of 31?

A. That's correct.

South from that point, the Phillips 2-A Lambirth.

MR. NUTTER: That's a Fusselman well?

A. That's a Fusselman well, also.

The Enserch No. 1 Lambirth, discovery well. And then east is the Phillips 1-A Lambirth.

So that would be one, two, three, four, five at the present.

MR. NUTTER: And the two wells that are there in the south half south half of 31 are neither one Fusselman wells?

A. Phillips, of course they can testify on this more, my information is a little bit delayed on their on their well, but I understand they're attempting a completion in the Fusselman in the 3-A.

The No. 4, the pay section was missing, and it's a Penn well.

MR. NUTTER: I see. And the No. 5 down in Section 1, is it?

A. Section 1, that's correct.

MR. NUTTER: Is projected as a Fusselman well, and --

A. That's correct.

MR. NUTTER: -- and is currently drilling.

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Q. (Mr. Carr continuing.) Now, Mr. Brown, these logs show porosity, I understand.

A. Yes. These are compensated neutron formation density logs and they are porosity logs, and they show the same porosity section that's been completed in these Fusselman wells, although they don't have equal porosity or permeability.

Q. Based on this data alone could you assume that these wells could drain 80 acres?

A. Just on what we have here, yes.

MR. CARR: I have nothing further on direct of Mr. Brown.

MR. NUTTER: Are there any questions of Mr. Brown? He may be excused.

MR. CARR: Mr. Nutter, I have one more question of Mr. Brown.

MR. NUTTER: Okay.

Q. (Mr. Carr continuing.) Mr. Brown, were Exhibits One and Two prepared by you or under your direction and supervision?

A. Yes.

MR. CARR: At this time I would offer Enserch Exhibits One and Two.

MR. NUTTER: Enserch Exhibits One and Two will be admitted in evidence.

MR. CARR: I would now call Mr. Leonard Kersh.

LEONARD KERSH

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

DIRECT EXAMINATION

BY MR. CARR:

Q. Will you state your name and place of residence?

A. Leonard Kersh, Midland, Texas.

Q. Mr. Kersh, by whom are you employed and in what capacity?

A. I'm employed by Enserch Exploration, Inc., as District Petroleum Engineer.

Q. Have you previously testified before this Commission, had your credentials accepted and made a matter of record?

A. No, I haven't.

Q. Will you briefly summarize for the Examiner your educational background and your work experience?

A. Okay. I graduated from New Mexico Tech in December, 1971, with a BS degree in petroleum engineering. In January, 1972 I started to work for Shell Oil Company in

Midland, Texas, with whom I was employed for five and a half years; a year and a half as a well site evaluation engineer, three and a half years as a reservoir engineer, and a half a year as a production engineer.

I joined Enserch in May of 1977, and since that time I've worked approximately one year as a Senior Petroleum Engineer, Gulf Coast District, and as a District Petroleum Engineer in the Mississippi District and in the West Texas District.

Q. Are you familiar with the subject matter of this case?

A. Yes.

MR. CARR: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are. How do you spell your last name, Mr. Kersh?

A. K-E-R-S-H.

Q. Mr. Kersh, will you refer to what has been marked for identification as Exhibit Number Three and review it for the Examiner?

A. Exhibit Number Three is entitled Individual Well Completion and Production Data Sheets.

What we've done is gone through and taken all the Fusselman -- well, the South Peterson-Fusselman Pool tests, the wells that have tested to South Peterson-

Fusselman Pool at this time, and just summarize the pertinent data, such as completion dates, and so forth, and presented a graphical display of the production history of that well.

The first well is the Enserch Exploration Lambirth No. 1, the discovery well for the field. The well was originally completed June 4th, 1978. Perforated interval, 7,808 feet through 52. The well initially potentialed 638 barrels of oil, 703 Mcf gas, zero barrels of water, with a flowing tubing pressure of 585 psi. The original bottom hole pressure measured June 25th, 1978, was 2781 pounds at a depth of 7,830 feet, mid-perforations. The current bottom hole pressure, measured July 18th, 1979, indicated a reservoir pressure of 2703 psi at mid-perforations of 7,830 feet.

The cumulative production as of July 16th, '79, was 91,050 stock tank barrels, which in turn indicated the well has produced at the rate of approximately 1,167 stock tank barrels per one pound pressure drop, per psi.

MR. NUTTER: What was that figure again?

A. 1,167 stock tank barrels per psi.

The next well in question is the Enserch Exploration Lambirth No. 3. This well was completed July 20th, 1978. Perforated interval was 7,840 feet to 49 feet. It was acidized with 1500 gallons of acid. In initial test

the well only recovered 81 barrels of oil plus 56 barrels of water before being placed on pump, July 27th, '78.

The final pump rate, August 7th, 1978, was 9 barrels of oil per day plus 11 barrels of water, plus 45 Mcf gas.

Due to the low productivity of the well, the well was recompleted in the Pennsylvanian zone.

MR. NUTTER: Is that the well that's northeast of the discovery well?

MR. BROWN: Yes, it is.

MR. NUTTER: One diagonal location to the northeast?

MR. BROWN: Right.

MR. NUTTER: Okay. Do you know how much it made in the Fusselman before it was recompleted in the Penn?

A. Yes, sir, it made 1,096 stock tank barrels.

MR. NUTTER: Go ahead.

A. The next well is the Enserch Exploration Lambirth No. 6 Well. This well was originally completed in, well, March 20th, 1979; however, the well had to be squeezed four times in order to shut off water production caused by a poor primary cement job.

The well was finally potentialed June 3rd, 1979, at the rate of 330 barrels of oil per day, 511 Mcf

per day, plus 58 barrels of water.

Now the flowing tubing pressure at that time was 175 psi. The original bottom hole pressure was estimated to be 2794 psi at 7,836 feet mid-perforations.

The current bottom hole pressure measured July 18th, '79 was 2,703 psi at 7,836 feet. The cumulative production as of July 19th, 1979 was 7924 stock tank barrels.

The next well is the Enserch Exploration Lambirth No. 7. The well was completed June 6th, 1979. The perforated interval was 7826 feet through 29.5 feet.

The well was initially place on pump and it was potentialed June 16th, '79 at the rate of 117 barrels of oil, 138 Mcf gas, 87 barrels of water. The original bottom hole pressure was estimated to be 2783 psi at 7826 feet from a drill stem test conducted April 25th, 1979.

Current production tests as of July 19th, 1979 was 54 barrels of oil per day plus 22 barrels of water. Cumulative production the same date, 3311 stock tank barrels.

The next well in question is the Phillips Petroleum Company Lambirth A-No. 1 Well.

The well was completed January 10th, 1979, and the perforated interval was 7830 feet to 38 feet, and also 7852 feet through 58 feet. The date of potential

was January 18, '79. The rate was 332 barrels of oil, 306 Mcf gas, zero barrels of water. The flowing tubing pressure of 285 psi.

The cumulative production as of June 1st, 1979 was 22,234 stock tank barrels.

MR. NUTTER: Is this the well that's the direct offset to the discovery well on the east?

A. Yes. Yes, it is.

The next well is the Phillips Petroleum Company Lambirth A No. 2 Well. The well was completed April 9th, 1979. The perforated interval is 7832 feet through 38 feet. It was potentialed April 19th, 1979, at the rate of 410 barrels of oil, 685 Mcf gas, with a trace of water. The flowing tubing pressure was 675 psi. The current bottom hole pressure as of July 18th, '79 was 2697 psi at 7835 feet mid-perforations.

The current production test July 16th, '79, 352 barrels of oil plus 313 Mcf gas. The flowing tubing pressure, 530 pounds. Cumulative production as of June 1st, '79 was 9843 pounds.

MR. NUTTER: Now is that the direct offset to the north of the discovery well?

A. Right. It was the north offset.

The next well is the Phillips Petroleum Company Lambirth A No. 3. This well was TD'ed in June

and as to date I think completion is still in progress.

So we don't have any additional information on it, insofar as production tests.

The last graph of this exhibit is the production history for the South Peterson-Fusselman Pool, indicating the monthly production -- monthly oil production versus time, and the producing well count versus time; as shown from the graph as of June 1st, 1979 the cumulative production for the South Peterson-Fusselman Pool was 112,402 stock tank barrels.

Q. Mr. Kersh, will you now refer to what has been marked as Exhibit Number Four and review this for the Examiner?

A. Exhibit Number Four is a well data sheet on which were presented all the pertinent petrophysical data on all the Fusselman completions, such as the Enserch Lambirth No. 1, No. 6, and NO. 7 Wells, and the Phillips Lambirth A No. 1, No. 2, and No. 3 Wells.

Shown like the Enserch Lambirth No. 1 Well, the discovery well, got a net pay thickness of 44 feet; average porosity of 12.5 percent; average water saturation of 21 percent; effect of permeability to oil was 559 milledarcies from buildup; and the productivity index was 31.9 barrels per day per psi.

Enserch Lambirth No. 6, the net pay

thickness of 28 feet; an average porosity of 16 percent; an average water saturation of 26 percent; the productivity index .2 barrels per day per psi.

The Enserch Lambirth No. 7, the only thing we're showing here is the net pay thickness of 3.5 feet. Since we had hole problems on this, we had lost circulation problems and the entire Fusselman section was not penetrated: The well was prematurely TD'ed. So only the top of the Fusselman was penetrated, due to hole conditions, and open hole logs over the Fusselman were not obtained because of insufficient rat holes.

MR. NUTTER: Was that the well on your other exhibit -- no, it was the No. 6 that you said you had trouble and had to re-cement it --

A. Right.

MR. NUTTER: -- in order to shut the water off.

A. Right.

The next well is the Phillips Lambirth A No. 1 Well, had a net pay thickness of 15 feet; average porosity of 13.5 percent; average water saturation of 28 percent, with a productivity index of .266 barrels per day per psi.

The Phillips Lambirth A No. 2 Well had 43 feet of pay; average porosity of 10.9 percent; average

water saturation of 18 percent; and a productivity index of 35 barrels per day per psi.

And the Phillips Lambirth A No. 3 Well had a net pay thickness of 18 feet; average porosity of 15.2 percent; and average water saturation of 20 percent.

These are all based on log calculations, all this petrophysical data.

Q. Mr. Kersh, now refer to Exhibit Number Five and explain that to the Examiner.

A. Exhibit Number Five is an extended drawdown test and/or reservoir limits test on the Enserch Lambirth No. 1 Well, conducted June 19th through 22nd, 1978.

Our main concern here was that the Enserch Lambirth No. 1 Well was a discovery well of the field; our main concern was to try to determine the drainage area or the reservoir size, the size of the reservoir.

Okay, so what we did, was we conducted approximately a 66-hour extended drawdown, or reservoir limits test, on the Enserch Lambirth No. 1, using a highly sensitive gauge, a Hewlett-Packard pressure gauge, and shown at semi-steady state. This would be on the continuation of the drawdown test, at semi-steady state. dPdT, which is equal to beta, is equal to .15 psi per hour. And employing these -- this slope into our reservoir limits test calculations, we calculated a contributing pore volume

of 17.76 million reservoir barrels, which comes out to be an equivalent drainage area of approximately 830 acres.

Q. Now refer to what has been marked for identification as Exhibit Number Six and review this for the Examiner.

A. Exhibit Number Six is titled Minimum Permeability Required to Drain 80 Acres.

From our Enserch Lambirth No. 1, where we had good buildup data, and so forth, we had a permeability value of 559 millidarcies; however, the majority of the Fusselman completions, we did not have pressure buildup data -- well, pressure buildup data was not available.

So what we decided to do was use a productivity index data, which was -- which we had on all the wells, in order to determine our drainage area.

So what we decided to do was, we said, okay, the well with the lowest -- if we could prove that the well with the lowest productivity index could drain 80 acres, then we're assured that the rest of the wells can drain 80 acres.

As it turned out, this turned out to be the Lambirth No. 6 Well, which had a productivity index of .2. So employing this into Darcy's Law, and assuming 80 acres, we came up with a permeability requirement of four millidarcies would be required to drain 80 acres.

Now our next objective was to determine if the permeability in the Lambirth 6 was greater than equal to four millidarcies. Unfortunately, however, the initial buildup in the Lambirth No. 6, we experienced phase separation during initial buildup.

So what we decided to do, we made some assumptions here, was assume that the initial reservoir pressure in the Lambirth No. 6 was the same as in the Enserch Lambirth No. 1; however correcting to mid-perforations we were looking at 2794 psi rather than 2781 psi.

So we have to turn to the next exhibit. Well, this is a continuation.

Q. Right.

A. Okay. This is the buildup --

MR. NUTTER: Is that this exhibit here, Mr. Kersh?

A. Yes, yes, it is. We're showing bottom hole pressure versus T plus Delta-T over Delta-T.

As shown, we're showing phase separation here, and we're quite assured that it is phase separation in the two of them, because the well was producing at a rate of147 barrels of oil plus 93 barrels of water, with a GOR 2041 at the time we shut it in.

So after everything, everything was still trying to reach equilibrium in the tubing, and so we're quite

sure that it is phase separation rather than some other type of interference.

So what I did was, I said, okay, my P*, my initial pressure, will be 2794 psi. Okay, the maximum pressure reached during the buildup test was 2760 psi and after which we start experiencing phase separation. This was a 72-hour test; however, at the end of the 72 hours the pressure had started to come back up again.

So I drew my straight line portion of my buildup curve through my highest point, my 2760 psi point, to my P* point at 2794 psi, and in doing so I came up with a slope of 18 psi per cycle. And employing this data into our standard equation, we came up with the permeability value of 26.4 millidarcies, which indicates that the Lambirth No. 6 is well capable of draining 80 acres.

Q. Mr. Kersh, would you summarize the data that you have presenced?

A. In summary, for the South Peterson-Fusselman Pool, we could say that with the current data we have available now, the average porosity is approximately 13 percent. The average water saturation is around 22 percent. The average net pay thickness, approximately 30 feet. The average permeability we don't know. It ranges from 559 millidarcies to approximately 26 millidarcies.

The original reservoir pressure and temper-

ature, 2781 psi, 155 degrees.

And at present the reservoir drive mechanism, it is believed that the reservoir drive mechanism is mainly solution gas drive, possibly water drive. This would probably be a partial water drive, and this is based on the fact that after producing 91,000 barrels out of our Enserch Lambirth No. 1, we're looking at a pressure differential of 78 pounds; however, it could be a very large reservoir, as indicated by the reservoir limits test.

So, in summary, based on all this information, it is recommended that the South Peterson-Fusselman Pool be developed on 80-acre spacing with the wells being located within 150 feet of a quarter quarter section in order to effectively and efficiently drain said pool, and thereby protect the co-equal and correlative rights of all interested parties.

Q. And it is your recommendation that the wells be located within 150 feet of the center of any quarter quarter section?

A. Yes.

Q. And these permanent rules would encompass all of Section 31, which is now the limits of the pool?

A. Yes.

Q. Mr. Kersh, in your opinion would granting this application avoid the drilling of unnecessary wells,

and also reduce risk which would result from the drilling of an excessive number of wells?

A. Yes.

Q. Do you believe granting this application would be in the interests of conservation, the protection of correlative rights, and prevention of waste?

A. Yes.

Q. Were Exhibits Three through Six prepared by you?

A. Yes.

MR. CARR: At this time, Mr. Examiner, we would offer into evidence Enserch Exploration, Inc., Exhibits Three through Six, and I'd like to note so there's no confusion, that Exhibit Number Five consists of three pages; Exhibit Number Six consists of two pages, which is a table and a graph.

MR. NUTTER: And Five was three pages?

MR. CARR: Yes, sir.

MR. NUTTER: Okay, it's two graphs.

MR. CARR: Two graphs and a --

MR. NUTTER: And a calculation.

MR. CARR: Calculation, yes, sir.

A. Yeah, it was the drawdown reservoir limits test.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Kersh, it would appear just by observation of your Exhibit Number Four and the basic data on the wells, that the Enserch Lambirth No. 1 and the Phillips Lambirth A No. 2 are the best wells insofar as the productivity index is concerned, yet those two wells are ones that have the least amount of porosity of all of the wells.

We've also got an effective permeability calculated to oil here of 559 millidarcies.On one of your other calculations you determined that you'd need 4 millidarcies, I believe it was, to drain 80 acres.

A. Yes.

Q. And then the calculation goes on to show that the effective permeability of the Lambirth No. 6 is 26.4, from your Exhibit Number Six.

A. Yes.

Q. How do you account for the low PI on this No. 6 when it has effective permeability of 26.4 millidarcies?

A. I think the low PI is probably accounted for the water production during that test. See, like we were producing 147 barrels of oil plus 93 barrels of water. If we went on total fluid productivity index, it would pro-

bably be higher, but I'm just going on strictly oil.

Q. Well now, as you mentioned, the large amount of production from the No. 1 compared to the small drop in pressure would indicate that that's probably being assisted by a partial water drive in that.

A. It may be or --

Q. To hold that pressure up.

A. Yes.

Q. Or, as you speculated, possibly a very large reservoir.

A. Right. We're in the process now of conducting material balance calculations too.

Q. Did any of these wells make water from the very beginning?

A. Yes, sir. I guess you'll notice on the Lambirth No. 7, that was placed on pump initially. We had to put a pump on that well initially.

Q. And No. 6 made water on its original test.

A. Right, it did.

Q. Although the Lambirth No. 1 was water-free production?

A. Yes.

Q. The other outstanding well, as far as production is concerned, appears to be the Phillips No. 2-A.

A. Uh-huh.

Q. Now, did it make water on its original completion?

A. I think it just made a trace.

Q. A trace of water?

A. Right. I don't think it's making any now. Just a trace; it could have been just condensation.

Q. Now, we have this anomolous break in this decline curve on the Lambirth No. 1.

A. Uh-huh.

Q. At 1000 minutes.

A. Right.

Q. What do you attribute that break on the reservoir limits test?

A. I don't know. They had a lot of noise interference during the test; however, as you'll probably notice, you're only -- you're not looking at one pound of pressure differential, although it did change the slope. I mean it popped back up. You're only -- you're not looking at one pound.

Q. Kept the same slope but it just jumped up a little.

A. Right, uh-huh.

Q. And you don't think, since that's a magnitude of about a pound, that that's any serious flaw in the test?

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A. No, sir.

Q. Okay.

MR. NUTTER: Are there any further questions of this witness?

MR. CARR: No further questions.

MR. NUTTER: He may be excused.

MR. CARR: That concludes the case of Enserch.

MR. NUTTER: Mr. Kellahin?

MR. KELLAHIN: Yes, sir, I have one witness.

MR. NUTTER: The witness may be excused.

MR. BENISCHEK: Mr. Examiner, may I ask a question after the balance of this hearing of Enserch?

MR. NUTTER: Who are you going to direct the question to, Mr. Benischek?

MR. BENISCHEK: Mr. Brown.

MR. NUTTER: Why don't you ask it now while he's on the stand?

MR. CARR: He said Mr. Brown.

MR. NUTTER: Mr. Brown, oh, Mr. Brown. Well, we usually don't recall the witnesses. Mr. Brown, would you resume the stand? And answer a question or two, please?

THOMAS E. BROWN

resuming the stand, testified as follows, to-wit:

QUESTIONS BY MR. BENISCHEK:

Q. This is a carbonate reservoir, I assume.

A. Yes.

Q. Fractured carbonate.

A. I don't know that.

MR. KELLAHIN: May the record reflect who's asking the questions?

MR. CARR: Yes, would you identify yourself, please?

MR. BENISCHEK: I'm Benischek, an independent petroleum engineer, who is a major royalty owner in the area, and I have been in these hearings before in connection with the Peterson Field.

Q. Now, according to your Mr. Wilcox, during previous testimony, the Lambirth No. 6 would have been in the oil -- I mean the water zone, the oil/water contact was on that line.

Now, I can't see from here the oil/water contact, which is in Section 31 and that's what you're confining your discussion to. If it has moved or if you have a new line on this map, I don't know whether you do or not.

But what I'm leading up to is, assuming it must have moved, as far as your drawing is concerned, or as far as your sub-surface is concerned, because you have a good producing 330-barrel well in No. 6, which is on Wilcox's water line.

So something doesn't add up, I mean, it's not -- it's not concise. The information doesn't agree.

Okay. Now, you also said that the well to the north out of Section 31, Amoco's well, is dry, (inaudible), which did have a lot of oil on drillstem test. Okay, but just to the north of that, you were asked a question whether or not there was any Fusselman, and you kind of hazed over that.

There is a Fusselman well in the carbonate in the Peterson Field on 40 acres per well, and Amoco says that it takes 40 acres per well to drain and be economic.

I wonder if you had any commentary on that line.

A. Well, of course, I can't make any commentary on Fred Wilcox's work. He was an engineer and I'm a geologist, and I've had nothing to do with his work, so I don't want to get into a position of making a comment on his work.

To my knowledge we haven't established a firm water line in the field at present. Now, the No. 6 where we established water when we drilled it, was obviously

below the top of the Fusselman.

As to the other Fusselman producer up there, what I indicated, that Fusselman producer was off that plat, but the four producing wells in there did not produce in the Fusselman, that are shown on the land plat, which is the in-issue exhibit we had, and so there are wells that were drilled to that depth that aren't producing, and that one lone Fusselman producer is off the scope of that map and some two miles north of th most northerly Fusselman producer in the South Peterson Field.

And there are wells in between that did not produce from the Fusselman.

MR. NUTTER: I believe, Mr. Brown, that you stated that the Fusselman well in the north end there was in the section to the north of Section 19.

A. That's correct.

MR. NUTTER: Which would be Section 18 up there, I believe.

MR. BENISCHEK: It's in Section 18.

A. It's clear off the map so I didn't have a section number on it.

Q. But it is a carbonate, the same as what you have.

A. Oh, that's correct.

Q. Fractured.

A. I don't know that it's fractured. You might talk to the engineers.

Q. In your Section 31.

A. Yeah, I don't know that it's fractured. I don't have any evidence of such, but Leonard might could tell you due to the testing if it is or not.

Q. Previous testimony indicated that the formations up there were fractured.

You said that the limits of the field had not been defined, and then Mr. Kersh made a statement based I don't recall if it was drawdown data or -- I've forgotten who he referenced, but he said the limits of the field might extend over about 830 acres, but you said it wasn't defined at this time.

A. That's correct. We're still drilling extensions to the field. I hope it's not defined yet.

Q. Okay.

MR. BENISCHEK: Thank you, Mr. Examiner.

MR. NUTTER: All right.

Are there any other questions of Mr. Brown? He may be excused.

MR. KELLAHIN: I'd like to call Mr. Mueller.

WILLIAM J. MUELLER

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Would you please state your name, by whom you're employed, and in what capacity?

A. William J. Mueller. I'm employed by Phillips Petroleum Company as a Reservoir Engineering Supervisor in the Odessa area, and my responsibilities encompass the Hobbs District of southeastern New Mexico.

Q. Mr. Mueller, have you previously testified before the Oil Conservation Division and had your qualifications as an expert petroleum engineer accepted and made a matter of record?

A. Yes, sir.

Q. Have you made a study of Phillips interest in this particular application?

A. Yes, sir.

MR. KELLAHIN: We tender Mr. Mueller as an expert witness.

MR. NUTTER: Mr. Mueller is qualified.

Q. (Mr. Kellahin continuing.) Would you please refer to what we've marked as Phillips Exhibit Number One,

and identify that for us?

A. Exhibit Number One is an acreage plat of the current South Peterson-Fusselman Pool, and the north part of the plat shows the Peterson-Fusselman Pool.

The South Peterson-Fusselman Pool encompasses currently the major acreage in Section 31 with one completion in the Unit P of Section 30.

Phillips has drilled three wells in the South Peterson-Fusselman Pool, these being our Lambirth A No. 1 in Unit J, our Lambirth A No. 2 in Unit F, and we have drilled the Lambirth A No. 3 in Unit N. The A No. 3 has not been potentialed yet. It encountered the Fusselman pay and some nice looking logs but the well would not flow, and on last swab test it did 80 barrels of oil in 10 hours, and it's been shut-in now for three weeks waiting for installation of pumping equipment.

Q. What's the status of the well located in the northeast corner of Section 31 indicated as a 4 on the plat?

A. That is a location that we will drill when the rig becomes available, and it's now currently drilling the Enserch Lambirth 5.

Q. Acreage shaded in pink, I assume is acreage under the operations of Phillips?

A. That's right.

Q. Please refer to Exhibit Number Two and identify that.

A. Exhibit Number Two is a dual-lateral log, Rxo log, of the Fusselman pay in the Lambirth A No. 1. It shows our two perforated intervals from 7830 to 38 and from 7852 to 56.

This colored here in pink is to show the permeability that's indicated by the resistivity curve separation between the deep investigating curves and the shallow investigating curves. It's just some relative or quality measure type of permeability.

Q. Al- right, sir, and Exhibit Number Three.

A. Exhibit Number Three is a compensated neutron formation density log of the same well, and this is the type log that's on Enserch's cross section up here, and this log is scaled in limestone matrix porosity, and the little red dots I've spotted between the two curves is what you get when you cross plot these two curves to get to a dolomite porosity.

You can see our porosity here in this field is -- is good but not exceptional. Our porosity runs anywhere from 12 to 14, 16, percent.

It's the permeability here that is exceptional, not the porosity.

Q. Exhibit Number Four.

A. Exhibit Number Four is just a monthly oil, gas, and water production plot of the Phillips Lambirth A No. 1, and is essentially identical to the exhibit used in the previous -- by Enserch.

Q. Exhibit Number Five.

A. All right. I will, let me state here, for the Lambirth A No. 1, you notice there was considerable production increase between May and June.

We lowered a packer and acidized both zones individually and got a production increase, but then it shortly died and pumping equipment has now been installed in that well in the month of July, and it is making about 100 barrels of water a day along with some 200 barrels of oil.

MR. NUTTER: So when you lowered the packer and acidized it, you restored that decline that had been going on for several months.

A. Right, but that's also --

MR. NUTTER: But then it was very temporary and now you've installed a pumping unit.

A. Right, and now it's on -- it's making substantial water.

Q. Exhibit Number Five.

A. Okay. Exhibit Number Five is the bottom hole pressure work we did in the Lambirth A No. 1, and in

January 15th of this year. The accentuated colors show that at 7850 we had a measured bottom hole pressure of 2750 psi per 44 hours of shutin.

But in April this year we ran a flowing bottom hole pressure and at a depth of 7858 we measured a flowing bottom hole pressure of 1813, which would give us a productivity index of approximately .266 barrels per day per psi drop in bottom hole pressure, based on the 24-hour flow rate wells at that time.

I would like to point that our productivity index of .266 is really not bad. If you take that times that 2750 bottom hole pressure, you know, that's a 750 barrel a day well.

We've got a lot better ones out there but you know, .26 ain't bad.

Q. Exhibit Number Six, Mr. Mueller.

A. Exhibit Number Six is a core band computerized log that was run in the Lambirth A No. 2, and you can see that the Fusselman interval occurs in here from about 7830 to 7880, and the area here, I've colored it in pink, is what is referred to as the move to hydrocarbons, and it also is indicative of the permeability that's exhibited by the formation.

We have only perforated this well the top 6 to 8 feet, from 7830 to 38.

Relative to this computer analysis on this Lambirth A No. 2, I'd like to state if you take the interval from 7832 down to 7868, to where you see the water saturation starting to increase about from 18 percent on up to 40, like you're in a transition zone, the computer log analysis gives it about 3.4 hydrocarbon porosity feet in that interval, which would roughly indicate that in this well there is approximately 16,500 stock tank barrels per acre, and if this well or this pay was consistent over the whole 80 acres the whole 80 acres would only have 1.3 million barrels of oil in place, and a recovery factor of roughly 40 percent would indicate that this well could recover approximately half a million barrels of oil.

We think overall, overall in this field, that the average recovery is going to be less than a quarter of a million barrels per well, and then we got a thin pay section, we got good permeability but low porosity.

Q. Exhibit Number Seven.

A. Exhibit Number Seven is the production curve for our Lambirth A No. 2, and it is identical with the one submitted by Enserch.

It shows that we are making top allowable, that it's water free, and is by far the best well we have.

Q. Exhibit Number Eight.

A. Exhibit Number Eight is a core description.

We cored the Fusselman in the Lambirth A No. 2 and I'd like to accentuate here the type of porosity that the geologist indicated when he visually described this core.

Like from 7823 to 26 he describes it as clean with fair crystalline-to-vuggy-fractured porosity.

Then the next interval from 7826 to 31, he calls it dolomite the same but with large vertical fractures.

Then we get from the 7831 to 49, we get finely crystalline, clean with good crystalline vugular porosity. Many thin vertical fractures.

So that probably accounts for why we have such exceptional permeability in this but the porosities are really low -- not low, but just medium --

MR. NUTTER: That accounts for why you've been able to get good production from this A No. 2, although you've perforated just eight feet --

A. That's right.

MR. NUTTER: -- from the top of the pay.

A. Yeah, but we're anticipating there will probably be a bottom water-drive reservoir is why we stayed right to the top.

And the actual core data on the --

Q. That's Exhibit Number Nine?

A. -- Exhibit Number Nine. I would like to

point out is the -- some of the accentuated variances that go on through this core.

You can see that sometimes the porosity can be 9 or 12 percent and the permeability .1. Or you can have porosity like in this first zone of about 13 percent porosity and a permeability as high as 92 millidarcies. And then right below that is a 2-foot zone with a porosity of 8.3 and a permeability of 12 millidarcies. Then there's about a 4-foot zone here you can see how porosity varies from like 7.7 up to 10 and the permeability from 12 to 38.

But the big surprise is when you turn the page and you see over here we've got some zones that are 8 percent porosity with 566 millidarcies and one zone with 4 percent porosity and 204 millidarcies.

So the permeability is excellent.

Q. Exhibit Number Ten.

A. Exhibit Number Ten is the bottom hole pressure work that Phillips Petroleum Company has done on the Lambirth A No. 2, and on April the 12th of '79 we ran a flowing bottom hole pressure at -- and measured it at 7675, of 2620 pounds flowing, and at that time in the 3-1/2 hours the bomb was on the bottom, the well was flowing at a rate of 1474 barrels per day, and we -- this calculates to be a productivity index of 35.96 barrels per day per psi, or if you'd like to take that to a calculated open flow, that

would be like 96,000 barrels a day.

Let's see, shortly after that we shut the well -- or we did shut the well in then and took a pressure buildup, but you can see that instantaneously the bottom hole pressure went from 2620 to 2658, and we had a 38 pound jump in bottom hole pressure and over in the hours column it's called initial because they couldn't even measure any time on that, and then after 14 hours of shutin the bottom hole pressure built up to 2661 at our depth of 7675, or the next 14 hours all we essentially had was 3 more pounds of bottom hole pressure buildup, and that probably occurred in the second there.

On July 16th of this month we ran -- contracted with Tefteller to do some -- a PI and pressure --

Q. That's Exhibit Number Eleven?

A. No, I'm just referring to what -- yes, that's Exhibit Number Eleven. That's right.

And that date is posted here on our pressure sheet to show that at 7850 feet we had a measured flowing bottom hole pressure of 2694 and at that time the well was flowing at a rate of 346 barrels of oil per day, no water, with a gas/oil ratio of 892, and that indicates a productivity index of 43 barrels per day per pound drop in bottom hole pressure.

The well was then shut in and pulled some

40.5 hours later. The bomb was pulled and we had measured bottom hole pressure of 2702, which is essentially 8 pounds higher than what our flowing bottom hole pressure was.

Q. Exhibit Number Eleven.

A. Exhibit Number Eleven, I would like to show you the data obtained by Tefteller in their running the bottom hole pressure work on the Lambirth A No. 2, and this is pointed out in accentuated colors there on the second page where you can see that after pulling at 10 hours essentially our bottom hole pressure was stabilized flowing from the time he took his first reading after 2 hours. The bottom hole pressure flowing remained constant.

And then you can see he says he shuts the well in and goes back to a lapsed time of zero. His first reading six minutes later is 2687, and that's the same pressure he records 40 hours later.

Q. What does that tell you about the capability of this well to drain an area of more than 80 acres?

A. Very excellent. And then another part of the service you get is the little buildup curve, which of course is flat on this well since the whole buildup occurred in prior to the 6-minute reading, and then the gradients in and out of the hole.

Q. Mr. Mueller, do you have an opinion with regards to whether or not each of the producing wells in

the South Peterson-Fusselman Pool is capable of draining a spacing or proration unit consisting of 80 acres?

A. I think that each of the wells currently completed in the South Peterson-Fusselman Pool are capable of draining 80 acres, and some of them capable of draining much more than that, the two very best wells, the Enserch 1 and our Lambirth A-2.

Q. In your opinion is it in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and the avoidance of drilling unnecessary wells, for the Division to continue the well spacing for the South Peterson-Fusselman Pool on 80 acres?

A. Yes.

Q. Were Exhibits One through Eleven either compiled by you directly or prepared under your direction and supervision?

A. Yes, sir.

MR. KELLAHIN: We move the introduction of Exhibits one through Eleven.

MR. NUTTER: Phillips Exhibits One through Eleven will be admitted in evidence.

MR. KELLAHIN: That concludes our examination of Mr. Mueller.

MR. NUTTER: I suppose all of these pages together by Tefteller are --

MR. KELLAHIN: Were Exhibit Eleven.

MR. NUTTER: -- Exhibit Eleven. All right. Does anyone have any questions of Mr. Mueller?

MR. BENISCHEK: Mr. Examiner, may I ask a question?

MR. NUTTER: Mr. Benischek.

QUESTIONS BY MR. BENISCHEK:

Q. Mr. Mueller, is that about $15.00 oil?

A. That would be upper tier oil, yes, I think it's about $13.80.

Q. About $13.00, so a quarter of a million, that would mak[illegible] a little under $3-million less royalties and taxes, so it would pay out about 6-1/2, 7 times.

A. Possibly, yes, if you got the quarter of a million, right, uh-huh.

Q. Got what?

A. I said if -- on a quarter of a million barrels of oil recovery you would have a number of times investment return of around 6 to 7, yes.

Q. Thank you.

MR. NUTTER: Are there any other questions of the witness? He may be excused.

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 6270?

If there is nothing further, we'll take the case under advisement, and the hearing is adjourned.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and corredt record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6270 heard by me on 7/25 1979.

Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3016 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

August 17, 1979

Mr. William F. Carr
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 6270
ORDER NO. R-6771-A

Applicant:

OCD (Enserch Exploration Inc.)

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Thomas Kellahin

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6270
Order No. R-5771-A

IN THE MATTER OF CASE 6270 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-5771, WHICH ORDER
CREATED THE SOUTH PETERSON-FUSSELMAN
POOL, ROOSEVELT COUNTY, NEW MEXICO,
AND PROVIDED FOR 80-ACRE SPACING.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 25, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of August, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-5771, dated July 17, 1978, temporary special rules and regulations were promulgated for the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, establishing temporary 80-acre spacing units.

(3) That pursuant to the provisions of Order No. R-5771, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Peterson-Fusselman Pool should not be developed on 40-acre spacing units.

(4) That the evidence establishes that one well in the South Peterson-Fusselman Pool can efficiently and economically drain and develop 80 acres.

(5) That the Special Rules and Regulations promulgated by Order No. R-5771 have afforded and will afford to the owner of

each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool.

(6) 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, the Special Rules and Regulations promulgated by Order No. R-5771 should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, promulgated by Order No. R-5771, are hereby continued in full force and effect until further order of the Division.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

S E A L

fd/

R32E

R33E

T 5 S

T 6 S

Exhibit 1
Case 6270

ENSERCH EXPLORATION INC

SOUTH PETERSON AREA

ROOSEVELT COUNTY, NEW MEXICO

Scale 1"= 4,000'

Date: 7-19-79

South Peterson Fusselman Field

Roosevelt County, New Mexico

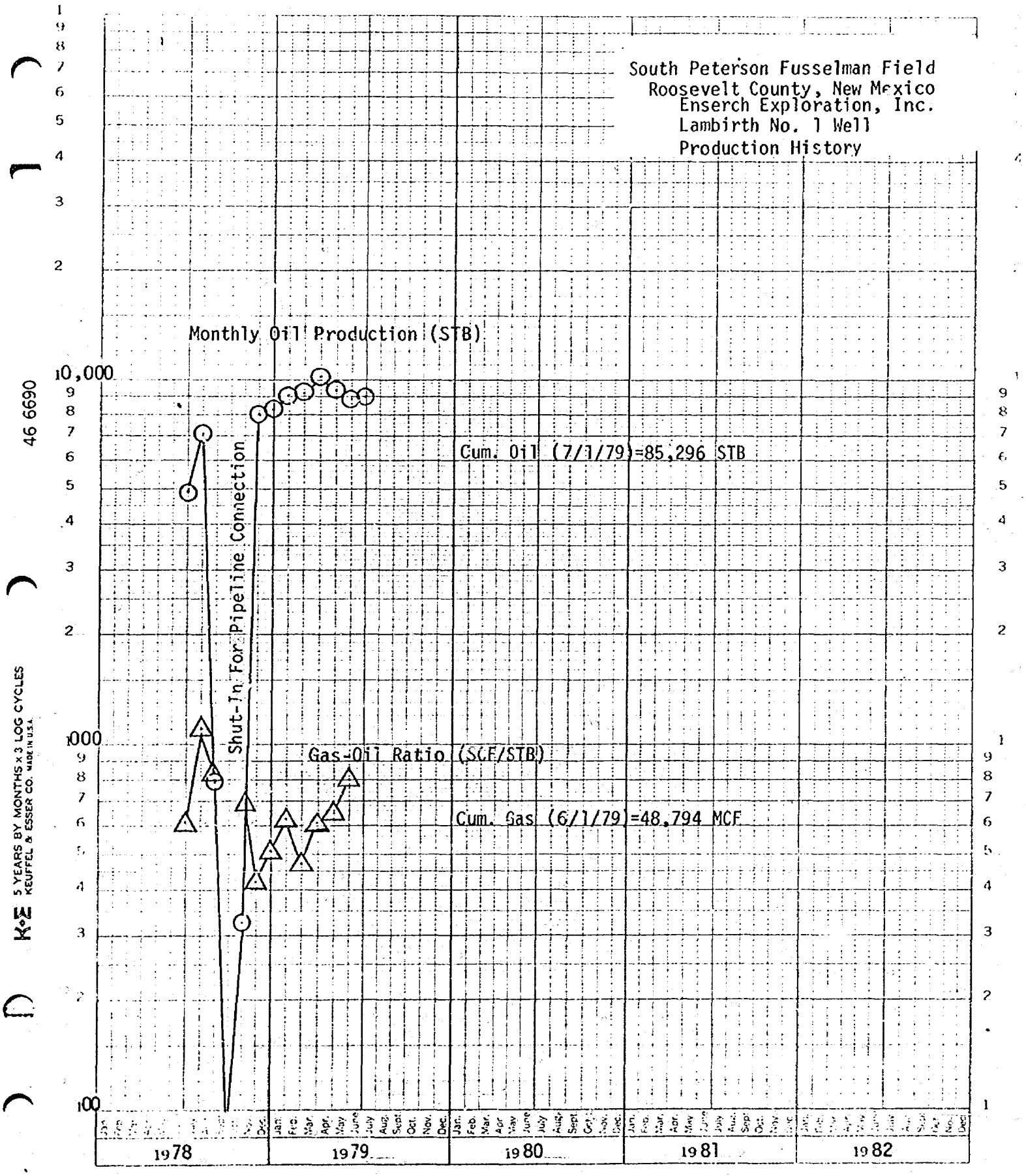
Individual Well Completion
&
Production Data Sheets

Exhibit 3
Case 6270

Enserch Exploration, Inc.

Lambirth No. 1

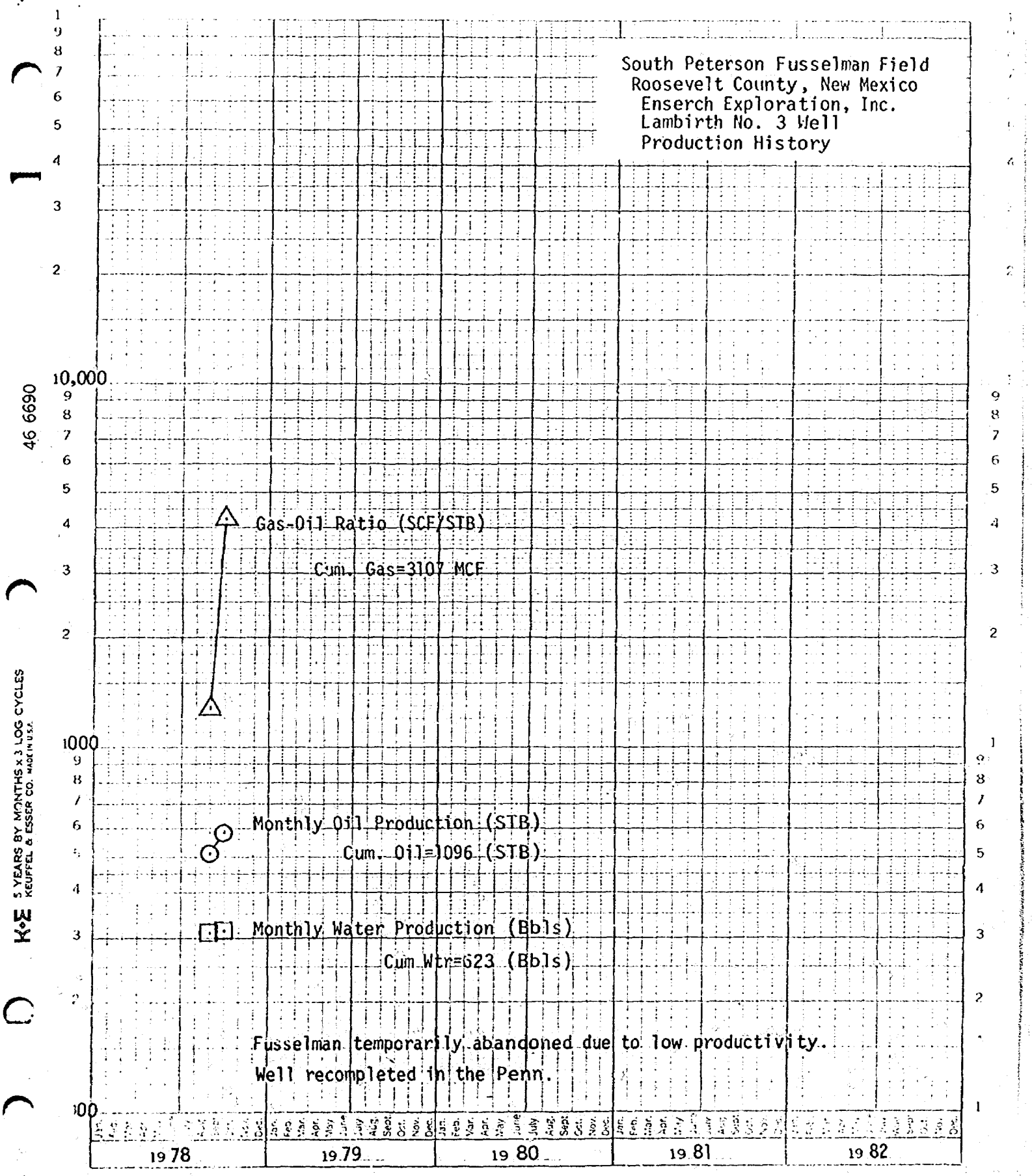
Date of Completion:	6-4-78
Elevation (Gr.):	4413.8'
Perforated Interval:	7808' - 52' (-3394' - 3438')
Date of Potential:	6-4-78
Initial Potential:	638 BO + 703MCF + 0 BW, GOR= 1102, FTP = 585 psi
Original Bottom Hole Pressure: 6-25-78	27[illegible] psi @ 7830' (-3416')
Current Bottom Hole Pressure: 7-18-79	2703 psi @ 7830' (-3416)
Current Production Test: 7-16-79	490 BO + 224 MCF + 0 BW, GOR= 457, FTP= 520 psi
Cumulative Production: 7-16-79	91,050 STB


South Peterson Fusselman Field
Roosevelt County, New Mexico
Enserch Exploration, Inc.
Lambirth No. 1 Well
Production History
Monthly Oil Production (STB)
Cum. Oil (7/1/79)=85,296 STB
Shut-In For Pipeline Connection
Gas-Oil Ratio (SCF/STB)
Cum. Gas (6/1/79)=48,794 MCF
10,000
1000
100
1978
1979
1980
1981
1982
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.
46 6690
K&E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Enserch Exploration, Inc.

Lambirth No. 3

Date of Completion:	7-20-78
Elevation (Gr.)	4393.5'
Perforated Interval:	7840' - 49' acidized w/1500 gallons (-3446'-55')
Initial Test:	Well recovered 81 Bbls of oil +56 Bbls of water before being placed on pump, 7-27-78.
Final Pump Rate: (8-7-78)	98OPD + 11 BWPD + 45 MCF
Comments:	Well recompleted in Penn. due to low productivity of Fusselman.

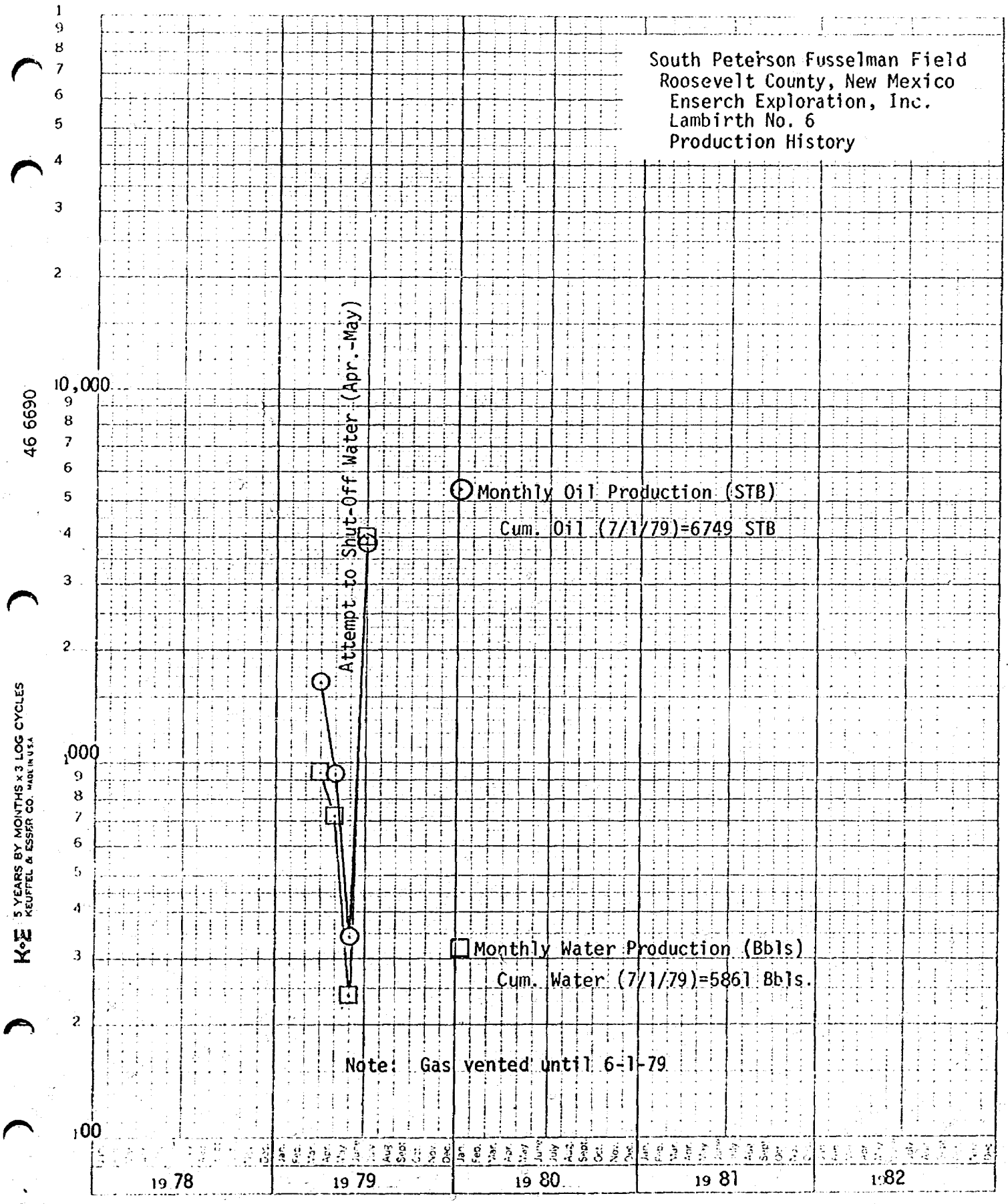

South Peterson Fusselman Field
Roosevelt County, New Mexico
Enserch Exploration, Inc.
Lambirth No. 3 Well
Production History
Gas-Oil Ratio (SCF/STB)
Cum. Gas=3107 MCF
Monthly Oil Production (STB)
Cum. Oil=1096 (STB)
Monthly Water Production (Bbls)
Cum Wtr=623 (Bbls)
Fusselman temporarily abandoned due to low productivity.
Well recompleted in the Penn.
10,000
1000
100
1978
1979
1980
1981
1982
5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.
46 6690

Enserch Exploration, Inc.

Lambirth No. 6

Date of Completion:	3-20-79(1)
Elevation (Gr.)	4381.4'
Perforated Interval:	7830' - 42' (-3449'-61')
Date of Potential:	6-3-79
Initial Potential:	330 BO + 511 MCF + 158 BW, GOR= 1548, FTP = 175 psi
Original Bottom Hole Pressure:	2794 psi @ 7836' (-3455) estimated
Current Bottom Hole Pressure: 7-18-79	2703 @ 7836' (-3455)
Current Production Test:	N/A
Cumulative Production: 7-19-79	7924 STB

(1) Well originally completed in March, 1979. However, well was squeezed four (4) times in order to shut-off water production caused by a poor primary cement job.


South Peterson Fusselman Field
Roosevelt County, New Mexico
Enserch Exploration, Inc.
Lambirth No. 6
Production History
Monthly Oil Production (STB)
Cum. Oil (7/1/79)=6749 STB
Monthly Water Production (Bbls)
Cum. Water (7/1/79)=5861 Bbls.
Attempt to Shut-Off Water (Apr.-May)
Note: Gas vented until 6-1-79
10,000
1,000
100
1978
1979
1980
1981
1982
46 6690
K•E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Enserch Exploration, Inc.

Lambirth No. 7

Date of Completion:	6-6-79
Elevation (Gr.):	4376.5'
Perforated Interval:	7826' - 29.5' (-3449' - 52.5')
Date of Potential:	6-16-79 (pumping)
Initial Potential:	117 BO + 138 MCF + 87 BW, GOR = 1180
Original Bottom Hole Pressure: 4-25-79	2783 psi @ 7826' (-3449')
Current Bottom Hole Pressure:	N/A
Current Production Test: 7-19-79	54BOPD + 22BW
Cumulative Production: 7-19-79	3311 STB

South Peterson Fusselman Field
Roosevelt County, New Mexico
Enserch Exploration, Inc.
Lambirth No. 7 Well
Production History

Monthly Oil Production (STB)
Cum. Oil (7/1/79)=2230 STB

Water Production (Bbls.)
Cum. Wtr.=1120 Bbls.

10,000
1000
100

1978 1979 1980 1981 1982

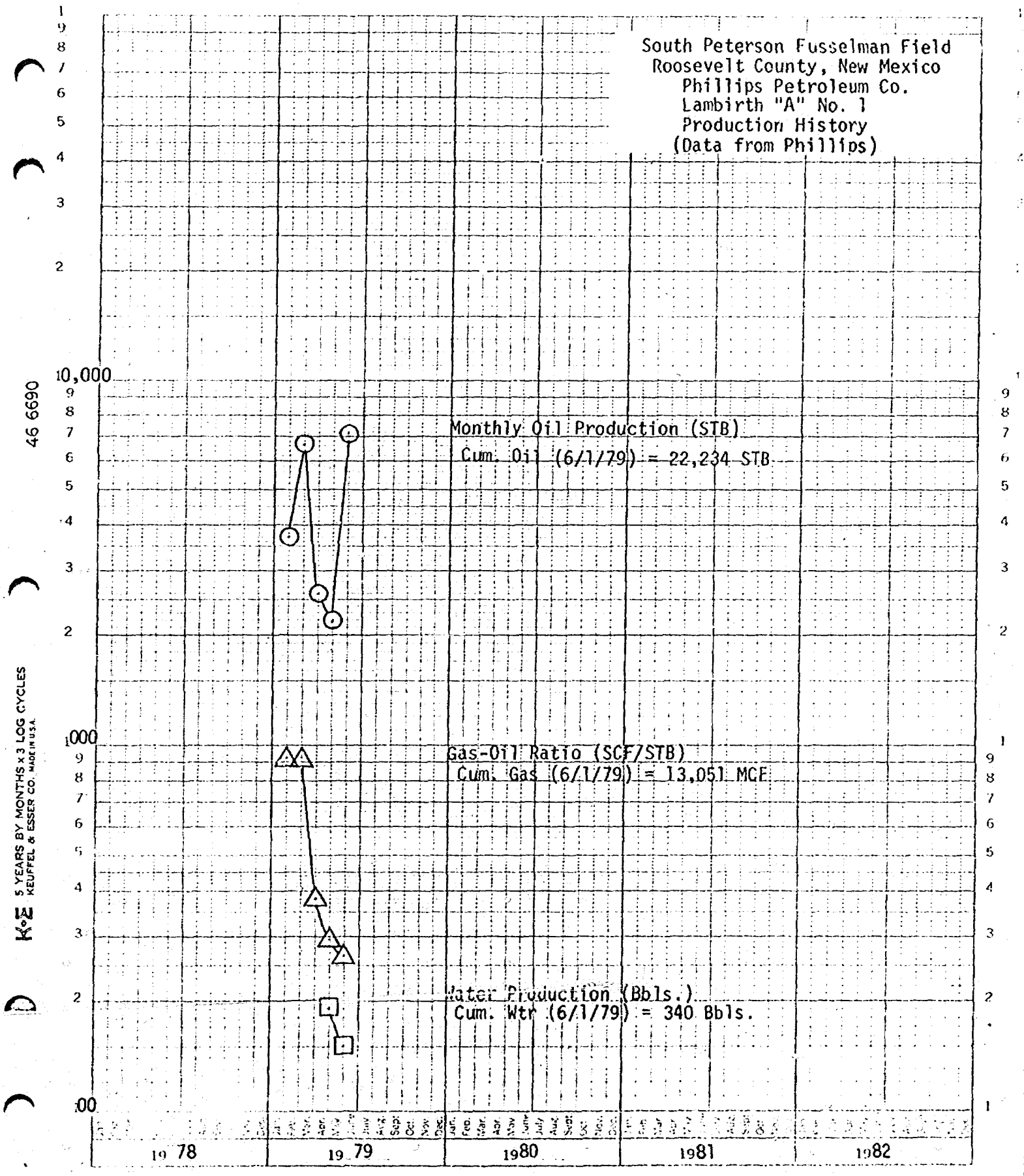
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.

46 6690
KEUFFEL & ESSER CO. MADE IN U.S.A.
5 YEARS BY MONTHS x 3 LOG CYCLES

Phillips Petroleum Co.

Lambirth "A" No. 1

Date of Completion:	1-10-79
Elevation (Gr.):	4405'
Perforated Interval:	7830'-38, 7852'-58' (-3425'-53')
Date of Potential:	1-18-79
Initial Potential:	332 BO + 306 MCF + OBW, GOR= 922, FTP= 285 psi
Original Bottom Hole Pressure:	N/A
Current Bottom Hole Pressure:	N/A
Current Production Test:	N/A
Cumulative Production: (6-1-79)	22,234


South Peterson Fusselman Field
Roosevelt County, New Mexico
Phillips Petroleum Co.
Lambirth "A" No. 1
Production History
(Data from Phillips)
Monthly Oil Production (STB)
Cum. Oil (6/1/79) = 22,234 STB
Gas-Oil Ratio (SCF/STB)
Cum. Gas (6/1/79) = 13,051 MCF
Water Production (Bbls.)
Cum. Wtr (6/1/79) = 340 Bbls.
10,000
1000
100
1978
1979
1980
1981
1982
46 6690
K&E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Phillips Petroleum Co.

Lambirth "A" No. 2

Date of Completion:	4-9-79
Elevation (Gr.):	4396.8'
Perforated Interval:	7832'-38' (-3435'-41')
Date of Potential:	4-19-79
Initial Potential:	410 BO + 685 MCF + tr wtr, GOR 1671, FTP= 675 psi
Original Bottom Hole Pressure:	N/A
Current Bottom Hole Pressure: 7-18-79	2697 psi @ 7835' (-3438')
Current Production Test: 7-16-79	352 BO + 313 MCF, GOR= 889, FTP= 530 psi
Cumulative Production: 6-1-79	9843

South Peterson Fusselman Field
Roosevelt County, New Mexico
Phillips Petroleum Co.
Lambirth "A" No. 2
Production History
(Data from Phillips)

Monthly Oil Production (STB)

Cum. Oil (6/1/79) = 9843 STB

Gas-Oil Ratio (SCF/STB)

Cum. Gas (6/1/79) = 5818 MCF

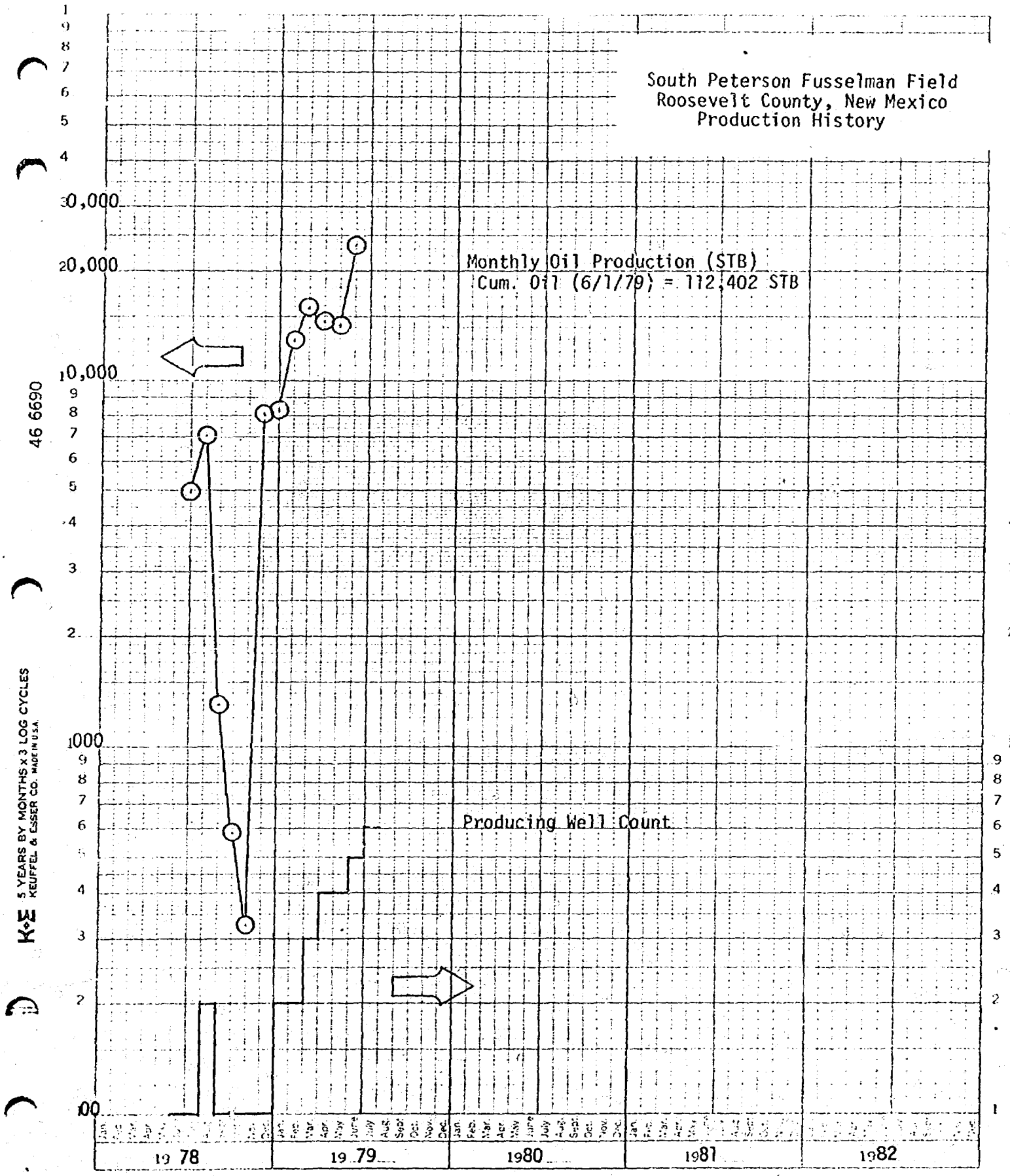
10,000
1,000
100

1978 1979 1980 1981 1982

Phillips Petroleum Co.

Lambirth "A" No. 3

Date of Completion:	N/A Well TD'ed in June
Elevation (Gr):	4425'
Perforated Interval:	7814'-18', 30'-40' & 42'-46' (-3389'-3421')
Comments:	Completion is still in progress


South Peterson Fusselman Field
Roosevelt County, New Mexico
Production History
Monthly Oil Production (STB)
Cum. Oil (6/1/79) = 112,402 STB
Producing Well Count
30,000
20,000
10,000
1000
100
1978
1979
1980
1981
1982
46 6690
K&E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

WELL DATA SHEET

SOUTH PETERSON FUSSELMAN FIELD
ROOSEVELT COUNTY, NEW MEXICO

	ENSERCH LAMBIRTH			PHILLIPS LAMBIRTH		
Well Name	NO. 1	NO. 6	NO. 7	A NO. 1	A NO. 2	A NO. 3
*Net Pay	44'	28'	3.5' (1)	15'	43'	18'
*Average Porosity	12.5%	16.0%	N/A	13.5%	10.9%	15.2%
*Average Water Saturation	21.0%	26.0%	N/A	28.0%	18.0%	20%
Effective Permeability to Oil (md)	559 md (BU)					
Productivity Index (Bbls/Day/psi)	31.9	.2	5.0 (DST)	.266	35.0	N/A

(1) Only the top of the Fusselman was penetrated due to hole conditions. Open-hole logs over the Fusselman were not obtained because of insufficient "rat hole".

* Log calculations

Exhibit 4
case 6270

Minimum Permability Required to drain 80 acres

Since pressure build-up data was not available on the majority of the Fusselman completions, we decided to use productivity index data in order to determine if the well with the lowest productivity index could drain 80 acres.

Keywords:

J= Productivity Index = Bbl/Day/psi
k= permeability (darcies)
h= net pay thickness (feet)
ϕ= porosity (decimal)
Bo= Formation Volume facter (Res Bbl/STB)
re= effective drainage area (ft)
rw= wellbore radius (ft)

Lambirth No. 6

$$J = \frac{7.08\ kh}{\mu Bo\ \ln (re/rw)}$$

J= .2 Bbl/Day/psi
μ= .359 cp
Bo= 1.55 Res Bbl/STB
h= 28' re= 80 acres = 1053', rw= 5.5" = .458'

$$k = \frac{J\mu\ Bo\ \ln (re/rw)}{7.08\ h}$$

$$k = \frac{(.2)(.359)(1.55)\ln(1053'/.458')}{(7.08)(28)}$$

k= .004 darcies or 4 md

Therefore, 4 md are required to drain 80 acres.

Our next objective was to determine if the permeability in the Lambirth 6 was greater than or equal to 4 md. Unfortunately the initial build-up on the Lambirth 6 experienced phase separation in the tubing during the build-up survey. However, in assuming the initial pressure in Lambirth 6 was equal to the initial pressure in the Lambirth No. 1, we calculated the following:

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
11 July 1979

EXAMINER HEARING

IN THE MATTER OF:

In the matter of Case 6270 being reopened pusuant to the provisions of Order No. R-5771 which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico.

CASE 6270

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

MR. STAMETS: We'll call next Case 6270.

MR. PADILLA: In the matter of Case 6270 being reopened pursuant to Order Number R-5771, which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, and provided for 80-acre spacing.

MR. STAMETS: One of the operators in this pool has requested this case be continued to the July 25th Examiner Hearing, and it will be so continued.

(Hearing concluded.)

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd CSR
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6220, heard by me on 7-11 1979.

Richard L. Stamets, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3010 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

Docket No. 27-79

Dockets Nos. 29-79 and 31-79 are tentatively set for hearing on August 8 and 22, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - JULY 24, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6596: Application of Harvey E. Yates Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Upper Pennsylvanian gas pool to be designated as the Southeast Indian Basin-Upper Pennsylvanian Gas Pool for its Southeast Indian Basin Well No. 1 located in Unit A of Section 23, Township 22 South, Range 23 East, and special pool rules therefor including 320-acre gas well spacing.

CASE 6597: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Southeast Indian Basin Well No. 2, an Upper Pennsylvanian well to be drilled 660 feet from the North and West lines of Section 24, Township 22 South, Range 23 East, with the N/2 or all of said Section 24 to be dedicated to the well, depending on the outcome of Case No. 6596.

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Docket No. 28-79

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1979

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

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

CASE 6545: (Continued from June 27, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6598: Application of Gulf Oil Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Otero-Gallup and Basin-Dakota production in the wellbores of its Apache Federal Wells No. 8 located in Unit C of Section 8 and No. 9 located in Unit D of Section 17, both in Township 24 North, Range 5 West.

CASE 6599: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fusselman and Montoya production, North Justis Field, in the wellbore of its W. A. Ramsay Well No. 4 located in Unit M of Section 36, Township 24 South, Range 37 East.

CASE 6600: Application of Mesa Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 10, Township 16 South, Range 27 East, 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 6601: Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the E/2 of Section 8, Township 14 South, Range 36 East, 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 6602: Application of Tenneco Oil Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal 33 C No. 2 Well 1010 feet from the North line and 1710 feet from the West line of Section 33, Township 17 South, Range 29 East, South Empire-Wolfcamp Pool, the E/2 NW/4 of said Section 33 to be dedicated to the well.

Docket No. 28-79

CASE 6603: (This case will be continued to the August 8 hearing.)

Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Penrose Skelly and Eumont production in the wellbore of its Hawk B-1 Well No. 12 located in Unit O of Section 8, Township 21 South, Range 37 East.

CASE 6604: Application of Cities Service Company for rescission of Division Order No. R-5921, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Order No. R-5921 which order provided for the compulsory pooling of all of the mineral interests in the Pennsylvanian formation underlying the S/2 of Section 8, Township 23 South, Range 28 East.

CASE 6605: Application of Estoril Producing Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 15, Township 20 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 15. 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 6564: (Continued and Readvertised)

Application of Herndon Oil & Gas Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its O. A. Woody Well No. 1 to be drilled 2310 feet from the North line and 330 feet from the West line of Section 35, Township 16 South, Range 38 East, Knowles-Devonian Pool.

CASE 6606: Application of Getty Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Yates formation in the open-hole interval from 3810 feet to 4169 feet in its State "AA" Well No. 1 located in Unit I of Section 35, Township 21 South, Range 34 East.

CASE 6607: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Getty 36 State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 34 East, to produce oil from the Wolfcamp formation and gas from the Morrow formation through parallel strings of tubing.

CASE 6608: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Getty 36 State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 34 East, and special rules therefor, including 160-acre oil well spacing.

CASE 6609: Application of Napeco Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn oil pool for its Benson Deep Unit Well No. 1 located in Unit O of Section 33, Township 18 South, Range 30 East, and special rules therefor, including 160-acre spacing and standard well locations.

CASE 6610: Application of Koch Industries, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Rustler formation through the perforated interval from 1190 feet to 1210 feet in its Wills "A" Well No. 7 located in Unit E of Section 35, Township 26 South, Range 37 East, Rhodes Field.

CASE 6611: Application of Cabot Corp. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the disposal of produced salt water in the Devonian formation through the perforated interval from 12,156 feet to 12,574 feet in its Reed Well No. 1 located in Unit H of Section 35, Township 13 South, Range 37 East, King Field.

CASE 6487: (Continued from May 23, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6471: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6472: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6473: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6474: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6475: (Continued from May 23, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6535: (Continued from June 13, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6579: (Continued from June 27, 1979, Examiner Hearing)

Application of R. N. Hillin for an unorthodox well location and approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of a Morrow gas well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, is necessary to effectively and efficiently drain that portion of the E/2 of said Section 34 which cannot be so drained by the existing well.

CASE 6580: (Continued from June 27, 1979, Examiner Hearing) (This case will be continued to the August 22 hearing.)

Application of Continental Oil Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project in the Grayburg-San Andres formation in Units H and I of Section 20, Township 17 South, Range 32 East, Maljamar Pool, for tertiary recovery purposes.

CASE 6270: (Continued from July 11, 1979, Examiner Hearing)

In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771 which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, and provided for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 6590: (Continued from July 11, 1979, Examiner Hearing)

Application of Grace Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 9, 10, 15, and 16 and the SE/4 of Section 6, Township 21 South, Range 32 East, to be dedicated to a well to be drilled at an unorthodox location 4650 feet from the South line and 660 feet from the East line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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.

CAMPBELL AND BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALOWELL

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE

RFC

July 2, 1979

Mr. Joe D. Ramey
State Petroleum Engineer
Post Office Box 2088
Santa Fe, New Mexico 87501

RE: Oil Conservation Division Case 6270.

Dear Mr. Ramey:

Enserch Exploration Inc. hereby requests that Case 6270 be continued to the Examiner Hearing scheduled for July 25, 1979.

Very truly yours,

William F. Carr

WFC/tn

cc: Mr. Leonard Kersch

Docket No. 25-79

Dockets Nos. 27-79 and 28-79 are tentatively set for hearing on July 25 and August 8, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 1979

9 A.M. - OIL CONSERVATION DIVISION 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:

CASE 6583: Application of Amoco Production Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of B.S. Mesa-Gallup and Basin-Dakota production in the wellbore of its Jicarilla Apache 102 Well No. 13 located in Unit B of Section 10, Township 26 North, Range 4 West.

CASE 6584: Application of Texas Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Shugart State Com. Well No. 2 660 feet from the South line and 1930 feet from the East line of Section 16, Township 18 South, Range 31 East, to test the Wolfcamp through Mississippian formations, the E/2 of said Section 16 to be dedicated to the well.

CASE 6574: (Continued from June 13, 1979, Examiner Hearing)

Application of Texas Oil & Gas Corp. for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Morrow formations underlying the E/2 of Section 6, Township 17 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South and East lines of said Section 6. 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 6563: (Continued from June 27, 1979, Examiner Hearing)

Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his North Woolworth Ranch Unit Area, comprising 1,280 acres, more or less, of State lands in Township 23 South, Range 35 East.

CASE 6585: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Fruitland and West Kutz-Pictured Cliffs production in the wellbores of its Paul Wells Nos. 1 and 2 located in Units G and C of Section 19, Township 27 North, Range 11 West.

CASE 6586: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Conner-Fruitland and undesignated Pictured Cliffs production in the wellbores of the following wells: Big Field Well No. 2 in Unit C of Section 3; Big Field Well No. 5 in Unit P of Section 10; Dinero Well No. 1 in Unit H of Section 13; and Molly Pitcher Well No. 2 in Unit H of Section 14, all in Township 30 North, Range 14 West.

CASE 6587: Application of Caribou Four Corners, Inc., for three unorthodox well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following wells in the Cha Cha-Gallup Pool: Kirtland Wells Nos. 3 and 4 located 730 feet from the North line and 2250 feet from the East line and 1450 feet from the North line and 595 feet from the East line, respectively, of Section 18, Township 29 North, Range 14 West; and Kirtland Well No. 2 260 feet from the North line and 2100 feet from the East line of Section 13, Township 29 North, Range 15 West.

CASE 6588: Application of Caribou Four Corners, Inc., for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 64.32-acre non-standard oil proration unit comprising the NW/4 NW/4 and that part of Lot 5 lying north of the San Juan River, all in Section 18, Township 29 North, Range 14 West, Cha Cha-Gallup Oil Pool.

CASE 6589: 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 its State "BV" No. 2 Well 2109 feet from the North line and 1778 feet from the West line of Section 25, Township 17 South, Range 28 East, to test the Morrow formation, the N/2 of said Section 25 to be dedicated to the well.

CASE 6590: Application of Grace Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 9, 10, 15, and 16 and the SE/4 of Section 6, Township 21 South, Range 32 East, to be dedicated to a well to be drilled at an unorthodox location 4650 feet from the South line and 660 feet from the East line of said Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 6591: Application of Exxon Corporation for vertical pool limit redefinition, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the vertical limits of the Langlie Mattix Pool to include the lowermost 165 feet of the Seven Rivers formation and the concomitant contraction of the vertical limits of the Jalmat Gas Pool underlying the NE/4 of Section 2, Township 24 South, Range 36 East.

CASE 6592: Application of Maddox Energy Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Malaga Well No. 1 located in Unit G of Section 3, Township 24 South, Range 28 East, to produce gas from the Atoka and Morrow formations through parallel strings of tubing.

CASE 6593: Application of Dyco Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the San Andres, Glorieta and Tubb formations in the open-hole interval from 4894 feet to 8725 feet in its C. S. Stone Well No. 3 located in Unit F of Section 22, Township 15 South, Range 38 East, Medicine Rock-Devonian Pool.

CASE 6594: Application of Flag-Redfern Oil Co. for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221 to permit disposal of produced brine in an unlined surface pit located in Unit K, Section 2, Township 19 South, Range 31 East, Shugart Field.

CASE 6595: Application of Stevens Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NW/4 SW/4 of Section 30, Township 8 South, Range 29 East, 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 6270: (Reopened and Readvertised)

In the matter of Case 6270 being reopened pursuant to the provisions of Order No. R-5771 which order created the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, and provided for 80-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

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Docket No. 26-79

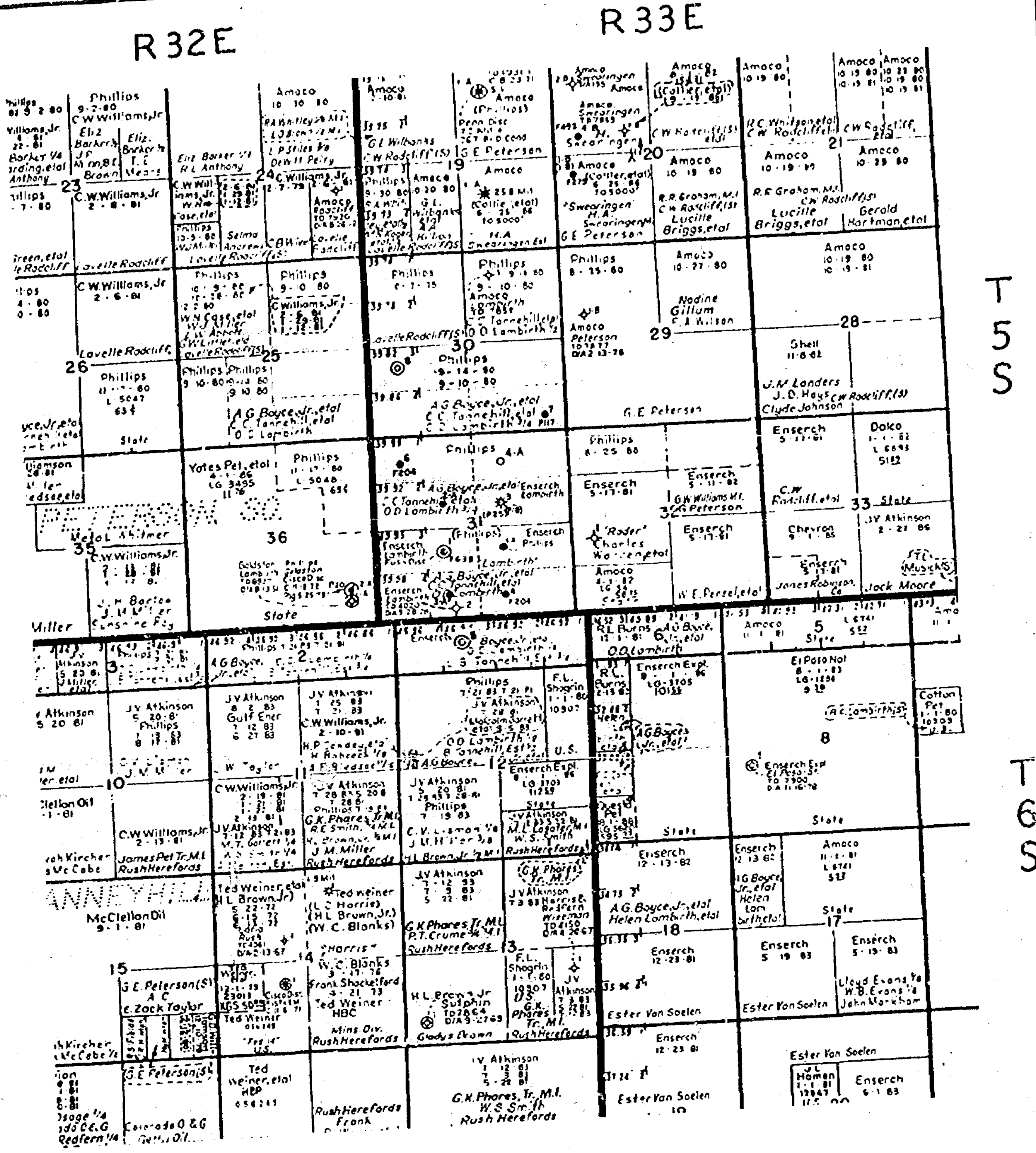
DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 18, 1979

9 A.M. - OIL CONSERVATION DIVISION 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 August, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for August, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.



ENSERCH EXPLORATION INC

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
ENSERCH EXHIBIT NO. 1
CASE NO. 6270

SOUTH PETERSON AREA
ROOSEVELT COUNTY, NEW MEXICO
Date: 7-19-79

South Peterson Fusselman Field

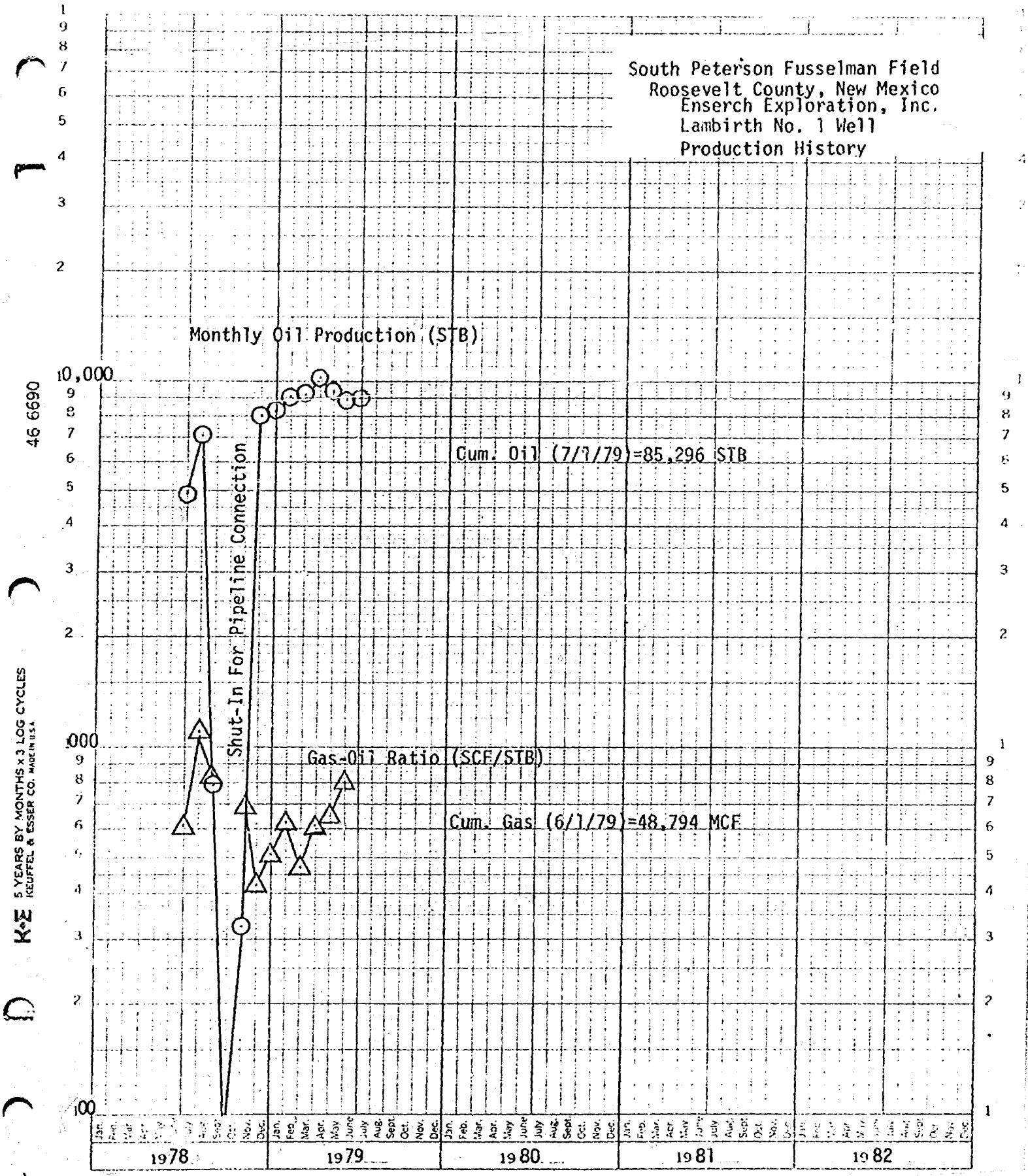
Roosevelt County, New Mexico

Individual Well Completion
&
Production Data Sheets

Enserch Exploration, Inc.

Lambirth No. 1

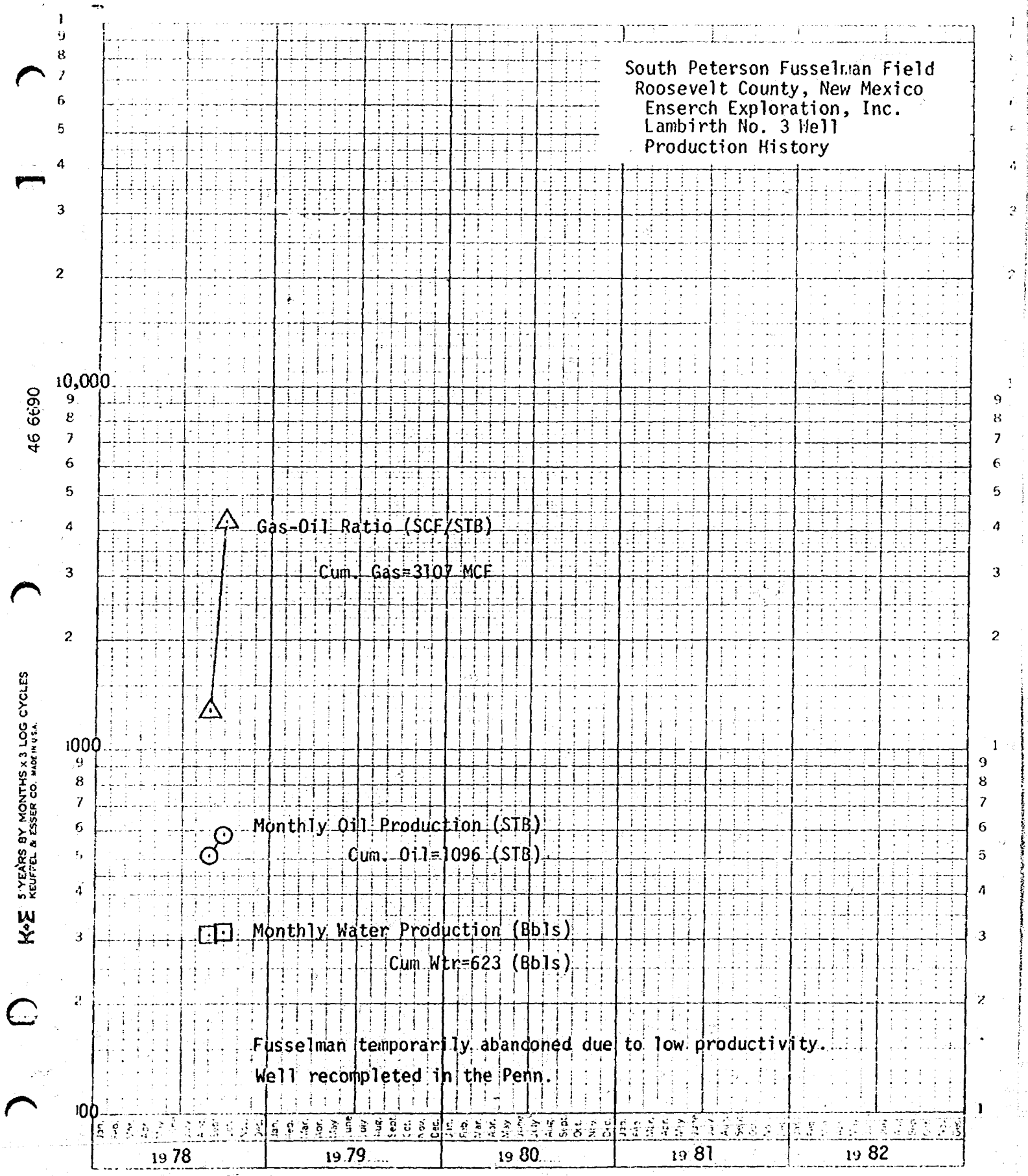
Date of Completion:	6-4-78
Elevation (Gr.):	4413.8'
Perforated Interval:	7808' - 52' (-3394' - 3438')
Date of Potential:	6-4-78
Initial Potential:	638 BO + 703MCF + 0 BW, GOR= 1102, FTP = 585 psi
Original Bottom Hole Pressure: 6-25-78	2781 psi @ 7830' (-3416')
Current Bottom Hole Pressure: 7-18-79	2703 psi @ 7830' (-3416)
Current Production Test: 7-16-79	490 BO + 224 MCF + 0 BW, GOR= 457, FTP= 520 psi
Cumulative Production: 7-16-79	91,050 STB


South Peterson Fusselman Field
Roosevelt County, New Mexico
Enserch Exploration, Inc.
Lambirth No. 1 Well
Production History
Monthly Oil Production (STB)
Cum. Oil (7/1/79)=85,296 STB
Shut-In For Pipeline Connection
Gas-Oil Ratio (SCF/STB)
Cum. Gas (6/1/79)=48,794 MCF
10,000
1,000
100
1978
1979
1980
1981
1982
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.
46 6690
K+E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Enserch Exploration, Inc.

Lambirth No. 3

Date of Completion:	7-20-78
Elevation (Gr.)	4393.5'
Perforated Interval:	7840' - 49' acidized w/1500 gallons (-3446'-55')
Initial Test:	Well recovered 81 Bbls of oil +56 Bbls of water before being placed on pump, 7-27-78.
Final Pump Rate: (8-7-78)	9BOPD + 11 BWPD + 45 MCF
Comments:	Well recompleted in Penn. due to low productivity of Fusselman.

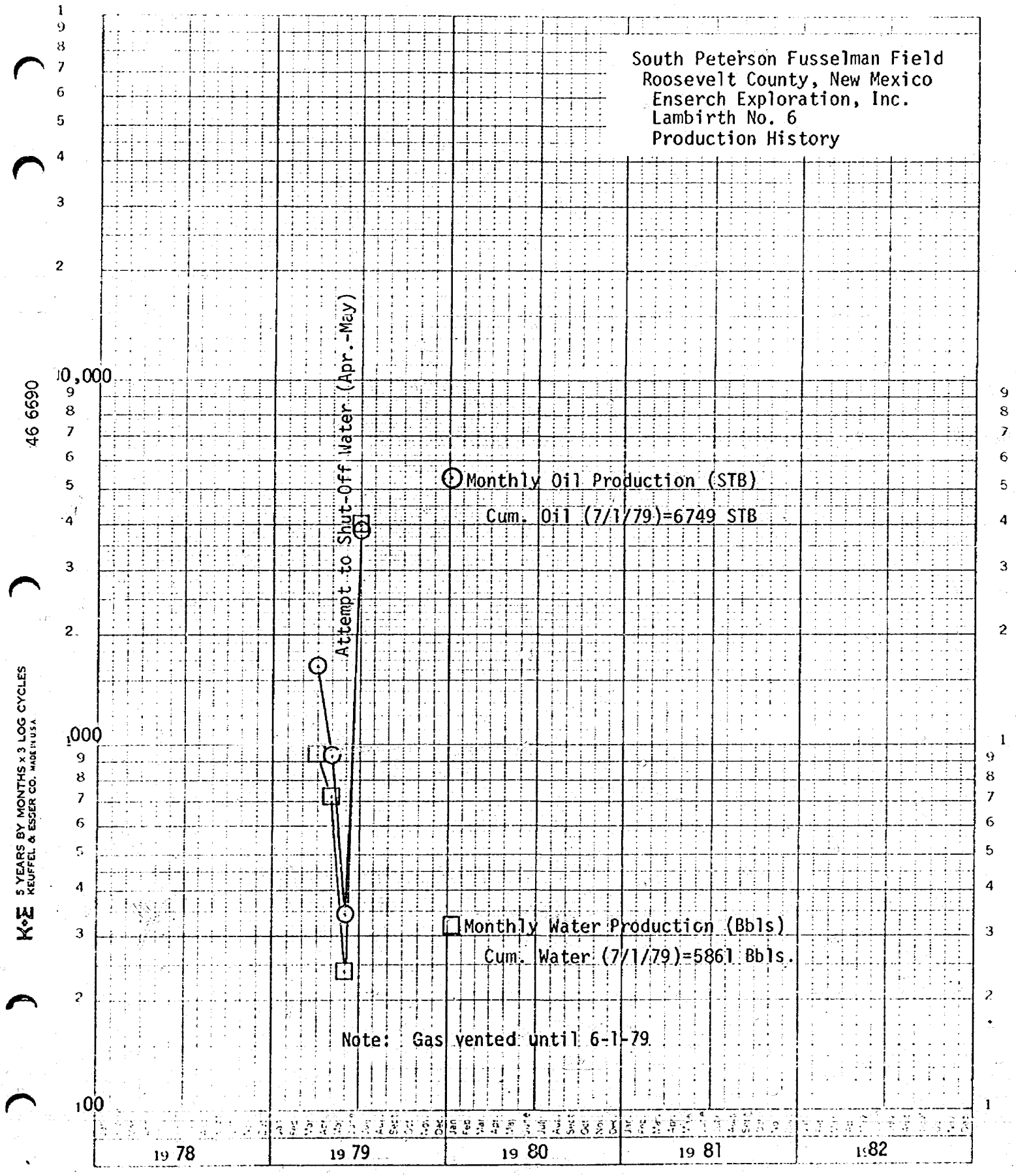

South Peterson Fusselman Field
Roosevelt County, New Mexico
Enserch Exploration, Inc.
Lambirth No. 3 Well
Production History
Gas-Oil Ratio (SCF/STB)
Cum. Gas=3107 MCF
Monthly Oil Production (STB)
Cum. Oil=1096 (STB)
Monthly Water Production (Bbls)
Cum Wtr=623 (Bbls)
Fusselman temporarily abandoned due to low productivity.
Well recompleted in the Penn.
10,000
1000
100
1978
1979
1980
1981
1982
46 6690
5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Enserch Exploration, Inc.

Lambirth No. 6

Date of Completion:	3-20-79(1)
Elevation (Gr.)	4381.4'
Perforated Interval:	7830' - 42' (-3449'-61')
Date of Potential:	6-3-79
Initial Potential:	330 BO + 511 MCF + 158 BW, GOR= 1548, FTP = 175 psi
Original Bottom Hole Pressure:	2794 psi @ 7836' (-3455) estimated
Current Bottom Hole Pressure: 7-18-79	2703 @ 7836' (-3455)
Current Production Test:	N/A
Cumulative Production: 7-19-79	7924 STB

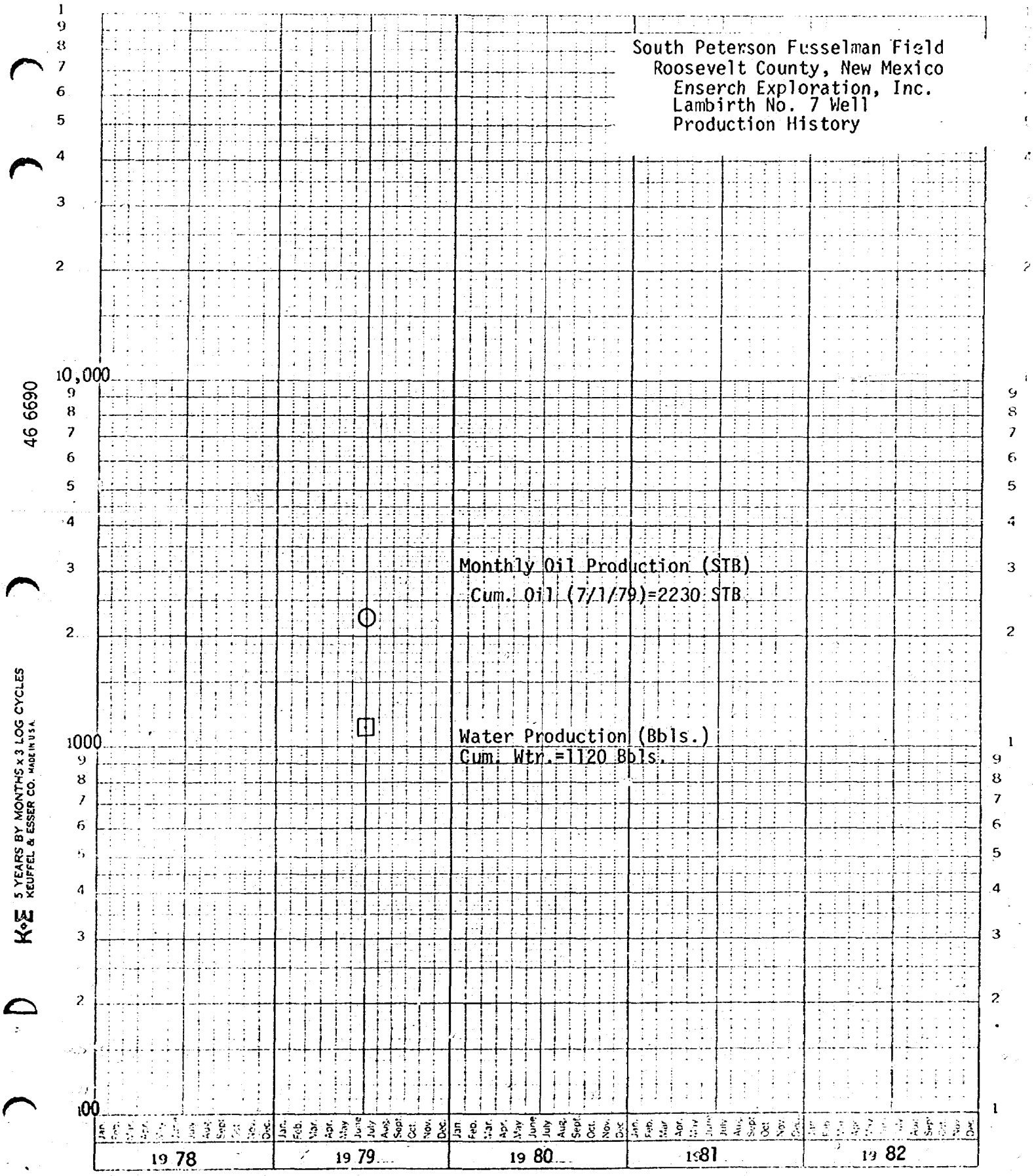
(1) Well originally completed in March, 1979. However, well was squeezed four (4) times in order to shut-off water production caused by a poor primary cement job.


South Peterson Fusselman Field
Roosevelt County, New Mexico
Enserch Exploration, Inc.
Lambirth No. 6
Production History
Monthly Oil Production (STB)
Cum. Oil (7/1/79)=6749 STB
Monthly Water Production (Bbls)
Cum. Water (7/1/79)=5861 Bbls.
Attempt to Shut-Off Water (Apr.-May)
Note: Gas vented until 6-1-79
10,000
1,000
100
1978
1979
1980
1981
1982
46 6690
K+E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Enserch Exploration, Inc.

Lambirth No. 7

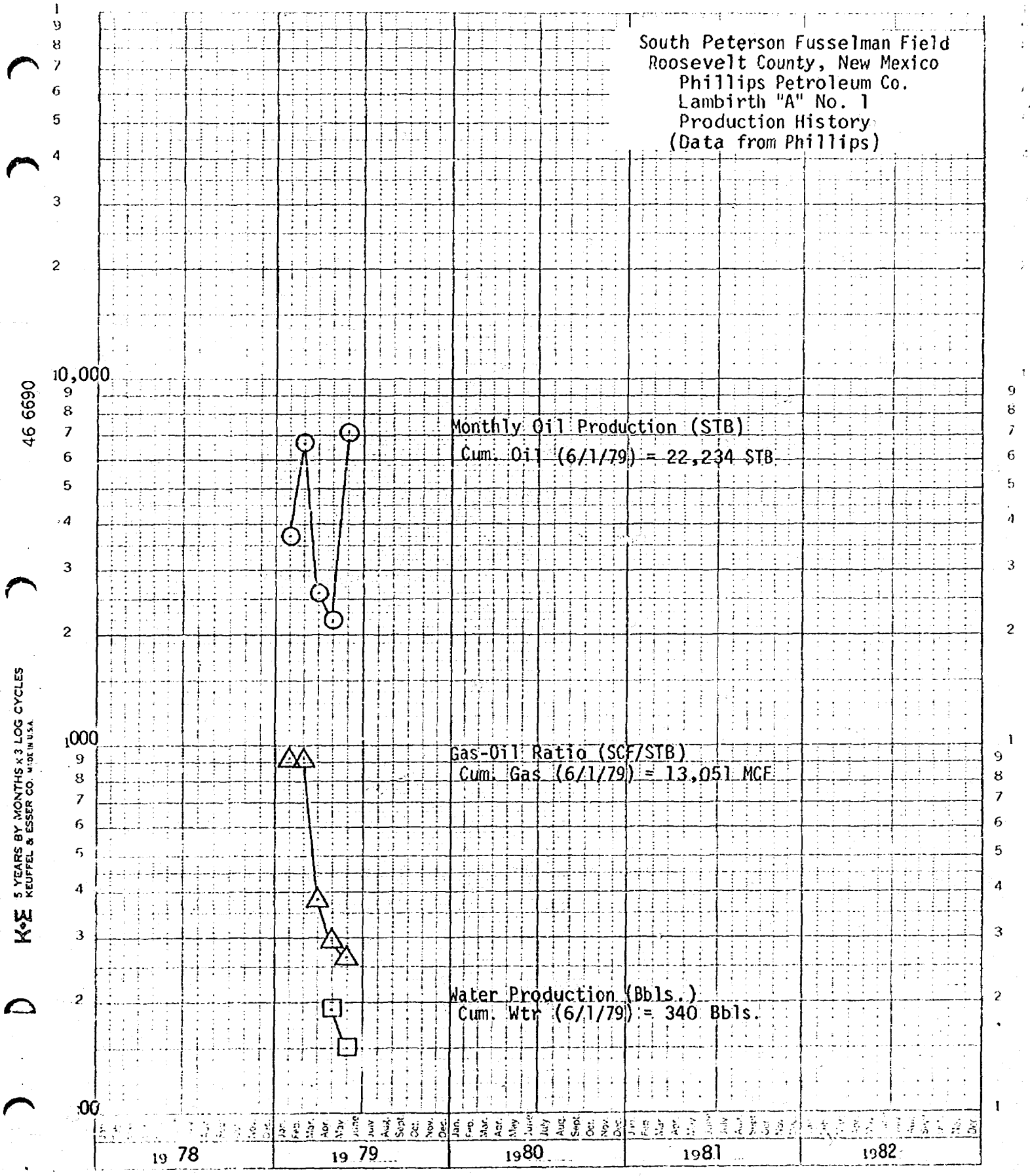
Date of Completion:	6-6-79
Elevation (Gr.):	4376.5'
Perforated interval:	7826' - 29.5' (-3449' - 52.5')
Date of Potential:	6-16-79 (pumping)
Initial Potential:	117 BO + 138 MCF + 87 BW, GOR = 1180
Original Bottom Hole Pressure: 4-25-79	2783 psi @ 7826' (-3449')
Current Bottom Hole Pressure:	N/A
Current Production Test: 7-19-79	54BOPD + 22BW
Cumulative Production: 7-19-79	3311 STB


South Peterson Fusselman Field
Roosevelt County, New Mexico
Enserch Exploration, Inc.
Lambirth No. 7 Well
Production History
Monthly Oil Production (STB)
Cum. Oil (7/1/79)=2230 STB
Water Production (Bbls.)
Cum. Wtr.=1120 Bbls.
10,000
1000
100
1978
1979
1980
1981
1982
46 6690
K•E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Phillips Petroleum Co.

Lambirth "A" No. 1

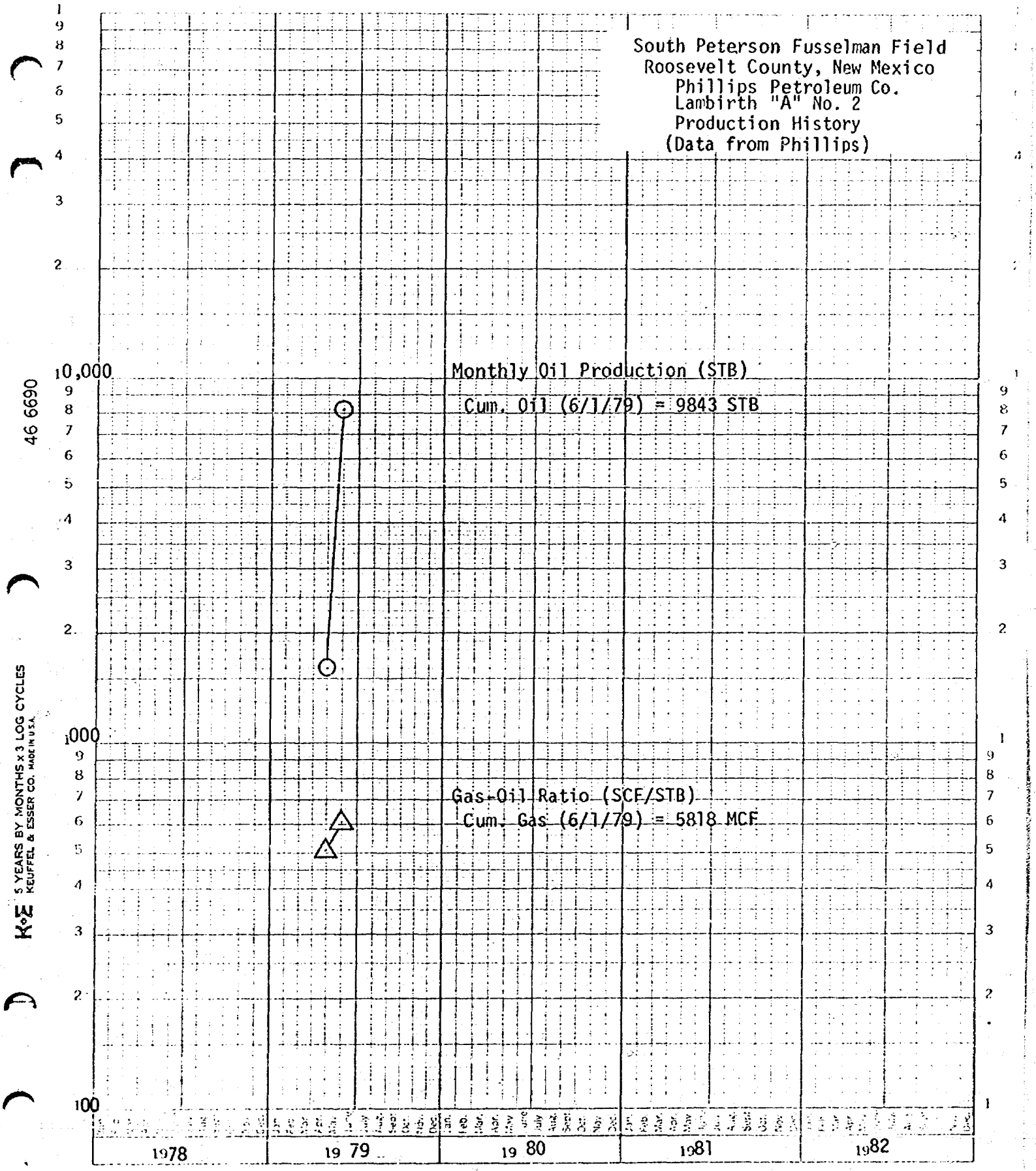
Date of Completion:	1-10-79
Elevation (Gr.):	4405'
Perforated Interval:	7830'-38, 7852'-58' (-3425'-53')
Date of Potential:	1-18-79
Initial Potential:	332 BO + 306 MCF + OBW, GOR= 922, FTP= 285 psi
Original Bottom Hole Pressure:	N/A
Current Bottom Hole Pressure:	N/A
Current Production Test:	N/A
Cumulative Production: (6-1-79)	22,234


South Peterson Fusselman Field
Roosevelt County, New Mexico
Phillips Petroleum Co.
Lambirth "A" No. 1
Production History
(Data from Phillips)
Monthly Oil Production (STB)
Cum. Oil (6/1/79) = 22,234 STB
Gas-Oil Ratio (SCF/STB)
Cum. Gas (6/1/79) = 13,051 MCF
Water Production (Bbls.)
Cum. Wtr (6/1/79) = 340 Bbls.
10,000
1000
100
1978
1979
1980
1981
1982
46 6690
K&E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Phillips Petroleum Co.

Lambirth "A" No. 2

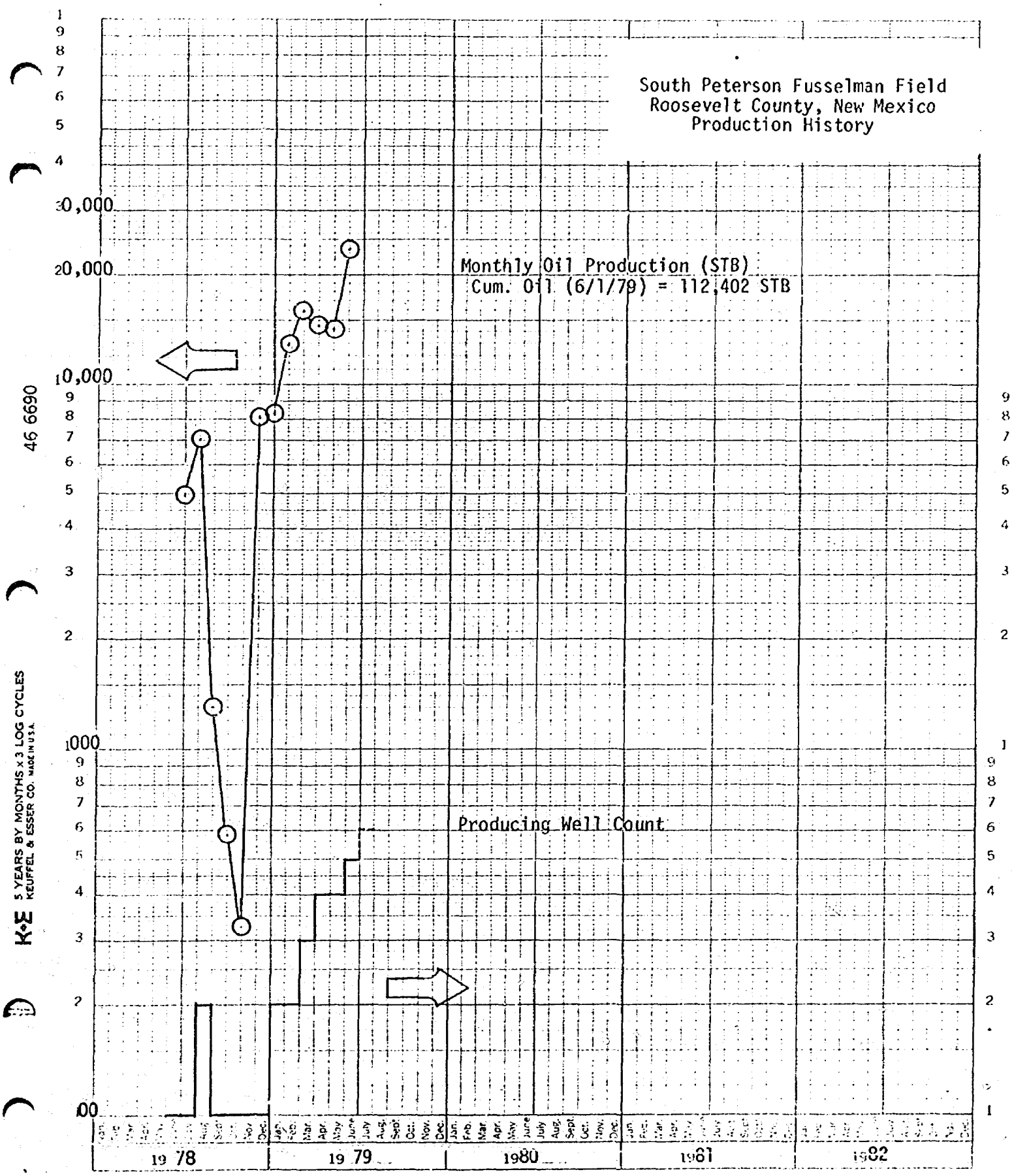
Date of Completion:	4-9-79
Elevation (Gr.):	4396.8'
Perforated Interval:	7832'-38' (-3435'-41')
Date of Potential:	4-19-79
Initial Potential:	410 BO + 685 MCF + tr wtr, GOR 1671, FTP= 675 psi
Original Bottom Hole Pressure:	N/A
Current Bottom Hole Pressure: 7-18-79	2697 psi @ 7835' (-3438')
Current Production Test: 7-16-79	352 BO + 313 MCF, GOR= 889, FTP= 530 psi
Cumulative Production: 6-1-79	9843


South Peterson Fusselman Field
Roosevelt County, New Mexico
Phillips Petroleum Co.
Lambirth "A" No. 2
Production History
(Data from Phillips)
Monthly Oil Production (STB)
Cum. Oil (6/1/79) = 9843 STB
Gas-Oil Ratio (SCF/STB)
Cum. Gas (6/1/79) = 5818 MCF
10,000
1000
100
1978
1979
1980
1981
1982
46 6690
K+E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

Phillips Petroleum Co.

Lambirth "A" No. 3

Date of Completion:	N/A Well TD'ed in June
Elevation (Gr):	4425'
Perforated Interval:	7814'-18', 30'-40' & 42'-46' (-3389'-3421')
Comments:	Completion is still in progress


South Peterson Fusselman Field
Roosevelt County, New Mexico
Production History
Monthly Oil Production (STB)
Cum. Oil (6/1/79) = 112,402 STB
Producing Well Count
10,000
1000
100
1978
1979
1980
1981
1982
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.
46 6690
K+E 5 YEARS BY MONTHS x 3 LOG CYCLES
KEUFFEL & ESSER CO. MADE IN U.S.A.

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
ENSERCH EXHIBIT NO. 4
CASE NO. 6270

WELL DATA SHEET

SOUTH PETERSON FUSSELMAN FIELD
ROOSEVELT COUNTY, NEW MEXICO

	ENSERCH LAMBIRTH			PHILLIPS LAMBIRTH		
Well Name	NO. 1	NO. 6	NO. 7	A NO. 1	A NO. 2	A NO. 3
*Net Pay	44'	28'	3.5' (1)	15'	43'	18'
*Average Porosity	12.5%	16.0%	N/A	13.5%	10.9%	15.2%
*Average Water Saturation	21.0%	26.0%	N/A	28.0%	18.0%	20%
Effective Permeability to Oil (md)	559 md (BU)					
Productivity Index (Bbls/Day/psi)	31.9	.2	5.0 (DST)	.266	35.0	N/A

(1) Only the top of the Fusselman was penetrated due to hole conditions. Open-hole logs over the Fusselman were not obtained because of insufficient "rat hole".

* Log calculations

South Peterson Fusselman Field
Roosevelt County, New Mexico

Enserch Exploration, Inc.
Lambirth No. 1

Calculations & Results of Reservoir Limit Test

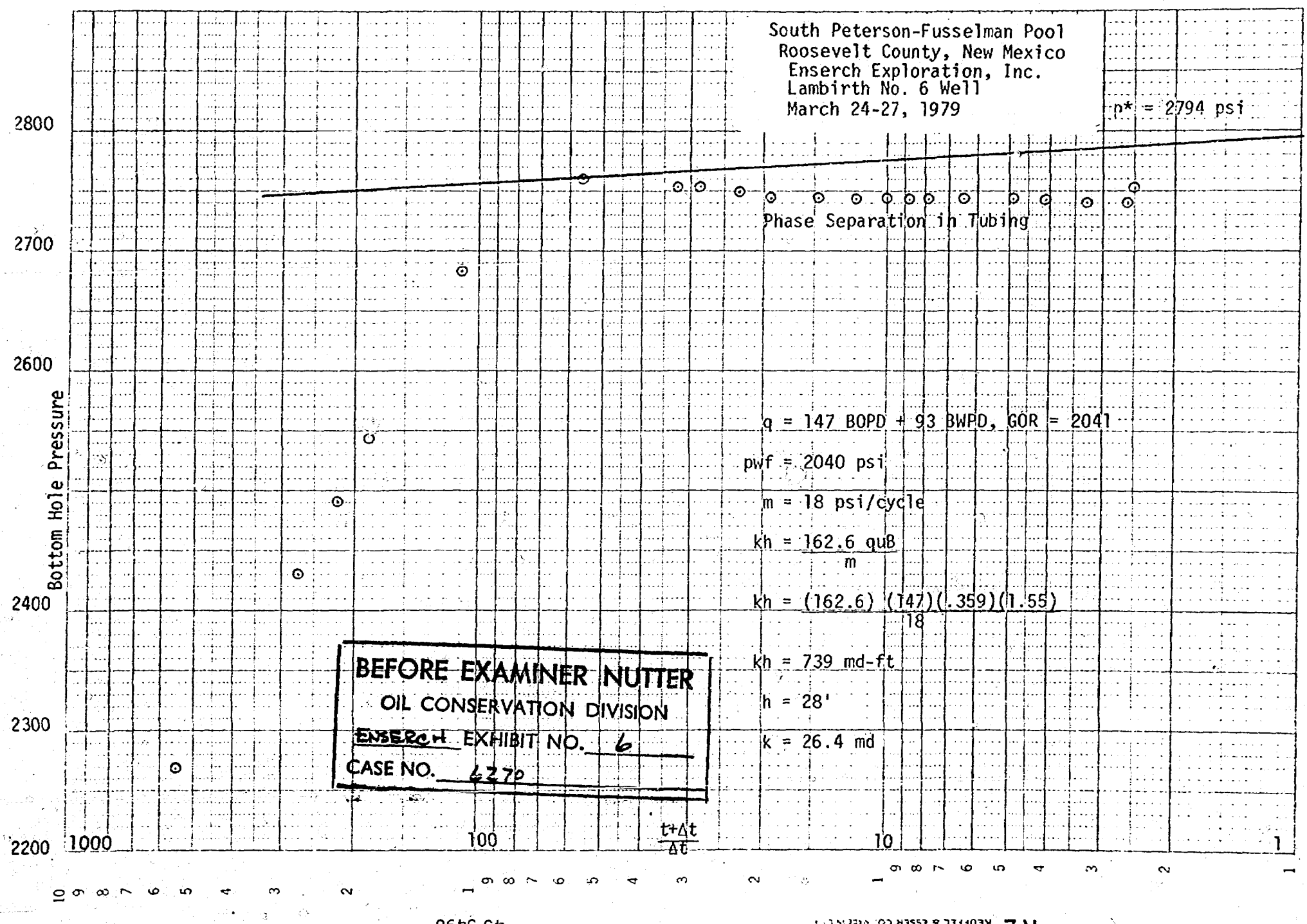
βL= .15 psi/hour

$$Vp = .0418 \frac{qB}{\beta LC}$$

$$Vp = (.0418) \frac{(647)\ (1.539)}{(.15)\ (15.62 \times 10^{-6})}$$

$Vp = 17.76 \times 10^{6}$ reservoir bbls

≈ 830 acres drainage area



BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
ENSERCH EXHIBIT NO. 6
CASE NO. 4270

Minimum Permability Required to drain 80 acres

Since pressure build-up data was not available on the majority of the Fusselman completions, we decided to use productivity index data in order to determine if the well with the lowest productivity index could drain 80 acres.

Keywords:

J= Productivity Index = Bbl/Day/psi
k= permeability (darcies)
h= net pay thickness (feet)
ϕ= porosity (decimal)
Bo= Formation Volume facter (Res Bbl/STB)
re= effective drainage area (ft)
rw= wellbore radius (ft)

Lambirth No. 6

$$J = \frac{7.08\ kh}{\mu Bo\ \ln\ (re/rw)}$$

J= .2 Bbl/Day/psi
μ= .359 cp
Bo= 1.55 Res Bbl/STB
h= 28' re= 80 acres = 1053', rw= 5.5" = .458'

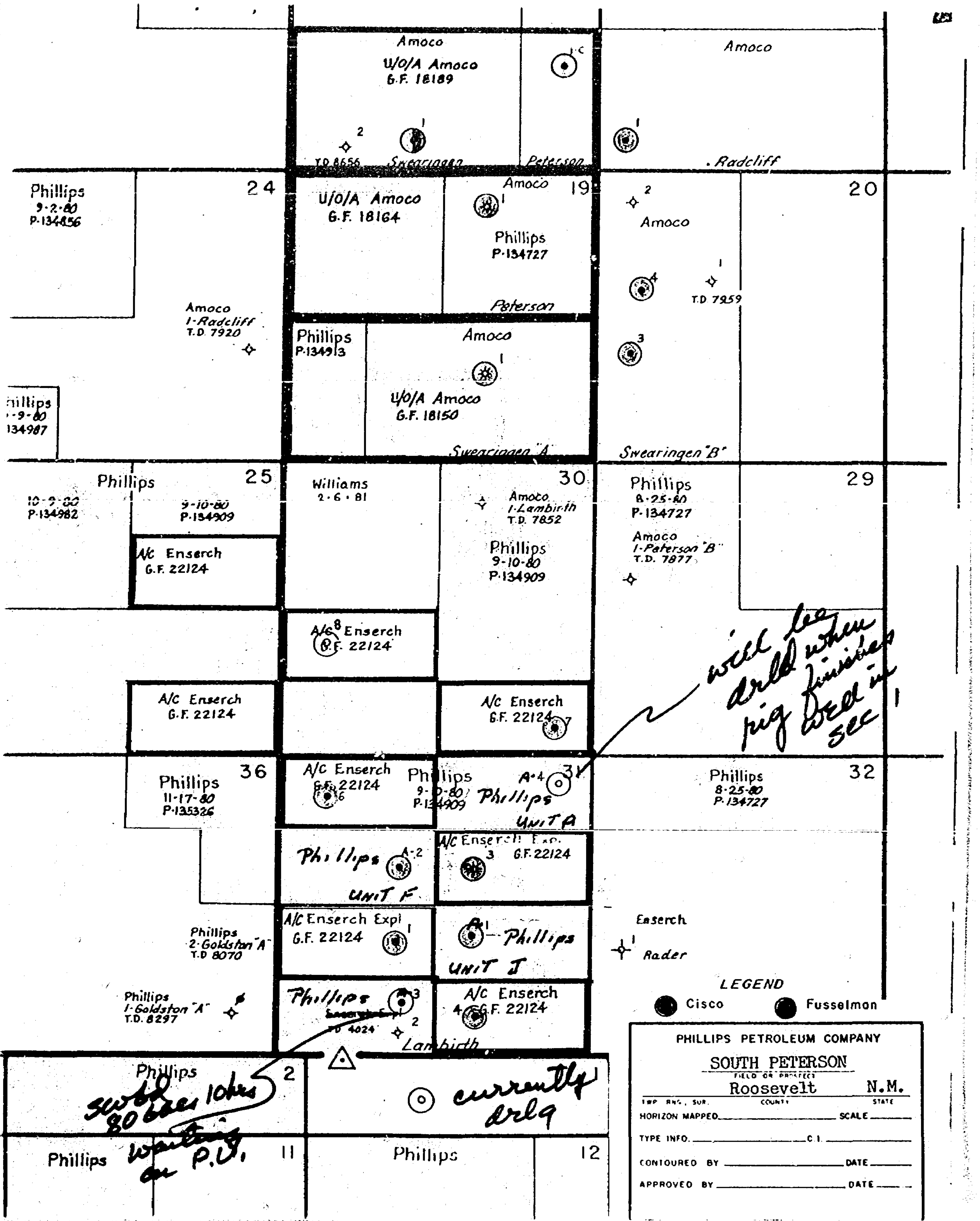
$$k = \frac{J\mu\ Bo\ \ln\ (re/rw)}{7.08\ h}$$

$$k = \frac{(.2)(.359)(1.55)\ln(1053'/.458')}{(7.08)(28)}$$

k= .004 darcies or 4 md

Therefore, 4 md are required to drain 80 acres.

Our next objective was to determine if the permeability in the Lambirth 6 was greater than or equal to 4 md. Unfortunately the initial build-up on the Lambirth 6 experienced phase separation in the tubing during the build-up survey. However, in assuming the initial pressure in Lambirth 6 was equal to the initial pressure in the Lambirth No. 1, we calculated the following:


Amoco
U/O/A Amoco
G.F. 18189
Swearingen
Peterson
Radcliff
Phillips
9-2-80
P-134856
24
U/O/A Amoco
G.F. 18164
Amoco
19
Phillips
P-134727
Peterson
20
Amoco
T.D 7959
Amoco
1-Radcliff
T.D. 7920
Phillips
P-134913
Amoco
U/O/A Amoco
G.F. 18150
Swearingen "A"
Swearingen "B"
Phillips
25
P-134982
9-10-80
P-134909
Williams
2-6-81
30
Amoco
1-Lambirth
T.D. 7852
Phillips
9-10-80
P-134909
Phillips
8-25-80
P-134727
29
Amoco
1-Peterson "B"
T.D. 7877
A/c Enserch
G.F. 22124
A/c Enserch
G.F. 22124
A/C Enserch
G.F. 22124
A/C Enserch
G.F. 22124
will tee drld when rig finishes well in sec 1
Phillips
11-17-80
P-135326
36
A/C Enserch
G.F. 22124
Phillips
P-134909
Phillips
UNIT A
31
Phillips
8-25-80
P-134727
32
Phillips
UNIT F
A/C Enserch Exp.
G.F. 22124
Phillips
2-Goldston "A"
T.D 8070
A/C Enserch Expl
G.F. 22124
Phillips
UNIT J
Enserch
Rader
Phillips
1-Goldston "A"
T.D. 8297
Phillips
T.D 4024
Lambirth
A/C Enserch
G.F. 22124
LEGEND
Cisco
Fusselmon
Phillips
2
swab 80 bbls 10 hrs waiting on P.U.
currently drlg
1
Phillips
11
Phillips
12
PHILLIPS PETROLEUM COMPANY
SOUTH PETERSON
FIELD OR PROSPECT
Roosevelt
COUNTY
N.M.
STATE
TWP. RNG., SUR.
HORIZON MAPPED
SCALE
TYPE INFO.
C.I.
CONTOURED BY
DATE
APPROVED BY
DATE

Schlumberger

DUAL LATEROLOG MICRO-SFL

COUNTY ROOSEVELT
FIELD SOUTH PETERSON
LOCATION LAMBIRTH A #1
WELL PHILLIPS PETROLEUM CO.

COMPANY PHILLIPS PETROLEUM COMPANY

WELL LAMBIRTH A #1

FIELD SOUTH PETERSON

COUNTY ROOSEVELT STATE NEW MEXICO

LOCATION 2055' FSL & 1980' FEL

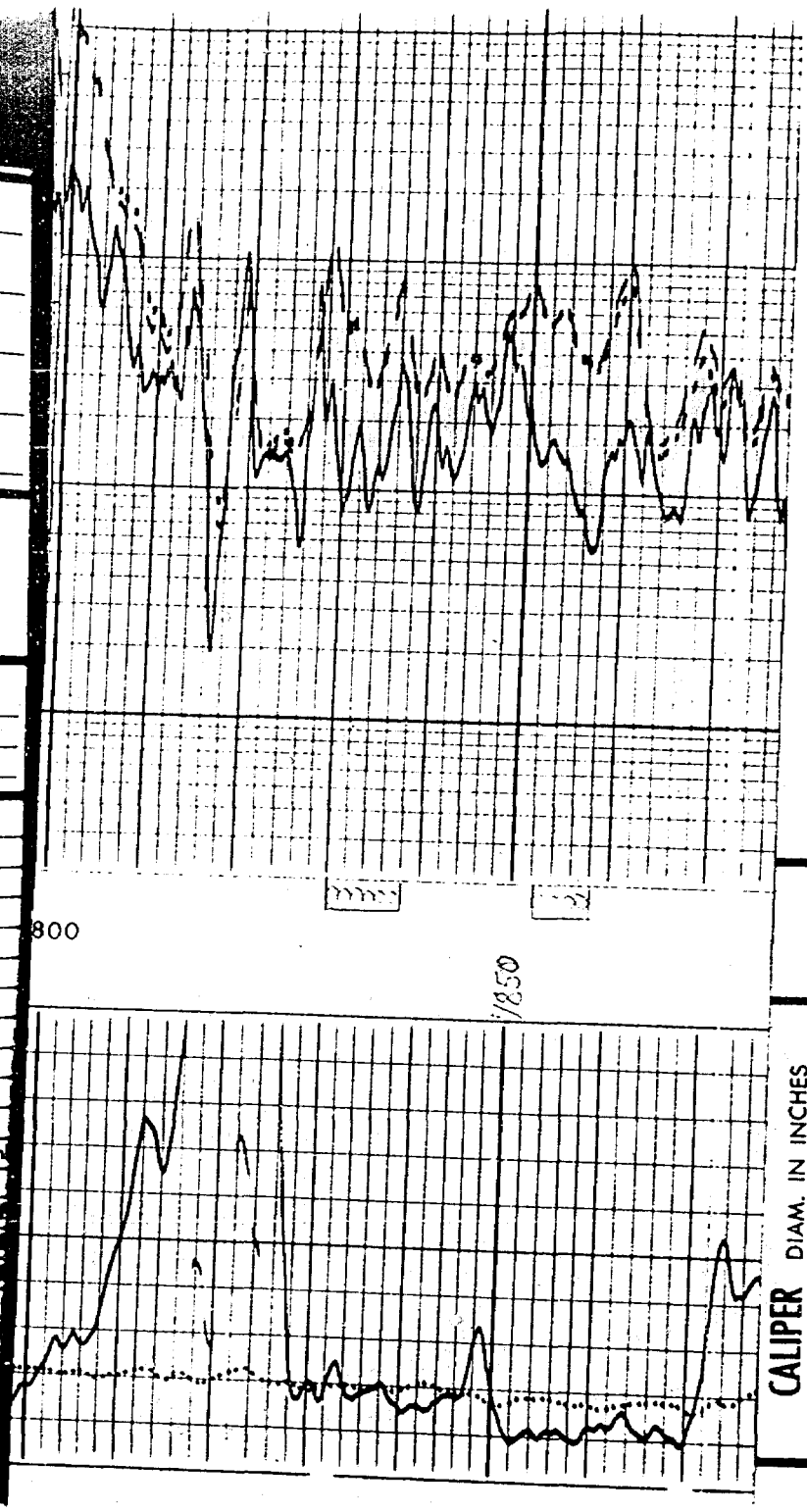
API SERIAL NO	SEC.	TWP	RANGE
	31	5-S	33-E

Other Services: CNL-FDC

Permanent Datum: G.L. ; Elev.: 4405
Log Measured From K.B. 17 Ft. Above Perm. Datum
Drilling Measured From K.B.

Elev.: K.B. 4422
D.F.
G.L. 4405

Date	12-12-78			
Run No.	ONE			
Depth—Driller	7995			
Depth—Logger (Schl.)	7999			
Btm. Log Interval	7998			
Top Log Interval	3500			
Casing—Driller	8 5/8 @ 3500	@	@	@
Casing—Logger	3500			
Bit Size	7 7/8			
Type Fluid in Hole	SW GEL, STARCH, OIL (6.5%)			
Dens. / Visc.	10.2 / 58			
pH / Fluid Loss	8.5 / ml	ml	ml	ml
Source of Sample	CIRC.			
Rm @ Meas. Temp.	.10 @ 57 °F	@ °F	@ °F	@ °F
Rmf @ Meas. Temp.	.076 @ 56 °F	@ °F	@ °F	@ °F
Rmc @ Meas. Temp.	.149 @ 56 °F	@ °F	@ °F	@ °F
Source: Rmf / Rmc	M / C			
Rm @ BHT	.04 @ 144°F	@ °F	@ °F	@ °F
TIME Circulation Stopped	1500 12-11			
TIME Logger on Bottom	0330 12-12			
Max. Rec. Temp.	144 °F	°F	°F	
Equip. / Location	7732 / LVLD			
Recorded By	SCHILTGEN			



Schlumberger

DUAL LATEROLOG MICRO-SFL

COUNTY ROOSEVELT
FIELD SOUTH PETERSON
LOCATION LAMBIRTH A #1
WELL PHILLIPS PETROLEUM CO.

COMPANY PHILLIPS PETROLEUM COMPANY

WELL LAMBIRTH A #1

FIELD SOUTH PETERSON

COUNTY ROOSEVELT STATE NEW MEXICO

LOCATION 2055' FSL & 1980' FEL

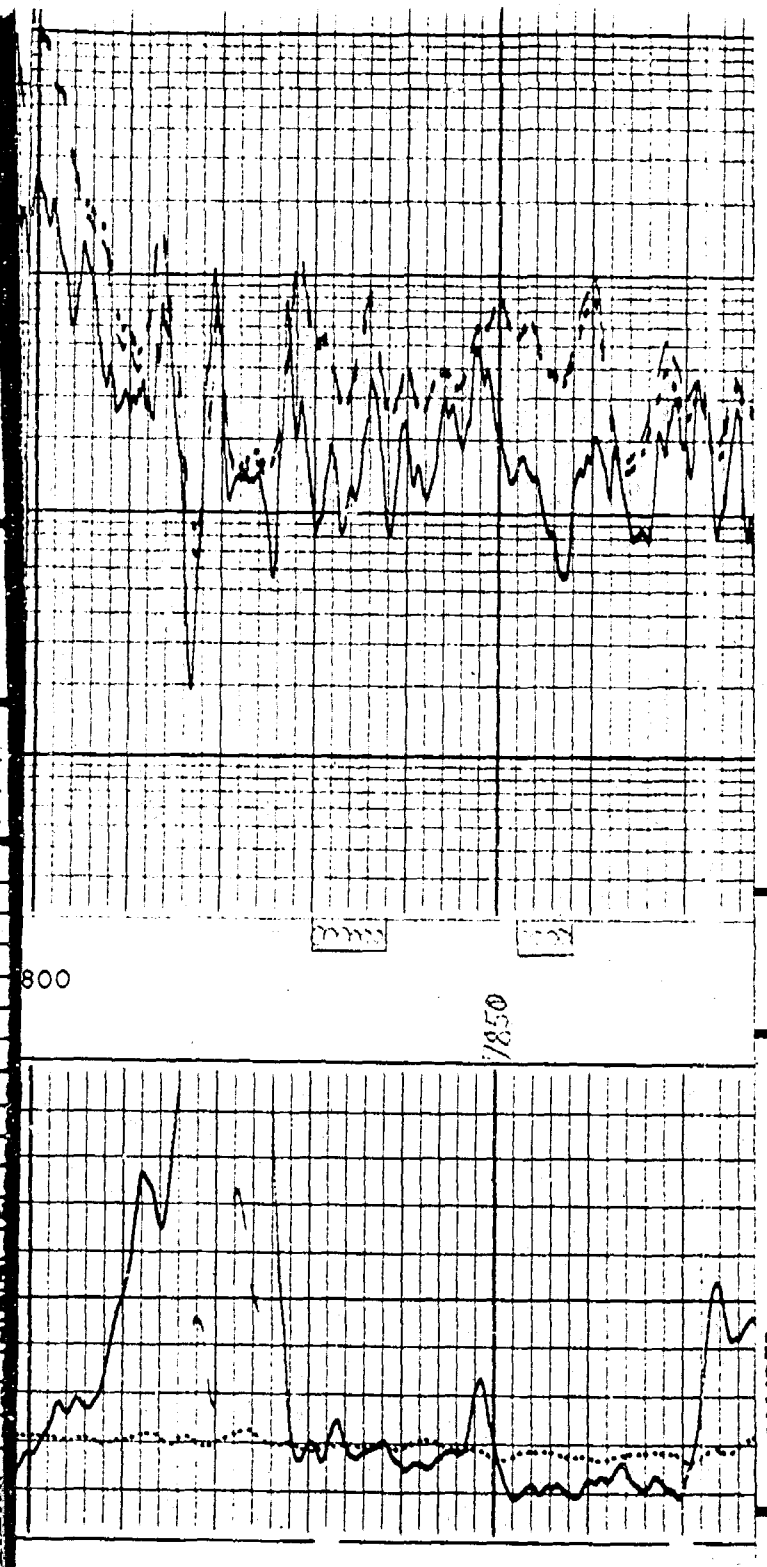
API SERIAL NO	SEC	TWP	RANGE
	31	5-S	33-E

Other Services:
CNL-FDC

Permanent Datum: G.L. ; Elev.: 4405
Log Measured From K.B. 17 Ft. Above Perm. Datum
Drilling Measured From K.B.

Elev.: K.B. 4422
D.F.
G.L. 4405

Date	12-12-78			
Run No.	ONE			
Depth—Driller	7995			
Depth—Logger (Schl.)	7999			
Btm. Log Interval	7998			
Top Log Interval	3500			
Casing—Driller	8 5/8 @ 3500	@	@	@
Casing—Logger	3500			
Bit Size	7 7/8			
Type Fluid in Hole	SW GEL, STARCH, OIL (6.5%)			
Dens. / Visc.	10.2 / 58			
pH / Fluid Loss	8.5 / ml	ml	ml	
Source of Sample	CIRC.			
Rm @ Meas. Temp.	.10 @ 57 °F	@ °F	@ °F	@
Rmf @ Meas. Temp.	.076 @ 56 °F	@ °F	@ °F	@
Rmc @ Meas. Temp.	.149 @ 56 °F	@ °F	@ °F	@
Source: Rmf / Rmc	M / C			
Rm @ BHT	.04 @ 144°F	@ °F	@ °F	@
TIME Circulation Stopped	1500 12-11			
TIME Logger on Bottom	0330 12-12			
Max. Rec. Temp.	144 °F	°F	°F	
Equip. / Location	7732 / LVLD			
Recorded By	SCHILTGEN			



RESISTIVITY OHMS. M² M
MICRO-SFL
SHALLOW LATEROLOG - LLs
DEEP LATEROLOG - LLd
100 10 1.0 0.2

DEPTH

CALIPER DIAM. IN INCHES
16 6

GAMMA RAY API UNITS
0 100 200

Schlumberger

COMPENSATED NEUTRON FORMATION DENSITY

COMPANY PHILLIPS PETROLEUM COMPANY

WELL LAMBIRTH A #1

FIELD SOUTH PETERSON

COUNTY ROOSEVELT STATE NEW MEXICO

LOCATION 2055' FSL & 1980' FEL

Other Services: DLL

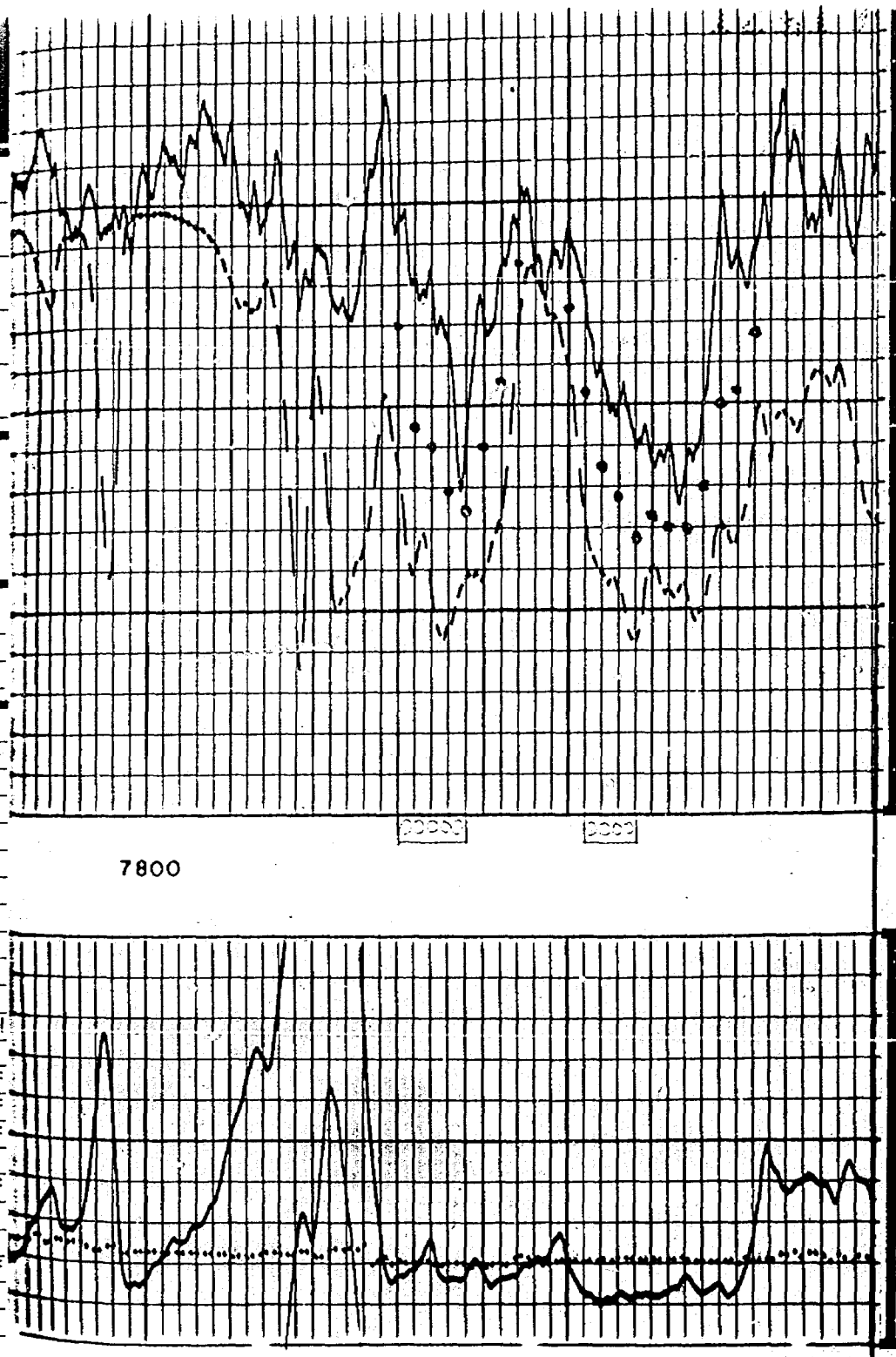
API SERIAL NO.	SEC.	TWP.	RANGE
	31	5-S	33-E

COUNTY ROOSEVELT
FIELD SOUTH PETERSON
LOCATION LAMBIRTH A #1
WELL
COMPANY PHILLIPS PETROLEUM CO.

Permanent Datum: G.L. ; Elev.: 4405
Log Measured From K.B. 17 Ft. Above Perm. Datum
Drilling Measured From K.B.

Elev.: K.B. 4422
D.F.
G.L. 4405

Date	12-12-78			
Run No.	ONE			
Depth—Driller	7995			
Depth—Logger	7998			
Btm. Log Interval	7997			
Top Log Interval	SURF			
Casing—Driller	8 5/8@ 3500	@	@	@
Casing—Logger	3500			
Bit Size	7 7/8			
Type Fluid in Hole	SW GEL, STARCH, OIL (6,5%)			
Dens. / Visc.	10.2 / 58			
pH / Fluid Loss	8.5 / ml	ml	ml	ml
Source of Sample	CIRC.			
Rm @ Meas. Temp.	.10 @ 57 °F	@ °F	@ °F	@ °F
Rmf @ Meas. Temp.	.076 @ 56 °F	@ °F	@ °F	@ °F
Rmc @ Meas. Temp.	.149 @ 56 °F	@ °F	@ °F	@ °F
Source: Rmf / Rmc	M / C			
Rm @ BHT	.04 @ 144F	@ °F	@ °F	@ °F
TIME Circulation Stopped	1500 12-11			
TIME Logger on Bottom	0830 12-12			
Max. Rec. Temp.	144 °F	°F	°F	°F
Equip. / Location	7732 / LVLD			
Recorded By	SCHILTGEN			



Schlumberger

COMPENSATED NEUTRON-FORMATION DENSITY

COMPANY PHILLIPS PETROLEUM COMPANY

WELL LAMBIRTH A #1

FIELD SOUTH PETERSON

COUNTY ROOSEVELT STATE NEW MEXICO

COUNTY ROOSEVELT
FIELD SOUTH PETERSON
LOCATION LAMBIRTH A #1
WELL
COMPANY PHILLIPS PETROLEUM CO.

LOCATION 2055' FSL & 1980' FEL

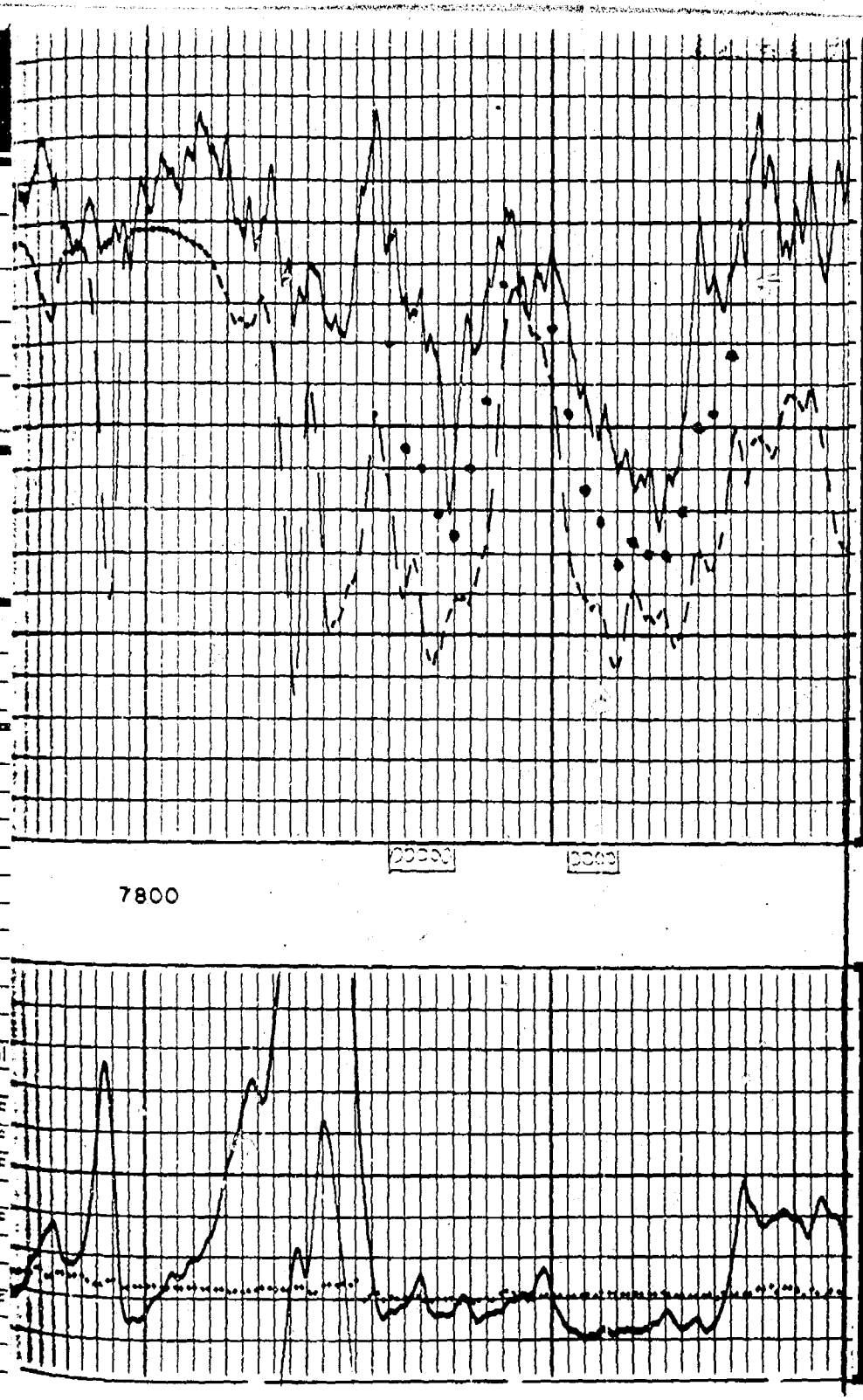
API SERIAL NO.	SEC.	TWP.	RANGE
	31	5-S	33-E

Other Services: DLL

Permanent Datum: G.L. ; Elev.: 4405
Log Measured From K.B. 17 Ft. Above Perm. Datum
Drilling Measured From K.B.

Elev.: K.B. 4422
D.F.
G.L. 4405

Date	12-12-78			
Run No.	ONE			
Depth—Driller	7995			
Depth—Logger	7998			
Btm. Log Interval	7997			
Top Log Interval	SURF			
Casing—Driller	8 5/8@ 3500	@	@	@
Casing—Logger	3500			
Bit Size	7 7/8			
Type Fluid in Hole	SW GEL, STARCH, OIL (6,5%)			
Dens. / Visc.	10.2 / 58			
pH / Fluid Loss	8.5 / ml	ml	ml	ml
Source of Sample	CIRC.			
Rm @ Meas. Temp.	.10 @ 57 F	@ °F	@ °F	@ °F
Rmf @ Meas. Temp.	.076 @ 56 F	@ °F	@ °F	@ °F
Rmc @ Meas. Temp.	.149 @ 56 F	@ °F	@ °F	@ °F
Source: Rmf / Rmc	M / C			
Rm @ BHT	.04 @ 144F	@ °F	@ °F	@ °F
TIME Circulation Stopped	1500 12-11			
TIME Logger on Bottom	0830 12-12			
Max. Rec. Temp.	144 °F	°F	°F	°F
Equip. / Location	7732 / LVLD			
Recorded By	SCHILTGEN			



POROSITY INDEX (%) LIME MATRIX
COMPENSATED FORMATION DENSITY POROSITY
COMPENSATED NEUTRON POROSITY
30 20 10 0 -10

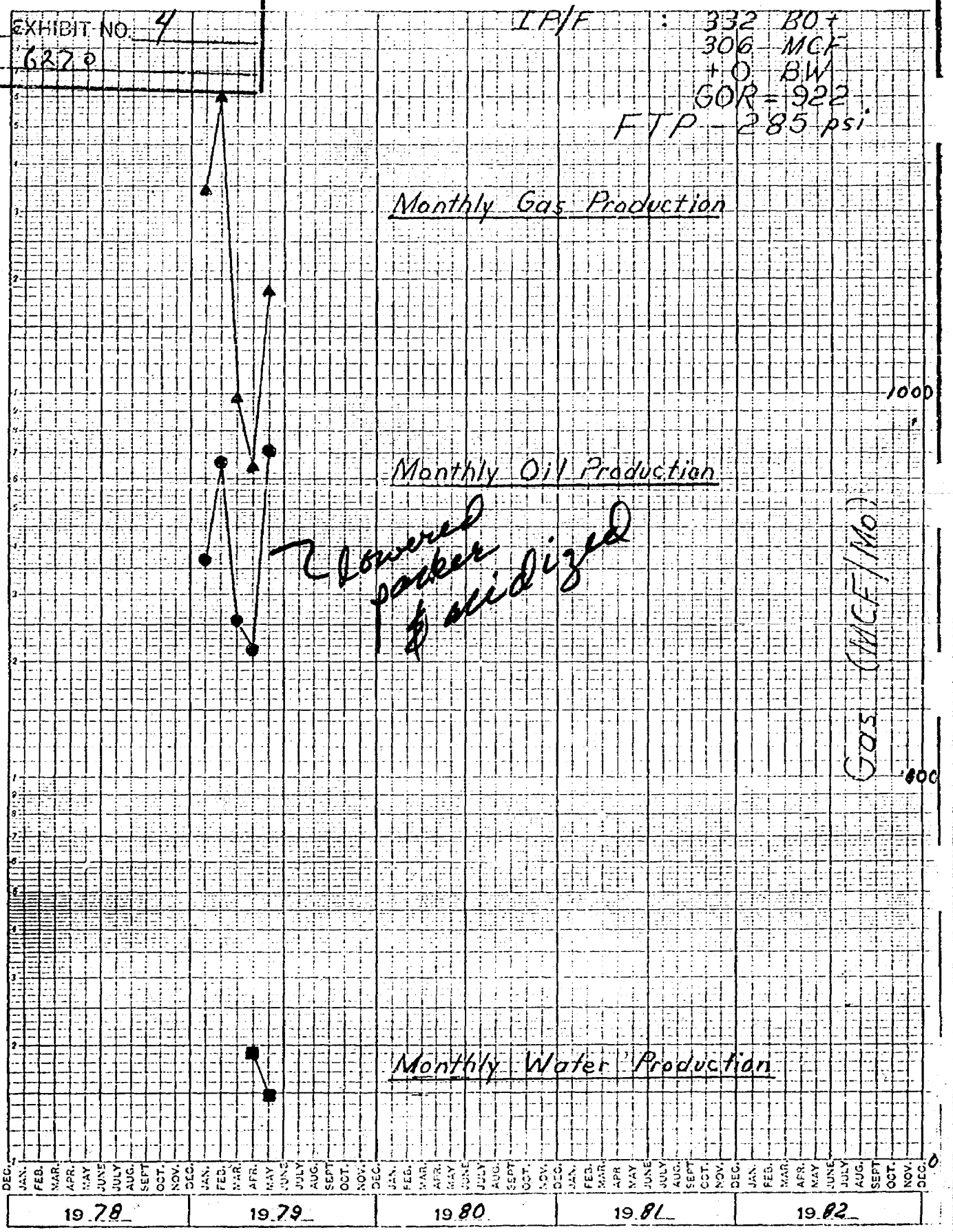
GAMMA RAY API UNITS
0 100 200

CALIPER DIAM. IN INCHES
6 16

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Phillips EXHIBIT NO. 4
CASE NO. 6220

Phillips Lambirth A-1
Perforations: 7830'-38'
7852'-58'

IP/F : 332 BOPD
306 MCF
+0 BW
GOR = 922
FTP - 285 psi



Form 884 4-49

BOTTOM HOLE PRESSURE AND PRODUCTIVITY INDEX TESTS

LEASE Lambirth "A"
WELL NO. 1
FIELD Peterson Fusselman
South Oil Pool

RKB ELEVATION 4422
REFERENCE POINT RKB, ELEV. 4422
DATUM -3428 SUBSEA, OR 7850 FROM RKB

PRODUCING ZONE Fusselman
TOP 7827
BOTTOM 7950

Date	Depth	B.H.P.	Liquid Level	B.H. Temp.	Surface Pressures Tbg.	Surface Pressures Csg.	Hours S.I.	PRODUCTION TEST Hrs.	Choke	Oil B/D	Wtr. B/D	GOR CF/B	Prod. Index B/D/Lb. or Ft.	REMARKS
1-15-79	Surf		Grad.		704		44							
	7040'	2512	.257											
	7440'	2631	.298											
	7540'	2664	.330											
	7640'	2691	.270											
	7740'	2719	.280											
	7850'	2750	@ Datum											
4-24-79	Surf		Grad.		151									Flowing BHP Test
	4000	680	.132											
	4858	890	.245											
	5858	1171	.281											
	6858	1485	.314											
	7858	1813	.328				24		20/64"	231	19	1329	.266	

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Phillips EXHIBIT NO. 5
CASE NO. 6270

Schlumberger

PROCESSED LOG

An Advanced Synergetic Log System

CORIBAND*

Using the following logs:

CNL/FDC-GR, DLL/MSFL

COMPANY PHILLIPS PETROLEUM COMPANY

WELL LAMBIRTH A #2

FIELD SOUTH PETERSON

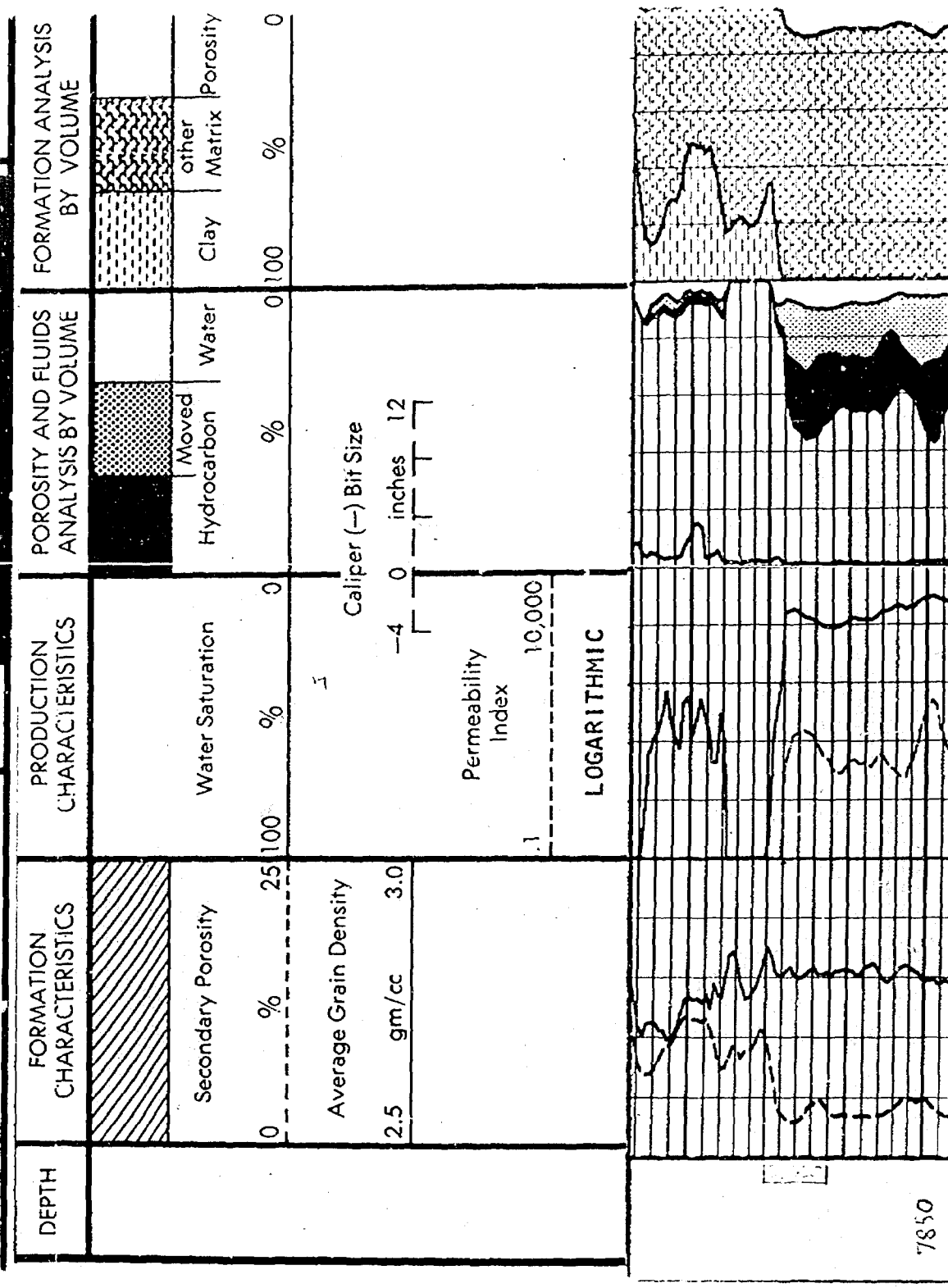
COUNTY ROOSEVELT

STATE NEW MEXICO

DATE LOGGED 3-30-79 DATE COMPUTED 4-3-79

LOCATION 1980'FNL & 1980'FWL, SEC. 31, T-5-S, R-33-E

ELEVATION KB 4413 DF 4412 GL 4397



Schlumberger

PROCESSED LOG

Using the following logs:

CNL/FDC-GR, DLL/MSFL

COMPANY PHILLIPS PETROLEUM COMPANY

WELL LAMBIRTH A #2

FIELD SOUTH PETERSON

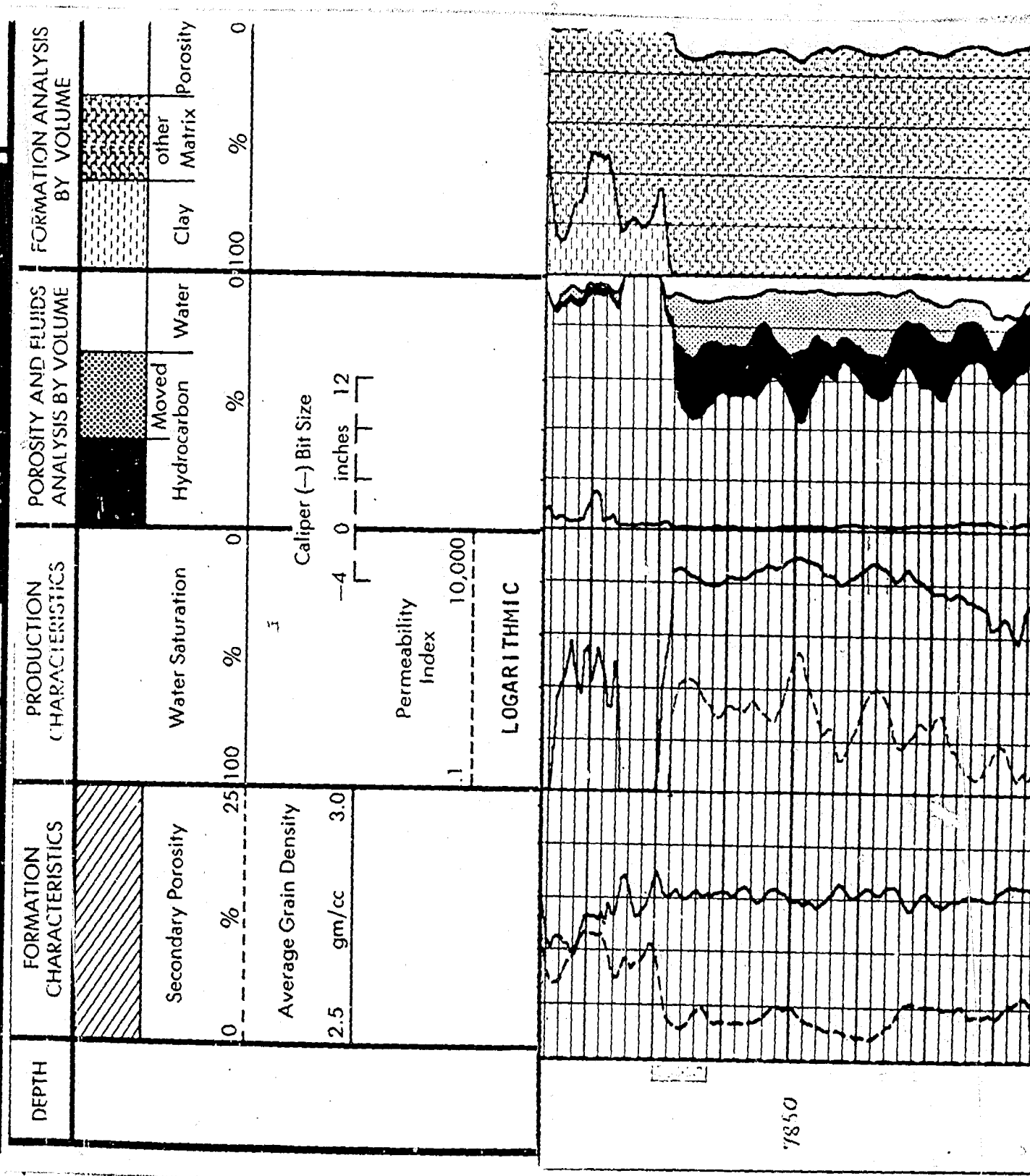
COUNTY ROOSEVELT

STATE NEW MEXICO

DATE LOGGED 3-30-79 DATE COMPUTED 4-3-79

LOCATION 1980'FNL & 1980'FWL, SEC. 31, T-5-S, R-33-E

ELEVATION KB 4413 DF 4412 GL 4397



Phillips Lambirth A-2
Perforations: 7832'-38'
IP/F : 410 BO+

685 MCF
+ Tr Wtr
GOR 1671
FTP-675

Monthly Gas Production

Monthly Oil Production

FLUIDS (Bbls./Mo.)

Gas (MCF/Mo.)

10,000
1000
100
1000
100

DEC. JAN. FEB. MAR. APR. MAY JUNE JULY AUG. SEPT OCT. NOV. DEC.

19 28 | 19 29 | 19 80 | 19 81 | 19 82

COLUMNAR CORE RECORD

Form 2069 4-53

DEPTH	DESCRIPTION AND REMARKS (X: Interval of estimated last core)
	Phillips Petroleum Company
	#2 Lambirth-A, Roosevelt County,
	New Mexico.
P. B. Drisko	
3-28-79	
	Core #1: 7810-7819', recovered 9'. Fusselman.
7810-13	Shale, dark, green, mottled, hard, with tan to red finely crystalline, hard dolomite and light chert pebble inclusions. No show.
7813-15	Dolomite, tan to red, finely crystalline, mottled, hard, with much green shale and white to grey chert inclusions. No show.
7815-17.5	Dolomite, tan to red, finely crystalline, mottled, hard, shaley, with white and grey chert inclusions. No show.
7817.5-18	Shale, very dark green, mottled, with tan dolomite inclusions.
7818-19	Dolomite, tan to red, finely crystalline, mottled, shaley, hard, with many grey to white chert pebble inclusions. No show.
	Core #2: 7819-7850'. recovered 30'. Fusselman.
7819-23	Dolomite, tan-pink, finely crystalline, mottled, shaley, hard with grey-white chert inclusions.
7823-26	Dolomite, brown, finely crystalline, clean with fair crystalline-vugular-fractured porosity. Heavy stain, good odor. Scattered bleeding gas and oil.
7826-31	Dolomite, same as above with large vertical fractures. Heavy stain. Fair bleeding gas and oil.
7831-49	Dolomite, brown, finely crystalline, clean with good crystalline vugular porosity. Many thin vertical fractures. Fair bleeding gas, oil and water.
7849-59	Lost.

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Phillips EXHIBIT NO. 8
CASE NO. 6280

DALLAS, TEXAS

PHILLIPS PETROLEUM COMPANY
LAMBERT NO. A-2
S. PETERSON FUSSELMAN FIELD
ROOSEVELT COUNTY, TEXAS

DATE : 3-28-79
FORMATION : FUSSELMAN
DRLG. FLUID: SALT GEL
LOCATION : 1980' FNL & 1980' FWL, SEC. 31, T-5-S, R-33-E

FILE NO : 3202-11086
ANALYSTS : MORSE
ELEVATION: 4396.8' GL

WHOLE CORE ANALYSIS

SAMPLE NUMBER	DEPTH	PERM. TO AIR (MD) MAXIMUM	PERM. TO AIR (MD) 90 DEG	POR. FLD	FLUID SATS. OIL	FLUID SATS. WTR	DESCRIPTION
	CORE NO. 1 7811.0-7819.0 CUT 8' REC 8'						
	7811.0-19.0						CONG,DNS
	CORE NO. 2 7819.0-7850.0 CUT 31' REC 29'						
	7819.0-23.0						CONG,SHY,DNS
1	7823.0-24.0	1.4	0.6	4.6	12.2	41.9	LM,CHT,F
2	7824.0-25.0	0.2	*	11.3	10.6	33.1	DOL,LMY,SHY,CHT,F
3	7825.0-26.0	33.	18.	13.5	12.7	33.1	DOL,CHT,V/F
4	7826.0-27.0	20.	9.9	13.0	22.0	24.4	DOL,SL/V,SL/F
5	7827.0-28.0	92.	17.	13.3	15.3	30.7	DOL,V/F
6	7828.0-29.0	0.1	*	9.7	17.0	35.8	LM,SHY,F
7	7829.0-30.0	0.1	*	9.9	14.4	38.8	DOL,SHY,V/F
8	7830.0-31.0	0.1	*	8.3	17.3	39.6	DOL,V/F
9	7831.0-32.0	0.3	*	12.5	14.1	43.3	DOL,F,SL/V
10	7832.0-33.0	48.	26.	10.0	15.1	35.9	DOL,F
11	7833.0-34.0	12.	10.	8.3	19.0	33.1	DOL,SL/F
12	7834.0-35.0	0.2	*	10.8	17.2	34.9	DOL,V,SL/F
13	7835.0-36.0	38.	25.	9.3	12.0	29.0	DOL,SHY,SL/V,SL/F
14	7836.0-37.0	32.	29.	10.1	16.0	23.9	DOL,CHT,SL/V
15	7837.0-38.0	15.	8.2	7.7	12.6	22.1	DOL,CHT,V/F
16	7838.0-39.0	12.	11.	8.8	18.9	21.0	DOL
17	7839.0-40.0	<0.1	*	5.7	13.6	30.2	DOL,CHT,V
18	7840.0-41.0	0.5	*	13.3	21.0	23.3	DOL,V/F,V
19	7841.0-42.0	0.4	*	11.5	16.7	25.1	DOL,V,F
20	7842.0-43.0	0.2	*	9.7	16.7	27.8	DOL,F

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Phillips EXHIBIT NO. 9
CASE NO. 6220

CORE LABORATORIES, INC.
Petroleum Reservoir Engineering
DALLAS, TEXAS

PHILLIPS PETROLEUM COMPANY
LAMBERT NO. A-2

DATE : 3-28-79
FORMATION : FUSSELMAN

FILE NO : 3202-11086
ANALYSTS : MORSE

WHOLE CORE ANALYSIS

SAMPLE NUMBER	DEPTH	PERM. TO AIR (MD) MAXIMUM	PERM. TO AIR (MD) 90 DEG	POR. FLD	FLUID SATS. OIL	FLUID SATS. WTR	DESCRIPTION
21	7843.0-44.0	42.	35.	8.6	20.6	26.0	DOL,F
22	7844.0-45.0	566.	40.	8.1	8.7	35.6	DOL,V/F
23	7845.0-46.0	204.	4.3	4.1	22.1	51.2	DOL,V/F
24	7846.0-47.0	29.	15.	7.3	12.2	33.8	DOL,CHT,V/F,SL/V
25	7847.0-48.0	4.0	2.8	4.7	12.3	41.1	DOL,SL/V,F
	7848.0-50.0						LOST CORE

* INDICATES PLUG PERM

Form 884 4-49

BOTTOM HOLE PRESSURE AND PRODUCTIVITY INDEX TESTS

LEASE Lambirth "A"
WELL NO. 2
FIELD Peterson Fusselman
South Oil Pool

RKB ELEVATION 4422
REFERENCE POINT RKB, ELEV. 4422
DATUM -3428 SUBSEA, OR 7850 FROM RKB

PRODUCING ZONE Fusselman
TOP 7832 perfs.
BOTTOM 7838 perfs.

Date	Depth	B.H.P.	Liquid Level	B.H. Temp.	Surface Pressures Tbg.	Surface Pressures Csg.	Hours S.I.	PRODUCTION TEST Hrs.	Choke	Oil B/D	Wtr. B/D	GOR CF/B	Prod. Index B/D/Lb. or Ft.	REMARKS
4-12-79	Surf.		Grad.		472		Flowing	3-1/2	1/4"	1474	0	291	35.96	
	7675	2620	.280				Flowing							
	7675	2658					Initial							
4-13-79	7850	2709	@ Datum											
	7675	2661	.275				14 Hours							
	6675	2386	.293											
	5675	2093	.297											
	4675	1796	.298											
	3600	1476	---											
7-16-79	16	530												
	3000	1268	.247											
	6000	2154	.295											
	7000	2444	.290											
	7800	2679	.293	156	530		Flowing	10	14/64"	346	0	892	43	
	7850	2694	.293											
7-18-79	16	604												
	1000	675	.072											
	3000	1282	.303											
	5000	1871	.294											
	7000	2457	.293											
	7400	2572	.287											
	7600	2629	.285											
	7800	2687	.290	156	604		40.5 hours							
	7850	2702	.290											

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Phillips EXHIBIT NO. 10
CASE NO. 6270

TEFTELLER, INC.
reservoir engineering data

MIDLAND, TEXAS / FARMINGTON, NEW MEXICO

P. O. Box 5247
Midland, Texas 79701

July 19, 1979

Phillips Petroleum Corporation
4001 Penbrook
Odessa, Texas 79762

Attention: Mr. John Weichbroet

Subject: Build Up Measurement
Lambrith No. A-2
So. Peterson Field
Roosevelt County, New Mexico
Our File No. 3-9546-BU

Gentlemen:

Attached hereto are the results of a build up measurement which was made on the above captioned well July 16 thru July 18, 1979.

The data presented are in tabular and graphical form.

It has been our pleasure to have conducted this service for you. If we may be of further assistance, please call us at any time.

Respectfully submitted,

TEFTELLER, INC.

D. A. Warren, Jr.

D.A. Warren, Jr.
Operations Manager

DAW/js
Icc: Enserch Exploration, Inc.
P.O. Box 4815
Midland, Texas 79701
Attn: Mr. Horace Burnett

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Phillips EXHIBIT NO. 11
CASE NO. 6270

TEFTELLER, INC.
RESERVOIR ENGINEERING DATA
Midland, Texas

Well : LAMBRITH NO. A-2 Page 1 of 4

Field : SO. PETERSON File 3-9546-BU

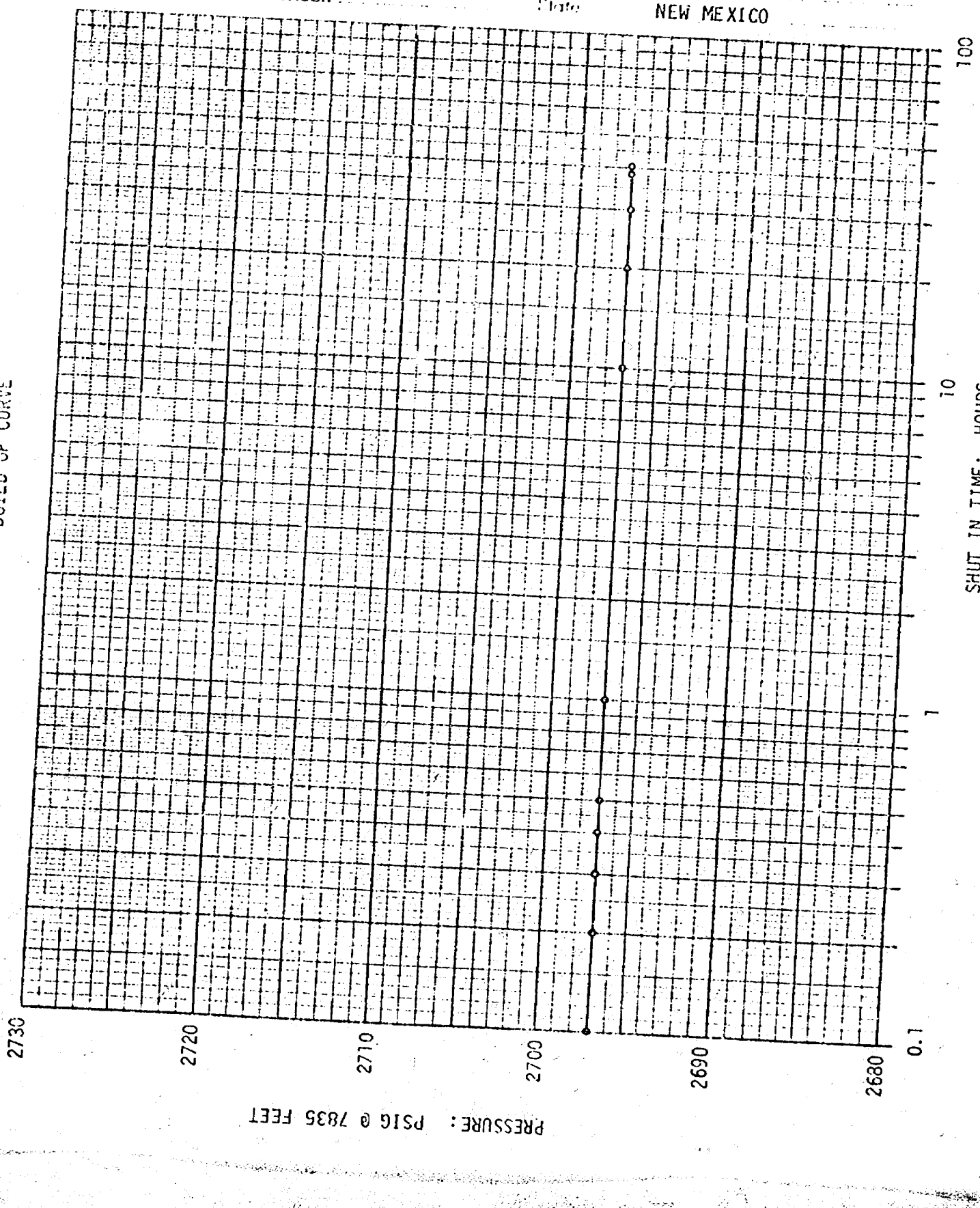
CHRONOLOGICAL PRESSURE AND PRODUCTION DATA

1979 Date	Status of Well	Time	Elapsed Time Hrs.Min.	Daily Rate Oil B/D	Daily Rate Gas MCF/D	Wellhead Pressure Tubing	BHP @ 7800' Psig	BHP @ 7835' Psig
7-16	Arrived on loc. Well							
"	flowing 14/64" ck.	05:30				530		
"	Dummy run	06:00	0 00					
"	Inst. in lubricator							
"	Gradient Traverse	08:00	2 00	284.63	291.52	530		
"	Inst. @ 7800'	08:30	2 30				2679	2689
"	"	10:00	4 00	346.5	314.00	530	2679	2689
"	"	12:00	6 00	400.13	313.18	530	2679	2689
"	"	14:00	8 00	347.76	312.31	530	2679	2689
"	"	16:00	10 00	351.9	312.89	530	2679	2689
"	Shut in for build up	16:00	0 00					
"	"	16:06	0 06				2687	2697
"	"	16:12	0 12				2687	2697
"	"	16:18	0 18				2687	2697
"	"	16:24	0 24				2687	2697
"	"	16:30	0 30				2687	2697
"	"	17:00	1 00				2687	2697
7-17	"	02:00	10 00				2687	2697
"	"	12:00	20 00				2687	2697
"	"	22:00	30 00				2687	2697
7-18	"	06:30	38 30				2687	2697
"	Gradient Traverse	08:30	40 30			604	2687	2697

EFTELLER, INC.
reservoir engineering data
MIDLAND, TEXAS

File 3-9546-BU

Company PHILLIPS PETROLEUM CORPORATION Formation FUSSELMAN
Well LAMBRITH NO. A-2 County ROOSEVELT
Field SO. PETERSON State NEW MEXICO



TEFTELLER, INC.

reservoir engineering data

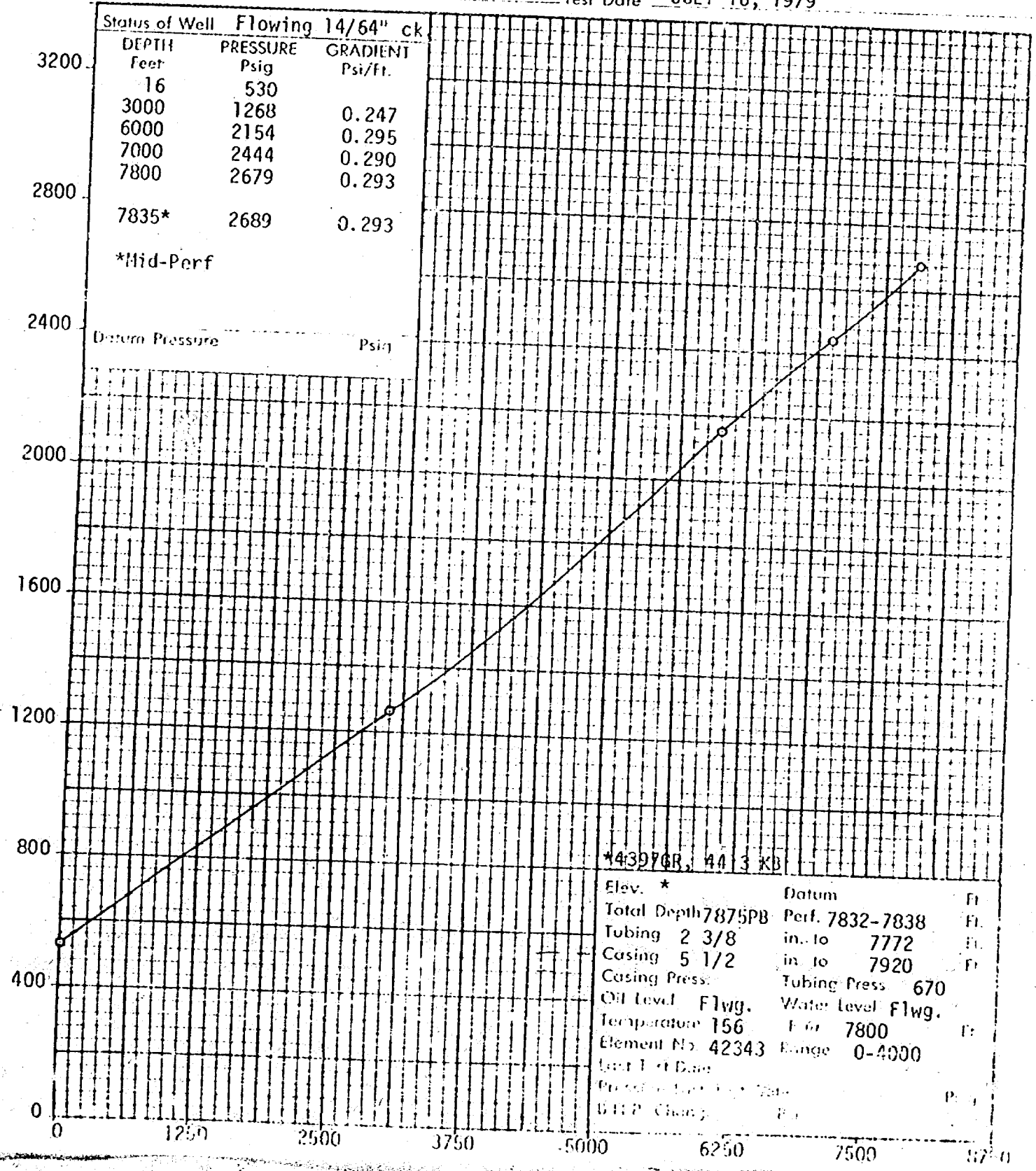
MIDLAND, TEXAS

Company PHILLIPS PETROLEUM CORPORATION Lease LAMBRITH Well No. A-2
Field SO. PETERSON County ROOSEVELT State NEW MEXICO
Formation FUSSELMAN Test Date JULY 16, 1979

Status of Well Flowing 14/64" ck

DEPTH Feet	PRESSURE Psig	GRADIENT Psi/Ft.
16	530	
3000	1268	0.247
6000	2154	0.295
7000	2444	0.290
7800	2679	0.293
7835*	2689	0.293

*Mid-Perf



*4397GR, 44 3 KB

Elev. *		Datum	Ft
Total Depth	7875PB	Perf.	7832-7838 Ft.
Tubing	2 3/8 in.	to	7772 Ft.
Casing	5 1/2 in.	to	7920 Ft
Casing Press.		Tubing Press	670
Oil Level	Flwg.	Water Level	Flwg.
Temperature	156	F @	7800 Ft
Element No	42343	Range	0-4000
Last Test Date			
Previous Test Date			Psig
BHP Change		Ft	

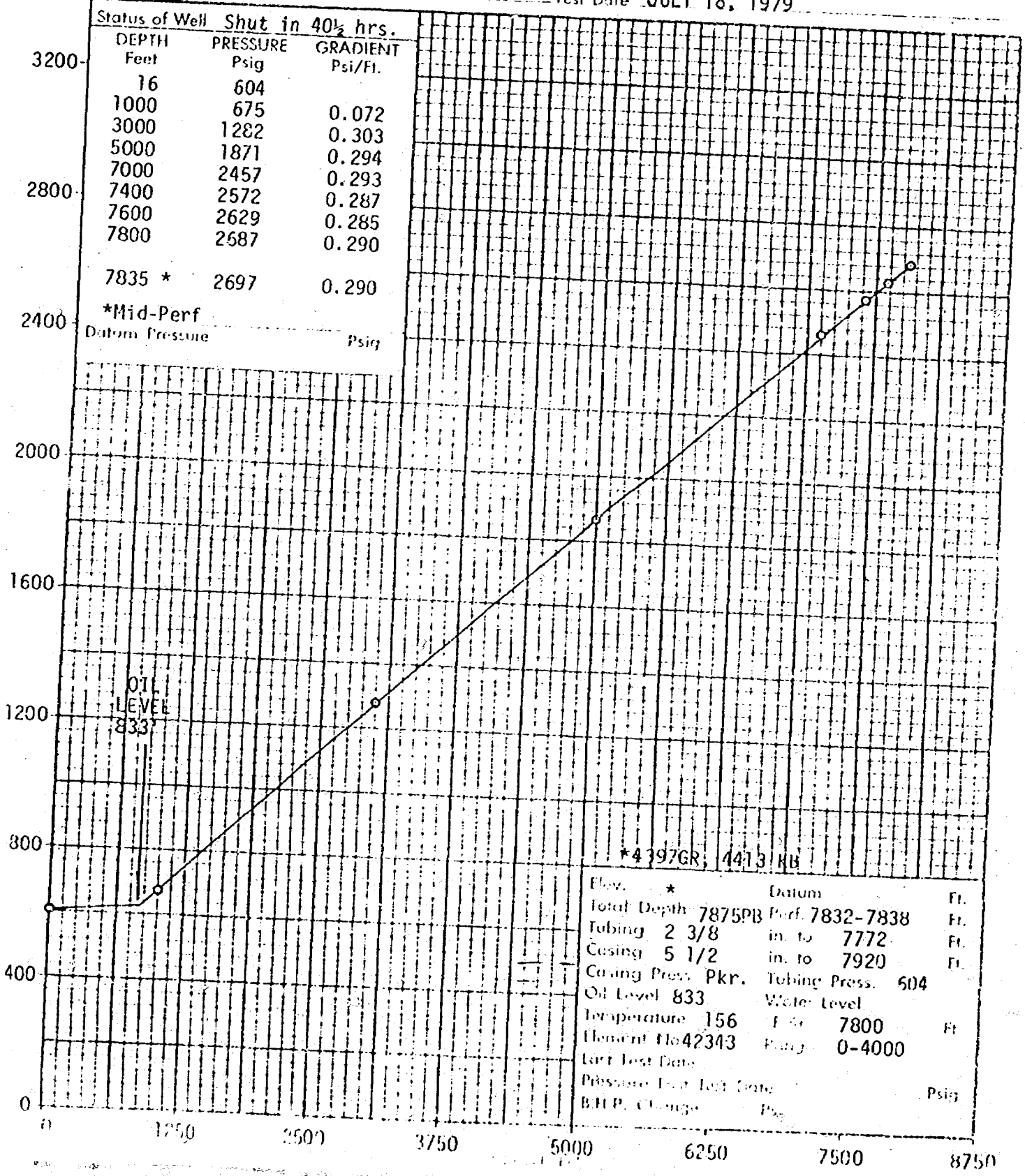
EFTELLER, INC.
reservoir engineering labs
MIDLAND, TEXAS

Company PHILLIPS PETROLEUM CORPORATION Lease LAMBRITH Well No. A-2
Field SO. PETERSON County ROOSEVELT State NEW MEXICO
Formation FUSSELMAN Test Date JULY 18, 1979

Status of Well *Shut in 40½ hrs.*

DEPTH Feet	PRESSURE Psig	GRADIENT Psi/Ft.
16	604	
1000	675	0.072
3000	1282	0.303
5000	1871	0.294
7000	2457	0.293
7400	2572	0.287
7600	2629	0.285
7800	2687	0.290
7835 *	2697	0.290

*Mid-Perf
Datum Pressure Psig



Elev. *	Datum		Ft.
Total Depth 7875PB	Perf. 7832-7838		Ft.
Tubing 2 3/8	in. to	7772	Ft.
Casing 5 1/2	in. to	7920	Ft.
Casing Press. Pkr.	Tubing Press.	504	
Oil Level 833	Water Level		
Temperature 156	F. to	7800	Ft
Element No 42343	Rang	0-4000	
Last Test Date			
Pressure Last Test Date			Psig
B.H.P. Change	Psi		

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 6270
Order No. R-5771

APPLICATION OF ENSERCH EXPLORATION, INC., FOR POOL CREATION AND SPECIAL POOL RULES, ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of July, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Ensorch Exploration, Inc., is the owner and operator of the Lambirth Well No. 1, located in Unit K of Section 31, Township 5 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(3) That said well has discovered a separate common source of supply in the Fusselman formation, and applicant seeks the creation and designation of a new oil pool therefor and the promulgation of special pool rules governing said pool, including provision for 80-acre spacing and proration units and well locations.

(4) That the applicant seeks the dismissal of that portion of this case relating to the establishment of a special gas-oil ratio limitation for said pool.

(5) That the evidence presently available indicates that a new pool should be created and designated the South Peterson-

Fusselman Pool; that the vertical limits of said pool should be the Fusselman formation, and that the horizontal limits of said pool should comprise:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

(6) That the evidence presently available indicates that the Fusselman formation encountered in the above-described Lambirth Well No. 1 is of high permeability, and that the drainage radius of the well will be in excess of 40 acres.

(7) 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, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the South Peterson-Fusselman Pool.

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

(9) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(10) That this case should be reopened at an examiner hearing in July, 1979, at which time the operators in the subject pool should be prepared to appear and show cause why the South Peterson-Fusselman Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Roosevelt County, New Mexico, classified as an oil pool for Fusselman production, is hereby created and designated the South Peterson-Fusselman Pool, with vertical limits comprising the Fusselman formation, and horizontal limits comprising the following-described area:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

(2) That temporary Special Rules and Regulations for the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
SOUTH PETERSON-FUSSELMAN POOL

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

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Division Director 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 comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The 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 formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Division Director may grant an exception to the 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. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location

has been entered within 20 days after the Director has received the application.

RULE 6. Top unit allowable for a standard proration unit (79 through 81 acres) shall be based on a depth bracket allowable of 267 barrels per day, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Peterson-Fusselman Pool or in the Fusselman formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before August 15, 1978.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the South Peterson-Fusselman Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Peterson-Fusselman Pool or in the Fusselman formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in July, 1979, at which time the operators in the subject pool should be prepared to appear and show cause why the South Peterson-Fusselman Pool should not be developed on 40-acre spacing units.

(4) That that portion of the application in this case dealing with the establishment of a special gas-oil ratio limitation for the South Peterson-Fusselman Pool is hereby dismissed.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

fd/

CATRON, CATRON & SAWTELL
ATTORNEYS AND COUNSELORS AT LAW
THE PLAZA
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 788
TELEPHONE 982-1947
AREA CODE 505

THOMAS B. CATRON, 1840-1921
FLETCHER A. CATRON, 1890-1964
THOMAS B. CATRON, III
JOHN S. CATRON
WILLIAM A. SAWTELL, JR.
FLETCHER R. CATRON
WILLIAM F. CARR
W. ANTHONY SAWTELL

June 15, 1978

Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of Energy and Minerals
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed in triplicate is the application of Ensearch Exploration, Inc. for a pool creation and special pool rules, Roosevelt County, New Mexico.

I would appreciate this case being included on the docket for the July 6, 1978 Examiner Hearing.

Sincerely,

William F. Carr

WFC:M
Enclosures

cc: Mr. Peter R. Thompson
Mr. Jim Wisen
Mr. Fred Wilcox

Dockets Nos. 23-78 and 24-78 are tentatively set for hearing on July 19 and August 2, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 6, 1978

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

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

CASE 6265: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bedk Producing Co. and all other interested parties to appear and show cause why the Cain State Well No. 1 located in Unit B of Section 16, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6266: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Field, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.

CASE 6267: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 28, Township 17 South, Range 26 East, Kennedy Farms Field, 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 6268: Application of Southland Royalty Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Reid Well No. 25 to be drilled in the SE/4 of Section 19, Township 28 North, Range 9 West, Blanco Mesaverde Pool, San Juan County, New Mexico, said well being off-pattern for the first well on the proration unit, the S/2 of Section 19.

CASE 6269: Application of Marathon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the top of the San Andres thru the Abo underlying the NE/4 NW/4 of Section 25, Township 16 South, Range 38 East, 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 6270: Application of Enserch Exploration, Inc., for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Fussleman formation for its Lambirth Well No. 1 located in Unit K of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico, and for promulgation of special pool rules, including provision for 80-acre spacing, a gas-oil ratio limitation of 3,000 to 1, and special well location requirements.

CASE 6258: (Continued from June 21, 1978, Examiner Hearing)

Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian, McKee, and Ellenburger formations underlying the S/2 of Section 21, Township 22 South, Range 36 East, 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 6262: (Continued from June 21, 1978, Examiner Hearing)

Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the SE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, 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 6263: (Continued from June 21, 1978, Examiner Hearing)

Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the NE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, 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 6264: (Continued from June 21, 1978, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 NE/4 of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico, to form a non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 330 feet from the North line and 2310 feet from the East line of said Section 36. 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 6271: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the S/2 SW/4 of Section 20 as a non-standard gas proration unit for a Jalmat gas well, or in the alternative, the SE/4 SW/4 of Section 20 for a Langlie Mattix oil well, all in Township 24 South, Range 37 East, 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 6272: Application of Doyle Hartman for an exception to Rule 15 of Order No. R-1670, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 15 of Order No. R-1670, as amended, which will allow him to produce his overproduced Etz Well No. 1, located in Unit D of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, at 60% of its allowable until such time as the overproduction has been made up.

CASE 6273: Application of Gulf Oil Corporation for creation of a new gas pool and special rules, including gas prorationing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool in Eddy County comprising all, or portions of, Sections 24 and 25, Township 18 South, Range 24 East, and Sections 18 thru 20, 28 thru 30, and 32 and 33, Township 18 South, Range 25 East; applicant further seeks the promulgation of special rules for said pool, including the prorationing of gas production on a straight acreage basis and the prohibition of more than one well to each 320-acre proration unit.

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

July 18, 1978

Mr. Clarence E. Hinkle
P. O. Box 2002
Roswell, New Mexico 88201

Dear Mr. Hinkle:

I've enclosed a copy of Order No. R-5771 entered in Case No. 6270.

Very truly yours,

LYNN TESCHENDORF
General Counsel

LT/fd
enc.

COPY

POST OFFICE BOX 2002

CLARENCE E. HINKLE
555 HINKLE BUILDING
ROSWELL, NEW MEXICO 88201

TELEPHONE (505) 622-6366

July 6, 1978

Miss Lynn Teschendorf
General Counsel
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Lynn:

According to the examiner's docket for July 6, Case No. 6270 was to be heard. This is the application of Enserch Exploration, Inc. for special pool rules and creation of a new oil pool in the Fusselman formation for the Lambirth No. 1 well. Since I have a royalty interest in connection with this pool, I would appreciate it if you would send me a copy of the order of the Commission when it is entered.

With best regards, I am

Yours sincerely,

Clarence E. Hinkle

CEH:cs

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

July 18, 1978

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. William F. Carr
Catron, Catron & Sawtell
Attorneys at Law
Post Office Box 788
Santa Fe, New Mexico

Re: CASE NO. 6270
ORDER NO. R-5771

Applicant:

Enserch Exploration, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other Jason Kellahin, H. W. Benischek

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF ENSEARCH EXPLORATION, INC.
FOR POOL CREATION AND SPECIAL
POOL RULES, ROOSEVELT COUNTY,
NEW MEXICO.

Case 6270

APPLICATION

Comes now ENSEARCH EXPLORATION, INC., by their undersigned attorneys, and hereby makes application for an order designating a new pool as a result of the discovery of hydrocarbons in the Fusselman formation in its Lambirth No. 1 Well located in Unit K of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico and for promulgation of special pool rules, incluidng (1) 80-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis, (2) the dedication of all of the north half of the southwest quarter of said Section 31 to the Lambirth No. 1 Well, (3) a special gas-oil ratio of 3,000 to 1, and (4) special well location requirements, and in support of this application would show the Commission:

1. That applicant has recently completed its Lambirth No. 1 Well in the Fusselman formation capable of producing oil and gas in paying quantities located 1980 feet from the south and west lines of Section 31, Township 5 South, Range 33 East, Roosevelt County, New Mexico. Said well is producing through perforations from 7808 feet to 7852 feet and was potentialed as capable of producing 638 barrels of oil per day and 703 mcf of gas per day with no produced water.

2. Applicant believes that the following described lands are reasonably proven to be productive of oil and gas in paying quantities from the Fusselman formation and should be included in the original definition

of the new pool to be created because of said discovery:

Township 5 South, Range 33 East, N.M.P.M.
Section 31-N1/2 SW1/4

3. In order to prevent economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, special pool rules and regulations providing for 80-acre spacing units should be promulgated for the new pcol.

4. Application respectfully requests that the special pool rules provide that each well should be located on a standard unit containing 80 acres more or less, consisting of two contiguous governmental quarter quarter sections and that the well may be located in either component of the 80-acre spacing unit. Applicant further requests that each well shall be located within 150 feet of the center of a governmental quarter quarter section or lot.

5. Applicant requests that a special gas-oil ratio limitation be set of 3,000 cubic feet of gas for each barrel of oil produced pursuant to Rule 506(d) of the Division's Rules and Regulations.

WHEREFORE, Ensearch Exploration, Inc. requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Divison on July 6, 1978, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully Submitted,

CATRON, CATRON & SAWTELL

By William F. Carr

William F. Carr
Attorney for Applicant
P. O. Box 788
Santa Fe, New Mexico 87501

ROUGH

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6270

Order No. R-5771

APPLICATION OF ENSERCH EXPLORATION, INC., FOR POOL CREATION AND SPECIAL POOL RULES, ROOSEVELT COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6 19 78, at Santa Fe, New Mexico, before Examiner JSN.

NOW, on this _____ day of July, 19 78, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Enserch Exploration, Inc., is the owner and operator of the Lambirth Unit No. 1, located in Unit K of Section 31, Township 5 South, Range 33 East, NMPM, Roosevelt County, New Mexico

(3) That said well has discovered a separate common source of supply in the Fusselman formation, and applicant seeks the creation and designation of a new oil pool therefor and the promulgation of special pool rules governing said pool, including provision for 80-acre spacing and proration units and well locations.

(4) That the applicant seeks the dismissal of that portion of this case relating to the establishment of a special gas-oil ratio limitation for said pool.

(5) That the evidence presently available indicates that a new pool should be created and designated the South Peterson-Fusselman Pool; that the vertical limits of said pool should be the Fusselman formation, and that the horizontal limits of said pool should comprise:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

(6) That the evidence presently available indicates that the Fusselman formation encountered in the above-described Lambirth Well No. 1 is of high permeability, and that the drainage radius of the well will be in excess of 40 acres.

(7) 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, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the South Peterson-Fusselman Pool.

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

(9) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(10) That this case should be reopened at an examiner hearing in July, 1979, at which time the operators in the subject pool should be prepared to appear and show cause why the South Peterson-Fusselman Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Roosevelt County, New Mexico, classified as an oil pool for Fusselman production, is hereby created and designated the South Peterson-Fusselman Pool, with vertical limits comprising the Fusselman formation, and horizontal limits comprising the following-described area:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

(2) That temporary Special Rules and Regulations for the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
SOUTH PETERSON-FUSSELMAN POOL

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

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided however,

that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Division Director 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 comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The 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 formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Division Director may grant an exception to the 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. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

RULE 6. Top unit allowable for a standard proration unit (79 through 81 acres) shall be based on a depth bracket allowable of 267 barrels per day, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Peterson-Fusselman Pool or in the Fusselman formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before August 15, 1978.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the South Peterson-Fusselman Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the South Peterson-Fusselman Pool or in the Fusselman formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in July, 1979, at which time the operators in the subject pool should be prepared to appear and show cause why the South Peterson-Fusselman Pool should not be developed on 40-acre spacing units.

(4) That that portion of the application in this case dealing with the establishment of a special gas-oil ratio limitation for the South Peterson-Fusselman Pool is hereby dismissed.

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

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

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 6270

Order No. R-5771-A

IN THE MATTER OF CASE 6270 BEING REOPENED PURSUANT TO THE PROVISIONS OF ORDER NO. R-5771, WHICH ORDER CREATED ~~ESTABLISHED SPECIAL RULES AND REGULATIONS~~ ~~FOR~~ THE SOUTH PETERSON-FUSSELMAN POOL, ~~GAS POOL~~, ROOSEVELT COUNTY, NEW MEXICO, AND PROVIDED ~~INCLUDING A PROVISION~~ FOR 80 -ACRE SPACING. ~~PRORATION UNITS.~~

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 25, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this ____ day of ________, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-5771, dated July 17, 1978, temporary special rules and regulations were promulgated for the South Peterson-Fusselman ~~Gas~~ Pool, Roosevelt County, New Mexico, establishing temporary 80 -acre spacing units.

(3) That pursuant to the provisions of Order No. R-5771, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Peterson-Fusselman ~~Gas~~ Pool should not be developed on 40 -acre spacing units.

(4) That the evidence establishes that one well in the South Peterson-Fusselman ~~Gas~~ Pool can efficiently and economically drain and develop 80 acres.

(5) That the Special Rules and Regulations promulgated by Order No. R-5771 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool.

(6) 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, the Special Rules and Regulations promulgated by Order No. R-5771 should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Peterson-Fusselman ~~Gas~~ Pool, Roosevelt County, New Mexico, promulgated by Order No. R-5771, are hereby continued in full force and effect until further order of the Division.

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

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