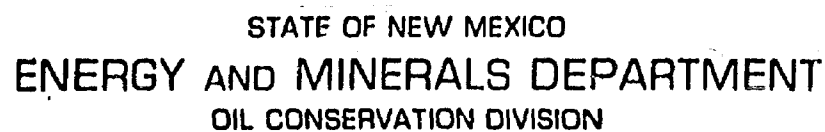


CASE 6656: TEXAS PACIFIC OIL COMPANY,
INC. FOR AN UNORTHODOX WELL LOCATION AND
A NON-STANDARD PRODUCTION UNIT, LEA
COUNTY, NEW MEXICO

CASE NO.

6658

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



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

Texas Pacific Oil Company, Inc.

Yours very truly,

JOE D. RAMEY
Director

Other

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. 6658
Order No. R-6133

APPLICATION OF TEXAS PACIFIC OIL COMPANY,
INC. FOR AN UNORTHODOX WELL LOCATION AND
A NON-STANDARD PRORATION UNIT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of October, 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 the applicant, Texas Pacific Oil Company, Inc., seeks approval of a 160-acre non-standard gas proration unit comprising the S/2 NE/4 and N/2 SE/4 of Section 14, Township 24 South, Range 36 East, NMPM, to be dedicated to its J. W. Cooper Well No. 8, located at an unorthodox location 2010 feet from the North line and 2310 feet from the East line of said Section 14.

(3) That said well was drilled and completed as an oil well at an orthodox oil well location but was recently reclassified as a gas well by the Division.

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

-2-

Case No. 6656
Order No. R-6133

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

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the S/2 NE/4 and N/2 SE/4 of Section 14, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Texas Pacific Oil Company, Inc., J. W. Cooper Well No. 8 at an unorthodox location 2010 feet from the North line and 2310 feet from the East line of said Section 14.

(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

13/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Oil)
Company, Inc., for an unorthodox) CASE
well location and a non-standard) 6658
proration unit, Lea County, New)
Mexico.)

BEFORE: Daniel S. Nutter

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

For the Applicant: William F. Carr, Esq.
CAMPBELL & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

Hearing Register Inside

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Santa Fe, New Mexico 87501

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

SEPTEMBER 19, 1979

Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
William J. Sam	Campbell and Black, P.A.	Santa Fe
Ph. Kendrick	El Paso Natural Gas Co.	El Paso
Ludy W. Mott	Supron Energy Corporation	Farmington
Canada Oilfield	Shulke Law Firm	Midland
John Irving	Exxon Co. U.S.A.	Midland
Joseph W. Jeffers	Mesa Petroleum Co.	Midland
J. K. Lytle	Exxon Co. U.S.A.	Midland
Ed Hooper	Delta Drilling Co.	Midland
Guy Ewell	Amoco	Houston
John Maxwell	✓	✓
Jim Allen	✓	✓
Jerry Sexton	OCD	Hobbs
Don L. Crozier	Delta Drilling Co.	Tyler
Wm. P. Aycock	Doyle Hartman	Midland
J. ROBERT CREECH	THE PETROLEUM CORP., DELA.	Midland
R. Huhner	CAPITOL OBSERVER	Santa Fe
RON GILBREATH	COQUINA OIL CORP	MIDLAND TX
Steve Salmon	BTA Oil Prod.	Midland TX
Steve Payton	BTA Oil Producers	Midland, Tx.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICO

Hearing Date

SEPTEMBER 19, 1979Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
HUGH INGRAM	CONOCO	HOBBS
Tom Kellakin	Kellakin & Kellakin	Santa Fe
Charles J. J. J.	Amox Chemical Corp	Carlsbad
Robert H. H.	Amox Chemical Corp	Carlsbad
Martin Watts	AMAX Chemical Corp.	Carlsbad
Everett B. Jourdan	Potash Co. of America	Carlsbad
V.T. LYON	CONOCO	HOUSTON
JERRY LONG	USGS	DURANGO
Ray Foster	PRRC	Socorro
Tom Stewart	EMD - R&D Division	Santa Fe

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JACK ROSE

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Applicant Exhibit Two, Cross Section	6
Applicant Exhibit Three, Letters	8

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MR. NUTTER: Call next Case Number 6658.

MR. PADILLA: Application of Texas Pacific Oil Company, Inc., for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico.

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

I have one witness.

(Witness sworn.)

JACK ROSE

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 full name and place of residence?

A Jack Rose, Midland, Texas.

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

A Texas Pacific Oil Company as Petroleum Engineer.

Q Have you previously testified before the

1 Commission and had your credentials accepted and made a
2 matter of record?

3 A No, I haven't.

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

6 A I received a Bachelor of Science in petro-
7 leum engineering in December of '72 from the University of
8 Missouri at Rolla, and also obtained a Masters of Science
9 in petroleum engineering in May '74, from that same univer-
10 sity.

11 I worked for Sun Oil Company during the
12 summer while I was employed -- or while I was going to
13 school, and upon graduation I worked for them for six months.

14 Upon terminating employment with Sun due
15 to a 4-year military commitment, and upon completion of
16 that commitment I went to work for Texas Pacific Oil Company
17 in February of this year.

18 Q Are you familiar with the application of
19 Texas Pacific Oil Company in this case?

20 A Yes, I am.

21 MR. CARR: Are the witness' qualifications
22 acceptable?

23 MR. NUTTER: Yes, they are.

24 Q (Mr. Carr continuing) Mr. Rose, will you
25 briefly state what Texas Pacific is seeking with this appli-

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1 cation?

2 A Texas Pacific completed as an oil well the
3 J. W. Cooper No. 8, located 2010 feet from the north line
4 and 2310 feet from the east line of Section 14, Township 24
5 South, Range 36 East.

6 Recently this well was reclassified as gas
7 and as a result we are seeking an unorthodox location and
8 a non-standard proration unit.

9 Q Will you please refer to what has been
10 marked for identification as applicant's Exhibit Number One
11 and explain to the Examiner what it is and what it shows?

12 A The initial geological interpretation on
13 the area indicated a thin, elongated Seven Rivers reef
14 structure extending through the middle from south to north
15 of Section 23 and 14.

16 We verified this by drilling the S. R.
17 Cooper No. 3, 4, A-1, A-2, and the J. W. Cooper No. 7.
18 These wells can be identified by the green dots directly east
19 of the north/south half section line of Sections 23 and 14.
20 These wells were drilled sequentially from south to north,
21 and they were all completed as Seven Rivers reef oil wells.

22 After the drilling of the J. W. Cooper No.
23 7 in our -- in the yellow shaded area, the green dot, it was
24 determined that the reef extended far enough north that it
25 would allow another location, another well location to be

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1 drilled.

2 At that time we drilled the J. W. Cooper
3 No. 8 with a target of Seven Rivers reef oil.

4 Q Now, Mr. Rose, Exhibit Number One is a plat
5 of the area, is that correct?

6 A Right.

7 Q And the acreage we're talking about is
8 colored yellow?

9 A Right, that's the lease.

10 Q And the red arrow indicates the subject
11 well.

12 A Right.

13 Q Will you now refer to what has been marked
14 for identification as Exhibit Number Two and continue your
15 testimony from Exhibit One and Exhibit Number Two?

16 A When we drilled the J. W. Cooper No. 8 the
17 Seven Rivers reef came in approximately 130 feet low and we
18 calculated it as wet, so we came up the hole, perforated the
19 Yates Sand as a salvage zone, Yates Sands, and this zone
20 initially was classified as an oil zone; however, recently,
21 due to GOR tests, this zone has been reclassified as a gas
22 zone.

23 Having drilled the Cooper No. 8 originally
24 as an oil well, it is 330 feet from lease lines. Jalmat
25 gas pool rules dictate that a lease be 660 feet from a lease

1 line.

2 We are therefore seeking approval for an
3 unorthodox location. There are seven other Jalmat gas wells
4 on this plat that are 330 feet from lease lines.

5 In conjunction with the unorthodox location
6 we're also seeking a non-standard proration unit for this
7 well of 160 acres, consisting of the four contiguous quarter
8 quarter sections outlined on Exhibit One.

9 The Jalmat Gas Pool rules dictate that a
10 standard proration unit be 640 acres; however, the field was
11 originally developed from 160-acre spacing. The majority of
12 the wells, gas wells, in the Jalmat Field are 160-acre pro-
13 ration -- have 160-acre proration units, and the average per
14 well proration unit acreage is 197.5, so we feel we're
15 justified for the 160-acre proration.

16 Q Mr. Rose, will you refer to Exhibit Number
17 Two and just state what that is for the purpose of the record?

18 A Exhibit Number Two is a cross section from
19 J. W. Cooper No. 7 on the left to the J. W. Cooper No. 8 on
20 the right, exhibiting the fact that the J. W. Cooper No. 8 is
21 completed in the Yates zone and that the J. W. Cooper No. 7
22 is completed in the Seven Rivers reef.

23 Q And the No. 7 Well is classified as an oil
24 well?

25 A Classified as an oil well.

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Santa Fe, New Mexico 87501

1 Q And the No. 8 is now a gas well.

2 A Right.

3 Q Could you state what the current rate of
4 production is from the J. W. Cooper Well No. 8?

5 A J. W. Cooper Well No. 8 is currently pro-
6 ducing 356 Mcf per day as the last date -- or last test as
7 of August 11th, '79.

8 Q If you are unable to receive approval for
9 the non-standard proration unit, what affect will this have
10 on Texas Pacific's plan for the well?

11 A It would make the prospect of the project
12 very economically marginal.

13 Q Mr. Rose, in your opinion will granting
14 this application be in the interests of conservation, the
15 prevention of waste, and the protection of correlative rights?

16 A Yes.

17 Q Were Exhibits One and Two prepared by you?

18 A Yes, sir.

19 MR. CARR: At this time, Mr. Examiner, we
20 would offer -- well, one other thing.

21 Q (Mr. Carr continuing.) Have offsetting
22 operators been notified?

23 A Yes, they have.

24 Q And copies of those letters have been
25 marked for identification as Exhibit Number Three.

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Austin, Texas, New Mexico 87501

1 A. Right.

2 MR. CARR: At this time, Mr. Examiner, we

3 would offer into evidence Applicant's Exhibits One through

4 Three.

5 MR. NUTTER: Exhibit Three is a letter re-

6 questing approval of the unit?

7 MR. CARR: That's correct.

8 A. Right, the original application.

9 MR. NUTTER: Those exhibits will be admitted

10 in evidence.

11

12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q. Mr. Rose, the well on the left on Exhibit

15 Two is the No. 7 and the well on the right is the No. 8,

16 correct?

17 A. Correct.

18 Q. And all of the perforations in the No. 8

19 are above the top of the Seven Rivers, in the Yates formation?

20 A. Yes.

21 Q. And all of the perforations in the No. 7

22 are below the top of the Seven Rivers, being in the Seven

23 Rivers formation?

24 A. Yes.

25 Q. So as far as the formation is concerned, we

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1 do not have a situation here of simultaneous dedication of
2 these lands --

3 A. No, sir.

4 Q. -- to two wells in the same producing in-
5 terval?

6 A. No, sir.

7 Q. Okay. Now, you mentioned that the No. 8
8 was producing 356 Mcf a day. How much liquids does that well
9 make?

10 A. The GOR is currently running about 118,000,
11 3 barrels of oil on that same test, one barrel of water. The
12 GOR is 118,667. Again, that date was --

13 Q. 118 --

14 A. 118,667.

15 Q. -- 667. And when you drilled into the Seven
16 Rivers and tested it, it was water wet?

17 A. Right. The well has made above 100,000
18 on GOR since May. The initial potential was classified as
19 an oil well.

20 MR. NUTTER: Are there any further questions
21 of Mr. Rose? He may be excused.

22 Do you have anything further, Mr. Carr?

23 MR. CARR: Nothing further, Mr. Nutter.

24 MR. NUTTER: Does anyone have anything they
25 wish to offer in Case Number 6658? We'll take the case under
advisement. (Hearing concluded.)

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 the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability 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. 66-8 heard by me on 9/19 19 79.

[Signature], Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
19 September 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Oil
Company, Inc., for an unorthodox
well location and a non-standard
proration unit, Lea County, New
Mexico.

CASE
6658

BEFORE: Daniel S. Nutter

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

For the Applicant:

William F. Carr, Esq.
CAMPBELL & BLACK P. A.
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JACK ROSE

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Applicant Exhibit Three, Letters	8

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Summit, N.J., New Mexico 87301

1 MR. NUTTER: Call next Case Number 6658.
2 MR. PADILLA: Application of Texas Pacific
3 Oil Company, Inc., for an unorthodox well location and a
4 non-standard proration unit, Lea County, New Mexico.

5 MR. CARR: May it please the Examiner,
6 I'm William F. Carr, Campbell and Black, P. A., Santa Fe,
7 appearing on behalf of the applicant.

8 I have one witness.

9
10 (Witness sworn.)

11
12 JACK ROSE
13 being called as a witness and having been duly sworn upon
14 his oath, testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. CARR:

18 Q Will you state your full name and place
19 of residence?

20 A Jack Rose, Midland, Texas.

21 Q Mr. Rose, by whom are you employed and in
22 what capacity?

23 A Texas Pacific Oil Company as Petroleum
24 Engineer.

25 Q Have you previously testified before the

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3030 Plaza Blanca (SOS) 471-9462
Beaumont, Texas 77705

1 Commission and had your credentials accepted and made a
2 matter of record?

3 A No, I haven't.

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

6 A I received a Bachelor of Science in petro-
7 leum engineering in December of '72 from the University of
8 Missouri at Rolla, and also obtained a Masters of Science
9 in petroleum engineering in May '74, from that same univer-
10 sity.

11 I worked for Sun Oil Company during the
12 summer while I was employed -- or while I was going to
13 school, and upon graduation I worked for them for six months.

14 Upon terminating employment with Sun due
15 to a 4-year military commitment, and upon completion of
16 that commitment I went to work for Texas Pacific Oil Company
17 in February of this year.

18 Q Are you familiar with the application of
19 Texas Pacific Oil Company in this case?

20 A Yes, I am.

21 MR. CARR: Are the witness' qualifications
22 acceptable?

23 MR. NUTTER: Yes, they are.

24 Q (Mr. Carr continuing) Mr. Rose, will you
25 briefly state what Texas Pacific is seeking with this appli-

1 cation?

2 A. Texas Pacific completed as an oil well the
3 J. W. Cooper No. 8, located 2010 feet from the north line
4 and 2310 feet from the east line of Section 14, Township 24
5 South, Range 36 East.

6 Recently this well was reclassified as gas
7 and as a result we are seeking an unorthodox location and
8 a non-standard proration unit.

9 Q Will you please refer to what has been
10 marked for identification as applicant's Exhibit Number One
11 and explain to the Examiner what it is and what it shows?

12 A The initial geological interpretation on
13 the area indicated a thin, elongated Seven Rivers reef
14 structure extending through the middle from south to north
15 of Section 23 and 14.

16 We verified this by drilling the S. R.
17 Cooper No. 3, 4, A-1, A-2, and the J. W. Cooper No. 7.
18 These wells can be identified by the green dots directly east
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23 7 in our -- in the yellow shaded area, the green dot, it was
24 determined that the reef extended far enough north that it
25 would allow another location, another well location to be

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1 drilled.

2 At that time we drilled the J. W. Cooper
3 No. 8 with a target of Seven Rivers reef oil.

4 Q Now, Mr. Rose, Exhibit Number One is a plat
5 of the area, is that correct?

6 A Right.

7 Q And the acreage we're talking about is
8 colored yellow?

9 A Right, that's the lease.

10 Q And the red arrow indicates the subject
11 well.

12 A Right.

13 Q Will you now refer to what has been marked
14 for identification as Exhibit Number Two and continue your
15 testimony from Exhibit One and Exhibit Number Two?

16 A When we drilled the J. W. Cooper No. 8 the
17 Seven Rivers reef came in approximately 130 feet low and we
18 calculated it as wet, so we came up the hole, perforated the
19 Yates Sand as a salvage zone, Yates Sands, and this zone
20 initially was classified as an oil zone; however, recently,
21 due to GOR tests, this zone has been reclassified as a gas
22 zone.

23 Having drilled the Cooper No. 8 originally
24 as an oil well, it is 330 feet from lease lines. Jalmat
25 gas pool rules dictate that a lease be 560 feet from a lease

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1 line.

2 We are therefore seeking approval for an
3 unorthodox location. There are seven other Jalmat gas wells
4 on this plat that are 330 feet from lease lines.

5 In conjunction with the unorthodox location
6 we're also seeking a non-standard proration unit for this
7 well of 160 acres, consisting of the four contiguous quarter
8 quarter sections outlined on Exhibit One.

9 The Jalmat Gas Pool rules dictate that a
10 standard proration unit be 640 acres; however, the field was
11 originally developed from 160-acre spacing. The majority of
12 the wells, gas wells, in the Jalmat Field are 160-acre pro-
13 ration -- have 160-acre proration units, and the average per
14 well proration unit acreage is 197.5, so we feel we're
15 justified for the 160-acre proration.

16 Q Mr. Rose, will you refer to Exhibit Number
17 Two and just state what that is for the purpose of the record?

18 A Exhibit Number Two is a cross section from
19 J. W. Cooper No. 7 on the left to the J. W. Cooper No. 8 on
20 the right, exhibiting the fact that the J. W. Cooper No. 8 is
21 completed in the Yates zone and that the J. W. Cooper No. 7
22 is completed in the Seven Rivers reef.

23 Q And the No. 7 Well is classified as an oil
24 well?

25 A Classified as an oil well.

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Dallas, Tx, New Mexico 87101

1 Q And the No. 8 is now a gas well.

2 A Right.

3 Q Could you state what the current rate of
4 production is from the J. W. Cooper Well No. 8?

5 A J. W. Cooper Well No. 8 is currently pro-
6 ducing 356 Mcf per day as the last date -- or last test as
7 of August 11th, '79.

8 Q If you are unable to receive approval for
9 the non-standard proration unit, what affect will this have
10 on Texas Pacific's plan for the well?

11 A It would make the prospect of the project
12 very economically marginal.

13 Q Mr. Rose, in your opinion will granting
14 this application be in the interests of conservation, the
15 prevention of waste, and the protection of correlative rights?

16 A Yes.

17 Q Were Exhibits One and Two prepared by you?

18 A Yes, sir.

19 MR. CARR: At this time, Mr. Examiner, we
20 would offer -- well, one other thing.

21 Q (Mr. Carr continuing.) Have offsetting
22 operators been notified?

23 A Yes, they have.

24 Q And copies of those letters have been
25 marked for identification as Exhibit Number Three.

1 A. Right.

2 MR. CARR: At this time, Mr. Examiner, we
3 would offer into evidence Applicant's Exhibits One through
4 Three.

5 MR. NUTTER: Exhibit Three is a letter re-
6 questing approval of the unit?

7 MR. CARR: That's correct.

8 A. Right, the original application.

9 MR. NUTTER: Those exhibits will be admitted
10 in evidence.

11
12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q Mr. Rose, the well on the left on Exhibit
15 Two is the No. 7 and the well on the right is the No. 8,
16 correct?

17 A. Correct.

18 Q And all of the perforations in the No. 8
19 are above the top of the Seven Rivers, in the Yates formation?

20 A. Yes.

21 Q And all of the perforations in the No. 7
22 are below the top of the Seven Rivers, being in the Seven
23 Rivers formation?

24 A. Yes.

25 Q So as far as the formation is concerned, we

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Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (S. 95) 471-4462
Santa Fe, New Mexico 87501

1 do not have a situation here of simultaneous dedication of
2 these lands --

3 A. No, sir.

4 Q -- to two wells in the same producing in-
5 terval?

6 A. No, sir.

7 Q Okay. Now, you mentioned that the No. 8
8 was producing 356 Mcf a day. How much liquids does that well
9 make?

10 A. The GOR is currently running about 118,000,
11 3 barrels of oil on that same test, one barrel of water. The
12 GOR is 118,667. Again, that date was --

13 Q 118 --

14 A. 118,667.

15 Q -- 667. And when you drilled into the Seven
16 Rivers and tested it, it was water wet?

17 A. Right. The well has made above 100,000
18 on GOR since May. The initial potential was classified as
19 an oil well.

20 MR. NUTTER: Are there any further questions
21 of Mr. Rose? He may be excused.

22 Do you have anything further, Mr. Carr?

23 MR. CARR: Nothing further, Mr. Nutter.

24 MR. NUTTER: Does anyone have anything they
25 with to offer in Case Number 6658? We'll take the case under
advisement. (Hearing concluded.)

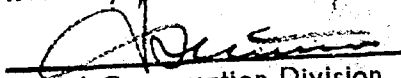
REPORTER'S CERTIFICATE

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 the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (G-8) 471-2462
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6658
heard by me on 9/19 1979


Oil Conservation Division, Examiner

- CASE 6658: Application of Texas Pacific Oil Company, Inc. for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the S/2 NE/4 and N/2 SE/4 of Section 14, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to its J. W. Cooper Well No. 8 at an unorthodox location 2010 feet from the North line and 2310 feet from the East line of said Section 14.
- CASE 6659: Application of Amoco Production Company 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 several unlined surface pits located in Sections 27, 34 and 35, Township 18 South, Range 31 East.
- CASE 6660: Application of B. & W. Oil Reclaiming for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NE/4 NE/4 NE/4 of Section 34, Township 18 South, Range 26 East.
- CASE 6661: Application of LaRue and Muncy for an exception to R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order R-111-A to permit a well to be drilled in Unit C of Section 22, Township 18 South, Range 30 East, Leo Queen-Grayburg Pool, to be cased by setting surface casing at the top of the salt, circulating cement on the oil string, and omitting the intermediate casing required by R-111-A; applicant further requests special rules to apply to all of Sections 15 and 22 of said township to permit additional wells to be completed in the same manner.
- CASE 6662: Application of Supron Energy Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Jicarilla "A" Well No. 22Y located in Unit K of Section 24, Township 26 North, Range 4 West, to produce gas from the Blanco Mesaverde Pool through tubing and to commingle and produce the Wildhorse Gallup and Basin-Dakota zones through a parallel tubing string.
- CASE 6663: Application of Doyle Hartman for an unorthodox well location and 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 a well at an unorthodox location 330 feet from the South line and 2310 feet from the West line of Section 36, Township 23 South, Range 36 East, Jalmat Gas Pool, is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well.
- CASE 6664: Application of Doyle Hartman for an unorthodox well location, two non-standard proration units and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 SW/4 of Section 27, Township 25 South, Range 37 East, Jalmat Pool, to be dedicated to El Paso Natural Gas Company's Harrison Well No. 1, and also a 120-acre unit comprising the E/2 SW/4 and SW/4 SW/4 of said Section 27 to be dedicated to a well to be drilled at an unorthodox location 330 feet from the South and West lines of the section; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6647: (Continued from September 5, 1979, Examiner Hearing)
- Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Seven Rivers well to be located 1650 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Jalmat Gas Pool, the NE/4 of said Section 15 to be dedicated to the well.
- CASE 6665: Application of Amax Chemical Corporation for the amendment of Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-111-A to extend the boundaries of the Potash-Oil Area by the inclusion of certain lands in Sections 22 and 23, Township 19 South, Range 29 East, and Section 19, Township 19 South, Range 30 East.
- CASE 6666: Application of Exxon Corporation for a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 377.57-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East, and Lots 3 and 4 and the N/2 NW/4 of Section 31, Township 26 South, Range 26 East, to be dedicated to a Morrow test well to be located in Unit A of said Section 36.
- CASE 6667: Application of Exxon Corporation for a non-standard proration unit, an unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 320-acre non-standard gas proration unit comprising the W/2 of Section 10, Township 21 South, Range 36 East, Eumont Pool, to be simultaneously dedicated to its A. J. Adkins Com Well No. 1 located in Unit L, and to its Well No. 2, at an unorthodox location 1650 feet from the North and West lines of said Section 10.

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Applicants EXHIBIT NO. 3

CASE NO. 4658

August 21, 1979

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2000
Santa Fe, New Mexico 87201

Attention: Mr. Joe D. Ramey

Re: J. W. COOPER WELL NO. 8
JALMAT POOL, LEA COUNTY

Gentlemen:

The above referenced well was completed as an oil well in the Jalmat Pool on April 3, 1979, located 2010' FNL & 2010' FBL, Section 14, T-24-S, R-38-E.

Due to the recently submitted gas-oil ratio test, the well will be reclassified as a gas well in the Jalmat Pool at an unorthodox gas location.

It is respectfully requested for administrative approval for a non-standard 160-acre Jalmat gas proration unit located in the S/2 of NE/4 and N/2 of SE/4 of Section 14 and for an unorthodox gas location for this well.

By copy of this letter, the offset operators are hereby notified and El Paso Natural Gas is requested to furnish gas meter information requirements.

Yours very truly,

TEXAS PACIFIC OIL COMPANY, INC.

R. D. Hawkins
Senior Production Clerk

RDH:cs

cc: Reserve Oil & Gas
Burleson & Huff
Continental Oil Company
El Paso Natural Gas

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Applicants EXHIBIT NO. 3
CASE NO. 6658

August 21, 1978

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87301

Attention: Mr. Joe D. Ramsey

Re: J. W. COOPER WELL NO. 8
JALMAT POOL, LEA COUNTY

Gentlemen:

The above referenced well was completed as an oil well in the Jalmat Pool on April 9, 1979, located 2010' FNL & 2810' FNL, Section 14, T-24-S, R-36-E.

Due to the recently submitted gas-oil ratio test, the well will be reclassified as a gas well in the Jalmat Pool at an unorthodox gas location.

It is respectfully requested for administrative approval for a non-standard 180-acre Jalmat gas proration unit located in the S/2 of NE/4 and N/2 of SE/4 of Section 14 and for an unorthodox gas location for this well.

By copy of this letter, the offset operators are hereby notified and El Paso Natural Gas is requested to furnish gas meter information requirements.

Yours very truly,

TEXAS PACIFIC OIL COMPANY, INC.

R. D. Hawkins
Senior Production Clerk

RDH:cs

cc: Reserve Oil & Gas
Burleson & Huff
Continental Oil Company
El Paso Natural Gas

TEXAS PACIFIC OIL COMPANY, INC.
REGIONAL OFFICE
MIDLAND, TEXAS 79701

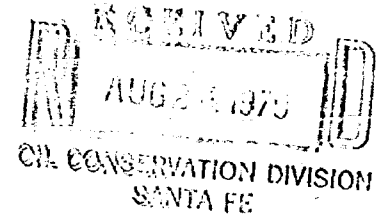
P. O. Box 4067
1509 WEST WALL STREET

TEL. 915-694-5384
TWX. 910-695-5324

August 21, 1979

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87301

Attention: Mr. Joe D. Ramey



Case 6658

Re: J. W. COOPER WELL NO. 8
JALMAT POOL, LEA COUNTY

Gentlemen:

The above referenced well was completed as an oil well in the Jalmat Pool on April 3, 1979, located 2010' FNL & 2310' FEL, Section 14, T-24-S, R-36-E.

Due to the recently submitted gas-oil ratio test, the well will be reclassified as a gas well in the Jalmat Pool at an unorthodox gas location.

It is respectfully requested for administrative approval for a non-standard 160-acre Jalmat gas proration unit located in the S/2 of NE/4 and N/2 of SE/4 of Section 14 and for an unorthodox gas location for this well.

By copy of this letter, the offset operators are hereby notified and El Paso Natural Gas is requested to furnish gas meter information requirements.

Yours very truly,

TEXAS PACIFIC OIL COMPANY, INC.

R. D. Hawkins
R. D. Hawkins
Senior Production Clerk

RDH:cs

cc: Reserve Oil & Gas
Burleson & Huff
Continental Oil Company
El Paso Natural Gas

*Set for hearing and
notify TP
NSL and NSP*

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

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

Operator Texas Pacific Oil Company, Inc.			Lease J. W. Cooper		Well No. 8
Unit Letter G	Section 14	Township 24 South	Range 36 East	County Lea	
Actual Footage Location of Well: 2010 feet from the north line and 2310 feet from the east line					
Ground Level Elev. 3335.4	Producing Formation Seven Rivers		Pool Jalmat		Dedicated Acreage: 160 acres

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

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

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

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

CERTIFICATION

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

R. D. Hawkins

Name
R. D. Hawkins

Position
Sr. Production Clerk

Company
Texas Pacific Oil Co., Inc.

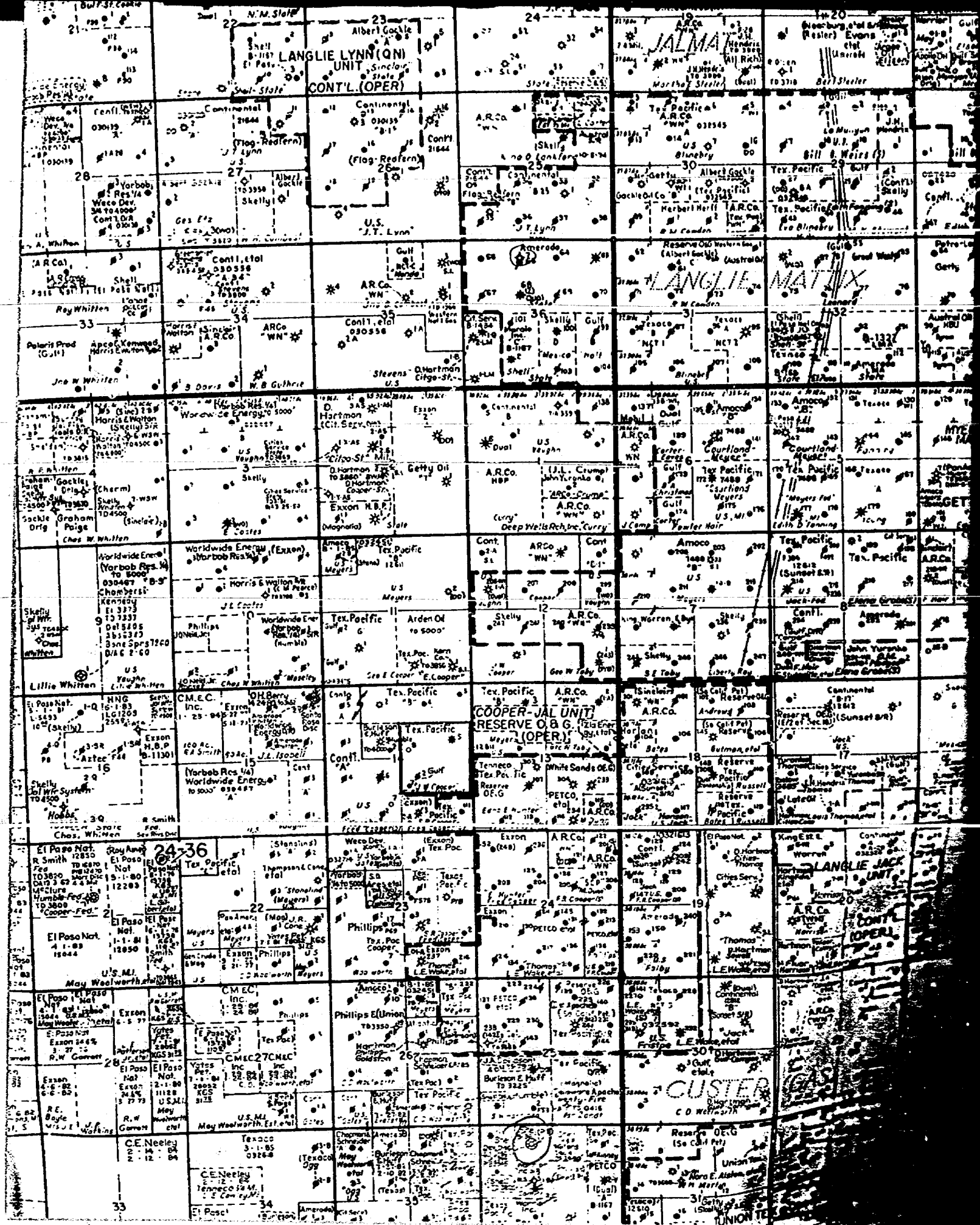
Date
8-21-79

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

Date Surveyed _____

Registered Professional Engineer and/or Land Surveyor _____

Certificate No. _____



OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 24, 1979

Mr. R. D. Hawkins
Senior Production Clerk
Texas Pacific Oil Company, Inc.
P. O. Box 4067
Midland, Texas 79701

Re: J. W. Cooper Well No. 8
Section 14, T-24-S, R-36-E
Jalmat Pool

Dear Mr. Hawkins:

We have received your application dated August 21, 1979, for a non-standard gas proration unit and an unorthodox gas well location for the above referenced well. We are not able to approve this application administratively and are therefore setting it for the examiner hearing to be held on September 19, 1979. A docket for this hearing will be forwarded to you as soon as it is printed.

Yours very truly,

Florene Davidson
Administrative Secretary

C
O
P
Y

DRAFT

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. 6658

Order No. R- 6133

APPLICATION OF TEXAS PACIFIC OIL COMPANY, INC.
AN UNORTHODOX WELL LOCATION AND
FOR A NON-STANDARD PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of , 19 79, 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, Texas Pacific Oil Company, Inc.
seeks approval of a 160 -acre non-standard gas proration unit
comprising the S/2 NE/4 and N/2 SE/4 of Section 14, Town-
ship 24 South, Range 36 East, NMPM, to be dedicated to
its J. W. Cooper Well No. 8, located at an
unorthodox location 2010 feet from the North line and 2310 feet from the East
line of said Section 14.

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

(3) That said well was drilled and completed as an
oil well at an orthodox oil well location, but
was recently reclassified as a gas well by
the Division.

⁵
(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the S/2 NE/4 and N/2 SE/4 of Section 14, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, ^{*the Texas Pacific Oil Company, Inc.,*} is hereby established and dedicated to ~~the~~ J. W. Cooper Well No. 8 at an unorthodox location 2010 feet from the North line and 2310 feet from the East line of ~~xxxx located on the xxxxxxxxxxxxxx of~~ said Section 14.

(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.