CASE 6658: TEXAS PACIFIC OIL COMPANY, THE. FOR AN UNCETHODOX WELL LOCATION AND A NON-STANDARD PROBATION UNIT, LEA COUNTY, NEW MEXICO

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CASE NO. 6658 APPIIC ation, Transcripts, Small Exhibits, ETC.



# STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT **OIL CONSERVATION DIVISION**

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POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 1505) 827-2434

October 11, 1979

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

Re: CASE NO. 5658 ORDER NO. R-6133

Applicant:

Texas Pacific Oil Company, Inc.

Dear Sir:

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

Pours very tru] JOE D. RAMEY Director

JDR/fd

Copy of order also sent to:

Hobbs OCD Artesia OCD Aztec OCD

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 8. Nutter.

NOW, on this <u>10th</u> 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 <u>Division has jurisdiction</u> 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. 6658 Order No. R-6133

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(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, Ind., J. W. Cooper Well No. 8 at an unorthodox location 2010 feet from the North line and 2310 feet from the Bast 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 7

JOE D. RAMEY Director

1 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 2 Oil Conservation Division State Land Office Building â Santa Fe, New Mexico 19 September 1979 EXAMINER HEARING 6 IN THE MATTER OF: 7 Application of Texas Pacific Oil CASE 8 Company, Inc., for an unorthodox 6658 well location and a non-standard 9 proration unit, Lea County, New Mexico. 10 ALTON BOY 11 BEFORE: Daniel S. Nutter 12 13 TRANSCRIPT OF HEARING 14 15 APPEARANCES 16 17 For the Oil Conservation Ernest L. Padilla, Esq. Division: Legal Counsel for the Division 18 State Land Office Bldg. Santa Fe, New Mexico 87503 19 20 For the Applicant: William F. Carr, Esq. • 21 CAMPBELL & BLACK P. A. Jefferson Place 22 Santa Fe, New Mexico 87501 23 24 Nearing Register Duride 25

Page WWW MEXICO OIL CONSERVATION COMMISSION EXAMINER HEARING SANTA FE , NEW MEXICO SEPTEMBER 19, 1979 Time: 9:00 A.M. Hearing Date LOCATION NAME REPRESENTING Santa Che elian 7. Ean Campbell and Dlack P.A. globa Holand Son Co 20 Por Th. Keeduich Supron Energy Corputation Familington Ludy D. Moth hillow) Canad millent Mira Patraleum Co. Midland Joursh W. Jefferz Midlend Exxon Lo. U.S.A. J.K.Lytte Ed Hoopen Millond Delle Dilling Co HOUSTON Amoco bug Everci JOHN MACUELL Jim AllEN N0665 OCD Juny SENTON Tyler Midland Delta Drilling Co. Don L. Crozier Doy & Hart-mom WM. P. AYCOCK Midland THE PETROLEUM CORP., DELA. J.ROBERT CREECH Santa Fe CAPITOL OBSERVER. KHuhu COQUINA OIL CORP MIDLAND DE ROW GILBREATH RTA oil Prod. Midland H stere salmon BTA Oil Producers Milland Tx . Steve Payton

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	NAME	REPRESENTING	LOCATION
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		Page	3
	1	MR. NUTTER: Call next Case	e Number 6658.
	2	MR. PADILLA: Application of	of Texas Pacific
· · · · · · · · · · · · · · · · · · ·		Oil Company, Inc., for an unorthodox well loo	cation and a
	4	non-standard proration unit, Lea County, New	Mexico.
	5	MR. CARR: May it please th	ne Examiner,
	6	I'm William F. Carr, Campbell and Black, P. A	A., Santa Fe,
na sena d'an an An Anna Anna Anna Anna Anna Anna A	7 -	appearing on behalf of the applicant.	
	8	I have one witness.	
ан 1977 - Сарана Сарана 1977 - Сарана 1977	9		
	10	(Witness sworn.)	
	11		
	12	JACK ROSE	
	13	being called as a witness and having been du	y sworn upon
Z S S S S S S S S S S S S S S S S S S S	14	his oath, testified as follows, to-wit:	
	15	·····, ·····, ······, ······, ·····	
	16	DIRECT EXAMINATION	
	17	BY MR. CARR:	an a
	18	Q. Will you state your full na	me and place
	19	of residence?	
	20	A. Jack Rose, Midland, Texas.	
	21	Q. Mr. Rose, by whom are you e	mloved and in
	22		
	23	what capacity? A. Texas Pacific Oil Company a	c Detroloum
	24		s perroleum
	25	Engineer.	
		A Have you previously testific	ed berore the
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Commission and had your credentials accepted and made a matter of record?

A. No, I haven't.

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

A. I received a Bachelor of Science in petroleum engineering in December of '72 from the University of Missouri at Rolla, and also obtained a Masters of Science in petroleum engineering in May '74, from that same university.

I worked for Sun Oil Company during the summer while I was employed -- or while I was going to school, and upon graduation I worked for them for six months. Upon terminating employment with Sun due

to a 4-year military commitment, and upon completion of that commitment I went to work for Texas Pacific Oil Company in February of this year.

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

Yes, I am.

MR, CARR: Are the witness' qualifications

acceptable?

A.

Q.

MR. NUTTER: Yes, they are.

(Mr. Carr continuing) Mr. Rose, will you

briefly state what Texas Pacific is seeking with this appli-

cation?

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

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

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

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

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

7 in our -- in the yellow shaded area, the green dot, it was determined that the roof extended far enough north that it would allow another location, another well location to be

After the drilling of the J. W. Cooper No.

SALLY WALTON BOYD CRIMMED BHORT AND RECOTEN

		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?
	1. sec.	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
	NO BO NEW ON CENT (111 CENT (111 CENT)	11	well.
9-	VALTO Mine (	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
1 M.		17	Seven Rivers reef came in approximately 130 feet low and we
- 144 - 144 - 146 - 146 - 146 - 146		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
<b>_</b>		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
		H	

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line.

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

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

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

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

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

Q. And the No. 7 Well is classified as an oil

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A.

well?

Classified as an oil well.

WALTON BOYL MOLTIMAN REPORTE \_\_\_\_\_

Q. And the No. 8 is now a gas well. Right. 2 À. Could you state what the current rate of û. . production is from the J. W. Cooper Well No. 8? J. W. Cooper Well No. 8 is currently pro-Б A. ducing 356 Mcf per day as the last date -- or last test as 8 of August 11th, '79. 7 If you are unable to receive approval for Q. 8 the non-standard proration unit, what affect will this have 9 10 on Texas Pacific's plan for the well? 11 A. It would make the prospect of the project 12 very economically marginal, 13 Mr. Rose, in your opinion will granting Q. 14 this application be in the interests of conservation, the 15 prevention of waste, and the protection of correlative rights 16 Α. Yes. 17 were Exhibits One and Two prepared by you? û 18 Ά. Yes, sir. 19 MR. CARR: At this time, Mr. Examiner, we 20 would offer -- well, one other thing. 21 (Mr. Carr continuing.) Have offsetting Q. 22 operators been notified? 23 Yes, they have. Ά. 24 And copies of those letters have been Q. marked for identification as Exhibit Number Three.

		-			Page9
· · · · · · · · · · · · · · · · · · ·		1		A	Right.
		2			MR. CARR: At this time, Mr. Examiner, we
	• 44	3	would off	er 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
	OYO METRO LINE	10	in eviden	ce.	
		11			
	WALT WORTH	12			CROSS EXAMINATION
		13	BY MR. NUT	ITER:	
	38.5	14	1. J.	<b>Q.</b> .	Mr. Rose, the well on the left on Exhibit
		15	Two is the	e Ńo.7 a	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 for	mation?	
		24		R.	Yes.
		25	• •	Q.	So as far as the formation is concerned, we

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10 do not have a situation here of simultaneous dedication of 1 2 these lands ---No, sir. 3 A. -- to two wells in the same producing in-0. 5 terval? 6 No, sir. A. 7 Okay. Now, you mentioned that the No. 8 0. was producing 356 Mcf a day. How much liquids does that well 8 9 make? 10 The GOR is currently running about 118,000, A. 11 3 barrels of oil on that same test, one barrel of water. The 12 GOR is 118,667. Again, that date was --13 118 ---Q. 14 118,667. A. 15 Q -- 667. And when you drilled into the Seven 16 Rivers and tested it, it was water wet? 17 Right. The well has made above 100,000 A. 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 (Hearing concluded.) advisement.

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.

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

Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OI CONSErVATIO BUILDING Easta Fe, New Mexico IS September 1979 EXAMINER HEARING IN THE MATTER OF: Application of Texas Pacific Oil Chee Company, New, New Munochodox 1 6658 Wall location and a non-standard 1 provation unit, Las County, New 1 Mexico. BEFORE: Daniel S. Nutter TRANSCRIPT OF HEARING A P P E A R A N C E S For the Ul Conservation Division: Por the Applicant: William F. Carr, Esq. COMPENDING FLAG. Santa Fe, New Mexico 87501 Santa Fe, New Mexico 87501 Santa Fe, New Mexico 87501	Image: State of NEW MEXICO         State of NEW MEXICO         Discourse of the state of th			and a second			
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Commission and had your credentials accepted and made a matter of record?

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

A. I received a Bachelor of Science in petroleum engineering in December of '72 from the University of Missouri at Rolla, and also obtained a Masters of Science in petroleum engineering in May '74, from that same university.

I worked for Sun Oil Company during the summer while I was employed -- or while I was going to school, and upon graduation I worked for them for six months. Upon terminating employment with Sun due

to a 4-year military commitment, and upon completion of that commitment I went to work for Texas Pacific Oil Company in February of this year.

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

Yes, I am.

MR. CARR: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

(Mr. Carr continuing) Mr. Rose, will you

briefly state what Texas Pacific is seeking with this appli-

cation?

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

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

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

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

We verified this by drilling the S. R. Cooper No. 3, 4, A-1, A-2, and the J. W. Cooper No. 7. These wells can be identified by the green dots directly east of the north/south half section line of Sections 23 and 14. These wells were drilled sequentially from south to north, and they were all completed as Seven Rivers reef oil wells. After the drilling of the J. W. Cooper No. 7 in our -- in the yellow shaded area, the green dot, it was determined that the reef extended for enough north that it would allow another location, another well location to be drilled.

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

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

Right.

Right.

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

A Right, that's the lease.

Q. And the red arrow indicates the subject

well.

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

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

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

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

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

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

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

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

well?

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Classified as an oil well.

And the No. 7 Well is classified as an oil

WALTON BOYE

a And the No. 8 is now a gas well. 2 A. Right. Could you state what the current rate of \$ production is from the J. W. Cooper Well No. 87-4 5 Α. J. W. Cooper Well No. 8 is currently pro-6 ducing 356 Mcf per day as the last date -- or last test as of August 11th, '79. 7 8 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 It would make the prospect of the project A. 12 very economically marginal. 13 Mr. Rose, in your opinion will granting C. 14 this application be in the interests of conservation, the 15 prevention of waste, and the protection of correlative rights 16 A. Yes. 17 Were Exhibits One and Two prepared by you? Q. 18 A. Yes, sir. 19 MR. CARR: At this time, Mr. Examiner, we 20 would offer -- well, one other thing. 21 (Mr. Carr continuing.) Have offsetting Q. 22 operators been notified? 23 Yes, they have. A. 24 And copies of those letters have been α 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 Three. 5 MR. NUTTER: Exhibit Three is a letter re-6 questing approval of the unit? 7 MR. CARR: That's correct. 8 Right, the original application. A: ŝ MR. NUTTER: Those exhibits will be admitted 10 in evidence. 11 WALTON 12 CROSS EXAMINATION 13 BY MR. NUTTER: 34 Mr. Rose, the well on the left on Exhibit Q. 15 Two is the No. 7 and the well on the right is the No. 8, 16 correct? 47 Correct. A. 18 And all of the perforations in the No. 8 a. 19 are above the top of the Seven Rivers, in the Yates formation? 20 A. . Yes. 21 And all of the perforations in the No. 7 Q 22 are below the top of the Seven Rivers, being in the Seven 23 Rivers formation? 24 Yes. à. So as far as the formation is concerned, we Q.

10 1 do not have a situation here of simultaneous dedication of 2 these lands --3 No. sir. A -- to two wells in the same producing ina 5 terval? 6 No, sir. A. 7 0. Okay. Now, you mentioned that the No. 8 8 was producing 356 Mcf a day. How much liquids does that well 9 make? 10 The GOR is currently running about 118,000, A. 11 3 barrels of oil on that same test, one barrel of water. The 12 GOR is 118,667. Again, that date was --13 118 ---Q 14 118,667. Å. 15 Q -- 667. And when you drilled into the Seven 16 Rivers and tested it, it was water wet? 17 Right. The well has made above 100,000 A. 18 on GOR since May. The initial potential was classified as 19 an oil well. 20 MR NUTTER: Are there any further question 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 26 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 WALTON 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. 6658 heard by ne on 1979 , Examiner Oil Conservation Division 

<u>.</u>	<u>CASE 6658</u> :	Application of Texas Pacific Oil Company, Inc. for an unorthodox well location and a non-standard protation unit, Lea County, New Mexico. Applicant, in the above-styled cause. seeks approval of a 160-acre non-standard gas protation unit comprising the S/2 NE/4 and N/2 SE/4 of Section 14, Town- ship 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.	
	<u>CASE 6659</u> :	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.	
	<u>CASE 6660</u> :	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.	
	<u>CASE 6661</u> :	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 the 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.	
	<u>CASE 6662</u> :	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.	
	<u>CASE 6663</u> :	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, Kange 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.	
	<u>CASE 6664</u> :	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, Town- ship 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 maiver 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 0. H. Berry for an unorthodox gas well location, Les 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.

- 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, Town-CASE 6665: ship 19 South, Range 29 East, and Section 19, Township 19 South, Range 30 East.
- 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 6666:
- CASE 6667: Application of Expon Corporation for a non-standard provation 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.

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BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION CASE NO. 2003

August 21, 1979

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

Attention: Mr. Joe D. Ramey

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

### Gentlemen:

Sec.

The above referenced well was completed as an oil well in the Jalmat Pool on April 3, 1979, located 2010' PHL 5 2010' 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 unerthodox gas location.

It is respectfully requested for administrative approval for a nonstandard 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 unorthedox gas location for this well.

By copy of this letter, the officet operators are hereby notified and El Paso Natural Gas is requested to furnish gas mater 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
	SERVATION	
Acceluints.	EXHIBIT NO.	3
	6653	

August 21, 1978

State of New Maxico Energy and Minerals Department Oil Conservation Tuniaion P. O. Box 2088 Santa Fe, New Mexico 87801

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 Fool on April 5, 1979, located 2010' FWL 5 2810' FEL, Section 14, T-24-S, X-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 unerthodox gas location.

It is respectfully requested for administrative approval for a nonstandard 160-acre Jalmat gas proration unit located in the 8/2 of NE/4 and N/2 of SE/4 of Section 14 and for an unorthodow 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 GIL 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

32

P. O. BOX 4067 1509 WEST WALL STREET

August 21, 1979

TEL. 915-604-5884 TWX. 910-895-5394

SIVED CIL CONSERVATION DIVISION SANTA FE

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 nonstandard 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

Set for hearing and 170 tily TP NSL and NSP

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

Porm C-102 Supersedes C-128 Ellective 1-1-65

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



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ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

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

CASE NO. 6658

Order No. R- <u>(133</u>

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

LEA \_\_\_\_COUNTY, NEW MEXICO.

An

### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on <u>September 19</u> 19<u>79</u>, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter NOW, on this <u>day of</u>, 19<u>79</u>, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises.

ORDER OF THE DIVISION

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, <u>Texas Pacific Oil Company, Inc.</u> seeks approval of a <u>160</u> -acre non-standard gas proration unit comprising the S/2 NE/4 and N/2 SE/4 of Section <u>14</u>, Township <u>24 South</u>, Range <u>36 East</u>, NMPM, to be dedicated to

its J. W. Cooper Well No. 8 , located MW at an unorthodox location 2010 feet from the North line and 2310 feet from the Bast line of mixxxxxxxx of said Section 14 .

(4) That the entire non-standard proration unit may reasonably be presumed productive of gas from the <u>Jalmat</u> 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 taid wree was drillal and completed as an ail wree at an orthoday ail wree bocation, but when recently heclassified as a gas wree by the Rivisian.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable Jalmat charc of the gas in the

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	<u>160</u> –ac	ere non-stand	ard gas pror	cation unit	!
	in the	Jalmat		Gas	Pool compris	sing the	
	S/2 NE/4	and N/2 S	<u>E/4</u> of	E Section 14	, Townsh	nip24 South	
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14 Section

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That jurisdiction of this cause is retained for the (2) entry of such further orders as the Division may deem necessary. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.