

CASE NO.

7056

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



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

January 16, 1981

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

Re: CASE NO. 7056
ORDER NO. R-6553

Applicant:

~~Getty Oil Company~~

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/ed

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. 7056
Order No. R-6553

APPLICATION OF GETTY OIL COMPANY
FOR THE EXTENSION OF VERTICAL
LIMITS OF THE JALMAT POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 10, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 1981, 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, Getty Oil Company, seeks the contraction of the vertical limits of the Langlie-Mattix Pool and the downward extension of the vertical limits of the Jalmat Pool to a depth of 3,740 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36 East, NMPH, Lea County, New Mexico, said tract being the location of applicant's Eugene Coates Well No. 7.

(3) That the vertical limits of the Jalmat Pool as defined by Order No. R-520, dated August 12, 1954, include the Tansill and Yates formations and all but the lowermost 100 feet of the Seven Rivers formation.

(4) That the vertical limits of the Langlie-Mattix Pool, as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation.

(5) That there has been some disparity among some geologists as to the actual base of the Seven Rivers formation and the top of the Queen formation and hence as to the location of the 100-foot marker separating the Jalmat and Langlie-Mattix Pools.

(6) That as a result of this disparity, the subject well and certain other wells in the general area which are classified as Jalmat wells have perforations extending across the aforesaid 100-foot marker in the Seven Rivers formation and into the Langlie-Mattix Pool.

(7) That such crossing over from one pool into the other in this case appears to be an unintentional error.

(8) That to rectify the aforesaid error would require workover operations on the subject well which would be expensive and might endanger the productivity of the subject well, and would actually serve no beneficial purpose, inasmuch as the production and reservoir characteristics of the perforations immediately above and below the 100-foot marker are quite similar.

(9) That a reasonable solution to the problem is to contract the vertical limits of the Langlie-Mattix Pool and to adjust the vertical limits of the Jalmat Pool downward to a depth of 3,740 feet to accommodate the present perforations in the Lower Seven Rivers formation in the subject well which are actually within the present Langlie-Mattix Pool.

(10) That such adjustment will prevent waste and should not impair correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the uppermost vertical limit of the Langlie-Mattix Pool underlying the NW/4 SW/4 of Section 3, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby contracted to a depth of 3,740 feet, subsurface, and the lowermost limit of the Jalmat Pool underlying said tract is hereby extended downward to the same subsurface depth, 3,740 feet.

(2) That the effective date of the aforesaid revision of the vertical limits of said pools shall be the date the Getty Oil Company Eugene Coates Well No. 7 was completed at a depth below the former top of the Langlie-Mattix Pool.

-3-

Case No. 7056

Order No. R-6553

(3) 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/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
10 December 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Getty Oil Company)
for the extension of vertical limits) CASE
of the Jalmat Pool, Lea County, New) 7056
Mexico.)

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

2

I N D E X

PETER J. BOTES

Direct Examination by Mr. Carr

3

MICHAEL YUSAS

Direct Examination by Mr. Carr

8

E X H I B I T S

Applicant Exhibit One, Schematic

5

Applicant Exhibit Two, Log

9

Applicant Exhibit Three, Map

10

Applicant Exhibit Four, Cross Section

11

Applicant Exhibit Five, Cross Section

11

Applicant Exhibit Six, Plat

13

MR. STAMETS: We'll call next Case 7056.

MR. PADILLA: Application of Getty Oil Company for the extension of vertical limits of the Jalmat Pool, Lea County, New Mexico.

MR. CARR: May it please the Examiner, my name is William F. Carr with the law firm of Campbell and Black, P. A., Santa Fe, appearing on behalf of the applicant. I have two witnesses and seven exhibits.

(Witnesses sworn.)

MR. CARR: At this time I'd call Mr. Peter Botes.

PETER J. BOTES

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

DIRECT EXAMINATION

BY MR. CARR:

Q For the purposes of the record, would you state your name?

A Peter J. Botes.

Q How do you spell your last name?

1

2

A. B-O-T-E-S.

3

Q. Where do you reside?

4

A. Hobbs, New Mexico.

5

Q. By whom are you employed and in what

6

capacity?

7

A. Getty Oil Company as a petroleum engineer.

8

Q. Have you previously testified before this

9

commission and had your credentials accepted and made a matter of record?

11

12

A. Yes, sir, I have.

13

Q. Are you familiar with the application

14

filed by Getty Oil Company in Case 7056?

15

A. Yes, sir.

16

Q. And are you familiar with the well which

17

is the subject of this case?

18

A. Yes, sir.

19

20

MR. CARR: Are the witness' qualifica-

21

tions acceptable?

22

MR. STAMETS: They are.

23

Q. Mr. Botes, will you briefly state what

24

Getty is seeking with this application?

25

A. Yes, sir. Getty Oil Company seeks con-

26

traction of the vertical limits of the Langlie-Mattix Pool

27

and the downward extension of the vertical limits of the Jal-

28

mat Pool to a depth of 3740 feet subsurface under the north-

1
2 west quarter of the southwest quarter of Section 3, Township
3 24 South, Range 36 East, Lea County, New Mexico.

4 Q Will you briefly summarize for the Exa-
5 miner the events which have resulted in this hearing today?

6 A Yes. Getty was notified by communica-
7 tion from the Hobbs District Office of the Oil Conservation
8 Division, dated July 28th, 1980, that the oil that is the
9 subject of this hearing was reviewed by Mr. John Runyan, who
10 is the Hobbs District Geologist, was bound to be out of zone.
11

12 A meeting was then set up on August 7th,
13 1980, which Getty attended, at which a copy of Mr. Runyan's
14 study was made available to all attendees.

15 Mr. Sexton then reviewed the situation
16 regarding the study. At that time Mr. Sexton gave all oper-
17 ators who are affected by the study 30 days to indicate some
18 type of action to remedy the problem of the out of zone
19 wells. This application is a result of the Commission's
20 directive.
21

22 Q Mr. Botes, will you briefly give a
23 brief history of the subject well and then also refer to
24 Getty Exhibit Number One, which is the schematic drawing,
25 and summarize the information contained thereon?
26

27 A The subject well was drilled and com-
28 pleted to a depth of 3642 in 1938. Completion was an open
hole from 3545 to 3642, with 7-inch casing set at 3545. The

1
2 well was completed as a Jalmat well.

3 The well was deepened in 1979 to a
4 depth -- excuse me, '69 -- to a depth of 3740.
5

6 During a workover in early July of this
7 year the equipment in this well was pulled and the producing
8 zone was depleted. Upon entering the well, we found that the
9 well had fill up to a depth of 3471. The well was then cleaned
10 out to a depth of 3667, leaving 73 feet of fill remaining
11 in the well.

12 This is a -- Exhibit Number One is a
13 schematic of this, the downhole casing and setting depths of
14 this well, showing the open hole interval.
15

16 This Eugene Coates Well is part of
17 Getty's Jal water system. This water system supplies water
18 for waterflood purposes to nine other operators, including
19 ourselves. The system produces an average of 2,225,000 bar-
20 rels of water a month. The Coates well contributes appro-
21 ximately 10 percent of that figure.

22 Also the Coates Well No. 7 produces
23 approximately 550 barrels of oil per month. Current daily
24 production from the well is 20 barrels of oil per day, 7000
25 barrels of water per day, and approximately 87 Mcf per day.
26 The well is produced and pumped by means of a BJ central lift
27 submersible pump with a pump depth of 3410.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

MR. STAMETS: What was the water volume?

A. Per day it's 7000.

MR. STAMETS: Thank you.

A. Yes, sir.

Q. Mr. Botes, will Getty call another witness who will testify as to geological considerations in this case?

A. Yes, sir.

Q. Was Exhibit Number One prepared by you?

A. Yes, sir.

MR. CARR: At this time, Mr. Stamets, we would offer Applicant's Exhibit Number One.

MR. STAMETS: Exhibit One will be admitted.

MR. CARR: I have nothing further on direct of this witness.

MR. STAMETS: Any questions of the witness? He may be excused.

MR. CARR: At this time I would call Mr. Mike Yusas.

MICHAEL YUSAS

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of residence?

A Michael Yusas, Midland, Texas.

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

A I'm employed by Getty Oil Company in the capacity as a development geologist.

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

A No, I have not.

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

A I graduated in 1976 from the University of Wisconsin, obtaining a Bachelor of Science degree in geology and geophysics.

I graduated from -- in 1979 from the University of Utah with a Master of Science in Geology and geophysics.

After graduation I came to work for Getty Oil Company as development geologist. One of my areas of primary responsibility has been the Upper Permian and

1
2 Middle Permian of Lea County, New Mexico.

3 Q Are you familiar with the application
4 which has been filed by Getty in this case?

5 A Yes.

6 Q And are you familiar with the well which
7 is the subject of this case?

8 A Yes, I am.

9 MR. CARR: Are the witness' qualifica-
10 tions acceptable?

11 MR. STAMETS: They are.

12 Q Mr. Yusas, in determining the subject
13 well is a Jalmat completion, did Getty use the same picks as
14 other companies in the area are using to determine whether
15 or not they have a Jalmat or a Langlie Mattix well?

16 A Yes, sir.

17 Q Will you please refer to what has been
18 marked for identification as Getty Exhibit Number Two and ex-
19 plain to the Examiner what this is and what it shows?

20 A Exhibit Number Two is a type log showing
21 which picks were used in defining the Langlie Mattix-Jalmat
22 Boundary.

23 It is a log from a well approximately
24 2-1/2 miles northeast of E. Coates No. 7, the well in question.
25 This particular log was chosen because it was used by the
26
27
28

Commission on stratigraphic nomenclature in their 1954 definition of the Queen, Seven Rivers, and Yates boundaries. It is the closest such well to the E. Coates No. 7.

It is important to point out in this type log that the Langlie Mattix-Jalmat boundary is defined as 100 feet above the base of the Seven Rivers.

Q Will you now refer to Getty Exhibit Number Three and review the information contained thereon for Mr. Stamets?

A. Exhibit Number Three is a location and structure map of the area surrounding the E. Coates No. 7, which is outlined in red in Section 3, Township 24 South, Range 36 East.

The enlarged map is a structure map contoured on the top of the Seven Rivers, and contoured on the top of the Seven Rivers rather than the top of the Queen, because there are so few Queen penetrations in this region.

This map illustrates a few points that I'd like to make about the geologic setting of our well.

The well is located on the western edge of the Central Basin Platform where sands and dolomites of the Artesia Group interfinger with carbonates of the Capitán Reef, which trends roughly north/northwest through the center of this map.

1
2 The structural contours illustrate that
3 rocks of the Artesia Group drop off rapidly into the Delaware
4 Basin through the Capitan Reef along this north/northwest
5 trend.
6

7 It is important to note that in this
8 area stratigraphic position, rather than structural position,
9 is the most important criterion in defining the type and
10 quality of the completion.

11 Also illustrated on this map are cross
12 sections A-A' and B-B', to which I'd now like to refer.

13 Q All right, those are marked as Getty
14 Exhibits Four and Five, and if you'll refer to both of them
15 now, and explain to Mr. Stamets what they depict.
16

17 A Exhibit Number Four is an east/west
18 cross section through Township 24 South, Range 36 East.

19 Exhibit Number Five is a north/south
20 cross section through Township 23 and 24 South, Range 36 East.

21 Before discussing the geologic impli-
22 cations of these cross sections, I'd like to briefly discuss
23 some of the problems in correlation in this area.
24

25 The Langlie Mattix-Jalmat Pool boundary,
26 as I referred to earlier, is defined as 100 feet above the
27 base of the Seven Rivers formation. The Queen formation, or
28 the base of the Seven Rivers formation, was originally de-

1
2 fined as a lithostratigraphic unit in Eddy County, New Mexico.
3 That is, it consists primarily of sands with dolomite stringers,
4 and the top of it is picked at a particular sand bed in a
5 type section near Queen.
6

7 In 1954 the Commission on Stratigraphic
8 Nomenclature defined the Queen based on a gamma ray marker.
9 In other words, defined the Queen as a chronostratigraphic
10 or time line marker.

11 Using this chronostratigraphic unit, Mr.
12 Runyon has found that our well, the E. Coates No. 7, to be
13 out of pool. I have found, and in discussions with several
14 other operators in the area, that lithostratigraphic units
15 are much more convenient in mapping and understanding the
16 geology of the Langlie Mattix-Jalpat Fields.
17

18 These cross sections are drawn in the
19 Artesia --- east/west and north/south cross sections in the
20 Langlie Mattix and Jalpat Pools. These I -- in drawing these
21 I have used lithostratigraphic definitions of the formations.
22 What is important to note on Exhibit Number Four, the east/west
23 cross section, is the complex interfingering of the Queen-
24 Seven Rivers with the Capitan Reef.
25

26 Now, in picking the top of the Queen, it
27 would be extremely difficult for me to decide which one of
28 these fingers truly represents the top sand body of the Queen.

1
2 Now Getty does not take exception or
3 object to Mr. Runyon's chronostratigraphic pick of the Queen,
4 which places us in violation of the pool boundaries. What
5 I'd like to emphasize with these cross sections is that it is
6 a very difficult pick and that there is a great deal of con-
7 fusion about exactly where that boundary is, any time that
8 you get up into this interfingering with the reef.
9

10 To emphasize this point, I would like to
11 refer to our next exhibit.

12 Q That's Getty Exhibit Number Six, which
13 is a land plat, showing exceptions on them, exceptions to the
14 pool rules in the area.

15 A This exhibit shows previously granted
16 exceptions, exemptions, and wells that were found to be
17 crossing pool boundaries in the -- in Mr. Runyon's study.
18

19 It's important to note, again, the number
20 of wells that have been found to be out of zone along this
21 Capitan Reef-Artesia Group trend. The Capitan Reef in this
22 plat trends again roughly north/northwest through the central
23 portion of this map.
24

25 I'd like to emphasize here that other
26 operators, as well as ourselves, have found great -- or had
27 great difficulties in picking this boundary and staying with-
28 in the defined pools.

1
2 Q Mr. Yusas, referring to Exhibit Number
3 Six, this plat shows the --- is based on the Runyon study, is
4 that not correct?

5 A Yes, sir.

6 Q And there may be additional exceptions
7 or things that have occurred since the time Mr. Runyon pre-
8 pared his report, and they wouldn't be reflected on this ex-
9 hibit?
10

11 A Yes, sir, this was taken straight from
12 the study. Some of these may have been corrected since.

13 Q If this application was not granted,
14 what effect would it have on this well? Would you be able to
15 do remedial work?
16

17 A We have asked for this exemption because,
18 first of all, remedial work on this well would be extremely
19 expensive and would entail us having to pull some downhole
20 equipment. Secondly, it might interfere with our water pro-
21 duction and interfere with our obligations to sell this water
22 both to our own waterfloods and to several other clients who
23 are depending on us to supply water. And lastly, it might
24 interfere with the little bit of oil production that we do
25 produce from this well.
26

27 Q Is the ownership of the Langlie Mattix
28 and the Jalmat under this tract common? Is the ownership

1
2 common?

3 A Yes, sir, we own both the Langlie Mattix
4 and the Jalmat Pools, so therefor, granting this exception
5 will not affect any other operator.
6

7 Q In your opinion would denial of this
8 application result in hydrocarbons being possibly left in the
9 ground that otherwise would be produced?

10 A Yes, sir.

11 Q In your opinion would granting this
12 application be in the best interest of conservation, the pre-
13 vention of waste, and the protection of correlative rights?

14 A Yes, sir.

15 Q Were Exhibits Two through Six prepared
16 by you or under your direction and supervision?
17

18 A Yes, sir.

19 MR. CARR: At this time, Mr. Stamets,
20 we would offer into evidence Getty's Exhibits Two through
21 Six.

22 MR. STAMETS: These exhibits will be ad-
23 mitted.
24

25 MR. CARR: I have nothing further of
26 this witness on direct.

27 MR. STAMETS: Any questions of the wit-
28 ness? He may be excused.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is
a true and correct copy of the transcript in
the case of 7056
dated 12-10 80
Richard L. Lamm, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
10 December 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Getty Oil Company)
for the extension of vertical limits) CASE
of the Jalmat Pool, Lea County, New) 7056
Mexico.)

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 to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

2

I N D E X

PETER J. BOTES

Direct Examination by Mr. Carr

3

MICHAEL YUSAS

Direct Examination by Mr. Carr

8

E X H I B I T S

Applicant Exhibit One, Schematic

5

Applicant Exhibit Two, Log

9

Applicant Exhibit Three, Map

10

Applicant Exhibit Four, Cross Section

11

Applicant Exhibit Five, Cross Section

11

Applicant Exhibit Six, Plat

13

MR. STAMETS: We'll call next Case 7056.

MR. PADILLA: Application of Getty Oil Company for the extension of vertical limits of the Jalmat Pool, Lea County, New Mexico.

MR. CARR: May it please the Examiner, my name is William F. Carr with the law firm of Campbell and Black, P. A., Santa Fe, appearing on behalf of the applicant. I have two witnesses and seven exhibits.

(Witnesses sworn.)

MR. CARR: At this time I'd call Mr. Peter Botes.

PETER J. BOTES

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

DIRECT EXAMINATION

BY MR. CARR:

Q For the purposes of the record, would you state your name?

A Peter J. Botes.

Q How do you spell your last name?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

A. D-O-T-E-S.

Q Where do you reside?

A. Hobbs, New Mexico.

Q By whom are you employed and in what capacity?

A. Getty Oil Company as a petroleum engineer.

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

A. Yes, sir, I have.

Q Are you familiar with the application filed by Getty Oil Company in Case 7056?

A. Yes, sir.

Q And are you familiar with the well which is the subject of this case?

A. Yes, sir.

MR. CARR: Are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q Mr. Botes, will you briefly state what Getty is seeking with this application?

A. Yes, sir. Getty Oil Company seeks contraction of the vertical limits of the Langlie-Mattix Pool and the downward extension of the vertical limits of the Jalmat Pool to a depth of 3740 feet subsurface under the north-

1
2 west quarter of the southwest quarter of Section 3, Township
3 24 South, Range 36 East, Lea County, New Mexico.

4 Q Will you briefly summarize for the Exa-
5 miner the events which have resulted in this hearing today?

6 A Yes. Getty was notified by communica-
7 tion from the Hobbs District Office of the Oil Conservation
8 Division, dated July 28th, 1980, that the oil that is the
9 subject of this hearing was reviewed by Mr. John Runyan, who
10 is the Hobbs District Geologist, was bound to be out of zone.
11

12 A meeting was then set up on August 7th,
13 1980, which Getty attended, at which a copy of Mr. Runyan's
14 study was made available to all attendees.

15 Mr. Sexton then reviewed the situation
16 regarding the study. At that time Mr. Sexton gave all oper-
17 ators who are affected by the study 30 days to indicate some
18 type of action to remedy the problem of the out of zone
19 wells. This application is a result of the Commission's
20 directive.
21

22 Q Mr. Botes, will you briefly give a
23 brief history of the subject well and then also refer to
24 Getty Exhibit Number One, which is the schematic drawing,
25 and summarize the information contained thereon?
26

27 A The subject well was drilled and com-
28 pleted to a depth of 3642 in 1938. Completion was an open
hole from 3545 to 3642, with 7-inch casing set at 3545. The

1
2 well was completed as a Jalmat well.

3 The well was deepened in 1979 to a
4 depth -- excuse me, '69 -- to a depth of 3740.
5

6 During a workover in early July of this
7 year the equipment in this well was pulled and the producing
8 zone was depleted. Upon entering the well, we found that the
9 well had fill up to a depth of 3471. The well was then cleaned
10 out to a depth of 3667, leaving 73 feet of fill remaining
11 in the well.

12 This is a -- Exhibit Number One is a
13 schematic of this, the downhole casing and setting depths of
14 this well, showing the open hole interval.
15

16 This Eugene Coates Well is part of
17 Getty's Jal water system. This water system supplies water
18 for waterflood purposes to nine other operators, including
19 ourselves. The system produces an average of 2,225,000 bar-
20 rels of water a month. The Coates well contributes approx-
21 imately 10 percent of that figure.

22 Also the Coates Well No. 7 produces
23 approximately 550 barrels of oil per month. Current daily
24 production from the well is 20 barrels of oil per day, 7000
25 barrels of water per day, and approximately 87 Mcf per day.
26 The well is produced and pumped by means of a BJ central lift
27 submersible pump with a pump depth of 3410.
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

MR. STAMETS: What was the water volume?

A. Per day it's 7000.

MR. STAMETS: Thank you.

A. Yes, sir.

Q. Mr. Botes, will Getty call another witness who will testify as to geological considerations in this case?

A. Yes, sir.

Q. Was Exhibit Number One prepared by you?

A. Yes, sir.

MR. CARR: At this time, Mr. Stamets, we would offer Applicant's Exhibit Number One.

MR. STAMETS: Exhibit One will be admitted.

MR. CARR: I have nothing further on direct of this witness.

MR. STAMETS: Any questions of the witness? He may be excused.

MR. CARR: At this time I would call Mr. Mike Yusas.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of residence?

A Michael Yusas, Midland, Texas.

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

A I'm employed by Getty Oil Company in the capacity as a development geologist.

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

A No, I have not.

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

A I graduated in 1976 from the University of Wisconsin, obtaining a Bachelor of Science degree in geology and geophysics.

I graduated from -- in 1973 from the University of Utah with a Master of Science in Geology and geophysics.

After graduation I came to work for Getty Oil Company as development geologist. One of my areas of primary responsibility has been the Upper Permian and

1
2 Middle Permian of Lea County, New Mexico.

3 Q Are you familiar with the application
4 which has been filed by Getty in this case?

5
6 A Yes.

7 Q And are you familiar with the well which
8 is the subject of this case?

9 A Yes, I am.

10 MR. CARR: Are the witness' qualifica-
11 tions acceptable?

12 MR. STAMETS: They are.

13 Q Mr. Yusas, in determining the subject
14 well is a Jalmat completion, did Getty use the same picks as
15 other companies in the area are using to determine whether
16 or not they have a Jalmat or a Langlie Mattix well?

17
18 A Yes, sir.

19 Q Will you please refer to what has been
20 marked for identification as Getty Exhibit Number Two and ex-
21 plain to the Examiner what this is and what it shows?

22 A Exhibit Number Two is a type log showing
23 which picks were used in defining the Langlie Mattix-Jalmat
24 Boundary.
25

26 It is a log from a well approximately
27 2-1/2 miles northeast of E. Coates No. 7, the well in question.
28 This particular log was chosen because it was used by the

Commission on stratigraphic nomenclature in their 1954 definition of the Queen, Seven Rivers, and Yates boundaries. It is the closest such well to the E. Coates No. 7.

It is important to point out in this type log that the Langlie Mattix-Jalmar boundary is defined as 100 feet above the base of the Seven Rivers.

Will you now refer to Getty Exhibit Number Three and review the information contained thereon for Mr. Stamets?

A. Exhibit Number Three is a location and structure map of the area surrounding the E. Coates No. 7, which is outlined in red in Section 3, Township 24 South, Range 36 East.

The enlarged map is a structure map contoured on the top of the Seven Rivers, and contoured on the top of the Seven Rivers rather than the top of the Queen, because there are so few Queen penetrations in this region.

This map illustrates a few points that I'd like to make about the geologic setting of our well.

The well is located on the western edge of the Central Basin Platform where sands and dolomites of the Artesia Group interfinger with carbonates of the Capitán Reef, which trends roughly north/northwest through the center of this map.

The structural contours illustrate that rocks of the Artesia Group drop off rapidly into the Delaware Basin through the Capitan Reef along this north/northwest trend.

It is important to note that in this area stratigraphic position, rather than structural position, is the most important criterion in defining the type and quality of the completion.

Also illustrated on this map are cross sections A-A' and B-B', to which I'd now like to refer.

Q All right, those are marked as Getty Exhibits Four and Five, and if you'll refer to both of them now, and explain to Mr. Stamets what they depict.

A Exhibit Number Four is an east/west cross section through Township 24 South, Range 36 East.

Exhibit Number Five is a north/south cross section through Township 23 and 24 South, Range 36 East.

Before discussing the geologic implications of these cross sections, I'd like to briefly discuss some of the problems in correlation in this area.

The Langlie Mattix-Jalmat Pool boundary, as I referred to earlier, is defined as 100 feet above the base of the Seven Rivers formation. The Queen formation, or the base of the Seven Rivers formation, was originally de-

1
2 fined as a lithostratigraphic unit in Eddy County, New Mexico.
3 That is, it consists primarily of sands with dolomite stringers,
4 and the top of it is picked at a particular sand bed in a
5 type section near Queen.
6

7 In 1954 the Commission on Stratigraphic
8 Nomenclature defined the Queen based on a gamma ray marker.
9 In other words, defined the Queen as a chronostratigraphic
10 or time line marker.

11 Using this chronostratigraphic unit, Mr.
12 Runyon has found that our well, the E. Coates No. 7, to be
13 out of pool. I have found, and in discussions with several
14 other operators in the area, that lithostratigraphic units
15 are much more convenient in mapping and understanding the
16 geology of the Langlie Mattix-Jalmat Fields.
17

18 These cross sections are drawn in the
19 Artesia -- east/west and north/south cross sections in the
20 Langlie Mattix and Jalmat Pools. These I -- in drawing these
21 I have used lithostratigraphic definitions of the formations.
22 What is important to note on Exhibit Number Four, the east/west
23 cross section, is the complex interfingering of the Queen-
24 Seven Rivers with the Capitan Reef.
25

26 Now, in picking the top of the Queen, it
27 would be extremely difficult for me to decide which one of
28 these fingers truly represents the top sand body of the Queen.

1
2 Now Getty does not take exception or
3 object to Mr. Runyon's chronostratigraphic pick of the Queen,
4 which places us in violation of the pool boundaries. What
5 I'd like to emphasize with these cross sections is that it is
6 a very difficult pick and that there is a great deal of con-
7 fusion about exactly where that boundary is, any time that
8 you get up into this interfingering with the reef.
9

10 To emphasize this point, I would like to
11 refer to our next exhibit.

12 Q That's Getty Exhibit Number Six, which
13 is a land plat, showing exceptions on them, exceptions to the
14 pool rules in the area.

15 A This exhibit shows previously granted
16 exceptions, exemptions, and wells that were found to be
17 crossing pool boundaries in the -- in Mr. Runyon's study.
18

19 It's important to note, again, the number
20 of wells that have been found to be out of zone along this
21 Capitan Reef-Artesia Group trend. The Capitan Reef in this
22 plat trends again roughly north/northwest through the central
23 portion of this map.
24

25 I'd like to emphasize here that other
26 operators, as well as ourselves, have found great -- or had
27 great difficulties in picking this boundary and staying with-
28 in the defined pools.

1
2 Q Mr. Yusas, referring to Exhibit Number
3 Six, this plat shows the -- is based on the Runyon study, is
4 that not correct?

5 A Yes, sir.

6 Q And there may be additional exceptions
7 or things that have occurred since the time Mr. Runyon pre-
8 pared his report, and they wouldn't be reflected on this ex-
9 hibit?
10

11 A Yes, sir, this was taken straight from
12 the study. Some of these may have been corrected since.

13 Q If this application was not granted,
14 what effect would it have on this well? Would you be able to
15 do remedial work?
16

17 A We have asked for this exemption because,
18 first of all, remedial work on this well would be extremely
19 expensive and would entail us having to pull some downhole
20 equipment. Secondly, it might interfere with our water pro-
21 duction and interfere with our obligations to sell this water
22 both to our own waterfloods and to several other clients who
23 are depending on us to supply water. And lastly, it might
24 interfere with the little bit of oil production that we do
25 produce from this well.
26

27 Q Is the ownership of the Langlie Mattix
28 and the Jalmat under this tract common? Is the ownership

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

common?

A Yes, sir, we own both the Langlie Mattix and the Jalmat Pools, so therefor, granting this exception will not affect any other operator.

Q In your opinion would denial of this application result in hydrocarbons being possibly left in the ground that otherwise would be produced?

A Yes, sir.

Q In your opinion would granting this application be in the best interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes, sir.

Q Were Exhibits Two through Six prepared by you or under your direction and supervision?

A Yes, sir.

MR. CARR: At this time, Mr. Stamets, we would offer into evidence Getty's Exhibits Two through Six.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further of this witness on direct.

MR. STAMETS: Any questions of the witness? He may be excused.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

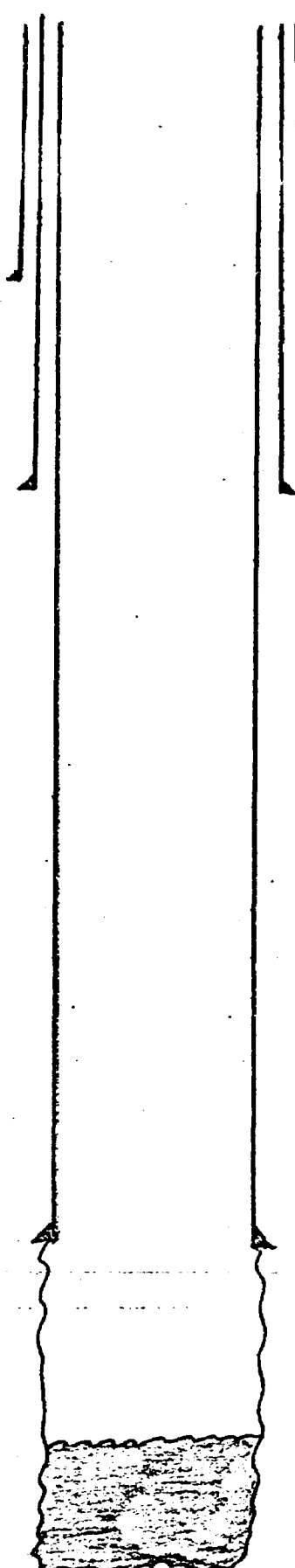
I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete and correct transcript of the hearing held on the _____ day of _____, 19____, heard by me on _____.

_____, Examiner
Oil Conservation Division

EUGENE COATES #7
L-3-24-S, 36-E



13", 40# csg. set at 300', cemented w/275 sxs.

9 5/8", 36# csg. set at 1322', cemented w/300 sxs.

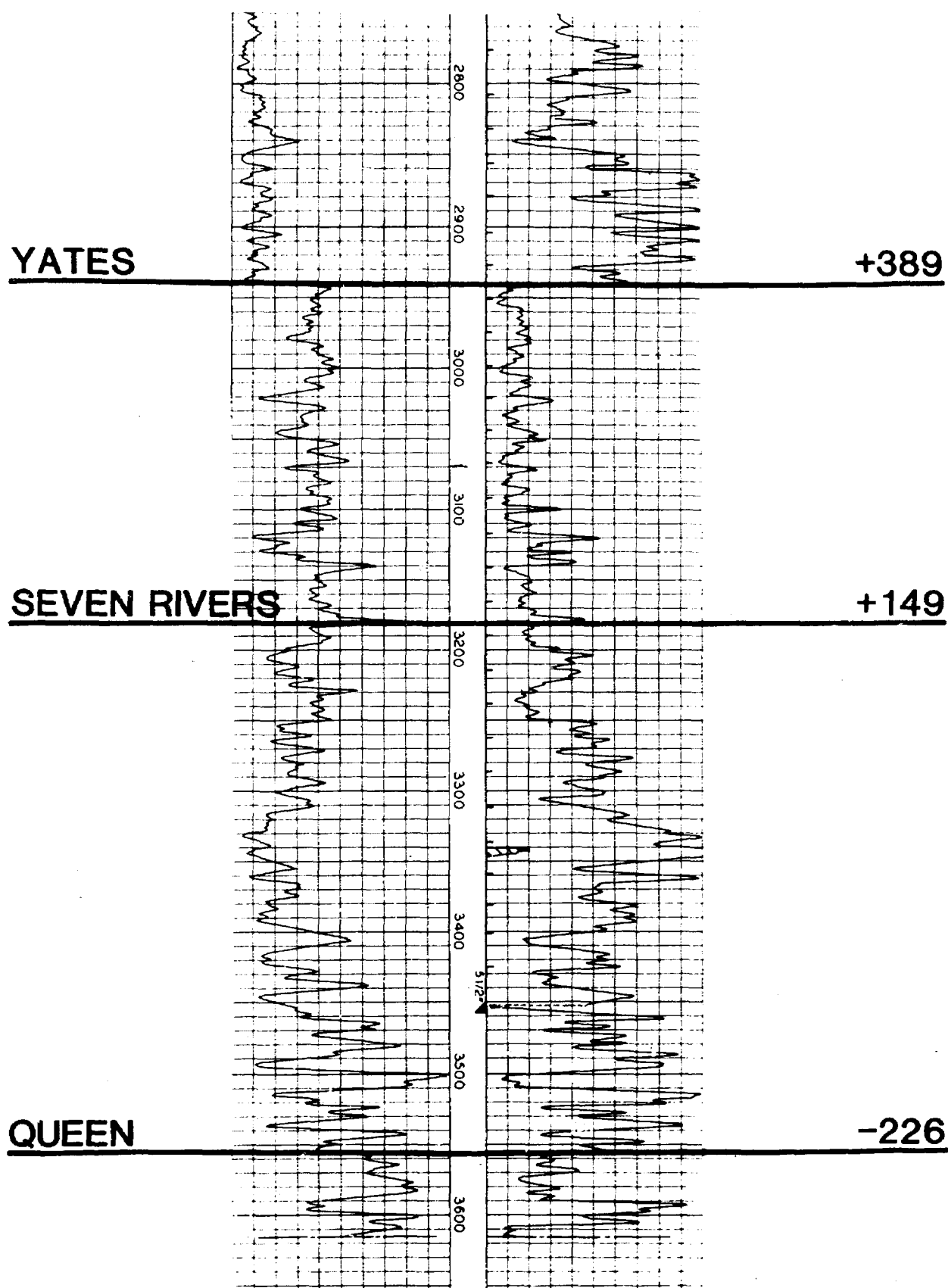
7", 24# csg. set at 3545', cemented w/600 sxs.

6 1/8" hole

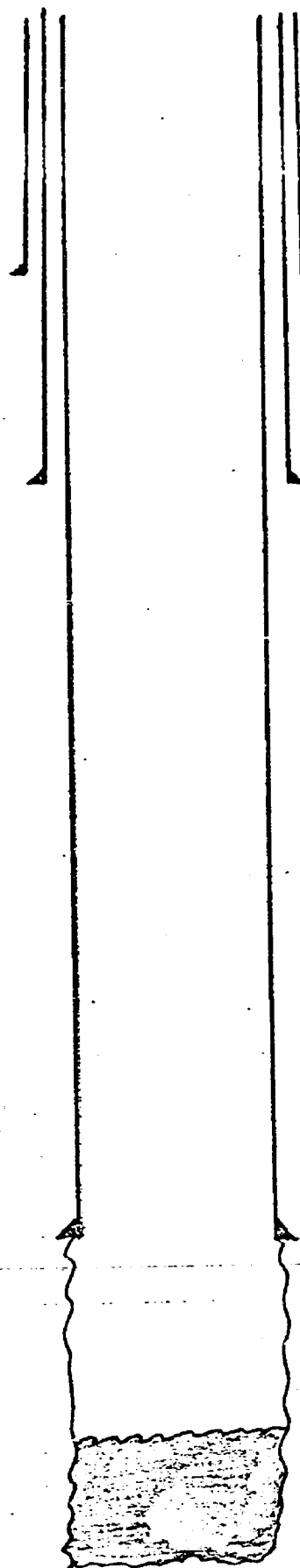
3667' Top of fill

TD-3740'

TYPE LOG
GULF OIL CORPORATION
#1 B HOLT
LANGLIE MATTIX FIELD
LEA COUNTY, NEW MEXICO



EUGENE COATES #7
L-3-24-S, 36-E



13", 40# csg. set at 300', cemented w/275 sxs.

9 5/8", 36# csg. set at 1322', cemented w/300 sxs.

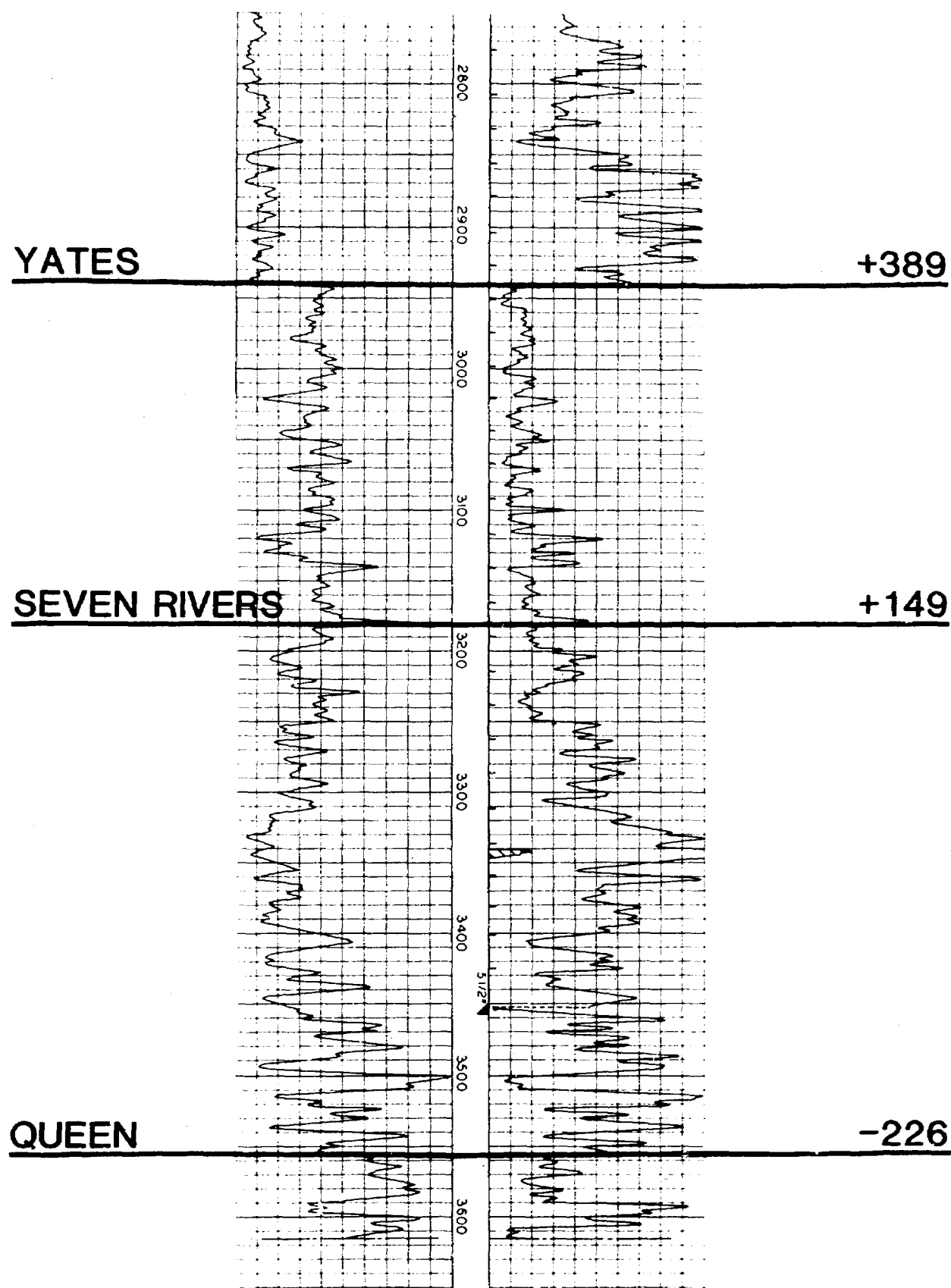
7", 24# csg. set at 3545', cemented w/500 sxs.

6 1/8" hole

3667' Top of fill

TD-3740'

TYPE LOG
GULF OIL CORPORATION
#1 B HOLT
LANGLIE MATTIX FIELD
LEA COUNTY, NEW MEXICO



Dockets Nos. 42-80 and 43-80 are tentatively set for December 30, 1980 and January 14, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 10, 1980

**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 January, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7095:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bill G. Isler, United States Fidelity and Guaranty Company, and all other interested parties to appear and show cause why the Spears State Well No. 2 in Unit B of Section 28, Township 11 South, Range 27 East, Chaves County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7096:** Application of Read & Stevens, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Baum Unit Area, comprising 637 acres, more or less, of State lands in Township 13 South, Ranges 32 and 33 East.
- CASE 7097:** Application of Mesa Petroleum Co. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Jackson Unit Area, comprising 2,560 acres, more or less, of State lands in Township 24 South, Range 33 East.
- CASE 7098:** Application of The Wiser Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its McQuatters Well No. 4 located in Unit C of Section 11, Township 21 South, Range 36 East, to produce oil from the Oil Center-Glorieta and Hardy-Drinkard Pools through parallel strings of tubing.
- CASE 7077:** (Continued from November 25, 1980, Examiner Hearing)
- Application of Threshold Development Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Conoco "10" State Com Well No. 1 located in Unit I of Section 10, Township 19 South, Range 29 East, Turkey Track Field, to produce oil from the Wolfcamp formation and gas from the Atoka formation through parallel strings of tubing.
- CASE 7089:** (Continued from November 25, 1980, Examiner Hearing)
- Application of Summit Energy, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Blinberry formation through its Gulf Bunin Well No. 2 located in Unit C of Section 13, Township 21 South, Range 37 East.
- CASE 7099:** Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Duncan Unit Area, comprising 7,679 acres, more or less, of State, Federal, and fee lands in Townships 13 and 14 South, Range 35 East.
- CASE 7100:** Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.
- CASE 7101:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup and Basin-Dakota production in the wellbore of its Tribal "C" Well No. 4-E in Unit H of Section 6, Township 26 North, Range 3 West.
- CASE 7102:** Application of Consolidated Oil & Gas, Inc. for approval of infill drilling and an exception to Rule 9(E) of Order No. R-1670-T, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Jacquez Well No. 2 to be located in Unit K of Section 2, Township 31 North, Range 13 West, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the two existing wells on the unit. Applicant further seeks an exception to Rule 9(E) of Division Order No. R-1670-T to permit calculating the proration unit's allowable on the basis of three Mesaverde wells on the unit.

- CASE 7103: Application of E. L. Latham, Jr. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Pennsylvanian formations underlying the N/2 of Section 7, Township 22 South, Range 26 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7104: Application of Conoco Inc. for the amendment of Orders Nos. R-4633 and WFX-462, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Orders Nos. R-4633 and WFX-462, which authorized the injection of water into applicant's Maljamar Mitchell Waterflood Project in Section 5, Township 17 South, Range 32 East. The amendments sought would include carbon dioxide in the injection authorization for said project.
- CASE 7105: Application of C and E Operators, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the N/2 of Section 9, Township 30 North, Range 11 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7106: Application of C and E Operators, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the S/2 of Section 8, Township 30 North, Range 11 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7107: Application of C and E Operators, Inc. for compulsory pooling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 9, Township 30 North, Range 11 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7090: (Continued from November 25, 1980, Examiner Hearing)
- Application of Dorchester Exploration, Inc. for directional drilling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the old Union Hill Well No. 1, the surface location of which is 2310 feet from the North and West lines of Section 27, Township 12 South, Range 28 East, and to directionally drill in an indeterminate direction from a kick-off point at 7300 feet, bottoming said well at an approximate depth of 8100 feet in the Mississippian formation less than 330 feet away from the surface location. The W/2 of said Section 27 would be dedicated to the well.
- CASE 6668: (Continued from November 25, 1980, Examiner Hearing)
- In the matter of Case 6668 being reopened pursuant to the provisions of Order No. R-6139 which order promulgated temporary special rules and regulations for the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.
- CASE 7092: (Continued from November 25, 1980, Examiner Hearing)
- Application of Delta Drilling Company for pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the South Culebra Bluff-Bone Spring Pool to include all of Sections 2, 11, 13, 14, 23, and 24, Township 23 South, Range 28 East.
- CASE 7056: (Continued and Readvertised)
- Application of Getty Oil Company for the extension of vertical limits of the Jalmat Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Langlie-Mattix Pool and the downward extension of the vertical limits of the Jalmat Pool to a depth of 3740 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36 East.

- CASE 7108: Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 32, Township 21 South, Range 35 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7109: Application of Alpha Twenty-One Production Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the El Paso Tom Federal Well No. 1 located 330 feet from the North and West lines of Section 33, Township 25 South, Range 37 East, is necessary to effectively and efficiently drain that portion of an existing proration unit in the Langlie-Mattix Pool which cannot be so drained by the existing well(s).
- CASE 7110: Application of Alpha Twenty-One Production Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the El Paso Tom Federal Well No. 3 located 1650 feet from the North and West lines of Section 33, Township 25 South, Range 37 East, is necessary to effectively and efficiently drain that portion of an existing proration unit in the Langlie-Mattix Pool which cannot be so drained by the existing well(s).
- CASE 7111: Application of Alpha Twenty-One Production Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the El Paso Tom Federal Well No. 2 located 1650 feet from the North line and 330 feet from the West line of Section 33, Township 25 South, Range 37 East, is necessary to effectively and efficiently drain that portion of an existing proration unit in the Langlie-Mattix Pool which cannot be so drained by the existing well(s).
- CASE 7112: Application of Alpha Twenty-One Production Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Harrison Federal Well No. 3 located 1980 feet from the North line and 660 feet from the West line of Section 27, Township 25 South, Range 37 East, is necessary to effectively and efficiently drain that portion of an existing proration unit in the Jalmat Gas Pool which cannot be so drained by the existing well(s).
- CASE 7086: (Continued from November 12, 1980, Examiner Hearing)
Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.
- CASE 7087: (Continued from November 12, 1980, Examiner Hearing)
Application of Blackwood & Nichols Company, Ltd. for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Fruitland formation underlying portions of Townships 30 and 31 North, Ranges 6, 7, and 8 West, containing 33,500 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.
- CASE 7046: (Continued and Readvertised)
Application of Cotton Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Pictured Cliffs production in the wellbores of wells in the South Blanco-Pictured Cliffs Pool located in Sections 1 thru 4, 9 thru 14, and 23 and 24, Township 24 North, Range 4 West.

DOCKET: COMMISSION HEARING - THURSDAY - DECEMBER 11, 1980

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

CASE 7025: (DE NOVO)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 35, Township 18 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Upon application of Southland Royalty Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7008: (DE NOVO)

Application of Coronado Exploration Corp. for eight compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying eight 40-acre proration units, being the NE/4 NE/4 of Section 4 and the NW/4 NE/4 of Section 5, both in Township 12 South, Range 28 East, and the NW/4 SE/4 of Section 6, the NE/4 NW/4 of Section 23, the NE/4 SE/4 of Section 28, the SE/4 SE/4 of Section 29, the NE/4 NW/4 of Section 32, and the SE/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each 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 wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

Upon application of Tenneco Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6965: (DE NOVO)

Application of Supron Energy Corporation for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Mesaverde and Dakota gas proration unit comprising the SE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to a well to be drilled at a standard location thereon.

Upon application of Curtis J. Little and Beartooth Oil and Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6896: (DE NOVO)

Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.

Upon application of Curtis J. Little and Beartooth Oil and Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6996: (Continued from November 25, 1980, Examiner Hearing)

Application of John E. Schalk for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blanco Mesaverde Pool underlying the NE/4 of Section 8, Township 25 North, Range 3 West, 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, 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

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

November 17, 1980

NOV 18 1980

OIL CONSERVATION DIVISION
SANTA FE

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

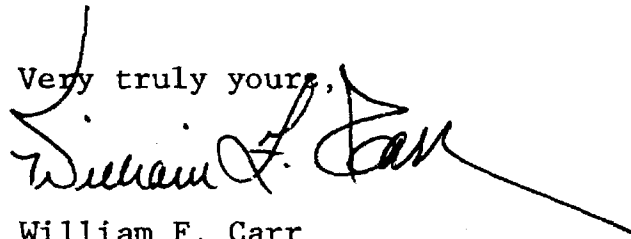
Re: Case 7056: Amended Application of Getty Oil
Company for an Order Extending the Lower Vertical
Limits of the Jalmat Gas Pool for Certain Acreage
Within Said Pool, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate please find an Amended Application
in the above-referenced matter. This Amended Application
requests that the lower verticle limits of the Jalmat
Pool be extended.

Applicant requests that this hearing be left on the
December 10, 1980 docket.

Very truly yours,



William F. Carr

WFC:lr

Enclosure

cc: Mr. Peter Botes

NOV 1 1980

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

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR AN ORDER
EXTENDING THE LOWER VERTICAL
LIMITS OF THE JALMAT GAS POOL FOR
CERTAIN ACREAGE WITHIN SAID POOL,
LEA COUNTY, NEW MEXICO.

Case 7056

AMENDED APPLICATION

Comes now GETTY OIL COMPANY and applies to the Oil Conservation Division, New Mexico Department of Energy and Minerals, for an order extending the lower vertical limits of the Jalmat Pool for a portion of said pool and for deletion of certain acreage from the top vertical limits of the Langlie-Mattix Gas Pool, Lea County, New Mexico, and in support thereof would show:

1. Applicant is an operator in the Langlie-Mattix and Jalmat Pools, Lea County, New Mexico.
2. That Applicant seeks to extend the lower vertical limits of the Jalmat Gas Pool with the corresponding deletion from the top of the Langlie-Mattix Pool in Township 24 South, Range 36 East, NMPM, Lea County, New Mexico as follows:

	<u>Acreage</u>	<u>Subsurface depth of extension of the lower vertical limits of the Jalmat Pool</u>
Section 3	NW/4 SW/4	3740 feet

3. That this extension is requested to comply with the Commission's directive of August 7, 1980, to file applications to obtain Oil Conservation Commission

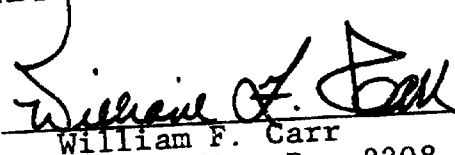
approval for certain wells which may be completed out of zone.

4. That extension of the Jalmat Gas Pool as requested will permit the efficient operation of wells in the area, will prevent waste and will not violate correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Oil Conservation Commission or one of its duly appointed examiners and that after notice and hearing as required by law, the Commission enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

BEFORE THE

NOV 18 1980

OIL CONSERVATION DIVISION

SANTA FE

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR AN ORDER
EXTENDING THE LOWER VERTICAL
LIMITS OF THE JALMAT GAS POOL FOR
CERTAIN ACREAGE WITHIN SAID POOL,
LEA COUNTY, NEW MEXICO.

Case 7056

AMENDED APPLICATION

Comes now GETTY OIL COMPANY and applies to the Oil Conservation Division, New Mexico Department of Energy and Minerals, for an order extending the lower vertical limits of the Jalmat Pool for a portion of said pool and for deletion of certain acreage from the top vertical limits of the Langlie-Mattix Gas Pool, Lea County, New Mexico, and in support thereof would show:

1. Applicant is an operator in the Langlie-Mattix and Jalmat Pools, Lea County, New Mexico.
2. That Applicant seeks to extend the lower vertical limits of the Jalmat Gas Pool with the corresponding deletion from the top of the Langlie-Mattix Pool in Township 24 South, Range 36 East, NMPM, Lea County, New Mexico as follows:

	<u>Acreage</u>	<u>Subsurface depth of extension of the lower vertical limits of the Jalmat Pool</u>
Section 3 NW/4 SW/4		3740 feet

3. That this extension is requested to comply with the Commission's directive of August 7, 1980, to file applications to obtain Oil Conservation Commission

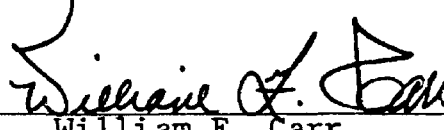
approval for certain wells which may be completed out of zone.

4. That extension of the Jalmat Gas Pool as requested will permit the efficient operation of wells in the area, will prevent waste and will not violate correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Oil Conservation Commission or one of its duly appointed examiners and that after notice and hearing as required by law, the Commission enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

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

NOV 18 1980
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR AN ORDER
EXTENDING THE LOWER VERTICAL
LIMITS OF THE JALMAT GAS POOL FOR
CERTAIN ACREAGE WITHIN SAID POOL,
LEA COUNTY, NEW MEXICO.

Case 7056

AMENDED APPLICATION

Comes now GETTY OIL COMPANY and applies to the Oil Conservation Division, New Mexico Department of Energy and Minerals, for an order extending the lower vertical limits of the Jalmat Pool for a portion of said pool and for deletion of certain acreage from the top vertical limits of the Langlie-Mattix Gas Pool, Lea County, New Mexico, and in support thereof would show:

1. Applicant is an operator in the Langlie-Mattix and Jalmat Pools, Lea County, New Mexico.
2. That Applicant seeks to extend the lower vertical limits of the Jalmat Gas Pool with the corresponding deletion from the top of the Langlie-Mattix Pool in Township 24 South, Range 36 East, NMPM, Lea County, New Mexico as follows:

	<u>Acreage</u>	<u>Subsurface depth of extension of the lower vertical limits of the Jalmat Pool</u>
Section 3	NW/4 SW/4	3740 feet

3. That this extension is requested to comply with the Commission's directive of August 7, 1980, to file applications to obtain Oil Conservation Commission

approval for certain wells which may be completed out of zone.

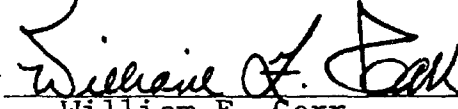
4. That extension of the Jalmat Gas Pool as requested will permit the efficient operation of wells in the area, will prevent waste and will not violate correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Oil Conservation Commission or one of its duly appointed examiners and that after notice and hearing as required by law, the Commission enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
29 October 1930

EXAMINER HEARING

IN THE MATTER OF:

Application of Getty Oil Company
for the extension of vertical limits
of the Langlie Mattix Pool, Lea
County, New Mexico.

CASE
7056

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 MR. NUTTER: We'll call next Case Number
2 7056.

3 MR. PEARCE: Application of Getty Oil
4 Company for the extension of vertical limits of the Langlie
5 Mattix Pool, Lea County, New Mexico.

6 We have correspondence on this requesting
7 that the matter be continued to the first Examiner Hearing
8 scheduled during the month of December, 1980.

9 MR. NUTTER: Case Number 7056 will be
10 continued to the Examiner Hearing scheduled to be held at this
11 same place at 9:00 o'clock a. m. December 10th, 1980.

12
13 (Hearing concluded.)
14
15
16
17
18
19
20
21
22
23
24
25

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a true and correct copy of the
hearing held on 10/29/80

Okun Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
29 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Getty Oil Company
for the extension of vertical limits
of the Langlie Mattix Pool, Lea
County, New Mexico.

CASE
7056

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

MR. NUTTER: We'll call next Case Number
7056.

MR. PEARCE: Application of Getty Oil
Company for the extension of vertical limits of the Langlie
Mattix Pool, Lea County, New Mexico.

We have correspondence on this requesting
that the matter be continued to the first Examiner Hearing
scheduled during the month of December, 1980.

MR. NUTTER: Case Number 7056 will be
continued to the Examiner Hearing scheduled to be held at this
same place at 9:00 o'clock a. m. December 10th, 1980.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion 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.

SALLY W. BOYD, C.S.R.

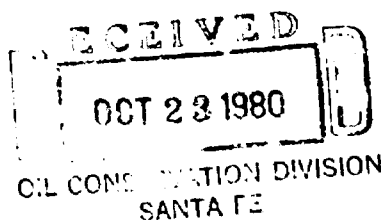
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a true and correct copy of the transcript
of the hearing held on 10/19 7056
hereby signed 80
[Signature], Examiner
Oil Conservation Division

CAMPBELL AND BLACK, P.A.

LAWYERS

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



POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988 4421

October 22, 1980

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

Re: Case 7056: Application of Getty Oil
Company for the Extension of the Vertical
Limits of the Langlie-Mattix Pool, Lea
County, New Mexico

Dear Mr. Ramey:

Getty Oil Company hereby requests that the above-referenced
case scheduled to be heard on October 29, 1980, be continued
to the first examiner hearing scheduled during the month of
December, 1980.

Dec 10

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

William F. Carr

WFC:lr

cc: Mr. Peter Botes

Dockets Nos. 36-80 and 37-80 are tentatively set for November 12 and 25, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 29, 1980

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 7055: (This case will be continued to the November 25 hearing.)

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Eaves-Lea Unit Area, comprising 2209 acres, more or less, of State and Federal lands in Township 21 South, Ranges 32 and 33 East.

CASE 7056: Application of Getty Oil Company for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3540 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36 East.

CASE 7057: Application of Doyle Hartman for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to the following depths underlying the following 40-acre tracts in Township 24 South, Range 37 East: SE/4 SE/4 of Section 30: 3364 feet; NE/4 SE/4 of Section 30: 3389 feet; and SE/4 SW/4 of Section 20: 3390 feet.

CASE 7058: Application of Tahoe Oil & Cattle Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Harrison Wells Nos. 1 and 2 located in Units A and H, respectively, and its Judy Well No. 1 located in Unit C, all in Section 7, Township 25 South, Range 37 East.

CASE 7059: Application of Gulf Oil Corporation for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3406 feet under the W/2 SW/4 of Section 30, Township 24 South, Range 37 East.

CASE 7060: Application of Mobil Producing Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Humphrey Queen Unit Wells Nos. 13 in Unit I of Section 4 and 16 in Unit K of Section 3 and its Langlie Mattix Queen Unit Well No. 10 in Unit C of Section 15, all in Township 25 South, Range 37 East.

CASE 7061: Application of Bettis, Boyle & Stovall for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Justis B Well No. 8 located in Unit G of Section 20, Township 25 South, Range 37 East.

CASE 7062: Application of El Paso Natural Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Carlson Federal Well No. 2 located in Unit N of Section 23, Township 25 South, Range 37 East.

CASE 7063: Application of Lewis Burleson for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3150 feet under the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East.

CASE 7041: (Continued from October 8, 1980, Commission Hearing)

Application of John Yuronka for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3,408 feet, subsurface, under the NW/4 SW/4 of Section 17, Township 24 South, Range 37 East.

CASE 7064: Application of El Paso Natural Gas Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 440-acre proration unit comprising the S/2, S/2 NW/4, and NW/4 NW/4 of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, to its Gregory Fed. Well No. 1 located in Unit J and its Gregory Fed. A Well No. 2, at an unorthodox location in the center of Unit L of said Section 33.

- CASE 7065:** Application of El Paso Natural Gas Company for twelve non-standard proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the establishment of eight non-standard proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West.
- CASE 7066:** Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Britt "B" Well No. 27 located in Unit G of Section 15, Township 20 South, Range 37 East, to produce oil from the Weir-Drinkard or an undesignated Blinebry pool and an undesignated Abo pool.
- CASE 7067:** Application of Conoco Inc. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Dagger Draw Com. Well No. 4 located in Unit J of Section 25, Township 19 South, Range 24 East, to produce oil from the North Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7068:** Application of Conoco Inc. for a dual completion and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, to produce oil from the South Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7069:** Application of Anadarko Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and East lines of Section 4, Township 19 South, Range 25 East, the S/2 of said Section 4 to be dedicated to the well.
- CASE 7070:** Application of Tesoro Petroleum Corporation for a pilot caustic flood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one-acre pilot caustic flood project in the Hospah Field by the injection of caustic fluid into the Seven Lakes Sand of the Upper Hospah Field at an approximate depth of 300-500 feet through four injection wells in Unit K of Section 1, Township 17 North, Range 9 West.
- CASE 7071:** Application of Jake L. Hamon for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 640-acre proration unit comprising all of Section 17, Township 20 South, Range 36 East, North Osudo-Morrow Pool, to its Amerada Federal Well No. 2 located in Unit F and its Amerada Federal Well No. 3, to be drilled at an unorthodox location 1650 feet from the South line and 660 feet from the East line of said Section 17.
- CASE 6668:** (Reopened and Readvertised)
- In the matter of Case 6668 being reopened pursuant to the provisions of Order No. R-6139 which order promulgated temporary special rules and regulations for the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.
- CASE 7005:** (Continued from September 17, 1980, Examiner Hearing)
- Application of Sol West III for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.
- CASE 7072:** Application of Enserch Exploration, Inc. for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Enserch Amoco State Well No. 1 located in Unit L of Section 16, Township 4 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.
- CASE 7073:** Application of Enserch Exploration, Inc. for pool creation, temporary special pool rules, and assignment of a discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman oil pool for its J. G. O'Brien Well No. 1 located 1980 feet from the North line and 660 feet from the West line of Section 31, Township 7 South, Range 29 East, with special rules therefor, including provisions for 80-acre spacing, a limiting gas-oil ratio of 3000 to one and special well location requirements providing for the drilling of wells within 150 feet of the center of a quarter-quarter section. Applicant further seeks approval of a 74.24-acre proration and spacing unit and a discovery allowable for said J. G. O'Brien Well No. 1.

CASE 7074: Application of Enserch Exploration, Inc. for pool creation, an unorthodox gas well location, and non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman gas pool for its J. G. O'Brien Well No. 2 located at an unorthodox location 660 feet from the South and West lines of Section 30, Township 7 South, Range 29 East, to be dedicated to a 308.96-acre non-standard unit comprising the W/2 of said Section 30.

CASE 6822: (Continued from October 1, 1980, Examiner Hearing)

In the matter of Case 6822 being reopened pursuant to the provisions of Order No. R-6293 which order created the West Double X-Wolfcamp Gas Pool as a retrograde gas condensate pool and set special production limitations therein. Operator(s) may appear and present evidence to establish the true nature of the reservoir and proper rates of withdrawal therefrom.

CASE 6648: (Continued from October 1, 1980, Examiner Hearing)

In the matter of Case 6648 being reopened pursuant to the provisions of Order No. R-6124 which order promulgated temporary special rules and regulations for the North Caprock-Mississippian Pool in Lea County, New Mexico, including a provision for 160-acre spacing and a 4000 to one gas-oil ratio limitation. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing with a 2000 to one GOR.

CASE 7045: (Continued from October 15, 1980, Examiner Hearing)

Application of Texas Oil & Gas Corp. for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Upper Morrow production in the wellbore of its Superior Federal Com. Well No. 1 located in Unit G of Section 8, Township 20 South, Range 29 East.

CASE 7024: (Continued from October 15, 1980, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 35, Township 18 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7038: (Continued from October 15, 1980, Examiner Hearing)

Application of Natura Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NE/4 of Section 6, Township 19 South, Range 39 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Docket No. 35-80

DOCKET: COMMISSION HEARING - FRIDAY - OCTOBER 31, 1980

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

CASE 7075: Application of Benson-Montin-Greer Drilling Corporation for the amendment of pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B and amended by Order No. R-6469, to require that the locations of wells in said pool be at least 1650 feet from the outer boundary of the spacing and proration unit, and that the drilling of wells be controlled so as to allow no more than a 330-foot horizontal deviation from the surface location. Further, that the location of wells on certain specified non-standard proration units approved by Order No. R-6469 should be no closer than 660 feet to the outer boundary of the non-standard unit nor closer than 330 feet to a quarter section line or 10 feet to a quarter-quarter section line. Said specified non-standard units are the two 640-acre units in Township 24 North, Range 1 West; the two 480-acre units in Township 24 North, Range 1 East; the four 640-acre units in Township 26 North, Range 1 West; the 640-acre unit in Township 26 North, Range 1 East; and the two 640-acre units, the three 600-acre units, and the 400-acre unit, all in Township 27 North, Range 1 West. Applicant further seeks an administrative procedure whereby unorthodox locations could be approved upon receipt of written waivers from all offsetting operators being "crowded" by the unorthodox location.

CAMPBELL AND BLACK, P.A.

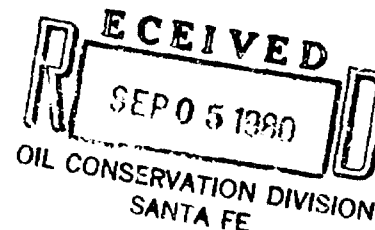
LAWYERS

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

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4421

September 5, 1980

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



Re: Application of Getty Oil Company for an Order
Extending the top Vertical Limits of the
Langlie-Mattix Pool for Certain Acreage Within
Said Pool, Lea County, New Mexico

Dear Mr. Ramey:

Case 7056

Enclosed in triplicate is the application of Getty Oil
Company in the above-referenced matter.

The applicant requests that this hearing be included on a
docket for an examiner hearing at an early date.

Very truly yours,

William F. Carr
William F. Carr

WFC:lr

Enclosures

cc: Mr. Peter Botes

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

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR AN ORDER
EXTENDING THE TOP VERTICAL LIMITS
OF THE LANGLIE-MATTIX POOL FOR
CERTAIN ACREAGE WITHIN SAID POOL,
LEA COUNTY, NEW MEXICO.

CASE 7056

APPLICATION

RECEIVED

SEP 05 1980

Comes now GETTY OIL COMPANY and ~~applies to the Oil Con-~~
servation Division, New Mexico Department of Energy and Minerals,
for an order extending the top vertical limits of the Langlie-
Mattix Pool for a portion of said pool and for deletion of
certain acreage from the lower vertical limits of the Jalmat
Gas Pool, Lea County, New Mexico, and in support thereof would
show:

1. Applicant is an operator in the Langlie-Mattix and
Jalmat Pools, Lea County, New Mexico.
2. That Applicant seeks to extend the top of the vert-
ical limits of the Langlie-Mattix Pool with the corres-
ponding deletion from the Jalmat Gas Pool in Township 24
South, Range 36 East, NMPM, Lea County, New Mexico as
follows:

	<u>Acreage</u>	<u>Subsurface depth of extension of the top of the vertical limits of the Langlie- Mattix Pool</u>
Section 3	NW/4 SW/4	3540 feet

3. That this extension is requested to comply with the
Commission's directive of August 7, 1980, to file

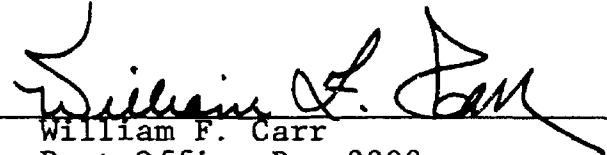
applications to obtain Oil Conservation Commission approval for certain wells which may be completed out of zone.

4. That extension of the Langlie-Mattix Pool as requested will permit the efficient operation of wells in the area, will prevent waste and will not violate correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Oil Conservation Commission or one of its duly appointed examiners and that after notice and hearing as required by law, the Commission enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By

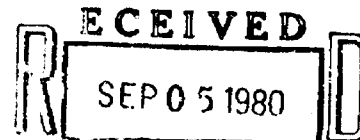

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant Getty
Oil Company

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

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR AN ORDER
EXTENDING THE TOP VERTICAL LIMITS
OF THE LANGLIE-MATTIX POOL FOR
CERTAIN ACREAGE WITHIN SAID POOL,
LEA COUNTY, NEW MEXICO.

CASE 7056

APPLICATION



Comes now GETTY OIL COMPANY and applies to the Oil Con-
servation Division, New Mexico Department of Energy and Minerals,
for an order extending the top vertical limits of the Langlie-
Mattix Pool for a portion of said pool and for deletion of
certain acreage from the lower vertical limits of the Jalmat
Gas Pool, Lea County, New Mexico, and in support thereof would
show:

1. Applicant is an operator in the Langlie-Mattix and
Jalmat Pools, Lea County, New Mexico.
2. That Applicant seeks to extend the top of the vert-
ical limits of the Langlie-Mattix Pool with the corres-
ponding deletion from the Jalmat Gas Pool in Township 24
South, Range 36 East, NMPM, Lea County, New Mexico as
follows:

<u>Acreage</u>		Subsurface depth of extension of the top of the vertical limits of the Langlie- Mattix Pool
Section 3	NW/4 SW/4	3540 feet

3. That this extension is requested to comply with the
Commission's directive of August 7, 1980, to file

applications to obtain Oil Conservation Commission approval for certain wells which may be completed out of zone.

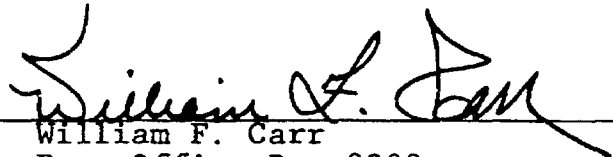
4. That extension of the Langlie-Mattix Pool as requested will permit the efficient operation of wells in the area, will prevent waste and will not violate correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Oil Conservation Commission or one of its duly appointed examiners and that after notice and hearing as required by law, the Commission enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By

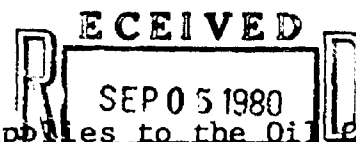

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant Getty
Oil Company

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

IN THE MATTER OF THE APPLICATION
OF GETTY OIL COMPANY FOR AN ORDER
EXTENDING THE TOP VERTICAL LIMITS
OF THE LANGLIE-MATTIX POOL FOR
CERTAIN ACREAGE WITHIN SAID POOL,
LEA COUNTY, NEW MEXICO.

CASE 7056

APPLICATION



Comes now GETTY OIL COMPANY and applies to the Oil Con-
servation Division, New Mexico Department of Energy and Minerals,
for an order extending the top vertical limits of the Langlie-
Mattix Pool for a portion of said pool and for deletion of
certain acreage from the lower vertical limits of the Jalmat
Gas Pool, Lea County, New Mexico, and in support thereof would
show:

1. Applicant is an operator in the Langlie-Mattix and
Jalmat Pools, Lea County, New Mexico.
2. That Applicant seeks to extend the top of the vert-
ical limits of the Langlie-Mattix Pool with the corres-
ponding deletion from the Jalmat Gas Pool in Township 24
South, Range 36 East, NMPM, Lea County, New Mexico as
follows:

<u>Acreage</u>		Subsurface depth of extension of the top of the vertical limits of the Langlie- Mattix Pool
Section 3	NW/4 SW/4	3540 feet

3. That this extension is requested to comply with the
Commission's directive of August 7, 1980, to file

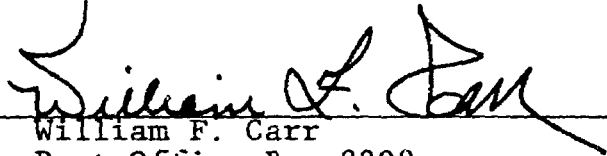
applications to obtain Oil Conservation Commission approval for certain wells which may be completed out of zone.

4. That extension of the Langlie-Mattix Pool as requested will permit the efficient operation of wells in the area, will prevent waste and will not violate correlative rights.

WHEREFORE, Applicant prays that this application be set for hearing before the Oil Conservation Commission or one of its duly appointed examiners and that after notice and hearing as required by law, the Commission enter its order granting this application and making such other and further provisions as may be proper in the premises.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorneys for Applicant Getty
Oil Company

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. 7056

Order No. R-6553

APPLICATION OF GETTY OIL COMPANY
FOR THE EXTENSION OF VERTICAL LIMITS
OF THE JALMAT POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 10
19 80, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this _____ day of December, 19 80, 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, Getty Oil Company, seeks the
contraction of the vertical limits of the Langlie-Mattix Pool and

the downward extension of the vertical limits of the Jalmat Pool to a depth of 3,740 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, said tract being the location of applicant's

Eugene Coates Well No. 7.

(3) That the vertical limits of the Jalmat Pool as defined by Order No. R-520, dated August 12, 1954, include the Tansill and Yates formations and all but the lowermost 100 feet of the Seven Rivers formation.

(4) That the vertical limits of the Langlie-Mattix Pool, as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation.

-2-
Case No. 7041
Order No. R-6518

OK

(5) That there has been some disparity among some geologists as to the actual base of the ~~Seven Rivers~~ formation and the top of the ~~Queen~~ formation and hence as to the location of the 100-foot marker separating the Jalmat and ~~Langlie-Mattix~~ Pools.

~~Jalmat~~
(6) That as a result of this disparity, the subject well and certain other wells in the general area which are classified as ~~Langlie-Mattix~~ wells have perforations extending across the aforesaid 100-foot marker in the Seven Rivers formation and into the ~~Jalmat~~ Pool.

~~Langlie-Mattix~~
(7) That such crossing over from one pool into the other in this case appears to be an unintentional error.

(8) That to rectify the aforesaid error would require workover operations on the subject well which would be expensive and might endanger the productivity of the subject well, and would actually serve no beneficial purpose, inasmuch as the production and reservoir characteristics of the perforations immediately above and below the 100-foot marker are quite similar.

(9) That a reasonable solution to the problem is to -

contract the vertical limits of the
 Langlie-Matrix Pool and to adjust
 the vertical limits of the Jalmat Pool
 downward to a depth of 3740 feet
 to accommodate the present perforations
 interval in the ^{lower} Seven Rivers formation
 in the subject well which are actually
~~below~~ within the present Langlie-
 Matrix vertical limits in applicant's
 Eugene Coates Well No. 7.

(10) That such adjustment will prevent waste and should not
 impair correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the ^{upper} ~~lower~~most vertical limit of the ^{Langlie-Matrix} ~~Jalmat~~ Pool
 underlying the NW/4 SW/4 of Section 3, Township 24 South, Range
 37 East, NMPM, Lea County, New Mexico, is hereby contracted to
 a depth of 3,740 feet, subsurface, and the ^{lower} ~~upper~~most limit of
 the ~~Langlie-Matrix~~ Pool underlying said tract is hereby extended down-
 ward to the same subsurface depth, ~~3,400~~ 3,740 feet.

(2) That the effective date of the aforesaid revision of
 the vertical limits of said pools shall be the date the

Getty Oil Company Eugene Coates
 Well No. 7 was completed at a depth
 below the former top of the Langlie
 Matrix Pool.

(3) Jurisdiction