

CASE 7117: GULF OIL CORPORATION FOR A  
NON-STANDARD GAS PRORATION UNIT, UNOR-  
THODOX LOCATION, AND SIMULTANEOUS DEDI-  
CATION LEA COUNTY NEW MEXICO

CASE NO.

7117

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

February 13, 1981

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

Re: CASE NO. 7117  
ORDER NO. R-6569  
Mr. William V. Kastler, Attorney  
Gulf Oil Corporation  
P. O. Box 3725  
Houston, Texas 77001

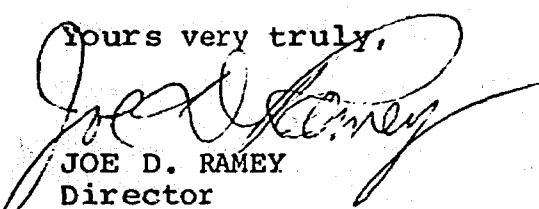
Applicant:

~~Gulf Oil Corporation~~

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD   

Other Joseph Soliz

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. 7117  
Order No. R-6569

APPLICATION OF GULF OIL CORPORATION  
FOR A NON-STANDARD GAS PRORATION UNIT,  
UNORTHODOX LOCATION, AND SIMULTANEOUS  
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 14, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of February, 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, Gulf Oil Corporation, seeks approval for the simultaneous dedication of a previously approved 320-acre non-standard gas proration unit comprising the E/2 of Section 25, Township 20 South, Range 36 East, NMPM, to its L. W. White (NCT-A) Well No. 2, located in Unit I and its L. W. White (NCT-A) Well No. 7 at an unorthodox location 990 feet from the North line and 660 feet from the East line, both in said Section 25.

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

-2-

Case No. 7117  
Order No. R-6569

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

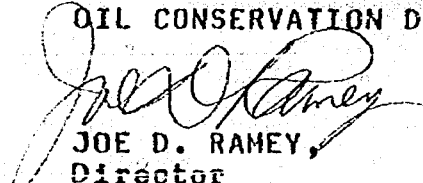
IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized the simultaneous dedication of a previously approved 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 of Section 25, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, to its L. W. White (NCT-A) Well No. 2 located in Unit I and its L. W. White (NCT-A) Well No. 7 at an unorthodox location 990 feet from the North line and 660 feet from the East line of said Section 25.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director

S E A L

dr/

# Gulf Oil Exploration and Production Company

December 22, 1980

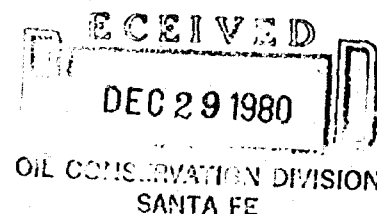
J. M. Thacker  
GENERAL MANAGER PRODUCTION  
SOUTHWEST DISTRICT

P. O. Drawer 1150  
Midland, TX. 79702

New Mexico Energy & Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Gentlemen:



*Case 7117*

Re: Unorthodox Location and  
Simultaneous Dedication  
Eumont Gas Pool  
Lea County, New Mexico

By letter dated December 5, 1980 our Hobbs office requested administrative approval for simultaneous dedication of our L. W. White (NCT-A) Com. wells No. 2 and 7 on the 320 acre east one half of Section 25, T20S - R36E Lea County, New Mexico. Well No. 2 is located 1980' FSL and 660' FEL of Section 25 and well No. 7 is located 990' FNL and 660' FEL of Section 25.

We have been advised by your office that since well No. 7 is at an unorthodox location a hearing will be required. This will confirm conversation with your Mr. Dan Nutter on this date that we desire this matter set for Examiner Hearing on your January 14, 1981 Docket.

Yours very truly,

*for* *E. J. Kallinger*  
R. H. Peacock  
Technical Manager

CFK/tm

cc: NMOCD - Hobbs



A DIVISION OF GULF OIL CORPORATION

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

14 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation  
for a non-standard gas proration  
unit, unorthodox location, and sim-  
ultaneous dedication, Lea County,  
New Mexico.

CASE  
7117

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 V. Kastler, Esq.  
and  
Joseph G. Soliz, Esq.  
The Gulf Companies  
P. O. Box 3725  
Houston, Texas 77001

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X H D F X

BETHEL S. STRAUSSER

Direct Examination by Mr. Soliz

# EXHIBITS

Applicant Exhibit One, Plat

Applicant Exhibit Two, Tables



MR. STAMETS: We'll call next Case 7117.

MR. PADILIA: Application of Gulf Oil Corporation for a non-standard gas proration unit, unorthodox location, and simultaneous dedication, Lea County, New Mexico.

MR. KASTLER: If the Examiner please, my name is Bill Kastler, from Houston. I'm appearing on behalf of Gulf Oil Corporation, but I would like my associate, Joseph G. Soliz, to present this morning's case, if there is no objection.

MR. STAMETS: That will be fine, Mr. Kastler.

MR. KASTLER: Thank you.

MR. STAMETS: If you'll spell his last name, please.

MR. SOLIZ: S-O-L-I-Z.

(Witness sworn.)

BETHEL S. STRAWSER  
being called as a witness and being duly sworn upon her oath,  
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. SOLIZ:

Q Would you please state your name for the record?

A. Bethel Strawser.

Q And by whom are you employed?

A. Gulf Oil Corporation.

Q At what location?

A. Midland, Texas.

Q And what is your position for Gulf Oil Corporation?

A. Senior Petroleum Engineer.

Q Have you previously testified before this Commission as an expert petroleum engineer, and had your credentials accepted?

A. Yes, sir.

MR. SOLIZ: Are the witness' credentials acceptable?

MR. STAMETS: They are.

MR. SOLIZ: Thank you.

Q What is Gulf seeking in this application?

A. Gulf is seeking authority to produce our L. W. White NCTA Com Well No. 7 from an unorthodox location, which is 990 feet from the north line and 660 feet from the east line of Section 25, Township 20 South, Range 36 East.

1  
2 We also would like to simultaneously  
3 dedicate a previously approved 320-acre non-standard proration  
4 unit to this well and to the well No. 2. This unit comprises  
5 the east half of Section 25.

6 Thirdly, we would like to produce the  
7 unit allowable in any proportion between the two wells. As  
8 noted in the advertisement for this hearing, this application  
9 concerns only the Eumont Gas Pool.

10 Q Do you have an exhibit which shows the  
11 L. W. White NCTA Com Unit?

12 A Yes, sir, it's our Exhibit Number One.

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

15 A This exhibit is a plat, which shows all  
16 the Eumont Wells in the area, gas wells in green, oil in blue,  
17 and our two subject wells are noted with pink triangles.

18 The 320 acre unit called the L. W. White  
19 NCTA Com lease has been outlined in red. The east half of  
20 Section 25, in other words, this subject unit, is currently  
21 dedicated to the Well No. 2, shown in Unit I of Section 25.  
22 Our Well No. 7 is the proposed second well on this unit and  
23 it is also marked in red.

24 Q What is the current status of each of  
25 these two wells?

1  
2           A.           The Well No. 2 averaged 409 Mcf per day  
3 in October of 1980, as compared to the top allowable for 320  
4 acres of 1354 Mcf per day. The well is obviously carried as  
5 marginal.

6                       The Well No. 7 has tested at a daily  
7 rate of 418 Mcf per day. It's currently shut-in waiting on  
8 connection and waiting on approval of this application.

9                       Please note that the combined capacity  
10 of these two wells is still considerably below the top allow-  
11 able.

12                      Q           Would you please describe the completion  
13 of Well No. 7?

14                      A.           The L. W. White NCTA Com Well No. 7 was  
15 drilled on the basis of the approved application to drill and  
16 is completed through perforations from 3364 to 3368 on Sep-  
17 tember 16th of 1980. Stimulation was by the foam fracture  
18 method.

19                      Q           Will this request violate any correlative  
20 rights?

21                      A.           No, sir. The unit is marginal now and  
22 is expected to remain marginal even with those wells on line.

23                       Our Exhibit Number Two, all four pages  
24 of it, shows the allowable and production information for  
25 these other Eumont gas completions in the area. It illustrates

1  
2 that all but three of the wells are marginal, and it also  
3 shows that three --- these three good wells are offset by such  
4 poor production that all eight of these sections show marginal  
5 status.

6 We anticipate that the Well No. 7 will  
7 not adversely affect these three better wells, since all three  
8 of those wells are to the south, they're more closely offset  
9 by our Well No. 2, our existing Well No. 2, than by the new  
10 Well No. 7.

11 We believe that this application is in  
12 the interest of preventing waste and protecting Gulf's right  
13 to produce as much of the full allowable from our unit as  
14 possible.

15 Q Has a precedent been set in this area  
16 for simultaneous dedication of acreage on a non-standard gas  
17 proration unit?

18 A Yes. A look at Exhibits One and Two will  
19 show four instances of multi-well units in the immediate  
20 vicinity, and many, many more throughout the field, which I  
21 did not attempt to show.

22 Please also note that the average acreage  
23 assignment in this area is approximately 95 acres per well.  
24 Gulf is seeking to increase the density on the L. W. White  
25 NCTA Com Unit from 320 acres per well to 160 acres per well.

1  
2 This is still not as dense as the average density surrounding  
3 it.

4 Q Would you please once again summarize  
5 what Gulf is asking for in this application?

6 A We are seeking authority, first, to pro-  
7 duce our Well No. 7 from the unorthodox location; secondly,  
8 to simultaneously dedicate our 320-acre non-standard unit to  
9 the Wells Nos. 2 and 7; and thirdly, to produce the unit al-  
10 lowable in any proportion between these two wells.

11 Q Were these exhibits prepared by you or  
12 under your direction?

13 A Yes, sir.

14 MR. SOLIZ: I'd like to move that Exhibits  
15 One and Two be admitted in evidence in this hearing.

16 MR. STAMETS: These exhibits will be  
17 admitted.

18 MR. SOLIZ: This concludes our testimony.

19 MR. STAMETS: Are there any questions  
20 of the witness? She may be excused.

21 Anything further in this case?

22 The case will be taken under advisement.

23  
24 (Hearing concluded.)  
25

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 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
14 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation  
for a non-standard gas proration  
unit, unorthodox location, and sim-  
ultaneous dedication, Lea County,  
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CASE  
7117

BEFORE: Richard L. Stamets

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I N D E X

BETHEL S. STRAWSER

Direct Examination by Mr. Soliz

E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, Tables

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6 MR. KASTLER: If the Examiner please,  
7 my name is Bill Kastler, from Houston. I'm appearing on be-  
8 half of Gulf Oil Corporation, but I would like my associate,  
9 Joseph G. Soliz, to present this morning's case, if there is  
10 no objection.

11 MR. STAMETS: That will be fine, Mr.  
12 Kastler.

13 MR. KASTLER: Thank you.

14 MR. STAMETS: If you'll spell his last  
15 name, please.

16 MR. SOLIZ: S-O-L-I-Z.

17  
18 (Witness worn.)

19  
20 BETHEL S. STRAWSER  
21 being called as a witness and being duly sworn upon her oath,  
22 testified as follows, to-wit:

23  
24 DIRECT EXAMINATION

25 BY MR. SOLIZ:

Q Would you please state your name for the record?

A Bethel Strawser.

Q And by whom are you employed?

A Gulf Oil Corporation.

Q At what location?

A Midland, Texas.

Q And what is your position for Gulf Oil Corporation?

A Senior Petroleum Engineer.

Q Have you previously testified before this Commission as an expert petroleum engineer, and had your credentials accepted?

A Yes, sir.

MR. SOLIZ: Are the witness' credentials acceptable?

MR. STAMETS: They are.

MR. SOLIZ: Thank you.

Q What is Gulf seeking in this application?

A Gulf is seeking authority to produce our L. W. White NCTA Com Well No. 7 from an unorthodox location, which is 990 feet from the north line and 660 feet from the east line of Section 25, Township 20 South, Range 36 East.

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19 NCTA Com lease has been outlined in red. The east half of  
20 Section 25, in other words, this subject unit, is currently  
21 dedicated to the Well No. 2, shown in Unit I of Section 25.  
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3 in October of 1980, as compared to the top allowable for 320  
4 acres of 1354 Mcf per day. The well is obviously carried as  
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17 tember 16th of 1980. Stimulation was by the foam fracture  
18 method.

19 Q. Will this request violate any correlative  
20 rights?

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23 Our Exhibit Number Two, all four pages  
24 of it, shows the allowable and production information for  
25 these other Fumont gas completions in the area. It illustrates

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8 of those wells are to the south, they're more closely offset  
9 by our Well No. 2, our existing Well No. 2, than by the new  
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11 We believe that this application is in  
12 the interest of preventing waste and protecting Gulf's right  
13 to produce as much of the full allowable from our unit as  
14 possible.

15 Q. Has a precedent been set in this area  
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20 vicinity, and many, many more throughout the field, which I  
21 did not attempt to show.

22 Please also note that the average acreage  
23 assignment in this area is approximately 95 acres per well.  
24 Gulf is seeking to increase the density on the L. W. White  
25 NCTA Com Unit from 320 acres per well to 160 acres per well.

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7 duce our Well No. 7 from the unorthodox location; secondly,  
8 to simultaneously dedicate our 320-acre non-standard unit to  
9 the Wells Nos. 2 and 7; and thirdly, to produce the unit al-  
10 lowable in any proportion between these two wells.

11 Q Were these exhibits prepared by you or  
12 under your direction?

13 A Yes, sir.

14 MR. SOLIZ: I'd like to move that Exhibits  
15 One and Two be admitted in evidence in this hearing.

16 MR. STAMETS: These exhibits will be  
17 admitted.

18 MR. SOLIZ: This concludes our testimony.

19 MR. STAMETS: Are there any questions  
20 of the witness? She may be excused.

21 Anything further in this case?

22 The case will be taken under advisement.

23  
24 (Hearing concluded.)  
25

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 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 record of the proceedings in the Examiner hearing of Case No. 7117 heard by me on 1-14 1957.  
Richard R. Starnes, Examiner  
 Oil Conservation Division

SALLY W. BOYD, C.S.R.  
 Rt. 1 Box 193-B  
 Santa Fe, New Mexico 87501  
 Phone (505) 455-7409

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CASE NO. 7117  
EXAMINER'S HEARING  
WEDNESDAY, JANUARY 14, 1981

APPLICATION OF GULF OIL CORPORATION

FOR AN UNORTHODOX LOCATION AND SIMULTANEOUS DEDICATION  
L. W. WHITE (NCT-A) COM WELLS NO. 2 and 7  
UNITS I AND A, RESPECTIVELY, SECTION 25  
EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

APPEARANCES:

WILLIAM V. KASTLER  
BETHEL S. STRAWSER

*Joseph G. Solis*

QUALIFY WITNESS:

NAME: Bethel S. Strawser  
EMPLOYER: Gulf Oil Corporation  
LOCATION: Midland, Texas  
POSITION: Senior Petroleum Engineer

Testified previously? Yes

Q. What is Gulf seeking in this application?

A. Gulf is seeking authority to: (1) Produce our L. W. White (NCT-A) Com Well No. 7 from an unorthodox location 990' FNL and 660' FEL of Section 25, T-20-S, R-36-E; (2) Simultaneously dedicate a previously approved 320-acre non-standard proration unit, comprising the east half of Section 25, to Wells No. 2 and 7; (3) Produce the unit allowable in any proportion between these two wells. This application concerns only the Eumont Gas Pool.

Q. Do you have an exhibit which shows the L. W. White (NCT-A) Com Unit?

A. Yes, sir. It is our Exhibit No. 1.

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

A. Yes, our Exhibit No. 1 is a plat which shows Eumont wells in the area and Gulf's 320-acre proration unit called the L. W. White (NCT-A) Com Lease (outlined in red). The east half of Section 25 is currently dedicated to Well No. 2 in Unit I. Well No. 7, our proposed second Eumont gas well, is also marked.

Q. What is the current status of each of these two wells?

A. The L. W. White (NCT-A) Com Well No. 2 averaged 409 MCFPD in October, 1980, as compared to the top allowable for 320 acres of 1354 MCFPD. The well is carried as marginal. The Well No. 7 tested at a daily rate of 418 MCFPD. It is currently shut-in, waiting on connection. Please note that the combined capacity of the two wells is still considerably below top allowable.

Q. Please describe the completion on the Well No. 7.

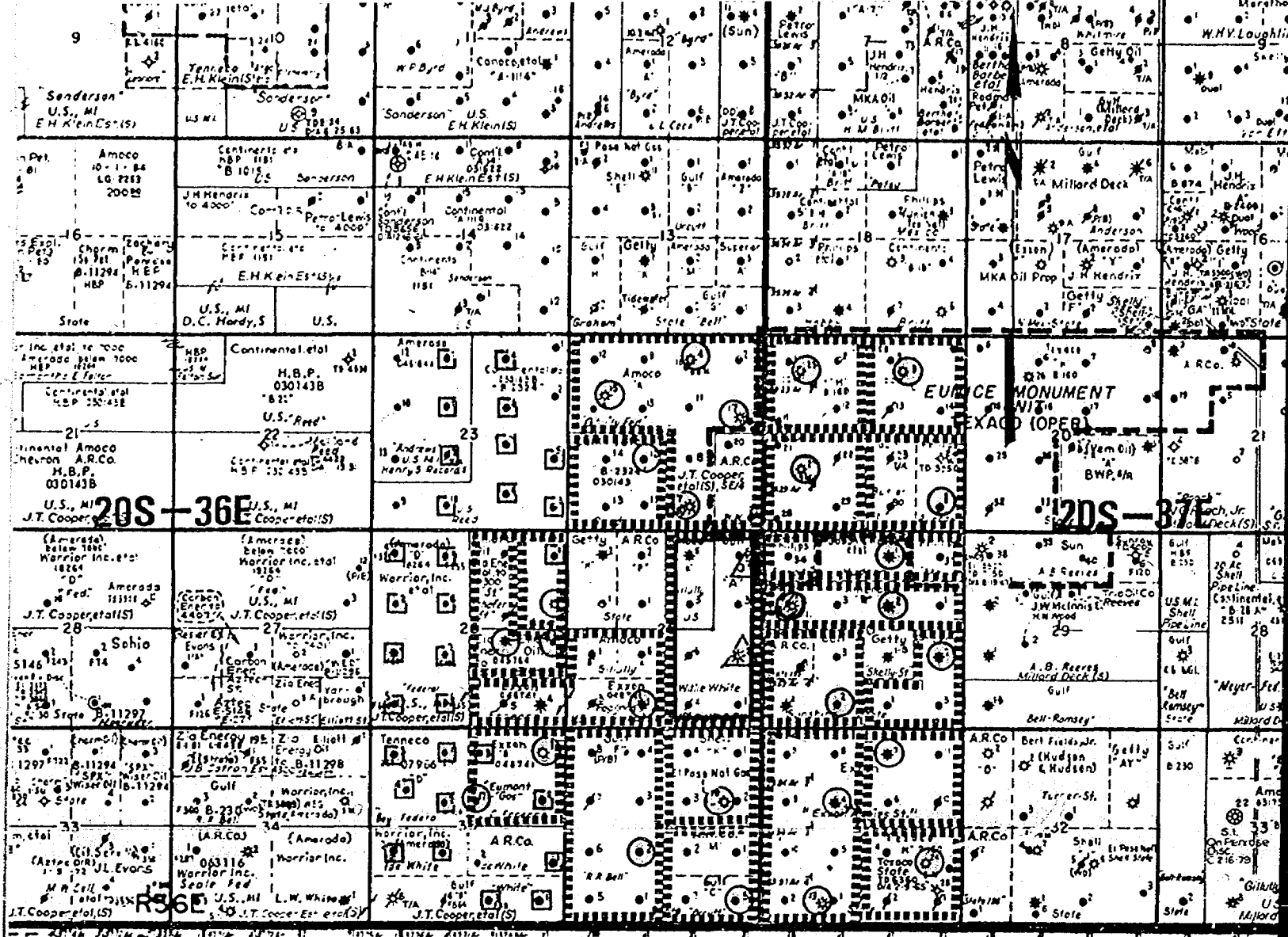
A. L. W. White (NCT-A) Com Well No. 7 was drilled on the basis of the approved application to drill and completed through perforations from 3,364' - 3,368' on September 16, 1980. Stimulation was by the foam fracture method.

Q. Will this request violate any correlative rights?

A. No sir. The unit is marginal now and is expected to remain so, even with both wells on line. Exhibit No. 2 shows allowable and production information for the Eumont Gas completions in the vicinity of our L. W. White (NCT-A) Com Unit, and illustrates that all but three of the wells are marginal. It also shows that those three good wells are offset by such poor production, that all eight sections show marginal status. We anticipate that our L. W. White (NCT-A) Com Well No. 7 will not adversely affect these three better wells because they are all to the south, closer to our existing Well No. 2 than to our new Well No. 7. We believe that this application is in the interest of preventing waste and protecting Gulf's right to produce as much of the full allowable as possible from our unit.

- Q. Has a precedent been set in this area for simultaneous dedication of acreage on a non-standard gas proration unit?
- A. Yes. Exhibits 1 and 2 show four instances of multi-well units in the immediate vicinity. Please also note that the average acreage assignment in this area is 95 acres per well. Gulf seeks to increase density on the L. W. White (NCT-A) Com Unit from 320 acres per well to 160 acres per well.
- Q. Will you again summarize what Gulf is asking for in this application?
- A. Gulf is seeking authority to: (1) Produce our L. W. White (NCT-A) Com Well No. 7 from an unorthodox location; (2) Simultaneously dedicate our 320-acre non-standard proration unit to Wells No. 2 and 7; (3) Produce the unit allowable in any proportion between these two wells.
- Q. Were these exhibits prepared by you or under your direction?
- A. Yes.

Move that Exhibits 1 and 2 be admitted as evidence in this hearing.



# GULF OIL CORPORATION

Southwest Division





Midland, Texas

L.W. WHITE (NCT-A) COM. LEASE

EUMONT GAS POOL

Lea County, New Mexico

Scale: 1" = 3000'

-  Eumont Gas Completion
-  Proposed Simultaneous Dedication
-  Eumont Oil Completion
-  Proration Unit

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 7117

Submitted by Gulf Oil Corp

Hearing Date 1-14-81

Exhibit No. 1

Case No. 7117

1-14-81

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 7117  
Case No. 7117  
Date: 1-14-81  
Page 1 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 24, T-20-S, R-36-E									
Conoco, Inc.	12	K	M	1.00	1,461	1,461	21,108	6.9	
Reed "B"									
Amoco Production Co.	4	B	(MMU)		9,579				
Gillulley Fed Gas Com	7	O	(MMU)		10,117				
	15	E	(MMU)		7,928				
	17	H	(MMU)		16,838				
			M	3.00	44,462	44,462	63,324	70.2	326 MCFPD
Section Total			M	4.00	45,923	45,923	84,432	54.4	
Section 19, T-20-S, R-37-E									
Phillips Petroleum	1	P	M	1.00	6,115	6,115	21,108	29.0	
Cuapaw Com									
Texaco, Inc.									
New Mexico C State NCT-2	9	B	M	1.00	758	758	21,108	3.6	
New Mexico H State NCT-3	25	D	M	1.00	1,925	1,925	21,108	9.1	
New Mexico H State NCT-4	27	L	M	1.00	7,040	7,040	21,108	33.4	
Section Total			M	4.00	15,838	15,838	84,432	18.8	227 MCFPD

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 7117

Submitted by Gulf

Hearing Date 1-14-81

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
Page 2 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 26, T-20-S, R-36-E									
Zia Energy, Inc.	1	I	(MMU)		12,074				
Elliott Federal	2	J	(MMU)		2,865				
			M	1.00	14,939	14,939	21,108	70.8	
Phillips Petroleum New	2	H	M	.50	1,031	1,031	10,554	9.8	
			M	1.50	15,970	15,970	31,662	50.4	
Section Total									
Section 25, T-20-S, R-36-E									
Exxon Corp.	1	N	M	1.50	5,964	5,964	31,662	18.8	(80 Ac. in Sec. 26) 192 MCFPD
Eumont Gas Com No. 4	2	I	M	2.00	12,693	12,693	42,216	30.1	409 MCFPD I.P. 418 MCFPD. Will make unit 60.8% Top Allowable.
Gulf Oil Corp.	7	A	NC						
L. W. White NCT-A Com									
Section Total			M	3.50	18,657	18,657	73,878	25.3	No Eumont production in NW/4

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
CASE NO. 7117  
EXHIBIT NO. 2  
Submitted by Gulf  
Hearing Date 1-14-81

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
Page 3 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 30, T-20-S, R-37-E									
W. A. & E. R. Hudson	1	B	M	1.00	3,891	3,891	21,108	18.4	126 MCFPD
Hudson Phillips Com									
Gulf Oil Corporation	2	N	M	1.00	22,263	22,263	21,108	100.0	718 MCFPD
Sunshine State Com									
Cities Service Co.	2	I	M	.75	1,372	1,372	15,831	8.2	
State F									
Amerada Hess Corp	2	G	M	1.00	2,759	2,759	21,108	13.1	89 MCFPD
State W									
Section Total			M	3.75	30,285	30,285	79,155	38.3	No Eumont production in NW/4 of SE/4
Section 35, T-20-S, R-36-E									
Exxon Corp	1	A	(MMU)		5,478				
Eumont Gas Con No. 3	2	G	(MMU)	1.00	3,205	8,683	21,108	41.1	
			M		8,683				
Section Total			M	1.00	8,683	8,683	21,108	41.1	

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 2  
CASE NO. 7117  
Submitted by Gulf  
Hearing Date 1-14-81

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
Page 4 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 36, T-20-S, R-36-E El Paso Natural Gas Co. Shell State	10	H	N	1.00	21,836	21,108	21,108	100.0	681 MCFPD
Gulf Oil Corporation R. R. Bell (NCT-F) H. T. Orcutt NCT-C Com A	2 5	K P	M M	2.00 1.00	7,395 1,529	7,395 1,529	42,216 21,108	17.5 7.2	239 MCFPD
Section Total			M	4.00	30,760	30,032	84,432	35.6	
Section 31, T-20-S, R-37-E Texaco, Inc. New Mexico H State NCT-1	24	I	M	1.00	11,214	11,214	21,108	53.1	
Exxon Corp. Exxon Aggies State	4 13 7	F N B	(MMU) (MMU) M N		10,022 12,032 22,054 25,228	22,054 21,108	42,216 21,108	52.2 100.0	323 MCFPD
Section Total			M	4.00	58,496	54,376	84,432	64.4	

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 2  
CASE NO. 7117  
Submitted by Gulf  
Hearing Date 1-14-81



CASE NO. 7117  
EXAMINER'S HEARING  
WEDNESDAY, JANUARY 14, 1981

APPLICATION OF GULF OIL CORPORATION

FOR AN UNORTHODOX LOCATION AND SIMULTANEOUS DEDICATION  
L. W. WHITE (NCT-A) COM WELLS NO. 2 and 7  
UNITS 1 AND A, RESPECTIVELY, SECTION 25  
EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

APPEARANCES:

WILLIAM V. KASTLER  
BETHEL S. STRAWSER

*Joseph G. Soliz*

QUALIFY WITNESS:

NAME: Bethel S. Strawser  
EMPLOYER: Gulf Oil Corporation  
LOCATION: Midland, Texas  
POSITION: Senior Petroleum Engineer

Testified previously? Yes

Q. What is Gulf seeking in this application?

A. Gulf is seeking authority to: (1) Produce our L. W. White (NCT-A) Com Well No. 7 from an unorthodox location 990' FNL and 660' FEL of Section 25, T-20-S, R-36-E; (2) Simultaneously dedicate a previously approved 320-acre non-standard proration unit, comprising the east half of Section 25, to Wells No. 2 and 7; (3) Produce the unit allowable in any proportion between these two wells. This application concerns only the Eumont Gas Pool.

Q. Do you have an exhibit which shows the L. W. White (NCT-A) Com Unit?

A. Yes, sir. It is our Exhibit No. 1.

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

A. Yes, our Exhibit No. 1 is a plat which shows Eumont wells in the area and Gulf's 320-acre proration unit called the L. W. White (NCT-A) Com Lease (outlined in red). The east half of Section 25 is currently dedicated to Well No. 2 in Unit I. Well No. 7, our proposed second Eumont gas well, is also marked.

Q. What is the current status of each of these two wells?

A. The L. W. White (NCT-A) Com Well No. 2 averaged 409 MCFPD in October, 1980, as compared to the top allowable for 320 acres of 1354 MCFPD. The well is carried as marginal. The Well No. 7 tested at a daily rate of 418 MCFPD. It is currently shut-in, waiting on connection. Please note that the combined capacity of the two wells is still considerably below top allowable.

Q. Please describe the completion on the Well No. 7.

A. L. W. White (NCT-A) Com Well No. 7 was drilled on the basis of the approved application to drill and completed through perforations from 3,364' - 3,368' on September 16, 1980. Stimulation was by the foam fracture method.

Q. Will this request violate any correlative rights?

A. No sir. The unit is marginal now and is expected to remain so, even with both wells on line. Exhibit No. 2 shows allowable and production information for the Eumont Gas completions in the vicinity of our L. W. White (NCT-A) Com Unit, and illustrates that all but three of the wells are marginal. It also shows that those three good wells are offset by such poor production, that all eight sections show marginal status. We anticipate that our L. W. White (NCT-A) Com Well No. 7 will not adversely affect these three better wells because they are all to the south, closer to our existing Well No. 2 than to our new Well No. 7. We believe that this application is in the interest of preventing waste and protecting Gulf's right to produce as much of the full allowable as possible from our unit.



- Q. Has a precedent been set in this area for simultaneous dedication of acreage on a non-standard gas proration unit?
- A. Yes. Exhibits 1 and 2 show four instances of multi-well units in the immediate vicinity. Please also note that the average acreage assignment in this area is 95 acres per well. Gulf seeks to increase density on the L. W. White (NCT-A) Com Unit from 320 acres per well to 160 acres per well.
- Q. Will you again summarize what Gulf is asking for in this application?
- A. Gulf is seeking authority to: (1) Produce our L. W. White (NCT-A) Com Well No. 7 from an unorthodox location; (2) Simultaneously dedicate our 320-acre non-standard proration unit to Wells No. 2 and 7; (3) Produce the unit allowable in any proportion between these two wells.
- Q. Were these exhibits prepared by you or under your direction?
- A. Yes.

Move that Exhibits 1 and 2 be admitted as evidence in this hearing.

1-14-81

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
Page 1 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 24, T-20-S, R-36-E Conoco, Inc. Reed "B"	12	K	M	1.00	1,461	1,461	21,108	6.9	
Amoco Production Co. Gillulley Fed Gas Com	4 7 15 17	B O E H	(MMVU) (MMVU) (MMVU) (MMVU)		9,579 10,117 7,928 16,838				326 MCFPD
			M	3.00	44,462	63,324	70.2		
Section Total			M	4.00	45,923	84,432	54.4		
Section 19, T-20-S, R-37-E Phillips Petroleum Cuapaw Com	1	P	M	1.00	6,115	21,108	29.0		
Texaco, Inc.									
New Mexico C State NCT-2	9	B	M	1.00	758	21,108	3.6		
New Mexico H State NCT-3	25	D	M	1.00	1,925	21,108	9.1		
New Mexico H State NCT-4	27	L	M	1.00	7,040	21,108	33.4		
Section Total			M	4.00	15,838	84,432	18.8		227 MCFPD

BEFORE EXAMINER'S TESTIMONY  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 2  
CASE NO. 7117  
Submitted by GULF  
Hearing Date 1-14-81

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7, RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
Page 2 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
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Elliott Federal	2	J	(MMU)		2,865				
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Phillips Petroleum New	2	H	M	.50	1,031	1,031	10,554	9.8	
Section Total			M	1.50	15,970	15,970	31,662	50.4	
Section 25, T-20-S, R-36-E Exxon Corp.	1	N	M	1.50	5,964	5,964	31,662	18.8	(80 Ac. in Sec. 26) 192 MCFPD
Eumont Gas Com No. 4	2	I	M	2.00	12,693	12,693	42,216	30.1	409 MCFPD I.P. 418 MCFPD. Will make unit 60.8% Top Allowable.
Gulf Oil Corp. L. W. White NCT-A Com	7	A	NC						
Section Total			M	3.50	18,657	18,657	73,878	25.3	No Eumont production in NW/4

BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 2  
CASE NO. 7117  
Submitted by Gull  
Hearing Date 1-14-81

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
Page 3 of 4

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Amerada Hess Corp									
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Eumont Gas Com No. 3	1	A	(MMU)		5,478				
	2	G	(MMU)		3,205				
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BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 2  
CASE NO. 7117  
Submitted by Gulf  
Hearing Date 1-14-81

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
Page 4 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 36, T-20-S, R-36-E El Paso Natural Gas Co. Shell State	10	H	N	1.00	21,836	21,108	21,108	100.0	681 MCFPD
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BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 2  
CASE NO. 7117  
Submitted by Gulf  
Hearing Date 1-14-81

CASE NO. 7117  
EXAMINER'S HEARING  
WEDNESDAY, JANUARY 14, 1981

APPLICATION OF GULF OIL CORPORATION

FOR AN UNORTHODOX LOCATION AND SIMULTANEOUS DEDICATION  
L. W. WHITE (NCT-A) COM WELLS NO. 2 and 7  
UNITS I AND A, RESPECTIVELY, SECTION 25  
EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

APPEARANCES:

WILLIAM V. KASTLER  
BETHEL S. STRAWSER

*Joseph G. Saliz*

QUALIFY WITNESS:

NAME: Bethel S. Strawser  
EMPLOYER: Gulf Oil Corporation  
LOCATION: Midland, Texas  
POSITION: Senior Petroleum Engineer

Testified previously? Yes

Q. What is Gulf seeking in this application?

A. Gulf is seeking authority to: (1) Produce our L. W. White (NCT-A) Com Well No. 7 from an unorthodox location 990' FNL and 660' FEL of Section 25, T-20-S, R-36-E; (2) Simultaneously dedicate a previously approved 320-acre non-standard proration unit, comprising the east half of Section 25, to Wells No. 2 and 7; (3) Produce the unit allowable in any proportion between these two wells. This application concerns only the Eumont Gas Pool.

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Q. Please describe the completion on the Well No. 7.

A. L. W. White (NCT-A) Com Well No. 7 was drilled on the basis of the approved application to drill and completed through perforations from 3,364' - 3,368' on September 16, 1980. Stimulation was by the foam fracture method.

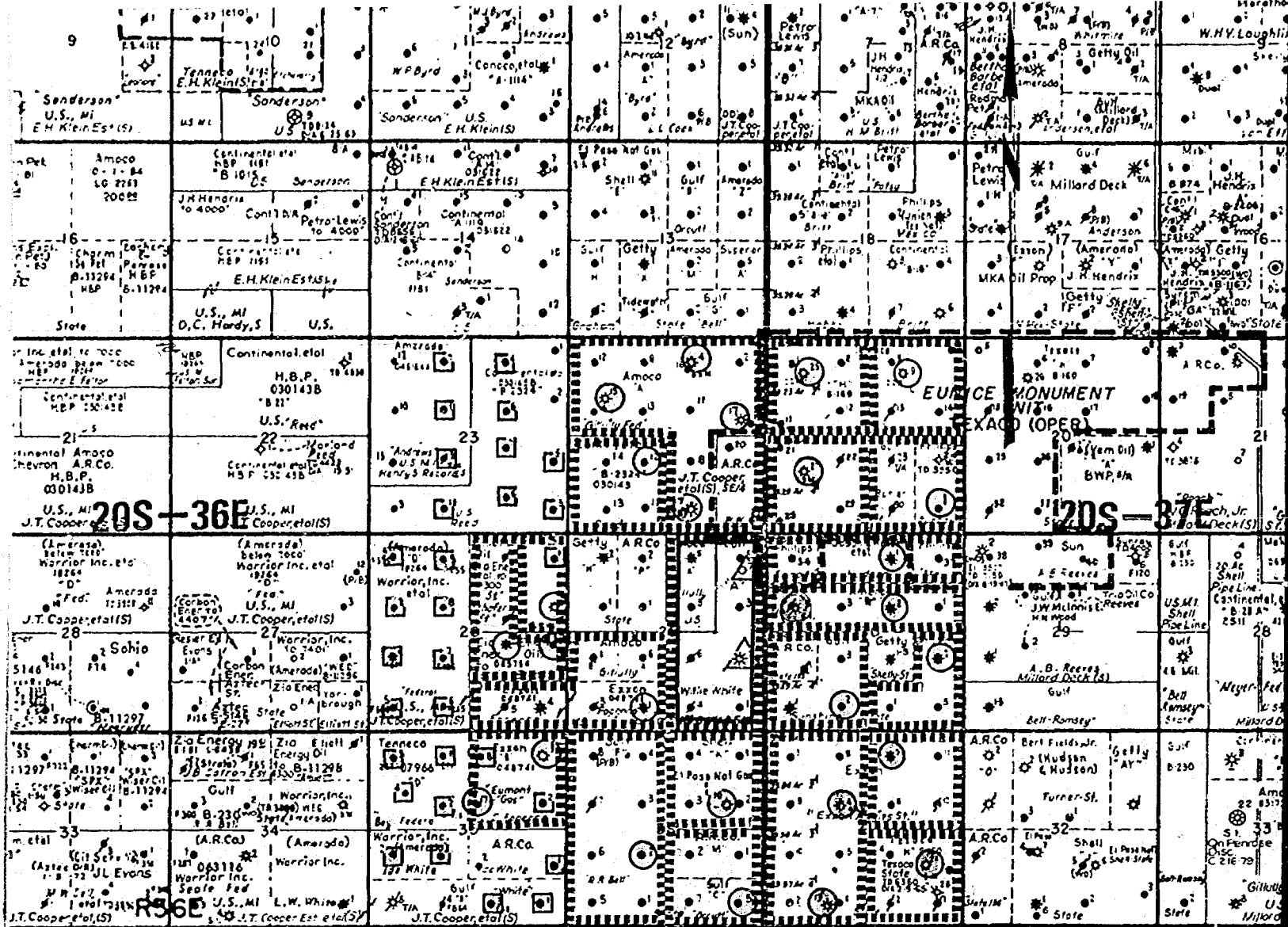
Q. Will this request violate any correlative rights?

A. No sir. The unit is marginal now and is expected to remain so, even with both wells on line. Exhibit No. 2 shows allowable and production information for the Eumont Gas completions in the vicinity of our L. W. White (NCT-A) Com Unit, and illustrates that all but three of the wells are marginal. It also shows that those three good wells are offset by such poor production, that all eight sections show marginal status. We anticipate that our L. W. White (NCT-A) Com Well No. 7 will not adversely affect these three better wells because they are all to the south, closer to our existing Well No. 2 than to our new Well No. 7. We believe that this application is in the interest of preventing waste and protecting Gulf's right to produce as much of the full allowable as possible from our unit.

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- Q. Were these exhibits prepared by you or under your direction?
- A. Yes.

Move that Exhibits 1 and 2 be admitted as evidence in this hearing.





# GULF OIL CORPORATION

Southwest Division

Midland, Texas

L.W. WHITE (NCT-A) COM. LEASE

EUMONT GAS POOL

Lea County, New Mexico

Scale: 1"=3000'



Eumont Gas Completion



Proposed Simultaneous Dedication



Eumont Oil Completion



Proration Unit

7117  
Gulf  
1-14-81

Exhibit No. 1  
Case No. 7117  
1-14-81

**BEFORE EXAMINER STATEMENTS**  
**OIL CONSERVATION DIVISION**

CASE NO. 7117  
 EXHIBIT NO. 2  
 Submitted by G. A. G. G.  
 Hearing Date 1-14-81

PRODUCTION & ALLOWABLE DATA  
 EUMONT YATES 7 RIVERS QUEEN GAS POOL  
 LEA COUNTY, NEW MEXICO  
 GULF OIL CORPORATION

Exhibit No. 2  
 Case No. 7117  
 Date: 1-14-81  
 Page 1 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 24, T-20-S, R-36-E									
Conoco, Inc.	12	K	M	1.00	1,461	1,461	21,108	6.9	
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PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
Page 2 of 4

Submitted by GLL

Section 26, T-20-S, R-36-E

**Zia Energy, Inc.**

Elliot Federal

1	I	(MNU)
2	J	(MNU)

I				
J				
	(MMU)	12,074		
	(MMU)	<u>2,865</u>		
	M	14,939	14,939	
	1.00		21,108	70.8

Phillips Petroleum

New

Section Total

Section 25, T-20-S, R-36-E  
Exxon Corp.

Eumont Gas Com No. 4

Gulf Oil Corp

L. W. White NCT-A Com

27  
7  
I  
A  
M  
NC

2.00	12,693	12,693	42,216	30.1
------	--------	--------	--------	------

409 MCFPD  
I.P. 418 MCFPD. Will  
make unit 60.8%  
Top Allowable.

Section Total

M	3.50	<u>18,657</u>	<u>18,657</u>	<u>73,678</u>	<u>25.3</u>
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No Eumont production  
in NW/4

PRODUCTION & ALLOWABLE DATA  
EUMONT YATES 7 RIVERS QUEEN GAS POOL  
LEA COUNTY, NEW MEXICO  
GULF OIL CORPORATION

Exhibit No. 2  
Case No. 7117  
Date: 1-14-81  
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OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 30, T-20-S, R-37-E W. A. & E. R. Hudson Hudson Phillips Com	1	B	M	1.00	3,891	3,891	21,108	18.4	126 MCFPD
Gulf Oil Corporation Sunshine State Com	2	N	M	1.00	22,263	22,263	21,108	100.0	718 MCFPD
Cities Service Co. State F	2	I	M	.75	1,372	1,372	15,831	8.2	
Amerada Hess Corp State W	2	G	M	1.00	2,759	2,759	21,108	13.1	89 MCFPD
Section Total			M	3.75	30,285	30,285	79,155	38.3	No Eumont production in NW/4 of SE/4
Section 35, T-20-S, R-36-E Exxon Corp Eumont Gas Com No. 3	1 2	A G	(MMU) (MMU) M	1.00	5,478 3,205 8,683	8,683	21,108	41.1	
Section Total			M	1.00	8,683	8,683	21,108	41.1	

BEFORE EXAMINER STATEMENTS  
OIL CONSERVATION DIVISION  
EXHIBIT NO. 2  
CASE NO. 7117  
Submitted by Gulf  
Hearing Date 1-14-81

PRODUCTION & ALLOWABLE DATA  
 EUNONT YATES 7 RIVERS QUEEN GAS POOL  
 LEA COUNTY, NEW MEXICO  
 GULF OIL CORPORATION

Exhibit No. 2  
 Case No. 7117  
 Date: 1-14-81  
 Page 4 of 4

OPERATOR LEASE	WELL NO.	UNIT	STATUS	ACREAGE FACTOR	OCTOBER PRODUCTION	DECEMBER ALLOWABLE	TOP ALLOWABLE	% TOP ALLOWABLE ASSIGNED	COMMENTS
Section 36, T-20-S, R-36-E El Paso Natural Gas Co. Shell State	10	H	N	1.00	21,836	21,108	21,108	100.0	681 MCFPD
Gulf Oil Corporation R. R. Bell (NCF-F) H. T. Orcutt NCF-C Com A	2 5	K P	M M	2.00 1.00	7,395 1,529	7,395 1,529	42,216 21,108	17.5 7.2	239 MCFPD
Section Total			M	4.00	30,760	30,032	84,432	35.6	
Section 31, T-20-S, R-37-E Texaco, Inc. New Mexico H State NCF-i	24	I	M	1.00	11,214	11,214	21,108	53.1	
Exxon Corp. Exxon Aggies State	4 13	F N	(MMU) (MMU)		10,022 12,032				
			M	2.00	22,054	22,054	42,216	52.2	323 MCFPD
	7	B	N	1.00	25,228	21,108	21,108	100.0	
Section Total			M	4.00	58,496	54,376	84,432	64.4	

BEFORE EXAMINER STAMETS  
 OIL CONSERVATION DIVISION  
 EXHIBIT NO. 2  
 CASE NO. 7117  
 Submitted by GAUL  
 Hearing Date 1-14-81

Dockets Nos. 4-81 and 5-81 are tentatively set for January 28 and February 11, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 14, 1981

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 February, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for February, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7117: Application of Gulf Oil Corporation for a non-standard gas proration unit, 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 320-acre non-standard proration unit comprising the E/2 of Section 25, Township 20 South, Range 36 East, Eumont Gas Pool, to its L. W. White (NCT-A) Wells No. 2 in Unit I and No. 7 at an unorthodox location 990 feet from the North line and 660 feet from the East line of said Section 25.

CASE 7118: Application of El Paso Exploration Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Blanco-Tocito and Basin-Dakota production in the wellbore of its Jicarilla 152 W Well No. 3 in Unit D of Section 7, Township 26 North, Range 5 West.

CASE 7119: Application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Mesa Unit Area, comprising 26,722 acres, more or less, of State, Federal, and fee lands in Townships 10, 11, and 12 North, Ranges 1 and 2 East.

CASE 7120: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Gallup and Basin-Dakota production in the wellbore of its Merry May Well No. 1 in Unit I of Section 24, Township 24 North, Range 10 West.

CASE 7121: Application of Flag-Redfern Oil Co. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pinon-Fruitland and Fulcher Kutz-Pictured Cliffs production in the wellbores of its Aloha Wells Nos. 1 and 2 located in Units L and D, respectively, of Section 16, Township 28 North, Range 11 West.

CASE 7122: Application of Elk Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Pennsylvanian formation in the interval from 10,445 feet to 10,516 feet in its C. S. State Well No. 2 in Unit K of Section 26, Township 14 South, Range 34 East, High Plains-Pennsylvanian Pool.

CASE 7123: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "AB" Well No. 7, a Morrow test to be drilled 1980 feet from the North line and 660 feet from the West line of Section 9, Township 18 South, Range 25 East, the N/2 of said Section 9 to be dedicated to the well.

CASE 7124: Application of Caribou Four Corners, Inc. for two non-standard proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard oil proration units in Section 13, Township 29 North, Range 15 West, Cha Cha-Gallup Oil Pool, as follows: a 56.09-acre unit consisting of those fee lands comprising the NE/4 NW/4 and northermost 16.09 acres of the SE/4 NW/4 of said Section 13, and a 66.33-acre unit consisting of those fee lands comprising the NW/4 NW/4 and northermost 23.33 acres of the SW/4 NW/4 of said Section 13. In the alternative applicant seeks an order directing the escrowing of funds attributable to those lands in the E/2 NW/4 and W/2 NW/4, respectively, of said Section 13 which are not included in the above-described non-standard proration units.

# Gulf Oil Exploration and Production Company

R. C. Anderson  
PRODUCTION MANAGER, HOBBS AREA

December 5, 1980

DEC 10 1980

SANTA FE DIVISION

P. O. Box 670  
Hobbs, NM 88240

Re: Amendment to NSP-170

Mr. Richard L. Stamets  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Case 7117

Dear Sir:

Gulf Oil Corporation requests your administrative approval for an amendment to NSP-170 for a 320-acre non-standard proration unit in the Eumont Gas pool, consisting of the east  $\frac{1}{2}$  of Section 25-T20S-R36E, Lea County, New Mexico, to be dedicated simultaneously to our L. W. White (NCT-A) #7, located 990' FNL and 660' FEL of Section 25-T20S-R36E, Lea County, New Mexico, and the L. W. White (NCT-A) #2, located 1980' FSL and 660' FEL of Section 25T20S-R36E, Lea County, New Mexico, which had previously been dedicated to the aforementioned 320-acre non-standard proration unit.

The L. W. White (NCT-A) #7 is a new well completed in the Eumont Gas pool and currently awaiting pipeline connection.

In support of this application the following facts are submitted:

- 1) There are no other wells producing from the Eumont Gas pool in this non-standard proration unit.
- 2) The attached plat shows the 320-acre unit and the well outlined.
- 3) All offset operators have been furnished a copy of this application.

Your early consideration will be appreciated.

Yours very truly,

*R.C. Anderson*  
R. C. ANDERSON

12/22:

*Chuck Katterer  
called and  
wants this on the  
docket Jan 14  
Jen*

GSS/jr

Attachment

cc: NMOCD - Hobbs  
Offset Operators  
C, F, Katterer - Midland



A DIVISION OF GULF OIL CORPORATION



OFFSET OPERATORS  
L. W. White (NCT-A) #7

Amoco Production Co.  
P. O. Box 3092  
Houston, Texas 77001

Phillips Petroleum  
Bartlesville, OK 74003

Amerada Hess  
P. O. Box 2040  
Tulsa, OK 74102

Shell Oil  
P. O. Box 1509  
Midland, Texas 79702

Exxon  
P. O. Box 1600  
Midland, Texas 79701

Arco  
P. O. Box 1610  
Midland, Texas 79702



NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Revised C-128  
Effective 1-1-55

DEC 10 1980

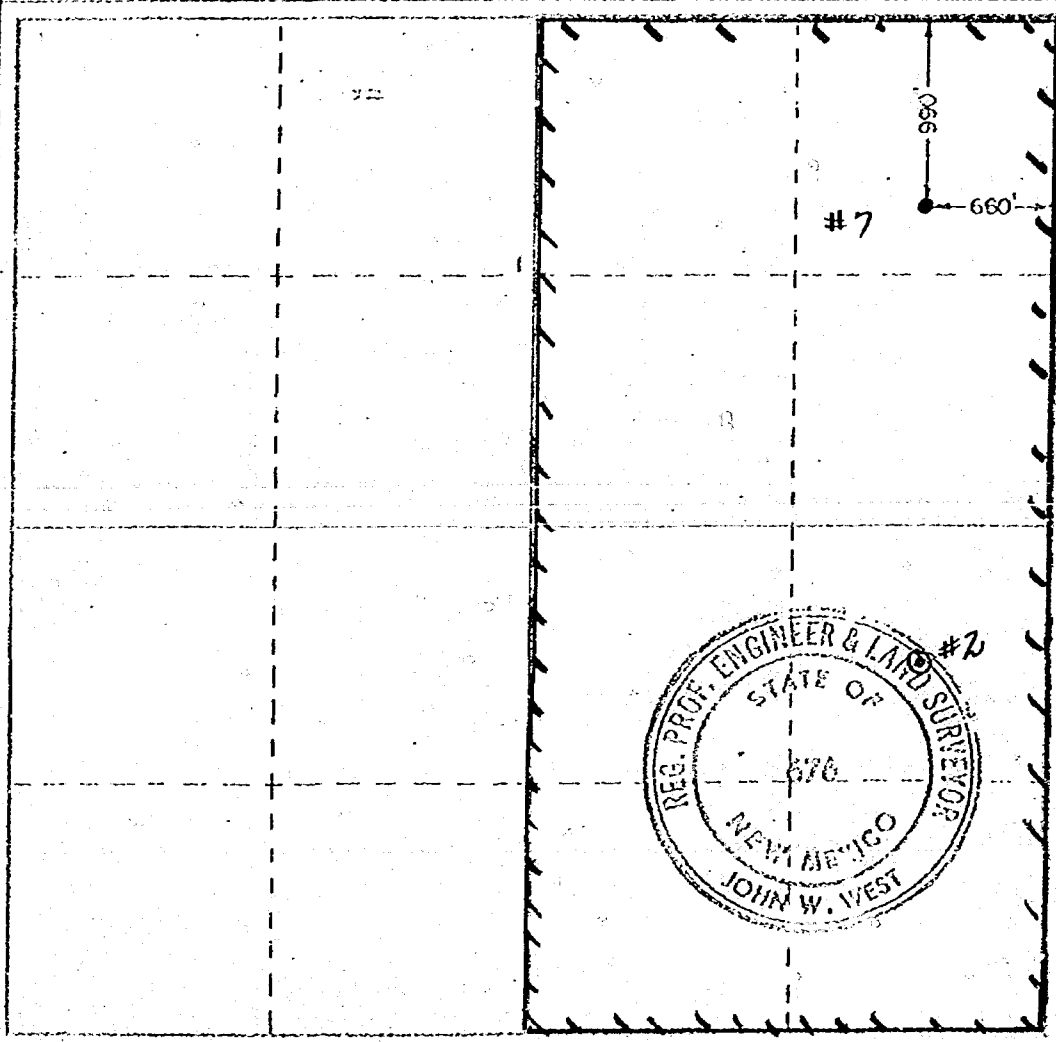
All distances must be from the outer boundaries of the Section

Operator <b>Gulf Oil Corporation</b>		Lease <b>L.W. White</b>		NEPCA COMM. DIVISION 7	
Unit Letter <b>A</b>	Section <b>25</b>	Township <b>20 South</b>	Range <b>36 East</b>	County <b>SANTA FE</b>	
Actual Well Location of Well: <b>990</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3542</b>	Producing Formation <b>Queen-Panrose</b>		Pool <b>Emmont Gas</b>	Dedicated Acreage <b>320</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_

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

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



CERTIFICATION

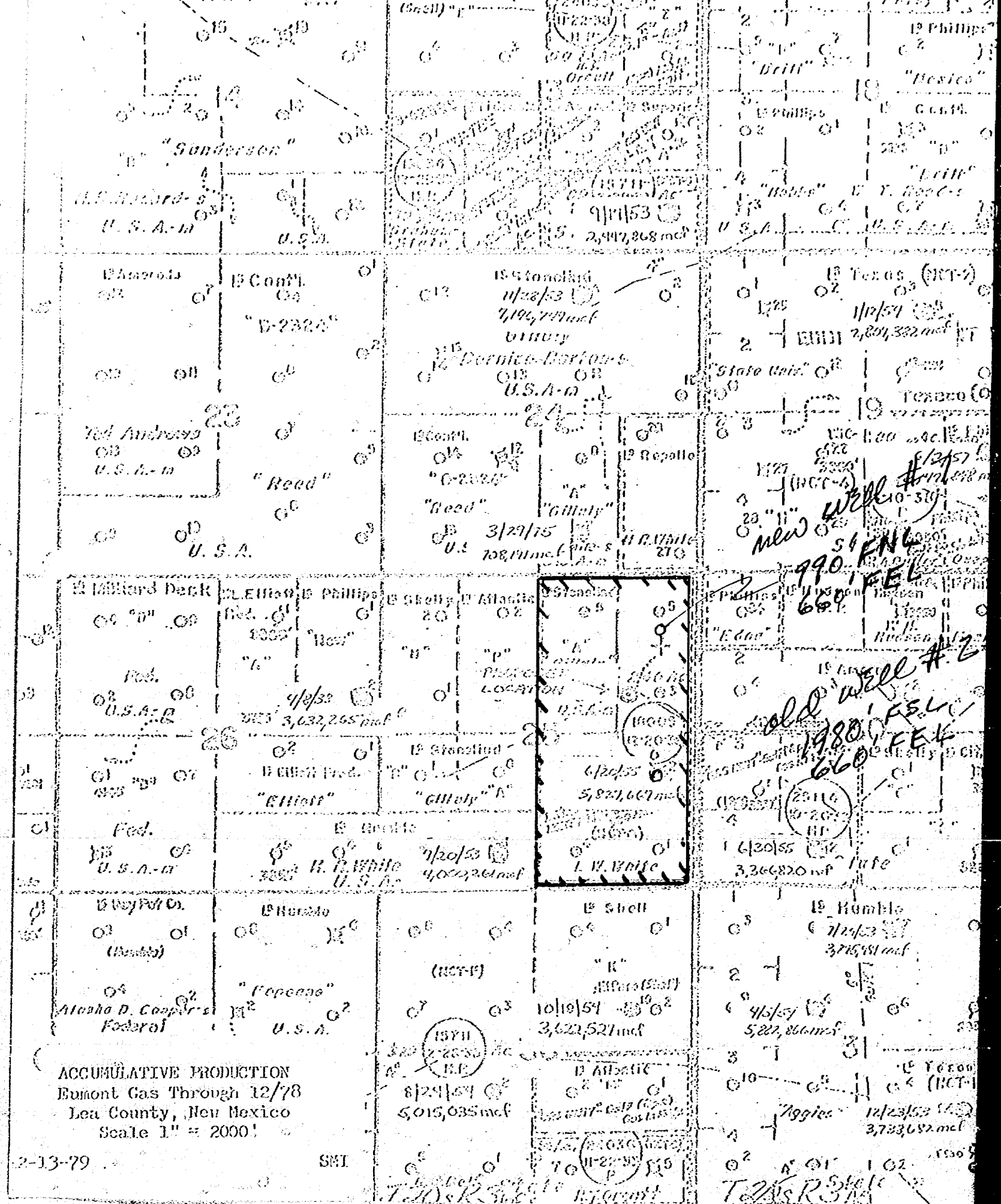
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name **R.C. Anderson**  
Position **Area Production Manager**  
Company **GULF OIL CORPORATION**  
Date **5-21-80**

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

Date Surveyed **May 17, 1980**  
Registered Professional Engineer or Land Surveyor

**John W. West**  
Certificate No. **JOHN W. WEST 673**  
**PATRICK A. BONERO 6808**  
**Ronald J. Edson 3239**



DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 7117

Order No. R- 6569

APPLICATION OF GULF OIL CORPORATION

GAS

FOR A NON-STANDARD/PRORATION UNIT, UNORTHODOX LOCATION, AND  
SIMULTANEOUS DEDICATION,

LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 14  
19 81, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this \_\_\_\_\_ day of January, 19 81, 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, Gulf Oil Corporation  
of a previously approved 320-acre  
seeks approval of ~~xxxxxxx~~ non-standard gas proration unit  
comprising the E/2 of Section 25, Town-  
ship 20 South, Range 36 East, NMPM, to be dedicated to  
its L. W. White (NCT-A) Well No. 2, located in  
L. W. White (NCT-A) Well No. 7 at an unorthodox location 990 feet from the North  
Unit I of ~~said section~~ line and 660 feet from the East  
line of said Section 25.

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

*for the simultaneous dedication*

*and its*

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

IT IS THEREFORE ORDERED:

*The applicant, Gulf Oil Corporation is hereby authorized*  
(1) That ~~ax~~ 320 -acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 of Section 25, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, ~~is hereby established and dedicated~~ to its L. W. White (NCT-A) and its L. W. White (NCT-A) will be Well No. 2 ~~No. 7~~ at an ~~xx of said~~ unorthodox location 990 feet from the North line and 660 feet from ~~Section~~ the East line of said Section 25.

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

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