

BEFORE THE OIL
CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 15, 1952

In the Matter of:

Oil Conservation Commission's
application for an order for the
following described creations of new
pools or extensions of existing pools
in Lea, Eddy and Roosevelt Counties:

Case No. 362

- (a) New Pool: West Dollarhide-Fusselman for Fusselman production to include SE/4 section 32, T. 24 S, R. 38 E, and NE/4 section 5, T. 25 S, R. 38 E, Lea County.
- (b) New Pool: Terry-Blinebry pool for Blinebry production to include SW/4 and Lots 13 and 14 of 1-21S-37E, and the SE/4 2-21S-37E, Lea County.
- (c) New Pool: Bluit-San Andres for San Andres production to include all sections 7, 8, 17 and 18, T. 8 S, R. 38 E, Roosevelt County.
- (d) New Pool: Mescalero-Pennsylvanian pool for Pennsylvanian production to include all sections 21, 22, 27 and 28, T. 10 S, R. 32 E, Lea County.
- (e) New Pool: North Tulk-Wolfcamp pool for Wolfcamp production to include N/2 section 20, T. 14 S, R. 32 E, Lea County, New Mexico.
- (f) Extension of Skaggs pool to include N/2 7-20S-38E, Lea County, New Mexico.
- (g) Extension of Crossroads-Pennsylvanian pool to include SE/4 20-9S-36E, Lea County.
- (h) Extension of Premier pool to include SW NW 23-17S-30E, Eddy County.
- (i) Extension of Red Lake pool to include S/2 SW/4 26-17S-27E, Eddy County.
- (j) Extension of Hare-Simpson pool to include lots 11, 12, 13 and 14, SW/4 SE/4 2-21S-37E; and SW SW 1-21S-37E, Lea County.

MR. WHITE: If the Commission please, the regular witness was Mr. Blymm. He is unable to be here and if agreeable with the Commission we will have Mr. Porter give his studies, recommendations, and conclusions that were given to him by Mr. Blymm. If no objections, we would like to have the Exhibits admitted although prepared by Mr. Blymm.

MR. SPURRIER: Without objection, the Exhibits will be received.

MR. PORTER: Mr. Blymm by these plats has recommended that the pools be created and extended exactly as advertised with one exception which with your permission I will read into the record. It is for the Section (a) proposed West Dollarhide-Fusselman pool. The area now recommended includes the east half of Section 31, all of Section 32, northeast quarter and southwest quarter in Lots 1, 2, 3, and 4 of Township 24, South, 38 East, also the northwest quarter and Lots 1 and 4 of Section 4 and the northeast quarter of Section 5 of Township 25 South, Range 38 East.

I might say this recommendation was influenced by the completion of a well in the east half of Section 31 since this matter was advertised and also drill stem tests in Section 33 of Township 34 South 38 East and in the northwest quarter of Section 4, 25 South, 38 East. Here are the plats, Section (a) through (j) which he wishes to have submitted.

MR. SPURRIER: Without objection these Exhibits will be received. Does anyone have any comment on any paragraph (a),
(b) - -

MR. DAVIS: Quilman Davis representing Southern Union. I would like to know if that is to be considered as a gas pool or oil pool on (b)?

MR. GRAHAM: New oil pool.

MR. SPURRIER: Anyone else? (c), (d), (e), (f), (g), (h), (i), (j).

MR. GIRAND: If the Commission please, W. D. Girand, Hobbs, New Mexico, representing Fullerton. We move that that portion of Case No. 362 under subdivision (j) be continued for the reason that the land described in the advertisement showed that these lands are the same lands along with other lands that were included in Case No. 338 which is still pending before the Commission, there having been filed a motion for re-hearing on Case 338.

In view of the fact that the same lands are involved and to avoid any embarrassment or any further confusion here, we feel it would be improper at this time to take up the consideration of item (j) when any action here might be superseded by the final determination of Case No. 338.

MR. SPURRIER: Did you say you had made application for rehearing?

MR. GIRAND: That is correct.

MR. HOUSTON: Mr. Commissioner, may I make a short statement in that connection. Richard L. Houston, Midland, Texas for Shell Oil Company. While we recognize that a motion for continuance is addressed to the Commission's discretion and whatever the Commission in its discretion decides will be acceptable to us.

We feel it would be a mistake to continue a matter because of a motion for rehearing in Case 338 for the simple reason neither belong in the extension to the Hare Pool nor in the new pool and both matters can be before the Commission and it can decide both at the same time.

MR. SPURRIER: Any other comment?

MR. GREER: John Greer, Standard Oil Company of Texas. I believe about three months ago I made the comment here that until the Hare Pool is extended the wells in the proposed Terry Pool are receiving higher allowables than even offset wells that I say are still in the same reservoir. We would have no objection to the Commission continuing this case, but so far we have continued for about three months here granting this other well a higher allowable than the other wells. For that reason we do see some objection to continuing the case and maintaining the higher allowable for that well.

MR. SPURRIER: Anyone else.

MR. CAMPBELL: Jack Campbell for Gul Oil Corporation. The position of Gulf insofar as whether this well of Fullerton's is in the Hare or new pool is contained in Case 338. We are anxious to have this thing resolved as soon as possible. If the Commission should see fit to grant a continuance of this case, we certainly feel that in all equity to other operators in the area that until it is definitely determined by the Commission upon rehearing or whatever hearing they may have in Case 338 that this well is in a new pool, certainly the allowable granted to the

well should be the same allowable given to other wells in the area which have been determined to be in the Hare Pool.

The period of several months have elapsed, the additional allowable has been granted to the well and it seems to me that in equity to other operators in the field pending a final determination, this is a new pool. The allowable should be reduced to the same allowable granted other wells in the area.

MR. GIRAND: If the Commission please, in regard to the Commission just reducing our allowable, I think that goes beyond the rules and regulations of the Commission. However, it seems that the additional allowable that the Fullerton well is receiving seems to be of primary concern here and not the condition of the reservoir. If that is the primary concern of the other operators in that locale the Fullerton Oil Company has not objection to reducing the allowable to the Hare allowable, but we do maintain that until such information is obtained to definitely show whether or not this area is in the Hare Pool as extended or in a new pool that the Commission should not act on the matter.

If it is a question of our additional allowable we will throw it back in and take the Hare allowable, but we are sincere in not wanting the Commission to foreclose us at this time on whether or not the reservoir condition which we asset to exist exists or doesn't exist. The order of the Commission in Case 338 was there was no sufficient information before the Commission. That could be through any number of things. May be we didn't

have enough at the time. So, we would like to suggest to the Commission that they allow a rehearing in 338 and if necessary combine it with Section (j) of 362 and set off the hearing day for a period of six months and see what we do have. We offer that as a proposal here in settling the reservoir condition.

MR. SPURRIER: Any objection or comment on Fullerton's motion?

MR. HOUSTON: I would just like to understand their position entirely. You will reduce the allowable.

MR. GIRAND: We will voluntarily reduce it.

MR. HOUSTON: You want the matters held open.

MR. GIRAND: If it takes a temporary designation we would like to see it to the Terry Simpson Pool temporary designation.

MR. HOUSTON: You would like to have the matter brought up again?

MR. GIRAND: In six months or when additional information is ready.

MR. GRAHAM: Consolidate the two pools?

MR. GIRAND: Consolidate the two cases.

MR. GREER: The boundaries of the Hare Pool had not been formerly extended to within one mile of the well and it was properly classified as wildcat under the rules because of the depth of perforation it did get the higher allowable. Since then the Hare Pool has been extended to the offset location from the well.

MR. GIRAND: You are in error.

MR. GREER: It hasn't been quite that far but it is within one mile.

MR. GIRAND: No, it is one mile from the outside boundary of our line.

MR. GREER: I thought that was one way that it would be shown that the well was properly prorated in accordance with the Hare Pool now. Your suggestion of having the well prorated as a Hare Pool well and holding off final determination of whether it is in the Hare Pool or separate pool would be satisfactory at this time.

MR. SPURRIER: Any other comment.

MR. PORTER: May I ask a question? Mr. Girand what would be your proposal to do with these other wells which would be covered by Mr. Blymm's recommendation?

MR. GIRAND: I feel if they got to carry the stamp they do. If we are down to the Hare allowable then they will carry it regardless of completion depth.

MR. HOUSTON: I think it would be all right for it to be carried open and let him reopen with the Hare designation if he is going to get the Hare allowable.

MR. GIRAND: That is the bone of contention.

MR. HOUSTON: We are allowing you to keep it open.

MR. GIRAND: If we give up the allowable which we are willing to do, cut back to the Hare allowable, take the temporary nomenclature as the Simpson Pool all wells completed within that pool would have that temporary allowable in there until the

reservoir is determined. There can be no objection to that from what I can see from here.

MR. HOUSTON: The only objection I see is the name. It should be called the Hare Simpson since it is going to take the Hare allowable.

MR. GIRAND: It is a temporary measure.

MR. HOUSTON: You can keep it open. It looks like it should be designated that way during the interim.

MR. GIRAND: It think it out to have the name temporarily of the Simpson Terry. We are the only ones giving up anything. We ought to determine the name.

MR. HOUSTON: I would like to ask the Commission a question. Does the Commission think it could restrict them to the Hare allowable if put in another field? They volunteered to give it up. If there was a violation of the agreement would there be any enforcement available. I would rather doubt it. That is one reason for calling it the Hare Simpson area while pending.

MR. GIRAND: Fullerton has been over here a number of years in New Mexico and I have been practicing law a good number of years. If my client backs up I will be the first one to withdraw. My representations at the present time are the company will cut down voluntarily their allowable. Any infraction of it, I would like to know.

MR. HOUSTON: We are not questioning your personal honesty.

MR. SPURRIER: Anything further. If not, the case will be taken under advisement as to Paragraph (j). We will proceed with case 363.

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, hereby certify that the foregoing and attached Transcript of Proceedings in Case No. 362, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, taken on April 15, 1952, is a true and correct record to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 19th day of April, 1952.



Court Reporter

My Commission Expires:

June 19, 1955.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9646 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

November 20, 1952

In the Matter of:

By provision of Order R-157 issued in Case 362, the Hare-Simpson Pool was extended to include SW/4 SW/4 Sect. 1; Lots 11, 12, 13 and 14, SW/4 and SE/4 Section 2. The order provided that such extension remain in force until January 1, 1952, and that operators producing oil and/or gas from the Simpson formation with properties located in Sections 1, 2, 11 or 12 should appear at the November hearing and show cause why the temporary extension of this pool should not be made permanent.

CASE NO. 362

(Notice of Publication read by Mr. Graham.)

MR. GERAND: If the Commission please I am W. D. Gerand, Junior, Hobbs, representing Fulerton Oil Company. We had previously protested the order of the Commission in extending the Hare-Simpson Pool to cover this territory. We now desire to withdraw any protest that we may have.

MR. SPURRIER: Anyone else to be heard in this case?

MR. SMITH: On behalf of Shell Oil Company we would also like to ask the Commission that the extension of the pool be made permanent.

MR. SPURRIER: Anyone else?

DON WALKER: Don Walker, with Gulf. We also would like to have the Commission's order made permanent.

MR. DAILEY: Mr. Homer Dailey, with the Continental Oil Company. We would like to see the section made permanent.

MR. SPURRIER: Anyone else? If not we will take the case under advisement.

STATE OF NEW MEXICO)
 :
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 362 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on June 19, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 24th day of November, 1952.



REPORTER