

MAIN OFFICE OCT 16 PM 1

TEXACO INC.

PETROLEUM PRODUCTS



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DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

P. O. BOX 8109
MIDLAND, TEXAS

J. H. MARKLEY, DIVISION MANAGER

October 14, 1964

CASE 3123 APPLICATION FOR POOL RULES
MONUMENT-TUBB OIL POOL
LEA COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Gentlemen:

Texaco Inc. concurs with the recommendations of Continental Oil Company as presented in Case No. 3123 held before the New Mexico Oil Conservation Commission in Santa Fe, Tuesday, October 13, 1964, and respectfully requests approval of these recommendations by the Commission.

The applicant in this case seeks the establishment of special pool rules including a provision for 80 acre spacing and a gas-oil ratio limit of 6000 standard cubic feet per barrel for the Monument-Tubb Pool in Township-20-South, Range-37-East, Lea County, New Mexico. Texaco Inc. is the lease holder and operator of the EHB Phillips "B" Lease consisting of 280 acres in Section 10 located in the north-central portion of the Monument-Tubb Pool. Two wells have been completed and are producing on this lease and additional development is planned. In the case of this operator, the approval of 80 acre spacing will enable the development of this lease with 3.5 wells instead of 7 wells, resulting in an approximate savings of \$300,000. The applicant has submitted a copy of their application to this office with reservoir pressure data which shows that wells drilled in this pool are capable of draining an area in excess of 80 acres.

As an operator in the Monument-Tubb oil pool, Texaco Inc. is vitally interested in the proposed special pool rules and respectfully requests approval of the rules proposed by Continental Oil Company in Case No. 3123.

Yours very truly,

CLW:jl



SKELLY OIL COMPANY

TULSA 2, OKLAHOMA

MAIN OFFICE
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PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT
W. P. WHITMORE, MGR. PRODUCTION
W. D. CARSON, MGR. TECHNICAL SERVICES
ROBERT G. HILTZ, MGR. JOINT OPERATIONS
GEORGE W. SELINGER, MGR. CONSERVATION

October 7, 1964

Re: Case No. 3123
Monument-Tubb Pool
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

The Commission has scheduled for hearing on Tuesday October 13, 1964, Case No. 3123 for application of Continental Oil Company for special pool rules for the Monument-Tubb Pool in Lea County, New Mexico. Continental Oil Company has advised us of this application and we understand that they seek, among other things, 80 acres for drilling and spacing units with the permitted well location not closer than 330' from the outer boundary of either quarter-quarter section and for a limiting gas-oil ratio of 6000 to 1 instead of 2000 to 1.

This is to advise that Skelly Oil Company as an interested operator in this pool concurs in the recommendation of Continental Oil Company in this case and urges the Commission to adopt the rules as proposed as to prevent waste and best protect the correlative rights of all interested parties.

Very truly yours,

RJJ/ww

cc-Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

PAN AMERICAN PETROLEUM CORPORATION
 OIL AND GAS BUILDING P. O. BOX 1410
 FORT WORTH 1, TEXAS

WILLIAM V. GRISHAM
 DIVISION ENGINEER

October 8, 1964

File: GHF-371-986.510.1

Subject: NMOCC Case No. 3123 ✓
 October 13, 1964, Docket
 Application of Continental
 Oil Company Field Rules
 Monument Tubb Pool, Lea
County, New Mexico

Mr. A. L. Porter, Jr., Secretary-Director
 New Mexico Oil Conservation Commission
 Box 871
 Santa Fe, New Mexico

Dear Sir:

Pan American Petroleum Corporation respectfully requests that its support of Continental Oil Company's application in Case No. 3123 be placed in the record of the hearing docketed for October 13, 1964. Pan American supports Continental's proposed field rules for the Monument Tubb Pool including 80 acre proration units, well locations not closer than 330' to outer boundary of either quarter/quarter section of proration unit, and a limiting gas-oil ratio of 6,000 cubic feet per barrel.

Pan American is the operator of three wells on its Gilluly Lease as well as a working interest owner in New Mexico Federal Unit acreage operated by Continental in the subject field.

In our opinion, adoption of the field rules recommended by Continental will result in protection of correlative rights and efficient recovery of hydrocarbons from the Monument Tubb Field.

Yours very truly,

W. V. Grisham



CONTINENTAL OIL COMPANY

P. O. BOX 460

HOBBS, NEW MEXICO

September 21, 1964

1001 NORTH TURNER
TELEPHONE: EX 3-4141

PRODUCTION DEPARTMENT
HOBBS DISTRICT
JACK MARSHALL
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

*Case
3/23*

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention of Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Re: Application for Special Pool
Rules - Monument-Tubb Pool

We forward herewith application in triplicate for special pool rules for the Monument-Tubb Pool. You will note that the application requests for 80-acre spacing and limiting gas-oil ratio of 6,000 cubic feet per barrel.

We should appreciate your placing this matter on the earliest docket for Examiner hearing.

Yours very truly,

Jack Marshall

GCJ-MLH

Enc.

DOCKET MAILED

Date 10-1-64

DOCKET: EXAMINER HEARING - TUESDAY - OCTOBER 13, 1964

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

The following cases will be heard before Daniel S. Nutter, Examiner,
or Elvis A. Utz, Alternate Examiner:

CASE 3108: (Continued from the September 30, 1964 examiner hearing)

Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Dagger Draw Well No. 1, located in Unit O of Section 6, Township 20 South, Range 25 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations through the casing-tubing annulus and through tubing, respectively.

CASE 3115: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Lowe-State Well No. 1 located in Unit F of Section 36, Township 21 South, Range 23 East, Eddy County, New Mexico, to produce gas from the Cisco Canyon and Lower Morrow formations through parallel strings of tubing.

CASE 3116: Application of Tex-Star Oil & Gas Corporation for force-pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Pearl-Queen Pool underlying the NW/4 NW/4 of Section 24, Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 3117: Application of Tex-Star Oil & Gas Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the E/2 of Section 26, Township 30 North, Range 14 West, San Juan County, New Mexico.

CASE 3118: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Penrose Skelly Unit Area comprising 4,400 acres, more or less, of Federal, State and Fee lands in Township 22 South, Range 37 East, Penrose Skelly Pool, Lea County, New Mexico.

October 13, 1964 Examiner Hearing

- CASE 3119: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Penrose Skelly Pool in its South Penrose Skelly Unit Area by the injection of water into the Grayburg formation through six wells in Sections 5 and 6, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 3120: Application of Dr. Sam G. Dunn for a Review of the Commission's Directive of August 27, 1964, concerning salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks a review of the Commission's Directive of August 27, 1964, prohibiting the disposal of produced salt water in unlined pits after November 1, 1964, in the Linda-San Andres Pool and adjacent areas in Townships 6 and 7 South, Range 26 East, Chaves County, New Mexico. Applicant specifically requests an extension of the November 1st deadline and a determination that salt water disposal in unlined pits in Sections 26, 27, and 34, Township 7 South, Range 26 East, among other areas, does not constitute a hazard to fresh waters and should be excepted from the Commission's directive.
- CASE 3121: Application of Dr. Sam G. Dunn for a water injection project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a water injection project by the injection of water into the San Andres formation through one well located in Section 33, Township 6 South, Range 26 East, Linda-San Andres Pool, and by the injection of water into one well in Section 32 or 33, and one well in Section 27, Township 7 South, Range 26 East, all in Chaves County, New Mexico.
- CASE 3122: Application of Continental Oil Company for an unorthodox location and a non-standard unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Meyer B-4 Well No. 27 at an unorthodox location 5,610 feet from the South line and 660 feet from the East line of Section 4, Township 21 South, Range 36 East, Oil Center Blinebry Pool, Lea County, New Mexico. Said well would be dedicated to a 53-acre non-standard unit comprising that portion of Lots 1 and 8 of said Section 4 which is productive from the Oil Center Blinebry Pool.
- CASE 3123: Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules including a provision for 80-acre spacing and a gas-oil ratio of 6000 to 1 for the Monument-Tubb Pool in Township 20 South, Range 37 East, Lea County, New Mexico.

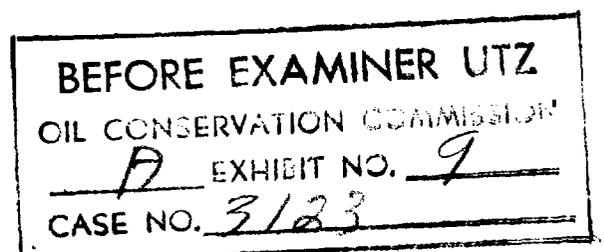
SPECIAL RULES AND REGULATIONS
FOR THE MONUMENT TUBB OIL POOL

RULE 1. Each well completed or recompleted in the Monument Tubb Oil Pool or in the Tubb formation within one mile of the Monument Tubb Oil Pool, and not nearer to or within the limits of another designated Tubb Oil Pool, shall be spaced, drilled, operated, and produced in accordance with the special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Monument Tubb Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter-section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well projected to or completed hereafter in the Monument Tubb Oil Pool shall be located within 330 feet from any boundary of a single governmental quarter-quarter section or lot; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each quarter-quarter section in a standard unit.



RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Monument Tubb Oil Pool shall be assigned an 80-acre proportional factor of 2.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Monument Tubb Oil Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 7. The limiting gas-oil ratio for the Monument Tubb Pool shall be 6000 cubic feet per barrel.