

Case Number.

4213

Application

Transcripts.

Small Exhibits

ETC.



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 22, 1969

EXAMINER HEARING

-----)
IN THE MATTER OF:)

Application of Texo Oil)
Company for pool redelineation,)
creation of a new gas pool, an)
unorthodox gas well location,)
and non-standard gas proration)
unit, Lea County, New Mexico.)
-----)

Case No. 4213

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date OCTOBER 22, 1969TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
<i>J. E. Mistry Jr.</i>	<i>Hinkle, Boudant & Christy</i>	<i>Roswell</i>
<i>W. E. Henderson Jr.</i>	<i>Western States Petroleum Co.</i>	<i>Midland</i>
<i>Leon M. Lampert</i>	<i>Dalhart Oil Corp.</i>	<i>Dallas, Tex.</i>
<i>Richard J. Morrison</i>	<i>Montgomery et al</i>	<i>Santa Fe</i>
<i>Ami J. DuDumie</i>	<i>RW Byam</i>	<i>Santa Fe</i>
<i>Bill Wells</i>	<i>Pen Am</i>	<i>Ft. Worth</i>
<i>Guy Buell</i>	✓ ✓	✓ ✓
<i>Harry Hickman</i>	✓ ✓	✓ ✓
<i>Howard Perdue</i>	<i>UNION TEXAS PETROLEUM</i>	<i>Midland</i>
<i>Walter McCallum</i>	<i>McCallum Pipe System</i>	<i>El Paso, N.M.</i>
<i>Neil B. Watson</i>	<i>Watson & Watson</i>	<i>Albuquerque, N.M.</i>
<i>Delas P. Shudo</i>	<i>for Resler & Sheldon</i>	<i>Albuquerque</i>
	<i>Resler and Sheldon</i>	
<i>Joe E. Stankz</i>	<i>Amerco Oil & Gas</i>	<i>DALLAS</i>
<i>L. A. Eaton</i>	<i>Amoco Oil & Gas</i>	<i>Dallas</i>
<i>Jason Kellahin</i>	<i>Kellahin & Fox</i>	<i>Santa Fe</i>
<i>V. T. Lyon</i>	<i>Continental Oil Co</i>	<i>Hobbs, NM</i>

MR. NUTTER: The hearing will come to order, please. The first case this morning will be Case 4213.

MR. HATCH: Case 4213. Continued from the September 10, 1969 examiner hearing. Application of Texo Oil Company for pool redelineation, creation of a new gas pool, an unorthodox gas well location, and non-standard gas proration unit, Lea County, New Mexico.

If the Examiner please, I would like to move that this case be dismissed as a new pool was created by the last nomenclature hearing and the non-standard proration unit location to be handled in this application.

MR. NUTTER: Case No. 4213 will be dismissed.

STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO)

I, GLENDA BURKS, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Glenda Burks
 Notary Public

My Commission Expires:

March 12, 1973

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Executive Hearing of Case No. 4213
 heard by me on 10/22/67.
Glenda Burks Executive
 New Mexico Oil Conservation Commission



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 10, 1969

EXAMINED HEARING

IN THE MATTER OF:

Application of Texco Oil Company
for pool redelineation, creation
of a new gas pool, an unorthodox
gas well location, and nonstandard
gas proration unit, Lea County, New
Mexico.

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)
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)
) Case No. 4213
)
)
)

BEFORE: Daniel Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4213.

MR. HATCH: Application of Texo Oil Company for pool redelineation, creation of a new gas pool, an unorthodox gas well location, and nonstandard gas proration unit, Lea County, New Mexico.

If the Examiner please, I have talked to the president of this company and he has requested this case be continued pending the study being made by our engineers in Hobbs of this pool.

MR. NUTTER: Case No. 4213 will be continued to the Examiner Hearing at this same place on October 22, 1969 at nine a.m.

Let's take a fifteen minute recess.

(Whereupon, a short recess was taken.)

STATE OF NEW MEXICO)
) SS
 COUNTY OF BERNALILLO)

I, GLENDA BURKS, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Glenda Burks
 Notary Public

My Commission Expires:

March 12, 1973

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4213, heard by me on 9/10, 1969.

[Signature], Examiner
 New Mexico Oil Conservation Commission

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____, 19____.

_____, Examiner
 New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4213
Order No. R-3857

APPLICATION OF TEXO OIL COMPANY
FOR POOL REDELINEATION, CREATION OF
A NEW GAS POOL, AN UNORTHODOX GAS WELL
LOCATION, AND NON-STANDARD GAS PRORA-
TION UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 22, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 28th day of October, 1969, the Commission, a
quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

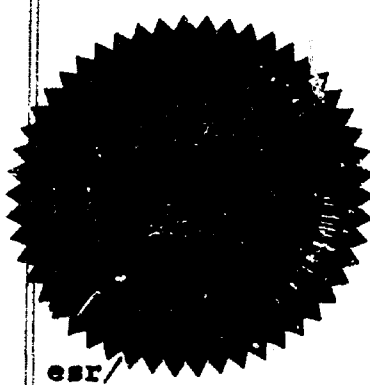
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4213 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David R. Cargo
DAVID R. CARGO, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

August 20, 1969

Case 4213

Texo Oil Company
728 First-Wichita National Building
Wichita Falls, Texas

POCKET MAILED

Attention: Mr. Roy H. Smith

Date *8-28-69*

Re: Application for Non-Standard Location
and Non-Standard Gas Proration Unit
Buffalo Unit Well No. 11

Gentlemen:

Reference is made to your application dated August 14, 1969, concerning the subject matter and the redelineation of the vertical limits of the South Corbin-Queen Pool to permit the creation of a new Basal Penrose gas pool for your Buffalo Unit Well No. 11. This application is not eligible for administrative approval and will have to be set for public hearing.

Unless we hear from you to the contrary, your application will be docketed for the Examiner Hearing to be held on September 10, 1969.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

DOCKET MAILED

10-9-69

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DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 22, 1969

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 4213: (Continued from the September 10, 1969, Examiner Hearing)

Application of Texo Oil Company for pool redelineation, creation of a new gas pool, an unorthodox gas well location, and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the vertical limits of the South Corbin-Queen Pool to permit the creation of a new basal Penrose gas pool for its Buffalo Unit Well No. 11 located at an unorthodox gas well location 2310 feet from the South line and 330 feet from the West line of Section 35, Township 18 South, Range 33 East, Lea County, New Mexico. Applicant further seeks approval of an 80-acre non-standard gas proration unit comprising the N/2 SW/4 of said Section 35, to be dedicated to the above-described well.

CASE 4230: Application of Dalport Oil Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's AMCO Federal Well No. 2 located in the SW/4 NW/4 of Section 31, Township 14 South, Range 30 East, Double L Field, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit located in the vicinity of said well.

CASE 4231: Application of Western States Producing Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4174 feet to 4388 feet in its State "30" Well No. 3, located in Unit I of Section 30, Township 7 South, Range 33 East, Chavero-San Andres Pool, Roosevelt County, New Mexico.

- CASE 4232: Application of Pan American Petroleum Corporation for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Baskett "D" Lease by the injection of water into the San Andres formation through its Baskett "D" Well No. 4 located in Unit I of Section 11, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico.
- CASE 4233: Application of Aztec Oil & Gas 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 Yates-Seven Rivers formations in the open-hole interval from 3929 feet to 3990 feet in its State SR Well No. 1 located in Unit G of Section 16, Township 24 South, Range 36 East, Jalmat Field, Lea County, New Mexico.
- CASE 4234: Application of Gulf Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the upper Morrow and lower Morrow formations underlying Section 12, Township 23 South, Range 24 East, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location 1650 feet from the North and East lines of said Section 12, and within one mile of the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.
- CASE 4235: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Jack A-29 lease by the injection of water into the Seven Rivers-Queen formations through its Jack A-29 Wells Nos. 2 and 4 located, respectively, in Unit 1 and 0 of Section 29, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4236: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Anderson Ranch Unit Area by the injection of water into the Wolfcamp formation through its Anderson Ranch Unit Wells Nos. 4 and 5, located, respectively, in Units B and J of Section 11, Township 16 South, Range 32 East, Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.

CASE 4237: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Monument-Tubb and Weir-Blinbry Pools in the well-bores of the following four wells located in Township 20 South, Range 37 East, Lea County, New Mexico:

Britt "B" Well No. 18 - Unit N - Section 10
Britt "B" Well No. 19 - Unit B - Section 15
Britt "B" Well No. 20 - Unit L - Section 10
Britt "B" Well No. 21 - Unit J - Section 10

CASE 4238: Application of McCasland Disposal System for the amendment of Order No. R-3781, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3781, to permit the disposal of produced salt water in the Yates formation, in addition to the previously authorized Seven Rivers formation, in its Getty Oil Company J. H. Day Well No. 2 located in Unit D of Section 6, Township 22 South, Range 36 East, Jalmat Pool, Lea County, New Mexico. Overall disposal interval would be from 3543 feet to 3939 feet.

CASE 4239: Application of Amini Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying the SE/4 of Section 8, Township 14 South, Range 34 East, Lea County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location in said quarter section and within one mile of the Cerca-Upper Pennsylvanian Pool. Also to be considered will be the costs of drilling said

Case 4239 - Continued from Page 3 -

well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4240: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exceptions would be for applicant's Smernoff Federal Well No. 1 located in Unit B of Section 24 and LaRue Federal Well No. 1 located in Unit D of Section 25, both in Township 15 South, Range 29 East, Sulimar-Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of water produced by said wells in two unlined surface pits located in said Units B and D.

CASE 4241: Application of Pennzoil United, Inc., for a non-standard gas proration unit or the creation of a new gas pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the E/2 of Section 21, Township 24 South, Range 26 East, White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, said unit to be dedicated to applicant's Allied Federal 21 Well No. 1 located at a standard location in Unit J of said Section 21. In the alternative, applicant seeks the deletion of said Section 21 from the White City-Pennsylvanian Gas Pool and the creation of a new Morrow gas pool for said Allied Federal 21 Well No. 1.

CASE 4242: Application of Pennzoil United, Inc., for a non-standard gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C II, to permit the recompletion of its Mescalero Ridge Well No. 1 at a non-standard location 660 feet from the South and West lines of Section 20, Township 19 South, Range 34 East, and within one mile of the Quail Ridge-Morrow Gas Pool, Lea County, New Mexico.

October 22, 1969 - Examiner Hearing

Docket No. 29-69

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(Continued from the October 8, 1969, Examiner Hearing)

CASE 4223: Application of Resler and Sheldon for two waterflood projects, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to institute two waterflood projects by the injection of water into the Grayburg, and possibly other formations in the perforated interval from approximately 3555 feet to 3617 feet in their Kelly Well No. 3 and into the Queen, and possibly other formations in the perforated interval from approximately 3439 feet to 3689 feet in their Steeler Well No. 1, said wells being located, respectively, in Unit M of Section 16, and Unit I of Section 20, Township 23 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. In the alternative, applicants seek authority to dispose of produced salt water in said wells in the intervals as described above.

Ph.

18-33

A 6x6 grid of squares, tilted at an angle. The squares are numbered 1 through 36 in a row-by-row fashion, starting from the top right (1) and ending at the bottom left (36). In the bottom-left corner, a 3x3 sub-grid is highlighted with a thicker border. This sub-grid covers squares 29, 30, 31, 32, 33, 34, 35, 36, and an additional square at the bottom center. The squares 33, 34, and 35 contain small dots.

State

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 10, 1969

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 4210: Application of Mobil Oil Corporation for a special gas-oil ratio limitation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio in excess of the existing ratio of 2000 cubic feet of gas per barrel of oil in the Lightcap (Devonian) Pool, Chaves County, New Mexico.

CASE 4211: Application of Mobil Oil Corporation for a special gas-oil ratio limitation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio in excess of the existing ratio of 2000 cubic feet of gas per barrel of oil in the Lightcap-Pennsylvanian Pool, Chaves County, New Mexico.

CASE 3857: (Reopened)

In the matter of Case No. 3857 being reopened pursuant to the provisions of Order No. R-3504, which order established 160-acre spacing units and 80-acre proportional factors of 4.77 for the Tulk-Pennsylvanian Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre spacing units and why the 80-acre proportional factor of 4.77 should or should not be retained.

CASE 4212: Application of General American Oil Company of Texas for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Maddren "B" Well No. 12, a producing oil well, at an unorthodox location 1295 feet from the West line and 1815 feet from the South line of Section 27, Township 17 South, Range 30 East, as an infill well in its Grayburg Jackson Premier Unit Waterflood Project area, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 4213: Application of Texo Oil Company for pool redelineation, creation of a new gas pool, an unorthodox gas well location, and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the vertical limits of the South Corbin-Queen Pool to permit the

(Case 4213 continued)

creation of a new basal Penrose gas pool for its Buffalo unit Well No. 11 located at an unorthodox gas well location 2310 feet from the South line and 330 feet from the West line of Section 35, Township 18 South, Range 33 East, Lea County, New Mexico. Applicant further seeks approval of an 80-acre non-standard gas proration unit comprising the N/2 SW/4 of said Section 35, to be dedicated to the above-described well.

CASE 4214: Application of Amerada Hess Corporation for approval of an unorthodox injection well location and the amendment of Order No. R-2197, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox water injection well location for its Langlie-Mattix Woolworth Unit Well No. 710 at a point 1950 feet from the North line and 50 feet from the East line of Section 27, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. Applicant also seeks further amendment of Order No. R-2197 to provide for an administrative procedure whereby additional injection wells might be approved at locations no closer than 50 feet to the outer boundary of the unit area.

CASE 4215: Application of Standard Oil Company of Texas to directionally drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Smith Federal Well No. 1, a wildcat located 1650 feet from the South and East lines of Section 34, Township 20 South, Range 24 East, Eddy County, New Mexico. Said well was drilled to a total depth of 7845 feet. Applicant proposes to plug the well back to approximately 5500 feet, set a whipstock at said depth and directionally drill to a depth of approximately 7800 feet to bottom said well in the Cisco formation at a point approximately 200 feet East of the present bottom hole location.

CASE 4216: Application of Tamarack Petroleum Company, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northeast Pearl-Queen Unit Area comprising 920 acres, more or less, of State and fee lands in Sections 15, 22, 23, and 24, Township 19 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

Examiner Hearing - September 10, 1969

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Docket No. 25-69

CASE 4217: Application of Tamarack Petroleum Company, Inc. for a water-flood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a water-flood project in its Northeast Pearl-Queen Unit Area by the injection of water into the Queen formation through eight wells located in Sections 15, 22, 23, and 24, Township 19 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 4181: (Continued from the August 6, 1969, Examiner Hearing)

Application of J. M. Huber Corporation for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete it Stoltz Federal Well No. 1 located in Unit J of Section 12, Township 15 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Morton-Wolfcamp Pool and the disposal of produced salt water through the 8 5/8 X 4 1/2-inch casing-casing annulus into the San Andres, Tubb, Abo, and possibly other formations in the open-hole interval from approximately 4330 feet to 9750 feet.

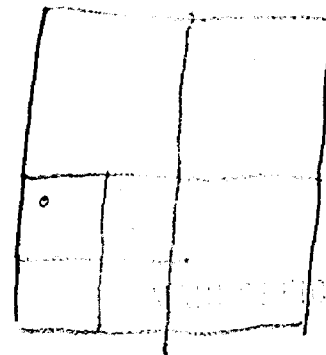
PHONE 322-7069

TEXO OIL COMPANY

728 FIRST-WICHITA NATIONAL BLDG.

WICHITA FALLS, TEXAS

August 14, 1969



69 AUG 18 AM 9 00

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

Attn: Mr. A. L. Porter, Jr.
Secretary-Director

Case 4213

Re: Application for Non-Standard
Location and Non-Standard Gas
Proration Unit
TEXO OIL COMPANY
Buffalo Unit Well No. 11

Gentlemen:

The Texo Oil Company, Buffalo Unit Well No. 11, was drilled at a location 2310' from the south line and 330' from the west line of Section 35, T-18S, R-33E, Lea County, New Mexico. The well was projected to the South Corbin Queen Pool and was originally drilled to total depth of 4603'. The well was dry in that pay and was plugged and abandoned July 2, 1969. Texo Oil Company recently re-entered the well and deepened to 4685', set casing at that depth and the well has now been completed in the Basal Penrose Section for an IP of 1710 MCF gas per day.

As mentioned above, this well was projected as an oil well. Upon re-completion as a gas well, its location failed to conform to Rule 104C, 11 (a) of the Statewide Rules and Regulations. It is respectfully requested that administrative approval be given this unorthodox location.

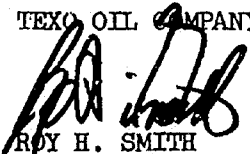
The tract upon which the well is located consists of 80 acres, N/2 SW/4 Section 35, T-18S, R-33E. This tract was assigned to Texo Oil Company by Pan American Petroleum Corporation and Continental Oil Company, working interest owners in the Buffalo Unit. The well is of doubtful commercial nature and it is not considered practicable to communitize the acreage to form a standard gas proration unit. It is therefore respectfully requested that administrative approval be given to a non-standard 80-acre gas proration unit consisting of N/2 SW/4 Section 35 as described above, in exception to Rule 104C 11(a) of the Statewide Rules and Regulations.

It is further requested that a new pool for Basal Penrose gas production be created. The well is completed in a lower stratigraphic interval than the offsetting oil wells and analysis of the gas indicates that it differs in composition from the gas produced with the oil in the offset wells. Information supporting this request is being furnished to your Hobbs district office. All offset acreage is included within the Buffalo Unit, which is operated by Pan American Petroleum Corporation. A copy of this application is being furnished by certified mail to Pan American.

If there are any questions concerning this application, please call me collect at Area Code 817 723-4742 or 322-7969.

Yours very truly,

TEXO OIL COMPANY


ROY H. SMITH
President

RHS:bw
Attach: Location Plat
GR Log

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4213

Order No. R- ~~3857~~

APPLICATION OF TEXO OIL COMPANY
FOR POOL REDELINEATION, CREATION
OF A NEW GAS POOL, AN UNORTHODOX
GAS WELL LOCATION, AND NON-STANDARD
GAS PRORATION UNIT, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 22, 1969, at Santa Fe, New Mexico, before Examiner
Daniel S. Nutter.

NOW, on this _____ day of October, 1969, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4213 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

CASE 4214: Application of AMERADA
HESS FOR UNORTHODOX INJECTION WELL
LOC. & AMENDMENT OF R-2197.