

Case Number
4241

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-4691 • 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 Pennzoil United,)
Inc., for a non-standard gas)
proration unit or the creation)
of a new gas pool, Eddy County,)
New Mexico.)

CASE NO. 4241

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: I'll call next Case Number 4241.

MR. HATCH: 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.

The Commission has received a letter from the Applicant requesting that the case be dismissed.

MR. NUTTER: Case Number 4241 will be dismissed and we'll call next Case Number 4242.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, DAVID BINGHAM, a 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.

David Bingham
 COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4241 heard by me on 10/22 19 69.
[Signature] Examiner
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

**GOVERNOR
DAVID F. CARGO
CHAIPMAN**

**LAND COMMISSIGNER
ALEX J. ARMIJO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

October 28, 1969

Mr. J. M. Durrett, Jr.
Rhodes, McCallister & Durrett
Attorneys at Law
500 Oak, N. E.
Albuquerque, New Mexico 87106

Re: Case No. 4241-4242
Order No. R-3859 & R-3860
Applicant:
Pennzoil United, Inc.

Dear Sir:

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

Very truly yours,

G. L. Carter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC **x**

Artesia OCC R-3859

Aztec OCC

Other _____

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. 4241
Order No. R-3859

APPLICATION OF PENNZOIL UNITED, INC.,
FOR A NON-STANDARD GAS PRORATION UNIT
OR THE CREATION OF A NEW GAS POOL,
EDDY 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. Nutter.

NOW, on this 28th day of October, 1969, the Commission, a
quorum being present, having considered the record and the recom-
mendations 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. 4241 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman

ALEX J. ARMISTO, Member

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

RHODES, McCALLISTER & DURRETT

ATTORNEYS AT LAW

JERRY P. RHODES
ORVILLE C. McCALLISTER, JR.
J. M. DURRETT, JR.

500 OAK, N E
(CORNER ROMA AND INTERSTATE 25)
ALBUQUERQUE, NEW MEXICO 87106
TELEPHONE 243-9744

October 21, 1969

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

Just

Case 4241

Gentlemen:

Pennzoil United, Inc. has a case docketed for the October 22, 1969 examiner hearing wherein Pennzoil is requesting a non-standard gas proration unit for its Allied Federal 21 Well No. 1 located 1980 feet from the East line and 1980 feet from the South line of Section 21, Township 24 South, Range 26 East, N.M.P.M., Eddy County, New Mexico or in the alternative, the creation of a new gas pool.

Pennzoil respectfully requests that this case be dismissed.

Very truly yours,

Rhodes, McCallister & Durrett

By

J M Durrett Jr
J. M. Durrett, Jr.

JMD:dn

DOCKET NO. 29-69

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 Examiners:

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 Panrose 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 4588 feet in its State "30" Well No. 3, located in Unit 1 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 Units 2 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-Blinsbry 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 E - 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

-5-

(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.

RHODES, McCALLISTER & DURRETT
ATTORNEYS AT LAW

JERRY P. RHODES
ORVILLE C. McCALLISTER, JR.
J. M. DURRETT, JR.

OCT 9 1969
500 OAK, N E
(CORNER ROMA AND INTERSTATE 25)
ALBUQUERQUE, NEW MEXICO 87106
TELEPHONE 243-9744

October 9, 1969

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

Gentlemen:

I am enclosing two applications for Pennzoil
United, Inc. Will you please docket these applications
on your next regularly scheduled examiner hearing.

Thank you for your assistance.

Very truly yours,

Rhodes, McCallister & Durrett

By J. M. Durrett, Jr.
J. M. Durrett, Jr.

JMD:dn
encls.

DOCKET MAILED

Date 10-9-69

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Handwritten initials

Application of

PENNZOIL UNITED, INC.,

Case No.

4241

for a Non-Standard Gas Proration
Unit or the Creation of a New
Gas Pool, Eddy County, New Mexico

A P P L I C A T I O N

Comes now the applicant, Pennzoil United, Inc. by
and through its attorneys, Rhodes, McCallister & Durrett, and
respectfully states:

I.

The applicant is the owner and operator of the
Allied Federal 21 Well No. 1 located 1980 feet from the
East line and 1980 feet from the South line of Section 21,
Township 24 South, Range 26 East, N.M.P.M., Eddy County,
New Mexico.

II.

The subject well is completed in the Lower Pennsyl-
vanian or Morrow Formation and is within the horizontal limits
of the White City Pennsylvanian Gas Pool.

III.

The applicant seeks approval of a non-standard gas
proration unit comprising the East Half of Section 21, Township
24 South, Range 26 East, N.M.P.M., Eddy County, New Mexico
in the White City Pennsylvanian Gas Pool to be dedicated to the
subject well.

IV.

The applicant does not own or operate the West Half of Section 21, Township 24 South , Range 26 East, N.M.P.M., Eddy County, New Mexico. The operator of the West Half of said Section 21 was offered an opportunity to join the applicant in drilling the subject well and declined to do so.

V.

In the alternative, the applicant seeks re-designation of the vertical limits of the White City Pennsylvanian Gas Pool to include only the Upper Pennsylvanian Formation, deletion of Section 21, Township 24 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, from the horizontal limits of the White City Pennsylvanian Gas Pool, and creation of a new gas pool designated the White City Morrow Gas Pool with vertical limits comprising the Morrow Formation and horizontal limits comprising Section 21, Township 24 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.

VI.

The applicant submits that approval of the proposed non-standard gas proration unit or the creation of the proposed new gas pool will protect the applicant's correlative rights.

WHEREFORE, the applicant requests the Commission to enter an order approving a non-standard gas proration unit in the White City Pennsylvanian Gas Pool or, in the alternative,

to enter an order re-designating the horizontal and vertical
limits of the White City Pennsylvanian Gas Pool and creating
the White City Morrow Gas Pool as set out above.

RHODES, McCALLISTER & DURRETT

By 
J. M. Durrett, Jr.

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. 4241

Order No. R-3857

APPLICATION OF PENNZOIL UNITED, INC.,
FOR A NON-STANDARD GAS PRORATION UNIT
OR THE CREATION OF A NEW GAS POOL,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 ~~eleven~~ 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.

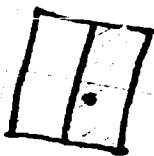
IT IS THEREFORE ORDERED:

That Case No. 4241 is hereby dismissed.

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

Jim Durnett

Pennzoil Unit Eddy
White City Penn



Allied Fed 21 No 1
1980 FSL & FEL
21-248-26 E

have $\frac{1}{2}$ of Sec.

create
White City Morrow

or ask for 320 acre