

CASE 4244: Application of GULF
FOR AN AMENDMENT TO ORDER NO.
R-1084, LEA COUNTY, NEW MEXICO.

Case Number
4244

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 243-6691 • ALBUQUERQUE, NEW MEXICO



No. 1003

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 5, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation) Case No. 4244
for an amendment to Order No. R-1084,)
Lea County, New Mexico.)

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4244.

MR. HATCH: Case 4244. Application of Gulf Oil Corporation for an amendment to Order No. R-1084, Lea County, New Mexico.

MR. KASTLER: If the Examiner please, I am Bill Kastler from Roswell, New Mexico, appearing on behalf of Gulf, and our witness is Mr. John H. Hoover.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 and 2 were marked for identification.)

MR. UTZ: Are there other appearances? You may proceed.

JOHN H. HOOVER

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KASTLER:

Q Please state your position and name of your employer and where you are employed.

A I am John Hoover employed by Gulf Oil Corporation as district production engineer, Roswell, New Mexico.

Q Are you familiar with Gulf's application in Case No. 4244?

A Yes, I am.

Q Have you previously appeared before the New Mexico Conservation Commission Examiner Hearings and testified as an expert witness?

A Yes, sir.

Q What is Gulf seeking in this application?

A We are asking for an amendment to Order No. R-1084 to permit two gas wells to produce the allowable for the 480-acre non-standard Eumont Gas Proration Unit approved by this order.

This order was dated November 13, 1957, in Case No. 1335, and we propose to produce the allowable from either well in any proportion.

Q Will you please explain what is shown on Exhibit No. 1?

A Yes. Exhibit No. 1 is a plat showing the H. T. Mattern NCT-E Lease outlined in red and this described as a southwest quarter of Section 1 and the north half of Section 12, Township 22 South, Range 36 East, Lea County, New Mexico.

The 480-acre non-standard unit, which was approved by Order No. R-1084 covers all this lease. The H. T. Mattern NCT Well No. 10, which is located in the southeast

quarter-southwest quarter of Section 1, is circled and colored in green and we propose to recomplate the H. T. Mattern NCT-E Well No. 11 as a Eumont Gas Well and to dedicate this acreage to it, also.

No. 11 is located in the northwest quarter-northeast quarter of Section 12 and it is also colored in green on this plat.

Q No. 10 was the original well described this proration unit?

A Yes, it was.

Q Is Well No. 11 recompleted now as a Eumont Gas Well?

A No; it is temporarily abandoned in the Arrowhead Grayburg Pool. It has been shut in for sometime because it is not economical to produce. We will be able to use this existing well and put it to beneficial use.

Q How do you propose to recomplate this Well No. 11?

A Exhibit No. 2 is a schematic diagram shwoing the way the well will be after completion. It has nine and five-eighths inch OD casing set at 250 feet, cemented with 250 sacks.

Cement was circulated. We have five and a half OD casing set at 3680 feet, cemented with 300 sacks, the top of the cement at 2435 feet. The well was drilled to a total depth of 3765 feet. It produced from the open hole interval below the casing shield at 3680 to the total depth 3765 feet.

We propose to set a cast iron bridge plug at approximately 3600 feet, capped with two sacks of cement. We will selectively perforate in the interval 2600 feet to 3600 feet. We will have a packer set at approximately 2600 feet, two and seven-eighths inch OD tubing set in this packer and we will load the tubing casing annulus with inhibited water.

Q What is the reason -- the purpose for asking two wells for this non-standard Eumont Gas Proration Unit?

A The existing well on this proration unit is Well No. 10 and due to the decline in the reservoir pressure the well is on compression to permeate it to produce its allowable into the purchaser's high pressure system.

The well will make one million cubic feet per day at approximately one hundred pounds through the compressor. The average allowable for the first ten

months of this year for 480 acres was nine hundred fifteen thousand cubic feet per day. Therefore, it will just make its allowable.

The maximum allowable during this period was during January of 1969 and it was 13 -- one million three hundred eighty thousand cubic feet. Therefore, during the times when the allowable is over a million, well, the well needs help..

If the well is off production for any reason the allowable is hard to make up. During May of this year the purchaser experienced an explosion and fire on his main line system and the well was off production most of the month; and, this allowable is yet to be made up.

The Commission has granted an extension to June 1, 1970 for wells in the prorated pool to the southern New Mexico to make up the allowable; and, we deem it imperative to have two wells so this lease can recover its fair share of the Eumont Gas allowables.

Q Well, if the Commission approves this application, you propose to produce to current allowable from both wells in any proportion. How about the under production now accrued to the existing Well No. 10?

A We propose that the under production be made up by either or both wells in any proportion.

Q Is the H. T. Mattern NCT-E Lease offset by any other gas proration unit?

A Yes, it is. We are completely surrounded by existing gas proration units. Therefore, we need to recover our fair share of the allowables.

Q If you don't, someone else will?

A Yes; that's right.

Q Then, this application is in the interest of protection of correlative rights?

A Yes, it is.

Q Do you have anything further to add in this case?

A One thing. This request for more than one well for proration unit is not the first, since the Commission has previously approved others.

Q Were Exhibits 1 and 2 prepared under your direction and at your supervision?

A Yes, they were.

MR. KASTLER: I would like to move Exhibits 1 and 2 be admitted into evidence, and this closes the

direct testimony.

MR. UTZ: Without objection, Exhibits 1 and 2 will be entered into the record of this case.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Hoover, where are you going to set your packer?

A The packer will be set at approximately 2600 feet. The tubing will be anchored in that packer. We propose to log the well.

Q Below that, wouldn't it?

A Yes, sir, or the perforation will be something below 2600 feet.

Q I see.

A We don't have a log on the well. This well was originally drilled in 1942 and no log was run; so, we will log it and then perforate the best zones that we can find.

MR. UTZ: Other questions of the witness? He may be excused.

(Witness excused.)

MR. UTZ: Statements? The case will be taken under advisement.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
JOHN H. HOOVER	
Direct Examination by Mr. Kastler	2
Cross Examination by Mr. Utz	8

E X H I B I T S

Applicant's Exhibits	
1 and 2	2

[illegible]

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.

Blenda Burke

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. 4248
heard by me on 12-5-69.
[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
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

November 10, 1969

Mr. Bill Kastler
Gulf Oil Corporation
Post Office Box 1938
Roswell, New Mexico 88201

Re: Case No. 4244
Order No. R-1084-A
Applicant:
Gulf Oil Corporation

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

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. 4244
Order No. R-1084-A

APPLICATION OF GULF OIL CORPORATION
FOR AN AMENDMENT TO ORDER NO. R-1084,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 5, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of November, 1969, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Gulf Oil Corporation, is the owner and operator of an oil and gas lease covering the SW/4 of Section 1 and the N/2 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That by Order No. R-1084, dated November 13, 1957, the Commission approved a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the acreage in said lease to be dedicated to the applicant's H. T. Mattern "E" Well No. 10 (presently designated the H. T. Mattern (NCT-E) Well No. 10), located 660 feet from the South line and 1980 feet from the West line of said Section 1.
- (4) That the applicant now seeks the amendment of said Order No. R-1084 to permit the simultaneous dedication of the

-2-

Case No. 4244

Order No. R-1084-A

non-standard gas proration unit authorized therein to the aforesaid H. T. Mattern (NCT-E) Well No. 10 and to its H. T. Mattern (NCT-E) Well No. 11, located 660 feet from the North line and 1980 feet from the East line of said Section 12.

(5) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid H. T. Mattern (NCT-E) Wells Nos. 10 and 11.

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

(8) That Order No. R-1084 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective December 1, 1969, a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 of Section 1 and the N/2 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Gulf Oil Corporation H. T. Mattern (NCT-E) Well No. 10 located 660 feet from the South line and 1980 feet from the West line of Section 1, and to the Gulf Oil Corporation H. T. Mattern (NCT-E) Well No. 11, located 660 feet from the North line and 1980 feet from the East line of Section 12, both in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 480 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That Order No. R-1084, dated November 13, 1957, is hereby superseded.

-3-

CASE No. 4244

Order No. R-1084-A

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

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. AMELIO, Member


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

CEI/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1335
Order No. R-1084

APPLICATION OF GULF OIL CORPORATION
FOR APPROVAL OF A 480-ACRE NON-STANDARD
GAS PRORATION UNIT IN THE EUMONT GAS
POOL, 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 24, 1957, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th., day of November, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant is the owner and operator of an oil and gas lease covering the SW/4 of Section 1 and the N/2 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is the owner and operator of the H. T. Mattern "E" Well No. 10 located 660 feet from the South line and 1980 feet from the West line of said Section 1.
- (4) That applicant proposes to establish a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the above-described acreage to be dedicated to the said H. T. Mattern "E" Well No. 10.
- (5) That approval of the subject application will not cause waste nor impair correlative rights.

-2-

Case No. 1335
Order No. R-1084

(6) That subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of Section 1 and the N/2 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the applicant's H. T. Mattern "E" Well No. 10, located 660 feet from the South line and 1980 feet from the West line of said Section 1.

(2) That the said H. T. Mattern "E" Well No. 10, be granted an allowable in the proportion that the acreage in the above-described units bears to the acreage in a standard gas proration unit for the Eumont Gas Pool subject to the provisions of Rule 8 of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order No. R-520.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

S E A L

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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. 3838
Order No. R-3490

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN AMENDMENT TO ORDER NO. R-872 AND
AN UNORTHODOX GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of September, 1968, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company, is the
co-owner and operator of the Lockhart "B" Lease consisting of the
W/2 of Section 13 and the E/2 E/2 of Section 14, Township 21
South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That by Order No. R-872, dated August 30, 1956, the
Commission approved a 480-acre non-standard gas proration unit
in the Eumont Gas Pool comprising the acreage in said Lockhart
"B" Lease to be dedicated to applicant's Lockhart "E-14" Well
No. 4 (presently designated the Lockhart "B" Well No. 4), located
1980 feet from the North line and 660 feet from the East line of
said Section 14.

-2-

CASE No. 3838
Order No. R-3490

(4) That the applicant now seeks the amendment of said Order No. R-872 to permit the simultaneous dedication of the non-standard gas proration unit authorized therein to the aforesaid Well No. 4 and to its Lockhart "B" Well No. 7 located at an unorthodox location 330 feet from the North line and 330 feet from the West line of said Section 13; that the applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

(5) That the aforesaid Lockhart "B" Well No. 7 was drilled at a standard location for the production of oil from the Eunice Pool but has been recompleted as a gas well in the Eumont Gas Pool.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the Continental Lockhart "B" Wells Nos. 4 and 7.

(7) That approval of the proposed non-standard gas proration unit and unorthodox well location will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(8) That Order No. R-872 should be superseded.

IT IS THEREFORE ORDERED:

(1) That a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 of Section 13 and the E/2 E/2 of Section 14, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Lockhart "B" Well No. 7, located at an unorthodox location 330 feet from the North line and 330 feet from the West line of Section 13, and to the Continental Oil Company Lockhart "B" Well No. 4, located 1980 feet from the North line and 660 feet from the East line of Section 14, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of

-3-

CASE No. 3838
Order No. R-3490

480 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That Order No. R-872, dated August 30, 1956, is hereby superseded.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member


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

S E A L

esr/

4244
Hend 11-5-69

Grant Gulf and amended
to R-1084 (Summit NBU) to
enable them to recomplete
the H.T. Mattern (NCT-E) #10,664
1980 FW 1-225-36E. & dedicate
it to the 480-Ac unit in ad-
dition to their H.T. Mattern (NCT-E)
#11

Thos. H.
allow these wells to produce
the unit allowable in any
proportion. 

Gulf Oil Company - U.S. ^{OCT 9} 1969

EXPLORATION AND PRODUCTION DEPARTMENT
ROSWELL DISTRICT

T. W. Kidd
DISTRICT MANAGER
M. J. Taylor
DISTRICT PRODUCTION
MANAGER
P. E. Wyche
DISTRICT EXPLORATION
MANAGER
H. A. Rankin
DISTRICT SERVICES MANAGER

P. O. Drawer 1938
Roswell, New Mexico 88201

October 8, 1969

Case 4244

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation for Amendment
of Order No. R-1084 to Approve Two Wells On The
480-Acre Non-Standard Eumont Gas Proration Unit
Approved by Said Order, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiner Hearing for approval to amend Order No. R-1084 to provide for two wells on the H. T. Mattern (NCT-E) Lease 480-acre non-standard Eumont Gas Proration Unit approved by said Order. Applicant proposes to recomplete the H. T. Mattern (NCT-E) Well No. 11 in the Eumont Gas Pool and dedicate this 480 acres to it as well as to the existing Unit well, the H. T. Mattern (NCT-E) Well No. 10. It is proposed the allowable for this non-standard Unit be produced from either well in any proportion.

In support of this application, the following facts are offered:

- (1) Order No. R-1084 in Case No. 1335 dated November 13, 1957, approved a 480-acre non-standard Eumont Gas Proration Unit for applicant's H. T. Mattern (NCT-E) Lease covering the SW/4 Section 1 and N/2 Section 12, all in T-22-S, R-36-E, Lea County, New Mexico. This Order also approved the dedication of this acreage to the H. T. Mattern (NCT-E) Well No. 10 located 660' FSL & 1980' FWL Section 1.
- (2) Applicant proposes to recomplete its H. T. Mattern (NCT-E) Well No. 11 located 1980' FEL & 660' FNL Section 12, T-22-S, R-36-E, as a gas well in the Eumont Pool.
- (3) Applicant proposes to dedicate this 480-acre non-standard Unit to the H. T. Mattern (NCT-E) Wells No. 10 and No. 11 with the allowable to be produced from either well in any proportion.



A DIVISION OF GULF OIL CORPORATION

DOCKET MAILED

Date 10-24-69

Oil Conservation Commission
State of New Mexico

-2-

October 8, 1969

- (4) This application is in the interest of conservation and protection of correlative rights.
- (5) All Offset Operators have been furnished a copy of this application.

Respectfully submitted,

GULF OIL CORPORATION


M. I. Taylor

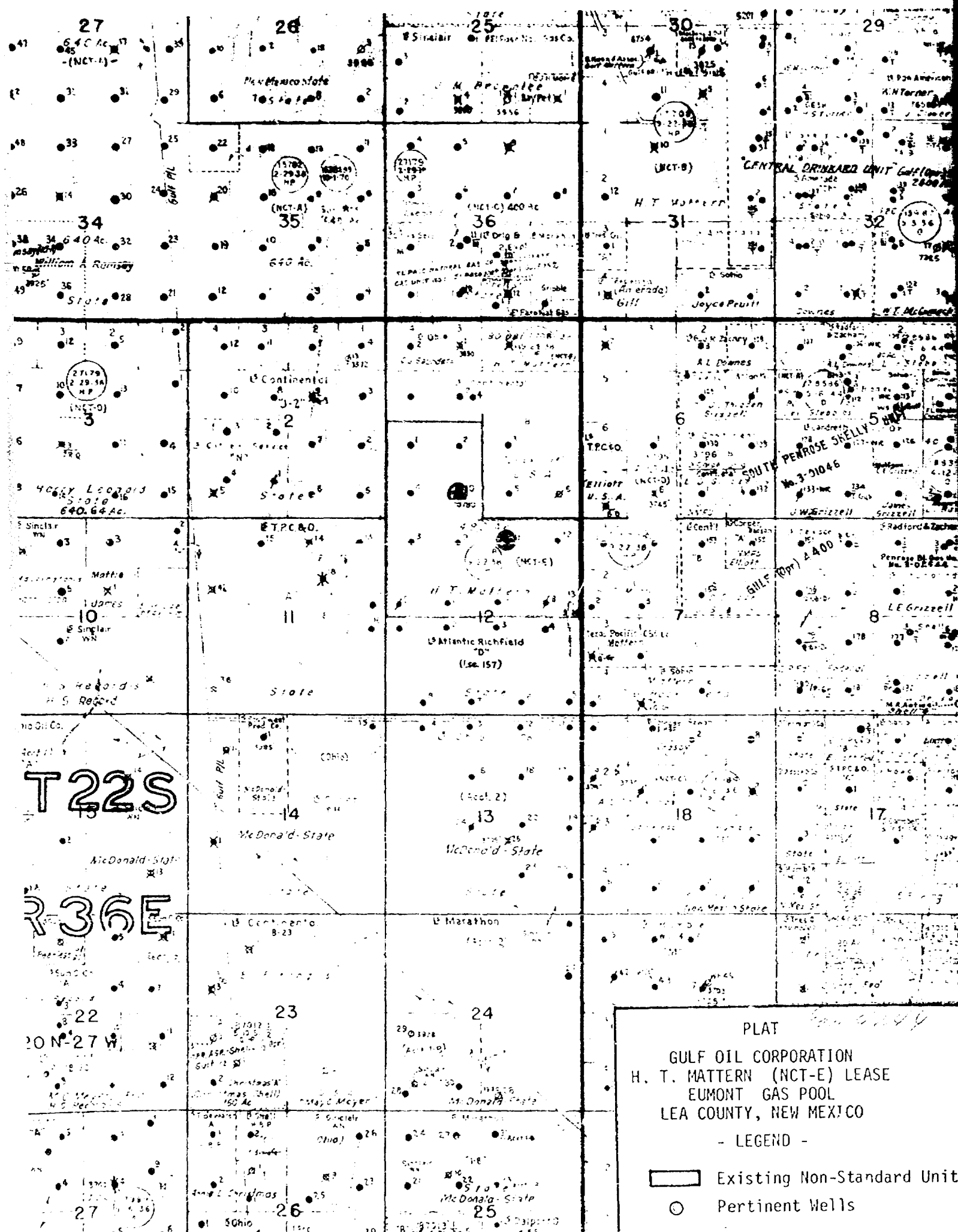
JHH:sz

cc: New Mexico Oil Conservation Commission
Post Office Box 1980
Hobbs, New Mexico 88240

Continental Oil Company
Post Office Box 460
Hobbs, New Mexico 88240

Texas Pacific Oil Company
Post Office Box 4067
Midland, Texas 79701

Atlantic Richfield Company
Post Office Box 1978
Roswell, New Mexico 88201



Docket No. 30-69

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 5, 1969

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

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

CASE 4243: Application of Mobil Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Upper Pennsylvanian Pool and the Vacuum-Middle Pennsylvanian Pool in the wellbore of its Bridges State Well No. 121 located in Unit L of Section 13, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4244: Application of Gulf Oil Corporation for an amendment to Order No. R-1084, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-1084 to permit the simultaneous dedication of the 480-acre non-standard gas proration unit established by said order to its H. T. Mattern (NCT-E) Wells No. 10 and 11 located, respectively, 660 feet from the South line and 1980 feet from the West line of Section 1 and 1980 feet from the East line and 660 feet from the North line of Section 12, both in Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 3889: In the matter of Case No. 3889 being reopened pursuant to the provisions of Order No. R-3585, which order established 160-acre spacing units and 160-acre proportional factors of 4.77 for the Middle Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, 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 and why the 160-acre proportional factor of 4.77 should or should not be retained.

CASE 4245: Application of Texas Pacific Oil Company, Inc., for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Townships 22 and 23 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico:

A 160-acre unit comprising the W/2 SE/4 and the E/2 SW/4 of Section 8, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 56 located in Unit J of said Section 8;

A 200-acre unit comprising the NW/4 and the NW/4 SW/4 of Section 11, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 42 located in Unit E of said Section 11;

A 280-acre unit comprising the SE/4, S/2 SW/4, and the NE/4 SW/4 of Section 11, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 36 located in Unit M of said Section 11;

A 200-acre unit comprising the N/2 NE/4, the SE/4 NE/4, and the NE/4 NW/4 of Section 15 and the SE/4 SW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 31 located in Unit H of said Section 15;

A 160-acre unit comprising the S/2 NW/4, SW/4 NE/4 and the NW/4 NW/4 of Section 15, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 33 located in Unit F of said Section 15;

A 240-acre unit comprising the SW/4 of Section 3 and the N/2 NW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 35 located in Unit L of said Section 3;

A 160-acre unit comprising the S/2 NW/4 and N/2 SW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 37 located in Unit F of said Section 10.

CASE 4246: Application of Humble Oil & Refining 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 San Andres formation in the perforated interval from 3860 feet to 4020 feet in its New Mexico "S" State Well No. 26 located in Unit L of Section 2, Township 22 South, Range 37 East, South Eunice-San Andres Pool, Lea County, New Mexico.

CASE 3928: (Reopened)

In the matter of Case No. 3928 being reopened pursuant to the provisions of Order No. R-3586, which order established 80-acre spacing units for the East Shoe Bar-Devonian, 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 40-acre spacing units.

CASE 4247: Application of J. J. Travis for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Shugart Queen Unit Area comprising 520 acres, more or less, of federal lands in Sections 20, 21, and 28, Township 18 South, Range 31 East, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, Eddy County, New Mexico.

CASE 4248: Application of J. J. Travis for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in his North Shugart Queen Unit Area by the injection of water into the Queen formation through nine wells at orthodox and unorthodox locations in Sections 20 and 21, Township 18 South, Range 31 East, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, Eddy County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthodox locations may be approved administratively.

CASE 4249: Application of Tenneco Oil Company for amendment of Order No. R-3822 and off-lease storage, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-3822, which order pooled all mineral interests in the Basin-Dakota Gas Pool underlying the N/2 of Section 11, Township 29 North, Range 13 West, San Juan County, New Mexico, to form a 320-acre gas proration unit dedicated to a well to be drilled at an unorthodox location 2250 feet from the North line and 600 feet from the East line of said Section 11. Applicant now seeks amendment of said order to permit the drilling of said well at a point 2390 feet from the North line and 275 feet from the East line of said Section 11. Applicant further seeks authority to transport, prior to measurement, to another lease for storage the liquid hydrocarbons produced by the subject well.

CASE 3455: (Reopened):

In the matter of Case No. 3455 being reopened pursuant to the provisions of Order No. R-2565-B, which order, among other things, established 320-acre spacing units for the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, for a period of three years. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

November 5, 1969, Examiner Hearing

Docket No. 30-69

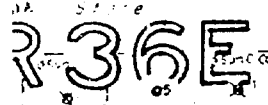
-4-

CASE 4250: Application of McCrary & Franklin for waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg and Lovington sands through their Shipley Well No. 2 located in Unit K of Section 3, Township 17 South, Range 29 East, Square Lake Pool, Eddy County, New Mexico.

CASE 4251: Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through its Welch Well No. 2 located in Unit G of Section 4 and its Welch Well No. 4 located in Unit C of Section 4, both in Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 4220: (Continued from the October 8, 1969, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit E. P. Campbell, and all other interested parties to appear and show cause why the E. P. Campbell Christmas Well No. 1 located in Unit C of Section 6, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.



NOVEMBER 5, 1969

9-5/8" OD Csg. Set @ 250'
cemented w/250 Sx. Circulated

2-7/8" OD Tubing
Set @ Approx. 2,600'

5-1/2" OD Csg. Set @ 3,680'
Cemented w/300 Sx. TC @ 2,435'

Selectively Perforate
2,600' - 3,600'

CIBP Set @ Approx. 3,600'
Cap w/2 Sx. Cement

T.D. 3,765'

2600 approx.

SCHEMATIC DIAGRAM

GULF OIL CORPORATION
H. T. MATTERN (NCT-E) WELL NO. 11

EUMONT GAS POOL
LEA COUNTY, NEW MEXICO

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	2
CASE NO.	4244

CASE NO. 4244
EXHIBIT NO. 2
NOVEMBER 5, 1969

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. 4244

Order No. R-1084-H

APPLICATION OF GULF OIL CORPORATION
FOR AN AMENDMENT TO ORDER NO. R-1084,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 5, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of November, 1969, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Gulf Oil Corporation, is the owner
and operator of an oil and gas lease covering the SW/4 of Section
1 and the N/2 of Section 12, all in Township 22 South, Range 36
East, NMPM, Lea County, New Mexico.

(3) That by Order No. R-1084, dated November 13, 1957, the
Commission approved a 480-acre non-standard gas proration unit
in the Eumont Gas Pool comprising the acreage in said lease
to be dedicated to the applicant's H. T. Mattern "E" Well No.
10 (presently designated the H. T. Mattern (NCT-E) Well No. 10),
located 660 feet from the South line and 1980 feet from the West
line of said Section 1.

(4) That the applicant now seeks the amendment of said Order No. R-1084 to permit the simultaneous dedication of the non-standard gas proration unit authorized therein to the aforesaid H. T. Mattern (NCT-E) Well No. 10 and to its H. T. Mattern (NCT-E) Well No. 11, located 660 feet from the North line and 1980 feet from the East line of said Section 12.

(5) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid H. T. Mattern (NCT-E) Wells Nos. 10 and 11.

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

(8) That Order No. R-1084 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective December 1, 1969, a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 of Section 1 and the N/2 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Gulf Oil Corporation H. T. Mattern (NCT-E) Well No. 10 located 660 feet from the South line and 1980 feet from the West line of Section 1, and to the Gulf Oil Corporation H. T. Mattern (NCT-E) Well No. 11, located 660 feet from the North line and 1980 feet from the East

line of Section 12, both in Township 22 South, Range 36 East, NMPH, Lea County, New Mexico.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 480 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That Order No. R-1084, dated November 13, 1957, is hereby superseded.

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

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