

CASE 4290: Application of GETTY
OIL CO. FOR A NON-STANDARD OIL
PRORATION UNIT, LEA COUNTY.

Case Number

4290

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



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 7, 1970

EXAMINER HEARING

-----)
IN THE MATTER OF:)
)
Application of Getty Oil Company) Case No. 4290
for a non-standard oil proration)
unit, Lea County, New Mexico.)
-----)

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 4290.

MR. HATCH: Application of Getty Oil Company for a non-standard oil proration unit, Lea County, New Mexico.

MR. MORRIS: May the record please show the same appearance and the same witness and that the witness is still under oath.

(Witness sworn).

(Whereupon, Applicant's Exhibit 1 was marked for identification).

EUGENE MILLER

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

DIRECT EXAMINATION

BY MR. MORRIS:

Q Mr. Miller, please state your name, where you reside, by whom you are employed and in what capacity.

A Eugene Miller, 611 West Silver, Hobbs, New Mexico. Area engineer for Getty Oil Company.

Q And you have qualified as an engineer and had your qualifications accepted in the previous case; is that correct?

A That's correct.

Q Mr. Miller, please refer to what's been marked as Exhibit No. 1; point out the acreage that is owned by Getty Oil Company and the acreage and well that is the subject of this hearing?

A This plat, Exhibit No. 1, shows the area of the Hobbs-Drinkard Field that includes Getty's Grimes Lease.

It's marked in green and is Section 29 -- in Section 29, Township 18 South, Range 38 East. It consists of the northeast quarter of the southeast quarter of Section 29 and the southeast quarter of the northeast quarter of Section 29, being 80 acres.

The green triangles indicate the Drinkard completions to date in this area of the field. There's also a completion over on our McKinley Lease in Section 30 that is a circle.

The squares indicate drilling wells that are presently drilling toward the Drinkard. The Shell No. 10, which is an east offset to the Grimes No. 6, is indicated on the plat. It was completed in September, 1969.

The original potential on this well was two hundred thirty-six barrels of oil and forty-four barrels

of water. The GOR of eight hundred fourteen. The latest production that this well is making is eighty barrels of oil a day with about ten percent water.

The Grimes No. -- excuse me. That was the Grimes No. 9, the southeast offset. The Grimes No. 10, an east offset, swab tested originally October 1st, 1969, at one hundred twenty-six barrels of oil a day and sixty-two barrels of water.

The latest test on this well is forty barrels of oil and fifteen barrels of water. The southwest location, Standard of Texas State 1 No. 5, the green triangle located southwest of the proposed location was completed July 8th, 1969.

The potential was eighty barrels of oil and no water; and the most recent report that I have on that well is about sixty-five barrels of oil a day. The green triangle on our Grimes Lease is being drilled at the present time at about forty-five hundred feet.

Q Now, did I say the triangle or the square?

A The green square.

Q Mr. Miller, your application here is for a non-standard unit comprising these two 40-acre tracts

shown in green in Section 29; is that correct?

A That is correct.

Q And that unit would be dedicated to the well designated by the green square that presently is drilling?

A That is correct.

Q Is that well located at an orthodox location?

A Yes, it is.

Q Have you been in touch with Humble, who is the owner of the forty to the north and Continental, which is the owner of the forty to the west of your drilling location, with respect to this application?

A Yes. We have been in contact with each of these operators and each has said that they would not object to our application.

Q In your opinion, Mr. Miller, is the entire eighty acres covered by this proposed non-standard unit productive of oil from the Hobbs-Drinkard Pool?

A Yes.

Q In your opinion, Mr. Miller, will waste be caused or correlative rights impaired by the granting of this application?

A No, it will not.

Q Do you have anything further to add to your

testimony in this case?

A No, I don't.

Q All right. Was this Exhibit No. 1 prepared at your direction?

A Yes, it was.

MR. MORRIS: We offer Exhibit No. 1 into evidence.

MR. NUTTER: Getty's Exhibit No. 1 will be admitted in evidence.

MR. MORRIS: That's all I have on direct.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Miller, this Standard of Texas well in the southwest of the southeast of 29, the green triangle; is that completed in the Drinkard?

A Yes, sir.

Q I presume they have the south half of the southeast dedicated to the well, then?

A That's correct. They drilled the No. 6 down through the Drinkard and logged it and evaluated the log and went to the Blinbry with it.

Q I see. But, that south half of the southeast

is dedicated. Now, in the event the Commission should approve this non-standard unit and a well should be drilled either west or northwest from your No. 6, then the southwest of the northeast and the northwest of the southeast could be communitized to form an eighty-acre unit directly west of this unit; correct?

A Paralleling it, yes, sir.

Q Paralleling it. Then, in the event the well should be drilled in the north half of the northeast of 29, then units A and B could be communitized to form a standard unit?

A Yes, sir.

Q So, all acreage could be dedicated in this east half of Section 29?

A Yes, sir.

MR. NUTTER: Are there further questions of this witness? He may be excused.

(Witness excused).

MR. NUTTER: Do you have anything further, Mr. Morris?

MR. MORRIS: No, sir.

MR. NUTTER: Does anyone have anything they

wish to offer in Case 4209? We will take the case under advisement and call Case 3993 and take a fifteen minute recess.

(Whereupon, a short recess was held).

I N D E X

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Linda Burks
Notary Public

March 12, 1973

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1290 heard by me on 1/17 19 70.

Arthur Secretary
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. 4290
Order No. R-3906

APPLICATION OF GETTY OIL COMPANY
FOR A NON-STANDARD OIL PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 14th day of January, 1970, 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, Getty Oil Company, is the owner and operator of the SE/4 NE/4 and the NE/4 SE/4 of Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks approval of an 80-acre non-standard oil proration unit in the Hobbs-Drinkard Pool comprising the SE/4 NE/4 and the NE/4 SE/4 of said Section 29, to be dedicated to a well to be drilled at a standard location 1878.5 feet from the South line and 557 feet from the East line of said Section 29.
- (4) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.

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CASE No. 4290

Order No. R-3906

(5) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the Hobbs-Drinkard Pool comprising the SE/4 NE/4 and NE/4 SE/4 of Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled at a standard location 1878.5 feet from the South line and 557 feet from the East line of said Section 29.

(2) 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. ARMITAGE, Member


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

S E A L

CSR/

Docket No. 1-10

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 7, 1970

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
A. L. Porter, Jr., Alternate Examiner:

- CASE 4286: Application of Gulf Oil Corporation for an exception to Order No. R-3221, as amended, Eddy 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 Littlefield "AB" Federal Lease, located in Section 22, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said lease in unlined surface pits in said Section 22.
- CASE 4287: Application of Continental Oil Company, for a waterflood expansion and unorthodox injection well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Forest Donahue Waterflood Project, Forest Pool, by the injection of water through one additional well located at an unorthodox location 1960 feet from the North line and 1450 feet from the West line of Section 55, Township 16 South, Range 29 East, Eddy County, New Mexico.
- CASE 4288: Application of Wood, McShane and Thams-Colorado for an unorthodox oil well location and waterflood expansion, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to drill their Well No. 63, a producing oil well, at an unorthodox location 2740 feet from the South line and 1280 feet from the East line of Section 30, Township 22 South, Range 37 East, as an infill well in the Humble Oil & Refining Company State "M" Lease Waterflood Project, Langlie-Battix Pool, Lea County, New Mexico. Applicants further seek to expand said project by the conversion to water injection of their Wells Nos. 27 and 39 located, respectively, in Units H and J of said Section 30. Applicants also seek a procedure whereby additional producing wells and injection wells at orthodox and unorthodox locations in said project may be approved administratively.

CASE 4289: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Justis-Blinbry and Justis-Tubb Drinkard Pools in the wellbore of its State "BB" Well No. 2 located in Unit D of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 4290: Application of Getty Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the SE/4 NE/4 and the NE/4 SE/4 of Section 29, Township 18 South, Range 38 East, Hobbs-Drinkard Pool, Lea County, New Mexico, said unit to be dedicated to a well to be drilled at a standard location in the NE/4 SE/4 of said Section 29.

CASE 3993: (Reopened)

In the matter of Case No. 3993 being reopened pursuant to the provisions of Order No. R-3644, which order established 160-acre spacing units for the North Baum-Upper Pennsylvanian Pool, Lea County, New Mexico, for a one-year period. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre units and why the proportional factor of 4.77 assigned to the pool should or should not be retained.

CASE 4202: (Reopened)

In the matter of Case 4202 being reopened at the request of the applicant, Mobil Oil Corporation. Applicant, in the original hearing of this case, sought permission to institute a water-flood project in the Langlie Mattix Queen Unit Area, Langlie-Mattix Pool, by the injection of water into the Queen sand formation through 17 injection wells at orthodox and unorthodox locations in Sections 10, 11, 14, 15, 22, and 23, Township 25 South, Range 37 East, Lea County, New Mexico. The Commission, by Order No. R-3823, authorized the applicant to inject water through 16 wells and denied the applicant authority to inject water through the proposed injection Well No. 14 to be drilled 660 feet from the North line and 1220 feet from the West line of said Section 14. Applicant seeks authority to now complete said Well No. 14 as a water injection well, alleging that negotiations for the acquisition or inclusion of a reage off-setting said Well No. 14 have not been successful, that failure to inject water through the well will result in the loss of approximately 200,000 barrels of oil, and that said injection will not violate the correlative rights of the offset operation.

- CASE 4291: Application of Atlantic Richfield 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 formation in the perforated and open-hole interval from 2892 feet to 3164 feet in its W. F. Hanagan Well No. 4 located 2173 feet from the South and West lines of Section 12, Township 25 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
- CASE 4292: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two existing non-standard gas proration units into one 320-acre non-standard unit comprising the S/2 N/2 and the SE/4 of Section 1, Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Lockhart B-1 Wells Nos. 4 and 6, located in Units G and P, respectively, of said Section 1. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.
- CASE 4778: (Continued from the December 17th Examiner Hearing and will be dismissed).
Application of Anne Burnett Windfohr, dba Windfohr Oil Company, for an exception to Order No. R-3221, as amended, Eddy 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 Gissler B Wells Nos. 11 and 12, located, respectively, in Units J and I of Section 23, Township 17 South, Range 30 East, Jackson-Abo Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits in the vicinity of said wells.
- CASE 4279: (Continued from the December 17th Examiner Hearing and will be dismissed).
Application of Anne Burnett Windfohr, dba Windfohr Oil Company, for an exception to Order No. R-3221, as amended, Eddy 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 Gissler B Well No. 4 located in Unit B of Section 8, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit in the vicinity of said well.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF GETTY OIL COMPANY }
FOR APPROVAL OF A NON-STANDARD }
PRORATION UNIT, HOBBS-DRINKARD }
POOL, LEA COUNTY, NEW MEXICO }

No. 4290

A P P L I C A T I O N

Comes now Getty Oil Company and applies to the New Mexico Oil Conservation Commission for approval of a non-standard proration unit in the Hobbs-Drinkard Pool, Lea County, New Mexico, and in support of its application states:

1. Applicant is the owner and operator of the $SE\frac{1}{4}NE\frac{1}{4}$ and the $NE\frac{1}{4}SE\frac{1}{4}$ of Section 29, T. 18 S., R. 38 E., Lea County, New Mexico. Applicant owns and operates no other leases in the said Section 29. Attached to this application is a plat showing applicant's acreage in Section 29 and in Section 30 adjacent thereto.

2. Applicant seeks approval of a non-standard 80-acre proration unit comprising the $SE\frac{1}{4}NE\frac{1}{4}$ and the $NE\frac{1}{4}SE\frac{1}{4}$ of the said Section 29 for the purpose of drilling a well in the Hobbs-Drinkard Pool at an orthodox location in the $NE\frac{1}{4}SE\frac{1}{4}$ as shown on the plat attached to this application. This approval is sought as an exception to the special rules and regulations for the Hobbs-Drinkard Pool as promulgated by Order No. R-3811, Case No. 4173, dated August 14, 1969.

3. Approval of this application will neither cause waste nor impair correlative rights.

WHEREFORE, Getty Oil Company requests that this application be set for hearing before the Commission or one of its examiners and that the Commission enter its order approving this application.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAH & MORRIS

By Richard S. Morris

DOCKET MAILED P. O. Box 2307, Santa Fe, N. Mex.
Attorneys for Getty Oil Company

Date 12/24/69

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:

GMH *JSN* CASE No. 4290

Order No. R- 3906

APPLICATION OF GETTY OIL COMPANY
FOR A NON-STANDARD OIL PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ALP
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of January, 1967, 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, Getty Oil Company, is the owner and
operator of the SE/4 NE/4 and the NE/4 SE/4 of Section 29, Town-
ship 18 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks approval of an 80-acre non-
standard oil proration unit in the Hobbs-Drinkard Pool comprising
the SE/4 NE/4 and the NE/4 SE/4 of said Section 29, to be dedi-
cated to a well to be drilled at a standard location in the NE/4
1878.5 feet from
the south line and 557 feet from the East line
SE/4 of said Section 29.

(4) That the proposed non-standard proration unit can be
efficiently and economically drained and developed by the subject
well.

(5) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration/unit in the Hobbs-Drinkard Pool comprising the SE/4 NE/4 and NE/4 SE/4 of Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled at a standard location ^{1878.5 feet from the south line and 557 feet from the East line} ~~in the NE/4 SE/4~~ of said Section 29.

(2) 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.

CASE 4291: Appli. of ATLANTIC
RICHFIELD FOR SALT WATER DISPOSAL
LEA COUNTY, NEW MEXICO.