

Case Number

4358

Application

Transcripts.

Small Exhibits

ETC.

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

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 27, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Oil Company
of California for a non-standard
gas proration unit and unorthodox
location, Roosevelt County, New
Mexico.

CASE NO. 4358

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4358.

MR. HATCH: 4358. Application of Union Oil Company of California for a non-standard gas proration unit and unorthodox location, Roosevelt County, New Mexico.

MR. RUSSELL: John F. Russell, appearing on behalf of the applicant. I have one witness, Mr. Zoller. Will you stand and be sworn?

MR. UTZ: Are there other appearances?

(Witness sworn)

MR. RUSSELL: I would also like to present to the Examiner and to the Commissioner, Mr. Bill Petmecky, an attorney with Union Oil Company of California in Midland, who is duly authorized to practice law in Texas and will be associated with me at this hearing.

MR. UTZ: Could you spell that name, please?

MR. PETMECKY: P-e-t-m-e-c-k-y.

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

MARVIN ZOLLER,

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Would you please state your name, address, the name

of your employer, and the capacity in which you are employed?

A Marvin Zoller from Midland, Texas, Union Oil Company of California, Regional Development Geologist.

Q You have previously qualified to testify before the Commission, have you not?

A Yes, sir.

Q Are you familiar with the application of Union Oil Company of California in Case 4358?

A Yes, sir.

Q And what do you seek by this application?

A For a non-standard gas proration unit and unorthodox location, Roosevelt County, New Mexico. We seek approval of a 240-acre non-standard gas proration unit comprising the northeast quarter in the east half of the southeast quarter of Section 18, Township 8 South, Range 38 East in the Bluit San Andres Associated Pool to be dedicated to the Federal 18 Well No. 2 at an unorthodox location 660 feet in the south and east lines of sub-section 18. We further request that the allowable assigned the subject well be effective as of May 1st, 1970.

Q In connection with this application, have you prepared some exhibits?

A Yes, sir.

MR. RUSSELL: Mr. Examiner, I would like to state that this subject well was the matter of a hearing before the Examiner

previously in Case No. 4317, and there are a number of exhibits which were introduced in that case which I don't feel need be reintroduced in this one, but they are there for such information as you may wish to make up.

MR. UTZ: 4317 had to do with this particular unit?

MR. RUSSELL: With this particular well.

MR. UTZ: For a unit?

MR. RUSSELL: Yes. For a gas field.

MR. UTZ: Oh, okay.

Q (By Mr. Russell) I refer you to what has been marked as Applicant's Exhibit No. 1 and ask if you will explain this exhibit to the Examiner.

A It's simply a base map of the Bluit-San Andres field area which has the wells, operators, lease names, union leases, and outlined in red is the proposed proration unit. In the southeast corner of the red outlined area is the number 18-2 Well.

Q Will you give the completion data on that Federal Well 18-2?

A The well was completed in August of 1969 for a calculated absolute open flow of 6340 mcf, liquids too small to measure, from the Todd zone of the San Andres through perforations between 4718 and 4746.

Q Was a gas-oil ratio test made on this well?

A It was attempted. The liquids were too small to measure.

Q And this would be under the rules classified as a gas well?

A Yes, sir.

Q Was this well originally drilled or programmed as a gas well or an oil well?

A It was originally programmed as an oil well.

Q But it was completed as a gas well? Is that correct?

A Yes, sir.

Q Now, is any portion of the acreage within the requested gas unit currently dedicated to any other oil or gas unit within the Bluitt field?

A No, sir.

Q Now, this Bluitt field is an associated field, is it not?

A Yes, sir.

Q Have any other wells been drilled on the acreage currently requested for inclusion in the gas unit now under consideration?

A Yes, sir.

Q Will you explain what well that was and a brief history of it?

A The Ostrel No. 1 McGrail is located 660 from the north and 1980 from the east line of Section 18, 8 South, 38 East,

Roosevelt County. This is an abandoned producer.

Q Did it produce gas?

A It produced oil and gas only to the degree of a gas-oil ratio of three hundred and fifty to one.

MR. UTZ: What was that figure?

THE WITNESS: Three hundred fifty to one.

Q (By Mr. Russell) Do any existing gas units in the Bluitt field contain acreage that could reasonably be expected to be primarily productive of oil if the well were drilled on such acreage?

A Yes, sir.

Q That is more or less historical within the field, is it not?

A Yes, sir.

Q All right. Now, then, in the light of the application of the field rules, is it your opinion that the acreage currently being requested for inclusion in this gas unit, may be reasonably presumed to be productive of gas to the extent required by the rules of the Bluitt field?

A Yes, sir.

Q What was your gas production on this well?

A Well, the ratio was three hundred fifty to one with a one hundred and five barrel oil per day potential, which would indicate 36,750 cubic feet per day.

Q Does the entire unit which you are requesting lie within a single governmental section?

A Yes, sir.

Q And how many acres are you requesting?

A 240 acres.

Q Now, the normal unit in the Bluit field is a 320, is it not?

A Yes, sir.

Q And why have you dropped off 80 acres on this one?

A We have already dedicated 80 acres out of the east half of Section 18 to the Union Federal No.1-18, an oil well located 660 feet from the south line, 1980 from the east line.

Q Have you notified all offset operators of this application?

A Yes, sir, we have.

Q What results have you had from them?

A We have waivers from all offset operators except two. Pan American, we have a letter which waives any objection to the hearing. We don't actually have a waiver as such. And for Mr. Baumgartner, who offsets us to the south, we have verbally got his waiver, but we don't have it on paper. He says he has no objection.

Q I'll refer you to what has been marked as Applicant's Exhibit No. 2 and ask you what that is.

A This is a Xerox copy of the bottom portion of the log

on the 18-2 Federal Well. A copy of the full log is already in the Commission's files. It shows the top of the Todd zone, where the well is perforated at, what the well was treated with, what the potential was, the TD, the casing seat. And that's about it.

Q In your opinion, will the granting of your application prevent waste and protect correlative rights?

A Yes, sir.

Q Were Exhibits 1 and 2 prepared by you or under your supervision and direction?

A Yes, sir.

MR. RUSSELL: At this time, I will offer into evidence Applicant's Exhibits 1 and 2.

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

MR. RUSSELL: I have no further questions of this witness.

CROSS-EXAMINATION

BY MR. UTZ:

Q You've marked this top of Todd zone. The Todd zone is the San Andres?

A Yes, sir. The San Andres-Fall is above that log. The Milnesand, which is on there also, is the top, is the first of three producing zones in the San Andres of Lea and Roosevelt

Counties, but the Bluitt-San Andres field is an associated oil and gas field from the Milnesand and the Todd.

In this area, only the Todd is open for oil production.

Q Was this well structurally higher, or how did it fall?

A It fell downdip to an oil well and it now falls updip to a more recently completed oil well.

Q Now, that well is the one in Section 17 --

A Yes, sir.

Q -- you are speaking of? What's the situation on the dry hole shown between this gas well and the completed oil well?

A The dry hole Rhoten No. 1 Copeland Federal was tested in the Milnesand zone and recovered a small quantity of oil, the last report being something on the order of one barrel per day. It was not tested in any manner in the Todd zone.

Q Do you have any idea why it wasn't tested in the Todd zone?

A No, sir, I don't. It was a deep test and went to 9150. And many of the deeper tests were not tested in either zone, in fact. They pre-date, in many cases, any knowledge of San Andres production in this part of the country.

Q Now, when was the McGrail No. 1 drilled?

A It was drilled in 1952 and plugged in 1954.

Q Now, how much oil did that well produce?

A 8,171 barrels.

Q You were the operator of the well?

A No, sir. No, sir. Ostrel. I don't know what the rest of the name of that company is. Ostrel. They were a drilling outfit at one time.

Q You acquired the acreage after they plugged and abandoned the well?

A Yes, sir.

Q Now, to the west of this unit would be in the southeast of the northwest --

A Yes, sir.

Q -- quarter of Section 18? What's the situation on that dry hole?

A The Rhoten No. 1 Federal? It was plugged after finally making quite a bit of water, but at one time it made, I believe, twenty-three barrels of oil per day. To be more specific, it apparently is a tight well.

Q Tight, you mean by permeability?

A Permeability.

Q Section 8 to the northeast --

A Yes, sir.

Q -- of this unit, what's the situation on that dry hole?

A The Cactus-Bate made some -- let me read it -- quite a bit of water out of the Todd zone, (indicating).. Under

drill stem tests from 4740 to 4790 for two hours, it covered 450 feet of mud, 2278 feet of salt water, and apparently had virgin pressures of 1527 pounds shut in.

Q Do you consider the Bluitt pool a gas cap pool?

A I consider that the gas cap on the west end some -- well, the Nearburg wells in Sections 11 and 14 on the west edge of your map, those were gas cap wells to the oil field which falls about the center of the map. There is personally no doubt in my own mind that our No. 2 is some kind of a gas cap of unknown extent to the two oil wells which fall to the east of us. We have considerable evidence that there is a permeability barrier which extends down roughly on a line from the Ostrel No. 1 McGrail to the Union No. 1-18 Federal, probably just east of the Baumgartner No. 1 USA. But the Commission saw fit to put the Union No. 2-18 into the Bluitt associated pool.

Q And that's the reason you are here for the unit?

A We completed this well almost nine months ago and we are just about at the wit's end to figure out what to do with it. The only gas that's ever been produced out of it was during the five-day testing period.

Q There is no indication of gas anywhere else?

A Not from the Todd zone until you get completely west of the oil there into the other gas cap of the Bluitt field. There are a few wells here that have made small quantities of gas

from the Milnesand zone but there is not a well anywhere in the field, in the gas cap or from the Milnesand in the vicinity, that's ever made the quantity of gas that's coming out of this one, this well.

Q There has been no test in the north half of Section 17, has there?

A No, sir.

Q Do you know of any of their plans?

A Not in the north half until -- well, not right away. We plan to drill two wells in the south half ourselves in the very near future.

Q In the southeast quarter?

A One in the southeast quarter and, hopefully, if we can find out what kind of a gas situation we have got here, one in the southwest quarter. But we don't know exactly where we want to drill it yet. We are trying to schedule a well to be drilled roughly 1980 out of the south and east corner of Section 17. We would like to offset the No. 1-17 Federal. We are a little perplexed as to whether to offset it due north or diagonally northwest until we know more about this gas accumulation in the No. 2-18.

Q And you need to produce this well in order to make that determination; is that correct?

A Yes, sir. And in essence, what we really need is a testing allowable. We need to get some gas out of the ground.

Q You stated that you felt that the northeast quarter of 18 was productive of gas. What do you base that on?

A I base it on -- structural contours in the east half of Section 18 run almost due north-south. If there is a permeability barrier -- and I contend there has to be one -- then the gas should be up against that permeability barrier in a high structural location and north from No. 2-18 is where it should be.

MR. UTZ: Other questions of the witness?

MR. RAMEY: Mr. Zoller, excuse me. This is your exhibit from Case 4317?

THE WITNESS: Yes, sir.

MR. RAMEY: Is that still your idea of the permeability barrier?

THE WITNESS: Yes, sir. That's my idea. It wasn't the Commission's.

MR. TRAYWICK: Is this Ostrel-McGrail well, was it completed in the same correlative zone as the Union Federal 18 No. 2?

THE WITNESS: With one exception. The Union 2-18 Federal is completed from the Todd zone of the San Andres. The Ostrel-McGrail was an open hole completion with the Milnesand and the Todd zone both open, treated separately, if that's possible, with an open hole packer trying to acidize different zones above and below. And if their testing is correct, they did

get oil and low GOR from above and below. I don't know how much faith you can put in open hole packers in that situation. That's what the information says.

MR. TRAYWICK: Do you consider that information opposed to your opinion that this acreage is capable of producing gas in paying quantities?

THE WITNESS: No, sir, not really, because in my own mind, whether -- the Commission has seen fit to join together what nature tried to separate, I think. That permeability barrier is still there. I don't know whether the permeability barrier is a foot wide or ten or a hundred foot wide. I do know that it has to be there to explain the gas, if you believe in the law of gravity, and to the west side of that, that acreage is going to be primarily oil productive. To the east side of that, is going to be primarily gas productive.

In fact, to the east side, I suspect it's going to be all gas productive until you get low enough structurally to come back into the oil column.

MR. TRAYWICK: The permeability barrier you speak of, do you consider that to be a fault or change in permeability?

THE WITNESS: Just change in permeability. No, sir, I don't think this has been affected by faulting in any way.

MR. TRAYWICK: That's all I have.

MR. UTZ: How about the pressures between your No. 2-18

and the No. 1-18, are they comparable?

THE WITNESS: I don't think I have anything except the later one. The pressure on the 1-18 is down to around 500 pounds and the one at 2-18 is around close to 1500. The No. 1-18 is barely an oil well.

MR. UTZ: From what standpoint, you mean productivity?

THE WITNESS: It just won't hardly produce. It's in this barrier that we think is there.

MR. UTZ: Not much gas, though?

THE WITNESS: No, no it's low. I'm sure this is in the Commission's files on the date 3-31-70. Pressure on the 1-18 was 527 pounds. The pressure on the No. 2-18 was 1522 pounds. The pressure on our new well off to the east, the oil well, was 1497 pounds.

MR. UTZ: Do you think the No. 1 was stabilized?

THE WITNESS: The No. 1-18?

MR. UTZ: Yes.

THE WITNESS: Oh, I doubt that it was. If you leave it shut in long enough, I imagine it would come on back up.

MR. UTZ: What was that, for twenty-four hours?

THE WITNESS: No, sir, it was a seventy-two-hour, so it would take quite awhile.

MR. UTZ: They were all seventy-two-hours?

THE WITNESS: No, the shut in on the new oil well was

sixty-eight hours, and the shut in on the gas well was -- it says one hundred ninety-two hours. I don't know what that's based on. As far as I know, it's been shut in since last August.

MR. UTZ: Other questions?

The witness may be excused.

(Witness excused)

Statements in the case?

MR. TRAYWICK: I would like to make a statement, Mr. Examiner.

MR. UTZ: All right, sir.

MR. TRAYWICK: I'm Carl Traywick, U. S. Geological Survey, Roswell. The proposed controlling unit consists of Federal and fee lands which would necessitate approval of a communitization agreement. It would be fundamentally to our approval of our communitization agreement that we had information showing or indicating that the northeast of 18, or more particularly, the portion of the northeast of 18 in the area of the Ostrel and McGrail well, was capable of producing gas in paying quantities. In the absence of information or interpretation of data indicating this, we would probably be unable to prove a communitization agreement pooling the Federal land with the fee land in a communitized area, which would include the requested spacing unit.

Thank you.

MR. UTZ: Other statements?

MR. HATCH: I would like to read a telegram the Commission has received addressed to Elvis Utz, New Mexico Oil Conservation Commission, dated May 26, 1970. Quotes "Reference: Case 4358, Eugene E. Nearburg, a Bluitt field operator, opposes Union inclusion of the west half of the northeast quarter of Section 18, 8 South, 38 East in their application for a non-standard gas proration unit. Since this tract has been proven oil productive by the Ostrel No. 1 McGrail, a San Andres plugged and abandoned in 1954, after producing 8,171 barrels of oil. Signed, Patrick J. F. Bratton."

MR. UTZ: Other statements? Case will be taken under advisement.

I N D E X

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EXHIBITMARKEDOFFERED AND
ADMITTED

Applicant's 1 & 2

2

8

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. 4358
heard by me on July 1, 1920.
W. E. [Signature], 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. 4358
Order No. R-3985

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR A NON-STANDARD
GAS PRORATION UNIT AND UNORTHODOX
LOCATION, ROOSEVELT COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 27, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 29th day of June, 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, Union Oil Company of California,
seeks approval of an unorthodox gas well location for its Federal
18 Well No. 2 which is located 660 feet from the South line and
660 feet from the East line of Section 18, Township 8 South,
Range 38 East, NMPM, Bluit-San Andres Associated Pool, Roosevelt
County, New Mexico.

(3) That the applicant also seeks approval of a 240-acre
non-standard gas proration unit comprising the NE/4 and the E/2
SE/4 of said Section 18 to be dedicated to the above-described
well.

(4) That the subject well was projected as an oil well at
a standard location in the Bluit-San Andres Associated Pool but
was productive of gas in said pool.

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Case No. 4358

Order No. R-3985

(5) That a well located in the NW/4 NE/4 of said Section 18 produced oil and no free gas.

(6) That only approximately 200 acres comprising the E/2 E/2 and SW/4 NE/4 of the proposed non-standard proration unit appears to be productive of gas.

(7) That a non-standard proration unit comprising the E/2 E/2 and SW/4 SE/4 of said Section 18 can be efficiently and economically drained and developed by the subject well.

(8) That approval of the subject unorthodox well location and a non-standard proration unit comprising the E/2 E/2 and SW/4 NE/4 of said Section 18 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, will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location in the Bluit-San Andres Associated Pool is hereby approved for the Union Oil Company of California Federal 18 Well No. 2 located 660 feet from the South line and 660 feet from the East line of Section 18, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico.

(2) That a 200-acre non-standard gas proration unit comprising the E/2 E/2 and SW/4 NE/4 of the aforesaid Section 18 is hereby established and dedicated to the aforesaid Well No. 2.

(3) That the above-described non-standard gas proration unit shall be assigned an allowable based upon the unit size of 200-acres effective May 1, 1970.

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

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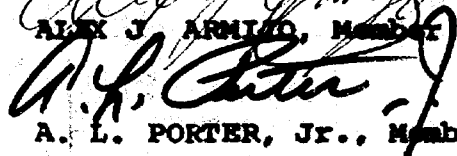
Case No. 4358
Order No. R-3985

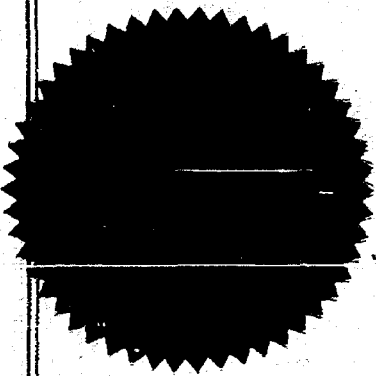
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


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



ir/

Case 4358

Revised 5-27-80

Rev. 6-18-70

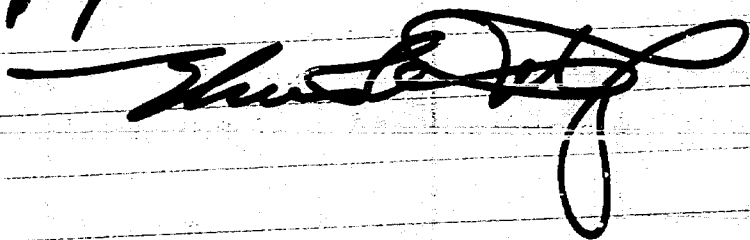
Grant Union of Seal.
an NSP for the Dec 18th 2
P-18 85-38E. Bluff. S.A. Area.
pool consisting of.

85-38E.

sec. 18, E $\frac{1}{2}$ E $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$.

200 Acre.

This eliminates the 40 Acre
Crested-GK-Grant 40 Acre which
had an abandoned oil well
which produced approx.
2500 BOP before abandonment.



Docket No. 13-70

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 27, 1970

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 4357: Application of Stallworth Oil & Gas for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an infill producing oil well at an unorthodox location, 1315 feet from the South and East lines of Section 25, Township 16 South, Range 30 East, in its Square Lake Grayburg-San Andres Waterflood Project, Eddy County, New Mexico.
- CASE 4358: Application of Union Oil Company of California for a non-standard gas proration unit and unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 240-acre non-standard gas proration unit comprising the NE/4 and E/2 SE/4 of Section 18, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to its Federal 18 Well No. 2 at an unorthodox location 660 feet from the South and East lines of said Section 18. Applicant further requests that the allowable assigned to the subject well be effective as of May 1, 1970.
- CASE 4359: Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well at an unorthodox location 1650 feet from the South line and 990 feet from the West line of Section 22, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.
- CASE 4360: Application of Pan American Petroleum Corporation to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to locate its Byers "A" Well No. 30 at a point 663 feet from the North line and 1935 feet from the West line of Section 3, Township 19 South, Range 38 East, Hobbs, (Grayburg-San Andres) Pool, Lea County, New Mexico, and directionally drill said well to a bottom-hole location 330 feet from the North line and 1650 feet from the West line of said Section 3.
- CASE 4341: (Continued from the April 29, 1970, Examiner Hearing)
Application of Pan American Petroleum Corporation for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard

(Case 4341 continued)

gas proration units for its State "C" Tract 13 Well No. 5, a dual completion, located 1980 feet from the North line and 660 feet from the West line of Section 36, Township 21 South, Range 37 East, Lea County, New Mexico, said units to be comprised as follows:

Blinebry Gas Pool - 240 acres - NW/4
and W/2 NE/4

Tubb Gas Pool - 200 acres - W/2 NW/4,
NE/4 NW/4 and W/2 NE/4

CASE 4361: Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicants, in the above-styled cause, seek authority to drill a gas well at an unorthodox location 990 feet from the South and West lines of Section 6, Township 15 South, Range 28 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, to be dedicated to a gas proration unit comprising the W/2 of said Section 6.

CASE 4362: Application of William J. LeMay for a non-standard gas proration unit or compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 318.9-acre non-standard gas proration unit comprising Lots 1 and 2 and the E/2 NW/4, and NE/4 of Section 7, Township 20 South, Range 25 East, Dagger Draw-Morrow Gas Pool, Eddy County, New Mexico, or a 478-acre non-standard unit comprising Lots 1, 2, 3, and 4, and the E/2 W/2, and NE/4 of said Section 7. In the alternative, applicant seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying said Section 7. The acreage in the above proposals is to be dedicated to a well 1650 feet from the North and West lines of said Section 7 which is to be re-entered.

CASE 4352: (Continued from the May 13, 1970, Examiner Hearing)
Application of Jack L. McClellan for the creation of a new gas pool or, in the alternative, the establishment of pool rules for two existing pools, Chaves and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Queen gas pool comprising the following-described acreage:

CHAVES COUNTY, NEW MEXICO

Township 15 South, Range 29 East
Section 11: SE/4

Examiner Hearing - May 27, 1970

Docket No. 13-70

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(Case 4352 continued)

CHAVES COUNTY, NEW MEXICO

Township 15 South, Range 29 East

Section 12: SW/4

Section 13: NW/4

Section 14: E/2

Section 23: NE/4 and SW/4

In the alternative applicant seeks the promulgation of special rules for the Sulimar-Queen Pool, Chaves County, and Double L-Queen Pool, Chaves and Lea Counties, New Mexico, as separate or as consolidated pools, including provisions for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals by oil wells and gas wells.



Telegram

KA093 DA160

(144).

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ELVIS UTZ, NEW MEXICO OIL CONSERVATION COMMISSION=

SANTA FE NMEX=

1970 MAY 26 PM 1 26

RE CASE 4358 EUGENE E. NEARBURG, A BLUITT FIELD OPERATOR
OPPOSES UNION INCLUSION OF THE WEST HALF OF THE
NORTHEAST QUARTER OF SECTION 18 8 SOUTH 38 EAST AND
THEIR APPLICATION 4A NON STANDARD GAS PRODUCTION UNIT
SINCE THIS TRACT HAS BEEN PROVEN OIL PRODUCTIVE BY THE
AUSTRAL #1 MCGRAIL A SAN ANDRES WELL PLUGGED AND ABANDONED
IN 1954 AFTER PRODUCING 8171 BARRELS OF OIL=

PATRICK J F GRATTON==

4358 18 8 38 4A #1 1954 8171=

200 acre unit
E/2 E/2
SW/4 NE/4
OK w/
Union of
USGS

70

From
A. L. PORTER, JR.
SECRETARY-DIRECTOR

Memo

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 13, 1970

*Union will
let us know when
they want this case
set for hearing -
George*

Union Oil Company of California
500 North Marienfeld
Midland, Texas 79701

DOCKET MAILED

*Does not
want on 13th
of May*

Attention: Mr. E. R. Willis Date _____

Re: Application for administrative approval
for unorthodox gas well location and non-
standard gas proration unit for the Federal
Well No. 2, 660' FSL and 660' FEL, Section
18, Township 8 South, Range 38 East, NMPM,
Roosevelt County, New Mexico

Gentlemen:

As Eugene E. Nearburg has registered an objection
to the above-described application, it cannot be granted
administratively.

Please notify this office if you wish the matter
to be set for hearing.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

cc: Mr. Eugene E. Nearburg
3303 Lee Parkway
Dallas, Texas 75219

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

C
O
P
Y

OIL CONSERVATION COMMISSION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

April 13, 1970

*Union will
let us know when
they want this case
set for hearing -
George*

Union Oil Company of California
500 North Marienfeld
Midland, Texas 79701

DOCKET MAILED

*Does not
want on 13th
of May*

Attention: Mr. E. R. Willis Date _____

Re: Application for administrative approval
for unorthodox gas well location and non-
standard gas proration unit for the Federal
Well No. 2, 660' FSL and 660' FKL, Section
18, Township 8 South, Range 38 East, NMPM,
Roosevelt County, New Mexico

Gentlemen:

As Eugene E. Nearburg has registered an objection
to the above-described application, it cannot be granted
administratively.

Please notify this office if you wish the matter
to be set for hearing.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

cc: Mr. Eugene E. Nearburg
3303 Lee Parkway
Dallas, Texas 75219

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

C
O
P
Y

eugene e. nearburg



3303 Lee Parkway • Telephone (214) 521-0220 • Dallas, Texas 75219

April 6, 1970

MAIN OFFICE 000

'70 APR 13 AM 8 44

Union Oil Co. of California
500 N. Marienfeld
Midland, Texas 79701

Subject: Request for waiver,
unorthodox well location

File: Roosevelt County, New Mexico
Bluitt Field Area

Attention: Mr. H. R. Willis

Dear Mr. Willis:

We received your correspondence of April 1, 1970 concerning subject item, file area as it pertains to your #2 Federal-18 San Andres gas completion in Section 17, T8S, R38E.

The 240 acres you have dedicated to the #2 Federal-18 includes acreage which has been demonstrated to be oil productive. Specifically, we are referring to that area surrounding the Austral #1 McGrail which although now plugged and abandoned, produced over 8,000 barrels of oil. Furthermore, your recent completion of the #1 Federal-17 one-half mile due east of the #2 Federal-18, as a top allowable oil well strongly suggests that the gas occurrence in the #1 Federal-18 is limited in areal extent.

Accordingly, we cannot waive all objections to your proposal of April 1. We would support, however, the allocation of 80 acres to your #2 Federal-18 and a proration schedule which would be proportional to this acreage.

Sincerely,

Patrick J. Gratton

PJFG/ja

✓cc: Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Enc: Mr. Tom L. Ingram
Franklin, Aston & Fair, Inc.
Oscar A. Bourg Estate

MAIN OFFICE OF

70 APR 13 AM 8.44

WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

Company

By

Date

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

MAIN OFFICE ONLY

70 APR 13 AM 8 44

WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

Company

By

Date

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

MAIN OFFICE 0100

70 APR 13 AM 8 44

WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

TENNECO OIL COMPANY
Company

By

April 8, 1970
Date

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

MAIN OFFICE 000

'70 APR 13 AM 8 44

WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

TOM L. INGRAM
Company

By Tom L. Ingram

Date 4-8-70

*NSL +
NSP
issue 5-11-70
on upon receipt of
waivers including
a waiver from
Perm. Div.*

Midland District

Union Oil and Gas Division: Central Region

Union Oil Company of California
500 North Marlenfeld, Midland, Texas 79701
Telephone (915) 682-9731

UNION

70 APR 10 PM 1

April 1, 1970

OFFSET OPERATORS
(Mailing List Attached)

Gentlemen:

Request for Waiver, Unorthodox Well
Location, Union Oil Company of California
Federal 18 Well No. 2, 660' FEL & 660' FSL
Sec. 18, T-8-S, R-38-E, Roosevelt County,
New Mexico.

Subject well has been placed in the Bluitt-San Andres Associated Pool. This well was spaced and drilled as an oil well but was found to be gas productive. Accordingly, Union Oil Company of California requests that you execute the attached waiver for 660' gas well spacing from quarter section lines and for the dedication of 240 acres to subject well for gas proration purposes as shown on the attached plat.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA

H. R. Willis

H. R. Willis
Acting District Operations Manager

AFT:rb
Attachments

cc: New Mexico Oil Conservation Commission
Hobbs, New Mexico

OFFSET OPERATORS
FEDERAL 18 WELL NO. 2
ROOSEVELT COUNTY, NEW MEXICO

MAIN OFFICE 000

70 APR 10 PM 1 21

Tom L. Ingram
Box 1757
Roswell, New Mexico 88201

Baumgartner Oil Company
737 Grant Street
Denver, Colorado 80203

Eugene E. Nearburg
3303 Lee Parkway
Dallas, Texas 75219
Attn: Mr. Patrick J. F. Cratton

Tenneco Oil Company
Box 1031
Midland, Texas 79701
Attn: Mr. F. J. McDonald

Roden Oil Company
First Savings & Loan Building
Midland, Texas 79701
Attn: Mr. T. B. O'Brien ✓

Franklin, Aston & Fair, Inc.
Box 1090
Roswell, New Mexico 88201 ✓

Skelly Oil Company
Box 1727
Midland, Texas 79701
Attn: Mr. P. L. Nunley

Cities Service Oil Company
800 Vaughn Building
Midland, Texas 79701
Attn: Mr. Sam J. Matthews ✓

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

70 APR 10 PM 1 21

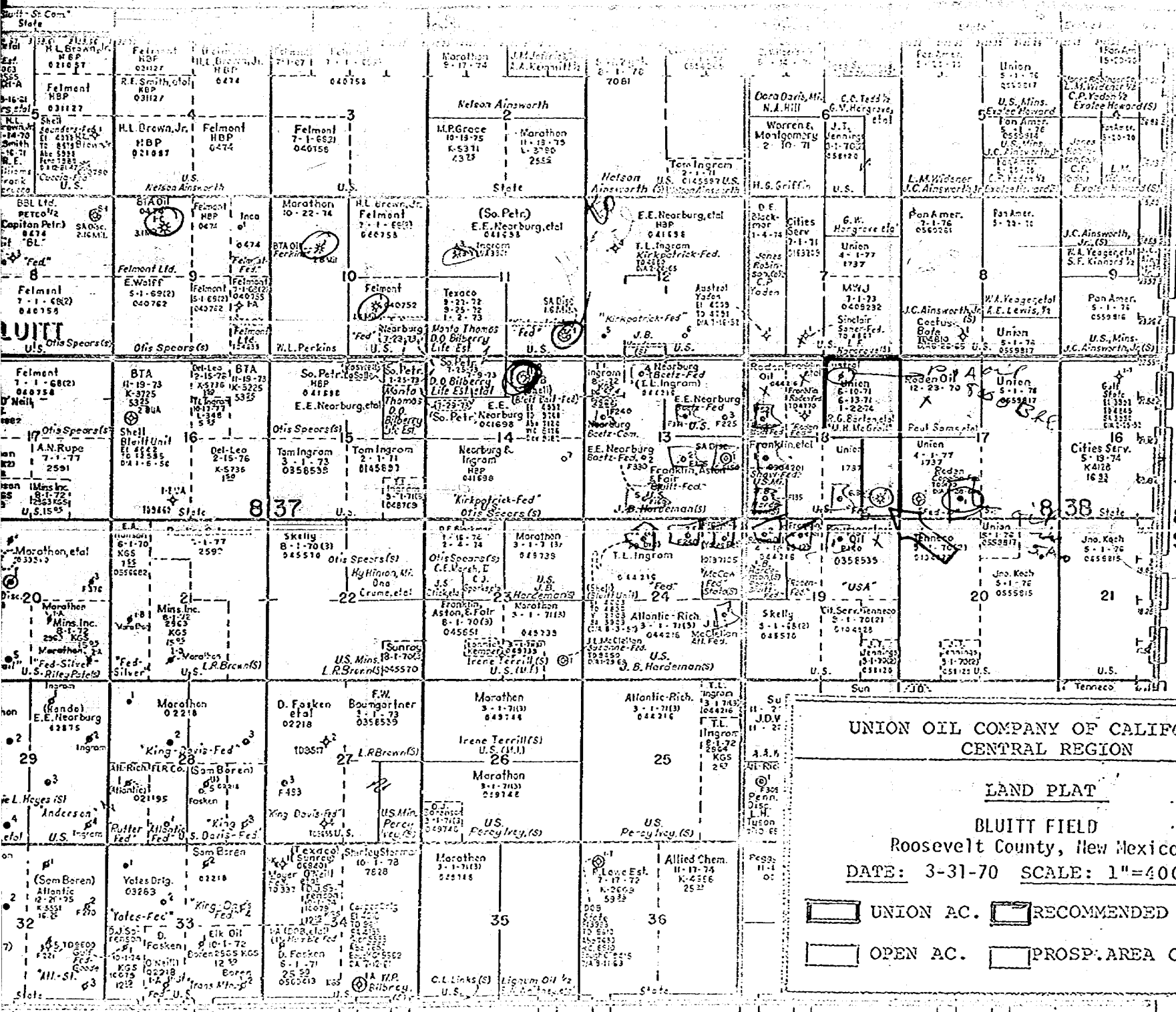
WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

Company

By

Date



UNION OIL COMPANY OF CALIFORNIA
CENTRAL REGION

LAND PLAT

BLUIT FIELD

Roosevelt County, New Mexico

DATE: 3-31-70 SCALE: 1"=4000'

- ☐ UNION AC. ☐ RECOMMENDED AC.
☐ OPEN AC. ☐ PROSP. AREA OF INT.

No. 527006

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

| | | |
|--|---|---------------------|
| SENT TO <i>Quemadero Oil Co.</i> | | POSTMARK OR DATE |
| STREET AND NO. <i>737 Grant</i> | | |
| P.O., STATE AND ZIP CODE <i>Denver Colorado 80203</i> | | |
| OPTIONAL SERVICES FOR ADDITIONAL FEES | | |
| RETURN RECEIPT SERVICES | 1. Shows to whom and date delivered | 15¢ |
| | With delivery to addressee only | 65¢ |
| SERVICES | 2. Shows to whom, date and where delivered .. | 35¢ |
| | With delivery to addressee only | 85¢ |
| DELIVER TO ADDRESSEE ONLY | | 50¢ |
| SPECIAL DELIVERY (2 pounds or less) | | 45¢ |

POD Form 3800
July 1969NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

* GPO : 1969 O—354-312

No. 527007

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

| | | |
|---|---|---------------------|
| SENT TO <i>Roden Oil Co.</i> | | POSTMARK OR DATE |
| STREET AND NO. <i>First Savings & Loan Bldg.</i> | | |
| P.O., STATE AND ZIP CODE <i>Midland Tex. 79701</i> | | |
| OPTIONAL SERVICES FOR ADDITIONAL FEES | | |
| RETURN RECEIPT SERVICES | 1. Shows to whom and date delivered | 15¢ |
| | With delivery to addressee only | 65¢ |
| SERVICES | 2. Shows to whom, date and where delivered .. | 35¢ |
| | With delivery to addressee only | 85¢ |
| DELIVER TO ADDRESSEE ONLY | | 50¢ |
| SPECIAL DELIVERY (2 pounds or less) | | 45¢ |

POD Form 3800
July 1969NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

* GPO : 1969 O—354-312

No. 527008

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

| | | |
|---|---|---------------------|
| SENT TO <i>Shelley Oil Co.</i> | | POSTMARK OR DATE |
| STREET AND NO. <i>Box 1727</i> | | |
| P.O., STATE AND ZIP CODE <i>Midland Tex. 79701</i> | | |
| OPTIONAL SERVICES FOR ADDITIONAL FEES | | |
| RETURN RECEIPT SERVICES | 1. Shows to whom and date delivered | 15¢ |
| | With delivery to addressee only | 65¢ |
| SERVICES | 2. Shows to whom, date and where delivered .. | 35¢ |
| | With delivery to addressee only | 85¢ |
| DELIVER TO ADDRESSEE ONLY | | 50¢ |
| SPECIAL DELIVERY (2 pounds or less) | | 45¢ |

POD Form 3800
July 1969NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

* GPO : 1969 O—354-312

No. 527009

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

| | | |
|---|---|---------------------|
| SENT TO <i>Quemadero Oil Co.</i> | | POSTMARK OR DATE |
| STREET AND NO. <i>866 Vaughan Bldg.</i> | | |
| P.O., STATE AND ZIP CODE <i>Midland Tex. 79701</i> | | |
| OPTIONAL SERVICES FOR ADDITIONAL FEES | | |
| RETURN RECEIPT SERVICES | 1. Shows to whom and date delivered | 15¢ |
| | With delivery to addressee only | 65¢ |
| SERVICES | 2. Shows to whom, date and where delivered .. | 35¢ |
| | With delivery to addressee only | 85¢ |
| DELIVER TO ADDRESSEE ONLY | | 50¢ |
| SPECIAL DELIVERY (2 pounds or less) | | 45¢ |

POD Form 3800
July 1969NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See other side)

* GPO : 1969 O—354-312

RECEIVED

APR 3 1970

Q. And you're not a doctor?

No. 527002

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

| | | |
|---|--|---------------------|
| SENT TO <i>Franklin, Peter & Fair, Inc.</i> | | POSTMARK OR DATE |
| STREET AND NO. <i>Box 1090</i> | | |
| P.O., STATE AND ZIP CODE <i>Roswell New Mex. 88201</i> | | |
| OPTIONAL SERVICES FOR ADDITIONAL FEES | | |
| RETURN RECEIPT SERVICES | 1. Shows to whom and date delivered 15¢ With delivery to addressee only 65¢ 2. Shows to whom, date and where delivered .. 35¢ With delivery to addressee only 85¢ | |
| DELIVER TO ADDRESSEE ONLY 50¢ | | |
| SPECIAL DELIVERY (2 pounds or less) 45¢ | | |

POD Form 3800 July 1969 NO INSURANCE COVERAGE PROVIDED— (See other side)
NOT FOR INTERNATIONAL MAIL * GPO : 1969 O—358-312

MAIN OFFICE 000

770 APR 10 PM 1 21

No. 527003

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

| | | |
|--|--|---------------------|
| SENT TO <i>Eugene E. Neuberg</i> | | POSTMARK OR DATE |
| STREET AND NO. <i>3303 Lee Parkway</i> | | |
| P.O., STATE AND ZIP CODE <i>Dallas Tex. 75219</i> | | |
| OPTIONAL SERVICES FOR ADDITIONAL FEES | | |
| RETURN RECEIPT SERVICES | 1. Shows to whom and date delivered 15¢ With delivery to addressee only 65¢ 2. Shows to whom, date and where delivered .. 35¢ With delivery to addressee only 85¢ | |
| DELIVER TO ADDRESSEE ONLY 50¢ | | |
| SPECIAL DELIVERY (2 pounds or less) 45¢ | | |

POD Form 3800 July 1969 NO INSURANCE COVERAGE PROVIDED— (See other side)
NOT FOR INTERNATIONAL MAIL * GPO : 1969 O—358-312

No. 527004

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

| | | |
|--|--|---------------------|
| SENT TO <i>Tom L. Ingram</i> | | POSTMARK OR DATE |
| STREET AND NO. <i>Box 1757</i> | | |
| P.O., STATE AND ZIP CODE <i>Roswell N. Mex. 88201</i> | | |
| OPTIONAL SERVICES FOR ADDITIONAL FEES | | |
| RETURN RECEIPT SERVICES | 1. Shows to whom and date delivered 15¢ With delivery to addressee only 65¢ 2. Shows to whom, date and where delivered .. 35¢ With delivery to addressee only 85¢ | |
| DELIVER TO ADDRESSEE ONLY 50¢ | | |
| SPECIAL DELIVERY (2 pounds or less) 45¢ | | |

POD Form 3800 July 1969 NO INSURANCE COVERAGE PROVIDED— (See other side)
NOT FOR INTERNATIONAL MAIL * GPO : 1969 O—358-312

No. 527005

RECEIPT FOR CERTIFIED MAIL—30¢ (plus postage)

| | | |
|---|--|---------------------|
| SENT TO <i>Pennaco oil co.</i> | | POSTMARK OR DATE |
| STREET AND NO. <i>Box 1031</i> | | |
| P.O., STATE AND ZIP CODE <i>Midland Tex. 79701</i> | | |
| OPTIONAL SERVICES FOR ADDITIONAL FEES | | |
| RETURN RECEIPT SERVICES | 1. Shows to whom and date delivered 15¢ With delivery to addressee only 65¢ 2. Shows to whom, date and where delivered .. 35¢ With delivery to addressee only 85¢ | |
| DELIVER TO ADDRESSEE ONLY 50¢ | | |
| SPECIAL DELIVERY (2 pounds or less) 45¢ | | |

POD Form 3800 July 1969 NO INSURANCE COVERAGE PROVIDED— (See other side)
NOT FOR INTERNATIONAL MAIL * GPO : 1969 O—358-312

RECEIVED

APR 3 1970

OIL COMPANY OF CALIF.

Union Oil and Gas Division: Central Region
Union Oil Company of California
500 North Marienfeld, Midland, Texas 79701
Telephone (915) 682-9731

union

Midland District

April 2, 1970

Mr. Hatch

Mr. J. D. Ramey
District Director
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico

Dear Sir:

Unorthodox Well Location
Bluitt-San Andres Associated Pool
Roosevelt County, New Mexico

Administrative approval of an unorthodox gas well location for Union Oil Company of California's Federal "18" Well No. 2, 660' FEL and 660' FSL, Section 18, T-8-S, R-38-E, in the Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, is hereby requested.

Subject well was projected as an oil well and spaced in accordance with Rule 2(B) of the Special Rules and Regulations for the Bluitt-San Andres Associated Pool. The well was completed August 26, 1969 as a gas well with an absolute open flow potential of 6,340 Mcf per day.

A Form C-102 is attached showing dedication of 240 acres to subject well. Also attached is a copy of a request for waiver mailed to offset operators.

Very truly yours,

H. R. Willis

H. R. Willis
Acting District Operations Manager

AFT:rb
Attachments

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

MAIN OFFICE DCC

'70 APR 10 PM 1 13

WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

CITIES SERVICE OIL COMPANY
Company

By 

Date 4-6-70

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

MAINT OFFICE

APR 10 PM 1 13

WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

FRANKLIN, ASTON & FAIR, INC.

Company

By

R. R. Aston

APR 3 1970

Date

Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

MAIN OFFICE 0000

'70 APR 10 PM 1 13

WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluit-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

RODEN OIL COMPANY

Company

By

April 6, 1970

Date

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section.

Form C-102
Supersedes C-128
Effective 1-1-55

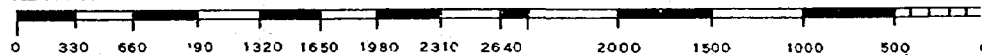
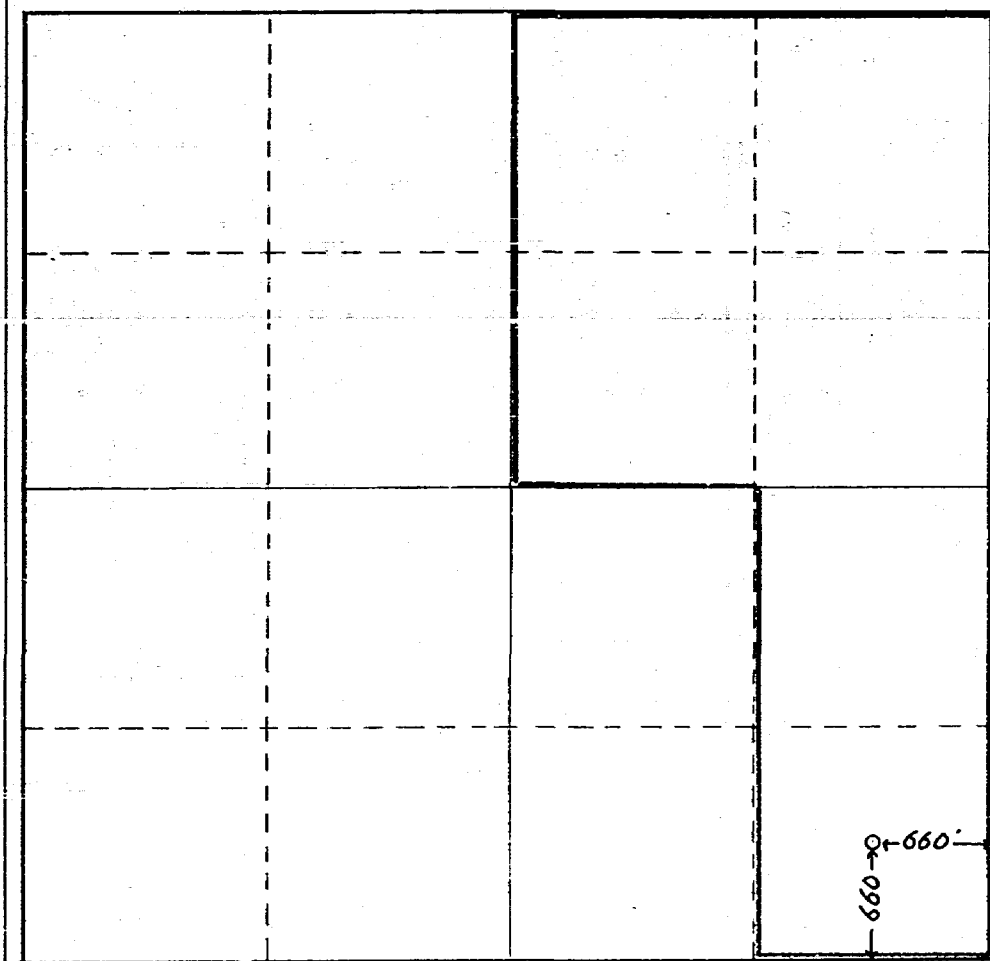
| | | | | | |
|--|--|----------------------------|---|---|----------------------|
| Operator Union Oil Company of California | | | Lease Federal 18 | | Well No. 2 |
| Unit Letter P | Section 18 | Township 8 South | Range 38 East | County Roosevelt | |
| Actual Footage Location of Well: 660 feet from the South line and 660 feet from the East line | | | | | |
| Ground Level Elev. 3976 | Producing Formation San Andres | | Pool Bluttt San Andres Associated | Dedicated Acreage: 2.40 Acres | |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

A. F. Turney
Name
A. F. Turney
Position
Petroleum Engineer
Company
Union Oil Co. of California
Date
March 31, 1970

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed _____
Registered Professional Engineer and/or Land Surveyor _____
Certificate No. _____

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS-76101

D. L. RAY
DIVISION ENGINEER

May 15, 1970

File: PEH-254-986.510.1

Subject: Union Oil Company of
California's Request for
Unorthodox Well Location
Federal "18" Well No. 2
Bluitt-San Andres Associated
Pool, Roosevelt County,
New Mexico

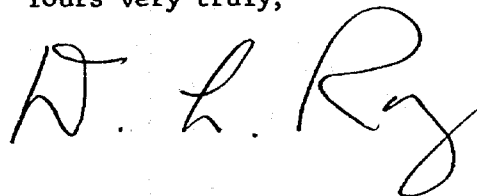
New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico 87501

Gentlemen:

Pan American Petroleum Corporation, as an offset operator, has been advised of Union Oil Company of California's request for unorthodox well location for their Federal "18" Lease Well No. 2 in the Bluitt-San Andres Associated Pool and the dedication of 240 acres to this well for gas proration purposes. It is our understanding this well is located 660' FEL and 660' FSL of Section 18, T-8-S R-38-E, Roosevelt County, New Mexico.

Pan American Petroleum Corporation hereby waives notice of hearing to this application.

Yours very truly,



CDB:mg

cc: Union Oil Company of California
P. O. Box 671
Midland, Texas

* Bill Petruky - Union -
- 684-8231 - Midland -

Jack Russell called in
May 5, 1970

May 27, 1970

you

Union Oil Co of Calif.

Non std gas production unit

240 ac NE/4 & E/2 SE/4

18-T88-R38E Roosevelt

Blunt ^{San Andres} Associated Pool
well is at

unorthodox loc for pool.

to 660' FSL & 660' FEL

Said ^{section} 18

allowance to be retroactive to
May 1, 1970

LAW OFFICES OF
JOHN F. RUSSELL
412 HINKLE BUILDING
P.O. DRAWER 640
ROSWELL, NEW MEXICO 88201

70 MAY 7 AM 8 11

Case 4358

TELEPHONE 622-4641
AREA CODE 505

May 6, 1970

Mr. A. L. Porter
Secretary-Director
NEW MEXICO OIL
CONSERVATION COMMISSION
State Land Office
P.O. Box 1148
Santa Fe, New Mexico
87501

[Handwritten signature]

Dear Mr. Porter:

I transmit herewith in triplicate, an Application of Union Oil Company of California for a non-standard gas proportioned unit and an unorthodox well location in the Bluit-San Andres Associated Pool.

Very truly yours,

John F. Russell
John F. Russell

JFR:eb
encls.

DOCKET MAILED

Date 5-14-70

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE)
APPLICATION OF UNION OIL)
COMPANY OF CALIFORNIA FOR)
AN ORDER CREATING A NON-)
STANDARD GAS PRO-RATION)
UNIT OF 240 ACRES AND THE)
AUTHORIZATION OF A NON-)
STANDARD WELL LOCATION IN)
THE BLUITT-SAN ANDRES)
ASSOCIATED POOL LOCATED IN)
ROOSEVELT COUNTY, NEW MEXICO.)

NO.

4358

APPLICATION

COMES NOW the Applicant, Union Oil Company of California, by its attorney, John F. Russell, and states:

1. Applicant is the owner of its Federal 18 Number 2 Well, located 660 feet from the east line, and 660 feet from the south line of Section 18, Township 8 South, Range 38 East, Roosevelt County, New Mexico.
2. Applicant seeks the creation of a non-standard gas pro-ration unit in the Bluit San Andres Associated Pool of 240 acres consisting of the NE $\frac{1}{4}$ and the E $\frac{1}{2}$ of the S $\frac{1}{4}$ of Section 18, Township 8 South, Range 38 East, Roosevelt County, New Mexico.
3. Applicant further requests that the allowable granted to its Federal 18 Number 2 Well be made retroactive to May 1, 1970.
4. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, the Applicant requests the Commission to set this matter down for hearing before one of its examiners,

to publish notice as required by law, and, after hearing, issue its order creating a non-standard gas pro-ration unit and authorize the non-standard well location as prayed for herein.

Respectfully submitted,

UNION OIL COMPANY OF CALIFORNIA

By John F. Russell
John F. Russell, its attorney
P.O. Box 640
Roswell, New Mexico 88201

Union Oil and Gas Division: Central Region
Union Oil Company of California
500 North Marienfeld, Midland, Texas 79701
Telephone (915) 682-9731



Midland District

May 12, 1970

file - case 4358

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

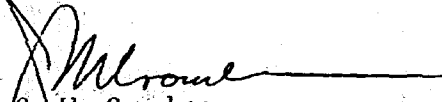
Dear Sir:

Unorthodox Well Location
Bluitt-San Andres Associated Pool
Roosevelt County, New Mexico

In the original application for the Unorthodox Well Location for Union Oil Company's, Federal "18" Well No. 2, we failed to send waivers to Pan American Petroleum Corp. and MWJ Production Co. A copy of the waivers, list of offset operators, and Receipt for Certified mail are attached.

Please attach these to the original application dated April 2, 1970.

Very truly yours,


G. W. Coombes
District Operations Manager

GWC:MG/sl
Attachments

May 11, 1970

OFFSET OPERATORS
(Mailing List Attached)

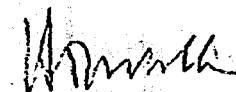
Gentlemen:

Request for Waiver, Unorthodox Well
Location, Union Oil Company of California
Federal 18 Well No. 2, 660' FEL & 660' FSL
Sec. 18, T-8-S, R-38-E, Roosevelt County,
New Mexico.

Subject well has been placed in the Bluit-San Andres Associated Pool. This well was spaced and drilled as an oil well but was found to be gas productive. Accordingly, Union Oil Company of California requests that you execute the attached waiver for 660' gas well spacing from quarter section lines and for the dedication of 240 acres to subject well for gas proration purposes as shown on the attached plat.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA



H. R. Willis
Acting District Operations Manager

AFT:rb
Attachments

cc: New Mexico Oil Conservation Commission
Hobbs, New Mexico

OFFSET OPERATORS
FEDERAL 18 WELL NO. 2
ROOSEVELT COUNTY, NEW MEXICO

Tom L. Ingram
Box 1757
Roswell, New Mexico 88201

Baumgartner Oil Company
737 Grant Street
Denver, Colorado 80203

Eugene E. Nearburg
3303 Lee Parkway
Dallas, Texas 75219
Attn: Mr. Patrick J. F. Cratton

Tenneco Oil Company
Box 1031
Midland, Texas 79701
Attn: Mr. F. J. McDonald

Roden Oil Company
First Savings & Loan Building
Midland, Texas 79701
Attn: Mr. T. B. O'Brien

Franklin, Aston & Fair, Inc.
Box 1090
Roswell, New Mexico 88201

Skelly Oil Company
Box 1727
Midland, Texas 79701
Attn: Mr. P. L. Nunley

Cities Service Oil Company
800 Vaughn Building
Midland, Texas 79701
Attn: Mr. Sam J. Matthews

MWJ Production Co.
413 First National Bank Bldg.
Midland, Texas 79701

Pan American Petroleum
Corp.
Box 1410
Fort Worth, Texas 76101

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

WAIVER

The undersigned hereby waives all objections to Union Oil Company of California's Federal "18" Well No. 2 gas well spacing of 660' FEL and 660' FSL of Section 18, T-8-S, R-38-E, in the Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico and the dedication of 240 acres to this well for gas proration purposes.

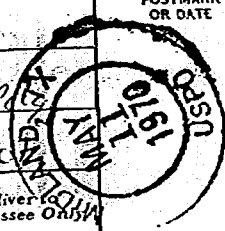
Company

By

Date


No. 937518

RECEIPT FOR CERTIFIED MAIL—30¢

| | | |
|--|--|---|
| SENT TO <i>MWJ Production Co.</i> | | POSTMARK OR DATE  |
| STREET AND NO. <i>413 First Natl. Bank, Bldg.</i> | | |
| P.O., STATE, AND ZIP CODE <i>Midland, Texas 79701</i> | | |
| EXTRA SERVICES FOR ADDITIONAL FEES | | |
| Return Receipt Shows to whom and date delivered <input type="checkbox"/> 10¢ fee | Shows to whom, date, and where delivered <input type="checkbox"/> 35¢ fee | Deliver to Addressee Only <input type="checkbox"/> 50¢ fee |
| POD Form 3800 Mar. 1966 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL | | |

No. 937517

RECEIPT FOR CERTIFIED MAIL—30¢

| | | |
|--|--|--|
| SENT TO <i>Pan American, Radio Corp.</i> | | POSTMARK OR DATE  |
| STREET AND NO. <i>P.O. Box 1410</i> | | |
| P.O., STATE, AND ZIP CODE <i>Fair Worth, Texas 76101</i> | | |
| EXTRA SERVICES FOR ADDITIONAL FEES | | |
| Return Receipt Shows to whom and date delivered <input type="checkbox"/> 10¢ fee | Shows to whom, date, and where delivered <input type="checkbox"/> 35¢ fee | Deliver to Addressee Only <input type="checkbox"/> 50¢ fee |
| POD Form 3800 Mar. 1966 NO INSURANCE COVERAGE PROVIDED— (See other side) NOT FOR INTERNATIONAL MAIL | | |

DRAFT

GMH/esr

June 19, 1970

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 4358

[Signature]
Order No. R-3985

APPLICATION OF UNION OIL COMPANY OF
CALIFORNIA FOR A NON-STANDARD GAS
PRORATION UNIT AND UNORTHODOX LOCA-
TION, ROOSEVELT COUNTY, NEW MEXICO.

[Signature]
6-18-70

ORDER OF THE COMMISSION

[Signature]
BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 27, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of June, 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, Union Oil Company of California,
seeks approval of an unorthodox gas well location for its Federal
18 Well No. 2 which is located 660 feet from the South line and
660 feet from the East line of Section 18, Township 8 South,
Range 38 East, NMPM, Bluit-San Andres Associated Pool, Roosevelt
County, New Mexico.

(3) That the applicant also seeks approval of a 240-acre
non-standard gas proration unit comprising the NE/4 and the
E/2 SE/4 of said Section 18 to be dedicated to the above-
described well.

(4) That the subject well was projected as an oil well at a standard location in the Bluitt-San Andres Associated Pool but was productive of gas in said pool.

(5) That a well located in the NW/4 NE/4 of said Section 18 produced oil and ^{free} gas.

(6) That only approximately 200 acres comprising the E/2 E/2 and SW/4 NE/4 of the proposed non-standard proration unit appears to be productive of gas.

(7) That a non-standard proration unit comprising the E/2 E/2 and SW/4 SE/4 of said Section 18 can be efficiently and economically drained and developed by the subject well.

(8) That approval of the subject unorthodox well location and a non-standard proration unit comprising the E/2 E/2 and SW/4 NE/4 of said Section 18 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, will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location in the Bluitt-San Andres Associated Pool is hereby approved for the Union Oil Company of California Federal 18 Well No. 2 located 660 feet from the South line and 660 feet from the East line of Section 18, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico.

(2) That a 200-acre non-standard gas proration unit comprising the E/2 E/2 and SW/4 NE/4 of the aforesaid Section 18 is hereby established and dedicated to the aforesaid Well No. 2.

~~(3) That the effective date of this order shall be~~
1970.

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

(3) That the above described non-standard proration unit shall be assigned an allowable based upon the unit size of 200 acres effective May 1, 1970.

**CASE 4359: Application of PAN AM.
FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, N. MEX.**