

Case. Number.

4466

Application,
Transcripts.

Sm all Exhibts.

ETC.

dearnley-meier reporting service, inc.

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

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 2, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Reserve Oil and Gas
Company for a non-standard gas
proration unit and dual dedication
of acreage, Lea County, New Mexico.

Case No. 4466

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4466.

MR. HATCH: Case 4466, Application of Reserve Oil and Gas Company for a non-standard gas proration Unit and dual dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 17, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dually dedicated to its Woolworth "B" Well No. 1, a gas well, located 330 feet from the North line and 990 feet from the West line of said Section 17, and to Jalmat oil wells in said quarter section. The Commission has received a request from the Applicant that the case be dismissed.

MR. NUTTER: Case 4466 will be dismissed.

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 87101
1400 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

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

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I, SOVEIDA GONZALES, 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.

Soveida Gonzales
COURT REPORTER.

I do hereby certify that the foregoing is a complete record of the proceedings in the Bernalillo hearing of Case No. 4466, heard by me on 12/2 1970.

Soveida Gonzales Reporter
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

07301

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

December 8, 1970

Mr. A. J. Losee
Attorney at Law
Post Office Drawer 239
Artesia, New Mexico 88210

Re: Case No. 4466
Order No. R-4074
Applicant:
Reserve Oil and Gas Co.

Dear Sir:

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

Very truly yours,

G. L. Parker, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artenia 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. 4466
Order No. R-4074

APPLICATION OF RESERVE OIL AND GAS
COMPANY FOR A NON-STANDARD GAS PRO-
DUCTION UNIT AND DUAL DEDICATION OF
ACREAGE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 2, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of December, 1970, the Commission, a
quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 4466 is hereby dismissed.

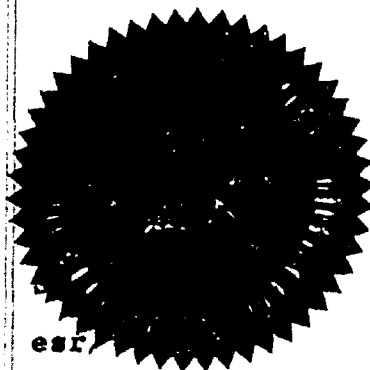
DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMJO, Member


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



esf

JOEL M. CARSON

LAW OFFICES
A. J. LOSEE
CARPER BUILDING - P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

25 November 1970

Mr. George Hatch, Attorney
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Reserve Oil and Gas Company Woolworth "B"
Well No. 1, Unit D, Section 17, Township
25 South, Range 37 East, N.M.P.M., Jalmat
Pool, Lea County, New Mexico

Dear George:

In our telephone conversation of yesterday, I requested that the above case be continued from the December 2, 1970, examiner hearing to the first hearing in February, 1971.

After further conversation with my client, it is our opinion that this case should be dismissed. Accordingly, you will please consider this letter as our motion to dismiss the above application for an exception to the Jalmat Pool Rules. You are also advised that this well was shut-in on November 16, 1970, and my client will file the necessary forms with the Commission to show that it has been temporarily abandoned.

If there is anything further you will require, please let me know.

Very truly yours,



A. J. Losee

AJL:jw

cc: Mr. Erd Johnson,
Reserve Oil and Gas Company

DOCKET; EXAMINER HEARING - WEDNESDAY - DECEMBER 2, 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 Elvis A. Utz, Alternate Examiner:

CASE 4436: (Continued from the October 14, 1970, Examiner Hearing)

Application of El Paso Natural Gas Company for the amendment of the General Rules and Regulations governing the prorated gas pools of New Mexico and the amendment of the Special Rules and Regulations governing the Tapacito-Pictured Cliffs and Basin-Dakota Gas Pools located in Rio Arriba, San Juan, and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the General Rules and Regulations governing the prorated gas pools of Northwest and Southeast New Mexico and the Special Rules and Regulations governing the Tapacito-Pictured Cliffs and Basin-Dakota Gas Pools located in Rio Arriba, San Juan, and Sandoval Counties, to permit substantial changes in the method of classifying marginal wells, and the assignment of allowable to marginal wells governed by the aforesaid rules and regulations, as well as a substantial change in the balancing of production procedure required by said rules. Copies of the proposed amendments will be circulated by way of the Commission's general mailing list and will be available upon request made to the Commission at its Santa Fe office.

CASE 4465: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 1216 of the Commission Rules and Regulations to permit matters involving the limiting of total production of gas from a gas pool to be heard before an examiner.

CASE 4466: Application of Reserve Oil and Gas Company for a non-standard gas proration unit and dual dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 17, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dually dedicated to its Woolworth "B" Well No. 1, a gas well, located 330 feet from the North line and 990 feet from the West line of said Section 17, and to Jalmat oil wells in said quarter section.

CASE 4467: Application of Gulf Oil Corporation for commingling of production, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 303 and 309 of the Commission Rules and Regulations to commingle, prior to measurement, production from the Hobbs (Grayburg-San Andres) and Hobbs-Blaine Pools on its W. D. Grimes NCT-B Lease in Section 33, Township 18 South, Range 38 East, Lea County, New Mexico. Applicant further seeks authority to commingle, prior to measurement, the aforesaid production with the Hobbs (Grayburg-San Andres) production from its W. D. Grimes NCT-A Lease in Section 32, said Township and Range. Allocation of production to each lease and pool would be on the basis of well tests.

- CASE 4468: Application of Continental Oil Company for a dual completion and water injection, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Langlie Jack Unit Well No. 16 located in Unit M, Section 21, Township 24 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Jalmat Gas Pool and the injection of water into the Langlie-Mattix Pool for secondary recovery purposes through parallel strings of tubing.
- CASE 4469: Application of Anadarko Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Teas Yates Unit Area comprising 1200 acres, more or less, of Federal lands in Township 20 South, Ranges 33 and 34 East, Lea County, New Mexico.
- CASE 4470: Application of Anadarko Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Teas Yates Unit Area, Teas Yates-Seven Rivers Pool, Lea County, New Mexico, by the injection of water through ten wells into the Yates formation.
- CASE 4471: Application of H. L. Brown, Jr. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Morrow test well at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line of Section 19, Township 19 South, Range 30 East, Eddy County, New Mexico. The E/2 of said Section 19 would be dedicated to said well.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 13, 1970

Doc. 1466

C
O
P
Y

Reserve Oil and Gas Company
First Savings Building
Midland, Texas 79704

RECEIVED

11-19-70

Attention: Mr. Erd M. Johnson

Re: Reserve Oil and Gas Company
Woolworth "B" Well No. 1
Unit D, Section 17, Township 25
South, Range 37 East, NMPM, Jalmat
Pool, Lea County, New Mexico

Gentlemen:

Your application dated October 15, 1970, directed to the Commission's Hobbs District Office and concerning the subject well, has been referred to this office for handling.

This application is not eligible for administrative approval and is being set for hearing before an examiner on December 2, 1970. A copy of the docket will be mailed to you within the next few days.

Very truly yours,

GEORGE M. HATCH
Attorney

GMH/esr

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

Memo

From

McCl
J. W. Runyan, Geologist &
Deputy Oil & Gas Inspector

To

George Hatch

RESERVE OIL AND GAS COMPANY

1700 FIDELITY UNION TOWER, DALLAS, TEXAS 75201
TELEPHONE: RIVERSIDE 8-0861, AREA CODE 214

PLEASE REPLY TO:
FIRST SAVINGS BUILDING
MIDLAND, TEXAS 79704

Give to mello
October 15, 1970

Enc 4466

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

Attention Mr. Joe D. Ramey

Re: Reserve Oil and Gas Company
Woolworth "B" No. 1
D 17-25-37
Jalmat Pool
Lea County, New Mexico

Gentlemen:

Enclosed herewith is a Gas-Oil Ratio Report of the subject well indicating that this well produced 44 Mcf of gas and no oil. We respectfully request that this well be reclassified from the Jalmat Oil Pool to the Jalmat Yates Gas Pool.

The subject well was completed as an oil well in 1949. Since completion the oil production has declined such that at the present time the well is capable of producing only gas.

As illustrated on the attached plat, this well is located 330 feet from the north line and 990 feet from the west line of Section 17, Township 25-S, Range 37-E, Lea County, New Mexico. Since the well is located closer than 660 feet from the lease line, approval of the unorthodox location is requested. Please note that all other producing wells on the Woolworth "B" lease are now included in the South Langlie Jal Unit which is classified in the Langlie Mattix Pool.

RECEIVED

Date 11-19-70

New Mexico Oil Conservation Commission

Page 2

October 15, 1970

By copy of this letter and the attached plat, we are advising the offset operators of our request for reclassification of this well and our request for the unorthodox location.

Very truly yours,

RESERVE OIL AND GAS COMPANY



Erd M. Johnson

ca

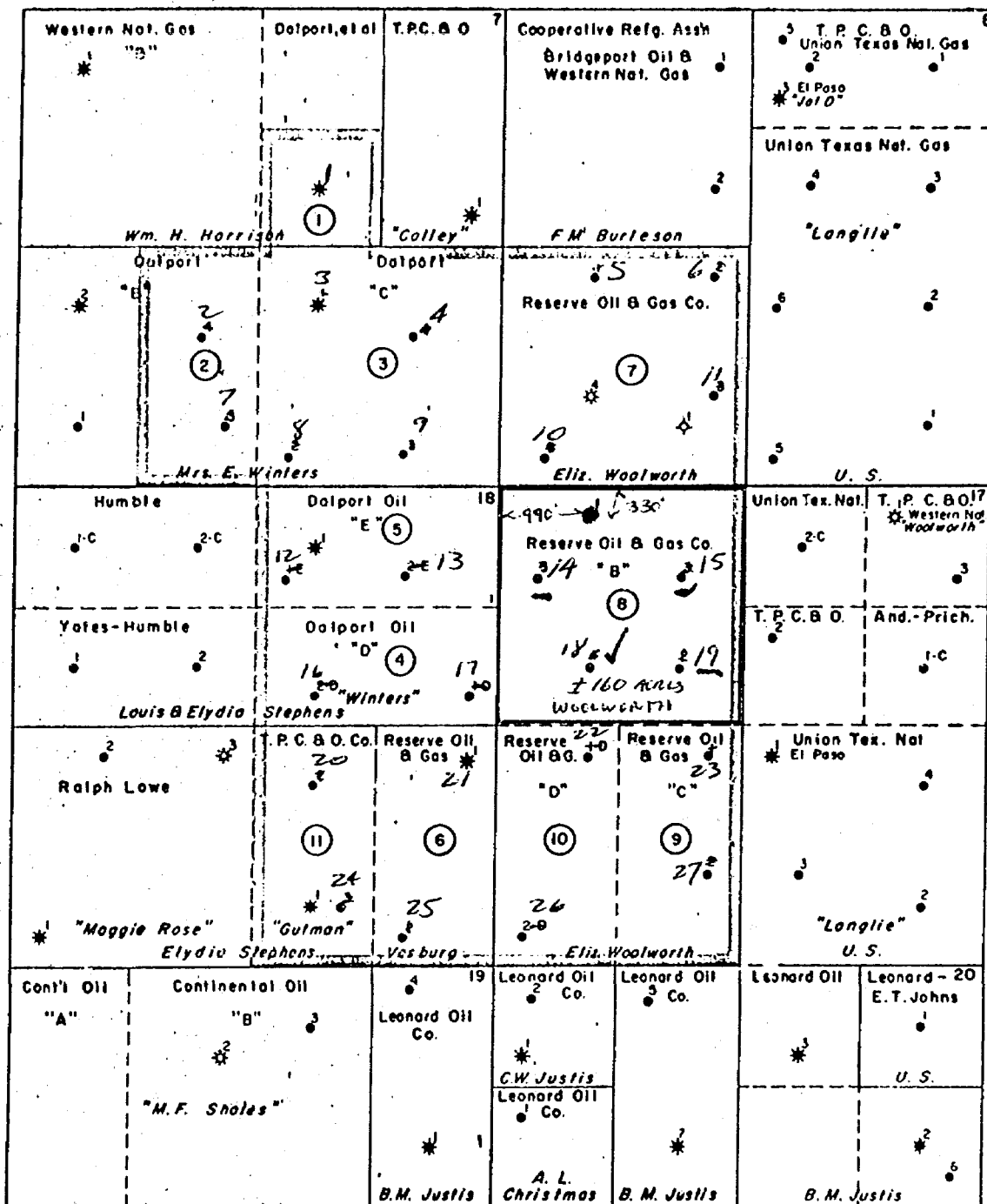
Enclosures

cc: Dalport Oil Corporation
First National Bank Building
Dallas, Texas 75202

Texas Pacific Oil Company, Inc.
Box 4067
Midland, Texas 79701

Union Texas Petroleum
1300 Wilco Building
Midland, Texas 79701

T
25
S



UNIT BOUNDARY

EXHIBIT "B"

ATTACHED TO UNIT AGREEMENT
SOUTH LANGLEIE JAL UNIT

LANGLIE - MATTIX FIELD
LEA COUNTY, NEW MEXICO

AQUEDUCTS

DRAWN BY		REVISED BY
DATE		DATE
APPROVED		APPROVED
DATE		DATE

SECRET

Case 4466



Corporation

UNION TEXAS PETROLEUM DIVISION

1300 WILCO BUILDING • MIDLAND, TEXAS 79701 • AREA CODE, 915, 682-0515

October 23, 1970

Case 440

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

Gentlemen:

Attached is the requested waiver for unorthodox well location
on the Woolworth "B" No. 1, D 17-25-37, Jalmat Pool, Lea County,
New Mexico.

Very truly yours,

UNION TEXAS PETROLEUM CORPORATION

Howard Perdue

Howard Perdue
District Petroleum Engineer

DBW/wd

Attachment

RESERVE OIL AND GAS COMPANY

1700 FIDELITY UNION TOWER, DALLAS, TEXAS 75201
TELEPHONE: RIVERSIDE 8-0861, AREA CODE 214

October 15, 1970

PLEASE REPLY TO:
FIRST SAVINGS BUILDING
MIDLAND, TEXAS 79701

Dalport Oil Corporation
First National Bank Building
Dallas, Texas 75202

Texas Pacific Oil Company, Inc.
Box 4067
Midland, Texas 79701

✓ Union Texas Petroleum
1300 Wilco Building
Midland, Texas 79701

Re: Reserve Oil and Gas Company
Woolworth "B" No. 1
D 17-25-37, Jalmat Pool
Lea County, New Mexico

Gentlemen:

Enclosed herewith is a copy of our request to the New Mexico Oil Conservation Commission that the subject well be reclassified from a Jalmat Oil Pool to a Jalmat Yates Gas Pool and for approval of the unorthodox location.

As an offset operator, if you have no objections to this request, we would greatly appreciate your so indicating in the space provided below and mailing one copy of this letter to the Oil Conservation Commission, P. O. Box 1980, Hobbs, New Mexico 88240.

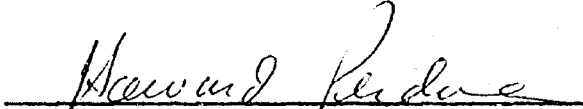
Very truly yours,



Erd M. Johnson

To: New Mexico Oil Conservation Commission

We have received a copy of Reserve Oil and Gas Company's request for reclassification of the subject well and for the unorthodox location. We have no objections to this request.



Date October 23, 1970

By Union Texas Petroleum Corporation

Page 4466

RESERVE OIL AND GAS COMPANY

1700 FIDELITY UNION TOWER, DALLAS, TEXAS 75201
TELEPHONE: RIVERSIDE 8-0861, AREA CODE 214

October 15, 1970

PLEASE REPLY TO:
FIRST SAVINGS BUILDING
MIDLAND, TEXAS 79704

Dalport Oil Corporation
First National Bank Building
Dallas, Texas 75202

Union Texas Petroleum
1300 Wilco Building
Midland, Texas 79701

✓ Texas Pacific Oil Company, Inc.
Box 4067
Midland, Texas 79701

Re: Reserve Oil and Gas Company
Woolworth "B" No. 1
D 17-25-37, Jalmat Pool
Lea County, New Mexico

Gentlemen:

Enclosed herewith is a copy of our request to the New Mexico Oil Conservation Commission that the subject well be reclassified from a Jalmat Oil Pool to a Jalmat Yates Gas Pool and for approval of the unorthodox location.

As an offset operator, if you have no objections to this request, we would greatly appreciate your so indicating in the space provided below and mailing one copy of this letter to the Oil Conservation Commission, P. O. Box 1980, Hobbs, New Mexico 88240.

Very truly yours,



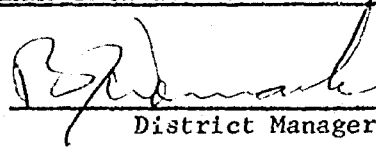
Erd M. Johnson

To: New Mexico Oil Conservation Commission

We have received a copy of Reserve Oil and Gas Company's request for reclassification of the subject well and for the unorthodox location. We have no objections to this request.

TEXAS PACIFIC OIL COMPANY, INC.

Date 10-28-70

By  R. J. Womack
District Manager

Case 4466

1700 FIDELITY UNION TOWER, DALLAS, TEXAS 75201
TELEPHONE: RIVERSIDE 8-0861, AREA CODE 214

PLEASE REPLY TO:
FIRST SAVINGS BUILDING
MIDLAND, TEXAS 79704

Texas Pacific Oil Company, Inc.
Box 4067
Midland, Texas 79701

Re: Reserve Oil and Gas Company
Woolworth "B" No. 1
D 17-25-37, Jalmat Pool
Lea County, New Mexico

Enclosed herewith is a copy of our request to the New Mexico Oil Conservation Commission that the subject well be reclassified from a Jalmat Oil Pool to a Jalmat Yates Gas Pool and for approval of the unorthodox location.

Very truly yours,

Erd M. Johnson

We have received a copy of Reserve Oil and Gas Company's request for reclassification of the subject well and for the unorthodox location. We have no objections to this request.

By

W. L. Tard

Cher. 4466

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. 4466

Order No. R- 4074

APPLICATION OF RESERVE OIL AND GAS
COMPANY FOR A NON-STANDARD GAS PRO-
DUCTION UNIT AND DUAL DEDICATION OF
ACREAGE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 2, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of December, 1970, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

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

IT IS THEREFORE ORDERED:

That Case No. 4466 is hereby dismissed.

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

CASE 4467: Application of GULF
OIL CORP. FOR COMMINGLING OF
PRODUCTION, LEA COUNTY, N. M.