

Case Number  
4592

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

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  
EXAMINER HEARING  
September 29, 1971

IN THE MATTER OF )

Application of Gulf Oil )  
Corporation for amendment )  
of order permitting )  
commingling of production, )  
Lea County, New Mexico. )

Case No. 4592

BEFORE: ELVIS A. UTZ, EXAMINER

Transcript of Hearing

1 MR. UTZ: Case 4592.

2 MR. HATCH: Case 4592. Application of Gulf Oil  
3 Corporation for amendment of order permitting commingling of  
4 production, Lea County, New Mexico.

5 MR. KASTLER: If the Examiner please, I am Bill  
6 Kastler from Midland, appearing on behalf of Gulf, and our  
7 witness is Mr. R. O. Bobo who at this time I would like to  
8 have sworn.

9 (Witness sworn)

10 MR. UTZ: Other appearances? You may proceed.

11 R. O. BOBO

12 having been first duly sworn, testified as follows:

13 DIRECT EXAMINATION

14 BY MR. KASTLER:

15 Q Would you please give your name, your title, for whom  
16 you work and some area of your background and familiarity?

17 A I am Robert O. Bobo with Gulf Oil of the District Proration  
18 Engineer out of Midland, Texas.

19 I was qualified before. Do you want me to give me the  
20 background?

21 Q Yes. That's all right.

22 A I graduated from the University of Houston back --

23 Q No. I don't think that will be necessary.

24 A Oh, I thought --

25 Q Have you previously qualified and testified before the

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1 New Mexico Oil Conservation Commission hearing?

2 A Yes, I have.

3 MR. KASTLER: Are the witness' qualifications  
4 acceptable?

5 MR. UTZ: He is qualified.

6 Q (Mr. Kastler) Are you familiar with Gulf's application in  
7 Case No. 4592?

8 A Yes, I am.

9 Q Would you please state what Gulf is seeking in this case?

10 A We are asking for the amendment of Order No. R-4079, which  
11 order authorized Gulf to commingle production from the  
12 Hobbs-Greyburg San Andres and Hobbs-Blinebry Pools on its  
13 W. D. Grimes NCT-B Lease and to commingle production from  
14 W. D. Grimes NCT-B Lease with production from the Hobbs-  
15 Greyburg San Andres Pool to its W. D. Grimes NCT-A Lease.  
16 Gulf seeks to allocate production to each tract and pool  
17 on the base of bi-monthly tests rather than monthly tests.  
18 Q Excuse me. I am putting the cart before the horse. Mr.  
19 Bobo, would you please refer to Exhibit Number One and state  
20 what is shown thereon?  
21 A Exhibit Number One is a plat showing the location of the  
22 W. D. Grimes NCT-A and NCT-B lease outlined in red and  
23 identifies the 13 commingled wells.  
24 The W. D. Grimes NCT-A lease is described as the West half  
25 of Section 32, and the W. D. Grimes NCT-B lease is described

1 as the Northwest quarter of the Northeast quarter and the  
2 East half of the Northeast quarter and Northeast quarter  
3 of the Southeast quarter of Section 33, all in Township 18  
4 South, Range 38 East, Lea County, New Mexico.

5 As testified in Case Number 4467 on December the 2nd, 1970  
6 the ownership is identical for both tracts. This property  
7 is the same basically.

8 Q What is the reason for requesting the amendment to Order  
9 No. R-4079?

10 A Well, part three of that Order Number R-4079 states that  
11 the -- "that the commingled production authorized in Order  
12 one and two above shall be allocated to each of the subject  
13 well pools and leases on the basis of monthly well tests."  
14 Testing of the wells involved will require that 13 straight  
15 tests be taken each month, disposing of the fluid oil  
16 and water from these tests will require a minimum of 16  
17 additional days.

18 On the basis, then, a total of 29 testing days will be re-  
19 quired each month, which leaves very little time to correct  
20 any routine trouble that is normally encountered in any  
21 tank battery operations or to permit any retesting of wells.  
22 Also, from time to time, well remedial work is performed  
23 and well clean-up utilizing test facilities is required.

24 Q Why does it require 16 days to dispose of well test fluid?

25 A Well, I would like to refer to Exhibit Three. Exhibit

1 Number Three is a schematic drawing showing the general  
2 layout of the tank battery.

3 You will note that the fluid from the test separator is  
4 really to a stock tank and after the test is completed,  
5 the stock tank is -- they have to determine the water  
6 cut. The fluid is then pumped from the stock tank to a  
7 heater treater for emulsion treatment.

8 A controlling pumping rate is essential for adequate  
9 treating. Field tests, as proven at 20 barrels per hour,  
10 has been established as the desired rate to permit proper  
11 treating and disposing of both oil and water through a  
12 treater.

13 If a high water cut well is tested then it might require  
14 two 8-hour days to clean well test fluid from the tank.  
15 It is anticipated that water production will increase in  
16 time and increase in water production will require  
17 additional testing time.

18 Q How many of the 13 wells produced water?

19 A Eleven of the wells and the water cuts range anywhere from  
20 one percent to 85 percent currently.

21 Q Do you anticipate additional completion in either pool on  
22 the subject lease?

23 A Well, although additional completions are always possible,  
24 we do not presently plan any new wells.

25 Q Mr. Bobo, I believe you stated that the ownership is identical

1 for both tracts and only one lease is actually involved.  
2 Then the 12 wells producing from the Hobbs-Greyburg San  
3 Andres Pool can be considered to be producing from the  
4 same lease and actually it would not require a monthly  
5 test for allocation, the Hobbs-Blinebry Pool Well creates  
6 a need for requested bi-monthly tests; is this correct?

7 A Yes, sir, that's correct. The ownership is identical to  
8 both tracts and presently well tests are required annually  
9 in both pools.

10 Now, our W. D. Grimes NCT-B Well Number Seven is complete  
11 in the Hobbs-Blinebry Pool, and therefore at present to  
12 comply with the Commission's commingling regulations, we  
13 have to test each well each month for production allocation  
14 purposes.

15 It would not create operational problems to test this  
16 well monthly if a longer period could be approved for  
17 testing the Hobbs-Greyburg San Andres Well.

18 Q What is shown on Exhibit Number Two?

19 A Well, Number Two shows the proposed heater arrangement  
20 that we will have on the W. B. Grimes B Lease.

21 You will note we have five wells, one of them is the  
22 Blinebry, and we have two 4-inch lines going to the Grimes  
23 NCT-A Lease.

24 Q What is the current producing status of the well?

25 A Presently, we have six pumping wells and seven flowing wells.

1 There are five marginal wells.

2 Q All together, 11 pumping wells and those marginal wells  
3 are pumping?

4 A More than likely, they are. No, well number two is flowing  
5 at only 180 to 500 pounds.

6 Q Were Exhibits Numbers One and Two and Three prepared by  
7 you or under your direction and supervision?

8 A Well, Exhibit Number One was prepared under my direction.  
9 However, Exhibits Number Two and Three are just reproductions  
10 of Exhibits used in Case No. 4467 at the Examiner Hearing  
11 of December the 2nd, 1970.

12 MR. KASTLER: Mr. Examiner, at this time I would  
13 like to move that Exhibits One, Two and Three be made a part of  
14 the record, it being understood that Two and Three were both  
15 previously used, but for simplicity in handling them, we would  
16 like them in this record.

17 MR. UTZ: Exhibits One through Three will be entered  
18 in the record of this case.

19 Q (Mr. Kastler) Mr. Bobo, do you have anything to add in  
20 this case?

21 A I believe not.

22 Q In your opinion, are correlative rights involved, or is any --  
23 Answer that question first. Are correlative rights --

24 A I believe they will be adequately protected because we have  
25 been testing annually and we will test, if the application



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1 is approved by-monthly now, every 60 days rather than  
2 annually.

3 Q Thank you.

4 MR. KASTLER: This concludes the direct examination.

5 CROSS EXAMINATION

6 BY MR. UTZ:

7 Q Are these tested monthly now?

8 A Pardon?

9 Q Are these tested monthly now?

10 A No. The installation has not been completed. It will be  
11 about 45 more days.

12 Q Oh, I see.

13 A Before the lines are --

14 Q So you are asking for relief then before you get the system  
15 completed?

16 A Yes. If this is not approved, they will probably try to  
17 live with the 30 days, and if it looks like it will create  
18 an operational hardship, we will then probably test --  
19 set an additional test separator and an additional heater  
20 to permit testing two wells at the same time.

21 MR. KASTLER: Well, wouldn't that require another  
22 flow-line from the non-continuous tract in the --

23 THE WITNESS: It would just require a -- in other  
24 words, you could be testing your eight wells on your tract A  
25 and simultaneously be testing your wells on your five wells on

1 your B tract through your 4-inch test line.

2 In other words, you would have two separate testing  
3 facilities.

4 Q I see.

5 A But that would create additional costs, around \$10,000 to  
6 set another separator additional heater treater, possibly  
7 another pump to pump your fluid out of your tank.

8 We have ample tanks there to test two wells at the same  
9 time. We have three --

10 Q I see.

11 A Three 500-barrel tanks.

12 Q Do you spell your name B-o-b-o?

13 A Yes, sir.

14 MR. UTZ: Questions of the witness? You may be  
15 excused.

16 (Witness excused)

17 MR. UTZ: Statements? Nobody here to make a  
18 statement. Case will be taken under advisement, and the hearing  
19 is adjourned.

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WITNESS

R. O. BOBO

PAGE

Direct Examination by Mr. Kastler

2

Cross Examination by Mr. Utz

2

8

EXHIBITS

MARKED

OFFERED AND  
ADMITTED

Applicant's One through three

7

1 STATE OF NEW MEXICO )  
2 )  
3 COUNTY OF BERNALILLO)

4 I, LINDA MALONE, Court Reporter, do hereby certify that  
5 the foregoing and attached Transcript of Hearing before the  
6 New Mexico Oil Conservation Commission was reported by me; and  
7 that the same is a true and correct record of the said  
8 proceedings, to the best of my knowledge, skill and ability.  
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*Linda Malone*  
Court Reporter

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 45-87  
heard by me on Sept 22, 1977  
*[Signature]* Examiner  
New Mexico Oil Conservation Commission



MR. NUTTER: Case No. 4592.

MR. HATCH: Case No. 4592. Application of Gulf Oil Corporation for amendment of order permitting commingling of production, Lea County, New Mexico.

If the Examiner please, the Commission has received a request from the Applicant that this case be continued to September 29th?

MR. NUTTER: Case No. 4592 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock A.M., September 29, 1971.

STATE OF NEW MEXICO )  
COUNTY OF SANTA FE ) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye  
COURT REPORTER

My commission expires March 25, 1975

I do hereby certify that the foregoing is a complete record of the proceedings in the hearing of Case No. 4592 heard by me on 9/15, 1971.  
Richard L. Nye, Reporter  
New Mexico Oil Conservation Commission



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

October 12, 1971

GOVERNOR  
BRUCE KING  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

Mr. Bill Kastler  
Gulf Oil Corporation  
Post Office Drawer 1150  
Midland, Texas 79701

Re: Case No. 4592  
Order No. R-4079-A  
Applicant:  
Gulf Oil Corporation

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC ☒  
Artesia OCC \_\_\_\_\_  
Aztec OCC \_\_\_\_\_

Other \_\_\_\_\_



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 4592  
Order No. R-4079-A

APPLICATION OF GULF OIL CORPORATION  
FOR AMENDMENT OF ORDER PERMITTING  
COMMINGLING OF PRODUCTION, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of October, 1971, 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 by Order No. R-4079, dated December 8, 1970, the applicant, Gulf Oil Corporation, was authorized to commingle prior to measurement production from the Hobbs (Grayburg-San Andres) and Hobbs-Blinbry Pools from wells on the W. D. Grimes NCT-B Lease comprising the NW/4 NE/4, E/2 NE/4, and NE/4 SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico; to commingle prior to measurement the aforementioned commingled production and production from the Hobbs (Grayburg-San Andres) Pool from wells on the W. D. Grimes NCT-A Lease comprising the W/2 of Section 32, same Township and Range; and to allocate the commingled production to each of the subject wells, pools, and leases on the basis of monthly well tests.

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CASE NO. 4592

Order No. R-4079-A

(3) That the applicant seeks the amendment of said Order No. R-4079 to permit the allocation of the commingled production on the basis of bimonthly tests rather than monthly tests.

(4) That it is extremely difficult to complete the testing requirements on a monthly basis.

(5) That allocation of the commingled production on the basis of bimonthly tests will not cause waste and will protect correlative rights.

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That Order (3) of Order No. R-4079 is hereby amended to read in its entirety as follows:

"(3) That the commingled production authorized in Orders (1) and (2), above, shall be allocated to each of the subject wells, pools, and leases on the basis of bimonthly well tests."

(2) That Order (4) of Order No. R-4079 is hereby amended to read in its entirety as follows:

"(4) That the facilities for the commingling of production authorized in Orders (1) and (2), above, shall be installed and maintained in a manner that will permit a determination of the producing capacity of each of the subject wells on the above-described leases at least bimonthly.

(3) That Order (5) of Order No. R-4079 is hereby amended to read in its entirety as follows:

"(5) That the applicant shall conduct bimonthly productivity tests on each of the subject wells on the above-described leases and shall file the results of said tests with the Commission's District Office at Hobbs, New Mexico, on Commission Form C-116 bimonthly, all until further order of the Commission.

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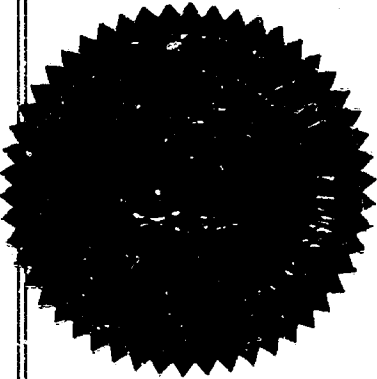
CASE NO. 4592

Order No. R-4079-A

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*Bruce King*  
BRUCE KING, Chairman

*Alex J. Armijo*  
ALEX J. ARMIJO, Member

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

S E A L

dr/

Case 4592

Heard 9-29-71

Rec. 9-30-71

Grant Galt's request  
for an amendment to R-4079  
to allow them to run  
production well tests on  
commingled wells bi-monthly  
rather than monthly.

John S. Duff

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 15, 1971

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1971, from fifteen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, for October, 1971.

CASE 4222 (Reopened): In the matter of Case 4222 being reopened pursuant to the provisions of Order No. R-3850-A, which order continued 80-acre spacing units for the West Sawyer-San Andres Pool, Lea County, New Mexico, for an additional one-year period. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units and present evidence as to whether or not said pool is in fact an associated reservoir.

CASE 4588: Application of V. H. Westbrook for a pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Delaware formation through his Guy A. Reed Well No. 2 located in Unit L of Section 24, Township 24 South, Range 28 East, Malaga-Delaware Pool, Eddy County, New Mexico.

CASE 4589: Application of Anadarko Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Burnham Grayburg San Andres Unit Area comprising 480 acres, more or less, of state lands in Section 2, Township 17 South, Range 30 East, Square Lake Field, Eddy County, New Mexico.

CASE 4590: Application of Wolfson Oil Company, MKA Oil Properties, John H. Hendrix, and Bruce A. Wilbanks for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Drinkard Pool, Lea County, New Mexico.

CASE 4591: Application of American Quasar Petroleum Company of New Mexico for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an exploratory gas well at an unorthodox location 660 feet from the South and East lines of Section 21, Township 25 South, Range 33 East, Lea County, New Mexico, to test the Devonian, Pennsylvanian, and Wolfcamp formations within one mile of the Red Hills Field.

Examiner Hearing  
September 15, 1971

Docket No. 20-71

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- CASE 4592: Application of Gulf Oil Corporation for amendment of order permitting commingling of production, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079, which order authorized the applicant to commingle production from the Hobbs (Grayburg-San Andres) and Hobbs-Blinebry Pools on its W. D. Grimes NCT-B Lease and to commingle production from said lease with the Hobbs (Grayburg-San Andres) Pool on its W. D. Grimes NCT-A lease, located in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico. Applicant seeks to allocate production to each lease and pool on the basis of bi-monthly tests rather than monthly tests.
- CASE 4593: Application of Continental Oil Company for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose of water produced by wells located on its W. R. Means lease comprising the S/2 and NW/4 of Section 28, and E/2 and E/2 W/2 of Section 29, Township 14 South, Range 30 East, Vest Ranch-Queen Pool, Chaves County, New Mexico, in unlined surface pits.
- CASE 4594: Application of Continental Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its second well on a proration unit at an unorthodox location 660 feet from the South line and 2540 feet from the East line of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4595: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from undesignated Gallup and Dakota oil pools in the wellbores of two wells to be drilled in Section 27, Township 25 North, Range 4 West, West Lindrith Field, Rio Arriba County, New Mexico. Applicant further seeks the establishment of a procedure whereby similar approval may be granted administratively for other wells to be drilled in said area.
- CASE 4597: Application of Morris R. Antweil for lease commingling and off-lease storage, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle condensate produced from his Little Jewel Well No. 1 and Allen Well No. 1 located in Units F and J, respectively,

Examiner Hearing  
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Docket No. 20-71

(Case 4597 continued)

of Section 31, Township 22 South, Range 27 East, and from his Joell Well No. 1 located in Unit C of Section 6, Township 23 South, Range 27 East, South Carlsbad-Strawn Gas Pool, Eddy County, New Mexico, after separation and measurement of the liquids from each well.

CASE 4583: (Continued from the August 18, 1971, Examiner Hearing) Application of V. F. Vasicek and J. M. Fullinwider, doing business as V-F Petroleum for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 15, Township 16 South, Range 35 East, Lea County, New Mexico, said acreage to be dedicated to a well to be re-entered and recompleted in the Pennsylvanian formation and located 1980 feet from the South and East lines of said Section 15. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4596: Southeastern New Mexico nomenclature case calling for an order for the creation, extension and abolishment of certain pools in Lea, Eddy, and Chaves County, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Strawn production and designated as the South Hackberry-Strawn Pool. The discovery well is the Perry R. Bass Big Eddy Unit No. 33 located in Unit P of Section 4, Township 20 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM  
SECTION 4: SE/4 SE/4

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Maroon Cliffs-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit No. 7 located in Unit O of Section 19, Township 20 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM  
SECTION 19: S/2

(c) Create a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the McDonald-Pennsylvanian Pool. The discovery well is the J. M. Huber Corporation Griffin No. 1 located in Unit A of Section 4, Township 14 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
SECTION 4: NE/4

(d) Abolish the Northwest Vacuum-Abo Pool in Lea County, New Mexico, described as:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 2: SW/4  
SECTION 3: NE/4 SE/4

(e) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 2: SW/4  
SECTION 3: SE/4

(f) Extend the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
SECTION 36: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SECTION 8: NW/4

(g) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH RANGE 26 EAST, NMPM  
SECTION 25: S/2

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
SECTION 30: S/2  
SECTION 31: W/2

(h) Extend the South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

ed



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September 15, 1971  
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TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
SECTION 30: S/2

- (i) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM  
SECTION 25: NW/4 SE/4

- (j) Extend the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM  
SECTION 22: W/2

- (k) Extend the Flying "M"-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
SECTION 9: NE/4

- (l) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
SECTION 9: W/2, NE/4 and N/2 SE/4

- (m) Extend the Grayburg Jackson Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
SECTION 18: S/2 NW/4

- (n) Extend the Langlie-Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
SECTION 20: NW/4 and NW/4 SW/4

- (o) Extend the Power Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
SECTION 1: NE/4 NE/4

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
SECTION 6: SW/4 NW/4

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Docket No. 20-71

(Case 4596 continued)

(p) Extend the East Shoebar-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM  
SECTION 29: SW/4  
SECTION 30: SE/4

(q) Extend the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 12: S/2  
SECTION 14: S/2  
SECTION 23: N/2

(r) Extend the North Vacuum-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 4: NW/4

(s) Extend the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 5: SE/4

(t) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM  
SECTION 2: S/2 and NW/4  
SECTION 3: NE/4  
SECTION 7: S/2  
SECTION 10: E/2  
SECTION 11: N/2

CASE 4602: Application of Tenneco Oil Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 104 B II, approval of an unorthodox Pennsylvanian oil well location for its Pah Well No. 1 located 1500 feet from the South line and 990 feet from the East line of Section 3, Township 25 North, Range 11 West, San Juan County, New Mexico.

CASE 4603: Application of Tenneco Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sand Springs Unit Area comprising 2999 acres, more or less, of State lands in Townships 10 and 11 South, Ranges 34 and 35 East, Lea County, New Mexico.

CASE 4563: Continued from the August 11, 1971 Examiner Hearing  
Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4592: Continued from the September 15, 1971 Examiner Hearing  
Application of Gulf Oil Corporation for amendment of order permitting commingling of production, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079, which order authorized the applicant to commingle production from the Hobbs (Grayburg-San Andres) and Hobbs-Blinbry Pools on its W. D. Grimes NCT-B Lease and to commingle production from said lease with the Hobbs (Grayburg-San Andres) Pool on its W. D. Grimes NCT-A lease, located in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico. Applicant seeks to allocate production to each lease and pool on the basis of by-monthly tests rather than monthly tests.

Docket No. 21-71

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1971

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 4604: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the consolidation of the Eunice and Monument areas of the Eunice Monument Pool (Grayburg-San Andres), Lea County, New Mexico, and the ascertainment of a common efficient gas-oil ratio limitation for the consolidated area.
- CASE 4598: Application of Continental Oil Company for an exception to Order No. R-2408, and for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Meyer B-4 Well No. 28 in Unit R of Section 4, Township 21 South, Range 36 East, as the second well on an 80-acre proration unit in the Oil Center-Blinebry Pool and to complete said well as a dual completion (conventional) to produce oil from said Oil Center-Blinebry Pool and the Eunice Grayburg-San Andres Pool through parallel strings of tubing.
- CASE 4599: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SEMU Well No. 61 located in Unit P of Section 15, Township 20 South, Range 37 East, as a dual completion to produce gas from the Weir-Drinkard Pool through tubing and gas from the Weir-Blinebry Pool through the casing-tubing annulus.
- CASE 4600: Application of El Paso Natural Gas Company for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the NW/4, N/2 SW/4, SW/4 SW/4, and NW/4 NE/4 of Section 22, Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to its Leonard State "Com" Well No. 1 located in Unit E of said section.
- CASE 4601: Application of Humble Oil & Refining Company for the re-dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3700, to permit the simultaneous dedication of the standard 640-acre Eumont gas proration unit authorized therein to its New Mexico "G" State Wells 2 and 6 located in Units P and M respectively of Section 26, Township 21 South, Range 36 East, Lea County, New Mexico rather than Wells 2 and 4 as at present.

**Memo**

*8/25*  
From

A. L. PORTER, JR.  
SECRETARY-DIRECTOR

To Dan,

Will you please  
give Chuck an  
answer on this  
subject?  
Thanks

# Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland  
AREA PRODUCTION MANAGER

August 24, 1971

P. O. Box 670  
Hobbs, New Mexico 88240

**RECEIVED**

AUG 25 1971

ML CONS

*Case 4592*

Re: Gulf Oil Corporation  
Case No. 4467, Order  
No. R-4079

Mr. A. L. Porter, Jr.  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Sir:

Attached please find copy of letter sent to your office on March 26, 1971. Physical work on commingling these tank batteries has not started because of right-of-way problems; however, this matter has now been resolved and actual commingling should be completed during the next 30 days.

In view of the above, your thoughts about 60 day testing in lieu of 30 day testing will be appreciated. Please advise.

Yours very truly,

*C. D. Borland*

C. D. BORLAND  
Area Production Manager

CDB:ptg  
Att'd.



A DIVISION OF GULF OIL CORPORATION

DOCKET MAILED

Date

*for Sept 29th*

DOCKET MAILED

Date

*9-3-71*

# Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland  
AREA PRODUCTION MANAGER

March 26, 1971

P. O. Box 870  
Hobbs, New Mexico 88240

*Case 4592*

Mr. A. L. Porter, Jr., Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Subject: Gulf Oil Corporation - Case No. 4467, Order No. R-4079

Dear Mr. Porter:

Order No. R-4079 authorized Gulf Oil Corporation to commingle prior to measurement production from the Hobbs (Grayburg-San Andres) and Hobbs-Blaine Pools from wells on the W. D. Grimes (NCT-B) lease and production from the Hobbs (Grayburg-San Andres) pool on the W. D. Grimes (NCT-B) and W. D. Grimes (NCT-A) leases.

Part 3 of subject order stated, "That the commingled production authorized in Orders (1) and (2), above, shall be allocated to each of the subject wells, pools, and leases on the basis of monthly well tests." Although this comingling is not yet in effect, there appears to be one minor problem. That is, testing of the wells involved will require that thirteen separate tests be taken each month. Disposing of the fluid (oil and water) from these tests will require a minimum of sixteen additional days. On this basis, then, a total of 29 testing days will be required each month, which leaves very little time to correct any routine trouble that is normally encountered in any tank battery operation. The question then arises, would it be feasible or permissible to submit the required tests on a 60-day basis? I fully realize that we can abide by the terms of the order, but 60-day testing would grant us some flexibility in the event of prolonged mechanical trouble. Any consideration you could give to permit 60-day testing in lieu of 30-day testing would be greatly appreciated. Please advise.

Very truly yours,

C. D. BORLAND  
Area Production Manager

CDB:ec



A DIVISION OF GULF OIL CORPORATION

# Gulf Oil Company - U.S.

LAW DEPARTMENT

William V. Kastler  
ATTORNEY

September 7, 1971

P. O. Box 1150  
Midland, Texas 79701

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

RECEIVED  
SEP 8-1971

311 PM

Attention: Mr. George M. Hatch  
General Counsel

Re: Case No. 4592 Gulf's Application to  
Amend Order No. R-4079 permitting  
Commingling of Production on the  
W. D. Grimes NCT-A and -B Leases,  
Lea County, New Mexico.

*MA*

Dear George:

Confirming my telephone conversation with you this morning,  
I respectfully request that the above listed case which is  
set for hearing on September 15, 1971, be continued to the  
hearing set for September 29, 1971.

Also, I would appreciate your sending me a copy of the Tran-  
script in Case No. 4467 which was heard December 2, 1970,  
out of which Order No. R-4079 was adopted.

With best personal regards, I am

Sincerely yours,

*Bill*

William V. Kastler

WVK:ejl

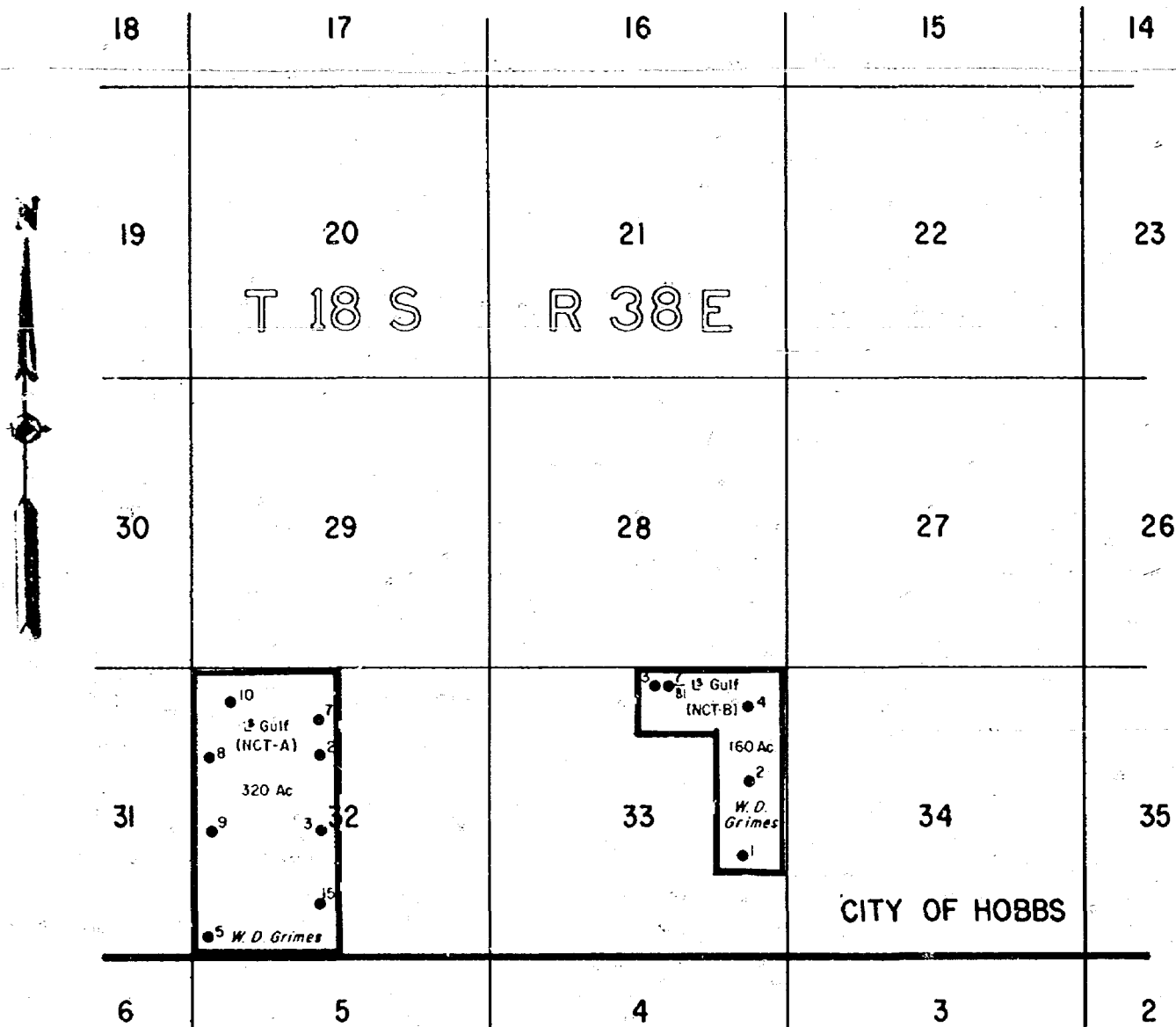


A DIVISION OF GULF OIL CORPORATION

DOCKET MAILED

Date 9-17-71





PLAT OF  
GULF OIL CORPORATION'S

W. D. GRIMES (NCT-A) AND (NCT-B) LEASE  
LEA COUNTY, NEW MEXICO

- LEGEND -



Pertinent Lease

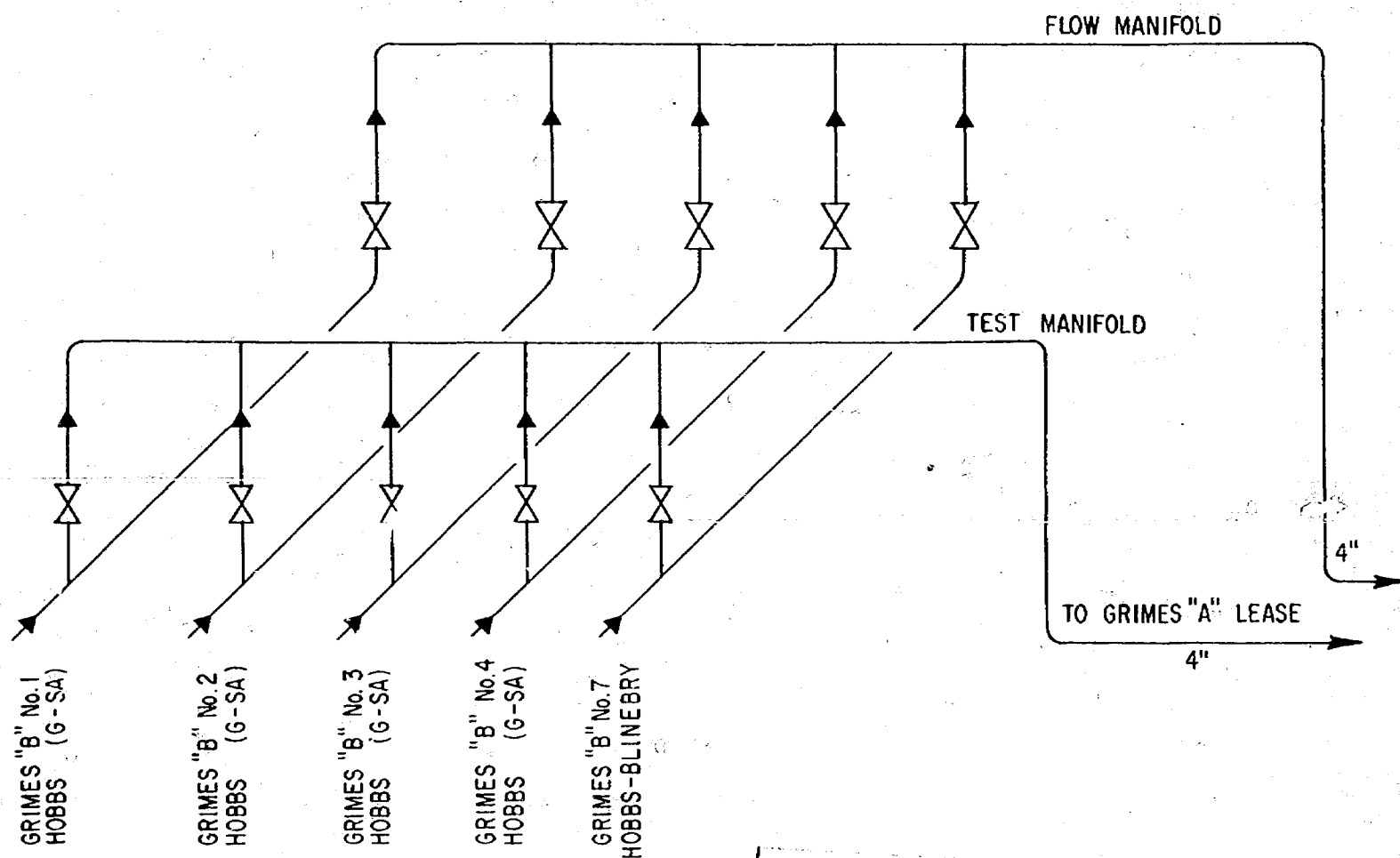
• Wells Approved for Commingling by Order No. R-4079

ENGINE EXAMINER UTZ  
EXHIBIT NO. 1  
CASE NO. 4592

EXHIBIT NO. 1  
CASE NO. 4592  
Sept. 29, 1971

SCHEMATIC DIAGRAM  
PROPOSED FLOW LINE HEADER

GULF OIL CORPORATION  
W. D. GRIMES (NCT-B) LEASE



BEFORE EXAMINER 117  
SUBMITTED FOR COMPLETION  
EXHIBIT NO. 2  
CASE NO. 4592

CASE NO. 4592  
EXHIBIT NO. 2

September 29, 1971

SCHEMATIC DIAGRAM  
 TANK BATTERY  
 W. D. GRIMES (NCT-A) LEASE  
 HOBBS (G-SA) POOL  
 GULF OIL CORPORATION

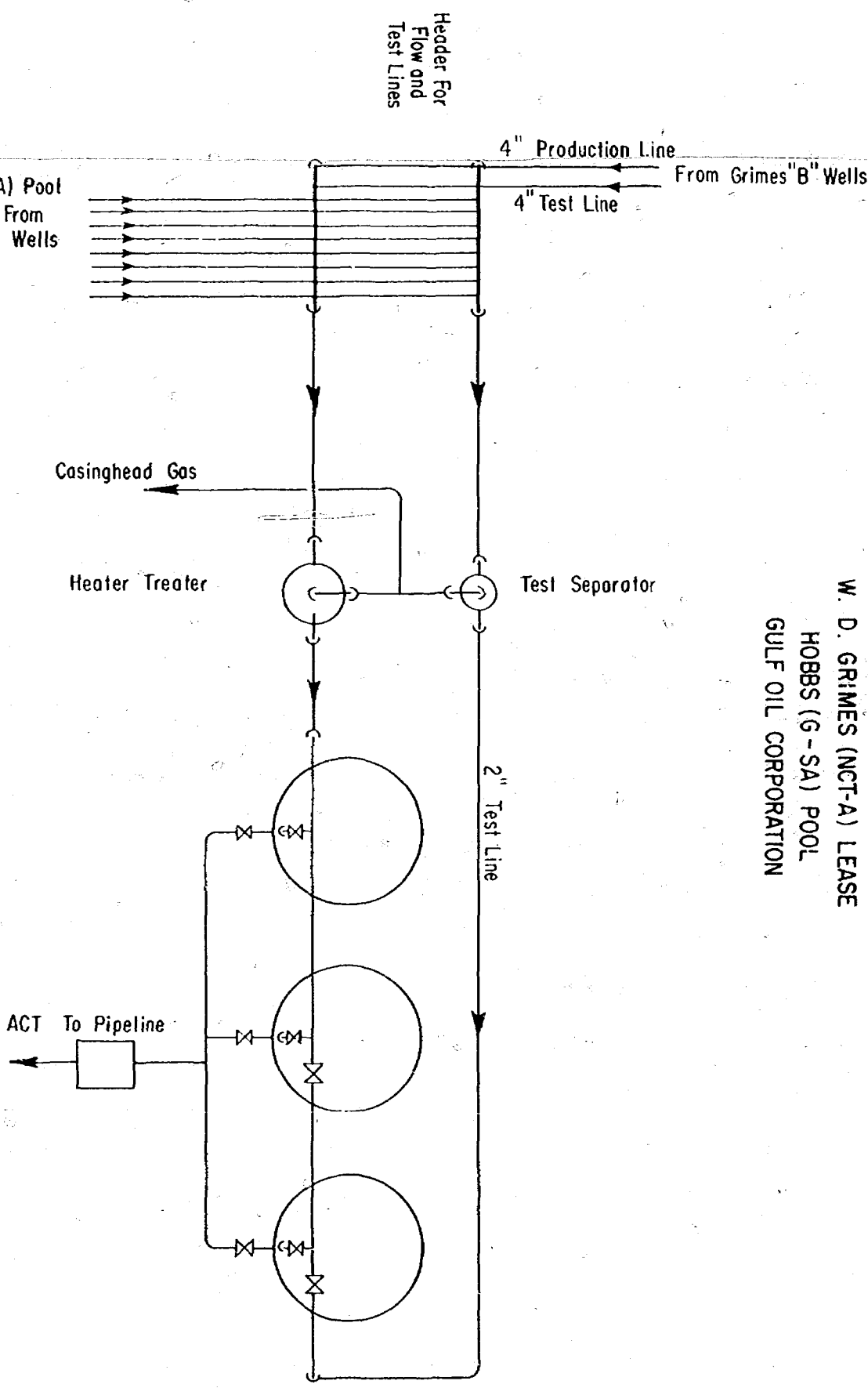


EXHIBIT NO. 3  
 CASE NO. 4592

CASE NO. 4592  
 EXHIBIT NO. 3  
 September 29, 1971

# NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

## APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Lea	Date September 8, 1971
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease SEMU	Well No. 61
Location or Well P	Unit P	Section 15	Township 20 South
		Range 37 East	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X

2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_; Operator, Lease, and Well No.: \_\_\_\_\_

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Weir Blinbry		Weir Drinkard
b. Top and Bottom of Pay Section (Perforations)	5654' - 5766'		6640' - 6676'
c. Type of production (Oil or Gas)	gas		gas
d. Method of Production (Flowing or Artificial Lift)	flowing		flowing

4. The following are attached. (Please mark YES or NO)

- YES a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and /or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- YES b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- YES c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- YES d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Amoco Production Company, P. O. Box 68, Hobbs, New Mexico

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES \_\_\_\_\_ NO X. If answer is yes, give date of such notification \_\_\_\_\_.

**CERTIFICATE:** I, the undersigned, state that I am the Assistant Division Manager of the Continental Oil Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

  
Signature

\* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

**NOTE:** If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

MINOR (SF) = 2 MINOR (H) = 1 PLAT: JIN: JIN: FILE

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

*ALP*  
CASE No. 4592

Order No. R- 4079-A

APPLICATION OF GULF OIL CORPORATION  
FOR AMENDMENT OF ORDER PERMITTING  
COMMINGLING OF PRODUCTION, LEA  
COUNTY, NEW MEXICO.

*Don*  
*9-7-71*  
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of October, 1971, 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 by Order No. R-4079, dated December 8, 1970, the  
applicant, Gulf Oil Corporation, was authorized to commingle prior  
to measurement production from the Hobbs (Grayburg-San Andres) and  
Hobbs-Blinbry Pools from wells on the W. D. Grimes NCT-B Lease  
comprising the NW/4 NE/4, E/2 NE/4, and NE/4 SE/4 of Section 33,  
Township 18 South, Range 38 East, NMPM, Lea County, New Mexico;  
and to allocate the commingled production to each of the subject  
wells, pools, and leases on the basis of monthly well tests.

*and to commingle prior to measurement the aforementioned commingled  
production and production from the Hobbs (Grayburg - San Andres)  
Pool from wells on the W. D. Grimes NCT-A Lease comprising  
the W/2 of Section 32, same Township and Range;*

(3) That the applicant seeks the amendment of said Order No. R-4079 to permit the allocation of the commingled production on the basis of bi-monthly tests rather than monthly tests.

(4) That it is extremely difficult to complete the testing requirements on a monthly basis.

(5) That allocation of the commingled production on the basis of bi-monthly tests will not cause waste and will protect correlative rights.

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That Order (3) of Order No. R-4079 is hereby amended to read in its entirety as follows:

"(3) That the commingled production authorized in Orders (1) and (2), <sup>*now, shall*</sup> ~~should~~ be allocated to each of the subject wells, pools, and leases on the basis of bi-monthly well tests."

(2) That Order (4) of Order No. R-4079 is <sup>*hereby*</sup> ~~is~~ amended to read in its entirety as follows:

"(4) That the facilities for the commingling of production authorized in Orders (1) and (2), above, shall be installed and maintained in a manner that will permit a determination of the producing capacity of each of the subject wells on the above-described leases <sup>*at least*</sup> ~~bi-monthly~~ bi-monthly."

(3) That Order (5) of Order No. R-4079 is hereby amended to read in its entirety as follows:

-3-

CASE NO. 4592

Order No. R- 4079-A

" (5) That the applicant shall conduct bi-monthly productivity tests on each of the subject wells on the above-described leases and shall file the results of said tests with the Commission's District Office at Hobbs, New Mexico, on Commission Form C-116 bi-monthly, all until further order of the Commission.

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

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

CASE 4593: Appli. of CONTINENTAL  
FOR AN EXCEPTION TO ORDER R-3221,  
AS AMENDED, CHAVES COUNTY, N.M.

*Dismiss*

*Cont to 10/13 Ramon Jim  
Ramon N.M.*

*Cont to Mar 17*

*Cont to ~~12-18-71~~  
Dec-16, 1972*