

Case Number
4688

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
April 5, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil
Corporation for a non-
standard proration unit, Lea
County, New Mexico.

Case No. 4688

BEFORE: Daniel S. Nutter
Alternate Examiner.

TRANSCRIPT OF HEARING

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1 MR. NUTTER: Call case 4688.
 2 MR. HATCH: Case 4688. Application of Gulf
 3 Oil Corporation for a non-standard proration unit, Lea
 4 County, New Mexico.

5 MR. KASTLER: If the Examiner please, my name
 6 is Bill Kastler, and I am Gulf's attorney from Midland, and
 7 our witness this morning in this case is Mr. R. O. Bobo,
 8 production engineer.

9 (THEREUPON, the witness was duly sworn.)

10 MR. KASTLER: We have three exhibits, which at
 11 this time I would like to have marked.

12 (THEREUPON, Applicant's Exhibits One, Two, and
 13 Three were marked for identification.)
 14

15 R. O. BOBO
 16 was called as a witness on behalf of the application, and
 17 having been first duly sworn, testified upon his oath as
 18 follows, to-wit:
 19

20 DIRECT EXAMINATION

21 BY MR. KASTLER:

22 Q. For the record, will you please state your
 23 name, by whom you are employed, and in what position?

24 A. I am Robert O. Bobo district proration engi-
 25 neer for Gulf Oil Corporation, out of Midland, Texas.

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1 Q Have you previously appeared before the New
2 Mexico Oil Conservation Commission examiner's hearings and
3 been sworn as an expert petroleum geologist?

4 A Yes, I have.

5 Q Petroleum engineer?

6 A Engineer, right, uh-huh.

7 Q Are you familiar with Gulf's application in
8 case number 4688?

9 A Yes, I am.

10 Q What is Gulf seeking in this application?

11 A We are seeking approval to consolidate two non-
12 standard gas proration units in the Jalmat gas pool to form
13 one six-hundred-acre non-standard unit comprising the
14 southwest quarter, the south half of the northwest quarter,
15 the northwest quarter of the northwest quarter, and the east
16 half of Section 4, Township 22 South, Range 36 East, Lea
17 County, New Mexico, to be dedicated to our number seven and
18 thirteen JF Janda (NCT-F) wells, located respectively in the
19 unit K and P of Section 4.

20 Q I believe you have an exhibit which will show
21 what Gulf is asking in this proposal. Will you please explain
22 what is shown on exhibit number one?

23 A Exhibit number one is a plat showing Gulf's
24 JF Janda (NCT-F) lease with the existing non-standard prora-
25 tion units outlined in red. The proposed consolidated

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1 non-standard proration unit is outlined in green.

2 The unit wells are circled in red, the larger
 3 circles are fifteen-hundred-foot radius circles, the JF
 4 Janda (NCT-F) lease includes all of Section 4 in Township 22,
 5 and Range 36 East in Lea County. The State of New Mexico
 6 holds a royalty interest, and you will note that Texas-Pacific
 7 Oil Company and Atlantic-Richfield Company have leases within
 8 the fifteen-hundred-foot radius of Gulf's well number thirteen,
 9 and offset the JF Janda lease to the south and west.

10 Gulf has the adjoining lease to the north and
 11 east. Gulf's JF Janda (NCT-F) well number eight, which is
 12 located in unit C of Section 4, is completely in the Jalmat
 13 oil pool. Therefore, the forty acres dedicated to it cannot
 14 be assigned to the proposed non-standard gas proration unit.

15 Q Can you give the history of Gulf's JF Janda
 16 (NCT-F) wells number seven and thirteen?

17 A Well number seven is located in unit K, and it
 18 is nineteen hundred and eighty feet from the south line and
 19 nineteen hundred and seventy feet from the west line in
 20 Section 4. It was originally completed November 1956, as an
 21 oil well in the south Eunice pool.

22 Then in October of 1957, the well was dual
 23 completed in the south Eunice pool and the Jalmat gas pool.
 24 By the administrative order NST-707, effective June the 25th,
 25 1965, the present two hundred and eighty acre non-standard

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1 proration unit was approved with well number seven desig-
 2 nated as the unit well.

3 Prior to that time there had been some -- several
 4 other non-standard proration units assigned to it, first one
 5 being October, 1957, under administrative order NSP-404.

6 This well, or this unit originally consisted of
 7 three hundred and twenty acres. Then in September, 1960, by
 8 order number R-1770, it was reduced to a hundred and sixty
 9 acre unit, and then in November of '64, it was, by adminis-
 10 trative order NSP-695, increased to two hundred and forty,
 11 and then the present NSP-707 gave us the present two hundred
 12 and eighty acre unit.

13 I think our exhibit number two will reflect
 14 why I am mentioning that aspect of it.

15 JF Janda (NCT-F) well number thirteen, located
 16 in unit P, six hundred and fifty feet from the south line and
 17 six hundred and sixty feet from the east line of Section 4,
 18 was originally completed November the 25th, 1957, as an oil
 19 well in the south Eunice pool, and the well was dually
 20 completed September, 1960, in the south Eunice pool and the
 21 Jalmat gas pool, a three hundred and twenty acre non-standard
 22 gas proration unit covering the east half of Section 4 was
 23 then assigned to this well by order number R-1770, and that
 24 was case number 2068, dated September 20th, 1960.

25 Our exhibit two and three is the production

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1 history and other information relative to the subject two
 2 wells.

3 Q In that case, will you please refer to exhibit
 4 number two and explain what is shown there?

5 A Exhibit number two is a produced gas tabulation
 6 of wells in close proximity of Gulf's JF Janda (NCT-F) lease,
 7 and that includes the subject two wells, and this informa-
 8 tion was compiled from the annual reports of the New Mexico
 9 Oil and Gas Engineering Committee.

10 Due to the varying proration unit situations,
 11 changes in proration unit size from time to time, data well
 12 completion and multiple well units, further in the exhibit
 13 it is sort of difficult to draw comparative conclusions, for
 14 example, Gulf's W. A. Ramsey NCTA well number one was completed
 15 on December the 19th, 1928, and has produced some twenty-six
 16 million cubic feet of gas prior to the creation of the Jalmat
 17 gas pool, in September, 1954, and then the Texas-Pacific Oil
 18 Company staged a count two well -- well unit number forty-three
 19 is shown with a four hundred and eighty acre unit.

20 However, this unit actually includes two addi-
 21 tional wells that participated in the unit allowable, and
 22 then, you know, our exhibit two reflects that the Atlantic
 23 state 157-G well number three had very cumulative gas produc-
 24 tion to well number one, was the original unit well, and it
 25

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1 has produced some four billion cubic feet of gas prior to
 2 well number three being completed, so that unit actually
 3 reflected -- should reflect a lot more cumulative gas than
 4 is on here, and the same way with Texas-Pacific Oil Company's
 5 state A account well unit number twenty-seven. It indicates
 6 there is very little cumulative gas shown there.

7 However, in 1960, this unit was included in
 8 the three hundred and twenty acre unit which -- with well
 9 number forty-one being the unit well, but the primary purpose
 10 of this particular unit was just to show that the acres dedi-
 11 cated to the various wells can still be assumed to be pro-
 12 ductive.

13 Q Mr. Bobo, are these wells referred to in
 14 exhibit number two the same wells that you have stated are
 15 colored yellow in exhibit number one?

16 A Yes, they are. They are the adjoining proration
 17 unit wells, and we picked them on purpose to show that the
 18 productive acreage is still productive.

19 Q But there is nothing really consistent to show
 20 the number of acres dedicated to each well at any particular
 21 time, is that correct?

22 A No. That would have been quite short, as
 23 pointed out on our well number seven, the proration unit size
 24 has changed about four different times through the life of the
 25 well, so it would be hard to come up with an exhibit to reflect

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1 all of them.

2 Q However, in your opinion, exhibit number two
3 adequately portrays the fact that all of these wells are
4 presently productive, and therefore you assume --

5 A Well, well number three has been shut-in as of
6 -- it's unable to produce right now, but this exhibit would
7 indicate that it wasn't a good well to start with back --

8 Q Very well.

9 A -- but well number one-A was the original unit
10 well, and it produced some four billion cubic feet of gas,
11 which is in line with the other wells. Exhibit three will
12 indicate when that well was shut-in, by the way.

13 Q Now, please refer to exhibit number three, and
14 explain what is shown there?

15 A Well, exhibit number three shows the producing
16 interval to the best of our knowledge, to my records. I didn't
17 actually research it, for the same wells shown in our exhibit
18 number two, and also shows an annual seventy-hour gas well
19 shut-in pressure, and that shows that the Atlantic-Richfield
20 state well G-57 number three was temporarily abandoned in
21 1970, and you will also note on this exhibit that the shut-in
22 pressure increased towards the northeast.

23 Our wells have a little higher pressure than
24 the wells to the south and to the west, and one of the things
25 I should point out about this is the low shut-in pressure

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1 clearly shows the need for the low gas system pressure, and
 2 that pressure ranges from one thirty to one sixty, so we have
 3 very little pressure differential between flowing pressure
 4 and line pressure.

5 Q What is the reason for asking approval to
 6 consolidate the two non-standard gas proration units at this
 7 time?

8 A Well number seven has declined to a limited
 9 deliverability between twenty to twenty-seven million per
 10 month for the two hundred and eighty acre allowable, has
 11 ranged from nineteen to thirty-seven million per month.

12 The March allocation was thirty-six thousand
 13 four hundred fifty-eight. The well is unable to make produc-
 14 tion, and as of February the 1st, the well was sixty-one
 15 thousand nine hundred and eighty-four M.C.F. under-produced.

16 Now, well number seven, as stated previously,
 17 is a dual well with completion in the Jalmat gas pool and the
 18 south Eunice Seven Rivers Queen oil pool, and the Jalmat gas
 19 completion is the upper completion, so any remedial work to
 20 attempt an increase in the deliverability would not only be
 21 costly, in the neighborhood of fifteen thousand dollars, but
 22 would jeopardize the lower completion, and well number
 23 thirteen produced seventy-nine million in September, 1971, and
 24 I think our exhibit number two would show that the transmis-
 25 sion company produces that well just immediately. In other

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1 words, back in January of 1971, it produced eighty-six
 2 million, February of -- fifty-one million, and then they just
 3 had very little production until they needed it again in
 4 September, and they opened it up to produce seventy-nine
 5 million, indicating that well is a --

6 Q In other words, has the recoverability?

7 A Is a deliverable well, and they show preference
 8 to -- you notice well number seven produced continuously
 9 throughout the year, there. Wells number seven and thirteen
 10 combined should be able to deliver some one hundred million
 11 cubic feet per month, which is greater than the combined six
 12 hundred acre allowable of seventy-eight thousand, a hundred
 13 and twenty-five M.C.F. for March, 1972, and, of course, well
 14 number seven will continue to produce at its capacity as it
 15 is doing now, and it is our opinion that this application will
 16 afford Gulf the opportunity to produce its just and equitable
 17 share of the gas in the Jalmat gas pool and will protect
 18 correlative rights.

19 Q And this application is in the interest of
 20 protecting correlative rights, is this correct?

21 A Yes, it is. Exhibit number one shows that Gulf
 22 JF Janda (NCT-F) lease is fully developed and is surrounded
 23 by existing gas proration units with the exception of the
 24 extreme northwest where Gulf has Jalmat oil pool completions.
 25 This approach here would allow you more flexibility in

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1 producing one of the other wells, as the transmission company
 2 is doing now.

3 Q Has there been any precedent for this type of
 4 approach?

5 A Yes. On March 10th, 1971, the Commission did
 6 act favorably on the application of Texas-Pacific Oil in
 7 case number 4501, order number R-4116 was issued on the --
 8 I saw only three of the wells that were involved at that time,
 9 but to the southwest, you will notice on exhibit number one,
 10 that Texas-Pacific has three wells dedicated there of four
 11 hundred and eighty acre non-standard gas proration units.

12 Q Were exhibits one, two, and three prepared by
 13 you or under your direction and supervision?

14 A Yes, they were.

15 MR. KASTLER: I would like to have exhibits one,
 16 two, and three admitted into evidence at this time.

17 MR. NUTTER: Gulf Exhibits One, Two, and Three
 18 will be admitted in evidence.

19 MR. KASTLER: And this completes our direct
 20 examination.

21

22

CROSS EXAMINATION

23 BY MR. NUTTER:

24 Q Mr. Bobo, you gave us the deliverability for
 25 the number seven well, and the allowable for two hundred and

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1 eighty acre units. You said they average from nineteen to
2 thirty-seven million per month, correct?

3 A. I believe I used twenty to thirty-seven; let
4 me see. From twenty to twenty-seven. However, our exhibit
5 number two indicates that --

6 Q. Well, that was the deliverability, right?

7 A. Yes, right.

8 Q. Now, what is the allowable for a unit that size?

9 A. The March allowable was -- yeah, thirty-six
10 thousand four hundred fifty-eight. That was in March. That
11 was the latest proration schedule we have.

12 Q. And the well is -- as you gave, an unproduced
13 status as of a certain date. What was that?

14 A. As of February 1, the well was under-produced
15 sixty-one thousand nine hundred and four.

16 Q. Now, what do you expect the deliverability on
17 the number thirteen is, the deliverability, something in the
18 neighborhood of three million a day or what?

19 A. Right. If you will notice on our exhibit two,
20 in January, the transmission company produced eighty-six
21 million for that particular month, so it would be around three
22 million deliverability there.

23 Q. And you estimate that the combined deliver-
24 ability, then, would be a hundred -- a hundred and ten million?

25 A. Right, something in that order.

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1 Q And what does the average allowable for the --
 2 a six hundred acre unit run?

3 A Let's see, I have it written down some place --

4 MR. KASTLER: Yeah, here it is. It's the last
 5 page.

6 A The eight hundred acre allowable?

7 Q Yeah.

8 A Seventy-eight thousand a hundred and twenty-
 9 five M.C.F. for March, 1972, where we would have excess
 10 capacity.

11 Q Well, now, the number seven is much more
 12 favorably located to drain this proposed combined unit, but
 13 the capacity is in the number thirteen well, would the number
 14 seven continue to be produced all it could?

15 A All it could, as we did in 1971. It -- if you
 16 will notice there, that it was produced continuously.

17 Q This is maximum production for the well?

18 A Yes.

19 Q So you were producing -- you would produce all
 20 you can out of the number seven, and then you would make up
 21 the allowable for the unit out of the number thirteen?

22 A The number thirteen, that's right.

23 Q Okay.

24 MR. NUTTER: Any further questions of Mr.

25 Bobo?

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1 MR. KASTLER: What is the company taking, gas?
 2 THE WITNESS: Northern Natural Gas takes our
 3 gas.
 4 MR. NUTTER: What is the status of the New
 5 Mexico thirteen at the present time, Mr. Bobo?
 6 THE WITNESS: Well, the transmission company
 7 produces the wells for us. Let's see if I have the latest.
 8 In February we made two hundred and fifty-six M.C.F., and in
 9 March they estimated we made eight hundred M.C.F. per day,
 10 so in other words, it is still restricted. We are under
 11 ninety-two thousand oh two one.
 12 MR. NUTTER: You're what?
 13 THE WITNESS: Under-produced ninety-two thousand
 14 oh two one as of April 1.
 15 MR. NUTTER: So even with this great ability
 16 to produce, the well at the present time has an under-produced
 17 status?
 18 THE WITNESS: Right, but the transmission company
 19 now probably next month, or month after next, will come in and
 20 produce it at a high rate.
 21 MR. NUTTER: And get it back in balance pretty
 22 quick?
 23 THE WITNESS: Yes, get it back in balance again.
 24 MR. NUTTER: Okay. Are there any further
 25 questions of Mr. Bobo? You may be excused.

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(THEREUPON, the witness was excused.)

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

MR. KASTLER: Nothing more, thank you.

MR. NUTTER: Does anyone have anything to
offer in case number 4688? Take the case under advisement,
and a fifteen-minute break.

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1 STATE OF NEW MEXICO)
) SS.
 2 COUNTY OF BERNALILLO)

3 I, LINDA MALONE, a Certified Shorthand Reporter, do
 4 hereby certify that the foregoing and attached Transcript of
 5 Hearing before the New Mexico Oil Conservation Commission was
 6 reported by me; and that the same is a true and correct
 7 record of the said proceedings, to the best of my knowledge,
 8 skill and ability.
 9
 10
 11

Linda Malone
 CERTIFIED SHORTHAND REPORTER

22 I do hereby certify that the foregoing is
 23 a complete record of the proceedings in
 the Bernalillo hearing of case No. 4688
 heard by me on 4/5 1972.

24 *[Signature]* Foreman
 New Mexico Oil Conservation Commission
 25

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I N D E X

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OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

April 17, 1972

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

Re: Case No. 4688
Order No. R-4288
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.
A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 4688
Order No. R-4288

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of April, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gulf Oil Corporation, is the owner and operator of a 280-acre non-standard gas proration unit comprising the SW/4, S/2 NW/4, NW/4 NW/4 of Section 4 and a 320-acre non-standard gas proration unit comprising the E/2 of Section 4, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the 280-acre non-standard unit is presently dedicated to applicant's J. F. Janda (NCT-F) Well No. 7, located in Unit K of said Section 4, and that the 320-acre non-standard unit is presently dedicated to applicant's J. F. Janda (NCT-F) Well No. 13, located in Unit P of said Section 4.

(4) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 600-acre non-standard gas proration unit comprising the SW/4, S/2 NW/4, NW/4 NW/4 and E/2 of said Section 4, said unit to be simultaneously dedicated to its J. F. Janda (NCT-F) Wells Nos. 7 and 13.

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

-2-

CASE NO. 4688
Order No. R-4288

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the J. F. Janda (NCT-F) Wells Nos. 7 and 13.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool, and will otherwise prevent waste and protect correlative rights, provided the above-described Well No. 7 is produced at capacity subject to the allowable assigned to the unit.

IT IS THEREFORE ORDERED:

(1) That, effective May 1, 1972, a 600-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SW/4, S/2 NW/4, NW/4 NW/4 and E/2 of Section 4, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Gulf Oil Corporation's J. F. Janda (NCT-F) Well No. 7, located in Unit K of said Section 4, and to Gulf Oil Corporation's J. F. Janda (NCT-F) Well No. 13, located in Unit P of said Section 4.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 600 acres and the operator may produce the allowable assigned to the unit from the subject wells in any proportion. Provided, however, that Well No. 7 in Unit K, of said Section 4, shall be produced at capacity subject to the allowable assigned to the aforesaid non-standard gas proration unit, and it shall not be temporarily or permanently abandoned or shut-in without the consent of the Secretary-Director of the Commission for good cause shown.

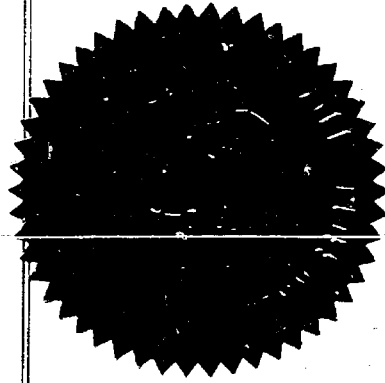
(3) That the cumulative overproduction/underproduction status of said consolidated unit shall be the combined cumulative overproduction/underproduction statuses as of May 1, 1972, of the two units being consolidated.

(4) That the cancellation status of said consolidated unit shall be the combined cancellation statuses as of May 1, 1972, of the two individual units being consolidated.

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

-3-
CASE NO. 4688
Order No. R-4288

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/

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 5, 1972

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 4539: (Continued from the November 17, 1971, Examiner
Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Doanbuy Lease & Company, Inc., and all other interested persons to appear and show cause why its following described wells in Section 27, Township 14 South, Range 33 East, Saunders Pool, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4690: Application of Shell Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Antelope Ridge-Morrow Pennsylvanian and Antelope Ridge-Devonian Gas Pools in the wellbore of its Antelope Ridge Well No. 2, a dual completion, in Unit B of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico.

CASE 4688: Application of Gulf Oil Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two non-standard gas proration units to form one 600-acre non-standard gas proration unit comprising the SW/4, S/2 NW/4, NW/4 NW/4, and E/2 of Section 4, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. F. Janda (NCT-F) Wells Nos. 7 and 13 located, respectively, in Units K and P of said Section 4.

CASE 4683: Application of Mark Production Company for the creation of a new oil pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause,

SELECT WELLS
JALISCO GAS POOL
LEA COUNTY, NEW MEXICO

WELL	J. F. JANDA (NCT-F) No. 7 320-Acre Unit		J. F. JANDA (NCT-F) No. 13 320-Acre Unit		W. A. RUSSELL (NCT-A) No. 1 480-Acre Unit		HARRY LEONARD (NCT-D) No. 3 480-Acre Unit		D. D. HARRINGTON Well No. 1 160-Acre Unit		ARCO STATE 1570 Well No. 3 160-Acre Unit		T. P. OIL CO. STATE "A" ACCT. 2 Well Unit 27 160-Acre Unit		T. P. OIL CO. STATE "A" ACCT. 2 Well Unit 40 320-Acre Unit		T. P. OIL CO. STATE "A" ACCT. 2 Well Unit 43 320-Acre Unit	
	ANNUAL GAS NCT	CUM. GAS NCT	ANNUAL GAS NCT	CUM. GAS NCT	ANNUAL GAS NCT	CUM. GAS NCT	ANNUAL GAS NCT	CUM. GAS NCT	ANNUAL GAS NCT	CUM. GAS NCT	ANNUAL GAS NCT	CUM. GAS NCT	ANNUAL GAS NCT	CUM. GAS NCT	ANNUAL GAS NCT	CUM. GAS NCT	ANNUAL GAS NCT	CUM. GAS NCT
1-5-72	0	0	0	0	1,029,207	27,569,020	86,609	86,609	217,431	2,492,656	0	0	0	0	227,223	607,916	0	0
1-6-72	0	0	0	0	531,064	28,098,084	556,831	643,440	270,238	2,762,894	0	0	0	0	244,151	912,107	0	0
1-7-72	0	0	0	0	1,384,540	29,472,624	760,109	1,403,609	338,146	3,121,038	0	0	0	0	327,606	1,239,713	0	0
1-8-72	0	0	0	0	819,160	31,291,784	681,113	2,094,433	233,609	3,494,297	0	0	0	0	189,554	1,552,693	313,635	24,432
1-9-72	266,533	266,533	0	0	1,399,149	32,690,933	909,721	2,994,453	233,609	3,728,906	0	0	0	0	179,300	1,731,993	264,272	313,797
1-10-72	365,454	365,454	0	0	1,951,057	33,641,990	1,043,151	4,037,604	353,156	4,081,950	0	0	0	0	169,623	1,901,616	264,272	571,345
1-11-72	55,454	55,454	0	0	2,737,877	36,379,867	2,306,639	6,344,293	444,067	4,525,950	0	0	0	0	671,216	2,572,832	264,272	835,345
1-12-72	164,849	327,916	0	0	1,678,926	38,058,793	2,332,785	8,677,078	500,330	5,026,280	0	0	0	0	590,392	3,163,224	264,272	1,099,620
1-1-73	59,949	387,911	0	0	1,450,998	39,509,791	2,069,989	11,007,067	291,354	5,317,634	0	0	0	0	182,944	3,346,168	264,272	1,363,892
1-2-73	75,850	463,761	0	0	474,544	39,984,335	362,021	11,369,088	172,920	5,490,554	0	0	0	0	129,523	3,475,691	264,272	1,628,164
1-3-73	155,238	619,000	0	0	562,133	40,546,468	546,329	11,915,417	210,326	5,700,880	0	0	0	0	136,600	3,612,291	264,272	1,892,436
1-4-73	204,164	823,164	0	0	351,416	41,197,884	448,209	12,363,626	113,830	5,814,710	0	0	0	0	183,332	3,795,623	264,272	2,156,708
1-5-73	217,728	1,040,892	0	0	326,641	41,524,525	379,010	12,742,636	127,429	5,942,139	0	0	0	0	183,332	3,978,955	264,272	2,420,980
1-6-73	115,150	1,156,042	0	0	494,587	42,019,112	515,194	13,257,830	162,413	6,104,552	0	0	0	0	139,651	4,048,606	264,272	2,685,252
1-7-73	168,719	1,324,761	0	0	311,311	42,330,423	365,159	13,622,989	120,992	6,225,544	0	0	0	0	139,651	4,188,257	264,272	2,949,524
1-8-73	167,351	1,492,112	0	0	434,636	42,765,059	335,520	13,958,509	123,309	6,348,853	0	0	0	0	226,125	4,414,382	264,272	3,213,796
1-9-73	167,351	1,659,463	0	0	435,791	43,199,850	432,591	14,391,100	131,025	6,480,078	0	0	0	0	226,125	4,640,507	264,272	3,478,068
1-10-73	167,351	1,826,814	0	0	435,791	43,635,641	331,920	14,723,020	204,279	6,684,307	0	0	0	0	226,125	4,866,632	264,272	3,742,340
1-11-73	167,351	1,994,165	0	0	435,791	44,071,432	331,920	15,054,940	204,279	6,888,586	0	0	0	0	226,125	5,092,757	264,272	4,006,612
1-12-73	167,351	2,161,516	0	0	435,791	44,507,223	331,920	15,386,860	204,279	7,092,865	0	0	0	0	226,125	5,318,985	264,272	4,270,884
1-1-74	167,351	2,328,867	0	0	435,791	44,943,014	331,920	15,718,780	204,279	7,307,144	0	0	0	0	226,125	5,545,110	264,272	4,535,156
1-2-74	167,351	2,496,218	0	0	435,791	45,378,805	331,920	16,050,700	204,279	7,511,423	0	0	0	0	226,125	5,771,235	264,272	4,799,428
1-3-74	167,351	2,663,569	0	0	435,791	45,814,596	331,920	16,382,620	204,279	7,715,702	0	0	0	0	226,125	5,997,360	264,272	5,063,700
1-4-74	167,351	2,830,920	0	0	435,791	46,250,387	331,920	16,714,540	204,279	7,920,081	0	0	0	0	226,125	6,223,485	264,272	5,327,972
1-5-74	167,351	2,998,271	0	0	435,791	46,686,178	331,920	17,046,460	204,279	8,124,360	0	0	0	0	226,125	6,449,610	264,272	5,592,244
1-6-74	167,351	3,165,622	0	0	435,791	47,121,969	331,920	17,378,380	204,279	8,328,639	0	0	0	0	226,125	6,675,735	264,272	5,856,516
1-7-74	167,351	3,332,973	0	0	435,791	47,557,760	331,920	17,710,300	204,279	8,532,918	0	0	0	0	226,125	6,901,860	264,272	6,120,788
1-8-74	167,351	3,500,324	0	0	435,791	47,993,551	331,920	18,042,220	204,279	8,737,197	0	0	0	0	226,125	7,127,985	264,272	6,385,060
1-9-74	167,351	3,667,675	0	0	435,791	48,429,342	331,920	18,374,140	204,279	8,941,476	0	0	0	0	226,125	7,354,110	264,272	6,649,332
1-10-74	167,351	3,835,026	0	0	435,791	48,865,133	331,920	18,706,060	204,279	9,145,755	0	0	0	0	226,125	7,580,235	264,272	6,913,604
1-11-74	167,351	4,002,377	0	0	435,791	49,300,924	331,920	19,037,980	204,279	9,350,034	0	0	0	0	226,125	7,806,360	264,272	7,177,876
1-12-74	167,351	4,169,728	0	0	435,791	49,736,715	331,920	19,369,900	204,279	9,554,313	0	0	0	0	226,125	8,032,485	264,272	7,442,148
1-1-75	167,351	4,337,079	0	0	435,791	50,172,506	331,920	19,701,820	204,279	9,758,592	0	0	0	0	226,125	8,258,610	264,272	7,706,420
1-2-75	167,351	4,504,430	0	0	435,791	50,608,297	331,920	20,033,740	204,279	9,962,871	0	0	0	0	226,125	8,484,735	264,272	7,970,692
1-3-75	167,351	4,671,781	0	0	435,791	51,044,088	331,920	20,365,660	204,279	10,167,150	0	0	0	0	226,125	8,710,860	264,272	8,234,964
1-4-75	167,351	4,839,132	0	0	435,791	51,479,879	331,920	20,697,580	204,279	10,371,429	0	0	0	0	226,125	8,936,985	264,272	8,499,236
1-5-75	167,351	5,006,483	0	0	435,791	51,915,670	331,920	21,029,500	204,279	10,575,708	0	0	0	0	226,125	9,163,110	264,272	8,763,508
1-6-75	167,351	5,173,834	0	0	435,791	52,351,461	331,920	21,361,420	204,279	10,779,987	0	0	0	0	226,125	9,389,235	264,272	9,027,780
1-7-75	167,351	5,341,185	0	0	435,791	52,787,252	331,920	21,693,340	204,279	10,984,266	0	0	0	0	226,125	9,615,360	264,272	9,292,052
1-8-75	167,351	5,508,536	0	0	435,791	53,223,043	331,920	22,025,260	204,279	11,188,545	0	0	0	0	226,125	9,841,485	264,272	9,556,324
1-9-75	167,351	5,675,887	0	0	435,791	53,658,834	331,920	22,357,180	204,279	11,392,824	0	0	0	0	226,125	10,067,610	264,272	9,820,596
1-10-75	167,351	5,843,238	0	0	435,791	54,094,625	331,920	22,689,100	204,279	11,597,103	0	0	0	0	226,125	10,293,735	264,272	10,084,868
1-11-75	167,351	6,010,589	0	0	435,791	54,530,416	331,920	23,021,020	204,279	11,801,382	0	0	0	0	226,125	10,519,860	264,272	10,349,140
1-12-75	167,351	6,177,940	0	0	435,791	54,966,207	331,920	23,352,940	204,279	12,005,661	0	0	0	0	226,125	10,745,985	264,272	10,613,412
1-1-76	167,351	6,345,291	0	0	435,791	55,401,998	331,920	23,684,860	204,279	12,209,940	0	0	0	0	226,125	10,972,110	264,272	10,877,684
1-2-76	167,351	6,512,642	0	0	435,791	55,837,789	331,920	24,016,780	204,279	12,414,219	0	0	0	0	226,125	11,198,235	264,272	11,141,956
1-3-76	167,351	6,680,000	0	0	435,791	56,273,580	331,920	24,348,700	204,279	12,618,498	0	0	0	0	226,125	11,424,360	264,272	11,406,228
1-4-76	167,351	6,847,351	0	0	435,791	56,709,371	331,920	24,680,620	204,279	12,822,777	0	0	0	0	226,125	11,650,485	264,272	11,670,500
1-5-76	167,351	7,014,702	0	0	435,791	57,145,162	331,920	25,012,540	204,279	13,027,056	0	0	0	0	226,125	11,876,610	264,272	11,934,772
1-6-76	167,351	7,182,053	0	0	435,791	57,580,953	331,920	25,344,460	204,279	13,231,335	0	0	0	0	226,125	12,102,735	264,272	12,199,044
1-7-76	167,351	7,349,404	0	0	435,791	58,016,744	331,920	25,676,380	204,279	13,435,614	0	0	0	0	226,125	12,328,860	264,272	12,463,316
1-8-76	167,351	7,516,755	0	0	435,791	58,452,535	331,920	26,008,300	204,279	13,639,893	0	0	0	0	226,125	12,554,985	264,272	12,727,588
1-9-76	167,351	7,684,106	0	0	435,791	58,888,326	331,920	26,340,220	204,279	13,844,172	0	0	0	0	226,125	12,781,110	264,272	12,991,860
1-10-76	167,351	7,851,457	0	0	435,791	59,324,117	331,920	26,672,140	204,279	14,048,451	0	0	0	0	226,125	13,007,235	264,272	13,256,132
1-11-76	167,351	8,018,808	0	0	435,791	59,759,908	331,920	27,004,060	204,279	14,252,730	0	0	0	0	226,125	13,233,360	264,272	13,520,404
1-12-76	167,351																	

SELECT WELLS
SHUT-IN PRESSURE & PRODUCING INTERVAL
JALMAT GAS POOL
LEA COUNTY, NEW MEXICO

COMPANY WELL	PRODUCING INTERVAL	DATE PRESS. RUN	SHUT-IN TIME HOURS	SHUT-IN PRESSURE PSIA
<u>ATLANTIC-RICHFIELD</u>				
D.D. Harrington "WN"	3103'-3447'	10-17-69	72	495.2
Well No. 1	(open hole)	10-23-70	72	471.2
		10-15-71	72	433.2
State 157 G	3193'-3571'	8-11-69	72	249.1
Well No. 3		T.A. in 1970		
<u>GULF OIL CORP</u>				
J.F. Janda (NCT-F) #7	3185'-3320'	8-11-69	72	450.4
	(Selective Perfs)			
		7-30-70	70	452.5
		6-28-71	74	381.3
J.F. Janda (NCT-F) #13	3215'-3607'	8-25-69	72	490.0
	(Selective Perfs)			
		7-30-70	70	469.3
		6-28-71		394.5
Harry Leonard (NCT-D) #3	3079'-3650'	6-30-69	72	545.0
	(open hole)			
		7-27-70	73	523.5
		7-12-71	72	487.7
W.A. Ramsay (NCT-A) #1	3068'-3856'	9-19-69	72	576.9
	(open hole)			
		5-4-70	71	546.4
		9-13-71	74	531.3
<u>TEXAS PACIFIC OIL COMPANY</u>				
State A Ac/2 Well Unit 27	3055'-3355'	9-25-69	72	424.2
		10-23-70	72	379.2
		10- 1-71	72	345.2
State A Ac/2 Well Unit 40	2987'-3459'	9-19-69	72	423.2
	(open hole)			
		9-18-70	72	424.2
		9-24-71	72	353.2
State A Ac/2 Well Unit 43	3180'-3320'	9-25-69	72	315.2
	(Selective Perfs)			
		10-23-70	72	318.2
		10- 1-71	72	218.2

BEFORE EXAMINER NOTED
OIL CONSERVATION COMMISSION
Applicant EXHIBIT NO. 3
CASE NO. 4688
Submitted by [Signature]
Hearing Date 4-5-72

GULF OIL CORPORATION
EXHIBIT NO. 3
CASE NO. 4688
DATE April 5, 1972

Gulf Oil Company-U.S.

EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

W. B. Hopkins
DISTRICT MANAGER
J. L. Pike
DISTRICT PRODUCTION
MANAGER
J. A. Hord
DISTRICT EXPLORATION
MANAGER
M. B. Moseley
DISTRICT SERVICES MANAGER

March 13, 1972

RECEIVED

MAR 14 1972

CONSERVATION COMMISSION

P. O. Drawer 1150
Midland, Texas 79701

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

Case H688

Attention Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation
for Consolidation of Two Non-Standard
Gas Proration Units, Jalmat Gas Pool,
Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiner Hearing for approval to consolidate two non-standard gas proration units into one non-standard gas proration unit and for approval to produce the single non-standard proration unit allowable in any proportion from the existing individual unit wells.

Applicant proposes to consolidate the 280-acre NSP unit dedicated to its J. F. Janda (NCT-F) Well No. 7 with the 320-acre NSP unit dedicated to its J. F. Janda (NCT-F) Well No. 13 into a single 600-acre NSP unit. It is proposed to produce the unit allowable from both wells in any proportion.

In support of this application, the following information is submitted:

- (1) Gulf Oil Corporation is the owner and operator of the J. F. Janda (NCT-F) Lease covering, among other lands, all of Section 4, T-22-S, R-36-E, Lea County, New Mexico.
- (2) J. F. Janda (NCT-F) Well No. 7, located 1980 feet from the south line and 1980 feet from the west line, Sec. 4, T-22-S, R-36-E, Lea County, New Mexico, was originally completed November 13, 1956 as an oil well in the South Eunice Pool. The Well was dual completed in October, 1957 in the South Eunice Pool and the Jalmat Gas Pool. By Administrative Order NSP-707, a 280-acre non-standard gas proration unit was approved with Well No. 7 designated the unit well.



A DIVISION OF GULF OIL CORPORATION

RECEIVED

3-23-72

March 13, 1972

- (3) J. F. Janda (NCT-F) Well No. 13, located 660 feet from the south line and 660 feet from the east line, Sec. 4, T-22-S, R-36-E, Lea County, New Mexico, was originally completed November 25, 1957 as an oil well in the South Eunice Pool. The well was dual completed September, 1960 in the South Eunice Pool and the Jalmat Gas Pool. A 320-acre NSP gas unit covering the E/2 of Sec. 4, T-22-S, R-36-E was assigned this well by Order No. R-1770 (Case No. 2068) dated September 20, 1960.
- (4) The two wells combined should be capable of producing a full 600-acre allowable, thus affording the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool, and protect correlative rights.
- (5) The attached plat defines the units and locates the unit wells.
- (6) Applicable offset operators have been furnished a copy of this application.

Respectfully submitted,

GULF OIL CORPORATION

By: H. E. Brauning, Jr.
H. E. BRAUNIG, JR.
District Production Manager

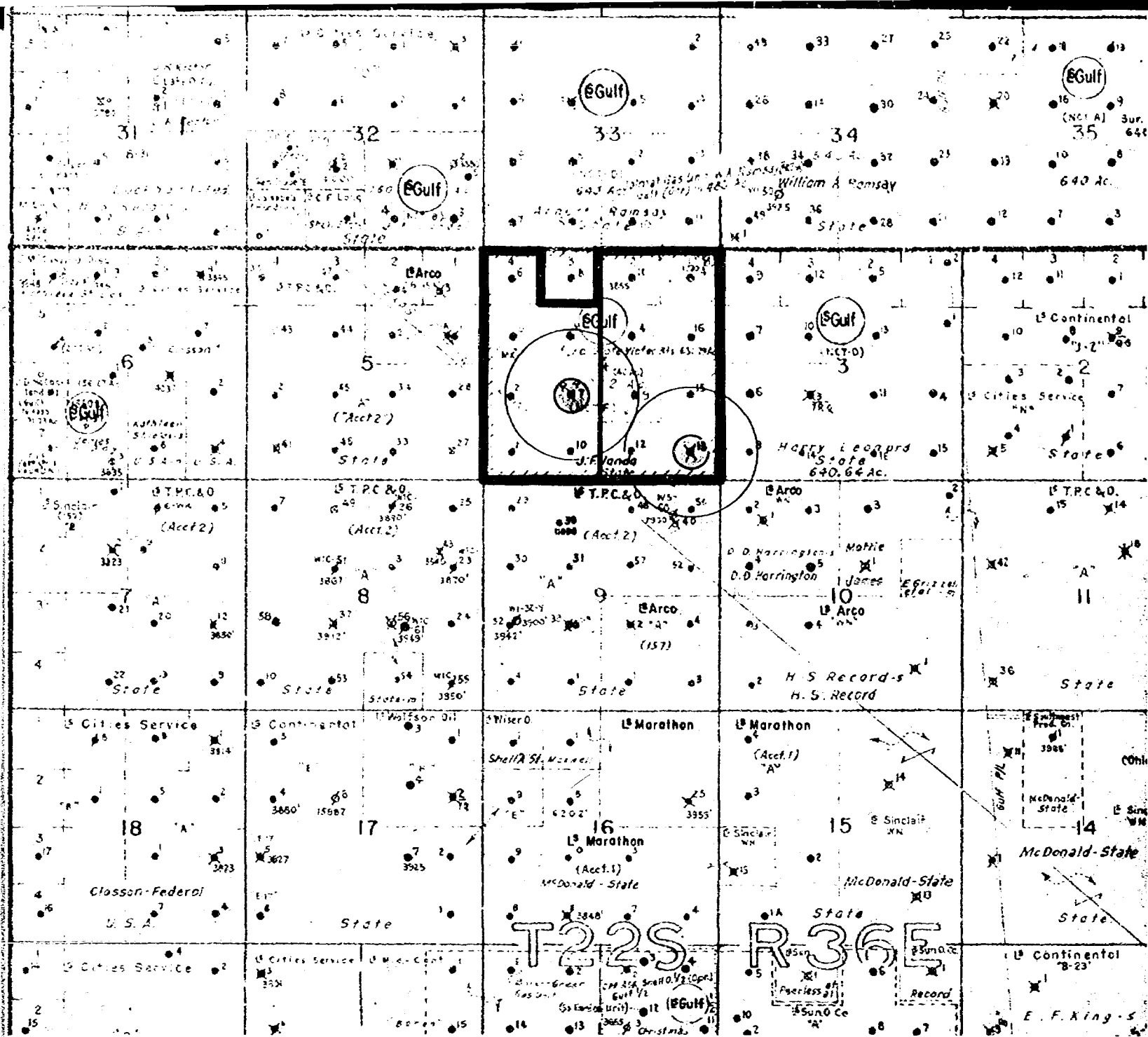
ROB:caw
Attachment

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

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148, Santa Fe, New Mexico 87501

Atlantic Richfield Co.
P. O. Box 1710, Hobbs, New Mexico 88240




Texas Pacific Oil Company, Inc.
Box 1069, Hobbs, New Mexico 88240



J.F. JANDA (NCT-F) LEASE
JALMAT GAS POOL
Lea County, New Mexico
1" = 3000'

Case 4688

LEGEND

-  Existing Non-Standard Unit
-  Proposed Consolidated Non-Standard Unit
-  Existing Unit Wells

Gulf Oil Corporation

Midland District

DRAFT

GMH/dr

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. 4688

Order No. R- 4288

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of April, 1972, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Gulf Oil Corporation, is the owner
and operator of ^{a 280-acre} ~~two~~ non-standard gas proration units comprising
^{of Section 4 and a 320-acre non-standard} the SW/4, S/2 NW/4, NW/4 NW/4, ~~and~~ E/2 of Section 4, Township 22
South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New
Mexico.

(3) That the 280-^{are non-standard unit} ~~of said Section 4~~ is presently dedicated to applicant's J. F. Janda (NCT-F) Well No. 7, located in Unit K of said Section 4, and that the 320-^{are non-standard unit} ~~of said Section 4~~ is presently dedicated to applicant's J. F. Janda (NCT-F) Well No. 13, located in Unit P of said Section 4.

(4) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 600-acre non-standard gas proration unit comprising the SW/4, S/2 NW/4, NW/4 NW/4 and E/2 of said Section 4, said unit to be simultaneously dedicated to its J. F. Janda (NCT-F) Wells Nos. 7 and 13.

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

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the J. F. Janda (NCT-F) Wells Nos. 7 and 13.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool, and will otherwise prevent waste and protect correlative rights, ^{provided the above-described Well No. 7 is produced at capacity, subject to the allowable}
IT IS THEREFORE ORDERED: ^{assigned to the unit}

(1) That, effective May 1, 1972, a 600-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SW/4, S/2 NW/4, NW/4 NW/4 and E/2 of Section 4, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Gulf Oil Corporation's J. F. Janda (NCT-F) Well No. 7, located in Unit K of said Section 4, and to Gulf Oil Corporation's J. F. Janda (NCT-F) Well No. 13, located in Unit P of said Section 4.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 600 acres and the operator may produce the allowable assigned to the unit from the subject wells in any proportion. Provided, however, that Well No. 7 in Unit K, of said Section 4, shall be produced at capacity subject to the allowable assigned to the aforesaid non-standard gas proration unit, and ^{it} ~~they~~ shall not be temporarily ~~or~~ permanently ^{abandoned or shut-in} ~~abandoned~~ without the consent of the Secretary-Director of the Commission for good cause shown.

(3) That the cumulative overproduction/underproduction status of said consolidated unit shall be the combined cumulative overproduction/underproduction statuses as of May 1, 1972 of the two units being consolidated.

(4) That the cancellation status of said consolidated unit shall be the combined cancellation statuses as of May 1, 1972 of the two individual units being consolidated.

(5) 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.