

SECRET

Case Number  
4805

Application

Transcripts

Small Exhibits

ETC.

TO Deorge  
DATE Aug 24 TIME 8:45<sup>9</sup>  
MR. Jason WHILE YOU WERE OUT  
OF \_\_\_\_\_  
PHONE \_\_\_\_\_ AREA CODE \_\_\_\_\_

|                   |                    |
|-------------------|--------------------|
| TELEPHONED        | PLEASE PHONE       |
| CALLED TO SEE YOU | WILL CALL AGAIN    |
| WANTS TO SEE YOU  | RETURNED YOUR CALL |

MESSAGE: He said to tell you that  
W.C. Montgomery owns the  
80-acre tract involved.  
He does not own or have  
any firm out on the  
remainder

MESSAGE TAKEN BY D

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
STATE LAND OFFICE  
SANTA FE, NEW MEXICO  
Wednesday, August 23, 1972 at 2:10 P. M.  
EXAMINER HEARING

IN THE MATTER OF:

Application of W. C. Montgomery for  
a non-standard proration unit,  
Roosevelt County, New Mexico.

Case No. 4805

BEFORE: RICHARD L. STAMETS, Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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P R O C E E D I N G S

MR. HATCH: Case 4805, Application of W. C. Montgomery for a non-standard proration unit, Roosevelt County, New Mexico.

MR. KELLAHIN: Jason Kellahin and we would have one witness we would like to have sworn.

(Whereupon, Mr. William J. LeMay was called to the stand and sworn.)

MR. WILLIAM J. LeMAY

having been first duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINATION

BY MR. JASON KELLAHIN:

Q Would you state your name, please?

A William J. LeMay.

Q What business are you engaged in, Mr. LeMay?

A I am a consulting geologist in Santa Fe, New Mexico.

Q In your capacity as a consulting geologist have you appeared before the Oil Conservation Commission or one of its examiners and made your qualifications a matter of record?

A Yes, I have.

MR. KELLAHIN: Are the witness's qualifications acceptable?

1 THE EXAMINER: They are.

2 Q (By Mr. Kellahin) Mr. LeMay, in connection with your work  
3 as a consulting geologist, have you done any work for  
4 W. C. Montgomery in case 4805?

5 A Yes, sir. I made a study of the east end of the associated  
6 Bluitt and San Andres field and the work I have done is  
7 being presented here.

8 Q Are you familiar with what is proposed by the applicant in  
9 this case?

10 A Yes. Mr. Montgomery proposes a non-standard proration  
11 unit which would encompass the Northeast Quarter of the  
12 Northeast Quarter of Section 20 and the Northwest Quarter  
13 of the Northwest Quarter of Section 21, Township 8 South,  
14 Range 38 East and the Bluitt associated San Andres pool.

15 Q According to what has been marked as Applicant's Exhibit  
16 1, would you identify that exhibit?

17 A Exhibit Number 1 is a well location acreage ownership and  
18 actually proration unit plat. It shows the wells in the  
19 vicinity of the proposed proration unit and it shows the  
20 proration units that have been allocated or the acreage  
21 that has been allocated to other wells producing in the  
22 Bluitt field. The Bluitt has 80 acre spacing and allow-  
23 able commensurate with that 80 acre spacing.

24 Q As I understand, the exhibit does show the present  
25 proration units as allocated to the different wells?

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- 1 A That's correct.
- 2 Q There is a non-standard unit immediately to the east of
- 3 it?
- 4 A That is correct. Union Oil Company has proposed to the
- 5 Commission a non-standard unit which they did grant
- 6 encompassing the Northwest Quarter of the Northeast
- 7 Quarter of Section 20 and the Southwest Quarter of the
- 8 Southeast Quarter of Section 17 and that straddles the
- 9 section line.
- 10 Q There is also a non-standard unit to the north of that,
- 11 is there not?
- 12 A That is correct. This would be for the Union Federal
- 13 17 1-A.
- 14 Q And to the south of it?
- 15 A That's right.
- 16 Q So you have three non-standard units in the area already;
- 17 is that correct?
- 18 A That's correct.
- 19 Q Now, as I understand the applicant proposes to drill in
- 20 the Northeast of the Northeast of Section 20; is that
- 21 correct?
- 22 A I understand that is his preferred location.
- 23 Q That would be at a standard location?
- 24 A Yes, sir.
- 25 Q Have you anything to add in connection with Exhibit

1 Number 1?

2 A No.

3 Q Referring to what has been marked as Exhibit Number 2,  
4 would you discuss that exhibit?

5 A Yes. Exhibit 2 is a structure and effective porosity map  
6 which covers a portion of the eastern end of the Bluit  
7 associated pool. The datum is the pi marker which is a  
8 radioactive silt zone above the pay. It is a good marker  
9 throughout this area. It is approximately 280 feet above  
10 the top of the P-2 zone or this zone has actually been  
11 called P-2 zone, the B zone, lower San Andres and Commission  
12 owners or the Todd zone. It all means the same thing.  
13 It is a second porosity zone. On the ten foot contour  
14 map you will see generally a dip all through this area.  
15 In fact, it is a very gentle dip when compared with other  
16 areas of the field. The main controlling factors that  
17 cause entrapment of oil in this P-2 section is our  
18 stratigraphic conditions, mainly a loss of effective  
19 porosity and permeability at the south end and north end  
20 of this section of the pool. I might point out that as  
21 you get over into Texas, directly east of Section 16,  
22 there is a field over there called the Bledsoe field and  
23 the Bledsoe field does produce from P-1 or P-2 or mill  
24 sand and Todd zones of the San Andres. That is why my  
25 effective porosity zone there opens up as you get into



1 Texas to accommodate this production. The wells are  
 2 almost self-explanatory. I might point out the fact that  
 3 the dry holes in this part of the field were because the  
 4 p-2 zone was tight and was not a good reservoir, even  
 5 though on occasion like in the Delaware Apache Koch  
 6 Federal Number 1 in the Northwest Northwest of 21, there  
 7 was good porosity indicated on the log, but there was no  
 8 effective permeability as evidenced by a completion  
 9 attempt. Other wells which initially completed for some  
 10 oil are essentially dry holes, these being the wells in  
 11 Section 16, the city service which is in approximately  
 12 nineteen eighty south and six sixty from the west and the  
 13 Delaware Apache Koch Federal Number 2 located in Section  
 14 20 in the Southwest of the Northeast of that section.  
 15 A well that is drilling currently is Production Engineering  
 16 Company's Number 1. This well is in the Southwest Quarter  
 17 of the Southwest Quarter of Section 16. The most recent  
 18 information that was reported to me on that well is that  
 19 they ran four and a half inch production casing to 4824  
 20 feet and are currently waiting on completion equipment.

21 Q As I understand you, the structure actually has little  
 22 to do with the pool boundaries; is that correct?

23 A In this part of the field I would say yes. Of course we  
 24 are only looking at four sections. You can't visualize the  
 25 total entrapment picture. Actually there is a very sharp

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1 nose located approximately a mile to the west of this  
2 map and this nose is an effective agent in controlling  
3 porosity and developing porosity. Also control to the  
4 south of Section 20 indicates that these contours that I  
5 show here, that is a very gentle area. The contours  
6 produce very steep dip to the south as the contour lines  
7 wrap around this sharp nose, but in this area of the  
8 field there is very little structure associated oil  
9 production.

10 Q Are you familiar with the completion of the Delaware  
11 Apache Koch Federal Number 1 in the Northwest of the  
12 Northwest of Section 21?

13 A Yes, sir, I am. That is one of the wells shown on my  
14 cross section AA.

15 Q That section being Exhibit Number 1?

16 A That's correct. Going back to Exhibit 1 it shows the  
17 cross section extending from the Union Federal 20 Number  
18 1 in Section 20 to the Delaware Apache Koch Federal  
19 Number 2 in Section 21 and that is Exhibit Number 3.

20 Q Would you discuss Exhibit Number 3, please?

21 A Exhibit 3 is a cross section showing the detailed San  
22 Andres porosity sections in these two wells. The top of  
23 the P-1 or upper or A zone or mill sand zone is shown on  
24 this and below that the main pay in the Bluit field, the  
25 top of the P-2 zone or lower or B or Todd zone is shown.

1 These are porosity logs and I have put on the bottom of  
2 each log the effective porosity in this carbonate pay.  
3 Now, the P-2 zone generally is considered porous if there  
4 is a minimum of five per cent porosity. As you can see,  
5 of course, the well on the left, the Union Federal 20  
6 encountered quite a bit of P-2 porosity. They did  
7 perforate this porosity and they potentialled the well  
8 for 184 barrels of oil per day with no water. This is an  
9 excellent well. It has produced over 50,000 barrels of  
10 oil to-date. The well on the right, I understand, was  
11 drill stem tested and indicated low permeability. However,  
12 after running logs on the Delaware Apache, I saw the  
13 excellent porosity and decided it needed to be production  
14 tested which they did do. They perforated the P-2 zone  
15 first from forty-seven eighty-four to eighty-five ninety  
16 to forty-eight 0 one. Forty-eight 0 five to twelve.  
17 Forty-eight sixteen to twenty-one and they set a Packer  
18 and acidized and it flowed low water and died which was  
19 shut in. I understand they did not recover their load,  
20 so they abandoned that zone and went up to the P-1 which  
21 was also attempted to completion but in general both  
22 drill stem test and the completion attempt information  
23 indicates that the zone lacked permeability, so the well  
24 was abandoned.

25 Q On the basis of the information you have then, the Koch

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1 Federal Number 1 was essentially non-productive in the  
2 subject pool?  
3 A That is correct.  
4 Q Have you made any analysis to determine what portion of  
5 the proposed unorthodox unit is productive in the Bluit  
6 San Andres pool?  
7 A Yes, I have. I have anticipated that under the proposed  
8 proration unit that 75 per cent of the acreage would be  
9 productive.  
10 Q Is that based on your analysis of the available logs and  
11 the information on this pool?  
12 A Yes, sir, the work I have done indicates that percentage  
13 and I might say that other people have agreed with me in  
14 previous testimony.  
15 Q Specifically Union Oil?  
16 A Yes, sir. Union Oil Company's map and testimony indicates  
17 very similar interpretation to the one that I did and  
18 would come up with approximately the same productive  
19 acreage.  
20 Q Would that be the case 4461?  
21 A 4451.  
22 Q Do you have anything else to add, Mr. LeMay?  
23 A No, sir.  
24 Q Were Exhibits 1, 2 and 3 prepared by you?  
25 A Yes, they were.

1 MR. KELLAHIN: At this time I would like to offer  
2 in evidence Exhibits 1, 2 and 3.

3 THE EXAMINER: Without objection the exhibits will  
4 be admitted into evidence.

5 Questions of the witness?

6 CROSS EXAMINATION

7 BY MR. STAMETS:

8 Q Mr. LeMay, why does the applicant not propose to dedicate  
9 the East Half of the Northeast Quarter of Section 20 to  
10 the well?

11 A That I don't know. If the Examiner, please, we do know  
12 that the applicant has acreage farmed out. We can only  
13 assume that that is the acreage that he has farmed out.  
14 We can verify it if you would like.

15 MR. HATCH: I think the Examiner would like to know  
16 what acreage Mr. Montgomery does control.

17 MR. KELLAHIN: We will get that information for you.

18 Q (By Mr. Stamets) Looking at your Exhibit Number 2 if the  
19 acreage proposed to be dedicated represents about 75 per  
20 cent being productive, it would appear that if the East  
21 Half of the Northeast Quarter were dedicated about 60  
22 per cent of that would be productive.

23 A That is correct. That would, I might point out, be a  
24 standard unit and would not require a hearing.

25 Q Is it your opinion that the productive limit of the pool

1 has been established in this area?

2 A In this specific area, I think it has. As you can see,  
3 there can be some locations remaining in Section 16. This  
4 acreage is owned by City Service and is under farm-out to  
5 Production Engineering which is drilling a well in the  
6 Southwest Southwest of Section 16. It looks pretty well  
7 defined by dry hole on the south and on the north, however.

8 Q What are the capabilities of the wells in the area of this  
9 proposal?

10 A They have a lot in quality, Mr. Examiner. That well I  
11 used on my cross section, Union Federal 20, as I mentioned,  
12 is an excellent well. June's production indicated it was  
13 flowing at 1611 barrels per month. The north offset to  
14 this proration unit or the Union Federal 17-A in the  
15 Southeast of the Southeast has produced over in the  
16 neighborhood of 25,000 barrels of cumulative production  
17 and June's production was 999 barrels. It is a fair well.

18 Q Is that a flowing well?

19 A It is indicated as flowing in the New Mexico production  
20 books. I might mention that those wells weren't completed.  
21 They may not currently be plugged out but they are either  
22 plugged out or in the process of being plugged. The city  
23 states in Section 16 produced a cumulative production of  
24 253 barrels of oil and 614 barrels of oil. It has not  
25 shown production for the last few months. The Delaware

1 Apache Koch Federal produced a cumulative of 185 barrels  
2 with 2,067 barrels of water. It has not produced for the  
3 last few months so they are essentially dry holes. Other  
4 wells have quite a bit in the field. Probably the best  
5 well to-date on the basis of cumulative is the Union  
6 Federal 17 Number 1 located in the Southeast Quarter of  
7 the Southwest Quarter. That well has produced approxi-  
8 mately 80,000 barrels of cumulative production and last  
9 month or in June produced 1124 barrels, again indicated  
10 as flowing on the books, but generally the wells in this  
11 area are pretty good quality.

12 Q If for allowable purposes a factor of 75 per cent were  
13 applied to this well, it would appear that the allowable  
14 would be about 1800 barrels per month just rough figuring.

15 A It should be an 80 acre factor, two times the allowable.

16 Q That would be 3600, so if it were a 75 per cent factor,  
17 this well would probably be capable of less production in  
18 the long run.

19 A You will have to run that through again.

20 Q The well probably would not be capable of producing even  
21 an amount of oil equivalent to a 75 per cent factor for  
22 the pool.

23 A I wouldn't say that. It is hard to estimate. Initially  
24 these wells will come in production and when they come in,  
25 many of the wells I have just noticed on checking the

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1 engineering reports have flowed 9400 barrels of oil per  
 2 month for a sizable period of time and if you get a good  
 3 spot in the field where you have got porosity and  
 4 permeability you can stay on that 4400 barrels of oil per  
 5 month flush production for six months. Of course, they  
 6 do come off. I wouldn't anticipate that the well would  
 7 come in under its top allowable capability, although that  
 8 is always possible.

9 Q Have you drawn your tight line so close to the Koch  
 10 Federal Number 1 because of the good porosity in the  
 11 well?

12 A Yes, sir. It is excellent porosity. It may be right  
 13 adjacent to that if you had permeability it would be a  
 14 production well.

15 Q What is a factor which tends to make this zone tight?

16 A Generally the pay is a dolomite and occasionally when it  
 17 is fractured too, especially on the sharp nose when you  
 18 get anhydrite deposition in there it will effectively seal  
 19 the porosity. Now, where the porosity shows good on the  
 20 log I would anticipate that this anhydrite deposition  
 21 probably is in close proximity to the well bore restricting  
 22 permeability tremendously. It is a very heterogenous  
 23 reservoir. It is fractured. Fracture pattern also is  
 24 important in making effective porosity. I would say there  
 25 is a very good chance that in this area the fracture



1 pattern might not just be right on that Delaware Apache  
2 well to effectively connect the porosity.

3 Q Is it your feeling that possibly even more of the Northwest  
4 Quarter of the Northwest Quarter of 21 could be produc-  
5 tive?

6 A I feel it could, yes, sir. There are some odd-ball  
7 happenings in the field. We are talking in generalities.  
8 This is a tight streak that runs up just off my map that  
9 can be argued. However, you can see a dry hole there in  
10 the vicinity of the Southwest Southwest of 17. Adjacent  
11 to that Union Oil Company has a gas well that has been  
12 claimed as producing from either P-1 or P-2, but it is  
13 generally a tight well. You go further west from there  
14 and you develop good porosity again in the Kirkpatrick  
15 wells and the other production right on top of the nose,  
16 but you do find occasional tight streaks in the field  
17 and these tight streaks, you find them in Todd also. They  
18 are rather hard to predict and quite localized sometimes  
19 or they follow unusual patterns or unpredictable patterns.  
20 These have been described due to vertical bands or narrow  
21 bands of gyp and anhydrite. They wander like a meandering  
22 stream throughout the field. Again they are very  
23 difficult to predict and it is unfortunate when you  
24 encounter them.

25 Q Are there other questions of the witness?

1 MR. HATCH: I believe in a prior case that Mr. Koch  
2 had opposed the formation of a standard unit comprising the  
3 North Half of the North Half of the Northeast Quarter of  
4 Section 20 on the grounds that it would prevent his forming a  
5 standard unit. Of course, I don't know that he is still the  
6 owner of the lease or the terms of the agreement, but I think  
7 the Examiner would be interested in the terms of the farm-out  
8 or the area that is involved here.

9 MR. KELLAHIN: We will find that out.

10 I do have one question I want to ask the witness in  
11 connection with that, however.

12 REDIRECT EXAMINATION

13 BY MR. JASON KELLAHIN:

14 Q Mr. LeMay, on the basis of your analysis of this area,  
15 in the event the East Half of the Northeast Quarter of  
16 Section 20 were dedicated to a well, would that result in  
17 the dedication of more or less non-productive acreage in  
18 your opinion?

19 A In my opinion there would be less productive acreage with  
20 that dedication than there is with the proposed dedica-  
21 tion.

22 MR. KELLAHIN: That's all I have.

23 THE EXAMINER: Are there any further questions of  
24 the witness?

25 MR. HATCH: The Commission has received a

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communication from Union Oil Company opposing the application.

THE EXAMINER: We will take the case under advise-  
ment.

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I N D E XWITNESSPAGE

MR. WILLIAM J. LEMAY

Direct Examination by Mr. Jason Kellahin 3

Cross Examination by Mr. Stamets 11

Redirect Examination by Mr. Jason Kellahin 16

E X H I B I T SPAGE

Exhibit 1 -

Well location acreage ownership and  
proration unit plat 11

Exhibit 2

Structure and effective porosity  
map of Bluit pool 11

Exhibit 3

Map of cross section showing detailed  
San Andres porosity sections 11

dearnley, meier & mc cormick

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STATE OF NEW MEXICO )  
 : ss.  
COUNTY OF BERNALILLO )

I, MARCIA J. HUGHES, Court Reporter, do hereby certify  
that the above and foregoing pages are a true and correct  
transcript of the proceedings had before the New Mexico Oil  
Conservation Commission on Wednesday, August 23, 1972.

*Marcia J. Hughes*

*August 23, 1972*  
*Richard J. [unclear]*



# OIL CONSERVATION COMMISSION

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

**GOVERNOR  
BRUCE KING  
CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMJO  
MEMBER**

**STATE GEOLOGIST  
A. L. PORTER, JR.**

**SECRETARY - DIRECTOR**

September 8, 1972

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4805  
Order No. R-4390  
Applicant:  
  
W. C. Montgomery

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     x      
Artesia OCC     x      
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. 4805  
Order No. R-4390

APPLICATION OF W. C. MONTGOMERY  
FOR A NON-STANDARD PRORATION  
UNIT, ROOSEVELT COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 23, 1972 at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of September, 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, W. C. Montgomery, seeks approval of an 80-acre non-standard oil proration unit in the Bluitt-San Andres Associated Pool, comprising the NE/4 NE/4 of Section 20 and the NW/4 NW/4 of Section 21, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico, to be dedicated to a well to be drilled in the NE/4 NE/4 of said Section 20.

(3) That 25% of the proposed non-standard proration unit is "tight" and cannot be considered productive from said pool and that the allowable assigned to said unit should be adjusted accordingly.

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

(5) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, provided no more than 75% of a standard 80-acre allowable for the subject pool is assigned to the above-described well.

-2-

CASE NO. 4805  
Order No. R-4390

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the Bluitt-San Andres Associated Pool comprising the NE/4 NE/4 of Section 20 and the NW/4 NW/4 of Section 21, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico, is hereby established and dedicated to a well to be drilled in the NE/4 NE/4 of said Section 20.

(2) That for proration purposes, said well shall be assigned an allowable no greater than 75% of a standard 80-acre allowable for the Bluitt-San Andres Associated Pool.

(3) 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. ARMILLO, Member

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

S E A L

dr/



DOCKET: EXAMINER HEARING-- WEDNESDAY - AUGUST 23, 1972

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4775: (Continued from the July 26, 1972 Examiner Hearing)

Application of Continental Oil Company for amendment of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of the special rules and regulations governing the Blinebry Pool, Lea County, New Mexico, to provide for annual bottom-hole pressure, gas-oil ratio, and gas-liquid tests in the pool. Applicant further seeks the designation of oil areas and gas areas in the pool with allowables within each area equalized on a per-acre basis and total withdrawals from the gas area to be volumetrically equivalent to the total withdrawals from the oil area.

Applicant further seeks to extend the vertical limits of the Blinebry Pool down to the top of the Tubb Pool.

Also to be considered by the Commission on its own motion will be amendment of the special rules and regulations to require that intermediate- or low-pressure gas be charged against a well's allowable; elimination of the requirement to conduct bottom-hole pressure, gas-oil ratio, and gas-liquid tests; and to require that all gas production be reported on Form C-111.

CASE 4779: (Continued from the July 26, 1972, Examiner Hearing)

Application of Merrion & Bayless for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 35, Township 30 North, Range 12 West, within one mile of Flora Vista-Mesa Verde Pool, San Juan County, New Mexico, to be dedicated to its Carnahan Well No. 1 located in Unit P of said Section 35.

CASE 4798: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider revision of Rule 701 E of the Commission Rules and Regulations to provide for unrestricted allowables for water-flood projects and to eliminate the necessity of response for administrative approval of additional injection wells.

CASE 4799: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 306 of the Commission Rules and Regulations to incorporate therein the provisions of Order No. R-4070 which regulate the flaring or venting of casinghead gas.

- CASE 4807: In the matter of the hearing called by the Oil Conservation Commission on its own motion for the amendment of Rule 104 C. I of the Commission Rules and Regulations to permit the drilling of development oil wells as close as 330 feet to another well on the same unit drilling to or capable of producing from the same pool.
- CASE 4800: Application of Mobil Oil Corporation for waterflood expansion and capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to expand its Bridges State Waterflood Project, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, by the addition of its Bridges State Wells Nos. 12 and 174 located, respectively, in Unit P of Section 26 and Unit J of Section 15, Township 17 South, Range 34 East.
- Applicant further seeks the assignment of capacity allowable to said Well No. 12.
- CASE 4801: Application of The Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Parkway West Unit Area comprising 3840 acres, more or less, of State lands in Sections 20, 21, 22, 27, 28, and 29 of Township 19 South, Range 29 East, Eddy County, New Mexico.
- CASE 4802: Application of Crown Central Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Grayburg formation in the open-hole interval from 4011 feet to 4083 feet in its Fred Turner Well No. 2 located in Unit O of Section 6, Township 20 South, Range 38 East, Skaggs (Grayburg) Pool, Lea County, New Mexico.
- CASE 4803: Application of Yates Petroleum Corporation to directionally drill and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter a dry hole having an unorthodox surface location 1980 feet from the North line and 660 feet from the East line of Section 25, Township 18 South, Range 25 East, Eddy County, New Mexico, and to directionally drill in such a manner as to bottom the well in the West Atoka-Morrow Gas Pool at an unorthodox bottom hole location 500 feet from the North line and 600 feet from the East line of said Section 25. The N/2 of said Section 25 to be dedicated to the well.
- CASE 4804: Application of Dugan Production Corporation for downhole commingling and a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle oil production from the Amarillo-Gallup Oil Pool and gas from the

(Case 4804 continued)

Basin-Dakota Pool in the wellbore of its Fullerton Well No. 1 located 1850 feet from the North and West lines of Section 34, Township 28 North, Range 13 West, San Juan County, New Mexico. Applicant further seeks approval for a non-standard 160-acre gas proration unit for the Basin-Dakota Pool comprising the NW/4 of said Section 34 to be dedicated to the subject well.

CASE 4805: Application of W. C. Montgomery for a non-standard proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit comprising the NE/4 NE/4 of Section 20 and the NW/4 NW/4 of Section 21, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled in the NE/4 NE/4 of said Section 20.

CASE 4806: Southeastern New Mexico nomenclature case calling for an order for the creation, extension, contraction and abolishment of certain pools in Lea, Chaves, Eddy and Roosevelt Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production and designated as the Boyd-Cisco Gas Pool. The discovery well is the David Fasken Arco "9" Morrison No. 1 located in Unit B or Section 9, Township 19 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
SECTION 9: N/2

(b) Create a new pool in Chaves County, New Mexico, classified as an oil pool for Queen production and designated as the South Lucky Lake-Queen Pool. The discovery well is the Dalport Oil Corporation Todhunter Federal No. 1 located in Unit F of Section 22, Township 15 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM  
SECTION 22: SE/4 NW/4

(c) Create a new pool in Lea County, New Mexico, classified as a gas pool for Devonian production and designated as the East Ranger Lake-Devonian Gas Pool. The discovery well is the Union Texas Petroleum Corporation Shell State Com No. 1 located in Unit E of Section 6, Township 13 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM  
SECTION 6: W/2

(d) Abolish the Penrose Skelly-Grayburg Pool in Lea County,  
New Mexico, described as:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

SECTION 13: E/2

SECTION 24: E/2

SECTION 25: NE/4 and E/2 SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

SECTION 4: Lots 3, 4, 5, 6, 11, 12  
13, 14 and SW/4

SECTION 7: S/2

SECTION 8: S/2 and NE/4

SECTION 9: W/2

SECTION 16: S/2 and NW/4

SECTION 17: All

SECTION 18: All

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

SECTION 19: All

SECTION 20: All

SECTION 21: All

SECTION 27: All

SECTION 28: All

SECTION 29: All

SECTION 30: All

SECTION 31: All

SECTION 32: All

SECTION 33: All

SECTION 34: All

SECTION 35: All

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

SECTION 2: All

SECTION 3: All

SECTION 4: All

SECTION 5: All

SECTION 6: E/2

SECTION 7: NE/4

SECTION 8: All

SECTION 9: All

SECTION 10: All

SECTION 11: All

SECTION 14: All

SECTION 15: All

SECTION 16: All

SECTION 17: E/2

(Case 4806 continued)

(e) Extend the vertical limits of the Langlie-Mattix Pool in Lea County, New Mexico, to include the Grayburg formation. Also, extend said Langlie Mattix Pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

SECTION 13: E/2

SECTION 24: E/2

SECTION 25: NE/4 and E/2 SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

SECTION 4: Lots 3, 4, 5, 6, 11, 12,  
13, 14 and SW/4

SECTION 7: S/2

SECTION 8: S/2 and NE/4

SECTION 9: W/2

SECTION 16: S/2 and NW/4

SECTION 17: All

SECTION 18: All

SECTION 19: All

SECTION 20: All

SECTION 21: All

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

SECTION 27: All

SECTION 28: All

SECTION 29: All

SECTION 30: All

SECTION 31: All

SECTION 32: All

SECTION 33: All

SECTION 34: All

SECTION 35: All

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

SECTION 2: All

SECTION 3: All

SECTION 4: All

SECTION 5: All

SECTION 6: E/2

SECTION 7: NE/4

SECTION 8: All

SECTION 9: All

SECTION 10: All

SECTION 11: All

SECTION 14: All

SECTION 15: All

SECTION 16: All

SECTION 17: E/2

(f) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
SECTION 35: N/2 NW/4

(g) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
SECTION 35: N/2 NW/4

(h) Contract the Bough-Permo Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM  
SECTION 17: NW/4

(i) Extend the North Benson Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
SECTION 26: S/2 SW/4

(j) Extend the Bluitt-San Andres Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM  
SECTION 8: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
SECTION 7: W/2  
SECTION 18: N/2

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

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
SECTION 7: S/2  
SECTION 18: N/2

(m) Extend the Dos Hermanos-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM  
SECTION 22: All  
SECTION 27: All

Examiner Hearing - August 23, 1972  
-7-

Docket No. 19-72

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
SECTION 6: S/2

(o) Extend the Fowler-Upper Yeso Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
SECTION 10: SE/4  
SECTION 11: SW/4

(p) Extend the Golden Lane-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM  
SECTION 4: Lot 9, 10, 11, 12, 13, 14,  
15 and 16

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

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
SECTION 9: S/2

(r) Extend the Hardy-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
SECTION 2: SW/4

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

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM  
SECTION 33: SE/4

(t) Extend the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
SECTION 26: NW/4 NE/4

(u) Extend the Sulimar-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM  
SECTION 27: SE/4 SE/4  
SECTION 34: NE/4 NE/4

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

( v continued from page 7 - Case 4906)

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM  
SECTION 34: SE/4

(w) Extend the Vest Ranch-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM  
SECTION 21: SE/4

(x) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 24 EAST, NMPM  
SECTION 27: All  
SECTION 35: W/2

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM  
SECTION 3: All  
SECTION 4: E/2

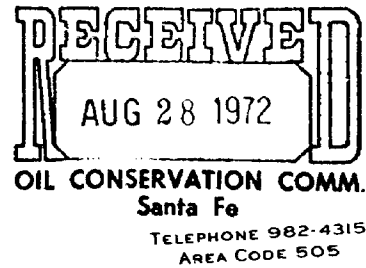
CASE 47861 (Continued from August 9, 1972, Examiner Hearing).

Application of Highland Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the open-hole interval from 4378 feet to 4418 feet in its Russell Federal Well No. 6 located in Unit K of Section 20, Township 26 South, Range 32 East, East Mason-Delaware Pool, Lea County, New Mexico.



JASON W. KELLAHIN  
ROBERT E. FOX

KELLAHIN AND FOX  
ATTORNEYS AT LAW  
54 1/2 EAST SAN FRANCISCO STREET  
POST OFFICE BOX 1769  
SANTA FE, NEW MEXICO 87501



August 25, 1972

Mr. R. L. Stamets  
Oil Conservation Commission  
P. O. Box 1088  
Santa Fe, New Mexico 87501

Re: Case No. 4805

Dear Dick:

At the time of the hearing on the above case, you asked what acreage the applicant had that could be dedicated to a well to be drilled in the NE/4 NE/4 of Section 20, Township 8 South, Range 38 East.

Mr. W. C. Montgomery advises me that he has purchased the lease on the NE/4 NE/4, and on the NW/4 NW/4 of Section 21, comprising the unorthodox unit which he proposes to form. He does not have the SE/4 NE/4, and was not able to acquire it at the time he purchased the other acreage.

If you have any further questions, please let me know.

Yours very truly,

*Jason*

Jason W. Kellahin

JWK:abs

Union Oil and Gas Division: Central Region

Union Oil Company of California

300 North Carrizo Street, Midland, Texas 79701

Telephone (915) 684-8231

Mailing Address: P. O. Box 3100

**UNION**

W. M. Petmecky  
Regional Attorney

August 15, 1972

RECEIVED  
AUG 16 1972  
ST. CHARLES, MO.  
JMM

New Mexico Oil Conservation  
Commission

State Land Office Building  
Santa Fe, New Mexico 87501

Attn: Mr. Richard L. Stamets,  
Examiner

Gentlemen:

Re: Case No. 4805  
Bluitt-San Andres Associated Pool  
Roosevelt County, New Mexico

The application of W. C. Montgomery for the formation of a non-standard oil proration unit in the subject field includes acreage shown to be non-productive by the drilling of the Delaware Apache No. 1 Koch Federal dry hole in the NW/4 NW/4 of Section 21, Township 8 South, Range 38 East. Union has no objection to the drilling of a well at a standard location in the NE/4 NE/4 of Section 20, Township 8 South, Range 38 East. However, we are of the opinion that correlative rights would be adversely affected by the inclusion of the non-productive acreage in the non-standard proration unit requested for such well.

While it is readily apparent that correlative rights may be best protected by the formation of a non-standard unit designed to include only available acreage which is reasonably shown to be productive, as was done with the Union-Federal Well No. 20-1 offsetting the requested proration unit, the opposite result is the only reasonable anticipation when an exception to field rules is sought to accomplish the assignment of an allowable based on a proration unit which includes forty acres on which a dry hole has been drilled. Further, in connection with the current application, it appears that unproven and undrilled acreage is available under the base lease covering

August 15, 1972  
Page 2

the drill site tract which could be included to permit the formation of a standard proration unit for the well.

Therefore, Union Oil Company of California objects to the application of W. C. Montgomery in the above-captioned case and respectfully requests denial by the Oil Conservation Commission of that application.

Very truly yours,

*Bill Petmecky*  
Bill Petmecky

WMP:bn  
cc: Mr. W. C. Montgomery

Cactus  
Bate  
-469  
4002 KB  
4810 TD

Gulf  
State T  
-1  
3992 OF  
4845 TD

R 38 E

Roden

Union

Roden Oil  
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3986 GR  
4820 TD

Union  
Fed #17  
• 2  
3982 GR  
4776 TD

Union  
Fed #17  
• 1-A  
3982 GR  
4801 TD

Union Fed  
-460  
384 KB  
30 TD  
OC PB

Union  
Fed #17  
• 1  
3977 GR  
4790 TD

Union  
Fed #17-A  
• 2  
4796 TD  
3969 GR

Cities  
State Co  
• 3935 OF  
4844 TD

Cities Service

Production Eng.  
Cityco-State  
• 1

Tenneco  
Fasken Fed  
• 2  
3977 GR  
4900 TD

Tenneco  
Fasken Fed  
• 1  
4009 GR  
4950 TD

Union  
Fed #20  
• 1  
3975 KB  
4798 TD

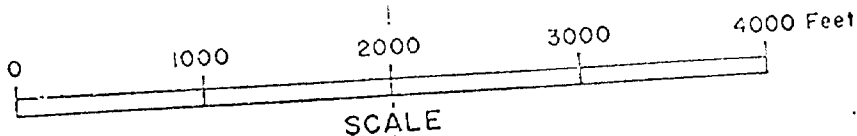
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Delaware Apache  
Koch Fed  
• 1  
3996 GR  
4860 TD

Delaware Apache  
Koch Fed  
• 2  
3981 OF  
4860 TD

Delaware Apache

21



BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

applicants EXHIBIT NO. 1

CASE NO. 4805

SUBMITTED BY Wm. J. LeMay

FILED August 23, 1972

SEALS

CASE 4805 Exhibit No. 1  
WELL LOCATION and ACREAGE  
DEDICATION PLAT - EAST BLUITT AREA

Proposed 80 dedication unit ☐  
Cross Section A-A'

William J. LeMay - Geologist



SCHEIDT & BENDER

|                   |                                 |
|-------------------|---------------------------------|
| COUNTY            | ROOSEVELT                       |
| FIELD or LOCATION | FLUITY SA ASSOC                 |
| WELL              | FEDERAL #20                     |
| COMPANY           | UNION OIL COMPANY OF CALIFORNIA |
| WELL              | FEDERAL #20 #1                  |
| FIELD             | BLUETT SAN ANDRES ASSOCIATION   |
| COUNTY            | ROOSEVELT STATE NEW MEXICO      |
| Location          | 510' FNL 6 1980' FEL            |
| Sec               | 20                              |
| Top               | 8-5                             |
| Age               | 38-E                            |
| Other Services    | LL-9                            |
| Remained Down     | 6 L                             |
| Log Measured From | 8 10 ft. Above Perm. Down       |
| Other Services    | ELV. 3555                       |
| ELV. 3555         | ELV. 3555                       |
| ELV. 3555         | ELV. 3555                       |

reference data were furnished by the customer.

CASE 4805

CROSS SECTION A-A'

William J. LeMay - Geologist

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 4805  
Submitted by Wm. J. LeMay  
Hearing Date August 23, 1972

Top P1 Zone (Upper) (A)

700

Perf: 4732-34, 4742-46, 4754-62, 3000 gal. acid + 28 ball sealers; swb. 43 bbls. acid wtr/5 hrs.; swb. 18 bbls. wtr. w/good blow of gas & died in 30 mins.; F. 8 BFW and swb. dry. Temp. Aband.

Top P2 Zone (Lower) (B)

Perf: 1 SPF/4774-4776; 500 gal. acid/4774-76; swb. dry; BP/4771.  
Perf: 1 SPF/4751-54, 4757-62, 4765, 4766, 4768, 4769; 120 gal. acid/4751-69; F. 184 BO, no wtr.; 94 MCFG/24 hrs.

Perf: 4784-85, 4790-4801, 4805-4812, 4816-21; set pkr/43231; 3000 gal. acid + 20 ball sealers; F. 10 bbls. LW & died; 169 gal. acid; shut-in 18 hrs. % porosity 15 10 5 0 & ran tbg.; swb. 64 bbls. LW/6 hrs.;

|                   |                                 |
|-------------------|---------------------------------|
| COUNTY            | DELAWARE                        |
| FIELD             | APACHE                          |
| WELL              | #1 KOCH - FEDERAL               |
| COMPANY           | UNION OIL COMPANY OF CALIFORNIA |
| WELL              | #1 KOCH - FEDERAL               |
| FIELD             | UNION OIL COMPANY OF CALIFORNIA |
| COUNTY            | DELAWARE STATE NEW MEXICO       |
| Location          | 600' FNL 6 500' FNL             |
| Sec               | 21                              |
| Top               | 8-5                             |
| Age               | 38-E                            |
| Other Services    | GUARD                           |
| Remained Down     | 6 L                             |
| Log Measured From | 8 10 ft. Above Perm. Down       |
| Other Services    | ELV. 3555                       |
| ELV. 3555         | ELV. 3555                       |
| ELV. 3555         | ELV. 3555                       |

pkf/4547

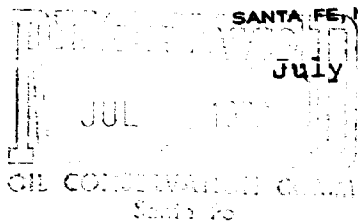


JASON W. KELLAHIN  
ROBERT E. FOX  
W. THOMAS KELLAHIN

KELLAHIN AND FOX  
ATTORNEYS AT LAW  
500 DON GASPAR AVENUE  
POST OFFICE BOX 1789  
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315  
AREA CODE 505

July 28, 1972



*Case 4805*

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

Gentlemen:

Enclosed in triplicate is the application of  
W. C. Montgomery for approval of a non-  
standard proration unit, Roosevelt County,  
New Mexico. It is our understanding that this  
application will be set for hearing August 23.

Yours very truly,

*Jason W. Kellahin*  
Jason W. Kellahin

JWK:brs  
Enclosure: as stated

DOCKET MADE

Date *8-11-72*

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
W. C. MONTGOMERY FOR APPROVAL OF  
A NON-STANDARD PRORATION UNIT,  
ROOSEVELT COUNTY, NEW MEXICO

*Case 4805*

A P P L I C A T I O N

Comes now W. C. MONTGOMERY and applies to the Oil Conservation Commission of New Mexico for approval of a non-standard oil proration unit in the Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, and in support thereof would show the Commission:

1. Applicant proposes to drill a well, projected as a San Andres test, to be located in the NE/4 NE/4 of Section 20, Township 8 South, Range 38 East, N.M.P.M., Roosevelt County, New Mexico, and to dedicate thereto the NE/4 NE/4 of Section 20, and the NW/4 NW/4 of Section 21, as a non-standard unit in the Bluitt-San Andres Associated Pool.

2. A well so located will enable the owner to recover his just and equitable share of the oil and gas underlying his land. No other operator will be deprived of the right to form a unit in said pool as a result of the approval of this proposed non-standard unit.

WHEREFORE applicant prays that this application be set for hearing before the Oil Conservation Commission of New Mexico or one of its duly appointed examiners, and that after



notice and hearing as required by law, the Commission enter  
its order approving the non-standard unit as prayed for.

Respectfully submitted,

W. C. MONTGOMERY

By Jason W. Kellahin  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

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. 4805

Order No. R-4390

*Application of W.C. Montgomery  
for a non-standard proration unit,  
Roosevelt County, New  
Mexico*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 23, 1972,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this September day of August, 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, W. C. Montgomery, seeks approval  
of an 80-acre non-standard oil proration unit in the Bluit-  
San Andres Associated Pool, comprising the NE/4 NE/4 of Section 20  
and the NW/4 NW/4 of Section 21, Township 8 South, Range 38 East,  
NMPM, Roosevelt County, New Mexico, to be dedicated to a well  
to be drilled in the NE/4 NE/4 of said Section 20.

(3) That 25% of the proposed non-standard proration unit is "tight" and cannot be considered productive ~~from~~ from ~~the~~ said pool and that the ~~allowable~~ assigned to ~~said unit~~ should be adjusted accordingly.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the Bluit-San Andres Associated Pool comprising the NE/4 NE/4 of Section 20 and the NW/4 NW/4 of Section 21, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico, is hereby established and dedicated to a well to be drilled in the NE/4 NE/4 of said Section 20.

(2) That for <sup>proration</sup> allowable purposes, said well shall be assigned an allowable no greater than 75% of a standard 80-acre allowable for the Bluit-San Andres Associated Pool

(under)

