

ase Number

4880

Application
Transcripts.

Small Exhibits

ETC.

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209 SIMMS BLDG., P.O. BOX 1082, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87108
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

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

December 19, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Jake L. Hamon
for the amendment of Order No.
R-638-C, Lea County, New
Mexico.

Case No. 4880

BEFORE: Elvis A. Utz,
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & mcconnick reporting services, inc.

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1 MR. UTZ: Case 4880: Application of Jake L.
2 Hamon for the amendment of Order Number R-638-C, Lea
3 County, New Mexico.
4 MR. HINKLE: Clarence Hinkle, Roswell, appearing
5 on behalf of Mr. Hamon. We have one witness.
6 MR. UTZ: Let me ask for other appearances.
7 (No response)
8 JAMES F. MASSY,
9 was called as a witness, and after being duly sworn, testified
10 as follows:
11 DIRECT EXAMINATION
12 BY MR. HINKLE:
13 Q State your name, your residence, and by whom you are
14 employed.
15 A James F. Massy, 523 Pitman, Richardson, Texas. I'm
16 an employee of Mr. Jake L. Hamon.
17 Q What is your position with Mr. Hamon?
18 A Chief engineer.
19 Q Are you a graduate petroleum engineer?
20 A Yes, sir. I graduated in 1950 from the University of
21 Texas.
22 Q Have you previously testified before this Commission?
23 A No, sir.
24 Q State briefly your educational background.
25 A I have a bachelor of science degree in petroleum

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1 engineering from the University of Texas. I have
2 worked for Jake L. Hamon since 1950, and have been
3 his chief engineer since 1959.

4 Q Are you familiar with the South Knowles Pool and the
5 wells that have been drilled within the pool?

6 A Yes, since 1959.

7 Q Are you familiar with the application of Jake L. Hamon
8 in this case?

9 A Yes, sir.

10 Q What is Mr. Hamon seeking to accomplish?

11 A Mr. Hamon seeks the amendment of Order Number R-638-C,
12 which established 150 barrels of oil per day as the
13 maximum allowable for the South Knowles-Devonian Pool.
14 Applicant proposes that the regular 80-acre depth
15 bracket allowable be applied to said pool.

16 Q Have you prepared, or has there been prepared under
17 your direction, certain exhibits for introduction in
18 this case?

19 A Yes, sir.

20 Q They are the ones that have been marked as Exhibits
21 One and Two?

22 A Yes, sir.

23 Q Referring you to Exhibit Number One, would you explain
24 what this shows?

25 A Exhibit One is an area plat of the South Knowles field

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1 and the surrounding area. To the right, you have the
2 area operated by Gulf, designated by the yellow marking.
3 To the left, you have the other well operated by
4 McDonald. All the other active wells are operated by
5 Jake L. Hamon.

6 The name of the lease and the well have been
7 underlined in yellow.

8 Q How many wells do Hamon and Gulf operate?

9 A Six.

10 Q Does Gulf have any other wells that they operate
11 separately?

12 A Three.

13 Q Are there any other operators in the pool?

14 A McDonald operates one.

15 Q And those are all the wells in the pool?

16 A The only active wells.

17 Q And the plat also shows ownership acreage?

18 A Yes, I believe it does.

19 Q Referring you to Exhibit Number Two, will you explain
20 what this shows?

21 A Exhibit Two is a schedule of last year's production by
22 wells, for both oil and water. It also shows
23 accumulative oil production for each well since first
24 production. The end of the exhibit shows the total
25 oil production for the present active wells through

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- 1 October, 1972, and the total water produced through
- 2 October, 1972 for these ten active wells.
- 3 Q What type of pumping equipment has been installed in
- 4 connection with these wells?
- 5 A We originally had a bean pumping unit, and have
- 6 recently installed a hydraulic pumping system.
- 7 Q On an experimental basis?
- 8 A Yes, sir.
- 9 Q Have you made tests in connection with this pump?
- 10 A Yes, sir.
- 11 Q What have been the results?
- 12 A This well will produce 260 barrels of oil per day, with
- 13 approximately 247 barrels of water per day.
- 14 Q What did it produce before you installed this
- 15 hydraulic pump?
- 16 A About 90 barrels of oil and 70 or 80 barrels of water.
- 17 Q Which well are we talking about?
- 18 A The Federal Davis Number 2 in Section 13, Unit P.
- 19 Q Practically the same percentage of water has been
- 20 produced in either case?
- 21 A Yes, sir.
- 22 Q Now, what does Mr. Hamon propose to do with respect
- 23 to the wells which Hamon operates for Hamon and Gulf?
- 24 A We propose to continue to install these hydraulic
- 25 pumping systems in an effort to produce more oil and

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1 save abandonment of these leases.

2 Q Does Mr. Hamon intend to do this right away as a
3 continuous operation?

4 A As well as possible. If these hold up, then we will
5 go into action and apply for another well. Of course,
6 we will get the okay from all the other operators.

7 It takes about two or three months for delivery of
8 these.

9 Q And at the present time, you are hampered in your
10 operations due to the fact that you have a limiting
11 order of 150 barrels of oil per day per well?

12 A Yes, sir.

13 Q And you are asking for what allowable?

14 A We are asking for the 80-acre depth bracket standard
15 allowable.

16 Q And production will be 250 barrels for each well?

17 A Yes, sir.

18 Q In your opinion, will the installation of these pumps
19 be in the interest of conservation and the prevention
20 of waste?

21 A Yes, sir.

22 Q And tend to protect correlative rights?

23 A Yes, sir.

24 MR. HINKLE: We would like to offer Exhibits One
25 and Two.

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

3 (Whereupon Applicant's Exhibits One and Two were
4 entered in evidence.)

5 MR. HINKLE: That's all we have on direct.

6 * * * *

7 CROSS EXAMINATION

8 BY MR. UTZ:

9 Q How many wells do you intend to put these pumps on?

10 A At the present time, we have four set up, and if they
11 hold up, we can probably go to six.

12 Q What type of pump do you call this?

13 A A hydraulic fluid type pump.

14 Q What type of drive is this?

15 A Bottom water drive, very active.

16 Q Since it's bottom water drive and very active, do you
17 think increased production of these wells will cause
18 these wells to go out sooner?

19 A No, sir, based on the knowledge we have of the three
20 wells operated by Gulf in large scale production.

21 Q How is the water and oil production ratio?

22 A The ratio in the Number One Well, which is more or less
23 on top of the structure, is now 3.7 to 1, which is
24 still pretty low. The Number Two Well has almost
25 reached its economic limits, and is in the range of

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- 1 156 to 1.
- 2 Q The water has increased then?
- 3 A Over the years, yes.
- 4 Q How long has Gulf had their wells on hydraulic pumping?
- 5 A I believe they put them on back in the early Sixties.
- 6 Q Are any wells capable of producing 490 barrels?
- 7 A I would say no.
- 8 Q Of course, you don't know what the maximum will be on
- 9 your wells, and you will not know until you get the
- 10 pumps on them all?
- 11 A No, sir.
- 12 Q But you do not anticipate any one of them making 490?
- 13 A No, sir.
- 14 Q Do you intend to produce 490 if they would make that?
- 15 A No, sir. I think we would curtail production at 500
- 16 barrels total fluid per day.
- 17 Q Five hundred per day?
- 18 A Yes, sir.
- 19 Q Oil and water?
- 20 A Yes, sir. If conditions warrant it, we might have to
- 21 build a higher fluid rate as we go out on the edge.
- 22 Q Would you have any objection to an order limiting you
- 23 to that amount of fluid per well, 500 barrels of fluid
- 24 per well?
- 25 A I'd say 600 barrels would give us a pretty good number

1 to go with. Six hundred barrels of total fluid per
2 day would be fine with us.

3 MR. UTZ: Are there any other questions of this
4 witness?

5 MR. HINKLE: Yes.

6 * * * * *
7 REDIRECT EXAMINATION

8 BY MR. HINKLE:

9 Q Does Gulf have edge wells that have hydraulic pumping
10 <installed?

11 A Yes, sir.

12 Q And they have produced up to about 500 barrels of total
13 fluid?

14 A Yes, sir, for quite some time.

15 MR. HINKLE: That's all.

16 MR. UTZ: Any other questions?

17 (No response)

18 MR. UTZ: The witness may be excused.

19 (Witness excused.)

20 MR. UTZ: Are there any statements in this case?

21 (No response)

22 MR. UTZ: The case will be taken under advisement.
23
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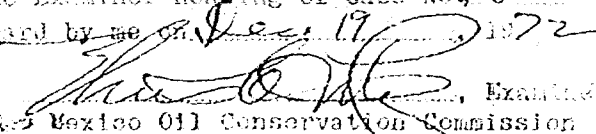
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1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO } SS
3

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

11
12 
13 CERTIFIED SHORTHAND REPORTER
14
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22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 4880
25 signed by me on Dec. 17, 1972

Examiner
New Mexico Oil Conservation Commission

I N D E XWITNESSPAGE

JAMES F. MASSY

Direct Examination by Mr. Hinkle

2

Cross Examination by Mr. Utz

7

Redirect Examination by Mr. Hinkle

9

E X H I B I T SEXHIBITADMITTEDOFFERED

Exhibit #1

Area Plat

7

3

Exhibit #2

Schedule

7

4



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**

January 9, 1973

REF: CASE NO: 4880

Order No. R-638-D

Applicant:

Jake L. Hamon

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

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. 4880
Order No. R-638-D

APPLICATION OF JAKE L. HAMON
FOR THE AMENDMENT OF ORDER
NO. R-638-C, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, 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 Commission Order No. R-638-C, dated September 13,
1956, provided for the drilling of wells in the South Knowles-
Devonian Pool, Lea County, New Mexico, on 80-acre spacing and
proration units and fixed the maximum allowable to be assigned
to any well on an 80-acre proration unit in said pool at 150
barrels per day subject to gas-oil ratio limitations and adjustment.

(3) That the applicant, Jake L. Hamon, as owner and operator
of certain wells in said South Knowles-Devonian Pool, seeks the
amendment of Order No. R-638-C to establish for the South Knowles-
Devonian Pool the regular 80-acre depth bracket allowable as set
forth in Rule 505 of the Commission Rules and Regulations.

(4) That the evidence presented indicates that the estab-
lishment of said 80-acre depth bracket allowable as the basic allow-
able for the South Knowles-Devonian Pool, subject to the Commis-
sion's market demand percentage factor, will not cause waste nor
violate correlative rights.

(5) That the application should be approved.

-2-

Case No. 4869
Order No. R-4454

IT IS THEREFORE ORDERED:

(1) That Order No. (4) of the South Knowles-Devonian Special Pool Rules as set forth in Commission Order No. R-638-C is hereby amended to read in its entirety as follows:

"(4) That the maximum allowable assigned to any well on an 80-acre proration unit in the South Knowles-Devonian Pool shall be determined in accordance with the 80-acre depth bracket allowable set forth in Rule 505 of the Commission Rules and Regulations for pools in the 12,000-12,999 foot depth range, subject to the Commission's market demand percentage factor."

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

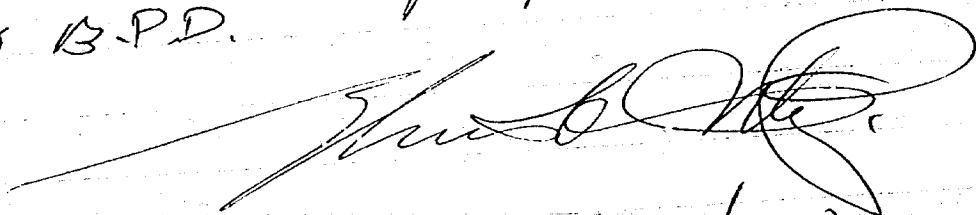
dr/

4880

Recd- 12-19-72

Rec. 12-20-72

Account Jake S. Hamon in request
for an exception to R-638-C
to ~~allow~~ raise the allowable from
150 BPD to the depth factor allowable
of 490 BPD.



All H-20 produced is being
rejected in SA Dwell.

DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 19, 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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for January, 1973.

CASE 4608: (Reopened) (Continued from November 14, 1972)

In the matter of Case 4608 being reopened pursuant to the provisions of Order No. R-4213 which order established special rules and regulations for the Haystack Siluro-Devonian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4860: (Continued from the November 29, 1972 Examiner Hearing)

Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4869: (Continued and Readvertised)

Application of Claude C. Kennedy for the amendment of Order No. R-4263, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4263 to prohibit the transfer of allowable to any well located closer than 1320 feet from the outer boundary of the Lone Pine Dakota "D" Unit Area, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

CASE 4874: Application of Skelly Oil Company for a dual completion and water injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Skelly Waterflood Unit Well No. 3 located in Unit D of Section 22, Township 17 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Fren-Seven Rivers Pool and the injection of water into the Grayburg-Jackson Pool through parallel strings of tubing.

- CASE 4875: Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.
- CASE 4876: Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.
- CASE 4877: Application of Texas Pacific Oil Company, Inc. for two non-standard oil proration units and a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F of Section 2 and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 4878: Application of Harding Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the E/2 SE/4 of Section 10, Township 17 South, Range 37 East, Lea County, New Mexico, to be dedicated to a Humble City Field extension well to be drilled at a standard location for said pools; also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.
- CASE 4879: Application of Atlantic Richfield Company for gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard proration unit comprising the N/2 of Section 30, Township 23 South, Range 37 East, to be dedicated to its Eva Blinbry Wells Nos. 2 and 7 located in Units D and G, respectively, of said Section 30; a 320-acre non-standard proration unit comprising the E/2 of Section 26, Township 22 South, Range 36 East to be dedicated to its McDonald State Wells Nos. 8 and 9 located in

(Case 4879 continued from page 2)

Units P and G, respectively, of said Section 26, and a 640-acre standard gas proration unit comprising all of Section 15, same township, to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15, Jalmat Gas Pool, Lea County, New Mexico.

CASE 4880: Application of Jake L. Hamon for the amendment of Order No. R-638-C, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-638-C which established 150 barrels of oil per day as the maximum allowable for the South Knowles-Devonian Pool. Applicant proposes that the regular 80-acre depth bracket allowable be applied to said pool.

CASE 4881: Application of Anadarko Production Company for two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two wells at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

Applicant further seeks the adoption of a procedure for administrative approval of additional production and injection wells in its Far West Loco Hills Sand Unit at unorthodox locations.

CASE 4882: Application of Shell Oil Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through the following five wells in the Cato-San Andres Pool, Chaves County, New Mexico: Amoco Federal Wells Nos. 4, 6, 7, and 8 in Units G, O, E, and M, respectively, of Section 33 and Hodges Federal B Well No. 4 in Unit M of Section 34, all in Township 8 South, Range 30 East.

CASE 4883: Application of El Paso Natural Gas Company for non-standard gas spacing units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas spacing units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico:

A 145.6-acre unit comprising lots 9 and 10 and 15 through 18 of Section 31;

A 153.5-acre unit comprising lots 14 through 17 of Section 30 and lots 7 and 8 of Section 31;

A 156.5-acre unit comprising lots 17 and 18 of Section 19 and lots 6 through 9 of Section 30;

A 152.6-acre unit comprising lots 7 through 10 and 15 and 16 of Section 19.

CASE 4853: (Continued and Readvertised)

Application of El Paso Natural Gas Company for amendment of gas well testing procedures, San Juan Basin, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the gas well testing procedures for the San Juan Basin, New Mexico, promulgated by Order No. R-333-F, as amended, to remove the requirement for annual deliverability and shut-in pressure tests for marginal wells.

Applicant further requests the Commission to consider:

1. Other means of avoiding or minimizing the loss of pipeline availability attributable to the period wells in prorated pools are shut in in order to conduct the annually required deliverability and shut-in pressure tests;
2. Exempting wells in non-prorated pools from the annual deliverability and shut-in pressure requirements; and,
3. Exempting all wells in the San Juan Basin from the requirement for annual shut-in pressure tests as provided in the General Rules and Regulations.

CASE 4884: Application of Colorado Plateau Geological Services, Inc., for an extension of Order No. R-4227, McKinley County, New Mexico. Applicant, in the above-styled cause, as managing agent for oil and gas for the Henry Birdseye Estate, seeks a one-year extension to certain provisions of Order No. R-4227 which, as amended by Order No. R-4227-A, required that certain of the Birdseye wells in the Chaco Wash Mesaverde Oil Pool be placed on active production or water injection by December 31, 1972, or be plugged and abandoned. Applicant, or United States Fidelity and Guaranty Company, or any other interested party will be permitted to show cause why the effective date of the aforesaid order should not be enforced.

CASE 4885: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John Lemley and Juanita Franks and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the Lemley and Franks Greathouse Well No. 1, located in Unit F of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

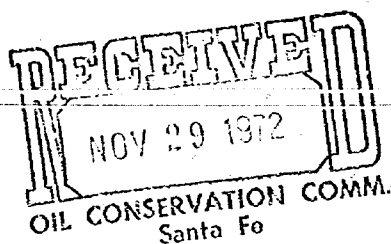
600 HINKLE BUILDING
POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

November 28, 1972

TELEPHONE (505) 622-6510

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4891



Case 4880

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose application in triplicate of Jake L. Hamon seeking to amend Order R-638-C to permit the installation of hydraulic or submergible pumps in the wells in the South Knowles-Devonian Pool to increase the allowable from 150 barrels per day to the regular depth bracket allowable. This matter was discussed with Mr. Dan Nutter this morning and is to be placed on the regular examiner hearing docket for December 19.

Yours very truly,

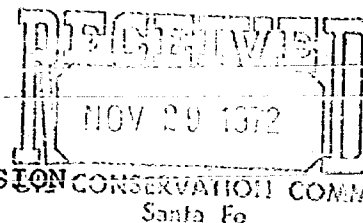
HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
Ced

CEH:cs
Enc.
cc: H. W. Shaw

DOCKET MAILED

Date 12-6-72



BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION OF JAKE L. HAMON TO)
AMEND ORDER R-638-C OF THE)
COMMISSION DATED SEPTEMBER 13,)
1956 TO PERMIT THE INSTALLATION)
OF HYDRAULIC OR SUBMERGIBLE)
PUMPS SO AS TO INCREASE THE)
ALLOWABLE FROM 150 BARRELS PER)
DAY TO THE REGULAR DEPTH BRACKET)
ALLOWABLE FOR THE SOUTH KNOWLES-)
DEVONIAN POOL.)

Case 4880
80 acre pool
W/ 150 bopd
THB

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Jake L. Hamon and hereby makes application to amend Order R-638-C of the Commission dated September 13, 1956 to permit the installation of hydraulic or submergible pumps so as to increase the allowable from 150 barrels per day to the regular depth bracket allowable for the South Knowles-Devonian Pool, and in support thereof respectfully shows:

1. Applicant is the operator of most of the wells situated in the South Knowles-Devonian Pool which are owned by Hamon and Gulf Oil Corporation. There are three other wells wholly owned by Gulf and one by another operator in the pool. The wells are producing from the Devonian formation at a depth of approximately 12,300 feet. Applicant has installed a hydraulic pump down-hole and has increased the production in one of the wells from 90 barrels per day to approximately 250 barrels per day by producing large quantities of water. Approximately the same percentage of water is being produced as was being produced by the conventional beam pump formerly on the well.

2. By Order R-638-C issued September 13, 1956 the special pool rules adopted by the Commission for the South Knowles-Devonian Pool were amended limiting the production of oil to 150 barrels per day from the wells in the pool. By installing hydraulic or submergible pumps the production can be materially increased without damage to the wells or reservoir. If production is not increased by such method the wells will soon reach a non-economic state of production due to the fact that so much water has to be produced with the oil.

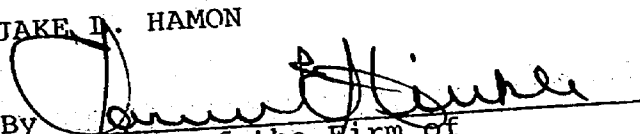
3. It will be in the interest of conservation and the prevention of waste to amend Order R-638-C to permit capacity production from the wells by the installation of hydraulic or submergible pumps.

4. Applicant requests that this matter be set down for hearing at the examiner's hearing on December 19, 1972.

Respectfully submitted,

JAKE D. HAMON

By


Member of the Firm of
HINKLE, BONDURANT, COX & EATON
P.O. Box 10
Roswell, New Mexico 88201
Attorneys for Applicant

SOUTH KNOWLES FIELD - DEVONIAN
PRODUCTION OF OIL AND
WATER, BY MONTHS

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 4880
Submitted by Hamon Federal Davis
Hearing Date 12-19-52

LEASE: Gulf Black No. 1

Month	Oil, bbls.	Water, bbls.
Nov. '71	1,013	15,550
Dec. '71	1,051	16,500
Jan. '72	1,069	14,300
Feb. '72	967	14,000
Mar. '72	976	14,300
Apr. '72	794	13,000
May '72	823	12,000
June '72	600	14,300
July '72	502	14,300
Aug. '72	733	14,300
Sept. '72	392	13,290
Oct. '72	596	13,776
	9,516	169,616

Accumulative, Oil, bbls.

404,422

LEASE: Gulf Cone No. 2

Month	Oil, bbls.	Water, bbls.
Nov. '71	547	8,060
Dec. '71	439	7,480
Jan. '72	897	9,640
Feb. '72	610	9,800
Mar. '72	459	11,800
Apr. '72	368	11,900
May '72	447	9,800
June '72	640	12,325
July '72	391	8,640
Aug. '72	102	8,640
Sept. '72	99	8,064
Oct. '72	100	15,624
	5,099	121,173

Accumulative, Oil, bbls.

376,031

LEASE: Gulf Cone No. 1

Month	Oil, bbls.	Water, bbls.
Nov. '71	2,095	7,200
Dec. '71	1,979	7,080
Jan. '72	1,947	8,730
Feb. '72	1,798	10,920
Mar. '72	1,901	11,300
Apr. '72	1,795	11,000
May '72	1,635	10,920
June '72	2,240	11,000
July '72	2,694	11,000
Aug. '72	2,569	9,855
Sept. '72	2,290	9,855
Oct. '72	2,662	9,858
	25,605	118,718

Accumulative, Oil bbls.

838,476

LEASE: Hamon Federal Davis No. 1

Month	Oil, bbls.	Water, bbls.
Nov. '71	1,051	1,200
Dec. '71	1,049	1,240
Jan. '72	1,085	1,240
Feb. '72	943	1,160
Mar. '72	1,077	1,240
Apr. '72	1,034	1,200
May '72	1,064	1,240
June '72	989	1,200
July '72	1,017	1,200
Aug. '72	986	1,200
Sept. '72	1,062	1,350
Oct. '72	766	1,080
	12,122	14,550

Accumulative, Oil bbls.

874,252

Hamon Federal Davis

SOUTH KNOWLES FIELD - DEVONIAN
PRODUCTION OF OIL AND
WATER, BY MONTHS

LEASE: Hamon Federal Davis No. 2

Month	Oil, bbls.	Water, bbls.	Accumulative, Oil bbls.
Nov. '71	2,454	3,000	
Dec.	2,447	3,100	
Jan. '72	2,533	2,320	
Feb.	2,199	2,480	
Mar.	2,514	2,400	
Apr.	2,413	2,480	
May	2,484	2,400	
June	2,307	2,160	
July	2,372	2,480	
Aug.	2,300	2,430	
Sept.	2,478	2,330	
Oct.	1,786	1,330	913,678
	<u>28,287</u>	<u>26,980</u>	

LEASE: Hamon Holloway No. 2

Month	Oil, bbls.	Water, bbls.	Accumulative, Oil bbls.
Nov. '71	449	1,050	
Dec.	439	1,085	
Jan. '72	443	1,085	
Feb.	406	580	
Mar.	432	620	
Apr.	401	600	
May	395	620	
June	351	900	
July	384	930	
Aug.	380	930	
Sept.	341	840	
Oct.	363	860	416,835
	<u>4,783</u>	<u>10,100</u>	

LEASE: Hamon Lawrence "A"

Month	Oil, bbls.	Water, bbls.	Accumulative, Oil bbls.
Nov. '71	733	2,550	
Dec.	750	2,635	
Jan. '72	621	2,635	
Feb.	642	2,320	
Mar.	718	2,480	
Apr.	686	2,400	
May	699	2,480	
June	663	2,400	
July	675	2,480	
Aug.	667	2,480	
Sept.	632	2,320	
Oct.	647	2,240	495,657
	<u>8,133</u>	<u>29,420</u>	

LEASE: Willholt No. 1

Month	Oil, bbls.	Water, bbls.	Accumulative, Oil bbls.
Nov. '71	480	900	
Dec.	398	930	
Jan. '72	321	930	
Feb.	364	1,305	
Mar.	220	1,395	
Apr.	294	1,300	
May	280	1,395	
June	312	1,050	
July	252	1,085	
Aug.	514	1,015	
Sept.	575	1,015	
Oct.	479	1,015	520,475
	<u>4,317</u>	<u>13,335</u>	

SOUTH KNOWLES FIELD - DEVONIAN
PRODUCTION OF OIL AND
WATER, BY MONTHS

LEASE: Macdonald Oil Corporation Amerada Hardin No. 1

Month	Oil, bbls.	Water, bbls.	Accumulative, Oil bbls.
Nov. '71	563	3,600	
Dec.	549	3,720	
Jan. '72	444	3,720	
Feb.	503	4,205	
Mar.	305	4,495	
Apr.	405	4,400	
May	386	4,495	
June	431	4,350	
July	348	4,185	
Aug.	709	3,915	
Sept.	416	4,050	
Oct.	<u>347</u>	<u>3,510</u>	
	5,406	48,645	72,237

Total Oil Produced from South Knowles Devonian Field
for present active wells = 5,537,694 barrels - through October 1972

Total Water Produced from South Knowles Devonian Field
for present active wells = 6,060,335 barrels - through October 1972

Month	Oil, bbls.	Water, bbls.	Accumulative, Oil bbls.
Nov. '71	1,392	2,890	
Dec.	1,484	3,900	
Jan. '72	1,474	4,030	
Feb.	1,420	3,900	
Mar.	1,430	4,060	
Apr.	1,495	4,200	
May	1,544	4,240	
June	1,443	4,340	
July	1,396	4,650	
Aug.	1,424	4,650	
Sept.	1,378	4,500	
Oct.	<u>1,411</u>	<u>4,650</u>	
	17,291	50,010	625,631

DRAFT

DSN/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:

APPLICATION OF JAKE L. HAMON
FOR THE AMENDMENT OF ORDER
NO. R-638-C, LEA COUNTY,
NEW MEXICO.

CASE NO. 4880

Order No. R-638-D

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of January, 1973, 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 Commission Order No. R-638-C, dated September 13,
1956, provided for the drilling of wells in the South Knowles-
Devonian Pool, Lea County, New Mexico, on 80-acre spacing and
proration units and fixed the maximum allowable to be assigned
to any well on an 80-acre proration unit in said pool at 150
barrels per day subject to gas-oil ratio limitations and adjustment.

(3) That the applicant, Jake L. Hamon, as owner and operator of certain wells in said South Knowles-Devonian Pool, seeks the amendment of Order NO. R-638-C to establish for the South Knowles-Devonian Pool the regular 80-acre depth bracket allowable as set forth in Rule 505 of the Commission Rules and Regulations.

(4) That the evidence presented indicates that the establishment of said 80-acre depth bracket allowable as the basic allowable for the South Knowles-Devonian Pool, subject to the Commission's market demand percentage factor, will not cause waste nor violate correlative rights.

(5) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Order No. (4) of the South Knowles-Devonian Special Pool Rules as set forth in Commission Order No. R-638-C is hereby amended to read in its entirety as follows:

"(4) That the maximum allowable assigned to any well on an 80-acre proration unit in the South Knowles-Devonian Pool shall be determined in accordance with the 80-acre depth bracket allowable set forth in Rule 505 of the Commission Rules and Regulations for pools in the 12,000-12,999 foot depth range, subject to the Commission's market demand percentage factor."

(2) 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.

DRAFT

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:

APPLICATION OF JAKE C. HAMON
FOR THE AMENDMENT OF ORDER
No. R-638-C, LEA COUNTY,
NEW MEXICO.

CASE NO. 4880

Order No. R-

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Ute.

NOW, on this day of January, 1973, 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 Commission Order No. R-638-C, dated
September 13, 1956, provided for the drilling of wells
in the South Knowles-Devonian Pool, Lea
County, New Mexico, on 80-acre spacing and
proration units and fixed the maximum
allowance to be assigned to any well on
an 80-acre proration unit in said pool
at 150 barrels per day subject to gas-oil
ratio limitations and adjustment.
~~155~~

in accordance with the 80-acre depth bracket allowance set forth in Rule 505 of the Commission Rules and Regulations for Pools in the 12,000 - 12,999 foot depth range, subject to the Commission's market demand percentage factor." (27) Jurisdiction

(3) That the applicant, Jake L. Haman, as owner and operator of certain wells in said South Knowles-Devonian Pool, seeks the amendment of Order No. R-638-C to establish ~~as top unit allowable~~ for the South Knowles-Devonian Pool the regular 80-acre depth bracket allowance as set forth in Rule 505 of the Commission Rules and Regulations.

(4) That the evidence presented indicates that the establishment of said 80-acre depth bracket allowance as the basic allowance for the South Knowles-Devonian Pool, subject to the ^{Commission's} market demand percentage factor, will not cause waste nor violate correlative rights.

(5) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Order No (4) of the South Knowles-Devonian Special Pool Rules as set forth in Commission Order No. R-638-C is hereby amended to read in its entirety as follows:

"(4) That the maximum allowance assigned to any well in an 80-acre proration unit in the South Knowles-Devonian Pool shall be determined

Clarence Hinkle

S. Knowles-Devonian

9/13/56 R-638-C ^{max} allowance of 150 bbls/day

Jake L. Hamon amend

~~capacity~~ elastic regular 80-acre depth
cracklet allowance

CASE 4881: Application of
ANADARKO FOR TWO UNORTHODOX OIL
WELL LOCATIONS, EDDY COUNTY.