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Case Number

4886

Application  
Transcripts.

Small Exhibits

ETC.

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204 SIMMS BLDG., P.O. BOX 1092, PHONE 243-8891, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG., EAST, ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
January 3, 1973

EXAMINER HEARING

IN THE MATTER OF:

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

Case No. 4886

BEFORE: Daniel S. Nutter,  
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: Call Case 4886.

2 MR. CARR: Case 4886, application of Gulf Oil  
3 Corporation for the two non-standard proration units, Lea  
4 County, New Mexico.

5 MR. NUTTER: Let the record show that Mr. Kalteyer  
6 has been previously sworn.

7 CHARLES F. KALTEYER,  
8 a witness, having been previously duly sworn according to law,  
9 upon his oath, further testified as follows:

10 DIRECT EXAMINATION

11 BY MR. DENT:

12 Q Mr. Kalteyer, will you briefly state what Gulf is  
13 seeking in its application in Case 4886?

14 A I'll offer as Exhibit 1 a plat of Gulf's J. R. Holt  
15 (NCT-A) Lease. It is 160-acre lease outlined in red.  
16 Gulf is requesting authority for the assignment of an  
17 80-acre non-standard unit comprising the southwest quarter  
18 of the northeast quarter and the northwest quarter of  
19 the southeast quarter of Section 16 to our Well Number 4  
20 in Unit J of Section 16 and an 80-acre non-standard unit  
21 comprising the southwest quarter of the southeast quarter  
22 and the southeast quarter of the southwest quarter to our  
23 proposed Well Number 5 in Unit O of Section 16.

24 Q Mr. Kalteyer, why are the two proposed units non-standard?

25 A Rule 2 of the Fowler Upper-Yeso Pool Rules provides that

1 each well "shall be located on a standard unit containing  
2 80 acres, more or less, consisting of the north half,  
3 south half, east half or west half of a single  
4 governmental quarter-section, provided that nothing  
5 contained herein shall be construed as prohibiting the  
6 drilling of a well on each of the quarter-quarter sections  
7 in the unit."

8 Q Will the proposed Well Number 5 be at a regular location?

9 A Yes, sir. Rule 4 of the Fowler Upper-Yeso Pool Rules  
10 provides that each well "shall be located within 150  
11 feet of the center of either quarter-quarter section in  
12 the 80-acre unit." Well Number 5 as proposed is to be  
13 located 760 feet from the south line and 1890 feet from  
14 the east line of Section 16 as a regular location and  
15 drilled to a total depth of approximately 5750 feet.

16 Q Will you please state briefly the history of the J. R.  
17 Holt Well Number 4?

18 A Our Well Number 4 was drilled as a regular location to  
19 a depth of 7672 feet. The Devonian was tested from 7471  
20 feet to 7570 feet and found to be non-commercial. The  
21 well was then plugged back to evaluate the Fowler Upper-  
22 Yeso. After acidizing and fracturing, the well was  
23 completed 9-19-72. On completion test dated 10-25-72,  
24 the well was pumped at the rate of 150 barrels oil and  
25 130 barrels of water.

1 Q Have you prepared as an exhibit a structure map which  
2 illustrates the proposed location well as the J. R. Holt  
3 Lease?

4 A Yes, sir. We have as Exhibit 2 a structure map on the  
5 base of the Upper-Yeso. We anticipate that Well Number  
6 5 will be some 35 feet down structure from our Well  
7 Number 4 but commercially productive.

8 Q In your opinion, why is it necessary for Gulf to be  
9 granted the permission to create this non-standard unit?

10 A In order to fully utilize our 160-acre tract, Gulf  
11 requests the authority for the assignment of an 80-acre  
12 non-standard oil proration unit comprising the southwest  
13 quarter of the northeast quarter and the northwest quarter  
14 of the southeast quarter of Section 16, to our Well Number  
15 4 in Unit J and an 80-acre non-standard oil proration  
16 unit comprising the southwest quarter of the southeast  
17 quarter and the southeast quarter of the southwest quarter  
18 also of Section 16 to accommodate the drilling of our  
19 proposed Well Number 5 in Unit Q.

20 Q Does Gulf request this application in the interest of  
21 conservation and the prevention of waste as well as for  
22 the protection of correlative rights?

23 A Yes, sir. It is.

24 Q Mr. Kalteyer, were Exhibits 1 and 2 prepared by you or  
25 under your supervision?

1 A Yes, sir. They were.

2 MR. DENT: Mr. Examiner, I'd like to offer at this  
3 time Gulf's prepared Exhibits 1 and 2.

4 MR. NUTTER: Gulf's Exhibits 1 and 2 will be  
5 admitted into evidence.

6 MR. DENT: That's all the testimony we have in this  
7 case.

8 CROSS EXAMINATION

9 BY MR. NUTTER:

10 Q Mr. Kalteyer, was your Well Number 4 your first Yeso  
11 completion in the pool?

12 A Yes, sir.

13 Q And it was only completed in October, is this correct?

14 A Yes, sir.

15 Q At that time you dedicated the west half of the southeast  
16 quarter of Section 16?

17 A That's correct.

18 Q And now you have reconsidered and you are proposing to  
19 drill Well Number 5 and realign the acreage then?

20 A Yes, sir. That's true.

21 Q Is it reasonable to presume that the west half of this  
22 proposed proration unit for Well Number 5 would be  
23 productive of oil from the Upper-Yeso formation?

24 A We believe that it will be. There has been no drilling  
25 at that low of structure position in that immediate area.

1 So the risk would be higher if drilled in the west, in  
2 the westerly direction in the proposed unit for Well  
3 Number 5.

4 Q There have been no water-oil contact established as yet  
5 in this reservoir?

6 A I don't believe we can say that it is consistent water-  
7 oil contact in that immediate area.

8 Q However, your Number 4 did make water on completion?

9 A Yes, sir. It did make 130 barrels.

10 Q What is the perforated interval in that well?

11 A It's a broken interval from 5287 to 5667 there. Section  
12 7 is perforated in there.

13 Q In this structure map, that would be in the Upper-Yeso  
14 formation, right?

15 A Yes, sir. Right.

16 Q And this structure map that you have shown here on  
17 Exhibit 2 is the base of the Upper Yeso?

18 A Right. That's correct.

19 Q What is the base measured from? What height sea level?

20 A 3242.

21 Q 3242 above sea level, and these are minus figures.

22 MR. NUTTER: Are there any further questions of Mr.  
23 Kalteyer? He may be excused. Do you have anything further, Mr.  
24 Dent?

25 MR. DENT: No, sir.



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200 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103  
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1 MR. NUTTER: Does anyone have anything they wish to  
2 offer in Case 4886? We will take Case 4886 under advisement.  
3  
4 STATE OF NEW MEXICO )  
5 ) ss  
6 COUNTY OF BERNALILLO )  
7  
8 I, JANET RUSSELL, a Court Reporter, in and for the  
9 County of Bernalillo, State of New Mexico, do hereby certify  
10 that the foregoing and attached Transcript of Hearing before  
11 the New Mexico Oil Conservation Commission was reported by me;  
12 and that the same is a true and correct record of the said  
13 proceedings to the best of my knowledge, skill and ability.  
14 I do hereby certify that the foregoing is  
15 a complete record of the proceedings in  
16 the Examiner hearing of Case No. 4886  
17 heard by me on Jan 3 1973  
18 Janet Russell  
19 COURT REPORTER  
20  
21 *[Signature]* Examiner  
22 New Mexico Oil Conservation Commission  
23  
24  
25  
I N D E X  

<u>WITNESS</u>	<u>PAGE</u>
CHARLES F. KALTEYER	
Direct Examination by Mr. Dent	3
Cross Examination by Mr. Nutter	6

  
E X H I B I T S  

	<u>ADMITTED</u>	<u>OFFERED</u>
Gulf's Exhibits 1 and 2	6	6



**OIL CONSERVATION COMMISSION**

**STATE OF NEW MEXICO**  
**P. O. BOX 1088 - SANTA FE**  
**87501**

**GOVERNOR  
BRUCE KING  
CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER**

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

January 9, 1973

Mr. Don D. Dent  
Gulf Oil Corporation  
Post Office Drawer 1150  
Midland, Texas 79701

Re: Case No. 4886  
Order No. R-4467  
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. 4886  
Order No. R-4467

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1973,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

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 the applicant, Gulf Oil Corporation, seeks approval  
of two 80-acre non-standard oil proration units in the Fowler-  
Upper Yeso Pool, comprising the SW/4 NE/4 and NW/4 SE/4, and the  
SW/4 SE/4 and SE/4 SW/4 of Section 16, Township 24 South, Range  
37 East, NMPM, Lea County, New Mexico, to be dedicated to appli-  
cant's J. R. Holt (NCT-A) Well No. 4 located in Unit J and  
proposed J. R. Holt (NCT-A) Well No. 5, to be located in Unit O,  
respectively, of said Section 16.

(3) That the proposed non-standard proration units can be  
efficiently and economically drained and developed by the sub-  
ject wells.

(4) 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 pro-  
tect correlative rights.

IT IS THEREFORE ORDERED:

-2-

Case No. 4886  
Order No. R-4467

(1) That two 80-acre non-standard oil proration units in the Fowler-Upper Yeso Pool comprising the SW/4 NE/4 and NW/4 SE/4, and the SW/4 SE/4 and SE/4 SW/4 of Section 16, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby established and dedicated to the J. R. Holt (NCT-A) Well No. 4 located in Unit J and proposed J. R. Holt (NCT-A) Well No. 5, to be located in Unit O, respectively, of said Section 16.

(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. Armiijo*  
ALEX J. ARMIJO, Member

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

S E A L

dr/

J. R. MODRALL  
JAMES E. SPERLING  
JOSEPH E. ROEHL  
GEORGE T. HARRIS, JR.  
DANIEL A. SISK  
LELAND S. SEDBERRY, JR.  
ALLEN C. DEWEY, JR.  
FRANK H. ALLEN, JR.  
JAMES P. SAUNDERS, JR.  
JAMES A. PARKER  
JOHN R. COONEY  
KENNETH L. HARRIGAN  
PETER J. ADAMS

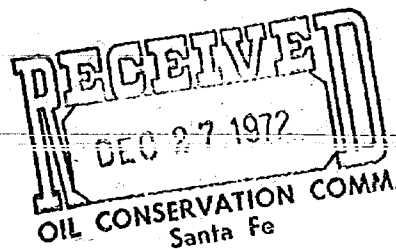
DALE W. EK  
DENNIS J. FALK  
ARTHUR D. MELENDRES  
BRUCE D. BLACK  
CHARLES J. NOYA

LAW OFFICES OF  
**MODRALL, SPERLING, ROEHL, HARRIS & SISK**  
PUBLIC SERVICE BUILDING  
P. O. BOX 2168  
ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1984)  
AUGUSTUS T. SEYMOUR  
(1907-1965)

TELEPHONE 243-4511  
AREA CODE 505

December 26, 1972



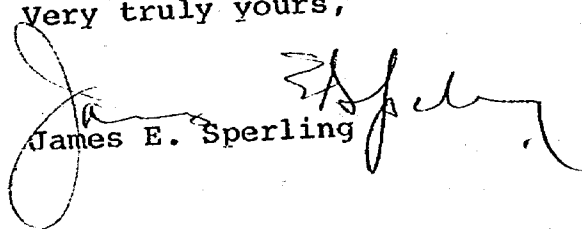
Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application of Gulf Oil Corporation for  
Two Non-Standard Oil Proration Units,  
Lea County, New Mexico  
Case No. 4886

Dear Mr. Porter:

Enclosed herewith, please find Entry of Appearance  
on behalf of the Applicant, Gulf Oil Corporation,  
in the above-entitled application, which has been  
docketed for hearing on January 3, 1973, Docket  
No. 1-73.

Very truly yours,

  
James E. Sperling

JES:jv

Enclosure

cc: Mr. Don D. Dent, Esq., w/encl.  
Gulf Oil Company  
P. O. Drawer 1150  
Midland, Texas 79701

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF GULF OIL CORPORATION FOR TWO  
NON-STANDARD OIL PRORATION UNITS,  
SECTION 16, TOWNSHIP 24 SOUTH,  
RANGE 37 EAST, LEA COUNTY, NEW  
MEXICO

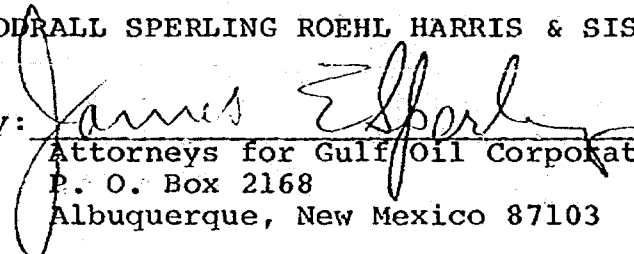
Case No. 4886

ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris &  
Sisk, of Albuquerque, New Mexico, hereby enter their ap-  
pearance herein for the Applicant, Gulf Oil Corporation,  
with Don D. Dent, Esquire, of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By:

  
Attorneys for Gulf Oil Corporation  
P. O. Box 2168  
Albuquerque, New Mexico 87103

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 3, 1973

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 4723: (Continued from May 17, 1972 and July 12, 1972 Examiner Hearings)

Application of Black River Corporation for pool abolishment, creation of two new gas pools, and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, and the creation of the Washington Ranch-Upper Morrow and Washington Ranch-Lower Morrow Gas Pools for the production of gas from the upper and lower Morrow formations. Applicant further seeks approval of the dual completion (conventional) of its Cities 3 Federal Well No. 1 located in Unit F of Section 3, Township 26 South, Range 24 East, to produce the lower Morrow through tubing and the upper Morrow through the casing-tubing annulus.

CASE 4876: (Continued from the December 19, 1972 Examiner Hearing)

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 4886: Application of Gulf Oil Corporation for two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard 80-acre oil proration units comprising the SW/4 NE/4 and NW/4 SE/4, and the SW/4 SE/4 and SE/4 SW/4, of Section 16, Township 24 South, Range 37 East, Fowler-Upper Yeso Pool, Lea County, New Mexico, to be dedicated to applicant's J. R. Holt (NCT-A) Well No. 4 located in Unit J and proposed Well No. 5, to be located in Unit O, respectively, of said Section 16.

CASE 4482: (Reopened)

In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093-A, which order continued the special rules and regulations for the Parkway-Strawn Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said special pool rules should be further extended.

CASE 4887: Application of GeoElectric, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of gas production from the Aztec-Fruitland and Aztec-Pictured Cliffs Gas Pools in the wellbore of its Ransom Well No. 1 located in Unit I of Section 13, Township 29 North, Range 11 West, San Juan County, New Mexico.

CASE 4888: Application of Getty Oil Company for downhole commingling, Lea 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 production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its State "BA" Well No. 6 located in Unit D of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4889: Application of Universal Resources Corporation for a non-standard proration unit or in the alternative for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 16, Township 32 North, Range 12 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled approximately 1190 feet from the South line and 1850 feet from the West line of said Section 16, or, in the alternative, applicant seeks an order pooling all mineral interests in the Blanco-Mesaverde Pool underlying the entire S/2 of said Section 16 to be dedicated to the aforesaid proposed well. 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 4890: Application of Texaco Inc. for downhole commingling, Lea 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 production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its Mobil State Well No. 1 located in Unit H of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4891: Southeastern New Mexico nomenclature case calling for an order for the abolishment, contraction and extension of certain pools in Lea, Chaves, and Eddy Counties, New Mexico.

(a) Abolish the Teague-Grayburg Pool in Lea County, New Mexico, described as:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 20: SE/4  
Section 21: SW/4

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



(Case 4891, paragraph (b), continued from page 2)

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
Section 35: S/2 NW/4

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
Section 26: SW/4  
Section 35: S/2 NW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM  
Section 10: S/2 NW/4

(d) Extend the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM  
Section 9: SE/4  
Section 10: S/2

(e) Extend the Bell Lake-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 31: SW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 13: SW/4  
Section 24: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 1: W/2  
Section 2: All  
Section 3: E/2

(h) Extend the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM  
Section 8: SW/4

(Case 4891 continued from page 3)

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

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM  
Section 5: NW/4

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

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
Section 8: NW/4  
Section 32: S/2  
Section 33: SW/4

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM  
Section 5: NW/4  
Section 6: NE/4

(k) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 14: SW/4  
Section 15: S/2





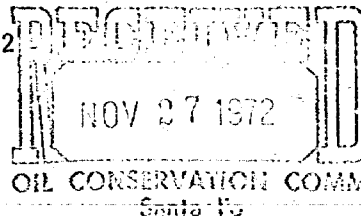
# Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT  
MIDLAND DISTRICT

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

P. O. Drawer 1150  
Midland, Texas 79701

November 20, 1972



Oil Conservation Commission  
P. O. Box 1148  
Santa Fe, New Mexico 87501

Attn: A. L. Porter, Jr.

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

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiners Hearing for approval of the following two Fowler-Upper Yeso non-standard oil proration units in Section 16, Township 24 South, Range 37 East:

An 80-acre unit comprising the SW/4 NE/4 and the NW/4 SE/4 of Section 16 to be dedicated to our J. R. Holt (NCT-A) No. 4 located in Unit J of Section 16 and an 80-acre unit comprising the SW/4 SE/4 and the SE/4 SW/4 to our proposed J.R. Holt (NCT-A) No. 5 to be drilled in Unit O of Section 16, same to be located 760' FSL and 1890' FEL of Section 16 at a standard location.

In support of this application the following information is offered:

- 1) Gulf Oil Corporation is the owner and operator of the 160-acre J. R. Holt (NCT-A) Lease covering the SW/4 NE/4, the W/2 SE/4 and the SE/4 SW/4 Section 16, Township 24 South, Range 37 East as shown on the attached plat.
- 2) Our J. R. Holt (NCT-A) No. 4 located in Unit J of Section 16, Township 24 South, Range 37E was completed 10-11-72 pumping 180 BOPD as a regular location in a Standard Oil Proration Unit comprising the W/2 SE/4 Section 16. In order to fully utilize our 160-acre lease we propose that the acreage be reassigned in order that an 80-acre



A DIVISION OF GULF OIL CORPORATION

Oil Conservation Commission

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unit comprising the SW/4 NE/4 and the NW/4 SE/4 of Section 16 be dedicated to Well No. 4 and an 80-acre unit comprising the SW/4 SE/4 and SE/4 SW/4 dedicated to Well No. 5 to be drilled to a total depth of approximately 5750' at a standard location in Unit 0 760' FSL and 1890' FEL of Section 16.

- 3) The approval of this application is in the interest of providing for the recovery of oil which might otherwise not be recovered and protection of correlative rights.
- 4) Each offset operator on the attached list has been furnished a copy of this application.

Yours very truly,

*J. L. Pike*  
J. L. PIKE T.

CFK:jmc  
Attachment

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

James E. Sperling  
P. O. Box 2168  
Albuquerque, New Mexico 87100

GULF OIL CORPORATION  
J. R. HOLT (NCT-A) LEASE  
SEC. 16, T-24S, R-37E  
LEA COUNTY, NEW MEXICO

OFFSET OPERATORS

Amoco Production Company  
P. O. Box 68  
Hobbs, New Mexico 88240

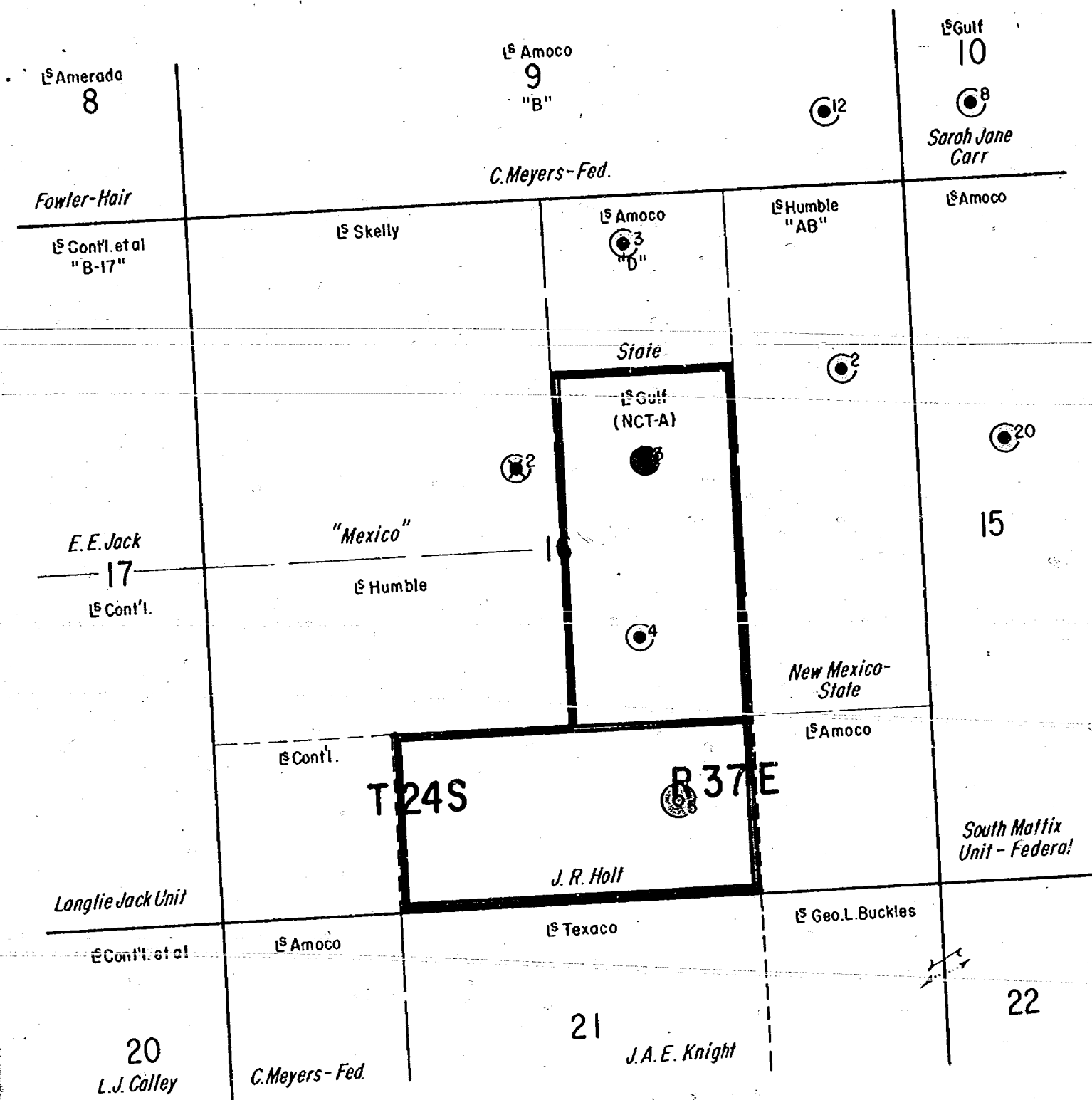
George L. Buckles  
P. O. Box 145  
Monahans, Texas 79756

Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico 88240

Humble Oil and Refining Company  
P. O. Box 1600  
Midland, Texas 79701

Skelly Oil Company  
P. O. Box 1351  
Midland, Texas 79701

Texaco Inc.  
P. O. Box 728  
Hobbs, New Mexico 88240



WELL No. 5  
 J.R. HOLT (NCT-A) LEASE  
 760' FSL & 1890' FEL SEC. 16, T-24-S, R-37-E  
 LEA COUNTY, NEW MEXICO  
 DUAL COMPLETE IN FOWLER DEVONIAN & FOWLER UPPER YESO OIL POOLS

- LEGEND —
- PERTINENT LEASE
  - PROPOSED 80 AC. PRORATION UNITS
  - PERTINENT WELL
  - FOWLER DEVONIAN WELL
  - FOWLER UPPER YESO WELL

*Case 4886*



DRAFT

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

dr/

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

CASE NO. 4886

Order No. R- 4467

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1973,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

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 the applicant, Gulf Oil Corporation, seeks approval  
of two 80-acre non-standard oil proration units in the Fowler-  
Upper Yeso Pool, comprising the SW/4 NE/4 and NW/4 SE/4, and the  
SW/4 SE/4 and SE/4 SW/4 of Section 16, Township 24 South, Range <sup>37</sup>~~38~~  
East, NMPM, Lea County, New Mexico, to be dedicated to applicant's  
J. R. Holt (NCT-A) Well No. 4 located in Unit J and proposed J.R. Holt  
(NCT-A) Well No. 5, to be located in Unit O, respectively, of said  
Section 16.

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Case No. 4886  
Order No. R-

(3) That the proposed non-standard proration units can be efficiently and economically drained and developed by the subject wells.

(4) 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.

IT IS THEREFORE ORDERED:

(1) That two 80-acre non-standard oil proration units in the Fowler-Upper Yeso Pool comprising the SW/4 NE/4 and NW/4 SE/4, and the SW/4 SE/4 and SE/4 SW/4 of Section 16, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby established and dedicated to the J. R. Holt (NCT-A) Well No. 4 located in Unit J and proposed <sup>J.R. Holt (NCT-A)</sup> Well No. 5, to be located in Unit O, respectively, of said Section 16.

(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.