

CASE 4317: Application of GULF  
OIL CORP. FOR A NON-STANDARD  
LOCATION, LEA COUNTY, NEW MEXICO.

Case Number

4917

Application  
Transcripts.

Small Exhibits

ETC.

dearnley, meier &amp; mc cormick

209 SIMMS BLDG. P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
Wednesday, March 14, 1973

EXAMINER HEARING

IN THE MATTER OF:

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

Case No. 4917

BEFORE: Richard L. Stamets  
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: Call Case 4917.

2 MR. CARR: Case 4917, Application of Gulf Oil Corporation for a  
3 non-standard location, Lea County, New Mexico.

4 Mr. Examiner, we have had an appearance in this case by  
5 James E. Sperling representing Gulf Oil Corporation.

6 MR. STAMETS: The record will so note.

7 MR. DENT: Mr. Examiner, my name is Don Dent, I'm an attorney  
8 from Gulf Oil Corporation from Midland, Texas. We have one Witness in this  
9 case. I'd like for him to be sworn at this time.

10 \* \* \* \* \*

11 CHARLES KALTEYER,

12 appeared as a Witness and after being duly sworn according to law,  
13 testified as follows:

14 DIRECT EXAMINATION

15 BY MR. DENT:

16 Q Will you please state your name?

17 A Charles Kalteyer.

18 Q Mr. Kalteyer, for whom are you employed and in what capacity?

19 A I'm employed by Gulf Oil Company as District Proration Engineer in  
20 Midland, Texas.

21 Q Have you testified before this Commission on a prior hearing?

22 A Yes, sir, I have.

23 MR. DENT: Are there any questions as to his qualifications?

24 MR. STAMETS: No, the Witness is qualified as an expert.

25 Q (By Mr. Dent) Mr. Kalteyer, would you state what Gulf is seeking by

1 this Application?

2 A Gulf is asking for approval of a non-standard location for it's  
3 W. A. Ramsay (NCT-A) Well Number 46 in Unit E of Section 27, Township  
4 21 South, Range 36 East; and the simultaneous dedication for a  
5 640-acre standard proration unit in the Eumont Queen gas pool to well  
6 No. 46 and the presently producing W. A. Ramsay (NCT-A) Well Number 17  
7 at a standard location in Unit J of the same Section, Township 21 South,  
8 Range 36 East, Lea County, New Mexico. We are further requesting  
9 approval to produce the unit's allowable in any proportion from these  
10 two wells.

11 Q Mr. Kalteyer, will you refer to what has been marked as Exhibit 1 and  
12 I'll ask you if this Exhibit was prepared by you or under your  
13 supervision?

14 A Yes, sir, it was.

15 Q Will you please state what this Exhibit shows?

16 A Exhibit 1 is a plat showing the 1920-acre W. A. Ramsay (NCT-A) State of  
17 New Mexico Lease outlined in red. Outlined in green is the 640-acre  
18 acreage currently dedicated to Well Number 17 which encompasses all of  
19 Section 27. You will note that the Eumont Queen gas completions are  
20 circled in green in the area and the proposed completion of Number 46  
21 is circled in yellow. You will also note that Wells 14 and 20 on the  
22 Ramsay Lease in Section 34 and 35 are also completed in the Eumont  
23 gas pool. As mentioned before, Well Number 17 is a standard location  
24 in Section 27, 1980 feet out of the southeast corner of the Section  
25 and Number 46 is a northern standard location for the Eumont Queen gas

1 pool, located 1980 feet from the north line and 660 feet from the west  
2 line of Section 27.

3 The offset leases, portions of which fall within a radius of 1500  
4 feet of Number 46, are Continental Oil Company's Lockhart B-28 Federal  
5 Lease, and Citics Service's S. E. Felton patent Lease, and a portion  
6 of Gulf's S. E. Felton patent lease is also situated within the 1500  
7 feet radius of Well No. 46 to the west and northwest there in that area.

8 Q Mr. Kalteyer, in looking at Exhibit 1, would you state whether or not a  
9 precedent has been set in the area of Section 27 as to the granting of  
10 Gulf's Application?

11 A Yes, in Section 26 immediately to the east of Number 27, Exxon Oil  
12 Company operates wells Number 2 and 6 at non-standard locations with the  
13 simultaneous dedication of the 640-acre unit with production to be  
14 in any proportion between the wells. This simultaneous dedication,  
15 under Case 4066 and Order Number R-3700, effective April 1, 1969, was  
16 granted to Exxon for their State "G" Wells 2 and 4 in Section 26.  
17 Under Case Number 4601 and Order R-3700A, Well Number 6 was exchanged  
18 for Well Number 4, effective October 1, 1971, Number 6 also in Section  
19 26. In addition, Exxon has simultaneously dedicated the 640 acres in  
20 Section 25 to the northeast of Section 27 to their New Mexico State  
21 "G" Wells 5 and 9 to produce in any proportion between wells  
22 authorized under Case 4351, Order Number R-3975, effective July 1, 1970.

23 Q Mr. Kalteyer, would you please state the well history for Gulf's W. A.  
24 Ramsay Well Number 17 located in Section 27?

25 A Well Number 17 was completed in August of 1958 as a dual completion.

1 It was a regular location in the Eumont Queen gas pool, and a regular  
2 location in the Eumont Yates-Seven Rivers oil pool. The Eumont oil  
3 completion was closed in in November of 1968 after it became  
4 uneconomical to produce. The Eumont Queen gas completion of Number 17  
5 has been reclassified as a marginal well, effective January 1, 1973,  
6 with the cancellation of some 173,000 Mcf of gas, which is equivalent  
7 to approximately 30 percent of the total allowable assigned to a  
8 non-marginal well on a 640-acre unit for the year 1972. The production  
9 rate on Number 17 has declined to approximately 35,000 Mcf per month,  
10 whereas the allowable in 1972 ranged from some 23,000 to 69,000 Mcf per  
11 month for a non-marginal 640-acre unit.

12 Q What is the present status of well Number 46?

13 A Number 26 was completed in January 1960. at a standard location in the  
14 Eumont Yates-Seven Rivers oil pool and was closed-in November 11, 1966,  
15 after becoming uneconomic to produce. We propose to abandon the  
16 Eumont oil zone and recomplete in the Eumont gas as follows: we will  
17 set a cast iron bridge plug at 3700 feet and cap with cement,  
18 perforate the five and one half inch casing with four 1/2-inch jet  
19 holes per foot in 7 2-foot intervals from 3199 to 3644, acidized and  
20 fracture treated with gelled salt water and placed on production.

21 Q Mr. Kalteyer, do you have an opinion as to whether or not this  
22 Application is necessary in order to protect the correlative rights as  
23 to Gulf's W. A. Ramsay Lease located in Section 27?

24 A Yes, sir, it is.

25 Q Have you prepared or had prepared under your supervision an Exhibit

1 which shows the production data for the Eumont Queen gas pool in Lea  
2 County?

3 A Yes, sir.

4 Q Would you refer to what has been marked as Exhibit 2 and state what is  
5 shown on there?

6 A All right. In Exhibit 2 we have labeled as Table 1, you can see  
7 production for the years 1971 and 1972, as well as the cumulative  
8 production to January 1 of 1973 of the 6 Sections, as well as  
9 Section 27, in the immediate area. You will note in the ninth column  
10 entitled status, that Well Number 17 is currently classified as  
11 marginal, indicated by the letter "M", and that six of the eight wells  
12 surrounding the Section are classified as non-marginal wells. Production  
13 in 1972 from the wells in five of the eight surrounding wells exceeded  
14 the production of Gulf's W. A. Ramsay (NCT-A) Well Number 17; that's  
15 to be seen underproduction under the year 1972. The production for  
16 Well Number 17 was 468,263 Mcf. You will also note that the  
17 cumulative production for Sections 21, 22, and 28 all exceed Well  
18 Number 17's cumulative production.

19 Q Mr. Kalteyer, will you briefly, again, summarize what Gulf is seeking  
20 by this Application?

21 A We are seeking approval of a non-standard location in the Eumont Queen  
22 gas pool for our W. A. Ramsay (NCT-A) Well No. 46 in Unit E of Section  
23 27, and authority for the simultaneous dedication of the 640-acre  
24 gas proration in the Eumont gas pool to said Well 46 and the  
25 currently producing Well No. 17 at a standard location of Unit J in



1 Section 27, Township 21 South, Range 36 East, Lea County, New Mexico,  
2 and further request approval to produce the unit allowable in any  
3 proportion from the wells.

4 MR. DENT: Mr. Examiner, I'd like to offer at this time what has  
5 been marked as Gulf's Exhibit 1 and 2.

6 MR. STAMETS: Without objection, these Exhibits will be admitted  
7 into evidence.

8 Are there any questions of the Witness?

9 (No response.)

10 \* \* \*

11 CROSS EXAMINATION

12 BY MR. STAMETS:

13 Q Mr. Kalteyer, is the Number 17 well carrying any underproduction at this  
14 time?

15 A It was cancelled, the underproduction was cancelled as of the first of  
16 the year.

17 Q It has none, then, at this time?

18 A Yes, sir. Let me check just a moment. Let me see what our records  
19 reflect.

20 Q It seems like your Application says that the Number 17 well is  
21 underproduced approximately 154,693 Mcf through November 1972.

22 A Yes, sir, these were updated to -- as of the end of the year it was  
23 underproduced 173,945, and this was cancelled, and we are  
24 underproduced, after the month of January -- let me give you that  
25 figure here.

1 Q In any event, Gulf is seeking to be able to produce the current  
2 underproduction from either or both wells?

3 A Yes, sir. We are, as of the end of January, we are underproduced  
4 44,889 Mcf.

5 MR. STAMETS: Are there any other questions of the Witness?

6 (No response.)

7 MR. STAMETS: Is there anything further to offer in this case?

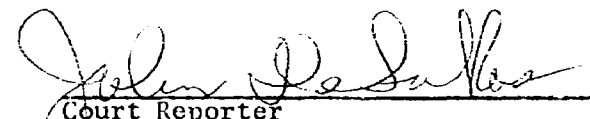
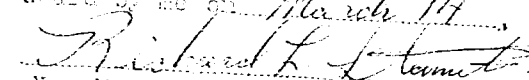
8 (No response.)

9 MR. STAMETS: We will take the case under advisement.

10 \* \* \*

11  
12 STATE OF NEW MEXICO )  
13 )ss  
14 COUNTY OF BERNALILLO )

15 I, JOHN DE LA ROSA, a Court Reporter, in and for the County of  
16 Bernalillo, State of New Mexico do hereby certify that the foregoing and  
17 attached Transcript of Hearing before the New Mexico Oil Conservation  
18 Commission was reported by me; and that the same is a true and correct  
19 record of the said proceedings to the best of my knowledge, skill and  
20 ability.

21   
22 Court Reporter  
23 I do hereby certify that the foregoing is  
24 a correct transcript of the hearing in  
25 the Examiner hearing of Case No. 4917,  
heard by me on March 14, 1973.  
  
Richard L. Starnett, Examiner  
New Mexico Oil Conservation Commission

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25I N D E X

## WITNESS

PAGE

CHARLES KALTEYER

Direct Examination by Mr. Dent

3

Cross Examination by Mr. Stamets

8

E X H I B I T SOFFEREDADMITTED

Exhibit #1

8

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Exhibit #2

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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. 4917  
Order No. R-4496

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 14, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of March, 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 authority to simultaneously dedicate a 640-acre standard gas proration unit, Eumont Gas Pool, to two wells, the W. A. Ramsay Well No. 17 at a standard location in Unit J, and W. A. Ramsay Well No. 46 at a non-standard location in Unit E, Section 27, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks to produce the allowable from said gas proration unit from either or both of said wells in any proportion.

(4) That the applicant further seeks the approval of the non-standard location of said W. A. Ramsay Well No. 46 located 1960 feet from the North line and 660 feet from the West line of said Section 27, Eumont Gas Pool, Lea County, New Mexico.

(5) That approval of the subject application for simultaneous dedication and non-standard location will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, 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 will otherwise prevent waste and protect correlative rights.

-2-

Case No. 4917  
Order No. R-4496

IT IS THEREFORE ORDERED:

(1) That Gulf Oil Corporation, is hereby authorized to simultaneously dedicate a 640-acre standard gas proration unit, Eumont Gas Pool, to two wells, the W. A. Ramsay Well No. 17 at a standard location in Unit J, and W. A. Ramsay Well No. 46 at a non-standard location in Unit E, Section 27, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

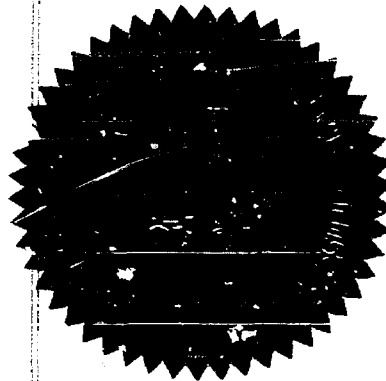
(2) That the allowable assigned to said proration unit plus the underage accrued from January through March, 1973, may be produced from either or both of said wells in any proportion.

(3) That the non-standard location of the applicant's W. A. Ramsay Well No. 46 located 1980 feet from the North line and 660 feet from the West line of said Section 27 in said pool is hereby approved.

(4) That the effective date of this order shall be April 1, 1973.

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

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



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/

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. MELENDEZ  
BRUCE C. BLACK  
CHARLES J. NOYA

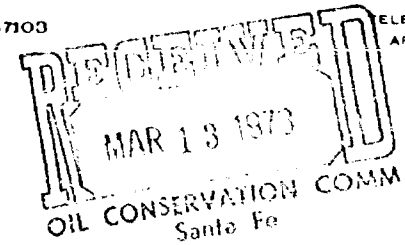
LAW OFFICES OF  
MODRALL, SPERLING, ROEHL, HARRIS & SISK

PUBLIC SERVICE BUILDING  
P. O. BOX 2168  
ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1954)  
AUGUSTUS T. SEYMOUR  
(1907-1965)

TELEPHONE 243-4511  
AREA CODE 505

March 12, 1973



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  
Non-Standard Location, Lea County, New  
Mexico  
Case No. 4917

Dear Mr. Porter:

Enclosed, please find Entry of Appearance on behalf  
of the Applicant, Gulf Oil Corporation, in the  
above-captioned application, which has been docket-  
ed for hearing on March 14, 1973.

Very truly yours,

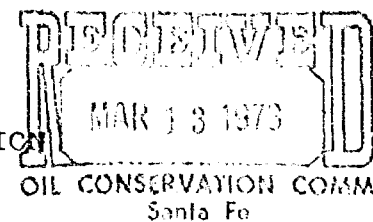
*James E. Sperling*  
James E. Sperling

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 A  
NON-STANDARD LOCATION, IN UNIT E,  
SECTION 27, TOWNSHIP 21 SOUTH,  
RANGE 36 EAST, LEA COUNTY, NEW  
MEXICO.

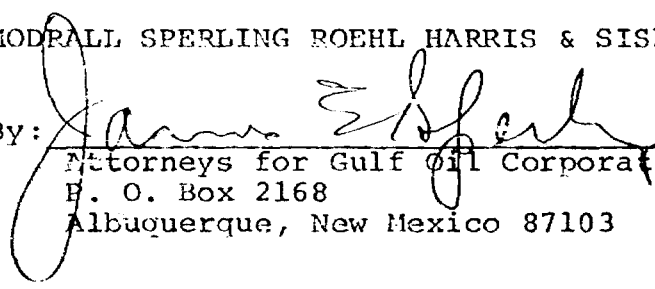
Case No. 4917

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 - MARCH 14, 1973

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

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

ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;

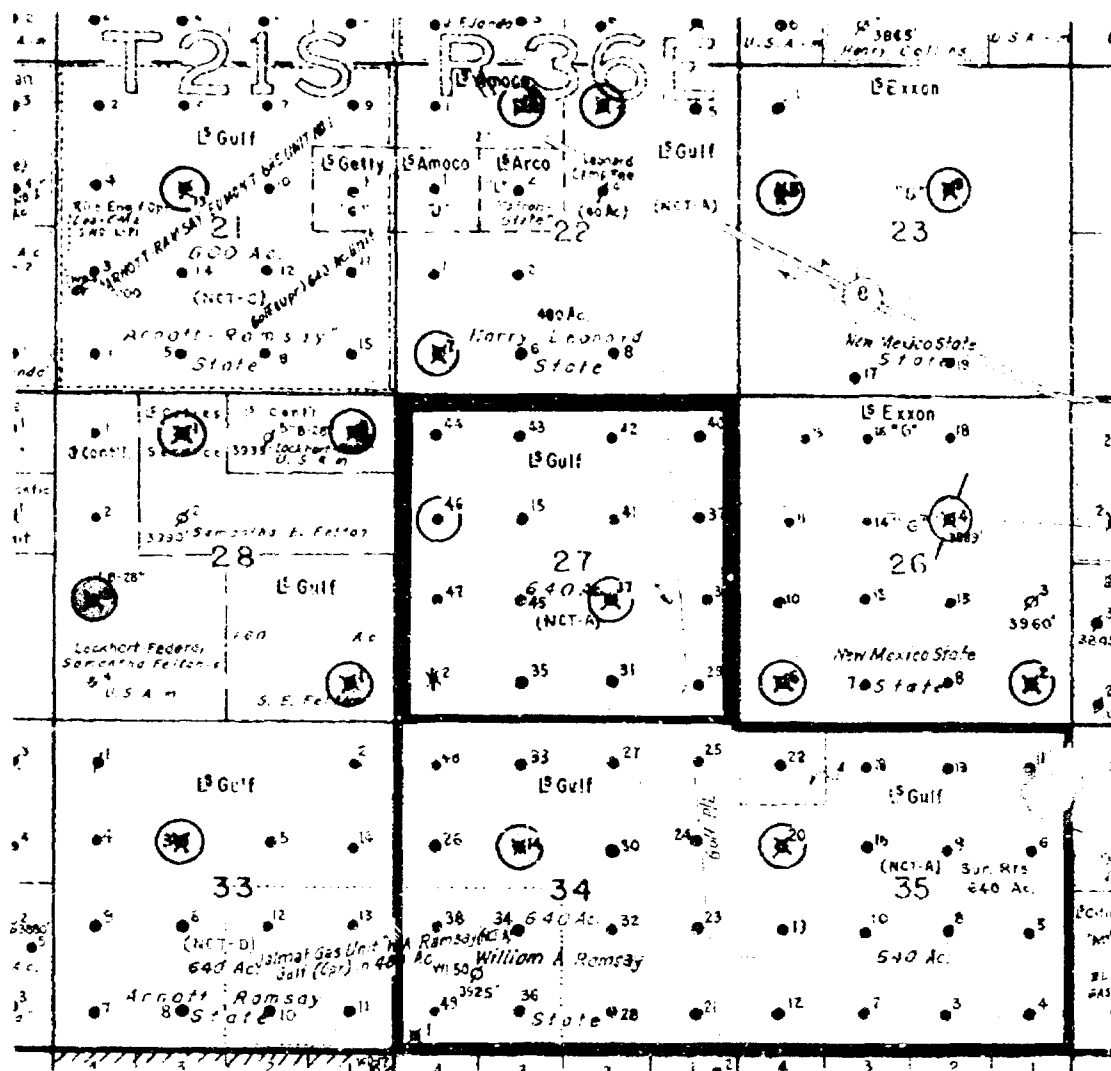
(2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for April, 1973.

CASE 4915: Application of Belco Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Unit Well No. 3 located in Unit J of Section 1, Township 23 South, Range 30 East, Eddy County, New Mexico, in such a manner as to produce gas from the Strawn and Atoka formations, Los Medanos Field Area, through the casing-tubing annulus and through tubing, respectively.





CASE 4916: Application of Agua, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the openhole interval from 4400 feet to 5000 feet in its proposed SWD Well No. C-2 located in Unit C of Section 2, Township 22 South, Range 37 East, adjacent to the South Eunice-San Andres Pool, Lea County, New Mexico.

CASE 4917: Application of Gulf Oil Corporation for a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a 640-acre standard gas proration unit, Eumont Gas Pool, to two wells, the W. A. Ramsay Well No. 17 at a standard location in Unit J, and W. A. Ramsay Well No. 46 at a non-standard location in Unit E, Section 27, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 4918: Application of Twinlakes Oil Company for a dual completion and salt water injection, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its O'Brien "C" Well No. 3 located in Unit K of Section 1, Township 9 South, Range 28 East, in such a manner as to permit the attempted production of oil from the Twinlakes San Andres Pool and the injection of produced salt water into the Devonian formation, Twin Lakes-Devonian Pool, Chaves County, New Mexico, through parallel strings of 2 7/8-inch casing cemented in a common wellbore.



GULF OIL CORPORATION  
W.A. RAMSAY ( NCT -A ) LEASE  
EUMONT QUEEN ( GAS ) POOL  
Lea County, New Mexico  
Scale: 1" = 3000'

-  Lease Outline
-  Pertinent Unit Outline
-  Eumont Queen ( Gas ) Completion
-  Proposed Nonstandard Location

BEFORE EXAMINING STATEMENTS  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. 4917  
Submitted by GULF  
Hearing Date 3-14-73

Exhibit No. 1  
Case No. 4917  
March 14, 1973

4917  
 4917  
 3-14-73

TABLE 1  
 PRODUCTION DATA  
 EUMONT QUEEN (GAS) POOL  
 IEA COUNTY, NEW MEXICO

Gulf Oil Corporation  
 Case No. 4917  
 March 14, 1973

| Section | Operator                              | Lease  | Well No.    | Unit        | Sec.           | Tnshp.            | Rng.              | Status             | Acreage Factor    | Production (MCF)             |                               |                                     |
|---------|---------------------------------------|--|-------------|-------------|----------------|-------------------|-------------------|--------------------|-------------------|------------------------------|-------------------------------|-------------------------------------|
|         |                                       |  |             |             |                |                   |                   |                    |                   | 1971                         | 1972                          | Accumulative                        |
| 21      | Gulf Oil Corporation                  | Arnett Ramsay (NCT-C)  | 13          | F           | 21             | 21S               | 36E               | N                  | 4.0               | 491,205                      | 614,143                       | 7,217,592                           |
| 22      | Amoco Prod. Co.<br>Gulf Oil Corp.     | State I Com.<br>Harry Leonard (NCT-A)<br>Harry Leonard (NCT-A) | 2<br>3<br>7 | C<br>B<br>M | 22<br>22<br>22 | 21S<br>21S<br>21S | 36E<br>36E<br>36E | N<br>N<br>N        | 1.0<br>2.0<br>1.0 | 176,639<br>250,855<br>63,052 | 165,292<br>293,906<br>157,284 | 1,632,117<br>4,820,734<br>1,452,233 |
| 23      | Exxon Oil Co.-U.S.                    | New Mexico G State<br>New Mexico G State                       | 5<br>9      | E<br>G      | 25<br>23       | 21S<br>21S        | 36E<br>36E        | Unit<br>Unit<br>WM | 0.0<br>0.0<br>4.0 | 83,645<br>299,838<br>383,483 | 89,177<br>261,174<br>350,351  | 208,799<br>4,236,512<br>4,445,311   |
| 25      | Exxon Oil Co.-U.S.                    | New Mexico G State<br>New Mexico G State<br>New Mexico G State | 2<br>4<br>6 | P           | 26             | 21S               | 36E               | Unit<br>Unit<br>WM | 0.0<br>0.0<br>0.0 | 224,253<br>- 0 -<br>20,761   | 206,367<br>- 0 -<br>77,604    | 3,064,938<br>1,715,243<br>296,820   |
| 27      | Gulf Oil Corp.                        | W. A. Ramsay (NCT-A)   | 17          | J           | 27             | 21S               | 36E               | M                  | 4.0               | 554,247                      | 468,363                       | 6,425,054                           |
| 28      | Cities Service<br>Continental Oil Co. | Felton<br>Lockhart B-28<br>Lockhart B-28                       | 1<br>3<br>6 | C<br>L<br>A | 28<br>28<br>28 | 21S<br>21S<br>21S | 36E<br>36E<br>36E | N<br>N<br>N        | 1.0<br>1.5<br>.5  | 91,740<br>244,477<br>144,770 | 196,834<br>258,601<br>146,094 | 1,774,666<br>4,586,074<br>845,776   |
| 33      | Gulf Oil Co.-U.S.                     | S. E. Felton<br>Arnett-Ramsay (NCT-D)                          | 1<br>3      | P<br>F      | 28<br>33       | 21S<br>21S        | 36E<br>36E        | N<br>N             | 1.0<br>4.0        | 214,115<br>695,102           | 139,209<br>740,738            | 1,722,985<br>8,929,501              |
| 34      | Gulf Oil Co.-U.S.                     | W. A. Ramsay (NCT-A)   | 14          | F           | 34             | 21S               | 36E               | N                  | 3.0               | 402,270                      | 474,746                       | 6,045,205                           |
| 35      | Gulf Oil Co.-U.S.                     | W. A. Ramsay (NCT-A)   | 20          | E           | 35             | 21S               | 36E               | N                  | 4.0               | 545,016                      | 610,734                       | 5,987,215                           |

4917  
Gulf Oil Company - U.S.

HOBBS PRODUCTION AREA

C. D. Borland

February 6, 1973

P. O. Box 670  
Hobbs, New Mexico 88240

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

Dear Sir:

Gulf Oil Corporation requests your administrative approval for a 640 acre proration unit in the Eumont Gas Pool, covering all of Section 27, 21-S, 36-E, to be dedicated simultaneously to our W. A. Ramsay (NCT-A) well No. 17, located 1980' FS & EL, and our W. A. Ramsay (NCT-A) well No. 46, located 1980' FNL & 660' FWL, both in Section 27, 21-S, 36-E.

In support of this application the following facts are submitted:

1. The W. A. Ramsay (NCT-A) No. 17 is a marginal Eumont gas well with a standard 640 acre proration unit covering all of Section 27, 21-S, 36-E, and is under produced approximately 154,693 MCF thru November, 1972.
2. The W. A. Ramsay (NCT-A) No. 46 is presently completed in the Eumont oil zone but is not producing due to economical reasons. Plans have been made to abandon the Eumont oil zone in this well and recomplete in the Eumont gas.
3. The attached plat shows the 640 acre unit outlined in red.
4. All offset operators have been furnished a copy of this application.

Your early consideration will be appreciated.

Yours truly,

*C. D. Borland*  
C. D. BORLAND

lwd:

Att'd

cc: NMOCC, Hobbs  
All Offset Operators  
J. L. Pike  
File

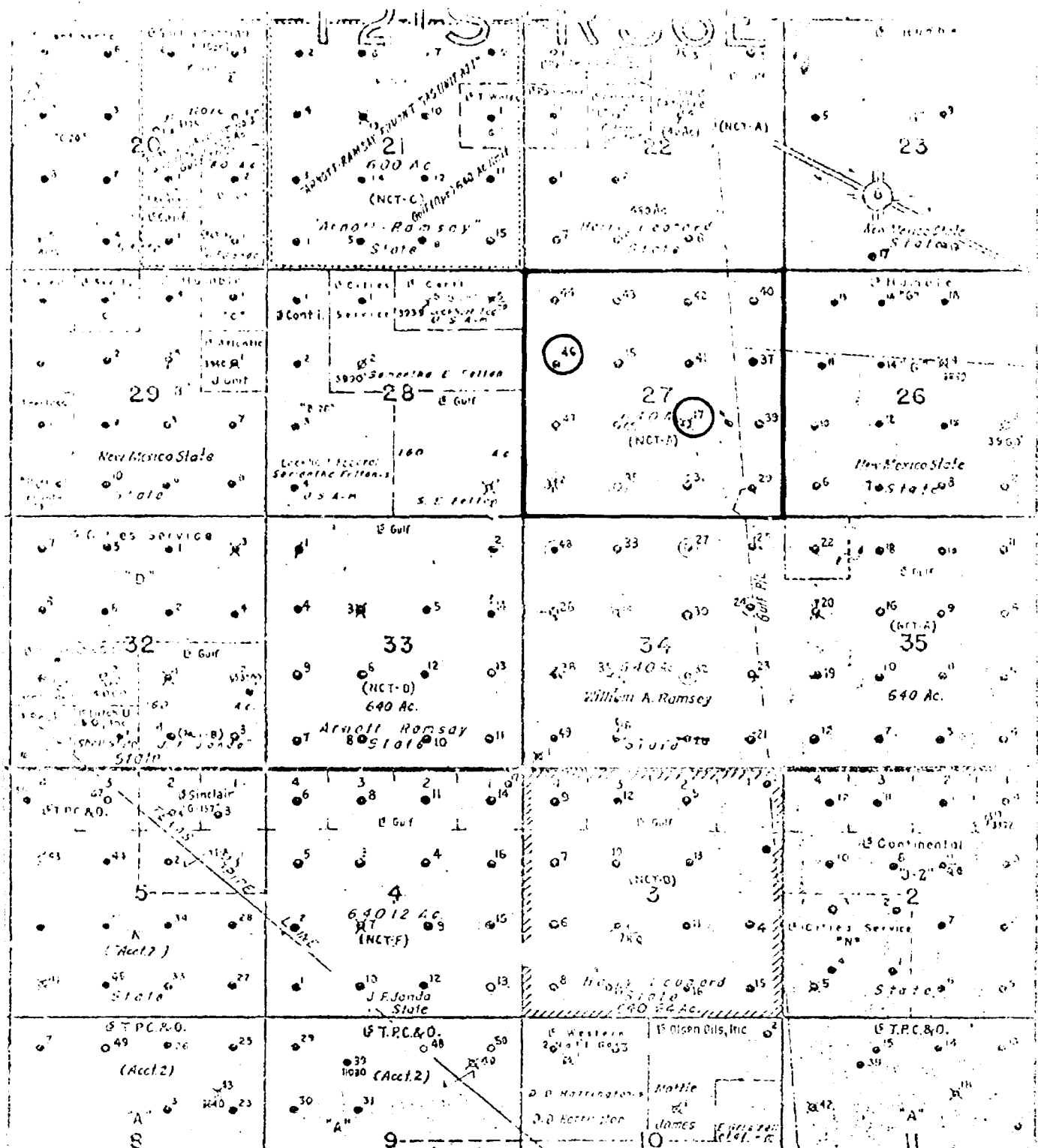


A DIVISION OF GULF OIL CORPORATION

DOCKET MAILED

3/5/73  
Date

Set for hearing  
2 well unit  
at one well  
at a non-sth  
loc for  
640 acres



Case 4917

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 GULF OIL CORPORATION  
FOR A NON-STANDARD LOCATION, LEA  
COUNTY, NEW MEXICO.

CASE NO. 4917

Order No. R- 4496

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 14, 1973, at Santa Fe, New Mexico, before Examiner Richard H. Stamets.

NOW, on this \_\_\_\_\_ day of March, 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 authority to simultaneously dedicate a 640-acre standard gas proration unit, Eumont Gas Pool, to two wells, the W. A. Ramsay Well No. 17 at a standard location in Unit J, and W. A. Ramsay Well No. 46 at a non-standard location in Unit E, Section 27, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) ~~That the applicant seeks to produce the allowable from said gas proration unit~~  
from either or both of said wells in any proportion.

(14) That the approval of the non-standard location of said W. A. Ramsay Well No. 46 located 1980 feet from the North line and 660 feet from the West line of said Section 27, Eumont Gas Pool, Lea County, New Mexico.

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Case No. 4917  
Order No. R-

That approval of the ~~subject application~~ <sup>subject application for simultaneous dedication and non-standard location</sup> will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Gulf Oil Corporation, is hereby authorized to simultaneously dedicate a 640-acre standard gas proration unit, Eumont Gas Pool, to two wells, the W. A. Ramsay Well No. 17 at a standard location in Unit J, and W. A. Ramsay Well No. 46 at a non-standard location in Unit E, Section 27, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

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

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

(3) That the non-standard location of applicant's W. A. Ramsay Well No. 46 located 1980 feet from the North line and 660 feet from the West line of said Section 27 in said pool is hereby approved.

(4) That the effective date of this order shall be April 1, 1973.

(2) That the allowable assigned to said proration unit plus the underage accrued from January through March, 1973, may be produced from either <sup>or</sup> both of said wells in any proportion.