

CASE 4929: Appli. of ATLANTIC
RICHFIELD FOR SIMULTANEOUS WELL
DEDICATION, LEA COUNTY, N. MEX.

CASE No.
4929

Application,
Transcripts,
Small Exhibits
ETC.

dearnley, meier & 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

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
March 28, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield
Company for simultaneous well
dedication, Lea County, New Mexico.

Case No. 4929

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: Case No. 4929: Application of
2 Atlantic Richfield Company for simultaneous well dedication, Lea
3 County, New Mexico.

4 MR. HINKLE: Clarence Hinkle of Hinkle, Bondurant,
5 Cox & Eaton, Roswell, appearing on behalf of Atlantic Richfield.
6 We have one witness and two exhibits.

7 JERALD L. TWEED
8 was called as a witness and, having been already been duly
9 sworn, testified as follows:

10 MR. NUTTER: Let the record show that Mr. Tweed is
11 still under oath.

12 DIRECT EXAMINATION

13 BY MR. HINKLE:

14 Q State your name, residence, and by whom you are presently
15 employed.

16 A Jerry Tweed, I reside in Midland, Texas, and I am employed
17 by Atlantic Richfield Company.

18 Q What is your position with Atlantic Richfield?

19 A Petroleum engineer.

20 Q Are your qualifications as a petroleum engineer a matter
21 of record with the Commission?

22 A Yes, sir.

23 Q And have you made a study of the area that is involved in
24 this case?

25 A Yes, I have.

1 MR. HINKLE: Are the witness' qualifications accept-
2 able?

3 MR. NUTTER: Yes, they are.

4 Q (By Mr. Hinkle) What does Atlantic Richfield seek to
5 accomplish by this application?

6 A We are asking for a standard 640 acre gas proration unit
7 to be dedicated simulataneously to four wells, the
8 McDonald State Wells 3, 4, 5, and 6. The 640 acre pro-
9 ration unit would consist of all of Section 36, Township
10 22 South, Range 36 East.

11 Q Referring to Exhibit No. 1, would you explain what it is
12 and what it shows.

13 A Exhibit No. 1 is a plat of the area. Outlined in yellow
14 is the proposed proration unit. The other colors repre-
15 sent the current proration units. There are currently
16 four 160 acre proration units here. There have been 160
17 acres dedicated to each of these wells and they were
18 drilled at the time when the gas spacing for the area was
19 160 acre spacing.

20 Q But at the present time, it is 640 acre spacing, is it not?

21 A Yes, it is.

22 Q Do you have any information as to the production history
23 of these wells?

24 A Two of the wells are capable of making in excess of the
25 current 160 acre allowable, these being wells No. 3 and No.

1 5. Currently two wells are not capable of making the
2 allowable for 160 acres. These are wells 4 and 6. With
3 this combination, we think the wells would be capable of
4 making their allowable for a 640 acre unit.

5 Q Produced in any quantity that you think necessary to make
6 the allowable?

7 A That's right. Also, we do have in this general area a
8 problem with salt in the producing wells. We have to go
9 in periodically and check the wells and treat them with
10 fresh water, and we feel that by having four wells we
11 would be better able to manage production from them and
12 produce the allowable.

13 Q Referring you to Exhibit No. 2, will you explain what this
14 is.

15 A Exhibit 2 is a well location plat showing the locations of
16 the four wells and the distances from the section boundaries.

17 Q Did you prepare these plats or were they prepared under
18 your direction?

19 A Yes, sir.

20 Q In your opinion, would the approval of this application
21 be in the interest of conservation and the prevention of
22 waste?

23 A Yes.

24 Q And tend to protect correlative rights?

25 A Yes. Also we are asking that the overage and underage

1 be combined as of the effective date of the approval of the
2 640 acre unit.

3 Q Do you have anything further to present?

4 A No.

5 MR. HINKLE: I would like to offer Exhibits 1 and
6 2.

7 MR. NUTTER: Without objection Applicant's Exhibits
8 1 and 2 will be admitted in evidence.

9 (Whereupon Applicant's Exhibits 1 and 2
10 were admitted in evidence)

11 CROSS EXAMINATION

12 BY MR. NUTTER:

13 Q You stated that you wanted the combined status of the
14 individual units to apply to the overall unit. What is
15 the status of wells 4 and 6? Are they marginal or under-
16 produced or non-marginal?

17 A Under-produced, non-marginal wells.

18 Q Are wells 3 and 5 over-produced?

19 A Yes.

20 Q So you want the combined status of all of them put in one
21 number?

22 A Yes, sir.

23 MR. NUTTER: Any further questions?

24 (No response)

25 MR. NUTTER: The witness may be excused.

1 (Witness excused)

2 MR. NUTTER: Are there any statements in this case?

3 (No response)

4 MR. NUTTER: Case 4929 will be taken under advise-
5 ment.

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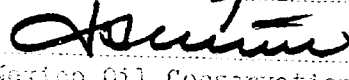
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1 STATE OF NEW MEXICO)
) ss.
 2 COUNTY OF BERNALILLO)

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

9 
 10 Certified Shorthand Reporter

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I do hereby certify that the foregoing is
 a true and correct record of the proceedings in
 the Board of Hearing of Case No. 4929
 heard by me on 2/28, 1973.

 Examiner
 New Mexico Oil Conservation Commission

1

I N D E X

2

WITNESSPage

3

JERALD L. TWEED

4

Direct Examination by Mr. Hinkle

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Cross Examination by Mr. Nutter

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EXHIBITS

7

OfferedAdmitted

8

Exhibit 1

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Exhibit 2

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OIL CONSERVATION COMMISSION

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

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

April 27, 1973

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

Re: Case No. 4929

Order No. R-4507

Applicant:

Atlantic Richfield Company

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. 4929
Order No. R-4507

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR SIMULTANEOUS WELL
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 28, 1973, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of April, 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, Atlantic Richfield Company, is the owner and operator of a standard 640-acre gas proration unit comprising all of Section 36, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks to simultaneously dedicate to said unit its McDonald State Wells Nos. 3, 4, 5, and 6 located in Units P, M, D, and B, respectively, of said Section 36, with unit production to be taken from said wells in any proportion.

(4) That the proposed standard gas proration unit can be efficiently and economically drained and developed by the subject wells.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective at 7:00 a.m., May 1, 1973, the

-2-

Case No. 4929
Order No. R-4507

applicant, Atlantic Richfield Company, is hereby authorized to simultaneously dedicate its standard 640-acre gas proration unit comprising all of Section 36 to its McDonald State Wells Nos. 3, 4, 5, and 6 located in Units P, M, D, and B, respectively, of said Section 36, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, with unit production to be taken from said wells in any proportion.

(2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 640 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; and that the status of said consolidated unit shall be the status, as of May 1, 1973, of the four previous 160-acre units dedicated to the above-described wells.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

S E A L

dr/

CASE 4929: Application of Atlantic Richfield Company for simultaneous well dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of four wells to a standard 640-acre gas proration unit comprising all of Section 36, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, said wells being the McDonald State Nos. 3, 4, 5, and 6 located in Units P, M, D, and B, respectively, of said Section 36, with unit production to be taken from said wells in any proportion.

CASE 4930: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a proposed gas well at a point 1650 feet from the North line and 660 feet from the West line of Section 18, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico.

CASE 4931: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Lea County, New Mexico:

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Townsend-Abo Pool. The discovery well is the Remunda Oil and Gas Company Eidson Ranch No. 1 located in Unit E of Section 26, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 26: NW/4

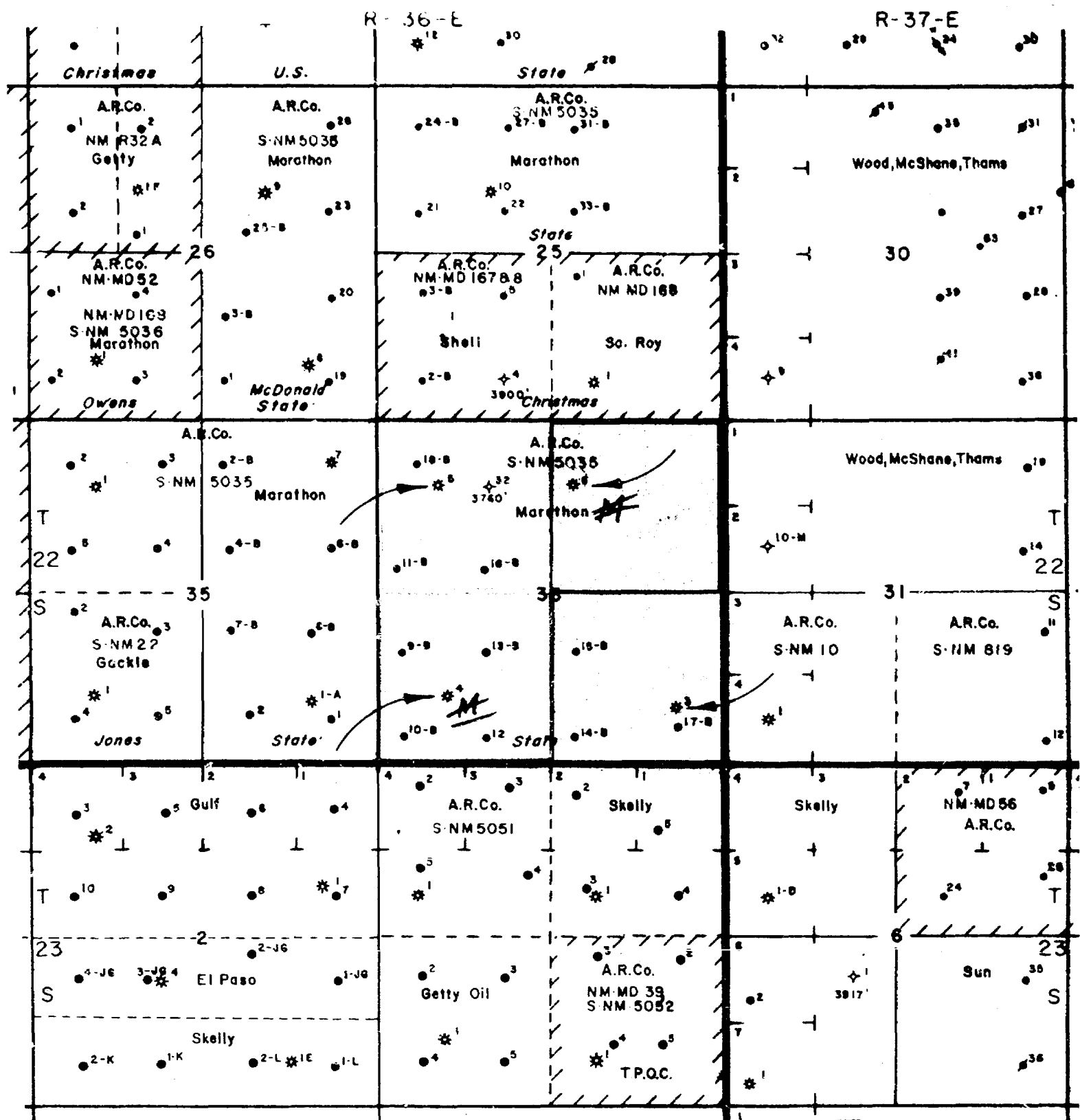
(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Townsend-Pennsylvanian Pool. The discovery well is the R. Williamson and J. Williamson Harrod State No. 1 located in Unit U of Section 4, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: SW/4

(c) Extend the vertical limits of the Tubb Gas Pool in Lea County, New Mexico, to include the entire interval from 100 feet above the Tubb marker to the top of the Drinkard formation.

(d) Extend the Crosby Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 33: NE/4



BEFORE EXAMINER NUTTER
 IN THE MATTER OF THE ESTATE OF
 C. H. RICHMOND, DECEASED
 CASE NO. 4929

R-37-E
 EXHIBIT 1

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Atlantic Richfield Company		McDonald State WN		Well No. 3, 4, 5, 6
Section 36	Township 22-S	Range 36-E	County Lea	
Actual distance from the center of well				
990'	South	990'	West	
Ground Elev. 3449'	Full Name Yates	Foot Jalmat	Dedicated Acres 640 Acres	

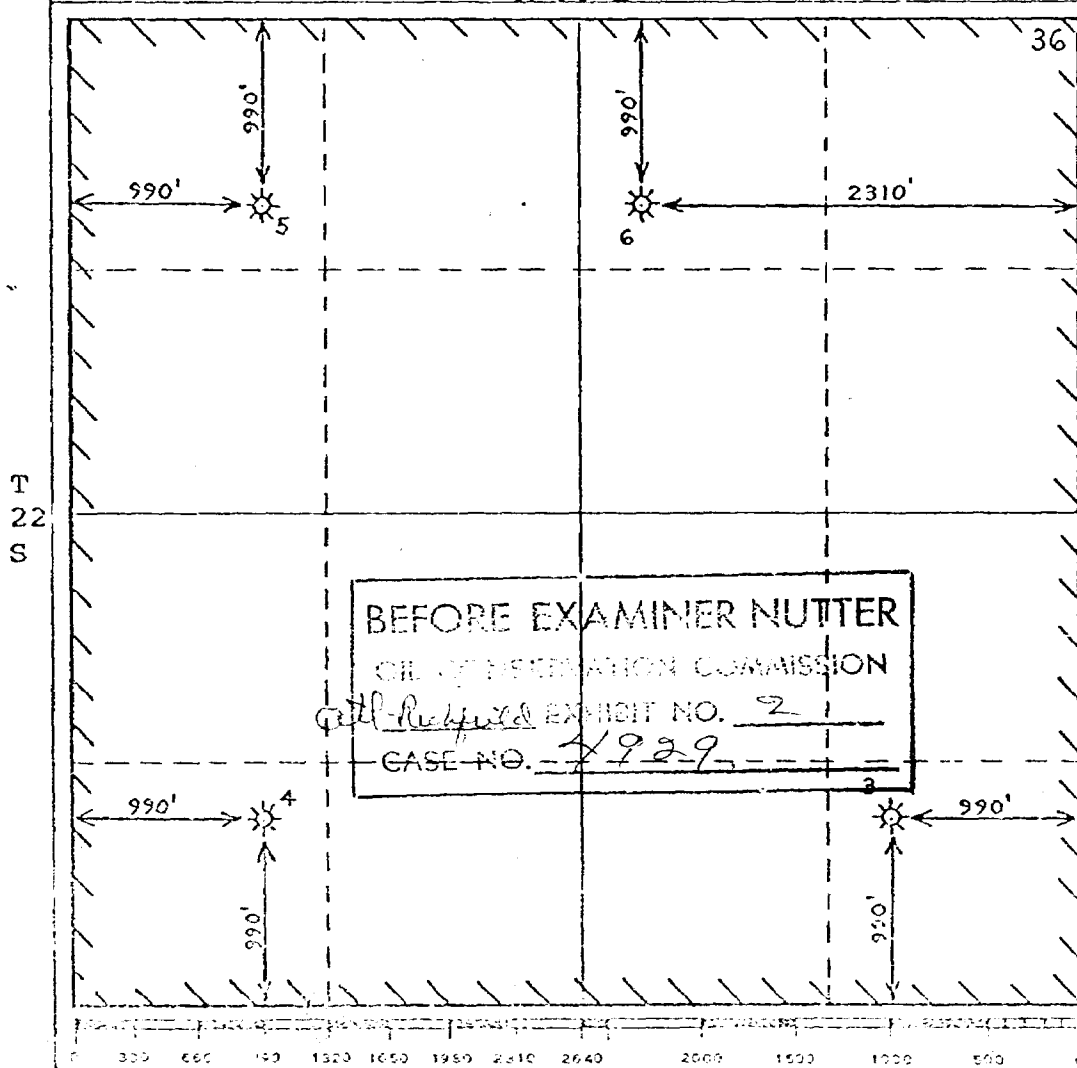
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

R-36-E



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

O. D. Bretches

Name
O. D. Bretches
Position
Dist. Drlg. Supvr.
Company
Atlantic Richfield Co.
Date
February 14, 1973

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Registered Professional Engineer
and/or Land Surveyor

Certificate No.

EXHIBIT 2

Atlantic Richfield Company

Legal Division
Post Office Box 2819
Dallas, Texas 75221
Telephone 214 747 6461

Duncan W. Holt, Jr., Attorney

February 28, 1973

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Atlantic Richfield
Company for Rededication of Acreage,
Jalmat Gas Pool, Lea County, New Mexico

Gentlemen:

Enclosed in triplicate is application of Atlantic Richfield Company in the above matter and request that it be set for hearing before an examiner at Santa Fe, at the earliest convenient date. The offset operators have been furnished with a copy of the application. A list of the offset operators is enclosed for your information.

Very truly yours

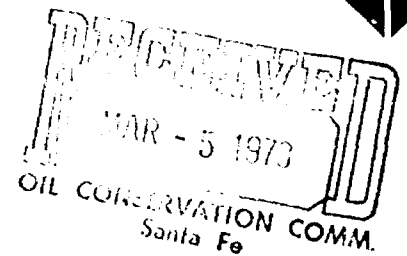
Duncan W. Holt, Jr.

Duncan W. Holt, Jr.

DWH/bn

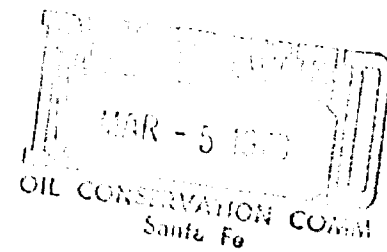
Attachments

cc: Mr. Clarence E. Hinkle (enc); Offset Operators (enc)



DOCKET MAILED
Date 3/6/73

Page 4929



Conoco
P. O. Box 431
Midland, Texas 79701

Dalport Oil Corporation
1st National Bank Bldg.
Dallas, Texas 75202
or
439 So. 5th
Jal, New Mexico 88252

Gulf Oil Company
Box 1150
Midland, Texas 79701

Shell Oil Company
Box 1509
Midland, Texas 79701

Skelly Oil Company
Box 1351
Midland, Texas 79701
and
Box 1650
Tulsa, Oklahoma 74102

Texas Pacific Oil Company, Inc.
Box 4067
Midland, Texas 79701

Wood, McShane & Thams
Box 968
Midland, Texas 79701

list of offset operators

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD COMPANY
FOR REDEDICATION OF ACREAGE, JALMAT GAS
POOL, LEA COUNTY, NEW MEXICO

CASE NO. 7929

Atlantic Richfield Company hereby makes application to the Commission for an order amending existing rules or orders of the Commission pertaining to certain gas proration units to permit the rededication of the acreage to certain wells thereon and in support thereof would show:

1.

Atlantic Richfield Company is the operator of the acreage hereinafter described and the wells located thereon and herein-after mentioned which are completed in the Jalmat Gas Pool and that certain of said wells are marginal as will be shown upon hearing hereof.

2.

Applicant hereby seeks an order to permit the combining of the following existing gas proration units and to permit the simultaneous dedication of the combined acreage to the wells located thereon as follows:

- A. Combine the McDonald State Well No. 3 located on existing unit of 160 acres described as the SE/4 of Section 36, Township 22 South, Range 36 East, N.M.P.M., the McDonald State Well No. 4 located on existing unit of 160 acres described as the SW/4 of said Section 36, the McDonald State No. 5 Well located on existing unit of 160 acres described as the NW/4 of Section 36, Township 22 South, Range 36 East, N.M.P.M. and the McDonald State No. 6 Well located on existing unit of 160 acres described as the NE/4 of said Section 36 into one 640-acre unit with the allowable to be produced in any quantity from any one of

said wells. .

Attached are maps of the proposed proration units.

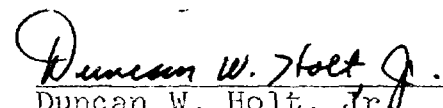
3.

That the subject gas proration units can be efficiently and economically drained and developed from the respective wells located thereon.

4.

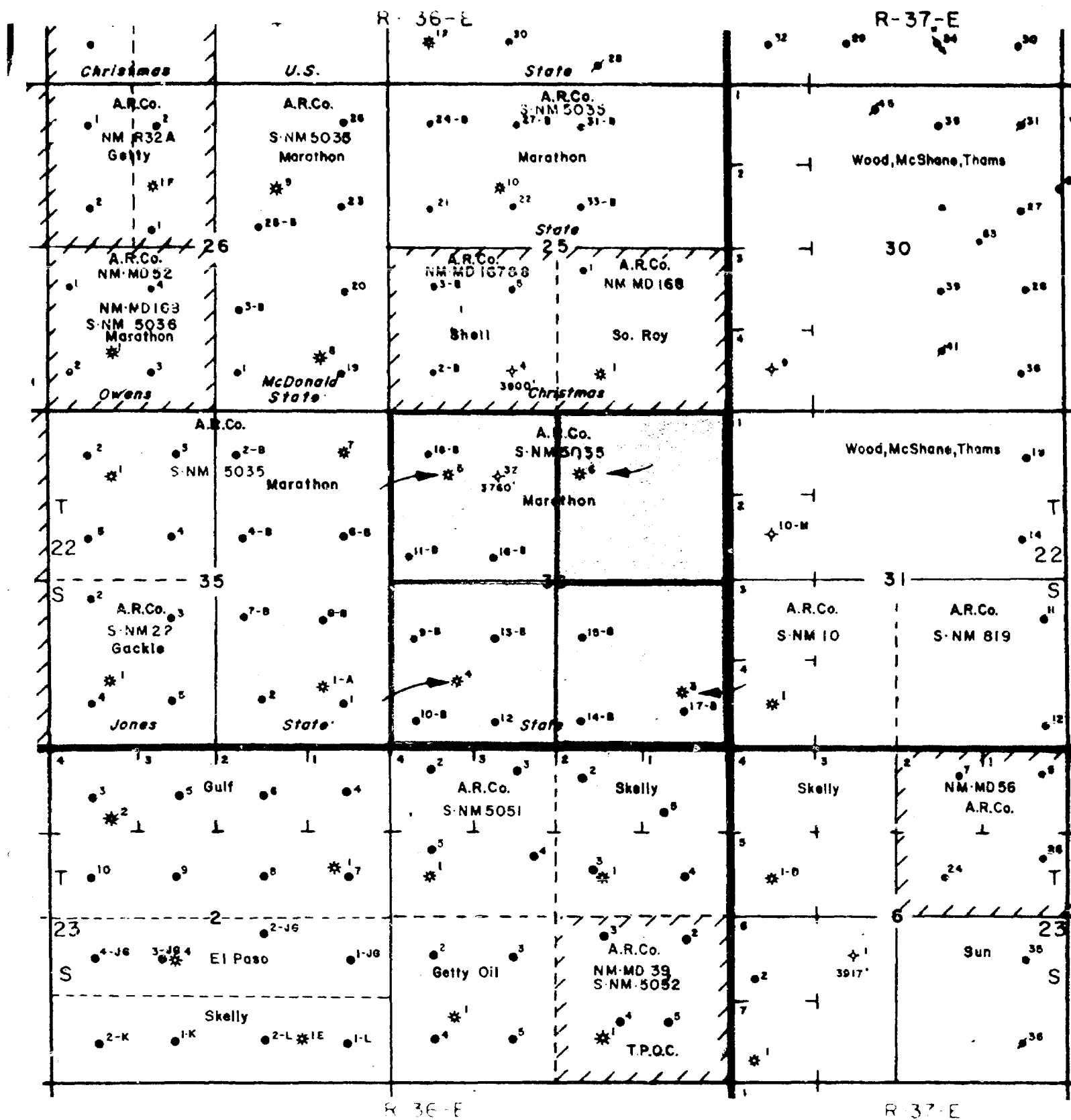
That because of the marginal status of certain of the wells on the proposed proration unit, approval of this application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant prays that notice be issued on this application as required by law; that the application be set for hearing before an examiner at Santa Fe, New Mexico at the earliest convenient date and after hearing, a special order be entered approving this application for said proposed gas proration units.


Duncan W. Holt, Jr.
P. O. Box 2819, Dallas, Texas 75221

Clarence E. Hinkle
Hinkle, Bondurant, Cox & Eaton
P. O. Box 10, Roswell, New Mexico 88201

ATTORNEYS FOR APPLICANT
ATLANTIC RICHFIELD COMPANY



Case 4929

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 4929

Order No. R-4507

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR SIMULTANEOUS WELL
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 28, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of April, 193 , 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, Atlantic Richfield Company, is the owner
and operator of a standard 640-acre gas proration unit comprising all of
Section 36, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea
County, New Mexico.

(3) That the applicant seeks to simultaneously dedicate ^{to said unit} its McDonald State Wells Nos. 3, 4, 5, and 6 located in Units P, M, D, and B, respectively, of said Section 36, with unit production to be taken from said wells in any proportion.

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

(5) *That approval of the subject wells application will afford the applicant the opportunity to produce its just and fair share equitable share of the gas in the Jalmat Gas Pool and will otherwise prevent waste and protect correlative rights.*

IT IS THEREFORE ORDERED:

effective ~~May 1, 1973~~ at 7:00 am, May 1, 1973,

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to simultaneously dedicate its standard 640-acre gas proration unit comprising all of Section 36 to its McDonald State Wells Nos. 3, 4, 5, and 6 located in Units P, M, D, and B, respectively, of said Section 36, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, with unit production to be taken from said wells in any proportion.

(2) **THAT THE ALLOWABLE ASSIGNED TO THE ABOVE-DESCRIBED GAS PRORATION UNIT SHALL BE BASED UPON THE UNIT SIZE OF 640 ACRES; THAT THE OPERATOR MAY PRODUCE THE ALLOWABLE ASSIGNED TO THE UNIT FROM THE SUBJECT WELLS IN ANY PROPORTION; AND THAT THE STATUS OF SAID CONSOLIDATED UNIT SHALL BE THE STATUS, AS OF MAY 1, 1973, OF THE FOUR PREVIOUS 180-ACRE UNITS DEDICATED TO THE ABOVE DESCRIBED**

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

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