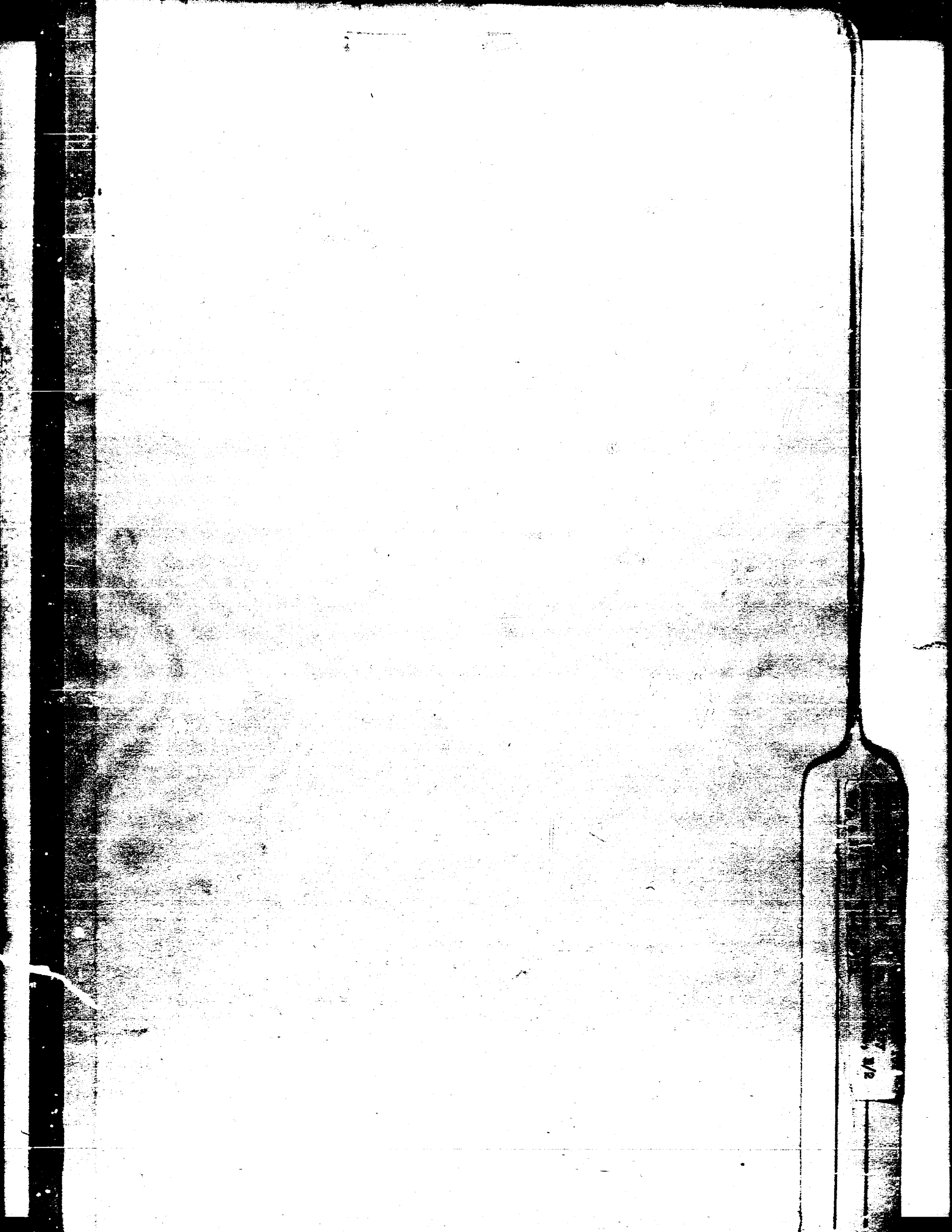


Case No.

1065

Application, Transcript,
Small Exhibits, Etc.



OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

June 19, 1956

C
O
P
Y

Mr. Frank Spach
P.O. Box 1065
Santa Fe, N.M.
June 19, 1956

We enclose a copy of Order R-414 issued June 8, 1956, by the
Oil Conservation Commission in Case 1065, which was heard on May
24 at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

cc
Encl.

**BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 9, 1956**

IN THE MATTER OF:

CASE NO. 1065

TRANSCRIPT OF PROCEEDINGS

**BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 9, 1926**

Application of Gulf Oil Corporation for an order granting an exception to Rule 309 (a) of the New Mexico Oil Conservation Commission Statewide Rules and Regulations to permit the production of more than eight wells from a common tank battery on the Harry Leonard (1907-08) Lease in the Arroyo Puel, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order granting a common tank battery to receive production from a common oil well on the Harry Leonard (1907-08) Lease in the Arroyo Puel; said lease composed of the N/4 SW/4 and N/2 of Section 34, Township 21 South, Range 14 East, Lea County, New Mexico. Applicant states that there are eight wells presently producing on said lease, a ninth well will be completed in the future and applicant proposes to drill the tenth well in the undetermined future.

Case No. 1065

REPORT:

Walter W. Martin, Examiner

TRANSCRIPT OF HEARING

EXAMINER MARTIN: Next case is Case No. 1065, application of Gulf Oil Corporation for an order granting an exception to Rule 309 (a) of the New Mexico Oil Conservation Commission Statewide Rules for their Harry Leonard Lease in the Arroyo Puel, Lea County. Do you have a witness to be sworn?

MR. UPCHURCH: Claude Upchurch, attorney for Gulf Oil Corporation, I would like to have Mr. Walker sworn. Would you swear Mr. Walker, please?

DON WALKER sworn.

DIRECT EXAMINATION BY CLAUDE UPCHURCH

Q Mr. Walker will you state your name for the record and year - and by whom are you employed? And in what capacity.

A Don Walker, Gulf Oil Corporation, and I am employed in Fort Worth, Texas, as the Division Production Engineer.

Q Mr. Walker, you have testified before the Commission before, have you not?

A Yes, sir.

Q Are his qualifications acceptable?

MR. MANUEL: They are.

Q Mr. Walker, would you state briefly the application that Gulf Oil Corporation has filed in Case 1065?

A In this application Gulf is requesting an order granting an exception to Rule 209 of the New Mexico Statewide Rules which will allow more than eight wells to produce in a common tank battery.

Q This application covers what lease?

A This application covers Gulf's Harry Leonard Lease - C Lease - which is composed of the E/2 of the SW/4 and N/2 of Section 34, Township 21 South, Range 36 E, in Lea County, New Mexico.

Q I note, Mr. Walker, that the application refers to this as the NCT-C Lease, would you explain that difference there from the designation of the Harry Leonard C - - - -

A The NCT which is non-contiguous tract is a company designation and it wasn't intended that it be used in the Commission correspondence. We would like for the Commission to continue to carry this property on the record as the

Harry Leonard G. Lease.

Q Gulf Oil Corporation is the lessee and owner of this lease, is that right?

A That is right, sir.

Q And who is the royalty owner and lessor?

A The State of New Mexico.

Q They own all of the royalty.

A Yes, sir.

Q Mr. Walker, would you state briefly the location of the present battery on this lease?

A The battery is located 1120' from the south line and 1935' from the west line of said Section 34.

Q Is this the location as shown on this plat? We would like to introduce this plat as evidence.

A Yes, sir.

Q We would also like to introduce this plat of the general area.

MR. HARRISON: What designation would you like this to - -

MR. WALKER: Exhibits A & B. Now, Mr. Walker, this battery, as shown located there on the plat which we introduced as Exhibit A, would you describe its equipment?

Yes, sir. We, now, at this time have two 250 barrel stock tanks and two separators - one we call the regular separator and the other a test separator which we find is very fine equipment to measure the production from each well and also accurately determine the capability of each well at regular intervals as prescribed by the New Mexico Commission rules.

Q And you can take all other required tests that the rules and regulations

Question

A Yes, sir.

Q At the present time, how many producing wells are on this lease from the Arrowhead Pool?

A At the time of our application, which I believe was April 6, we had eight completed wells on this Harry Leonard C Lease and on April 10th a ninth well was completed - I believe for 125 barrel potential from an interval 3766 to 3762, which is within the limits of the Arrowhead Pool.

Q How many additional locations can be made on this tract in the Arrowhead Pool?

A Only one. We have one other location that's in the northeast corner of that section.

Q And you are requesting in your application permission to utilize this history for two producing wells, is that right?

A A maximum of ten from the Arrowhead Pool.

Q In the event production is in excess of the amount in which you have present tanks, do you propose to have additional tanks?

A Yes, sir. At this time, prior to the completion of this ninth well, the eight wells only have capacity of 47 barrels total, which was certainly a lot of storage for 47 barrels a day; however, with the completion of the ninth well the potential of the capacities of these wells - our allowable will be 87 barrels a day, which with these two tanks will still give us approximately five days' storage, but in answer to your question when the tenth well is completed, I believe that we already have plans to install the third tank if it proves out to be a good well.

Q At the present time, what disposition is being made of the casinghead gas

-4-

produced in this tract.

A All the gas, except I believe 45,000 - this is during the month of March, 1966, 45 MCF was used on the lease, the rest of it went to our Gulf's Dunbar testing plant.

Q Mr. Walker, in the event this application is granted, will it result in a substantial savings in steel and in economic savings to the operator and reduce the cost of operation and maintenance of this particular property?

A Yes, sir, it will. We believe that in the interest of economy and it's practical, we think that this application should be granted.

Q And in so doing, the correlative rights of all interested parties will be protected?

A Yes, sir.

Q Understood.

MR. MANNING: Mr. Walker, this lease, the Leonard C Lease, is a state lease, is it not?

MR. WALKER: Yes, sir.

MR. MANNING: And it is all common royalty?

MR. WALKER: Yes, sir.

MR. MANNING: You mentioned two tanks, what size tanks?

MR. WALKER: 250's.

MR. MANNING: So you have 500 barrel - - -

MR. WALKER: 500 storage.

MR. MANNING: Which, at the present time, is several days' storage with the - -

MR. WALKER: Approximately five days with the present wells, and with the tank well we do anticipate an additional tank. Two separators which give testing

facilities.

MR. MANKIN: Then I take it from your opening comments, Mr. Walker, that even though this application did say NGT - C, then all of your previous well records that are now being submitted and have been submitted to indicate the Harry Leonard C Lease rather than NGT-C in which you --

MR. WALKER: Yes, sir.

MR. MANKIN: You would desire that that continue and that this order likewise --

MR. WALKER: Reflect C.

MR. MANKIN: Reflect C rather than the NGT.

MR. WALKER: Yes, sir.

MR. GURLEY: Mr. Walker, I understand correctly, do I, that all of those wells are on the lease and are located on the same lease that your tank battery is on, is that correct?

MR. WALKER: Yes, sir.

MR. GURLEY: And that you have nine producing wells at this time that since your application you have --

MR. WALKER: Today.

MR. GURLEY: Completed the ninth well.

MR. WALKER: Yes, sir.

MR. GURLEY: And the tenth one is started already or not?

MR. WALKER: No, sir, it hasn't been started.

MR. GURLEY: And you intend to have a maximum then of ten wells --

MR. WALKER: Maximum of ten, from the Arrowhead Pool, that is right.

MR. UPCHURCH: We would like to make it clear that there is no location been made for the tenth well; however, there is a possibility of a tenth well on the

text with current spacing.

MR. WALKER: Well, they really do anticipate it, I believe, or it's on the program.

MR. MANNEN: Mr. Walker, is this production from the Grayburg?

MR. WALKER: Yes, sir.

MR. MANNEN: All wells are from the Grayburg.

MR. WALKER: Yes, sir.

MR. MANNEN: Is there further question of the witness in this case? Did you wish to have Exhibits A & B introduced in evidence?

MR. WALKER: Yes, please.

MR. MANNEN: Is there objection in entering Exhibits A and B as evidence in this case? If not, they will be so entered. If there is no further question of the witness, the witness may be excused. Did you have anything else, Mr. Walker? Anyone have anything further in this case? If not we will take the case under advisement. Hearing is adjourned.

STATE OF NEW MEXICO)
COUNTY OF SANTA FE)

I, Bobby Ponthusette, do hereby certify that the following and attached transcript of proceedings before the Oil Conservation Commission Hearing at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Dated this 20th day of May, 1966.

Bobby Ponthusette

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

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

**CASE NO. 1005
Order No. E-314**

**APPLICATION OF GULF OIL
CORPORATION FOR AN ORDER
GRANTING AN EXEMPTION TO
RULE 209 (a) OF THE OIL
CONSERVATION COMMISSION'S
REGULATIONS WHICH ARE NECESSA-
RY TO PERMIT THE PRODUCTION
FROM A WELL 1 OF THE (10) WELLS
IN AN AREA THE STATE BATTERY
ON GULF OIL CORPORATION'S
HARRY LOEWEN "C" LEASE IN THE
ANNEHED POOL IN SECTION 30,
TOWNSHIP 21 NORTH, RANGE 20
EAST, HUNT, LEA COUNTY, NEW
MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
May 9, 1936, at Santa Fe, New Mexico, before Warren V. Harkin,
Examiner duly appointed by the Oil Conservation Commission of
New Mexico in accordance with Rule 1214 of the Rules and Regulations
of the New Mexico Oil Conservation Commission.

Now, on this 8th day of June 1936, the Commission,
a quorum being present, having considered the application, the
evidence adduced, the recommendations of the Examiner, Warren V.
Harkin, and being fully advised in the premises,

FINDINGS:

(1) That due notice of the time and place of hearing
and the purpose thereof having been given as required by law, the
Commission has jurisdiction of this case and the subject matter
thereof.

(2) That applicant is the owner of the Harry Loewen
"C" Lease in the Annehed Pool comprising the E/2 SW/4 and E/2
of Section 30, Township 21 North, Range 20 East, and that all of
said lease has the same royalty interest, that being the State of
New Mexico.

(3) That the existing tank battery located in the
SW/4 of said Section 30 will have adequate facilities to permit
the taking of all required tests for a maximum of 10 wells.

-2-
Order No. B-814

(4) That said tank battery is now receiving production from 9 wells located on applicant's Harry Leonard "C" lease.

(5) That the granting of this application will result in the substantial savings of steel and reduce the cost of operations and maintenance.

(6) That vents will be prevented and correlative rights will be protected in the granting herein of this application.

IT IS THEREFORE ORDERED:

That the application of Gulf Oil Corporation for an order permitting the production from a minimum of 10 wells located on applicant's Harry Leonard "C" lease, Arrowhead Pool, Lea County, New Mexico, into an existing tank battery located in the NW/4 of Section 36, Township 21 South, Range 13 East, Lea County, New Mexico, be and the same is hereby granted.

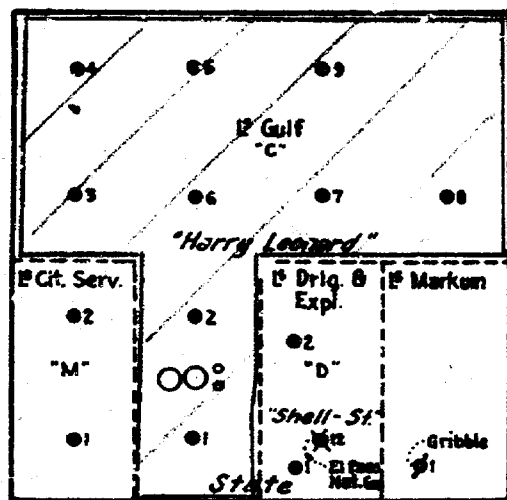
DONE at Santa Fe, New Mexico, on the day and year hereinafter designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Jones
JOHN F. JONES, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Foster, Jr.
A. L. FOSTER, Jr., Member & Secretary



2 - 500 gal tanks
5 days storage

PROPOSED EXCEPTION TO RULE 309
FOR TANK BATTERY INSTALLATION

HARRY LEONARD "C" LEASE

ARROWHEAD OIL POOL

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. A
CASE 1065

LOCATION-SECTION 35, T-21-S, R-36-E
SOUTHEASTERN LEA COUNTY, NEW MEXICO

GULF OIL CORP.
FT. WORTH, TEX.

CASE NO. 1065
MAY 9, 1956

SCALE 1"=2000'

MAIN OFFICE PETROLEUM AND ITS PRODUCTS
GULF OIL CORPORATION
1956 APR 12 AM 8:21

P. O. Box 2167
Hobbs, New Mexico

April 6, 1956

New Mexico Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Re: Application of Gulf Oil Corporation for an
Exception to Rule 309 to Apply to their Harry
Leonard (NCT-C) Lease, Arrowhead Pool, Lea
County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for an exception to Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission requesting permission to produce more than eight wells into the existing tank battery on Gulf's Harry Leonard (NCT-C) Lease in the Arrowhead Pool, composed of the E/2 of SW/4 and N/2 of Section 36, 21S, 36E, Lea County, New Mexico. In support of this request Gulf Oil Corporation states the following:

- ✓ (1) That all of the Leonard (NCT-C) Lease described above has the same royalty interest.
- ✓ (2) That the existing battery on the Leonard (NCT-C) Lease now handles production from eight Arrowhead wells. A ninth well will be completed in the near future.
- ✓ (3) That the central tank battery will have adequate facilities to permit taking of all required tests.
- ✓ (4) That the granting of this application will result in substantial savings in steel, reduce the costs of operation and maintenance, and protect correlative rights.

Indicates for Approval

*Set for
Examination
@ Santa Fe 5/9/56
FORT WORTH
PRODUCTION DIVISION*

*Let copy
of Docket
on 4/24/56*

*State
Lease*

*all
Common
School*

lands

*must be
New England*

April 6, 1956

Therefore, Gulf Oil Corporation respectfully requests that the New Mexico Oil Conservation Commission set a certain day upon which this matter may be heard, and after said hearing grant permission for applicant to utilize the existing battery for storage of production from the ninth well to be completed in the near future, and for future Arrowhead wells which may be drilled on the above mentioned lease, the maximum to be ten wells.

Yours very truly,

C. F. Taylor
C. F. TAYLOR
Area Superintendent
of Production

MHS/jg

Sworn to and subscribed before me this the 6th day of April, 1956.

7-16-58

My Commission Expires

J. J. Van Horn
Notary Public

cc: B. E. Thompson
Fort Worth, Texas

M. I. Taylor
Roswell, New Mexico