

2640

Case No.

1257

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
May 16, 1957

IN THE MATTER OF
CASE 1257

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTE FE
3-6691 2-2211

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
May 16, 1957

IN THE MATTER OF:

Application of Great Western Drilling
Company for an order promulgating
special rules and regulations for the
South Carter-San Andres Pool, Lea
County, New Mexico. Applicant, in the
above-styled cause, seeks an order
promulgating special rules and regula-
tions for the South Carter-San Andres
Pool, Lea County, New Mexico to provide
a method for the establishment of well
allowables in said pool which would be
commensurate with allowables for wells
in the same common source of supply
lying outside the State of New Mexico.

CASE NO.
1257

BEFORE: The Honorable Edwin L. Mechem
Mr. Porter
Mr. Murray Morgan

TRANSCRIPT OF HEARING

MR. PORTER: The next case to be considered will be Case No.
1257.

MR. COOLEY: Case 1257. Application of Great Western Drilling
Company for an order promulgating special rules and regula-
tions for the South Carter-San Andres Pool, Lea County, New Mexico.

MR. CHRISTIE: I am R. S. Christie, of Hervey, Dow, and Hin-
kle, and I am representing Great Western Drilling Company. I
have one witness.

This is an application of Great Western for increased allow-
ables in the South Carter-San Andres Pool in the Eastern portion.

of Lea County, New Mexico. I feel a little foolish asking for an increase after all this testimony on why we ought to decrease, but I believe this is an exception.

I have here three maps which will be discussed.

(Witness sworn.)

MERRILL WILSON

called as a witness, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. CHRISTIE:

Q Would you please state your name, address, and occupation?

A Merrill Wilson, Midland, Texas, production coordinator for Great Western Drilling Company.

Q I believe you are a petroleum engineer, sir?

A Yes, sir.

Q Have you previously testified before this Commission?

A Yes, I have.

Q Does the Commission have any questions of the witness' qualification?

MR. COOLEY: Speak up a little louder, please.

MR. PORTER: I believe you stated that you have been qualified before this Commission? A Yes, sir.

MR. PORTER: The witness' qualifications are accepted.

Q (By Mr. Christie) Mr. Wilson, would you please explain the nature of this application to the Commission and the reason

for it?

A The nature of this application is for an increase in the allowables for the wells situated in New Mexico. The reason for the increase is to protect correlative rights and to protect the citizens of New Mexico from any drainage.

Q I believe in the Couth Carter-San Andres Pool there are approximately 4 or 5 wells now completed, sir?

A That's correct, and those are shown on the map which you have given to the Commission.

Q And I believe further that 3 of those wells lie within the State of New Mexico, and 2 outside the State of New Mexico, is that correct, sir?

A That is correct.

Q Now, I refer you to the plat here, which the Commission has 3 copies of, and for identification, I will mark this Exhibit 1, and I will ask you to explain that map and ask you what relation it has to be the application?

A On the graph we have here, we have plotted the electric logs of the five wells in question. On the lower right hand corner you see a sketch showing the relative positions of these wells. Starting with the upper right hand corner, you will see the first well is identified as the Carter No. 1, and that shows the producing horizon, and proceeding next to the Granberry, which lies outside the State of New Mexico, it shows the producing horizon of the C. A. Taylor, which lies outside the State of New Mexico, to the Sylvester Johnson, and on down to the McQueen No. 1. On each of

those locations we have shown the producing horizons.

Q Now, I believe this map, as I understand you, reflects that all five of the wells graphed here are producing from a common pool?

A That is correct. I might comment here that there are two general zones in there which we have informally differentiated. The one colored in yellow, the upper zone, has been designated as the Granberry Zone; the one colored in Blue is called the Taylor Zone, the difference being that in most of these wells there is a slight shale break between the two zones.

Q What was the original authorized allowable on the two Non-New Mexico wells shown on this graph?

A The original allowable assigned to those wells was 120 barrels per day, that is, producing every day in the month.

Q What is the top unit allowable in this area, in the non-New Mexico portion?

A This falls within the 1.33 designation. That is, for June it would be 38 barrels times 1.33.

Q That would be in New Mexico?

A In New Mexico.

Q Now, outside of New Mexico on these wells, what is the top unit allowable in those wells?

A 120 barrels per day.

Q I have marked this Exhibit 2, which I believe is the second plat map. What does that indicate?

A The center graph has the same information as the first, with the deletion of the geographical information showing the continuity of the producing zone of the wells in question.

Q In other words, that is a rehash of Exhibit 1, really?

A That's correct.

Q Without your logs? A That's right.

Q Now, were these plats made under your supervision or by you?

A Yes, they were.

Q Now, Mr. Wilson, in your opinion, will the allowance by the Commission of an increased allowable for the New Mexico portion of the South Carter-San Andres Pool tend to prevent waste and protect the correlative rights of the mineral owners in the pool situated in the State of New Mexico?

A Yes, it will. I think it will protect correlative rights and help the citizens of New Mexico by preventing drainage outside of the State of New Mexico.

Q Will the allowance of the application tend to benefit the State of New Mexico and be for it's best interest?

A Certainly will, by allowing it to recover its just and fair share of the oil in place.

MR. CHRISTIE: I have indicated the maps as Exhibits 1 and 2, and the third map, showing the South Carter area, I have indicated as Exhibit 3, and the two initial allowables allowed on the wells outside of the State of New Mexico I have indicated as Exhibits 4, and 5, and I would move for the admission of those into evidence.

MR. PORTER: Are there objections to the admission of these exhibits? They will be admitted.

MR. CHRISTIE: That is all I have, does the Commission have any question.

MR. PORTER: Anyone have a question. Mr. Mankin.

CROSS EXAMINATION

BY MR. MANKIN:

Q Mr. Wilson, on these different exhibits, such as Exhibit 3, showing the different zones, the Lovington Zone, the Granberry Zone, the Taylor Zones, are those not individual stringers within the San Andres formation?

A That is correct. You will note that the top of the San Andres is marked, the top of the Lovington, and what not, are individual zones within the San Andres formation.

Q Of the three wells that have been completed on the New Mexico side, what is the capacity of these three wells at the present time?

A The McQueen No. 1 well, which incidentally is an older well, approximately 2 years old, has a capacity of 5 to 6 barrels per day; the Taylor No. 1 has a capacity of -- it is pumping in excess of 140 barrels per day; the Carter No. 1 is a flowing well, and it was potentialled about three weeks ago, or a month ago, for a hundred and sixty-five barrels a day flowing. Recently that well has tested about 37 barrels per day, not 37 barrels per day, but 37 barrels in 12 hours on 1 quarter inch choke, which indicates it

had a capacity for an excess of 37 barrels a day that is now actually produced. I might comment that this is the allowable for the well, at the present time.

Q Mr. Wilson, you indicated a test on the Taylor well, that is a well in Texas?

A I am sorry.

Q How about the Sylvester Johnson?

A The Sylvester Johnson is the well that has the capacity of 120 barrels a day.

Q It was not the Taylor well?

A That's right.

Q What was the date of discovery on the Texas side for the first of these two wells?

A That date was December the 24th, 1956.

Q There have only been two wells completed on the Texas side?

A That is correct.

Q So that discovery allowable would continue for 18 months or until the 6th well is drilled, is that correct?

A That's correct.

Q Is there any present plans for development on the Texas side?

A Yes, sir, there is. The C. A. Taylor No. 2 has been staked and very likely will be drilled in the latter part of June or the first of July. There is currently a well being drilled in the east off-set to the Taylor No. 1.

Q So that would make a possibility of four wells?

A That is correct.

Q Is it your thought that the 18 months will expire before the 6th well is drilled on the Texas side?

A Yes, sir.

Q Therefore this request which you are making for commensurate allowables in New Mexico will amount to a period of about 18 months, from December 1956, is that correct?

A That is correct, approximately a year from now.

Q It is noted on your Exhibit 3 that this just completed well, the Carter No. 1 of Great Western, was completed in a different zone, in the Granberry Zone, which is different from the other four completed wells in the Taylor zone, is that correct?

A The Carter No. 1, and the Granberry No. 1, produce from the Granberry Zone. That's correct.

Q What other wells produce in the same zone as the Carter well?

A The Carter and Granberry produce from the same zone. That is what we informally designated as the Granberry Zone.

Q What I meant was, wells in the New Mexico side, is there any other well completed in the same zone as the Carter Well?

A No, sir.

Q That brings up the next question. Presently, this area is the South Carter-San Andres Pool, and the Carter No. 1 is in the Carter-San Andres Pool, these are two separate pools, is that correct?

A That's correct.

Q How would you suggest that these two pools be carried in the future, if they are in different zones?

A As I indicated by my previous testimony, we think that those zones may come together. Those shale streaks in there may be local in nature. Actually, the Granberry and Taylor zones may be considered one for purposes of reservoir. In other words, let's say if the pressure drops in the Granberry it should be similar to the drop in the Taylor zone.

Q Then you feel there is communication somewhere between the two zones?

A Yes, sir, I do.

Q Is it your recommendation that as soon as possible, the two pools, the South Carter-San Andres and the Carter San Andres Pools be considered as one?

A Yes, sir. We had planned to ask for a hearing to consolidate the Carter and the Carter-San Andres, South Carter.

Q Could this information presented here be the basis for a nomenclature hearing to abolish one pool and put two pools together, would that not be possible?

A Yes, sir, it would.

Q Is there any different pressure history, or different gravities for the two zones, any appreciable difference?

A The gravities seem to be just about the same from the two zones. We have only a small amount of pressure history, but the pressures do seem to be the same.

Q Therefore, there would be no reason why these two zones

should not be put together, they are separate zones, but in, they are in larger San Andres formation?

A I know of no reason. As a matter of fact, I would recommend that the two be considered one reservoir.

Q Is Great Western aware of the fact that even though here today you are asking for allowables similar to the Texas allowables, for the Carter No. 1, which is presently in the Carter San Andres Pool, that they cannot be increased proportionately until such time as the two pools become one?

A We are aware of that.

MR. MANKIN: That's all.

MR. CHRISTIE: For the information of the Commission, in line with the testimony presented, we are going to file an application for the consolidation of those two pools. We were waiting to compile some more data on that point, and we realize that only one well is involved in this application.

BY MR. PORTER:

Q Mr. Wilson, at the end of this 18 month period, which is provided for by the Rules of the State of Texas, do you know what the allowable will revert to at the end of the period?

A Yes, sir, on 40-acres, if it is placed on the 1947 yard stick as amended, it will be 102 barrels a day, subject --

Q 102 barrels per day, that is producing days and not calander days?

A That is correct.

MR. PORTER: Does anyone else have a question of Mr. Wilson?

The witness may be excused.

MR. CHRISTIE: That is the end of the testimony, that's all the testimony we have.

MR. PORTER: You have no further witnesses? Anyone else have anything in this case, any statement to make? If not, Case 1257 will be taken under advisement.

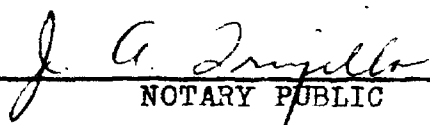
ATTORNEY: I want to ask the Commission if I may withdraw Exhibits Nos. 4 and 5, and substitute photostatic copies. Those are the only permanent records that we have on the two non-New Mexico wells?

MR. PORTER: That will be fine.

STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype at the time and place hereinbefore set forth; that same was thereafter transcribed into typewritten transcript by me; and that same is a true and correct record to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this, the 30th day of May, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


NOTARY PUBLIC

My Commission Expires:

October 5, 1960.

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

1957 APR 26

1201

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on telegram is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

CA052 DA198

(45).

1957 APR 26 AM 10:25
D NDAP93 PD-MIDLAND TEX 26 1042ANC

STATE OIL CONSERVATION COMMISSION

CAPITOL BUILDING SANTA FE NMEX

GREAT WESTERN DRILLING COMPANY REQUESTS HEARING TO
PROMULGATE SPECIAL RULES AND REGULATIONS FOR THE SOUTH
CARTER (SAN ANDRES) POOL TO PROVIDE A METHOD FOR THE
ESTABLISHMENT OF WELL ALLOWABLES IN SAID POOL WHICH
WOULD BE EQUITABLE WITH WELL ALLOWABLES IN THE SAME
COMMON SOURCE OF SUPPLY WITHIN THE STATE OF TEXAS
GREAT WESTERN DRILLING CO

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Case 1227

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

~~Exhibit~~
Reg. Hg.
5/16/57

IN THE MATTER OF THE APPLICATION
OF GREAT WESTERN DRILLING COMPANY
FOR THE DETERMINATION OF ALLOWABLE
OIL PRODUCTION IN THE SOUTH CARTER-
SAN ANDRES POOL IN LEA COUNTY, NEW
MEXICO.

Comes now Great Western Drilling Company, and hereby makes application for the determination by the Oil Conservation Commission of the State of New Mexico of a just and fair allowable for oil production in the South Carter-San Andres Pool in Lea County, New Mexico, and for grounds thereof would respectfully show unto the Commission:

1. That the South Carter-San Andres Pool in Lea County, New Mexico is located in a common source of supply with other lands lying outside of the State of New Mexico.
2. That as to the lands lying outside of the State of New Mexico in said pool, oil wells producing therefrom have been granted, by valid laws, rules and regulations, and allowable equal to 120 barrels of oil per day for each forty acre unit surrounding such wells, and as a result the standard New Mexico allowables would be unfair and unjust in this pool in view of the fact that drainage and loss of production would result.
3. That the entire South Carter-San Andres Pool is reasonably presumed to be productive of oil, and that the creation of a non-standard allowable for such pool will not cause waste or impair correlative rights, and that it will foster the conservation of oil in the pool involved and promote the best interests of the State of New Mexico.
4. That attached to this application and marked Exhibit "A" is a map of the area involved in this application showing the location of the various wells in said pool.

Respectfully submitted,

GREAT WESTERN DRILLING COMPANY

By

S. B. Christy, IV
S. B. Christy, IV, individually
for Hervey, Dow & Hinkle
Attorneys for the Applicant
Box 547
Roswell, New Mexico

R 39 E

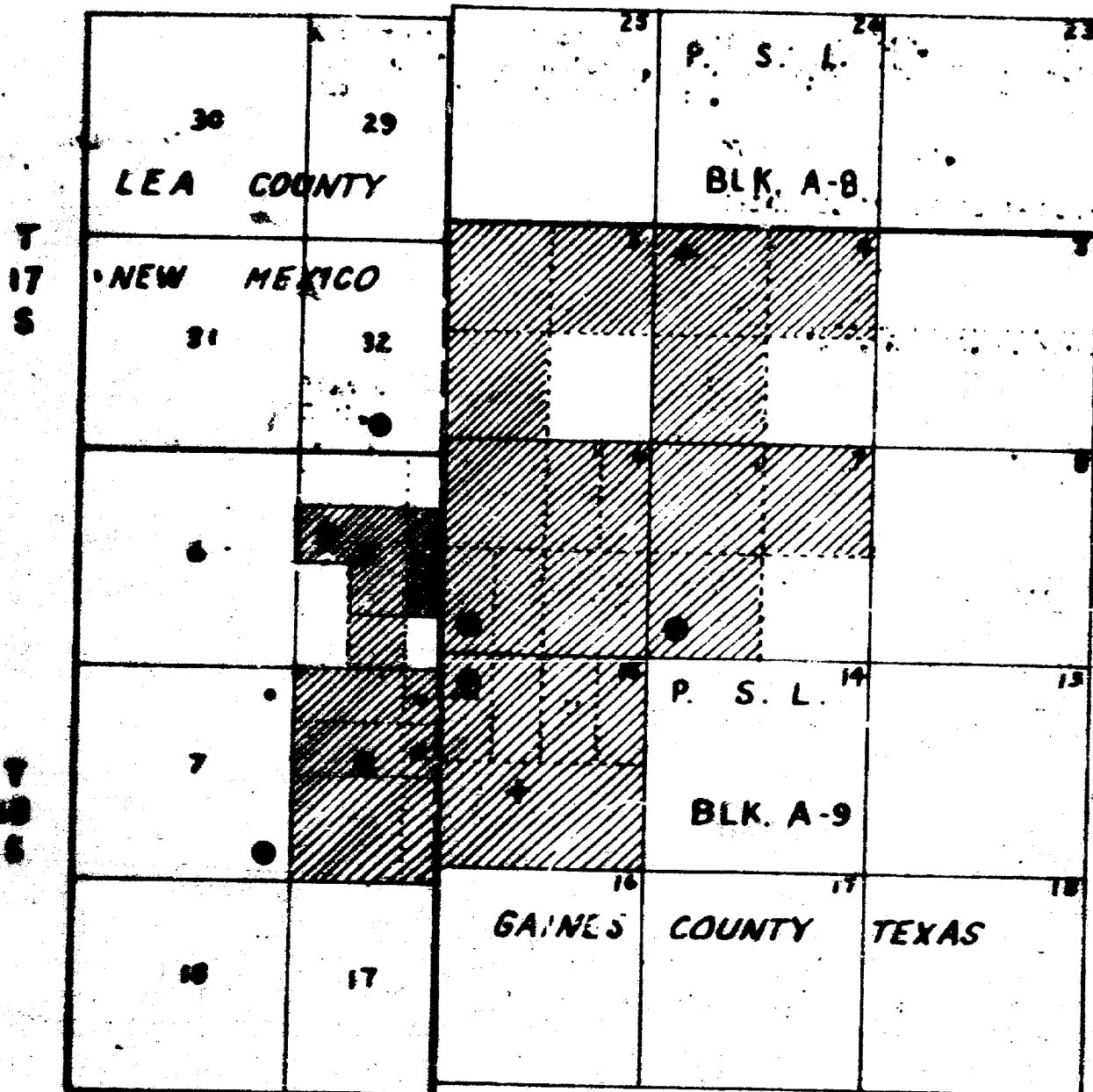


EXHIBIT "A"

215

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

DATE OF ISSUANCE		SUPPLEMENT NO.		EFFECTIVE DATE		THE ALLOWABLE FOR (NAME OF OPERATOR)	
12-15-37		2-10-38		12-15-37		CITIZEN OIL & GAS CO.	
LEASE NAME		WELL NO.					
CITIZEN OIL & GAS CO.		2					
PLUG	STATUS	DATE	TIME	DATE	TIME	DATE	TIME
12-15-37	12-15-37						

REMARKS:

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

CASE 1257 5

The allowable set forth above supersedes all previous allowables set for this well or wells irrespective of the manner in which such previous allowables were set, unless otherwise noted under "Remarks."

This letter constitutes authority for the purchaser or gatherer of oil produced from this well or wells, to take the allowable production accumulating or accumulated from the effective date above shown until the issuance of a new schedule in which the allowable for this well or wells will be included. The presentation of this letter, which you will deliver to the operator owning such well, in support of an SW-2, will be authority for the clearance of such accumulated production.

By order of the Railroad Commission of Texas

Dwight M. Bates

Chief Supervisor
Oil and Gas Division
Railroad Commission of Texas

ILLEGIBLE

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

DISTRICT SUPERVISOR JOE GUNN		COUNTY CASS	FIELD CASS-NEW MEXICO (SAN ANTONIO)
DATE OF ISSUANCE 1/1/77	SUPPLEMENT NO. 0-1000-1	EXPIRATION DATE 12/31/76	THE ALLOWABLE FOR (NAME OF OPERATOR) GRANT WATSON DRILLING CO.
LEASE NAME G. A. GUNN		WELL NO. 1	WELL COUNT 1
PLUG 120 HX	PLUG 120 HX	PLUG 120 HX	PLUG 120 HX

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

FILE NO. **1257**

The allowable set forth above supersedes all previous allowables set for this well or wells irrespective of the manner in which such previous allowables were set, unless otherwise noted under "Remarks."

This letter constitutes authority for the purchaser or gatherer of oil produced from this well or wells, to take the allowable production accumulating or accumulated from the effective date above shown until the issuance of a new schedule in which the allowable for this well or wells will be included. The presentation of this letter, which you will deliver to the operator owning such well, in support of an SW-2, will be authority for the clearance of such accumulated production.

By order of the Railroad Commission of Texas

Henry M. Bates
Chief Supervisor
Oil and Gas Division
Railroad Commission of Texas

ILLEGIBLE

OK
to approve
5/11/57

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 5/21/57

CASE 1257 Hearing Date 5/16/57

My recommendations for an order in the above numbered cases are as follows:

Enter an order granting Great Western's request for special rules and regulations for the Santa Carter-San Andres Pool, which rules will provide a system for the establishment of well allowables which would be commensurate with the allowables assigned to those wells in the same common source of supply but outside the State of New Mexico.

I recommend that Order R944 be followed right down the line except for finding #4 which is not applicable.

Finding #2: ~~was~~ The S. Carter-Sa Pool was created by Order R-691. The horizontal limits are T 18 S R 39 E: Section 8: N/2

Order #2 vertical limits San Andres fm.
horizontal limits N/2 Sec 8, T 18 S R 39 E

Staff Member
Ken Miller

DOCKET: REGULAR HEARING MAY 16, 1957

Oil Conservation Commission 9 a.m., Hobbs Senior High School, 1300 E. Scharbauer

HOBBS, NEW MEXICO

- ALLOWABLE:** (1) Consideration of the oil allowable for June, 1957.
- (2) Consideration of purchasers' nominations for the six-month period beginning July 1, 1957, for six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas for June, 1957, for seven prorated pools in Lea County, New Mexico, and consideration of the allowable production of gas from six prorated pools in San Juan and Rio Arriba Counties, New Mexico for June, 1957.

NEW CASES

- CASE 1252:** Application of the Oil Conservation Commission upon its own motion for an order revising Commission Form C-104, as established by Rule 1107 of Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order revising the format and information required on Commission Form C-104, Request For (oil-gas) Allowable.
- CASE 1253:** Application of Sinclair Oil and Gas Company for the creation of a new oil pool to be known as the Seaman Wolfcamp Pool underlying portions of Township 16 South, Range 33 East, and Township 16 South, Range 34 East, Lea County, New Mexico, and for the establishment of 80-acre well spacing and proration units, and for the promulgation of special rules and regulations for said pool. Applicant, in the above-styled cause, seeks an order creating a new oil pool for production from the entire Wolfcamp formation underlying Sections 13, 24, and 25, Township 16 South, Range 33 East, and Sections 16, 17, 18, 19, 20, 21, 28, 29, and 30, Township 16 South, Range 34 East, Lea County, New Mexico, and for the establishment of 80-acre well spacing and proration units consisting of any contiguous 80-acres within a given quarter section with no designated quarter quarter section in which a well must be drilled, and for the promulgation of special rules and regulations for said pool.
- CASE 1254:** Application of Tennessee Gas Transmission Company for the creation of a new oil pool to be known as Kemnitz Lower Wolfcamp Pool underlying portions of Township 16 South, Range 33 East, and Township 16 South, Range 34 East, Lea County, New Mexico, and for the establishment of temporary 80-acre well spacing and proration units, and for the promulgation of special rules and regulations for said pool. Applicant, in the above-styled cause, seeks an order creating a new oil pool for Lower Wolfcamp production in the Kemnitz Area embracing Sections 23, 24, 25, 26, 35, and 36, Township 16 South, Range 33 East, and Sections 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, and 33, Township 16 South, Range 34 East, Lea County, New Mexico, and for the establishment of temporary 80-acre well spacing and proration units consisting of the North and South halves of each quarter section with drilling locations limited to the Northeast quarter and Southwest quarter of each quarter section, and for the promulgation of special rules and regulations for said pool.

CASE 1255: Southeastern New Mexico nomenclature case calling for the extension of existing pools in Lea, Chaves, Eddy and Roosevelt Counties, New Mexico.

- (a) Extension of the Artesia Pool to include:

Township 17 South, Range 26 East
Section 36: S/2 NW/4

- (b) Extension of the Atoka Pool to include:

Township 18 South, Range 26 East
Section 12: W/2 NW/4

- (c) Extension of the Brown Pool to include:

Township 10 South, Range 26 East
Section 22: SE/4 SE/4
Section 23: S/2 SW/4

- (d) Extension of the Cass Pool to include:

Township 20 South, Range 37 East
Section 14: SW/4
Section 15: SE/4

- (e) Extension of the Dollarhide-Drinkard Pool to include:

Township 24 South, Range 38 East
Section 19: N/2 NE/4

- (f) Extension of the E-K Queen Pool to include:

Township 18 South, Range 33 East
Section 23: NW/4

- (g) Extension of the Fowler-Devonian Pool to include:

Township 24 South, Range 37 East
Section 10: W/2 SW/4

- (h) Extension of the Gladiola Pool to include:

Township 12 South, Range 38 East
Section 18: N/2 SE/4 & S/2 NE/4

- (i) Extension of the South High Lonesome Pool to include:

Township 17 South, Range 29 East
Section 4: SW/4

- (j) Extension of the Milnesand-Pennsylvanian Pool to include:

Township 8 South, Range 34 East
Section 13: SE/4 NE/4

Township 8 South, Range 35 East
Section 18: S/2 NW/4

- (k) Extension of the Roberts Pool to include:

Township 17 South, Range 33 East
Section 8: SE/4

CASE 1256: Northwestern New Mexico nomenclature case calling for the creation of a new pool and the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

- (a) Creation of a new gas pool for Fruitland production, designated as the Flora Vista-Fruitland Pool, and described as:

Township 30 North, Range 12 West
All of Sections 9 & 10

- (b) Extension of the Aztec-Pictured Cliffs Pool to include:

Township 30 North, Range 11 West
Section 6: SE/4

- (c) Extension of the Ballard-Pictured Cliffs Pool to include:

Township 25 North, Range 7 West
Section 19: S/2

- (d) Extension of the South Blanco-Pictured Cliffs Pool to include:

Township 25 North, Range 5 West
Section 26: SW/4
Section 27: S/2
Section 28: S/2
Section 33: All

Township 26 North, Range 5 West
Section 23: SW/4
Section 26: W/2
Section 35: NW/4

- (e) Extension of the Bisti-Lower Gallup Oil Pool to include:

Township 26 North, Range 13 West
Section 26: SE/4

- (f) Extension of the Verde-Gallup Oil Pool to include:

Township 31 North, Range 15 West
Section 12: NW/4 & SE/4

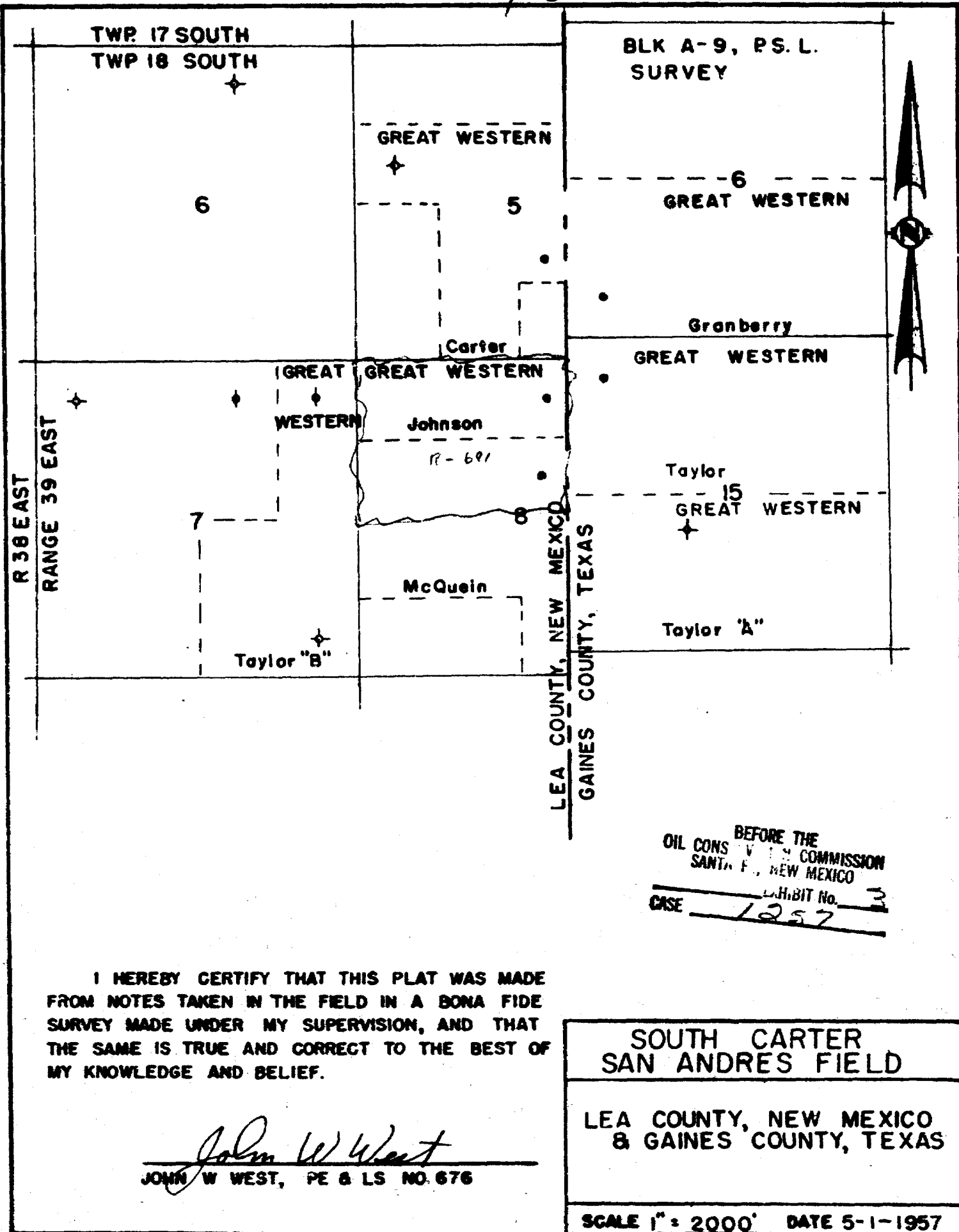
CASE 1257: Application of Great Western Drilling Company for an order promulgating special rules and regulations for the South Carter-San Andres Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the South Carter-San Andres Pool, Lea County, New Mexico, to provide a method for the establishment of well allowables in said pool which would be commensurate with allowables for wells in the same common source of supply lying outside the State of New Mexico.

CONTINUED CASE

CASE 1221: Application of the Oil Conservation Commission on its own motion for an order amending Commission Order R-586 insofar as it relates to the Byers-Queen and Tubb Gas Pools. Applicant, in the above-styled cause, seeks an order amending the Special Rules and Regulations for the Tubb Gas Pool to make provision in said rules for the regulation of oil wells completed within the defined limits of said pool; and further to consider the deletion of that portion of Order R-586 relating to the Byers-Queen Gas Pool.

bp/

ref 3



I HEREBY CERTIFY THAT THIS PLAT WAS MADE FROM NOTES TAKEN IN THE FIELD IN A BONA FIDE SURVEY MADE UNDER MY SUPERVISION, AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

John W West
JOHN W WEST, PE & LS NO. 676

BEFORE THE
OIL CONS. COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 3
CASE 1257

SOUTH CARTER
SAN ANDRES FIELD

LEA COUNTY, NEW MEXICO
& GAINES COUNTY, TEXAS

SCALE 1" = 2000' DATE 5-1-1957

**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. 1257
Order No. R-1012

**APPLICATION OF GREAT WESTERN DRILLING
COMPANY FOR AN ORDER PROMULGATING
PERMANENT POOL RULES FOR THE SOUTH
CARTER-SAN ANDRES POOL IN LEA COUNTY,
NEW MEXICO, FOR THE PURPOSE OF ESTABLISH-
ING THE ALLOWABLE FOR SAID POOL.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 16, 1957, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 10th day of June, 1957, the Commission, a quorum being present, having considered the application, and the evidence adduced and being fully advised in the premises,

FIND

(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 Commission did, by Order R-691, create and define the South Carter-San Andres Pool in Lea County, New Mexico, said pool being classified as an oil pool for the production of oil from the San Andres formation with the following horizontal limits:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM
Section 8: N/2

(3) That the South Carter-San Andres Pool in Lea County, New Mexico, is contiguous with the Carter-New Mexico (San Andres) Field in Gaines County, Texas, and that drainage across the state line will result if production allowables in that portion of the common source of supply lying within the State of New Mexico are not commensurate with production allowables in that portion of the common source of supply lying within the State of Texas.

(4) That the Commission should each month establish a top unit allowable for the South Carter-San Andres Pool in Lea

-2-

Case No. 1257
Order No. R-1012

county, New Mexico, said allowable to be effective from 7 o'clock a.m. Mountain Standard Time on the first day of the first succeeding month until 7 o'clock a.m. Mountain Standard Time on the first day of the next succeeding month. In fixing the allowable for the aforesaid South Carter-San Andres Pool, the Commission may consider, among other things, the current month's production allowable for non-marginal forty-acre units producing from that portion of the common source of supply lying outside the State of New Mexico.

(5) That the establishment of the normal unit allowable for the South Carter-San Andres Pool in Lea County, New Mexico, in the above-described manner will be in the best interests of conservation, will provide for the recovery of oil in an efficient manner, and will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Great Western Drilling Company for an order promulgating special pool rules for the South Carter-San Andres Pool in Lea County, New Mexico, be and the same is hereby approved.

(2) That the vertical limits of the South Carter-San Andres Pool shall consist of the San Andres formation, and the horizontal limits of said pool shall be that area described in Exhibit "A" attached hereto and made a part hereof.

IT IS FURTHER ORDERED:

That special pool rules applicable to the South Carter-San Andres Pool in Lea County, New Mexico, be and the same are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE
SOUTH CARTER-SAN ANDRES POOL

(1) Prior to the first day of each month hereafter, the Commission shall establish, for the following proration month, a special forty-acre top unit allowable for the South Carter-San Andres Pool in Lea County, New Mexico, to be effective at 7 o'clock a.m. Mountain Standard Time on the first day of each proration month.

(2) In establishing said special allowable for the ensuing proration month, the Commission may consider, among other things, the total current production allowable assigned to forty-acre non-marginal wells in the Carter-New Mexico (San Andres) Field in Gaines County, Texas.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

M. E. Morgan
MURRAY E. MORGAN, Member

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



-3-
Case No. 1257
Order No. R-1012

EXHIBIT "A"

Horizontal Limits of the South Carter-San Andres Pool:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 8: N/2

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

June 11, 1957

C
O
P
Y

Mr. S. B. Christy
Harvey, Dow & Hinkle
Box 547
Roswell, New Mexico

Dear Sir:

On behalf of your client, Great Western Drilling Company, we
enclose two copies of Order R-1012 issued June 10, 1957, by the
Oil Conservation Commission in Case 1257, which was heard on May
16th.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

4-26-57 Colled [unclear] [unclear]
Western, [unclear] [unclear] [unclear] [unclear]
back from [unclear] He will send a [unclear]
today requesting [unclear] [unclear] and will
for [unclear] [unclear] of formal application
as [unclear] [unclear] [unclear] [unclear]
Memo [unclear] [unclear] [unclear] [unclear]

To Great Western's application
should ask ^{for a hearing} for a hearing
to promulgate special rules
and regulations for the
South Carter-San Andres Pool,
said rules to provide a
method for the establish-
ment of ^{well} ~~the~~ allowances ~~for~~ in
said pool which would
be equitable with well
allowances in the same
common source of supply
within the state of Texas,
thereby preventing drainage across
the state line.

Ball - Wilson
Great Western, kind
Re (S) Carter Pool

Looking case 1214

Sylvester Johnson #1

Lot 1 & East 13.66 acres
of the NE/4 NW/4 8, 18, 39

1. Ask for hearing
2. be prepared to present testimony
 - a. common source of supply
 - b. drainage across state line
 - c. in the interests of correlative rights, accretion should be



R. C. TUCKER, PRES.

July 7, 1958

PHONE MU 2-8241
ADDRESS REPLY TO:
BOX 1899
MIDLAND, TEXAS

Oil and Gas Conservation Commission
Santa Fe, New Mexico

Attention: Mr. Dan Nutter

Re: Carter (San Andres) Field
Lea County, New Mexico

Gentlemen:

We wish to advise that by letter dated July 1, 1958 the Railroad Commission of Texas set an allowable of 44 barrels per calendar day, exempt from shutdown, for the Texas portion of the Carter (San Andres) Field until further notice and hearing. This allowable was effective July 1, 1958, and superseded the 120 barrels per day allowable previously in effect.

Yours very truly,

GREAT WESTERN DRILLING COMPANY

M. B. Wilson

M. B. Wilson
Vice President - Production

mbw:ah



GOVERNOR
EDWIN L. MECHAM
CHAIRMAN

New Mexico

OIL CONSERVATION COMMISSION

LAND COMMISSIONER MURRAY E. MORGAN
MEMBER

STATE GEOLOGIST A. L. PORTER JR.
SECRETARY DIRECTOR



P. O. BOX 2045
HOBBS, NEW MEXICO

April 12, 1957

Mr. A. L. Porter, Jr., Director
Oil Conservation Commission
Box 871
Santa Fe, New Mex.

Dear Mr. Porter:

The Great Western Drilling Co. Sylvester Johnson
Well No. 1-B Section 8, T-18-S, R-39-E, South Carter
San Andres Pool has, in the opinion of the operator,
the present ability to produce at the rate of 163 BOPD.
This information was obtained from Mr. Wilson with
that company.

Yours very truly,

OIL CONSERVATION COMMISSION

R. F. Montgomery
Proration Manager

*on which a hearing
is being held for
the purpose of determining
if there are any
other wells in the area
which may be
producing oil.*

*yes it looks
that way, pro-
viding all
for offsetting*

*wells are
higher than for
the subject well.
we should have
something in our
files from the R.R.*

*indicating this
however, before
proceeding at
the hearing
JSM
4-15-56*

*called Wilson
4-16-56
explained he would
have to ask for hearing
etc. see attached note*