

Case No.

1351

Application, Transcript,
Small Exhibits, Etc.

CASE 1351: Amerada Petr. Corp. application
for 240-acre NS gas proration unit, Eumont
Gas Pool (L. W. White #1 Well)

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
November 20, 1957

IN THE MATTER OF
CASE NO. 1351

TRANSCRIPT OF PROCEEDINGS

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

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Application of Amerada Petroleum Corporation for approval of a 240-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 34, and the N/2 SW/4 of Section 35, all in Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's L. W. White No. 1 Well located 660 feet from the South line and 660 feet from the East line of said section 34.

BEFORE:

TRANSCRIPT OF HEARING

MR. KELLAHIN: I am Jason Kellahin of Kellahin and Fox, representing the applicant. We have one witness, Mr. McBryde.

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A I am O. C. McBryde, Jr.

Q How do you spell that, Mr. McBryde?

A Capital Mc, Capital B-r-y-d-e.

Q By whom are you employed, Mr. McBryde?

A I am employed by Amerada Petroleum Corporation.

Q In what position? A Petroleum engineer.

Q And what district are you in, Mr. McBryde?

A Monument district.

Q And is that in the area covered by this application?

A Yes, sir.

Q Have you previously testified before the Oil Conservation Commission and had your qualifications as an expert witness accepted?

A Yes.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: They are acceptable.

Q Mr. McBryde, are you familiar with the application in Case No. 1351?

A Yes, sir, I am.

Q Now, referring to what has been marked as Exhibit No. 1, will you state what that shows?

A Exhibit 1 is an ownership map of a portion of the Eumont Gas Pool in Lea County, New Mexico. On that exhibit we have shown contours on top of what we call Zone 1, which is about 100 feet

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below the top of the Yates. We have also circled all of the gas wells located on this plat, and with the solid red line I have shown the existing gas unit, and with the dashed red line I have shown the gas, the area that we propose to dedicate to the well.

Q Now, based upon the location of offsetting gas wells and the contours, Mr. McBryde, have you formed a conclusion as to whether all of the acreage which you propose to dedicate to your well may be presumed to be productive of gas?

A Yes, I think that all of the area is productive of gas.

Q Now, in connection with the ownership of offsetting acreage, was notice of this hearing sent to all of them by Amerada?

A Yes, sir, it was.

Q Now, referring to what has been marked as Exhibit No. 2, would you state what that is?

A Exhibit 2 is a west-east electric log cross section of a portion of the Eumont Gas Pool.

Q Are those the wells which are shown connected by a dash line on Exhibit No. 1 within the proposed unit?

A That is right.

Q And what wells are included in the proposed unit?

A On the left hand side of Exhibit 2 we have Amerada's L. W. White's No. 1, the next well is Amerada's Ida White No. 2, and the last well on the right hand side is Amerada's Ida White No. 1.

Q Now, in connection with Exhibit No. 2, will you describe the completion of the L. W. White Well No. 1?

A L. W. White No. 1 was originally a dual completion, dual oil and gas completion within the Eumont Pool. The gas was produced out of the upper first Seven Rivers and the oil out of the lower first Seven Rivers and the upper part of the second Seven Rivers. The oil completion, however, has been abandoned, it is no longer producing. The gas completion though, is still producing.

Q Now, what is the completion of the Ida White Well No. 1 and 2?

A The Ida White No. 2, which is the center well on Exhibit No. 2, is an oil completion in the -- primarily in the Queen formation, although part of the perforations are in the lower second Seven Rivers. The Ida White No. 1 is an oil completion in the Queen formation.

Q Now, does Exhibit No. 2 show the perforations within the Eumont Pool in the L. W. White No. 1 Well?

A Are you speaking of the gas?

Q Yes, sir, the gas.

A Yes, sir, the gas zone is the upper part of the first Seven Rivers of the L. W. White No. 1.

Q And that well is completed, insofar as the gas is concerned, wholly within the limits of Eumont Pool? A Yes, sir.

Q Now, based upon the information available to you in connection with this Exhibit No. 2, can it be presumed that the entire acreage would be reasonably presumed to be productive of gas?

A Yes, I think so. If you will note, the zone correlates really

well across the area involved here, and I think from the logs we can see plainly that the area under the Ida White lease would be productive of gas in the upper First Seven Rivers zone.

Q And what is the separation between the gas zone and the oil zone in this area?

A It is several hundred feet, varies in both of the wells, it is more than a hundred feet.

Q It is more than a hundred feet in all of the wells, is that correct?

A Yes, sir.

Q Now, in your opinion, is the L. W. White Well capable of producing a 240-acre allowable under present proration allowables?

A Yes, sir, it is.

Q On what do you base that?

A We have an open flow potential which was taken in 1956, I believe, that showed the well capable of producing around eight million cubic feet of gas per day absolute potential.

Q Now, Mr. McBryde, in your opinion, would it be economical to dual one of the wells on the Ida White lease?

A I don't think it would be too economic.

Q Would it be economical if you have any other well to which that acreage can be dedicated?

A A No, sir, it would not. It would be much more economical to dedicate the acreage to the Ida White No. 1.

Q Would correlative rights of offset operators be impaired by dedicating this acreage, in your opinion?

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A No, sir, I don't think so.

MR. KELLAHIN: That's all the questions I have.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. McBryde, your Ida White's Nos. 1 and 2 in the N/2 of the SW/4 of Section 35, did you say there were completed in the Eumont Gas Pool vertical limits?

A Yes, sir, they are within the vertical limits of the Eumont Gas Pool. However, they are oil wells.

Q You have 40 acres dedicated to each well?

A Yes, sir, that's right.

Q That would be to the two wells, then?

A Yes, sir.

MR. UTZ: Are there any other questions, Mr. Nutter?

BY MR. NUTTER:

Q Mr. McBryde, on your Exhibit No. 2, the L. W. White No. 1 indicates a packer at 3740, is that correct?

A That is right. We have seven inch casing in that well and three inch tubing. The gas completion is now producing through the annulus between that three inch tubing and seven inch casing, and when we were producing the oil completion, we had one and a half inch tubing inside the three inch tubing with a packer set at the place that I have marked. But right now, the oil completion is shut in. It is abandoned.

Q At what point is the well abandoned, at the packer?

A. Below the packer.

Q. Below the packer?

A. Yes, sir.

Q. These old perforations in the lower part of the First Seven Rivers zone are now completely isolated and shut off, is that right?

A. Yes, sir, that's right.

MR. NUTTER: Thank you.

MR. UTZ: Any further questions?

BY MR. COOLEY:

Q. Mr. McBryde, if you can't answer this question, just say so. Do you have any idea whether Amerada intends to communitize these two leases for Eumont gas production?

A. The Ida White and L. W. White?

Q. Yes.

A. We own all of working interest.

Q. I understand that, but the royalty ownership is not common?

A. No, it is not common, but we will communitize that, I am certain.

MR. COOLEY: Thank you, that's all.

MR. UTZ: Are there any further questions? The witness may be excused.

(Witness excused)

MR. UTZ: Are there any statements in Case 1351? If not, the case will be taken under advisement, and the hearing is adjourned.

C E R T I F I C A T E

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 before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision; the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 28th day of December, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

J. G. Injilla
Notary Public

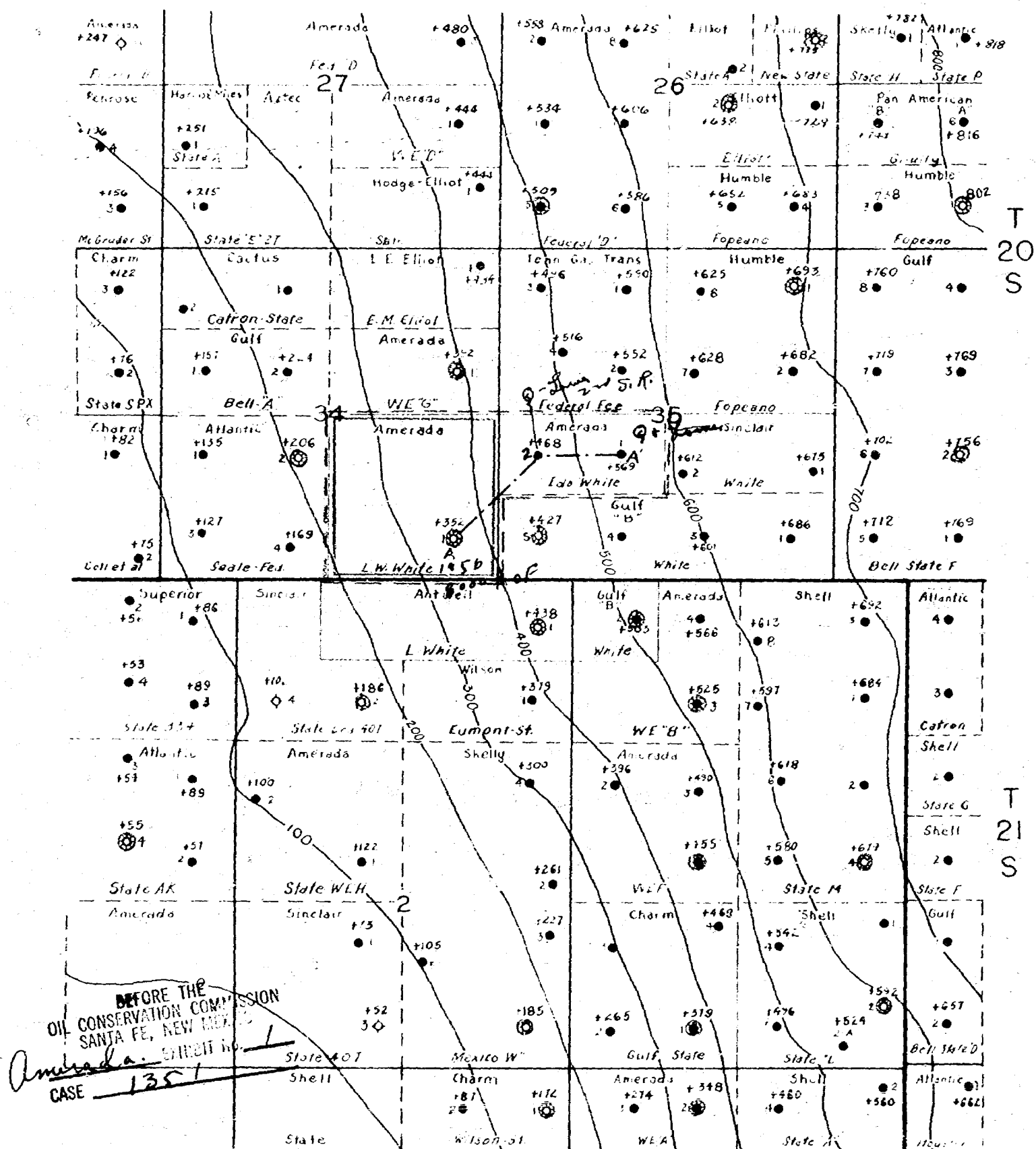
My Commission Expires:

October 5, 1960.

I do hereby certify that the foregoing is
a true and correct copy of the proceedings in
the trial of the case of State v. 1351
heard by me on Mar. 20, 1957.

Amelia M. Chairman
New Mexico Oil Conservation Commission

R-36-E



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Amesbury. SEARCHED
CASE 1351

R-35-E

Structure Map
Top of Zone 1
Contour Interval 100'

PORTION OF EUMONT POOL
LEA COUNTY, NEW MEXICO
SCALE 1" = 2000'

Ex. No. 1

AMERADA PETROLEUM CORPORATION

P. O. BOX 2040

TULSA 2, OKLAHOMA

MAIN OFFICE 000

1957 OCT 24 AM 8:14

Drawer D

Monument, New Mexico

October 24, 1957

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application for Exception to Rule 5(a),
Order R-520 for Amerada's L.W. White
No. 1, Eumont Gas Pool, Lea County,
New Mexico

Gentlemen:

By this letter of application Amerada Petroleum Corporation wishes to state the following:

- (A) That Amerada Petroleum Corporation's L.W. White No. 1 is located 660 ft. FSL and 660 ft. FWL of Section 34-20S-36E, Lea County, New Mexico and is presently completed as a gas well in the Upper First Seven Rivers zone of the Eumont Gas Pool. Please see attached Exhibit "A".
- (B) That the above well was originally dually completed in the above gas zone and in an oil interval in the Lower First Seven Rivers and Upper Second Seven Rivers zones of the Eumont Gas Pool, but the oil zone is presently temporarily abandoned.
- (C) That the SE/4 of Section 34-20S-36E, consisting of 160 acres, is presently dedicated to the gas completion in the above well.
- (D) That Amerada Petroleum Corporation's Ida White No. 1 is located 1980 ft. FSL and 1980 ft. FWL of Section 35-20S-36E, Lea County, New Mexico, and is presently producing oil from the Stewart (Queen) zone of the Eumont Gas Pool.
- (E) That Amerada Petroleum Corporation's Ida White No. 2 is located 1980 ft. FSL and 660 ft. FWL of Section 35-20S-36E, Lea County, New Mexico, and is presently producing oil from the Lower Second Seven Rivers and Stewart (Queen) zones of the Eumont Gas Pool.
- (F) That the First Seven Rivers zone underlying Amerada's Ida White lease can reasonably be expected to be productive of gas.

October 24, 1957

- (G) That the applicant proposes to expand the 160 acre L.W. White gas proration unit to include the 80 acre Ida White lease, thereby forming a 240 acre non-standard gas proration unit.
- (H) That the granting of this application would be in the interest of conservation and the protection of correlative rights.
- (I) That the proposed non-standard gas proration unit consists of contiguous quarter-quarter sections.
- (J) That the proposed unit does not exceed 5280 feet in length.
- (K) That by copy of this letter all offset operators are notified of this application.

Therefore, Amerada Petroleum Corporation requests that the Oil Conservation Commission set a certain day upon which this application may be heard and after said hearing to grant permission in order that applicant may increase the size of the gas unit for the L.W. White well as proposed in this application.

Respectfully submitted,

AMERADA PETROLEUM CORPORATION

By

O. C. McBryde, Jr.
O. C. McBryde, Jr.
District Engineer

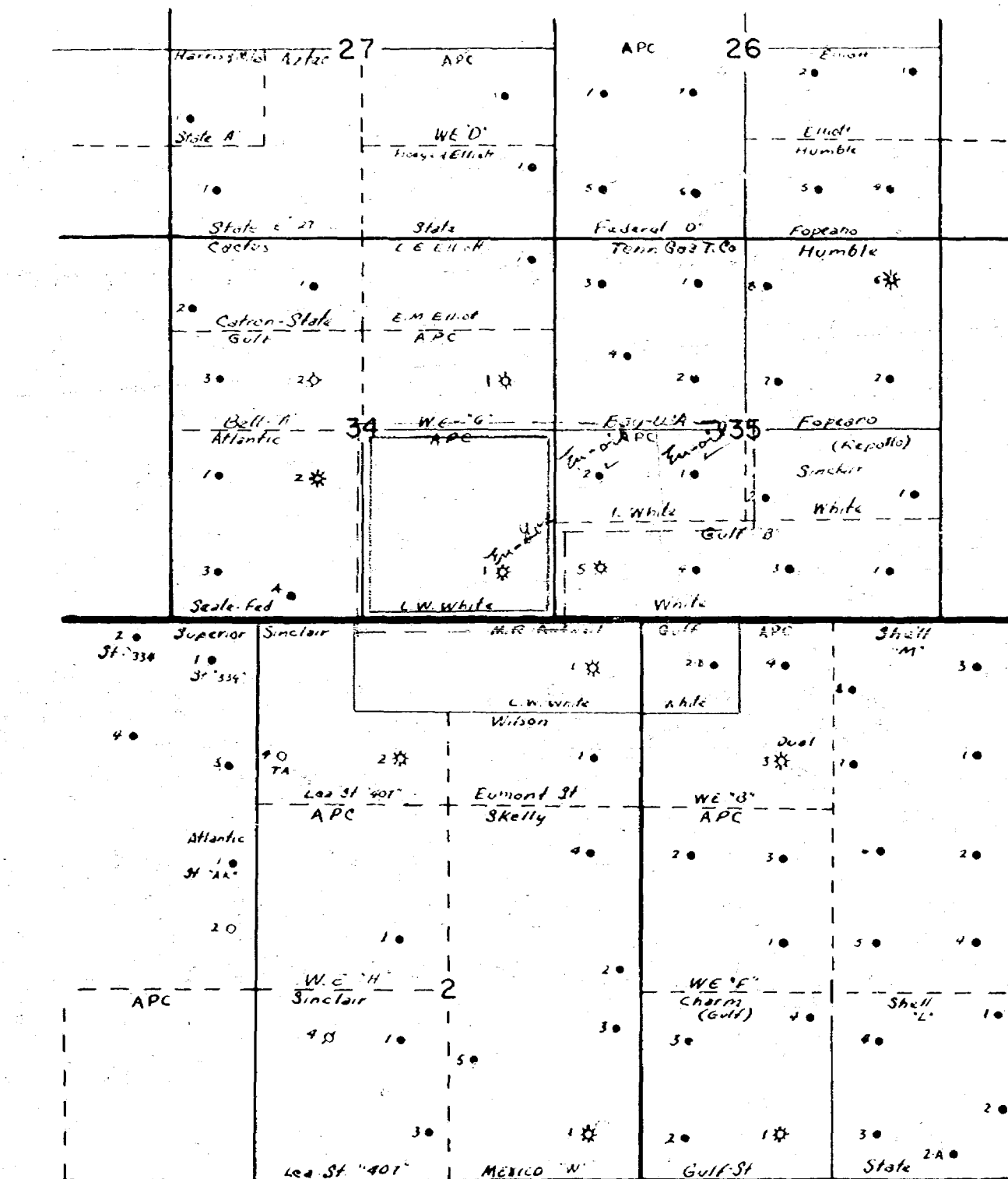
OCM/vh

cc: Gulf Oil Corporation, Box 2167, Hobbs, N.M.
Sinclair Oil & Gas Co., Box 1470, Hobbs, N.M.
Humble Oil & Refining Co., Box 1600, Midland, Texas
Tennessee Gas Transmission Co., 203 N. Linam, Hobbs, N.M.
The Atlantic Refining Co., Box 871, Midland, Texas
Morris R. Antweil Oil Operator, Box 1058, Hobbs, N.M.

R 36 E

T 20 S

T 21 S



R 35 E

AMERADA PETROLEUM CORPORATION
 Proposed 240 Acre Gas Proration Unit
 Scale 1"= 2000'

EXHIBIT "A"

DOCKET: EXAMINER HEARING NOVEMBER 20, 1957

Oil Conservation Commission 9:00 a.m. Mabry Hall, State Capitol, Santa Fe, New Mex.

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1340: Application of the Ohio Oil Company for an order authorizing an oil-oil dual completion in the Monument-Blinebry Pool and Monument-Paddock Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Bertha Barber Well No. 9 located 1980 feet from the North line and 560 feet from the West line of Section 5, Township 20 South, Range 37 East, Lea County, New Mexico, in such a manner that oil may be produced through parallel strings of tubing from the Monument-Blinebry Pool and Monument-Paddock Pool, Lea County, New Mexico.
- CASE 1341: Application of R. Olsen for an order authorizing an oil-oil dual completion in the Tubb Gas Pool and Blinebry Oil Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Sarkeys Well No. 2, located 660 feet from the North line and 660 feet from the West line of Section 25, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner that oil may be produced through parallel strings of tubing from the Tubb Gas Pool and Blinebry Oil Pool, Lea County, New Mexico.
- CASE 1342: Application of Shell Oil Company for permission to install centralized automatic production facilities and lease custody transfer system on certain of its leases in the Pearl-Queen Pool area, Lea County, New Mexico, and for permission to produce more than eight wells into common storage and to transport oil from the leases prior to measurement. Applicant, in the above-styled cause, seeks an order authorizing it to install automatic production facilities and lease custody transfer system on twenty-three of its leases in the Pearl-Queen Pool area located in Sections 21, 22, 23, 25, 26, 27, 28, 34, 35, and 36, all in Township 19 South, Range 35 East, and Section 2, Township 20 South, Range 35 East, Lea County, New Mexico, and further authorizing the production of more than eight wells into common storage and permitting the transportation of oil from said leases prior to measurement.
- CASE 1343: Application of Humble Oil and Refining Company for an order authorizing two producing wells on a 640-acre gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing two Eumont gas wells on its Eumont Gas Unit No. 1 which comprises Section 4, Township 20 South, Range 37 East, Lea County, New Mexico, said unit is presently dedicated to the applicant's Eumont Gas Unit #1, Well No. 1, located 2310 feet from the South line and 1980 feet from the East line of said Section 4. The proposed additional well is the applicant's Eumont

Gas Unit #1, Well No. 2, located 2180 feet from the South line and 660 feet from the West line of said Section 4. Applicant proposes to limit the production from the No. 2 Well to no more than 50% of the unit allowable.

CASE 1344:

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 N/2 and S/2 of Section 18, Township 29 North, Range 9 West, San Juan County, New Mexico, and for an unorthodox gas well location for said unit well at a point 1820 feet from the South line and 1850 feet from the East line of said Section 18.

CASE 1345:

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 409-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the N/2 and N/2 S/2 of Section 19, Township 29 North, Range 9 West, San Juan County, New Mexico, and for an unorthodox gas well location for said unit well at a point 1750 feet from the North line and 1750 feet from the East line of said Section 19.

CASE 1346:

Application of Pan American Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location in the Blanco Mesaverde Gas Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 408-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the S/2 S/2 of Section 19, and the N/2 of Section 30, Township 29 North, Range 9 West, San Juan County, New Mexico, and for an unorthodox gas well location for said unit well at a point 990 feet from the North line and 1650 feet from the East line of said Section 30.

CASE 1347:

Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit in the Tubb Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a non-standard gas proration unit in the Tubb Gas Pool consisting of the W/2 W/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to the applicant's State "S" No. 3 Well located 1980 feet from the North line and 660 feet from the West line of said Section 32.

CASE 1348:

Application of Cities Service Oil Company for approval of two non-standard gas proration units in the Tubb Gas Pool and the Blinebry Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas

proration unit in the Tubb Gas Pool and Blinebry Gas Pool consisting of the E/2 W/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, said units to be dedicated to the applicant's dually completed State "P" No. 1 Well located 1980 feet from the North line and 1980 feet from the West line of said Section 32.

CASE 1349:

Application of Continental Oil Company for an order approving a 320-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 of Section 15, Township 21 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's State D-15 No. 8 Well located 660 feet from the South line and 660 feet from the East line of said Section 15.

CASE 1350:

Application of John J. Eisner for a non-standard gas proration unit in the Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a non-standard gas proration unit in the Empire-Pennsylvanian Gas Pool consisting of the S/2 SE/4 of Section 20, and the N/2 NE/4 of Section 29, Township 17 South, Range 28 East, Eddy County, New Mexico, said unit to be dedicated to applicant's well to be drilled at a point 330 feet from the North line and 990 feet from the East line of said Section 29.

CASE 1351:

Application of Amerada Petroleum Corporation for approval of a 240-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 34, and the N/2 SW/4 of Section 35, all in Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's L. W. White No. 1 Well located 660 feet from the South line and 660 feet from the East line of said Section 34.

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. 1351
Order No. R-1102

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR APPROVAL OF A 240-
ACRE NON-STANDARD GAS PRORATION UNIT
IN THE EUMONT GAS POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 20, 1957, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of December, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, 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, Amerada Petroleum Corporation, is the owner and operator of oil and gas leases covering the SE/4 Section 34, and the N/2 SW/4 of Section 35, all in Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the L. W. White No. 1 Well, located 660 feet from the South line and 660 feet from the East line of said Section 34.

(4) That the SE/4 of said Section 34 is presently dedicated to the above-described L. W. White No. 1 Well as an authorized non-standard gas proration unit in the Eumont Gas Pool.

(5) That the applicant proposes to enlarge the aforementioned non-standard gas proration unit to include the N/2 SW/4 of said Section 35.

(6) That approval of the subject application will not cause waste nor impair correlative rights.

-2-

Case No. 1351
Order No. R-1102

IT IS THEREFORE ORDERED:

(1) That a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 34 and the N/2 SW/4 of Section 35, all in Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established, said unit to be dedicated to the applicant's L. W. White No. 1 Well, located 660 feet from the South line and 660 feet from the East line of said Section 34.

(2) That the above-described L. W. White No. 1 Well be granted an allowable in the Eumont Gas Pool in the proportion that the acreage in the above-described unit bears to the acreage in a standard gas proration unit for the Eumont Gas Pool, subject to the provisions of Rule 8 of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order No. R-520.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem

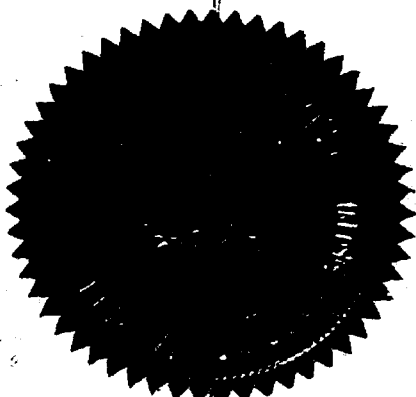
EDWIN L. MECHEM, Chairman

Murray E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

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



ir/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 26, 1957

Mr. Jason Kellahin
P.O. Box 1713
Santa Fe, New Mexico

Dear Sir:

On behalf of your client, Amerada Petroleum Corporation, we enclose two copies of Order K-1102 issued December 18, 1957, by the Oil Conservation Commission in Case 1351, which was heard on November 20th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

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Encls.

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Y

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 11-21-57

CASE 1351

Hearing Date 11-20-57

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

That the application be granted as requested. The increased allowable (160 to 240) be effective in accordance with the provisions of theumont of as pool.

Shirley D. Mc
Staff Member