

Case No.

1354

Application, Transcript,
Small Exhibits, Etc.

CASE 1354:

SOUTHEASTERN NEW MEXICO
NOMENCLATURE

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1354

December 18, 1957

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

BEFORE THE
OIL CONSERVATION COMMISSION
December 18, 1957

IN THE MATTER OF:

Southeastern New Mexico nomenclature case calling for an order for the creation of new pools and the abolishment, redesignation and extension of existing pools in Lea, Eddy and Roosevelt Counties, New Mexico.

(a) Create a new oil pool for Pennsylvanian production, designated as the North Allison-Pennsylvanian Pool, and described as:

Township 8 South, Range 36 East
Section 36: NW/4

(b) Create a new oil pool for McKee production, designated as the Justis-McKee Pool, and described as:

Township 25 South, Range 37 East
Section 24: NE/4

(c) Create a new gas pool for Siluro-Devonian production, designated as the Shugart Siluro-Devonian Gas Pool, and described as:

Township 18 South, Range 31 East
Section 27: SE/4

(d) Define the vertical limits of the Vacuum-Seven Rivers Pool to be the Yates formation rather than the Seven Rivers formation and redesignate the said Vacuum-Seven Rivers Pool as the Vacuum-Yates Pool, to comprise:

Township 17 South, Range 35 East
Section 34: NW/4

(e) Extend the Vacuum-Yates Pool to include:

Township 17 South, Range 35 East
Section 27: S/2
Section 33: E/2 NE/4

(f) Extend the Cave Pool to include:

Township 17 South, Range 29 East
Section 6: SE/4

(g) Extend the East Crossroads-Devonian Pool to include:

Township 9 South, Range 37 East
Section 19: S/2 S/2
Section 30: W/2 NE/4 & NW/4 SE/4

(h) Extend the East Echols-Devonian Pool to include:

Township 11 South, Range 38 East
Section 9: S/2 SE/4
Section 16: NW/4

(i) Abolish the North Gladiola-Devonian Pool described as:

Township 11 South, Range 38 East
Section 31: E/2
Section 32: W/2 & SE/4

Township 12 South, Range 38 East
Section 5: All
Section 6: E/2 & SW/4
Section 7: N/2
Section 8: N/2 & N/2 SW/4

(j) Extend the Gladiola Pool to include:

Township 11 South, Range 38 East
Section 31: E/2
Section 32: W/2 & SE/4

Township 12 South, Range 38 East
Section 5: All
Section 6: E/2 & SW/4
All of Sections 7 & 8
Section 18: NW/4
Section 30: N/2 NW/4

(k) Extend the Grayburg-Jackson Pool to include:

Township 17 South, Range 31 East
Section 10: W/2 NW/4

(l) Extend the Penrose Shelly Pool to include:

Township 21 South, Range 37 East
Section 30: E/2 S/4

(m) Extend the North Shugart Pool to include:

Township 18 South, Range 31 East
Section 10: S/2 NE/4

(n) Extend the Bagley-Upper Pennsylvanian Gas Pool to include:

Township 12 South, Range 33 East
Section 10: NE/4

(o) Extend the Justis Gas Pool to include:

Township 25 South, Range 37 East
Section 36: NW/4

BEFORE:

A. L. Porter, Jr.
Murray Morgan

TRANSCRIPT OF HEARING

MR. PORTER: The meeting will come to order please.

The Commission has decided to hear cases 1354 and 1355, which are two nomenclature cases in the time remaining this afternoon, and then to recess the hearing until nine o'clock tomorrow morning, at which time we will take up case 1308, which is the re-hearing on the Bisti.

The operator who is to present testimony first in the morning has agreed to post his exhibits prior to hearing time, so that we can start promptly at nine o'clock tomorrow morning.

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The Commission will consider next, Case 1344.

MR. COOLEY: Case 1344. Southeastern New Mexico nomenclature case.

(Witness sworn.)

JOHN RUNYAN

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

DIRECT EXAMINATION

BY: MR. COOLEY:

Q Would you state your name and position please.

A John Runyan, geologist for the New Mexico Oil Conservation Commission.

Q Mr. Runyan, in your official capacity as geologist for the New Mexico Oil Conservation Commission, have you had an opportunity to make a study of Southeastern New Mexico nomenclature?

A I have.

Q Mr. Runyan, do you have any recommendations concerning the creation of a new oil pool for Pennsylvanian production in Township 8 South, Range 36 East?

A Yes, I recommend that this pool be created as advertised and be named the North Allison-Pennsylvanian Pool. The purpose is the discovery well of the Atlantic Refining Company's State AE No. 1 in Unit D of Section 36, Township 8 South, Range 36 East, completed in the Pennsylvanian in September 14, 1957. Top of perforation, 9652 feet.

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Q And what do you propose as the vertical limits for the proposed North Mississippian-Pennsylvanian Pool, Mr. Runyan?

A The vertical limits?

Q Yes, sir.

A Would be the Pennsylvanian.

Q The Pennsylvanian formation? A Correct.

Q Thank you. Do you have any recommendations concerning the creation of a new oil pool for McKee production in Township 25 South, Range 37 East?

A Yes, I recommend that a new pool be created as advertised, and this is due to the discovery of Tidewater Oil Company's A. B. Coats "C" No. 8 in Unit B of Section 24, Township 25 South, Range 37 East, completed in the McKee on 10/8/57. Top of perforation, 7325 feet.

Q And what do you recommend as the vertical limits for this pool, Mr. Runyan?

A The McKee formation.

Q Do you have any recommendations concerning the creation of a new gas pool for Siluro-Devonian production in Township 18 South, Range 31 East?

A Yes, I recommend this pool be created as advertised due to the discovery of Pan-American Petroleum Corporation's Greenwood Unit No. 1 in Unit P of Section 27, Township 18 South, Range 31 East.

Q Mr. Runyan, what do you propose as the name for this new

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pool?

A It would be the Siluro-Devonian Gas Pool.

Q And what do you propose as the vertical limits of this gas pool?

A The Devonian formation, Siluro-Devonian.

Q Mr. Ranyan, do you have any recommendations concerning the re-designation in the vertical limits and the changing of the name of the Vacuum-Seven Rivers Pool in Lea County, New Mexico?

A Yes, I recommend that this pool be re-designated from the Vacuum-Seven Rivers Pool to the Vacuum-Yates Pool.

Q What do you propose as the vertical limits for this pool sir?

A The Yates formation.

Q And the horizontal limits to be as advertised?

A As advertised, that's correct.

Q Do you have any recommendations concerning the extension of the Vacuum-Yates Pool?

A I recommend it be extended as advertised.

Q Do you have any recommendations concerning the extension of the Cave Pool?

A I recommend that it be extended as advertised.

Q What are your recommendations concerning the extension of the East Crossroads-Devonian Pool?

A I recommend it be extended as advertised.

Q Have you any recommendations concerning the extension

of the East Echols-Devonian Pool?

A Yes, I recommend that it be extended as advertised.

Q What are your recommendations concerning the North Gladiola-Devonian Pool?

A I recommend that this pool be abolished as advertised.

Q And for what purpose, sir?

A The North Gladiola and the Gladiola have contiguous horizontal limits, and they produce from the same formation, therefore, abolish the North Gladiola Pool and add this area to the Gladiola Pool.

Q Then it is your recommendation that the Gladiola Pool be extended to include the acreage advertised, that being the acreage formerly in the North Gladiola-Devonian Pool?

A That is correct?

Q Do you have any recommendations concerning the extension of the Grayburg-Jackson Pool?

A I recommend it be extended as advertised.

Q And what are your recommendations concerning the extension of the Penrose-Skelly Pool?

A I recommend it be extended as advertised.

Q Do you have any recommendations concerning the extension of the North Shugart Pool?

A I recommend it be extended as advertised.

Q And what are your recommendations concerning the extension of the Bagley-Upper Pennsylvanian Gas Pool?

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A I recommend it be extended as advertised.

Q Do you have any further recommendations in this case?

A No, sir, I don't.

Q Have you prepared exhibits to substantiate your recommendations as given?

A Yes, sir, I have, and I wish to submit the exhibits now.

Q Will you list those exhibits, Mr. Runyan?

A From A through N.

MR. COOLEY: I offer at this time Exhibits A through N in Case 1345.

MR. PORTER: Without objection, they will be admitted into the record.

MR. COOLEY: That is all.

CROSS EXAMINATION

BY: MR. PORTER:

Q Mr. Runyan, I notice that you have recommended that the Vacuum-Seven Rivers Pool, as it now exists, be changed to the Vacuum-Yates Pool. Now, apparently when that pool was created, it was thought that the producing formation was Seven Rivers. What is your basis for suggesting or recommending this change?

A We received Commission Form 123, which requested a new pool, and they stated the formation as being Seven Rivers, and at the time we had no logs whatsoever on these new discovery wells, or any wells here rather, and the pool was created, and at a later date we received logs, and after checking these logs, we found

the formation not to be the Seven Rivers, but the Yates.

Q That was as a result of your study?

A Yes, sir, that's correct.

MR. PORTER: Does anyone have any questions? If not, the witness may be excused.

In relation to Paragraph O in Case 1354, I believe Gulf Oil Corporation has some testimony.

MR. KASTLER: My name is Bill Kastler, representing Gulf Oil Corporation, and we have as our witness in this case, Mr. G. A. Schwartz from Roswell.

(Witness sworn.)

G. A. SCHWARTZ

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

DIRECT EXAMINATION

BY: MR. KASTLER:

Q Will you please state your name, your employer and place of employment?

A My name is Guy A. Schwartz, I am employed as a staff production geologist with the Gulf Oil Corporation in Roswell.

Q Mr. Schwartz, are you familiar with the application of Gulf Oil Corporation in Case No. 1354, sub-paragraph O?

A Yes, sir, I am.

Q And have you previously appeared before the New Mexico Oil Conservation Commission and qualified as an expert witness?

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A Yes, sir, I have.

MR. KASTLER: I move the witness' qualifications be accepted.

MR. PORTER: They are accepted.

Q (By Mr. Kastler) Mr. Schwartz, have you prepared exhibits for introduction into evidence giving information on this application?

A Yes, sir, I have prepared Exhibits 1 through 4.

Q And these have been prepared by you or under your supervision and direction?

A That is correct.

Q I call your attention to a paper marked Exhibit No. 1, which is a contour map on top of the Glorieta formation. Is the present boundaries, or are the present boundaries of the Justis Gas Pool shown on this map?

A Yes, sir. The present boundary of the Justis Gas Pool as now defined by the Commission, is shown on the plat by a yellow line.

Q Is the lease involved in this application also shown in this plat?

A Yes, sir, this lease, Gulf's Arnott Ramsey "F" Lease, is shown by red shading.

Q And is the lease immediately below that constituting the S/2 of Section 36, Township 25 South, Range 37 East, is that the same lease as the Arnott Ramsey "F" Lease?

A No, sir, that is another 320-acre Gulf lease. It's the Vincent Ramsey.

Q The Arnott Ramsey "F" Lease, which is shaded in red, is there a producing gas well producing gas from the Justis formation?

A Yes, sir.

Q Or Justis Pool?

A Yes, sir.

Q Will you state when that well was completed?

A The Gulf No. 3 Arnott Ramsey "F" was completed from the Justis Gas Pool on May 6, 1957. Its potential was nineteen million cubic feet open flow, and five point six million at fourteen hundred pounds back pressure.

Q Mr. Schwartz, have any interference tests been run in connection with this well?

A Yes, sir. Evidence was presented in Case 1239 on August 15 and September 18th, 1957, in regard to three wells at the southern end of this Justis Gas Pool.

Q Based on the information that resulted from those interference tests, can you conclude, and is it your opinion, that the entire 320 acres of the Arnott Ramsey, the north of Section 36 can be effectively drained by this one well?

A Yes, sir.

Q I notice there are other wells designated on the map in the Justis Pool, and will you state what the character of those wells are, please?

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A Only the wells which penetrated the top of the Glorieta formation were shown on this plat, and all the other wells which are producing from shallow horizons were removed.

Q What is designated by the lines AA prime, BB prime, and CC prime on Exhibit No. 1?

A These refer to the cross sections which are illustrated in Exhibit 2 and 3.

Q Would you please explain what Exhibit No. 2 shows?

A Exhibit 2 is an East-West cross section through Westate No. 4, Carlson Federal "B" Well, located 1980 feet from the South line, and 660 feet from the East line of Section 26, Township 25 South, Range 37 East, and the cross section runs through El Paso Natural Gas's Carlson Federal "B", and terminates in El Paso Natural Gas Company's Carlson Federal "A", the latter two wells located in Section 25.

Q Are all three of these wells designated by the line AA prime on Exhibit No. 1? A Yes, sir, they are.

Q Will you please explain what correlation is between those three wells?

A The drillstem tests, which were taken upon the drilling of each well, are shown by cross-hatching in the proper relation, to the left of the well column, and the producing intervals, or perforations, are indicated by circled boxes on the right of the well column. The Gulf's No. 3 Arnott Ramsey "F" is shown to have the lowest perforation at a minus sea level depth of 1824, and

inasmuch as the well is producing water from the gas, I believe we can assume that there is no water table established above this point.

Q Is it possible to compare Gulf's Arnott Ramsey "F" No. 3 Well with the other three wells in AA prime on this one schematic or cross section diagram?

A Yes, sir, although cross section BB prime is just through the Arnott Ramsey No. 3, the Gulf No. 3 Arnott Ramsey "F" Well, it is in the same subsea relation as to the other wells.

Q Would you explain the cross section diagram which is labeled Exhibit No. 3?

A Exhibit No. 3 is a north-south cross section indicated on the plat by CC prime, and runs through El Paso Natural Gas Company's No. 1 Carlson Federal A, and also through Gulf's No. 3 Arnott Ramsey "F", and shows the relationships of the wells in respect to the lease line, which is indicated by a dotted line at either end of the page.

Q Mr. Schwartz, using these two exhibits, Exhibit No. 2 and No. 3, do you find anything in Gulf's Well No. 3, Arnott Ramsey No. 3, which is out of character with the other producing Justis Pool wells?

A No, sir, if the producing zones are carried in a conformable relation to the top of the Glorieta formation, one can assume that the vertical limits of productivity of the Justis Gas

Pool should be at least as low as a minus 1824 feet, and if one refers back to Exhibit No. 1, it is shown that the minus 1800 foot contour lies well beyond the limits of the Gulf's Arnett Ramsey F lease, and in fact, it lies beyond the limits of the Gulf's Vincent Ramsey lease, which lies to the south, which incidently, we anticipate drilling to the same horizon in 1958.

Q Mr. Schwartz, will you explain what is shown on Exhibit No. 4, please.

A Exhibit No. 4 is a radioactivity log on which is shown the top of the Glorieta formation as cullied by the Gulf Oil Corporation in this area. There has been a slight variation in the top of the Glorieta cull between the companies, and I believe this cull is probably in between several of the other companies. The perforations are shown in red on the small scale, on the detailed section. At the bottom of the well log is shown the results of our core analysis, the relative water saturations are shown in green on the right hand side, superimposed on the neutron log, and the oil saturations are shown on the left in red. It may be well to note that the lower seventy-five to eighty feet of the well had water saturations, which averages less than twenty percent, which is exceptionally low. The core was cut utilizing a water-base fluid.

Q In your opinion, will the granting of this application promote conservation of oil and gas?

A It will promote conservation, yes.

Q Will it not be correct to say that?

A No, sir.

Q To the best of your knowledge, has notice been given to all offset operators of this application pending?

A Yes, sir, it has.

MR. KASTLER: Mr. Commissioner, I move to admit Exhibit 1, 2, 3, and 4 into evidence in this case.

MR. PORTER: Would you designate these as just Exhibit 1, 2, 3, and 4?

MR. KASTLER: Yes, sir.

MR. PORTER: Without objection, they will be admitted. Does anyone have a question of the witness? Mr. Nutter.

CROSS EXAMINATION

BY: MR. NUTTER:

Q Mr. Schwartz, what control did you have to draw the contour lines below sixteen hundred feet?

A There are two wells in Section 34 which lie on the eastern portion of the Crosby area, but most of the contour control was based upon the control that was on the upper horizons, and assuming that the Glorieta formation is rather conformable with the overlying sediment.

Q You didn't have any holes that penetrated the Glorieta in the immediate vicinity of Section 34 then?

A No, sir, there are some wells to the south of 34 that

...that, the ... that the ...

... other, ...

... was similar to ...

A. He gave ... , ... , ... and Grayburns.

MR. NUTTER: Thank you.

MR. PORTER: Anyone else have a question of the witness?

If not, the witness may be excused.

(Witness excused.)

MR. PORTER: Does anyone else have anything further in this case? If not, we will take the case under advisement.

STATE OF NEW MEXICO
COUNTY OF BERNALILLO

ss

I, J. A. Trajillo, Court Reporter, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Steno type and reduced to typewritten transcript under my personal supervision, and the same is a true and correct record to the best of my knowledge, skill and ability.

Witness my Hand and Seal, this 31st day of December, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trajillo
COURT REPORTER.

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. 1354
Order No. R-1105

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
CREATING, EXTENDING, REDESIGNATING,
AND ABOLISHING CERTAIN POOLS IN LEA,
EDDY, AND ROOSEVELT COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
December 18, 1957, at Santa Fe, New Mexico, before the Oil
Conservation Commission of New Mexico, hereinafter referred to
as the "Commission."

NOW, on this 30th day of December, 1957, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received at said hearing, 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 there is need for the creation of a new pool
in Roosevelt County, New Mexico, for the production of oil from
the Pennsylvanian formation, said pool to bear the designation
North Allison-Pennsylvanian Pool. Said North Allison-Pennsylvanian
Pool was discovered by the Atlantic Refining Company State AE Well
No. 1, located in the NW/4 NW/4 of Section 36, Township 8 South,
Range 36 East, NMPM. It was completed September 14, 1957. The top
of the perforations is at 9,652 feet.

(3) That there is need for the creation of a new pool in
Lea County, New Mexico, for the production of oil from the McKee
formation, said pool to bear the designation Justis-McKee Pool.
Said Justis-McKee Pool was discovered by Tidewater Oil Company
A. B. Coats "C" Well No. 8, located in the NW/4 NE/4 of Section 24,
Township 25 South, Range 37 East, NMPM. It was completed October
8, 1957. The top of the perforations is at 7,325 feet.

(4) That there is need for the creation of a new pool in
Eddy County, New Mexico, for the production of gas from the Siluro-
Devonian formation, said pool to bear the designation Shugart Siluro-
Devonian Gas Pool. Said Shugart Siluro-Devonian Gas Pool was

discovered by Pan American Petroleum Corporation Greenwood Unit Well No. 1, located in the SE/4 SE/4 Section 27, Township 18 South, Range 31 East, NMPM. It was completed February 20, 1957. The top of the perforations is at 12,656 feet.

(5) That there is need for the redesignation of the vertical limits of the Vacuum Seven-Rivers Pool in order that the said vertical limits of said pool may be correctly defined. Further, that there is need for certain extensions to the redefined Vacuum Seven-Rivers Pool, the East Crossroads Devonian Pool, the East Echol Devonian Pool, the Gladiola Pool, the Penrose-Skelly Pool, the Bagley-Upper Pennsylvanian Gas Pool, and the Justis Gas Pool, all in Lea County, New Mexico, and to the Cave Pool, the Grayburg-Jackson Pool, and the North Shugart Pool, all in Eddy County, New Mexico. Further, that inasmuch as the horizontal limits of the Gladiola Pool are being extended to include that area within the horizontal limits of the North Gladiola-Devonian Pool and the vertical limits of said pools are identical, that the North Gladiola-Devonian Pool can be abolished.

IT IS THEREFORE ORDERED:

(a) That a new pool in Roosevelt County, New Mexico, classified as an oil pool for Pennsylvanian production, be and the same is hereby created and designated as the North Allison-Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 36: NW/4

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for McKee production, be and the same is hereby created and designated as the Justis-McKee Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 24: NE/4

(c) That a new pool in Eddy County, New Mexico, classified as a gas pool for Siluro-Devonian production, be and the same is hereby created and designated as the Shugart Siluro-Devonian Gas Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 27: SE/4

(d) That the vertical limits of the Vacuum Seven-Rivers Pool in Lea County, New Mexico, be and the same are hereby redesignated as the Yates formation and the pool name changed to Vacuum-Yates Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 34: NW/4

(e) That the Vacuum-Yates Pool in Lea County, New Mexico, as hereinabove classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 27: S/2
Section 33: E/2 NE/4

(f) That the Cave Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 6: SE/4

(g) That the East Crossroads-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 19: S/2 S/2
Section 30: W/2 NE/4 & NW/4 SE/4

(h) That the East Echols Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 38 EAST, NMPM
Section 9: S/2 SE/4
Section 16: NW/4

(i) That the North Gladiola-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, and consisting of the following described area

TOWNSHIP 11 SOUTH, RANGE 38 EAST, NMPM
Section 31: E/2
Section 32: W/2 and SE/4

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 5: All
Section 6: E/2 and SW/4
Section 7: N/2
Section 9: N/2 and N/2 SW/4

be and the same is hereby abolished.

(j) That the Gladiola Pool in Lea County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 38 EAST, NMPM
Section 31: E/2
Section 32: W/2 and SE/4

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 5: All
Section 6: E/2 and SW/4
Section 7: All
Section 8: All
Section 18: NW/4
Section 30: N/2 NW/4

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Order No. R-1105

(k) That the Grayburg-Jackson Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 10: W/2 NW/4

(l) That the Penrose-Skelly Pool in Lea County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 30: E/2 SW/4

(m) That the North Shugart Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 10: S/2 NE/4

(n) That the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 10: NE/4

(o) That the Justis Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 30: NW/4

IT IS FURTHER ORDERED:

That the effective date of this order and of all of the creations, extensions, redesignations, and abolitions included herein shall be January 1, 1958.

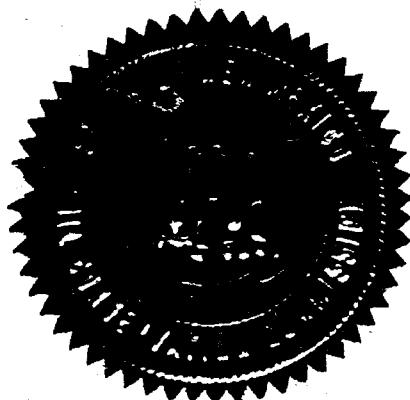
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. WECHER, Chairman


MURRAY E. MORGAN, Member


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



DOCKET: REGULAR HEARING DECEMBER 18, 1957

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE:
- (1) Consideration of the oil allowable for January, 1958.
 - (2) Consideration of purchasers' nominations for the six-month period beginning February 1, 1958, for six prorated pools in San Juan and Rio Arriba Counties, New Mexico; also consideration of the allowable production of gas for January, 1958, for six 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 January, 1958.

NEW CASES

CASE 1353: In the matter of the hearing upon the motion of the Oil Conservation Commission to permit all operators in San Juan, Rio Arriba, Sandoval, and McKinley Counties, New Mexico, to appear and show cause why any well or wells in that area should be granted an exception to prorationing.

CASE 1308: (Rehearing) In the matter of the rehearing requested by Sunray Mid-Continent Oil Company, et al, for reconsideration by the Commission of certain portions of the application in Case 1308 for the temporary establishment of uniform 80-acre well spacing and promulgating Special Rules and Regulations in the Bisti-Lower Gallup Oil Pool.

CASE 1354: Southeastern New Mexico nomenclature case calling for an order for the creation of new pools and the abolishment, redesignation and extension of existing pools in Lea, Eddy and Roosevelt Counties, New Mexico.

(a) Create a new oil pool for Pennsylvanian production, designated as the North Allison-Pennsylvanian Pool, and described as:

Township 8 South, Range 36 East
Section 36: NW/4

(b) Create a new oil pool for McKee production, designated as the Justis-McKee Pool, and described as:

Township 25 South, Range 37 East
Section 24: NE/4

(c) Create a new gas pool for Siluro-Devonian production, designated as the Shugart Siluro-Devonian Gas Pool, and described as:

Township 18 South, Range 31 East
Section 27: SE/4

(d) Define the vertical limits of the Vacuum-Seven Rivers Pool to be the Yates formation rather than the Seven Rivers formation and redesignate the said Vacuum-Seven Rivers Pool as the Vacuum-Yates Pool, to comprise:

Township 17 South, Range 35 East
Section 34: NW/4

(e) Extend the Vacuum-Yates Pool to include:

Township 17 South, Range 35 East
Section 27: S/2
Section 33: E/2 NE/4

(f) Extend the Cave Pool to include:

Township 17 South, Range 29 East
Section 6: SE/4

(g) Extend the East Crossroads-Devonian Pool to include:

Township 9 South, Range 37 East
Section 19: S/2 S/2
Section 30: W/2 NE/4 & NW/4 SE/4

(h) Extend the East Echols-Devonian Pool to include:

Township 11 South, Range 38 East
Section 9: S/2 SE/4
Section 16: NW/4

(i) Abolish the North Gladiola-Devonian Pool described as:

Township 11 South, Range 38 East
Section 31: E/2
Section 32: W/2 & SE/4

Township 12 South, Range 38 East
Section 5: All
Section 6: E/2 & SW/4
Section 7: N/2
Section 8: N/2 & N/2 SW/4

(j) Extend the Gladiola Pool to include:

Township 11 South, Range 38 East
Section 31: E/2
Section 32: W/2 & SE/4

Township 12 South, Range 38 East
Section 5: All
Section 6: E/2 & SW/4
All of Sections 7 & 8
Section 18: NW/4
Section 30: N/2 NW/4

- (k) Extend the Grayburg-Jackson Pool to include:

Township 17 South, Range 31 East
Section 10: W/2 NW/4

- (l) Extend the Penrose-Skelly Pool to include:

Township 21 South, Range 37 East
Section 30: E/2 SW/4

- (m) Extend the North Shugart Pool to include:

Township 18 South, Range 31 East
Section 10: S/2 NE/4

- (n) Extend the Bagley-Upper Pennsylvanian Gas Pool to include:

Township 12 South, Range 33 East
Section 10: NE/4

- (o) Extend the Justis Gas Pool to include:

Township 25 South, Range 37 East
Section 36: NW/4

CASE 1355:

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

- (a) Create a new oil pool for Gallup production, designated as the Gallegos-Gallup Oil Pool and described as:

Township 26 North, Range 11 West
Section 6: SW/4
Section 7: All
Section 8: S/2
Section 17: W/2
Section 18: All
Section 20: NW/4

Township 26 North, Range 12 West
Section 1: SE/4
Section 4: SW/4
Section 5: All
Section 6: NE/4
Section 8: E/2
All of Sections 9, 10, 11, 12, & 13
Section 14: E/2

Township 27 North, Range 12 West

Section 30: S/2
Section 31: N/2 & SE/4
Section 32: SW/4

Township 27 North, Range 13 West

Section 35: NE/4
Section 36: N/2

- (b) Extend the Blanco Mesaverde Pool to include:

Township 26 North, Range 2 West

Section 7: All
Section 8: W/2

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

Township 26 North, Range 8 West

Section 5: SW/4
Section 8: W/2

- (d) Extend the Otero-Pictured Cliffs Pool to include:

Township 23 North, Range 6 West

Section 1: N/2

Township 24 North, Range 4 West

Section 19: S/2

Township 24 North, Range 6 West

Section 14: S/2

- (e) Extend the South Blanco-Pictured Cliffs Pool to include:

Township 25 North, Range 5 West

Section 1: N/2 & SE/4

Township 26 North, Range 5 West

Section 22: N/2
Section 25: All
Section 26: E/2
Section 35: NE/4
Section 36: All

Township 27 North, Range 6 West

Section 13: SW/4
Section 22: N/2
Section 23: N/2
Section 24: NW/4

Township 27 North, Range 7 West

Section 11: All

-5-

Docket No. 37-57

(f) Extend the Bisti-Lower Gallup Oil Pool to include:

Township 25 North, Range 11 West
Section 24: SE/4

(g) Extend the Verde-Gallup Oil Pool to include:

Township 31 North, Range 15 West
Section 13: S/2
Section 24: NE/4
Section 27: SW/4
Section 28: E/2 & SW/4

ir/



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

B. E. THOMPSON
DIVISION PRODUCTION COORDINATOR

FORT WORTH
PRODUCTION DIVISION

November 13, 1957

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

Re: Application for Extension of the Justis Gas Pool in
Lea County, New Mexico, as Heretofore Described, to
Include the NW/4 of Section 36, T-25-S, R-37-E

Gentlemen:

By Order R-586-C dated October 3, 1957, the New Mexico Oil Conservation Commission revised Rule 5 of the Justis Gas Pool Rules to provide for 320-acre standard proration units to consist of between 316 and 324 contiguous surface acres, which shall be a legal half section of the U. S. Public Land Surveys. This rule further provides that the dedicated acreage must reasonably be presumed to be productive of gas from the Justis Gas Pool.

Gulf Oil Corporation is the owner and operator of the Arnott-Ramsay "F" 320-acre lease which consists of the N/2 of Section 36, T-25-S, R-37-E, Lea County, New Mexico. Gulf's Arnott-Ramsay "F" Well No. 3, located in the center of the NW/4 of the NE/4 of said Section 36, is producing as the unit well of a non-standard 160-acre unit which is within the defined limits of subject pool.

In this application Gulf Oil Corporation seeks to extend the horizontal limits of the Justis Gas Pool, as now defined, to include the NW/4 of Section 36, T-25-S, R-37-E. It is respectfully requested that this matter be set for hearing at an early date.

Yours very truly,

B. E. THOMPSON

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Oil Conservation Commission

- 2 -

November 13, 1957

cc: Anderson Prichard Oil Corporation
P. O. Box 196
Midland, Texas

Atlantic Refining Company
P. O. Box 871
Midland, Texas

Leonard Oil Company
P. O. Box 872
Roswell, New Mexico

R. Olsen Oil Company
Drawer Z
Jal, New Mexico

Pan American Oil Corporation
P. O. Box 899
Roswell, New Mexico

Westates Petroleum Corporation
P. O. Box 1381
Jal, New Mexico

NEW MEXICO
OIL CONSERVATION COMMISSION
P. O. Box 871
Santa Fe, New Mexico

Date November 22, 1957

Gulf Oil Corp.
P.O. Drawer 1290
Fort Worth 1, Texas

ATTENTION: Don Walker

Gentlemen:

Your application for extension of the Justis Pool

(You will be expected to present testimony)

dated November 13, 1957 has been received, and has been tentatively
scheduled for hearing before The Commission on
December 18, 1957, as a part of the regular nomenclature case.

A copy of the docket will be forwarded to you as soon as the matter is
advertised.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.,
Secretary-Director

ga

Case No. _____ Nomenclature Adv. for December

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation, abolishment, redesignation, and extension of existing pools in Lea, Eddy, and Roosevelt Counties, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such creations, abolishments, redesignations, and extensions should not be made.

(a) Create a new pool in Roosevelt County, New Mexico, classified as an oil pool for Pennsylvanian production, designated as the North Allison Pennsylvanian Pool and described as:

Twp. 8 South, Range 36 East
NW/4 of Section 36

and such other, etc.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for McKee production, designated as the Justis-McKee Pool and described as:

Twp. 25 South, Range 37 East
NE/4 of Section 24

and such other, etc.

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Siluro-Devonian production, designated as the Shugart Siluro-Devonian Gas pool and described as:

Twp. 18 South, Range 31 East
SE/4 of Section 27

and such other, etc.

(d) Abolish the North Gladiola Devonian Pool in Lea County, New Mexico, described as:

Twp. 11 South, Range 38 East
E/2 of Section 31
W/2 & SE/4 of Section 32

Twp. 12 South, Range 38 East
All of Section 5
E/2 & SW/4 of Section 6
N/2 of Section 7
NW/4 of Section 8

and such other, etc.

(e) Redesignate the Vacuum Seven Rivers Pool to the Vacuum Yates Pool, described as:

Twp. 17 South, Range 35 East
NW/4 of Section 34

and such other, etc.

(f) Extend the Cave Pool boundary in Eddy County, New Mexico, to include therein:

Twp. 17 South, Range 29 East
SE/4 of Section 6

and such other, etc.

(g) Extend the East Crossroads Devonian Pool boundary in Lea County, New Mexico, to include therein:

Twp. 9 South, Range 37 East
S/2 S/2 of Section 19
W/2 NE/4 & NW/4 SE/4 of Section 30

and such other, etc.

(h) Extend the East Echols Devonian Pool boundary in Lea County, New Mexico to include therein:

Twp. 11 South, Range 38 East
S/2 SE/4 of Section 9
NW/4 of Section 16

and such other, etc.

(i) Extend the Gladiola Pool boundary in Lea County, New Mexico, to include therein:

Twp. 11 South, Range 38 East
E/2 of Section 31
W/2 & SE/4 of Section 32

Twp. 12 South, Range 38 East
All of Sections 5
E/2 & SW/4 of Section 6
All of Sections 7 & 8
N/2 NW/4 of Section 30

and such other, etc.

(j) Extend the Grayburg Jackson Pool boundary in Eddy County, New Mexico, to include therein:

Twp. 17 South, Range 31 East
W/2 NW/4 of Section 10

and such other, etc.

(k) Extend the Penrose Skelly Pool boundary in Lea County New Mexico, to include therein:

Twp. 21 South Range 37 East
E/2 SW/4 of Section 30

and such other, etc.

(l) Extend the North Shugart Pool boundary in Eddy County, New Mexico to include therein:

Twp. 18 South, Range 31 East
S/2 NE/4 of Section 10

and such other, etc.

(M) Extend the Vacuum Yates Pool boundary in Lea County, New Mexico, to include therein:

Twp. 17 South, Range 35 East
S/2 of Section 27
E/ NE/4 of Section 33

and such other, etc.

Case 1354: (A) Creation of a new pool

County LEA Pool NORTH ALLISON-PENNSYLVANIAN

9-10 Pennsylvanian

TOWNSHIP 8 South, RANGE 36 East, NEW MEXICO PRINCIPAL MERIDIAN

6	5	4	3	2	1
7	8	9	10	11	12
13	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Purpose: Create a new pool for the inclusion of-

The Atlantic Refining Co. State AE #1 in Unit D of Section 36-8-36

Comp in Pennsylvanian 9/14/57 top perf 9652

Pool Boundary Colored in Red: NW/4 of Section 36

[illegible]

Case 1354: (B) Creation of a new pool

County LEA Pool JUSTIS-McKEE

7-8 McKeek

TOWNSHIP 25 South, RANGE 37 East, NEW MEXICO PRINCIPAL MERIDIAN

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

Purpose: Create a new pool for the inclusion of:

Tidewater Oil Co. A. B. Coats "C" #8 in Unit B of Section 24-25-37

Comp in McKeek 10/8/57 top perf 7325

Pool Boundary Colored in Red: NE/4 of Section 24

Case 1354: (C) Creation of a new pool

County EDDY Pool SHUGART SILURC-DEVONIAN GAS

TOWNSHIP 18 *South*, RANGE 31 *East*, NEW MEXICO PRINCIPAL MERIDIAN

6	8	4	3	2	1
7	9	5	10	11	12
13	17	18	15	14	19
16	20	21	22	23	24
26	29	28	27	26	25
31	32	33	34	35	36

Purpose: Create a new pool for the inclusion of-

Pan American Petroleum Corp. Greenwood Unit #1 in Unit P of Sec. 27-18-31

Pool Boundary Colored in Red: SE/4 of Section 27

Case 1354: (D) Redesignation of an existing pool

County LEA Pool VACUUM SEVEN-RIVERS
Redesignate to: VACUUM YATES

TOWNSHIP 17 South, RANGE 35 East, NEW MEXICO PRINCIPAL MERIDIAN

	6	8	4	2	2	1
7	9	9	10	11	12	
13	17	18	19	14	15	
19	20	21	22	23	24	
26	28	29	27	28	25	
31	32	33	34	35	36	

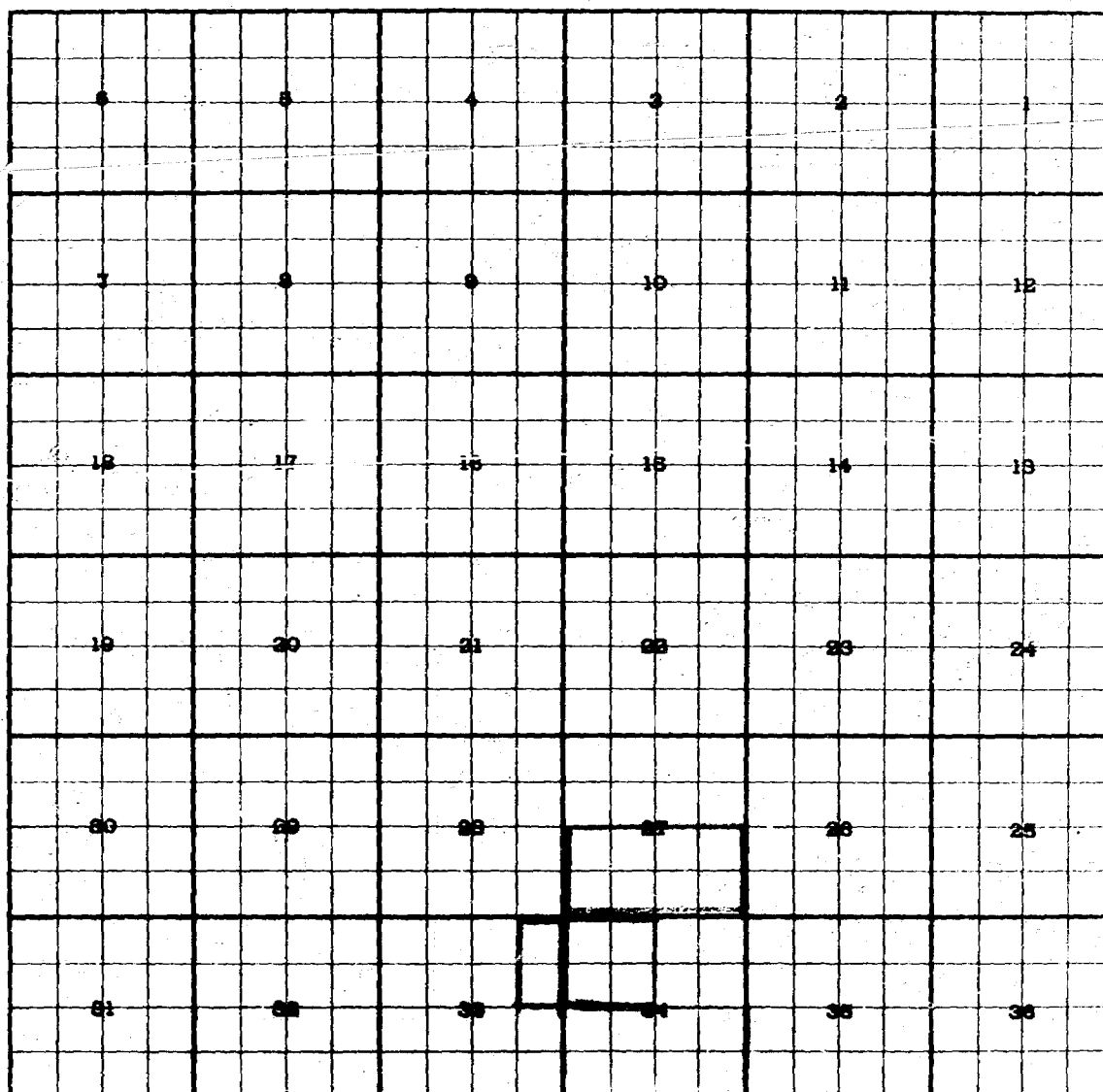
Purpose: Define the vertical limits of the Vacuum-Seven Rivers Pool to
be the Yates formation rather than the Seven Rivers formation
and redesignate the said Vacuum Seven Rivers Pool as the Vacuum-
Yates Pool, to comprise: NW/4 of Section 34

Case 1354: (E) Extension of an existing pool

County LEA Pool VACUUM-YATES

0-5 Yates

TOWNSHIP 17 South, RANGE 35 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Extend the Pool Boundary for the inclusion of-

The Ohio Oil Co. State Warn A/C 3 #4 in Unit H of Section 33-17-35

Comp in Yates 11/3/57 top perf 3026

Standard Oil Company of Texas State 4-27 #5 in Unit O of Sec. 27-17-35

Comp in Yates 10/1/57 top perf 3057

Standard Oil Company of Texas State 4-27 #6 in Unit J of Sec. 27-17-35

Comp in Yates 10/15/57 top perf 3046

Pool Boundary Colored in Red:

Proposed Extension Colored in Green: S/2 of Section 27

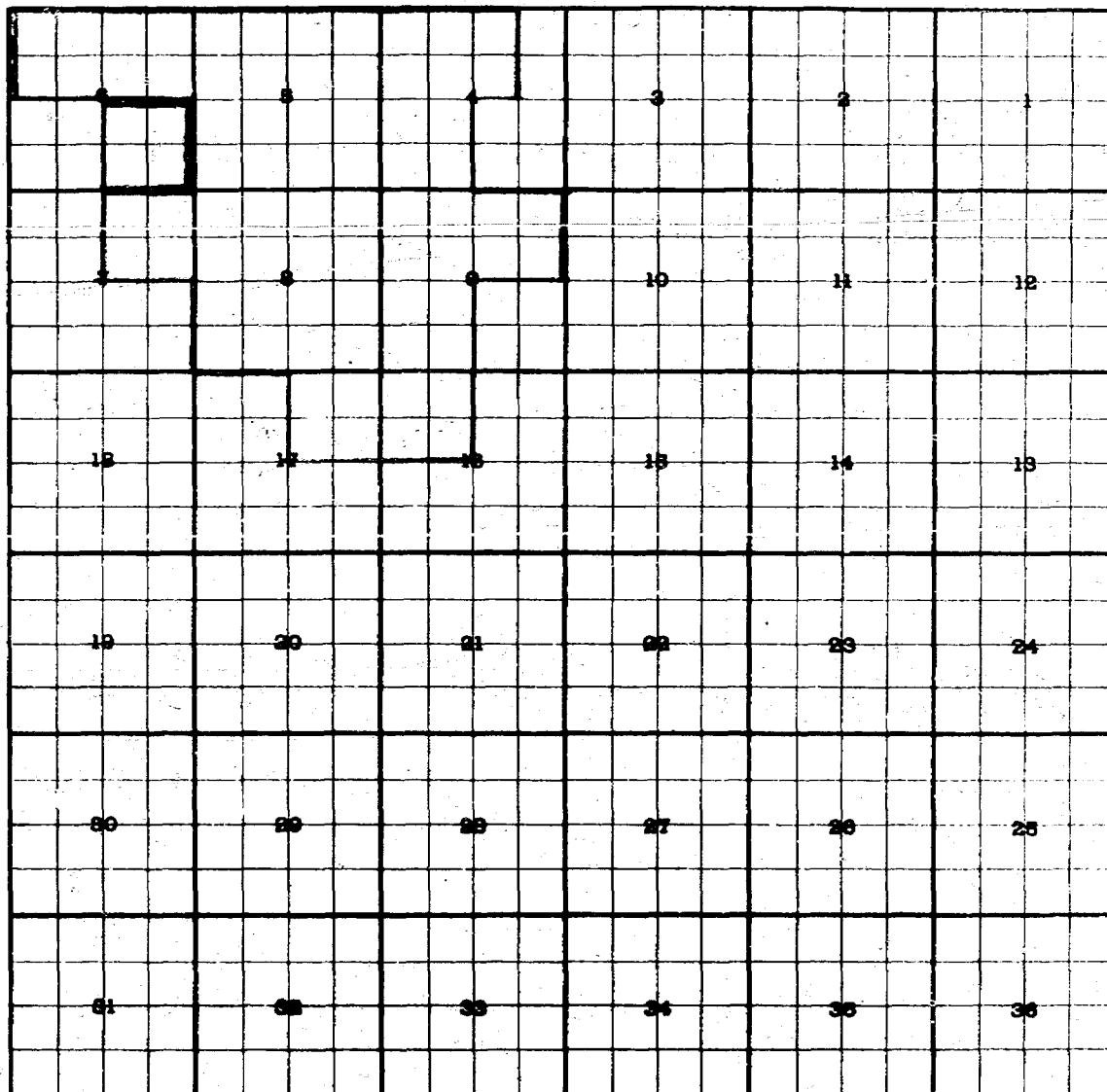
E/2 NE/4 of Section 33

Case 1354: (F) Extension of an existing pool

County EDDY Pool CAVE

0-5 Grayburg

TOWNSHIP 17 South, RANGE 29 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Extend the pool boundary for the inclusion of-

Yates Brothers Simpson Federal #1 in Unit P of Section 6-17-29
Comp in Graygurg 1/7/57 top perf 2374

Pool Boundary Colored in Red

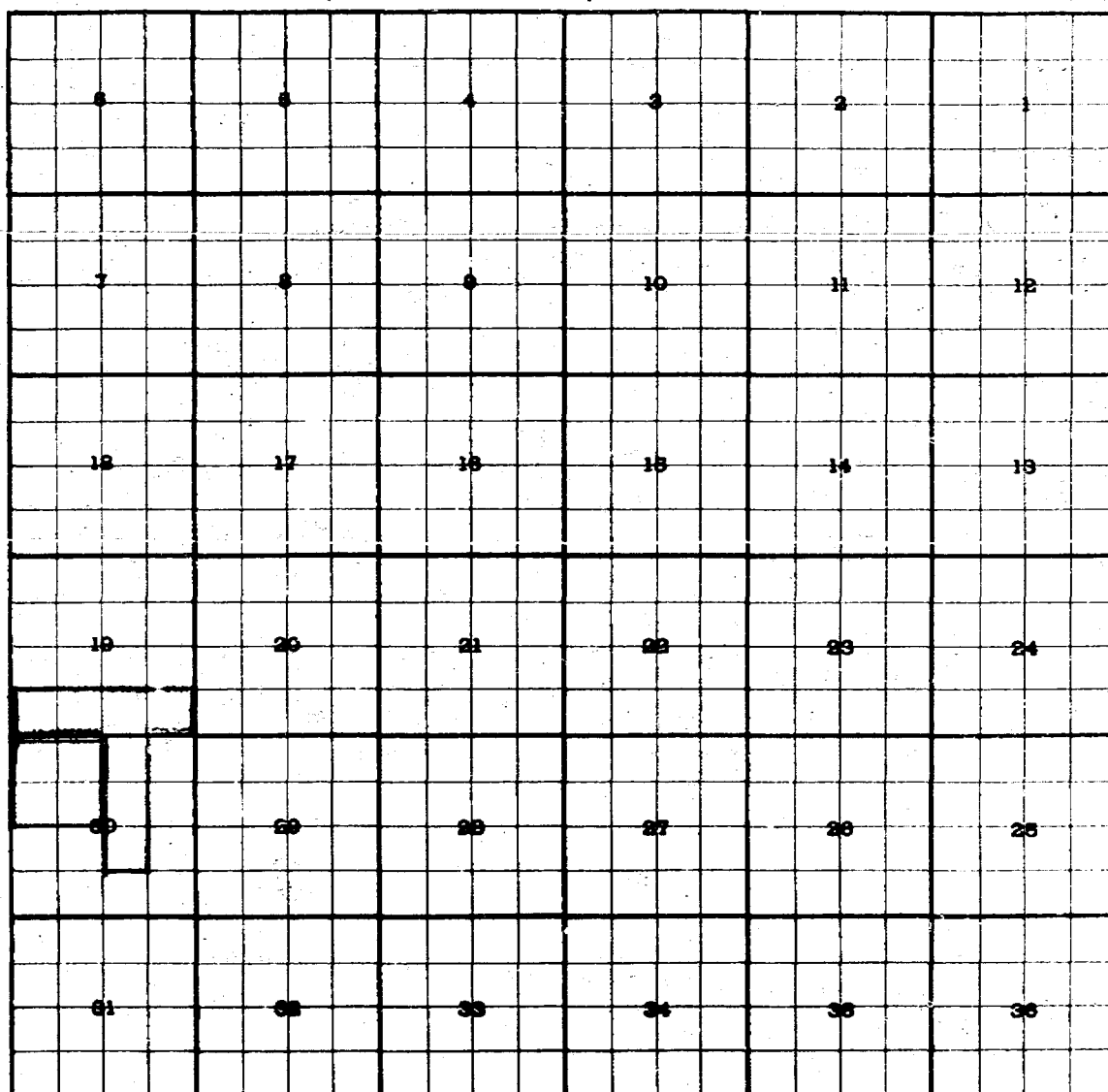
Proposed Extension: Colored in Green SE/4 of Section 6

Case 1354: (G) Extension of an existing pool

County LEA Pool EAST CROSSROADS-DEVONIAN

12-13 Devonian

TOWNSHIP 9 South, RANGE 37 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Extend the Pool boundary for the inclusion of-

Lone Star Producing Company Santa Fe #2 in Unit O of Section 19-9-37

Comp. in Devonian 7/7/57 Depth of Casing shoe 12,180

Pool ^Boundary Colored in Red:

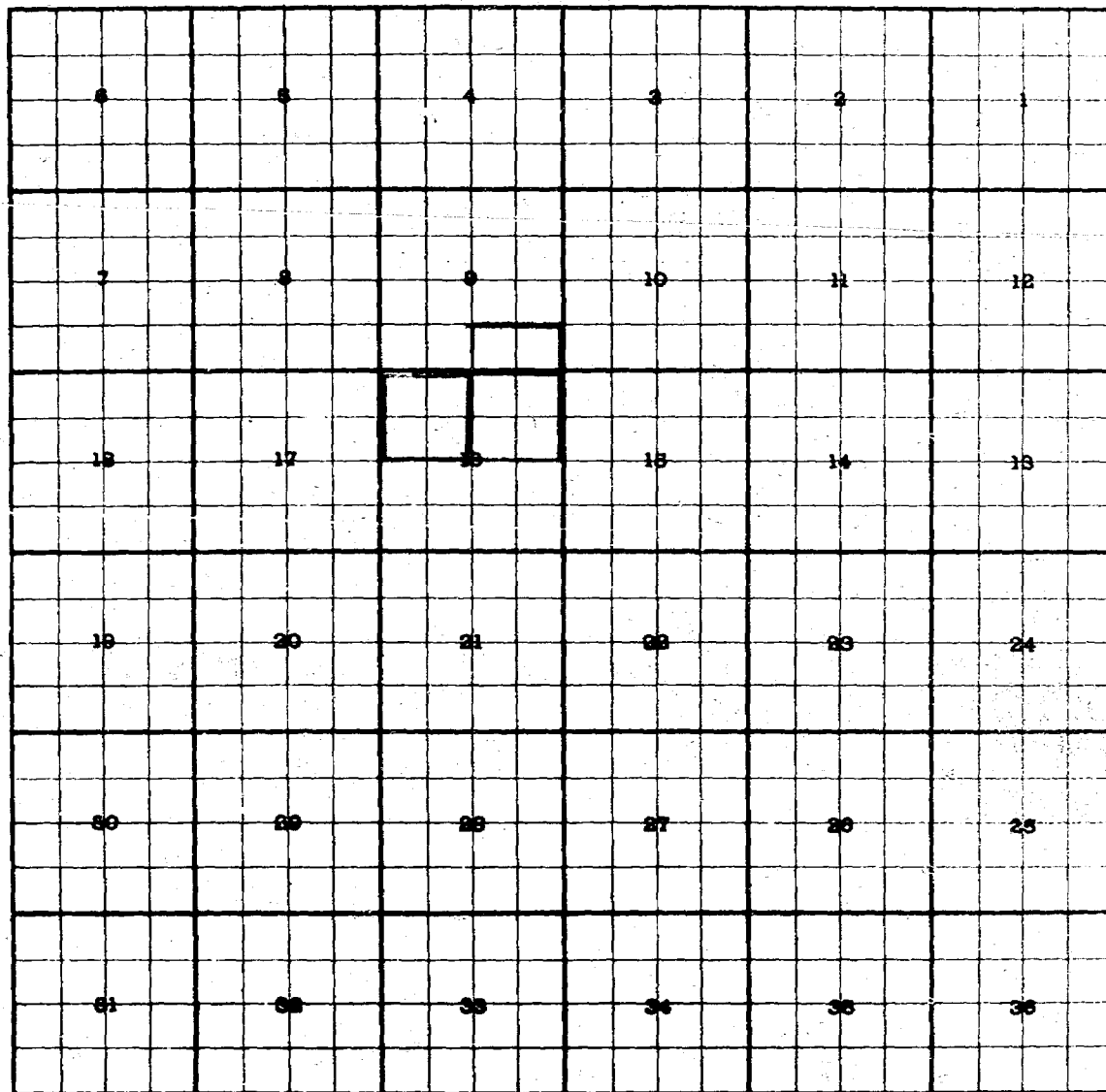
Proposed Extension Colored in Green: S/2 S/2 of Section 19

W/2 NE/4 & NW/4 SE/4 of Section 30

Case 1354: (H) Extension of an existing pool

County LEA Pool EAST ECHOLS DEVONIAN
12-13 Devonian

TOWNSHIP 11 South, RANGE 38 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Extend the pool boundary for the inclusion of-

Cities Service Oil Co. State PE #1 in Unit C of Sec. 16-11-38

Comp. in Devonian 10/22/57 top perf 12,004

Pool Boundary Colored in Red

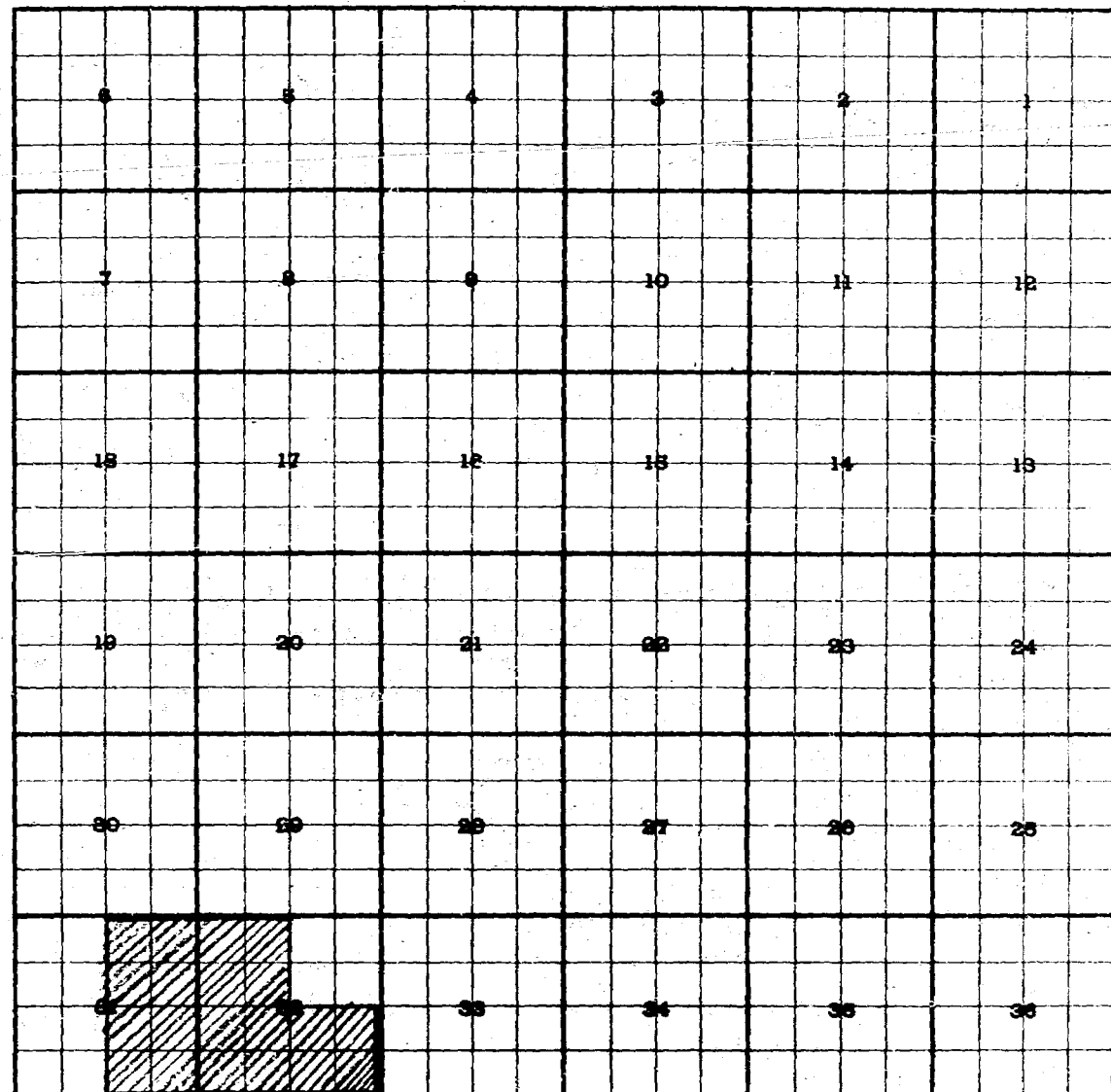
Proposed Extension Colored in Green: S/2 SE/4 of Section 9

NW/4 of Section 16

Case 1354: (I) Abolishment of an existing pool

County LEA Pool NORTH GLADIOLA-DEVONIAN

TOWNSHIP 11 South, RANGE 38 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Contiguous Production formation and pool horizontal limits
with the Gladiola Pool

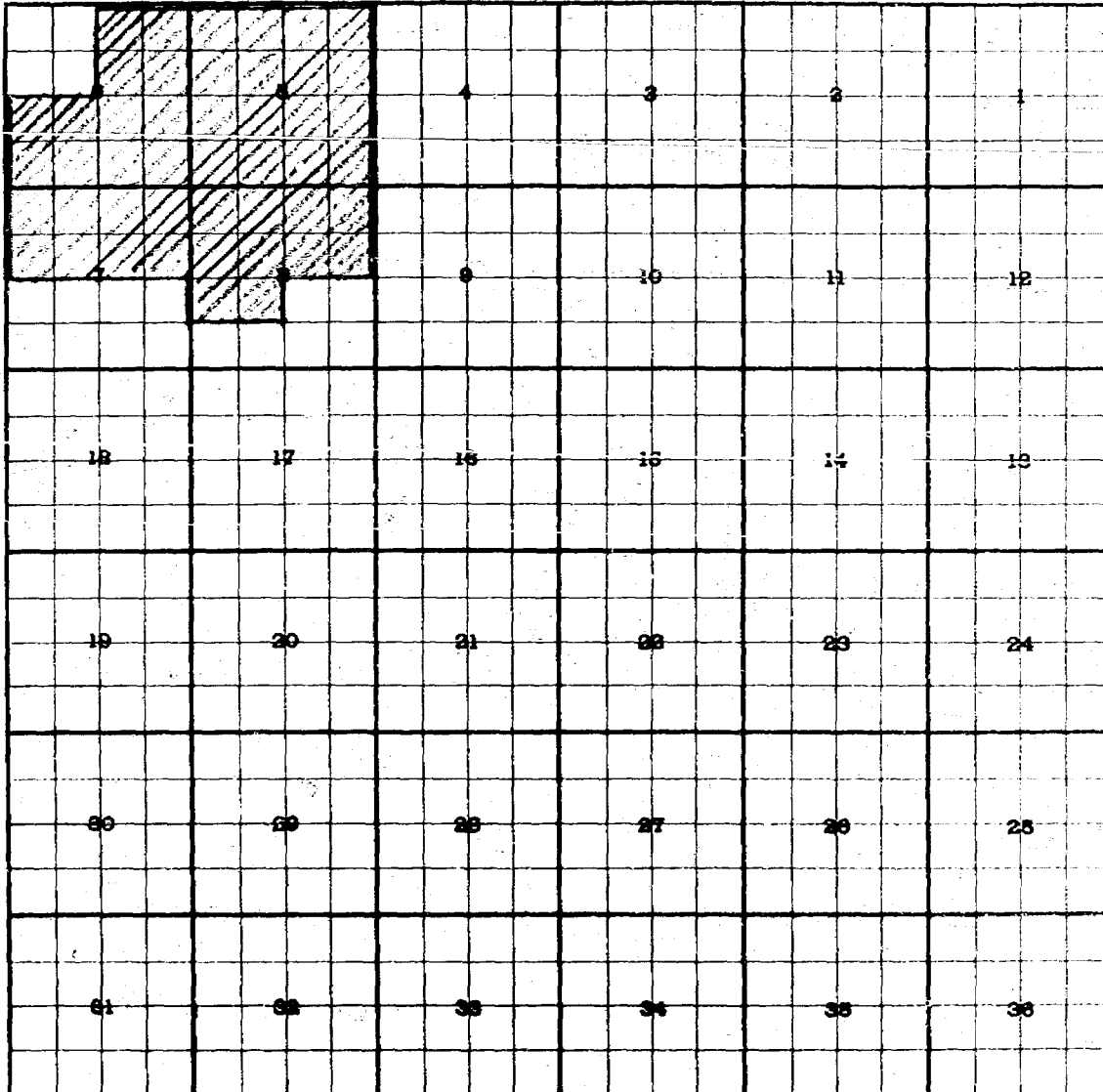
Pool Boundary: Colored in Red

Proposed Abolishment: Colored in Green E/2 of Section 31
W/2 & SE/4 of Section 32

Case 1354: (I) Abolishment of an existing pool

County LEA Pool NORTH GLADIOLA-DEVONIAN

TOWNSHIP 12 South, RANGE 38 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Contiguous Production formation and pool horizontal limits
with the Gladiola Pool

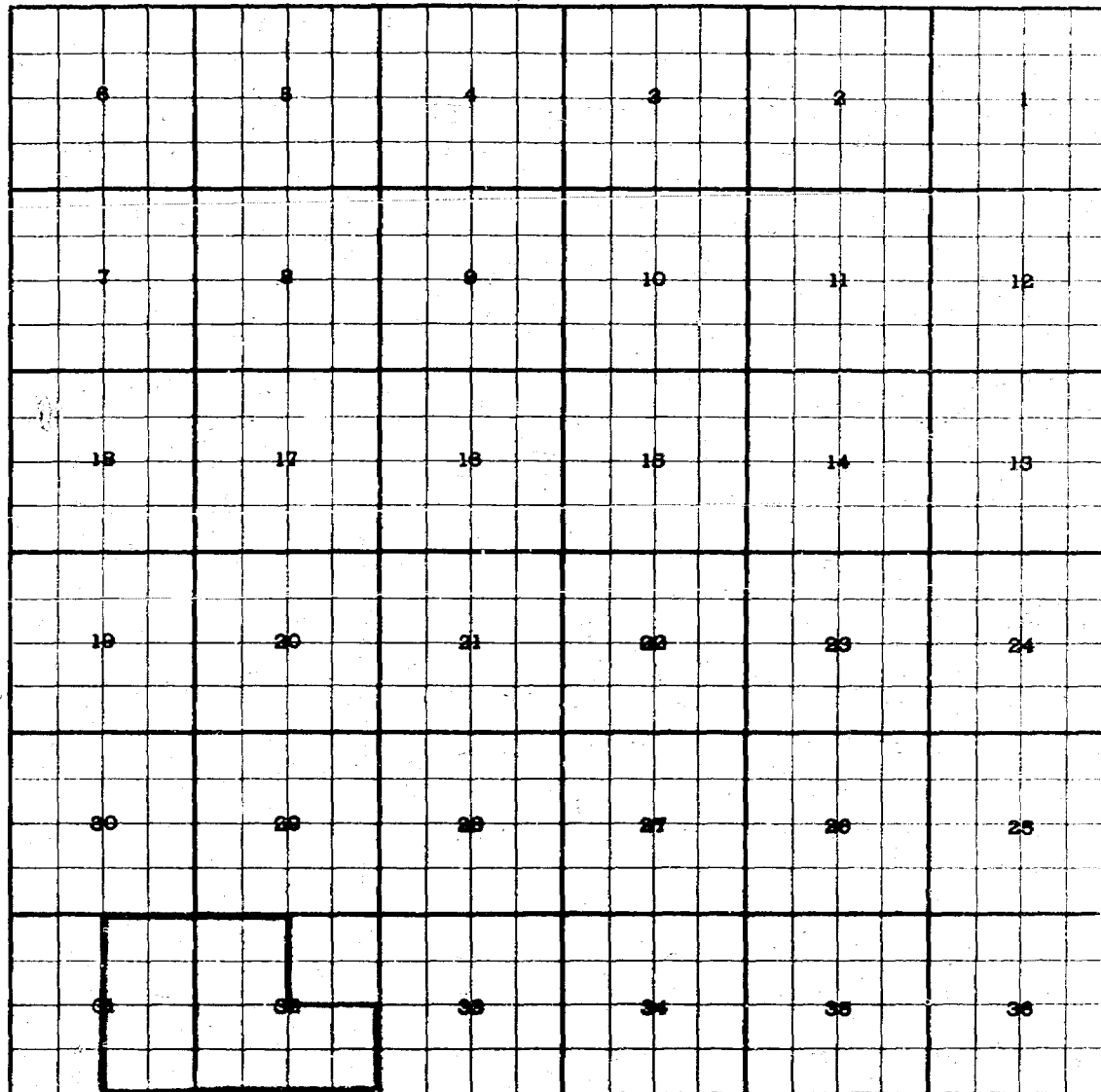
Pool Boundary: Colored in Red

Proposed Abolishment Colored in Green: All Section 5
E/2 & SW/4 of Section 6
N/2 Section 7
N/2 & N/2 SW/4 of Section 8

Case 1354: (J) Extension of an existing pool

County LEA Pool GLADIOLA

TOWNSHIP 11 South, RANGE 38 East, NEW MEXICO PRINCIPAL MERIDIAN



T12S-R38E

Purpose: Contiguous to Township 12 South, Range 38 East.

Acreage transferred from North Gladiola Devonian Pool

Pool Boundary Colored in Red

Proposed Extension Colored in Green: E/2 of Section 31

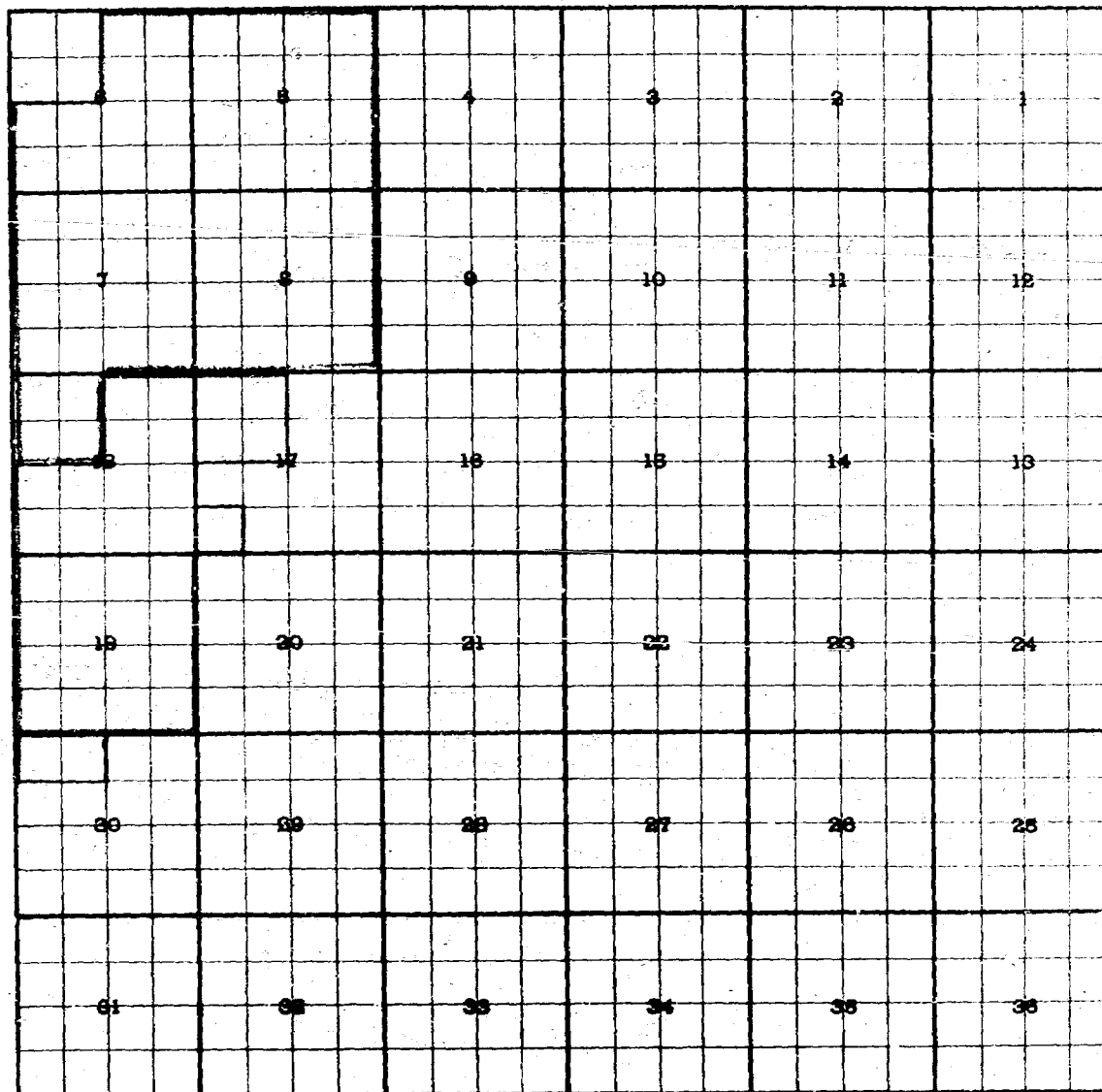
W/2 & SE/4 of Section 32

Case 1354: (J) Extension of an existing pool

County LEA Pool GLADIOLA

12-13 Devonian

TOWNSHIP 12 South, RANGE 38 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Acreage transferred from the North Gladiola Devonian Pool
and also for the inclusion of-

Hancock Oil Co. Slack et al #1 in Unit E of Sec. 18-12-38 Comp. in
Devonian 11/5/57 top perf 11,978
Slack et al #2 in Unit F of Sec. 18-12-38 Comp. in
Devonian 11/11/57 top perf 11,975

Cities Service Prod. Co. Taylor B #1 in Unit O of Sec. 7-12-38 Comp in
Devonian 10/13/57 top perf 11,994
Taylor B #2 in Unit I of Sec. 7-12-38 Comp in Devonian
11/8/57 top perf 12,016

Pool Boundary: Colored in Red

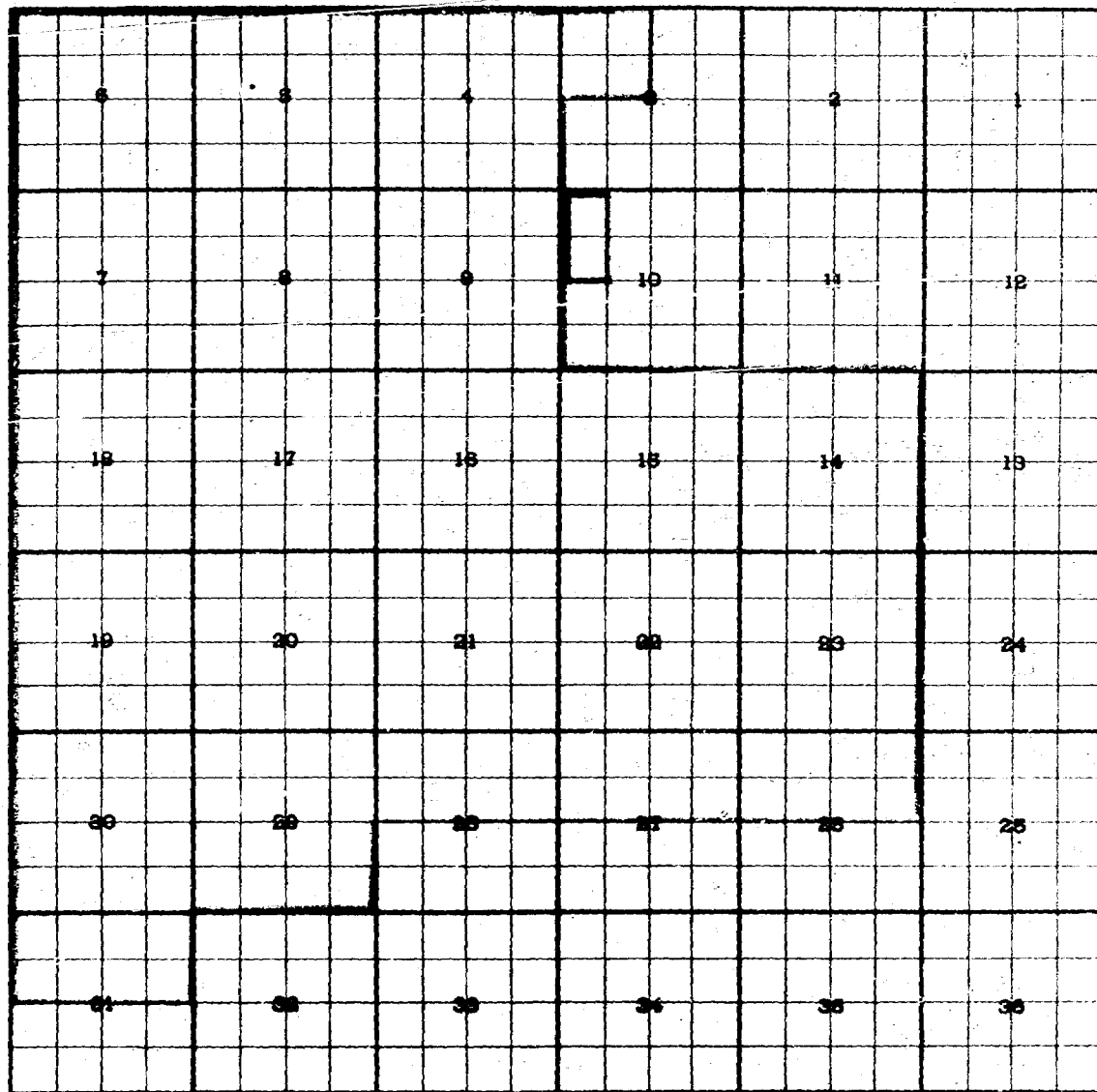
Proposed Extension Colored in Green: All of Section 5
E/2 & SW/4 of Section 6
All of Section 7 & 8
NW/4 of Section 18
N/2 NW/4 of Section 30

Case 1354: (K) Extension of an existing pool

County EDDY Pool GRAYBURG-JACKSON

Q-5 Grayburg

TOWNSHIP 17 South, RANGE 31 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Extend the pool boundary for the inclusion of-

Sinclair Oil & Gas Co. H. E. West "B" #13 in Unit E of Sec. 10-17-31

Comp in Grayburg 10/9/57 top perf 3318

Pool boundary: Colored in Red

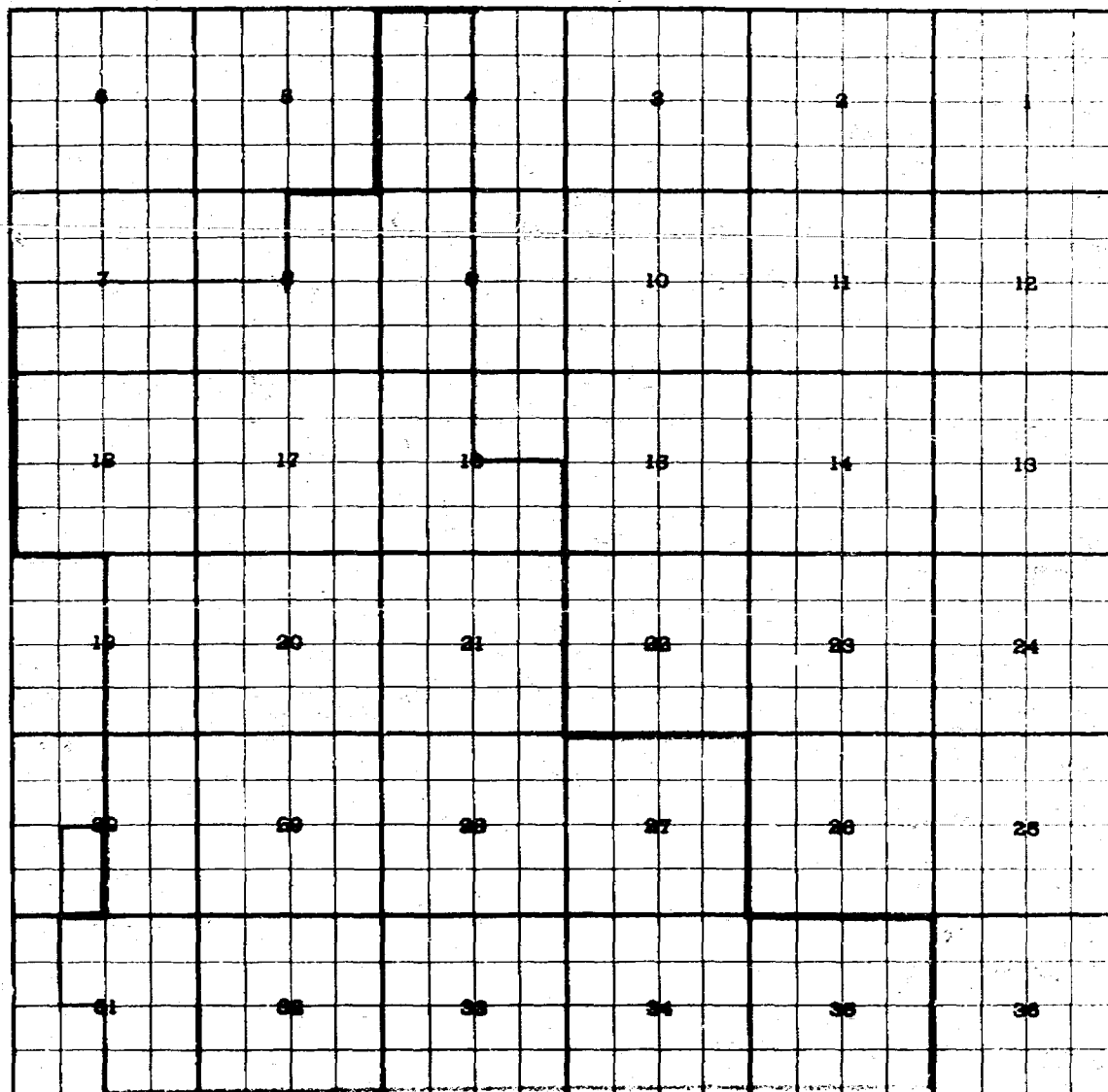
Proposed Extension colored in Green: W/2 NW/4 of Section 10

Case 1354: (L) Extension of an existing pool

County LEA Pool PENROSE-SKELLY

O-5 Grayburg

TOWNSHIP 21 South, RANGE 37 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Extend the pool boundary for the inclusion of-

Gulf Oil Corporation H. T. Mattern B #11 in Unit N of Sec 30-21-37

Comp in Grayburg 10/1/57 top perf 3740

Pool Boundary: Colored in Red

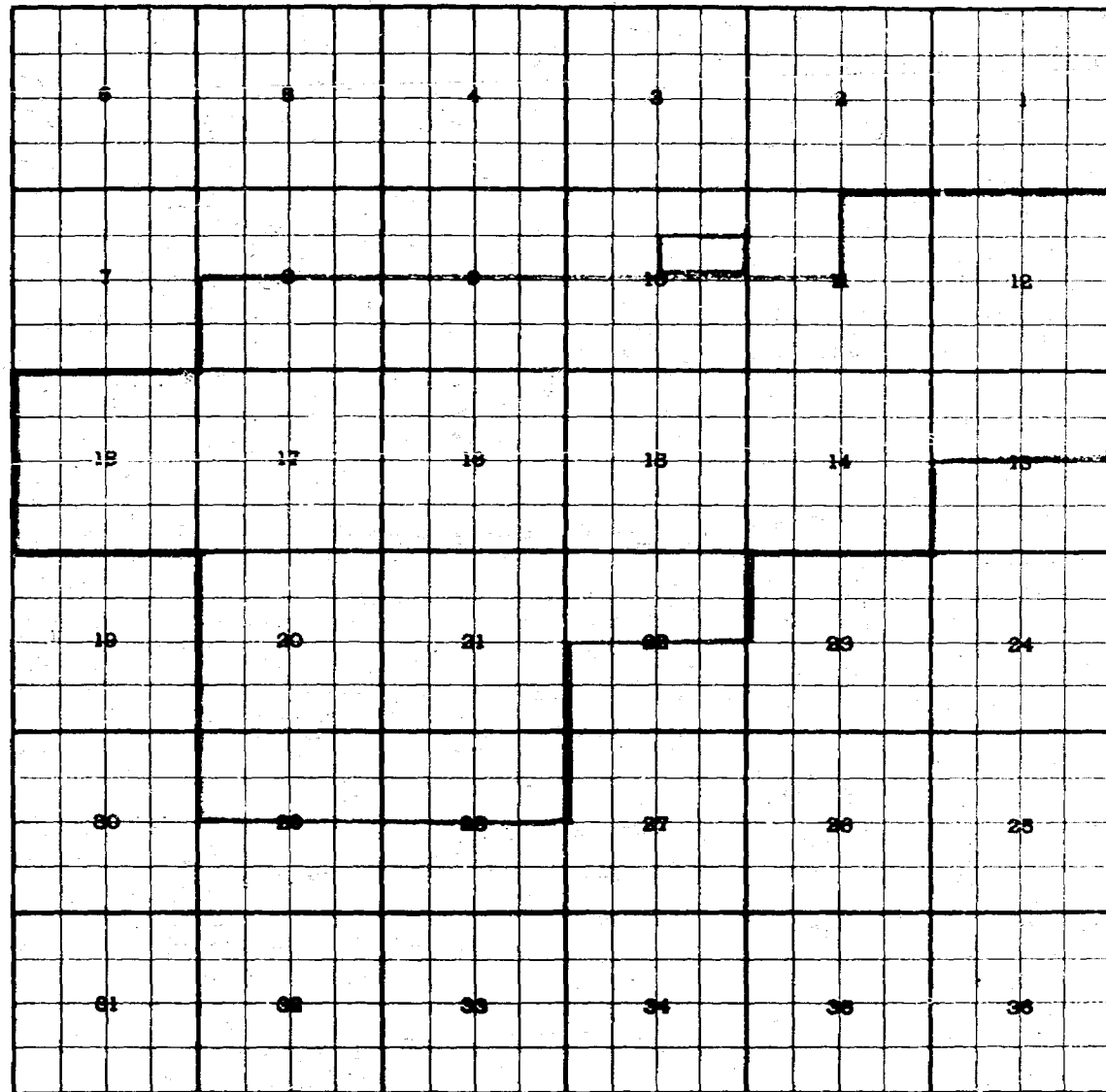
Proposed Extension Colored in Green: E/2 SW/4 of Section 30

Case 1354: (M) Extension of an existing pool

County EDDY Pool NORTH SHUGART

0-5 Queen

TOWNSHIP 18 South, RANGE 31 East, NEW MEXICO PRINCIPAL MERIDIAN



Purpose: Extend the pool boundary for the inclusion of-

Hudson & Hudson Inc., Shugart "A" #4 in Unit H of Sec 10-18-31

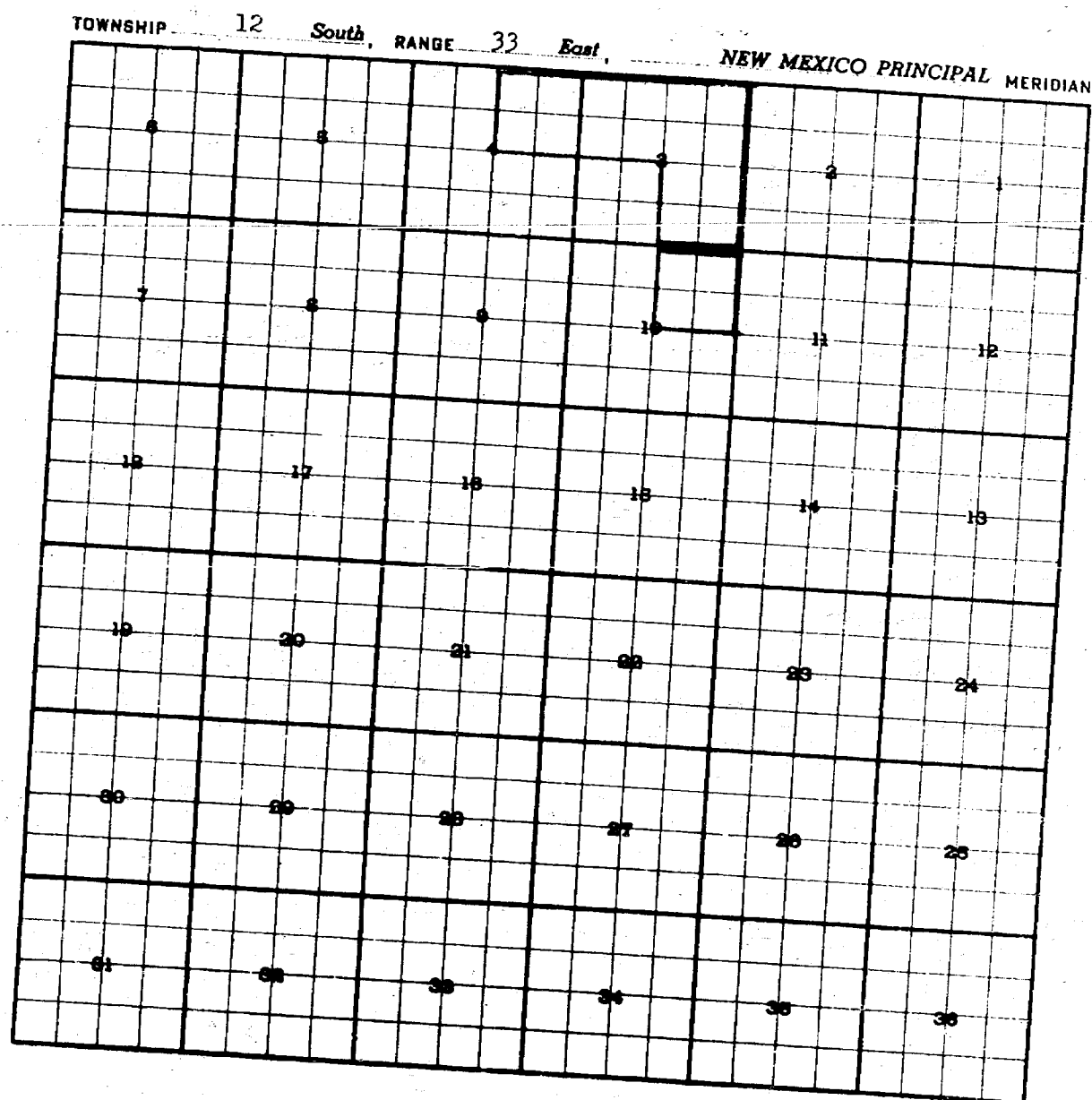
Comp in Queen 10/9/57 top perf 3326

Pool Boundary: Colored in Red

Proposed Extension colored in Green: S/2 NE/4 of Section 10

Case 1354: (N) Extension of an existing pool

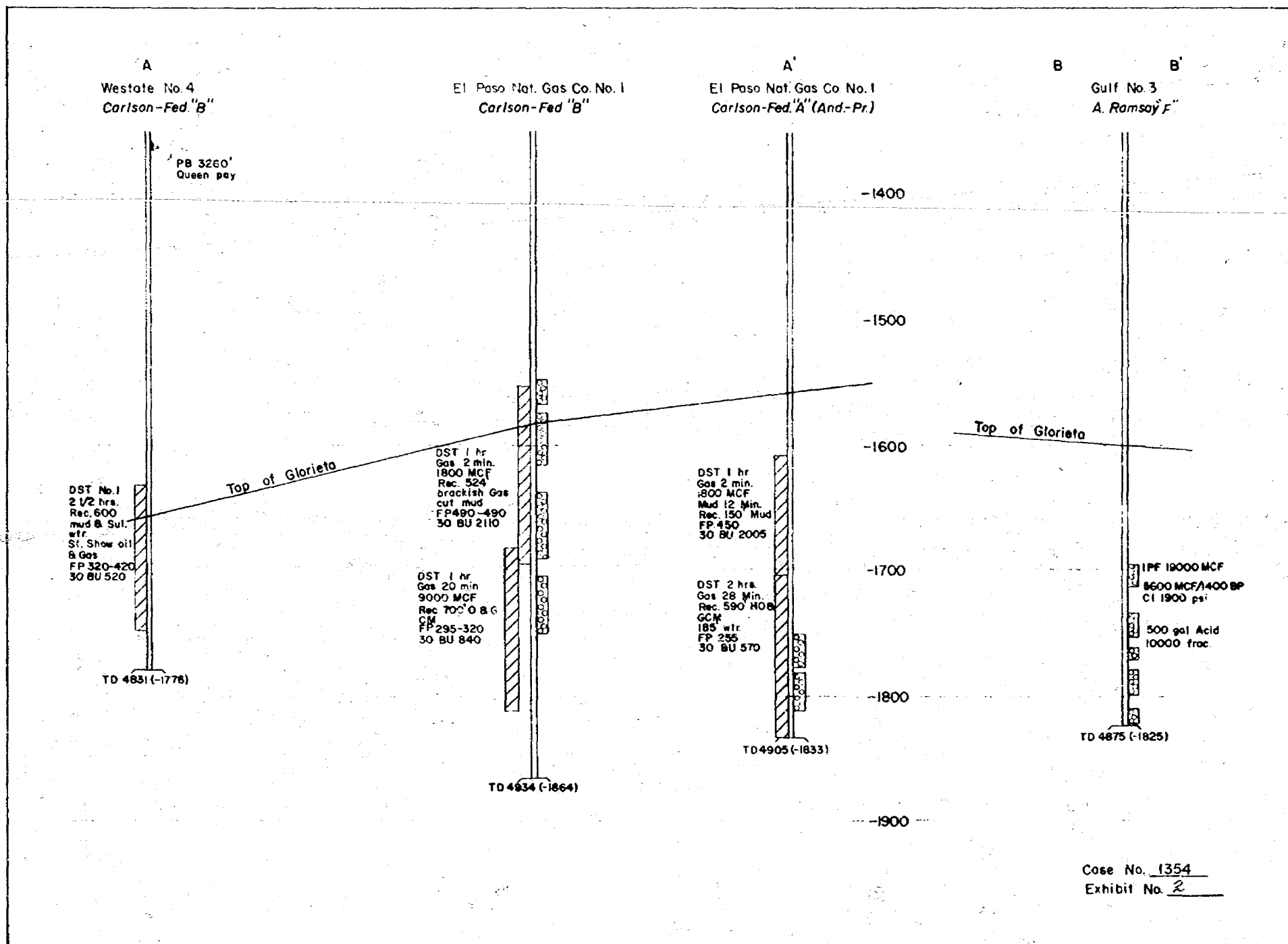
County LEA Pool BAGLEY-UPPER PENNSYLVANIAN GAS



Purpose: To include acreage in dedicated pool

Pool Boundary Colored In Red

Proposed Extension Colored in Green: NE/4 of Section 10

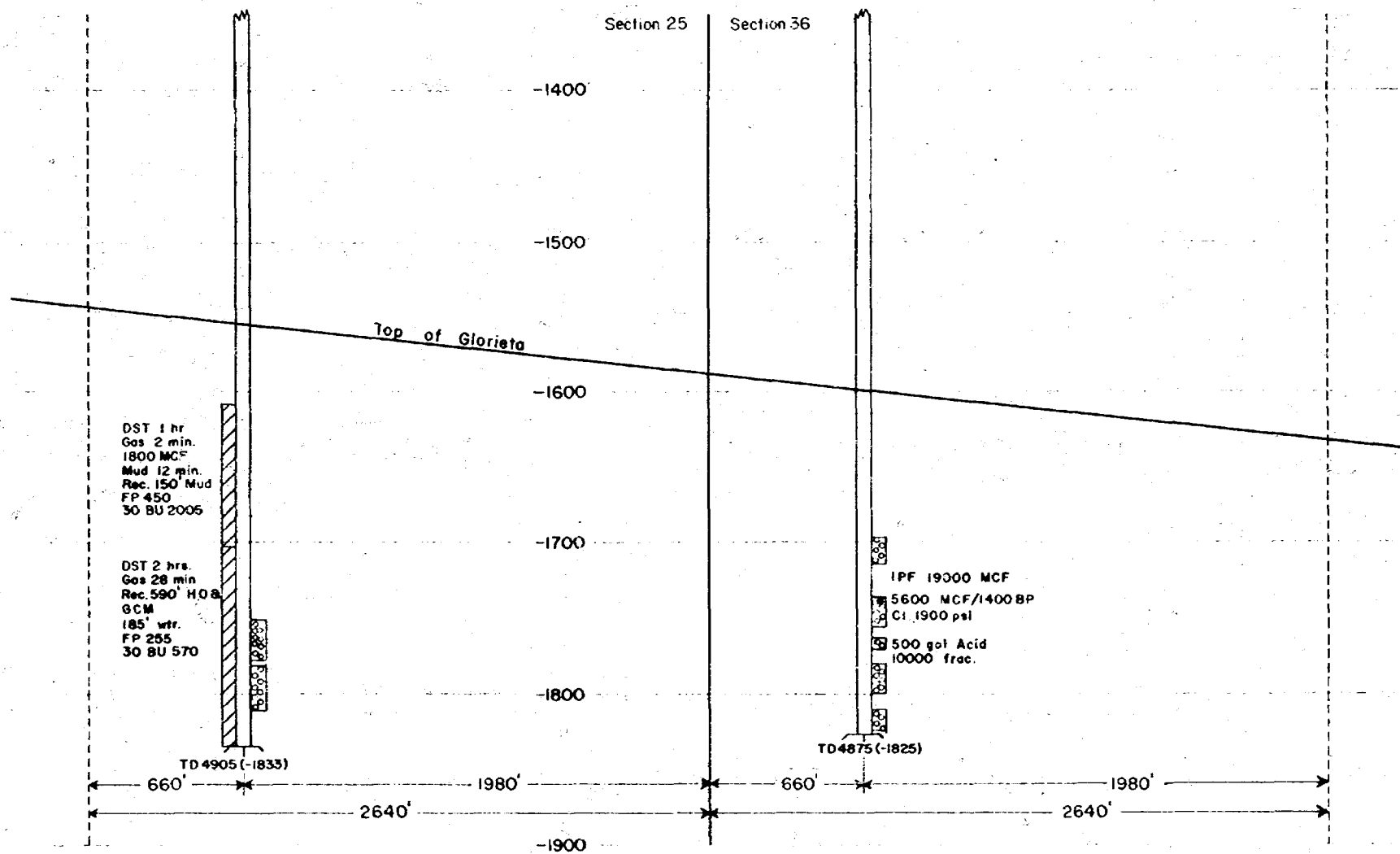


C

C'

El Paso Nat. Gas Co. No. 1
Carlson-Fed. "A" (And-Pr.)

Gulf No. 3
A. Ramsay F.



Case No. 1354
Exhibit No. 3