

CASE 345: Application of WYNN 60  
for permission to take interference  
tests & transfer allowable.

25210.  
2486

---

Application, Transcript,  
and Exhibits, Etc.

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

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

**CASE NO. 2486  
Order No. N-2177**

**APPLICATION OF UNION OIL COMPANY  
OF CALIFORNIA FOR PERMISSION TO  
TRANSFER ALLOWABLES, LEA COUNTY,  
NEW MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on January 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 30th day of January, 1962, 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, Union Oil Company of California, seeks permission to shut-in the Anderson Ranch Unit Wells Nos. 2 and 3, located, respectively, in the NE/4 NW/4 and the NE/4 SW/4 of Section 33, Township 15 South, Range 32 East, NMPM, Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico, and to transfer their allowables to the Anderson Ranch Unit Well No. 1, located in the SW/4 NW/4 of said Section 33, for the purpose of conducting interference + sts.
- (3) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Union Oil Company of California, is hereby authorized to shut-in the Anderson Ranch Unit Wells Nos. 2 and 3, located, respectively, in the NE/4 SW/4 and the NE/4 SW/4 of Section 13, Township 15 South, Range 32 East, NMPN, Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico, and to transfer their allowables to the Anderson Ranch Unit Well No. 1, located in the SW/4 NW/4 of said Section 13, for the purpose of conducting interference tests.

(2) That the permission to transfer allowables granted by this order shall be for the month of February, 1962, commencing on February 1, 1962, and expiring on March 1, 1962.


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

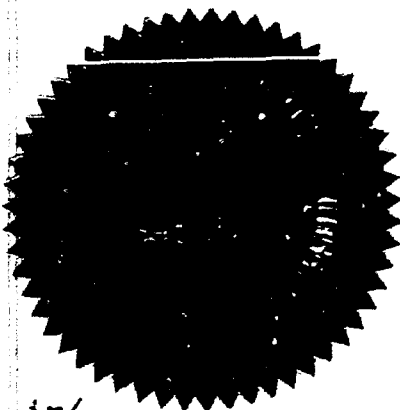
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
E. S. WALKER, Member

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



ir/

GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER



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

P. O. BOX 871  
SANTA FE

January 30, 1962

Re: CASE NO. 2486

ORDER NO. R-2177

APPLICANT:  
Union Oil Company of California

Mr. Jack Campbell  
Campbell & Russell  
P. O. Drawer 640  
Roswell, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, JR.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC        x  
Artesia OCC         
Aztec OCC       

OTHER

PLAN OF THE OCC

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
UNION OIL COMPANY OF CALIFORNIA FOR )  
PERMISSION TO TAKE INTERFERENCE TESTS )  
AND TRANSFER ALLOWABLES BETWEEN EIGHT )  
WELLS IN THE ANDERSON RANCH-WOLFCAMP )  
POOL, LOCATED IN SECTIONS 28 AND 33, )  
TOWNSHIP 15 SOUTH, RANGE 32 EAST, LEA )  
COUNTY, NEW MEXICO. )

No. 2486

APPLICATION

COMES NOW Union Oil Company of California, by its Attorneys  
Campbell & Russell, and states:

1. It is the owner of certain wells and has agreements  
with the owners of other wells situated in Sections 28 and 33, Town-  
ship 15 South, Range 32 East, Lea County, New Mexico. Said wells  
are located in the Anderson Ranch-Wolfcamp Pool as defined by the  
Oil Conservation Commission.

2. It desires to conduct interference tests as between  
said wells to determine to the best of its ability the drainage area  
for the said wells and, in this connection, desires to transfer  
allowables between the wells.

WHEREFORE Applicant requests the Commission to set this  
matter down for hearing before one of its examiners, to publish notice  
as required by law and, after hearing, issue its order permitting the  
Applicant to conduct said tests and to transfer allowables in accordance  
with such order as the Commission may enter.

Respectfully submitted,

UNION OIL COMPANY OF CALIFORNIA

By

Jack M. Campbell  
CAMPBELL & RUSSELL  
P.O. Drawer 640  
Roswell, New Mexico  
Its Attorneys

DATED: January 15, 1962

Cess. 2468

Heard. 1-24-62

Rec. 1-25-62

1. Grant Union permission to take interference tests on the Anderson Ranch unit as follows:  
~~2(a) The Unit #'s 2 & 3 may be S.I. and their allowable transferred to the #1 well during the Month of Feb 1962. This part of this order pertaining to the interference tests shall expire March 1, 1962.~~

~~Create an Anderson Ranch. W.C. well for the Lower W.C. with the horizontal limits of:~~

~~155 - 32 E,~~

~~Sec 28 - 5/2 SW + SWSE,~~

~~" 33 - NE NE, W/2 NE, NW, &~~

~~James R. [Signature]~~

No. 3-62

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 24, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

CASE 2478: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its C. H. Weir "B" Well No. 5, located in Unit G of Section 11, Township 20 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Skaggs-Drinkard and Skaggs-Glorieta Pools and in an undesignated Blinebry gas pool, with the production of oil from the Drinkard zone to be through a combination string of 2 1/16-inch and 1 1/4-inch tubing, the production of oil from the Glorieta zone to be through a parallel string of 2 1/16-inch tubing and the production of gas from the Blinebry zone to be through the casing-tubing annulus. Applicant further proposes, as an alternative manner of completion in the event the Blinebry gas cannot efficiently be produced through the casing-tubing annulus, to produce gas from the Blinebry zone through a string of 1-inch tubing.

CASE 2479: Application of Shell Oil Company for a 160-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Tubb Gas Pool, comprising Lots 13 and 14 of Section 3, and Lots 9 and 16 of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the Livingston Well No. 11, located 3300 feet from the South line and 660 feet from the West line of said Section 3.

CASE 2314 (Reopened)

Application of Shell Oil Company for an exception to the gas-oil ratio provisions of Rule 26(A), Order No. R-1670, Lea County, New Mexico. The Oil Conservation Commission, on its own motion, will reopen Case No. 2314 in which the applicant seeks an exception to the gas-oil ratio provisions of Rule 26(A), Order No. R-1670, to permit its State Well No. 1-A, located 380 feet from the North line and 380 feet



from the West line of Section 26, Township 24 South, Range 36 East, Lea County, New Mexico, to remain classified a gas well in the Jalmat Gas Pool, with a gas-oil ratio below 100,000 to 1.

- CASE 2480: Application of Shell Oil Company for temporary 80-acre proration units, Henshaw-Wolfcamp Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a temporary order establishing 80-acre oil proration units for the Henshaw-Wolfcamp Pool, Eddy County, New Mexico. Applicant further seeks the establishment of special rules for said pool including a provision assigning the 80-acre proportional factor of 4.00 for allowable purposes.
- CASE 2481: Application of El Paso Natural Gas Company for an exception to Order No. R-1670. Applicant, in the above-styled cause, seeks an exception to Rule 14(a) of the General Rules and Regulations for the Prorated Gas Pools of Northwestern New Mexico, Order No. R-1670, to permit the extension from February 1, 1962, to August 1, 1962, of the period during which underproduction of certain wells in the Basin-Dakota Gas Pool, San Juan County, New Mexico, may be produced.
- CASE 2482: Application of El Paso Natural Gas Company for an exception to Order No. R-333-E. Applicant, in the above-styled cause, seeks the establishment of an administrative procedure whereby all operators, for good cause shown, may obtain an exception to Order No. R-333-E to permit the extension of the terminal date for the 1961 deliverability test period from December 15, 1961, to March 1, 1962, and the continued calculation and assignment of allowables to wells so excepted on the basis of currently effective deliverability tests with retroactive adjustment of allowables to February 1, 1962, being made upon the timely filing of the new deliverability test.
- CASE 2483: Application of Aztec Oil & Gas Company for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute the Aztec Totah Pressure Maintenance Project in Sections 18, 19, 20, 29, 30 and 34, Township 29 North, Range 13 West, San Juan County, New Mexico, in the Totah-Gallup Oil Pool with water injection initially to be through seven wells located in said project area, and requests adoption of special rules to govern the operation of said project.

CASE 2484: Application of Tenneco Oil Company for a pressure maintenance project in the Totah-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project in the Totah-Gallup Oil Pool by the injection of water into the Gallup formation on its Glenn H. Callow Lease in Sections 27, 28 and 33, Township 29 North, Range 13 West, San Juan County, New Mexico. Applicant further proposes the promulgation of special rules and regulations to govern the operation of said project.

CASE 2485: Application of Union Oil Company of California for approval of the Red Tank Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Red Tank Unit Agreement embracing 3,680 acres, more or less, of Federal lands in Sections 14, 15, 22, 23, 26, 27 and 28, Township 22 South, Range 32 East, Lea County, New Mexico.

CASE 2486: Application of Union Oil Company of California for permission to take interference tests and transfer allowables, Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to take interference tests and to transfer allowables between eight wells in the Anderson Ranch-Wolfcamp Pool located in Sections 28 and 33, Township 15 South, Range 32 East, Lea County, New Mexico.

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 24, 1962  
EXAMINER HEARING

IN THE MATTER OF:

Application of Union Oil Company Calif-  
ornia for permission to take interference tests  
and transfer allowables, Anderson Ranch-Wolfcamp  
Pool, Lea County, New Mexico. Applicant, in the  
above-styled cause, seeks permission to take inter-  
ference tests and to transfer allowables between  
eight wells in the Anderson Ranch-Wolfcamp Pool  
located in Sections 28 and 33, Township 15 South,  
Range 32 East, Lea County, New Mexico.

CASE 2486

BEFORE:

ELVIS UTZ, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order. We will take  
Case Number 2486.

MR. MORRIS: Application of Union Oil Company of  
California for permission to take interference tests and transfer  
allowables, Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.

MR. UTZ: Are there any appearances in this case?

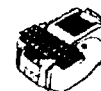
MR. CAMPBELL: I am Jack M. Campbell of the firm of  
Campbell and Russell, Roswell, New Mexico, appearing on behalf of  
the applicant. I have one witness.

MR. MORRIS: Will you stand and raise your right hand,

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



please? (Witness complies.) Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God? MR. MATTIES: I do.

ECOT PETER MATTIES,

called as a witness herein, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Where do you live and by whom are you employed?

A I am with Union Oil Company of California, Central Division at the Midland,

Q State your position. A I am Petroleum Engineer.

Q Will you give the Examiner a brief resume of your educational and professional background?

A I am born and schooled in Germany. I graduated from Technical University in Germany with a diploma of engineer, equivalent to master's petroleum mining engineer. For the last three years I am employed by Union Oil of California in Midland and Permian Basin.

Q Has all your work been in the Permian Basin area?

A Yes.

Q Are you acquainted with the application of Union Oil Company of California relative to the Anderson-Wolfcamp Pool?

A Yes, sir.

(Marked Applicant's Exhibit 1 for Identification.)

Q I hand you what has been identified as applicant's



Exhibit Number 1, and ask you to state what that is, please?

A It shows the Anderson Ranch Wolfcamp and Devonian Pools. The left upper corner will show a Type Log of the Wolfcamp formation.

Q Referring to Exhibit No. 1, would you please explain to the Examiner what it is you desire to do in connection with the wells shown on this exhibit?

A Currently, with the active development Union has north of the Anderson Ranch, we are starting the Wolfcamp formation to obtain the best oil spacing and to obtain more reservoir information. We would like to have interference tests within this area. We are planning to shut in the unit Well No. 2 which is northeast of the northwest corner of Section 33 and we plan to flow the surrounding wells at very high rates to try to get interference in the No. 2. We plan to have dual 72 hour Amerada in the No. 2 to measure bottom hole pressure on the shutin well and we plan to run 24 hour pressure in the surrounding wells. We anticipate a test duration of approximately six days. To insure our success of getting interference in the No. 2, we would like to transfer some allowables within the unit area only. We plan to shut in the No. 2 and produce a Unit No. 1 which is southwest of the northwest quarter in Section 33 at approximately a thousand barrels a day. In surrounding area the rest of the wells, C No. 1 & 2 at approximately 300 barrels a day each. We have to flow the No. 1 or we are going to flow the No. 1 at a higher rate since we have LACT equipment



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

and at lease the production of the rest of the lease, and we anticipate some trouble trucking too much oil off it so that is why we are going to produce the surrounding wells only at about 300 or 400 barrels per day.

Q And how long a period did you say you will be involved in this testing?

A Approximately six days, six days producing, tests, and another two days for taking building up in all producing wells.

Q Do you believe that this testing can be done without causing any waste? A Yes, sir.

Q Do you believe it can be done while protecting correlative rights in the area?

A Yes, sir, we are going to transfer allowables only in the unit so we can do that, and we are going to transfer the allowables into the center well.

MR. CAMPBELL: I would like to offer Applicant's Exhibit No. 1.

MR. UTZ: Without objection Applicant's Exhibit No. 1 will be entered into the record.

(Whereupon Union Oil Company's Exhibit 1 admitted in evidence.)

MR. CAMPBELL; That is all the questions I have at this time.

MR. UTZ: Are there any questions of the witness?



MR. MORRIS: Yes.

, CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Matties, what are the horizontal limits of the Anderson Ranch Unit?

A They are marked on this exhibit, they are taken in the northwest quarter of Section 33 and the north half of the southwest quarter of Section 33 plus the northeast of the southeast quarter of Section 32 plus the east half of the northeast quarter of Section 32.

Q It is the area outlined in heavy dotted lines?

A Yes, sir.

Q So you are requesting permission to transfer the allowable from the Well No. 2 in the northeast quarter of the northwest quarter of 33 and from Well No. 3 in the northeast quarter of the southwest quarter of 33 to the other producing wells shown on your exhibit?

A Those are to the No. 1, within the No. 1.

Q Only to the No. 1?

A Yes, sir.

Q Within the Unit?

A Yes, sir.

Q So your No. 1 will be producing -- I see, your No. 1 in the southwest of the northeast would be producing the allowable from the No. 2 and the No. 3?

A Yes, sir, water or oil depending on the duration of the



days, we might have to go to nine days.

Q And none of the allowable from the No. 2 or 3 would be produced by wells outside of the Unit?

A No, sir.

Q Now, No. 3 is being shut in just in order to give the No. 1 a greater allowable?

A Yes, sir.

Q It is not going to be an observation well?

A No, sir.

MR. MORRIS: I believe that is all I have. Thank you.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Matties, what is the normal allowable for these wells, is 36 the normal unit?

A 37, I believe -- 142, I believe, 142 barrels per day.

Q It would be around 130 some barrels?

MR. CAMPBELL: 136, 182.

Q (By Mr. Utz) Now, you will want to produce for this period of time, anywhere from 6 to 9 days, 3 allowables from No. 1, is that correct?

A Yes, sir.

Q It should be about 400 barrels per day that you are going to produce from your No. 1?

A We would like to produce, roughly, 6,000 barrels during the test duration off of No. 1.





Q You don't feel that this rate of production will be injurious to the well?

A No, sir, we have tested the well, the well was potential for 1200 barrels per day. The well is capable of making much more than that.

Q Is this a water drive pool?

A So far we have no indication of a water drive.

Q You would only want the order to run for say how long, in other words, when do you plan to complete this test?

A We would like to start as soon as the Commission approves of our test, so we are planning to do it in the very beginning of the next month.

Q And you would be through by the end of the month?

A Yes, sir, if the weather conditions permit it.

MR. UTZ: Are there any other questions?

MR. CAMPBELL: I might mention this, Mr. Examiner.

REDIRECT EXAMINATION

BY MR. CAMPBELL:

Q You intend to start the first of the month if it is approved?

A Yes, sir.

MR. CAMPBELL: We would appreciate if the Commission determines that they will approve these tests, we would appreciate a relatively early reply.

MR. PORTER: By the first of February.



MR. CAMPBELL: So that we can commence them.

MR. UTZ: Are there any other statements in this case?

Case will be taken under advisement.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 323-1182

ALBUQUERQUE, N. M.  
PHONE 243 6691

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, KATHERINE PETERSON, Court Reporter do hereby certify that the foregoing and attached transcript of Proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill, and ability.

*Katherine Peterson*  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2486, heard by me on Jan 24, 1962.  
*Thurston*, Examiner  
New Mexico Oil Conservation Commission



I N D E X

WITNESS

PAGE

EGOT PETER MATTIES

Direct examination by Mr. Campbell 2

Cross examination by Mr. Morris 5

Cross examination by Mr. Utz 6

Redirect examination by Mr. Campbell 7

MARKED FOR IDENTIFICATION

Applicant's Exhibit 1 2

ADMITTED IN EVIDENCE

Union Oil Company's Exhibit 1 4



