

CASE 2822: Application of GULF for
a non-standard gas proration unit.
(J. N. Carson Well #4)

CASE No.
2822

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

DRAFT

JMD/esr
June 7, 1963

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. 2822

Order No. R-2500

R-1253-A

APPLICATION OF GULF OIL CORPORATION
FOR A NON-STANDARD GAS PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

[Signature]
6/7/63

[Signature]

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 22, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 _____ day of June, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 Order No. R-1253 established a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the E/2 SE/4 of Section 28 and the NE/4 NE/4 of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to the Gulf Oil Corporation J. N. Carson (NCT-C) Well No. 6, located 330 feet from the South line and 965 feet from the East line of said Section 28.

(3) That the applicant, Gulf Oil Corporation, has completed a Blinebry oil well in the NE/4 SE/4 of said Section 28.

(4) That due to the prohibition against dual dedication of acreage to a gas well in the Blinebry Gas Pool and to an oil well in the Blinebry Oil Pool, the applicant seeks approval

of an 80-acre non-standard gas proration unit comprising the SE/4 SE/4 of Section 28 and the NE/4 NE/4 of Section 33, Township 21 South Range 37 East, NMPM, Blinebry Gas Pool, Lea County, New Mexico, to be dedicated to its J. N. Carson (NCT-C) Well No. 6.

(5) That the subject application should be approved in order to afford the applicant an opportunity to produce its just and equitable share of the oil in the Blinebry Oil Pool and its just and equitable share of the gas in the Blinebry Gas Pool, thereby preventing waste and protecting correlative rights.

(6) That Order No. R-1253 should be superseded insofar as it is inconsistent with this order.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the SE/4 SE/4 of Section 28 and the NE/4 NE/4 of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established, and dedicated to the Gulf Oil Corporation J. N. Carson (NCT-C) Well No. 6, located 330 feet from the South line and 965 feet from the East line of said Section 28.

(2) That Order No. R-1253 is hereby superseded insofar as it is inconsistent with this order.

(3) That this order shall be effective the date an oil well allowable ^{in the Blinebry Oil Pool} was assigned to the Gulf Oil Corporation J. N. Carson (NCT-C) Well No. 8, located 1980 feet from the South line and 990 feet from the East line of Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) 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.

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

W. B. Hopkins
DISTRICT MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
H. A. Rankin
DISTRICT SERVICES MANAGER

April 18, 1963

P. O. Drawer 1938
Roswell, New Mexico

*Set for
May 22nd
Graham
[Signature]*

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Re: Application of Gulf Oil Corporation for Approval of
a Non-Standard 80-Acre Gas Proration Unit, Blinebry
Gas Pool, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests approval of a Non-Standard 80-Acre Blinebry Gas Proration Unit covering the SE/4 SE/4 Section 28, and the NE/4 NE/4 Section 33, both in Township 21 South, Range 37 East, Lea County, New Mexico. This Non-Standard Unit is to be attributed to the J. N. Carson (NCT-C) Well No. 6.

In support of this application, the following facts are submitted:

- (1) Applicant's J. N. Carson (NCT-C) Well No. 6, located 330 feet from the south line and 965 feet from the east line of Section 28, is completed in the Blinebry Gas Pool and is assigned a Non-Standard 120-Acre Gas Proration Unit covering the E/2 SE/4 of Section 28 and the NE/4 NE/4 of Section 33 by Order No. R-1253 in Case No. 1506 dated September 29, 1958.
- (2) Applicant's J. N. Carson (NCT-C) Well No. 8, located 1980 feet from the south line and 990 feet from the east line of Section 28, has been completed as a Blinebry oil well.
- (3) The proposed Non-Standard Gas Proration Unit consists of contiguous quarter-quarter sections but does not lie wholly within a single governmental quarter section.
- (4) The entire Non-Standard Gas Proration Unit is reasonably presumed to be gas productive in the Blinebry Gas Pool.
- (5) The length or width does not exceed 2,640 feet.
- (6) All offset operators in the quarter sections in which the proposed Non-Standard Unit is located and within 1,500 feet of the unit well have been furnished a copy of this application.





Case 2872

Oil Conservation Commission

- 2 -

April 18, 1963

In view of the fact that this request reduces the size of a Non-Standard Unit previously approved after Hearing, it is respectfully requested, if possible, that Administrative approval be given. If this is not possible, please set for Examiner Hearing at an early date.

Respectfully submitted,

GULF OIL CORPORATION


M. I. Taylor

JHH:ers

cc: New Mexico Oil Conservation Commission
Post Office Box 2045
Hobbs, New Mexico

Two States Oil Company
1303 Sixteenth Street
Eunice, New Mexico

Marathon Oil Company
Post Office Box 2107
Hobbs, New Mexico

Socony Mobil Oil Company, Inc.
Post Office Box 2406
Hobbs, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

44-2822

April 25, 1963

C
O
P
Y

Gulf Oil Corporation
Roswell Production District
P. O. Drawer 1938
Roswell, New Mexico

DOCKET MAILED

5-10-63
JL

Attention: Mr. M. I. Taylor

Re: Application of Gulf Oil Corporation
for Approval of a Non-Standard 80-
acre Gas Proration Unit, Blinebry
Gas Pool, Lea County, New Mexico

Gentlemen:

We have your application dated April 18, 1963, wherein you request administrative approval of a non-standard 80-acre Blinebry gas proration unit covering the SE/4 SE/4 of Section 28, and the NE/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to your J. N. Carson (NCT-C) Well No. 6.

It will be necessary to docket a case to consider your application as it will be necessary to amend Order No. R-1253 in order to approve the application and we cannot amend an order issued after notice and hearing by administrative order. Therefore, we tentatively have placed the case on the May 22, 1963, examiner hearing docket. We will forward a copy of the docket to you prior to the hearing.

Very truly yours,

J. M. DURRETT, Jr.,
Attorney

JMD/esr

No. 15-63

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 22, 1963
9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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

CASE 2814:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Stanley L. Jones and Sam Watkins and all other interested parties to appear and show cause why La Esperanza State Well No. 1, located in Unit D of Section 10, Township 19 South, Range 29 East, Eddy County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

CASE 2815:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Corine Foster dba Corine Foster Oil Company and all other interested parties to appear and show cause why the Corine Foster Oil Company Ohio Farris Well No. 1, located in Unit P of Section 4, Township 19 South, Range 26 East, Eddy County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

CASE 2816:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit C. T. Robertson and all other interested parties to appear and show cause why the Honolulu-State "B" Wells Nos. 4 and 5 in Units G and H respectively, of Section 11, Township 11 South, Range 27 East, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

CASE 2817:

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Fred M. Allison and C. T. Robertson and all other interested parties to appear and show cause why the Honolulu State "A" Wells Nos. 1, 2, 3, 4, and 5, located in Units D, C, E, F, and D, respectively, of Section 14; the Honolulu State "B" Wells Nos. 1, 2, and 3, located in Units I, O, and J, respectively, of Section 11; and the Magnolia State Well No. 1, located in Unit P of Section 11, all in Township 11 South, Range 27 East, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

CASE 2818:

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West McDonald Unit Area comprising 2,560 acres of State and Fee lands in Township 14 South, Range 35 East, Lea County, New Mexico.

CASE 2819:

Application of M. F. Abraham for a unit agreement, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Star Lake Unit Area comprising 22,358 acres of Federal, State, Indian and Fee lands in Townships 18 and 19 North, Ranges 5 and 6 West, McKinley County, New Mexico.

CASE 2820:

Application of Texas Pacific Coal & Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration

unit comprising the NE/4 of Section 20 and the NW/4 of Section 21 Township 23 South, Range 36 East, Jalmit Gas Pool, Lea County, New Mexico, to be dedicated to its State "A" A/c-1 Well No. 6, located 2310 feet from the North line and 1650 feet from the West line of said Section 21.

CASE 2821:

Application of D. W. Falls, Inc. for an extension of Order No. R-2213, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of Order No. R-2213, which order assigned a temporary deliverability for allowable purposes to applicant's Federal Well No. 2-11, located in Unit O of Section 11, Township 28 North, Range 13 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2822:

Application of Gulf Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the SE/4 SE/4 of Section 28 and the NE/4 NE/4 of Section 33, Township 21 South, Range 37 East, Blinebry Gas Pool, Lea County, New Mexico, to be dedicated to its J. N. Carson Well No. 6 located in Unit P of said Section 28.

CASE 2823:

Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Southland Royalty "A" Well No. 4, located in Unit X of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Drinkard and Blinebry formations through parallel strings of tubing and gas from the Tubb Gas Pool through the casing annulus.

CASE 2824:

Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (combination) of its State "O" Well No. 14, located in Unit J of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico, to produce oil from the North Vacuum-Abo and the Vacuum-Wolfcamp Pools through parallel strings of 2 7/8-inch casing and from the Vacuum-Devonian Pool through 1 1/2-inch tubing installed within 3 1/2-inch casing, all casing strings to be cemented in a common well bore.

CASE 2825:

Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State Lea 403 Well No. 4 located in Unit D of Section 17, Township 18 South, Range 35 East, Lea County, New Mexico, to produce oil from the Bone Springs and Devonian formations through parallel strings of tubing.

CASE 2826:

Application of Texaco, Inc. for a triple completion and for certain administrative procedures, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (combination) of its State "L" Well No. 6 located in Unit B of Section 1, Township 18 South, Range 34 East, Lea County, New Mexico, to produce oil from the Vacuum Wolfcamp Pool and an undesignated Pennsylvanian pool through

-3-
Docket No. 15-63

parallel strings of 2 7/8 inch casing and from the Vacuum-Devonian Pool through 1 1/2 inch tubing installed within 3 1/2 inch casing, all casing strings to be cemented in a common well bore. Applicant further seeks a procedure whereby 1 1/2 inch tubing for Devonian production in this field may be approved administratively.

(Continued from May 15, 1963 Hearing)

CASE 2806:

Application of Sun Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Oil-Center Blinebry Pool underlying the W/2 SW/4 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 5/22/63

CASE 2822

Hearing Date 9am 5/22/63

DSN@SF

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

Enter an order approving
an 80-acre non-std gas
proportion unit in the Phinbery
gas pool for Gulf Oil Corp.,
said unit to be dedicated
to applicant's J. N. Carson (NET-C)
Well No 6, located 330' FSL &
965' FEL of 28, 21S, 37E. Unit
to comprise SE/4SE/4 of said Sec 28, & NE/4NE/4 of 33.
Suspend or cancel order No. R-1253
which created a 120 acre non
std unit. This unit is being
reduced because of completion of
a Phinbery Oil Well in the NE/4 SE/4
of Sec 28

Handwritten

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



P. O. BOX 871
SANTA FE

LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER

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

June 11, 1963

Mr. Bill Kestler
Gulf Oil Corporation
P. O. Box 1938
Roswell, New Mexico

Re: Case No. 2822
Order No. R-1253-A
Applicant:
Gulf Oil Corporation

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.

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER

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. 2822
Order No. R-1253-A

APPLICATION OF GULF OIL CORPORATION
FOR A NON-STANDARD GAS PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 22, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 11th day of June, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 Order No. R-1253 established a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the E/2 SE/4 of Section 28 and the NE/4 NE/4 of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to the Gulf Oil Corporation J. N. Carson (NCT-C) Well No. 6, located 330 feet from the south line and 965 feet from the East line of said Section 28.

(3) That the applicant, Gulf Oil Corporation, has completed a Blinebry oil well in the NE/4 SE/4 of said Section 28.

(4) That due to the prohibition against dual dedication of acreage to a gas well in the Blinebry Gas Pool and to an oil well in the Blinebry Oil Pool, the applicant seeks approval of an 80-acre non-standard gas proration unit comprising the SE/4 SE/4 of Section 28 and the NE/4 NE/4 of Section 33, Township 21 South, Range 37 East, NMPM, Blinebry Gas Pool, Lea County, New Mexico, to be dedicated to its J. N. Carson (NCT-C) Well No. 6.

(5) That the subject application should be approved in order to afford the applicant an opportunity to produce its just

-2-

CASE No. 2822

Order No. R-1253-A

and equitable share of the oil in the Blinebry Oil Pool and its just and equitable share of the gas in the Blinebry Gas Pool, thereby preventing waste and protecting correlative rights.

(6) That Order No. R-1253 should be superseded insofar as it is inconsistent with this order.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the SE/4 SE/4 of Section 28 and the NE/4 NE/4 of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established, and dedicated to the Gulf Oil Corporation J. N. Carson (NCT-C) Well No. 6, located 330 feet from the South line and 965 feet from the East line of said Section 28.

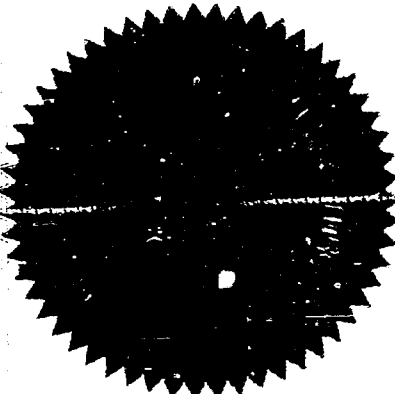
(2) That Order No. R-1253 is hereby superseded insofar as it is inconsistent with this order.

(3) That this order shall be effective the date an oil well allowable in the Blinebry Oil Pool was assigned to the Gulf Oil Corporation J. N. Carson (NCT-C) Well No. 8, located 1980 feet from the South line and 990 feet from the East line of Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) 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


Jack M. Campbell
JACK M. CAMPBELL, Chairman

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

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

esr/



J N Carson (NCT-C) well # 6

96' FSL } Sec 28
330' FSL

4/10/58 Hg
R-1253 1066
9/29/58

PLAT.
J. N. CARSON (NCT-C) LEASE
BLINEBRY GAS POOL
Lea County, New Mexico

- LEGEND -
[Symbol] Proposed Non-Standard Unit
[Symbol] Pertinent Well

Gulf Oil Corporation

CASE NO. 2822
EXHIBIT NO. 1
MAY 22, 1963

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 22, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for a non-
standard gas proration unit, Lea County, New
Mexico. Applicant, in the above-styled cause,
seeks approval of an 80-acre non-standard gas
proration unit comprising the SE/4 SE/4 of
Section 28 and the NE/4 NE/4 of Section 33,
Township 21 South, Range 37 East, Blinberry Gas
Pool, Lea County, New Mexico, to be dedicated
to its J. N. Carson Well No. 6 located in Unit
P of said Section 28.

CASE 2822

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 2822.

MR. DURRETT: Application of Gulf Oil Corporation for a
non-standard gas proration unit, Lea County, New Mexico.

MR. KASTLER: If the Examiner please, I am Bill Kastler
from Roswell, New Mexico, employed by and appearing on behalf of
Gulf Oil Corporation. Our witness is John H. Hoover.

(Witness sworn.)

JOHN H. HOOVER

called as a witness, having been first duly sworn on oath, testi-
fied as follows:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6691

SANTA FE, N. M.
PHONE 983-3971

FARMINGTON, N. M.
PHONE 325-1182



DIRECT EXAMINATION

BY MR. KASTLER:

Q Will you please state your name, where you are employed, who is your employer, and what is your position?

A John H. Hoover, employed by Gulf Oil Corporation as District Production Engineer, Roswell, New Mexico.

Q Mr. Hoover, have you previously been qualified as an expert witness as a production engineer for Gulf Oil Corporation, and given testimony before the New Mexico Oil Conservation Commission?

A Yes, sir, I have.

MR. KASTLER: If Mr. Hoover's qualifications are satisfactory, I would like to proceed.

MR. NUTTER: Mr. Hoover is qualified to testify in this case.

MR. KASTLER: Thank you.

Q (By Mr. Kastler) What is Gulf seeking in this application?

A We are requesting approval of an 80-acre non-standard Blinbry gas proration unit, which will cover the Southeast Quarter Southeast Quarter of Section 28, and the Northeast Northeast Quarter of Section 33, both in Township 21 South, Range 37 East, Lea County, New Mexico. This non-standard unit is to be attributed to the J. N. Carson (NCT-C) Well No. 6, which is located 965 feet from the East line and 330 feet from the

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.
 FARMINGTON, N. M.
 PHONE 325-1182
 SANTA FE, N. M.
 PHONE 983-3971
 ALBUQUERQUE, N. M.
 PHONE 243-6631

South line of Section 28.

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

Q Do you have a plat showing the proposed non-standard unit?

A Yes, sir. It is marked Exhibit No. 1. We have shown on this plat the proposed non-standard 80-acre Blinebry gas production unit as outlined in red. The unit well is circled in red. Although not shown here, the J. N. Carson (NCT-C) lease is described as the East Half of the Southeast Quarter of Section 28, and the Northeast Quarter Northeast Quarter of Section 33.

Q In other words, this application concerns one lease alone, is that correct?

A Yes, that's correct.

Q Is it true that this acreage is now included in a 120-acre non-standard unit which was approved after hearing here?

A Yes, sir, that's correct. On September 10, 1958, an Examiner Hearing was held, and as a result of that hearing the Commission issued Order R-1253 in Case No. 1506 dated September 29, 1958, which approved among other things a non-standard unit in the Blinebry Gas Pool covering the East Half of the Southeast Quarter of 28 and the Northeast Quarter Northeast Quarter of Section 33.

This non-standard unit is attributed to the J. N. Carson (NCT-C) Well No. 6. One of the reasons at the hearing for approv-



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1162

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

ing the non-standard unit was to eliminate the necessity of developing acreage within the residential section of the City of Eunice. That reasoning still holds true for this non-standard unit, and also we have a well which can be draining and is draining the acreage in this proposed non-standard unit. Therefore, to require drilling of a well in the Northeast Quarter Northeast Quarter of Section 33 would result in economic waste.

Q Why does Gulf need to reduce the 120-acre non-standard unit presently authorized to 80 acres?

A The J. N. Carson (NCT-C) Well No. 8, which is located 1980 feet from the South line and 990 feet from the East line of Section 28, has been completed as a Blinebry oil well. In order to prevent double dedication of acreage in accordance with the Blinebry Gas Pool Rules, it is necessary to remove the Northeast Quarter Southeast Quarter of Section 28 from the existing 120-acre non-standard unit.

Q Were all operators who own an interest in the quarter sections in which the proposed non-standard 80-acre unit is located and within 1500 feet of the unit well furnished a copy of Gulf's application?

A Yes, sir, they were.

Q Has Gulf received any objections to this proposal?

A No, sir, we have not.

Q Is this application in the interest of conservation and protection of correlative rights?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

A Yes, sir, it is.

Q Was Exhibit No. 1 prepared by you or at your direction?

A Yes, sir, it was.

MR. KASTLER: I would like to move that Exhibit No. 1 be admitted into evidence at this time, and this concludes my questions on direct examination.

MR. NUTTER: Gulf Oil Corporation Exhibit No. 1 will be admitted in evidence.

(Whereupon, Applicant's Exhibit No. 1 received in evidence.)

MR. NUTTER: Does anyone have any questions of Mr. Hoover?

MR. DURRETT: Yes, sir, I have a question or two.

MR. NUTTER: Mr. Durrett.

CROSS EXAMINATION

BY MR. DURRETT:

Q Mr. Hoover, I believe you stated that the No. 8 Well in Section 28 has been completed as an oil well, is that correct?

A Yes, sir, that's correct.

Q Do I have the location correct; is it 1980 from the South and 1980 from the East?

A No, sir, 1980 from the South line and 990 from the East line.

Q 990 from the East line?

A Yes.

Q Of Section 28?

A Of Section 28.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

It's marked on the plat.

MR. KASTNER: Exhibit 1.

A Exhibit 1, its location.

MR. KASTNER: It's situated in the Northeast Northeast of 28.

A Yes, it has an 8 over a B.L., which is No. 8 over a Blinckry Well. It is rather small. There's a number of wells in there which makes the printing very small.

Q (By Mr. Durrett) I see it. I think that clears up that question. Do you have the completion date that this was completed as an oil well, and more specifically, I am interested to know if it has been assigned an oil well allowable, and if so, what date?

A Yes, sir. It was completed April the 16th of '63, and the allowable was assigned by Supplement No. 176 dated April 17, 1963, and the effective date of the allowable was April 10th, '63.

Q The allowable was assigned on April 17, 1963, effective April 10, 1963?

A Yes, sir.

Q Would you like to request that if your application for an 80-acre non-standard proration unit be approved, that the order should be made effective the date the oil well allowable was assigned to your (NCT) Well No. 8?

A Yes, sir, we would like that.

MR. DURRETT: Thank you.



MR. NUTTER: Any further questions? The witness may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further to offer in this case, Mr. Kastler?

MR. KASTLER: Nothing, your Honor.

MR. NUTTER: Does anyone have anything they wish to offer in this case before we take it under advisement? The case will be taken under advisement.

* * *

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, 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, and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this 4th day of June, 1963.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 8822 heard by me on 5/22, 1963.

[Signature], Examiner
New Mexico Oil Conservation Commission



DEARNLEY-MEIER REPORTING SERVICE, Inc.
FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691