

CASE 3374: In the matter of the  
hearing called by the OCC to  
amend Rule 302.

ASE NO.

3374

Application,

Transcripts,

Small Exhibits

ETC.

3374

CLASS OF SERVICE

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

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-60)

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt at point of destination.

A125 KA296

JAN 25 PM 2:13

K TUB232 PD=FAX TULSA OKLA 25 242PCST=

NEW MEXICO OIL CONSERVATION COMMISSION= 1966 JAN 25 PM 2 09

SANTA FE NMEX=

AMERADA PETROLEUM CORPORATION SUPPORTS THE AMENDMENT  
OF RULE 104F, RULE 301, AND RULE 302 TO ESTABLISH AN  
ADMINISTRATIVE PROCEDURE AS PROVIDED IN THE NOTICE OF  
HEARING FOR CASES 3372, 3373, AND 3374 ON JANUARY 26,  
1966.=

R L HOCKER AMERADA PETROLEUM CORPORATION=1

104F 301 302 3372 3373 3374 26 1966=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-60)

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

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

LA128 DB178

D FWB276 PD=FAX FORT WORTH TEX 25 304P CST 1966 JAN 25 PM 2 19

A L PORTER JR SECRETARY-DIRECTOR,

NEW MEXICO OIL CONSERVATION COMMISSION=

STATE LAND OFFICE BLDG SANTA FE NMEX=

PAN AMERICAN PETROLEUM CORPORATION SUPPORTS THE

AMENDMENTS TO STATEWIDE RULES 104F, 301 AND 302

PROPOSED BY THE OIL CONSERVATION COMMISSION IN CASES

3372, 3373 AND 3374 AS OUTLINED IN DOCKET NO. 4-66 FOR

JANUARY 26, 1966, EXAMINER HEARING. WE RECOMMEND THAT

OFFSET OPERATORS BE NOTIFIED OF ADMINISTRATIVE

APPLICATIONS FOR APPROVAL OF UNORTHODOX LOCATIONS

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

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-60)

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

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

NECESSITATED BY RECOMPLETIONS OF WELLS PREVIOUSLY  
DRILLED TO OTHER HORIZONS. FURTHER, WE RECOMMEND  
THAT ALL OPERATORS IN A FIELD BE NOTIFIED OF AN  
APPLICATION FOR EXEMPTION FROM GAS-OIL RATIO TEST  
REQUIREMENTS=

W V GISHAM, PAN AMERICAN PETROLEUM CORP

MAIN OFFICE OCC  
JAN 25 PM 2:22

104F 301 302 3372 3373 3374 4-66 26 1966

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DRAFT

JMD/esr

Jan. 31, 1966

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CF Subj. \_\_\_\_\_

~~IN=THE=MATTER=OF=THE=HEARING=~~  
~~CALLED=BY=THE=OIL=CONSERVATION~~  
~~COMMISSION=OF=NEW=MEXICO=FOR~~  
~~THE=PURPOSE=OF=CONSIDERING~~

CASE No. 3374

Order No. R- 3037

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION COMMISSION ON ITS OWN MOTION  
TO CONSIDER AMENDMENT OF RULE 302 OF THE COM-  
MISSION RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
January 26, 1966, at Santa Fe, New Mexico, before Examiner  
Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of February, 1966, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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 Rule 302 of the Commission Rules and Regulations  
should be amended to eliminate the requirement that bottom-hole  
pressure test bombs be calibrated prior and subsequent to each  
pressure test.

(3) That adoption of the proposed amendment to Rule 302  
of the Commission Rules and Regulations will enable the Commis-  
sion to more efficiently and effectively administer the laws of  
the State of New Mexico concerning the prevention of waste and  
the protection of correlative rights.

IT IS THEREFORE ORDERED:

(1) That Rule 302 of the Commission Rules and Regulations  
is hereby amended to read in its entirety as follows:

"RULE 302. SUBSURFACE PRESSURE TESTS ~~(ON NEW POOLS)~~

The operator shall make a subsurface pressure test on the discovery well of any new pool hereafter discovered, and shall report the results thereof to the Commission within 30 days after the completion of such discovery well. On or before December 1st of each calendar year the Commission shall designate the months in which subsurface pressure tests shall be taken in designated pools. Included in the designated list shall be listed the required Shut-in Pressure time and datum of tests to be taken in each pool. In the event a newly discovered pool is not included in the Commission's list, the Commission shall issue a supplementary Bottom Hole Pressure Schedule. Tests as designated by the Commission shall only apply to flowing wells in each pool. This test shall be made by a person qualified by both training and experience to make such test, and with an approved subsurface pressure instrument which shall ~~(have been calibrated both prior and subsequent to such test against an approved dead-weight tester. Provided the prior and subsequent calibrations agree within one percent, the accuracy of the instrument shall be considered acceptable.)~~ be calibrated against an approved dead-weight tester at intervals frequent enough to ensure its accuracy within one per cent. Unless otherwise designated by the Commission all wells shall remain completely shut in for at least 24 hours prior to the test. In the event a definite datum is not established by the Commission the subsurface determination shall be obtained as close as possible to the mid-point of the productive sand of the reservoir. The report shall be on Form C-124 and shall state the name of the pool, the pool datum (if established), the name of the operator and lease, the well number, the wellhead elevation above sea level, the date of the test, the total time the well was shut in prior to the test, the subsurface temperature in degrees Fahrenheit at the test depth, the depth in feet at which the subsurface pressure test was made, the observed pressure in pounds per square inch gauge (corrected for calibration and temperature), the corrected pressure computed from applying to the observed pressure the appropriate correction for difference in test depth and reservoir datum plane and any other information as required by Form C-124."

(2) 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.

(LEAVE OUT MATTER WITH LINE STRICKEN THROUGH IT, AND DO NOT UNDERLINE.)

January 26, 1966 Examiner Hearing

CASE 3369: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Devonian formation through perforations from 10,604 to 10,780 feet in its State "BO" Well No. 4 located in Unit M, Section 13, Township 11 South, Range 32 East, Moore-Devonian Pool, Lea County, New Mexico.

CASE 3370: Application of Shell Oil Company for an exception to Rule 8 of Order No. R-2065 and to Rule 301, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 8 of Order No. R-2065 and to Rule 301 of the Commission rules and regulations to permit discontinuance of individual gas-oil ratio tests in its Carson Bisti-Lower Gallup Pressure Maintenance Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico. Applicant proposes to report gas production and ratios on a unit-wide basis rather than individual well GOR data.

CASE 3371: Application of Midwest Oil Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Harris State Well No. 1 at an unorthodox location 660 feet from the South line and 1980 feet from the West line of Section 29, Township 13 South, Range 34 East, Nonombre-Pennsylvanian Field, Lea County, New Mexico.

CASE 3372: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment to Rule 104 F of the Commission rules and regulations to provide administrative procedure for the approval of an unorthodox location necessitated by recompletion of a well previously drilled to another horizon.

CASE 3373: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider amendment of Rule 301 to provide executive authority for the Secretary-Director to exempt, for good cause, certain pools from the annual gas-oil ratio test requirements; further, the Secretary-Director could, where necessary, order annual oil production tests in lieu of gas-oil ratio tests.

CASE 3374: In the matter of the hearing called by the Oil Conservation Commission on its own motion to amend Rule 302 of the Commission rules and regulations to eliminate the requirement for calibration of bottom-hole pressure test bombs prior and subsequent to each pressure test.

Docket No. 4-66

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 26, 1966

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, Alternate Examiner:

CASE 2720: (Reopened and continued from the January 5, 1966 Examiner Hearing)

In the matter of Case No. 2720 being reopened pursuant to the provisions of Order No. R-2397-B which continued the original order for an additional year, establishing special rules governing the production of oil and gas wells in the Double-X Delaware Pool, Lea County, New Mexico, including classification of wells as gas wells when the gas-liquid hydrocarbon ratio exceeds 30,000 to one.

CASE 3365: Application of Humble Oil & Refining Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Cedar Hills Unit Area comprising approximately 8,500 acres of Federal, State and Fee lands in Township 20 South, Range 28 East, and Township 21 South, Range 27 East, Eddy County, New Mexico.

CASE 3366: Application of Coastal States Gas Producing Company for a pilot pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project by the injection of water into the San Andres formation through three wells in Sections 15, 21 and 33, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico; applicant further seeks rules governing said project including a provision for administrative approval for the conversion of additional wells to water injection.

CASE 3367: Application of Penroc Oil Corporation for a non-standard oil proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard oil proration unit comprising the NE/4 SW/4, N/2 SE/4, and SW/4 SE/4 of Section 7, Township 19 South, Range 32 East, Lusk-Strawn Pool, Lea County, New Mexico, said unit to be dedicated to a well to be drilled at an unorthodox location for said pool 660 feet from the South line and 1650 feet from the East line of said Section 7.

CASE 3368: Application of Standard Oil Company of Texas for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Maljamar Waterflood Project, formerly the Leonard Nichols Maljamar Waterflood Project, by the conversion to water injection of nine wells located in Sections 3, 4, 9, 10, 11 and 15, Township 17 South, Range 32 East, Lea County, New Mexico.



NEW MEXICO OIL CONSERVATION COMMISSION

STAFF EXHIBIT A, CASE 3374

PROPOSED AMENDMENT, RULE 302

RULE 302. SUBSURFACE PRESSURE TESTS (~~ON NEW POOLS~~)

The operator shall make a subsurface pressure test on the discovery well of any new pool hereafter discovered, and shall report the results thereof to the Commission within 30 days after the completion of such discovery well. On or before December 1st of each calendar year the Commission shall designate the months in which subsurface pressure tests shall be taken in designated pools. Included in the designated list shall be listed the required Shut-in Pressure time and datum of tests to be taken in each pool. In the event a newly discovered pool is not included in the Commission's list, the Commission shall issue a supplementary Bottom Hole Pressure Schedule. Tests as designated by the Commission shall only apply to flowing wells in each pool. This test shall be made by a person qualified by both training and experience to make such test, and with an approved subsurface pressure instrument which shall ~~(have been calibrated both prior and subsequent to such test against an approved dead-weight tester. Provided the prior and subsequent calibrations agree within one percent, the accuracy of the instrument shall be considered acceptable.)~~ be calibrated against an approved dead-weight tester at intervals frequent enough to ensure its accuracy within one per cent. Unless otherwise designated by the Commission all wells shall remain completely shut in for at least 24 hours prior to the test. In the event a definite datum is not established by the Commission the subsurface determination shall be obtained as close as possible to the mid-point of the productive sand of the reservoir. The report shall be on Form C-124 and shall state the name of the pool, the pool datum (if established), the name of the operator and lease, the well number, the wellhead elevation above sea level, the date of the test, the total time the well was shut in prior to the test, the subsurface temperature in degrees Fahrenheit at the test depth, the depth in feet at which the subsurface pressure test was made, the observed pressure in pounds per square inch gauge (corrected for calibration and temperature), the corrected pressure computed from applying to the observed pressure the appropriate correction for difference in test depth and reservoir datum plane and any other information as required by Form C-124.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CASE No. 3374  
Order No. R-3037

IN THE MATTER OF THE HEARING CALLED BY THE  
OIL CONSERVATION COMMISSION ON ITS OWN MOTION  
TO CONSIDER AMENDMENT OF RULE 302 OF THE COM-  
MISSION RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
January 26, 1966, at Santa Fe, New Mexico, before Examiner  
Elvis A. Utz.

NOW, on this 9th day of February, 1966, the Commission,  
a quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, 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 Rule 302 of the Commission Rules and Regulations  
should be amended to eliminate the requirement that bottom-hole  
pressure test bombs be calibrated prior and subsequent to each  
pressure test.

(3) That adoption of the proposed amendment to Rule 302  
of the Commission Rules and Regulations will enable the Commis-  
sion to more efficiently and effectively administer the laws of  
the State of New Mexico concerning the prevention of waste and  
the protection of correlative rights.

IT IS THEREFORE ORDERED:

(1) That Rule 302 of the Commission Rules and Regulations  
is hereby amended to read in its entirety as follows:

"RULE 302. SUBSURFACE PRESSURE TESTS

The operator shall make a subsurface pressure test  
on the discovery well of any new pool hereafter discovered, and

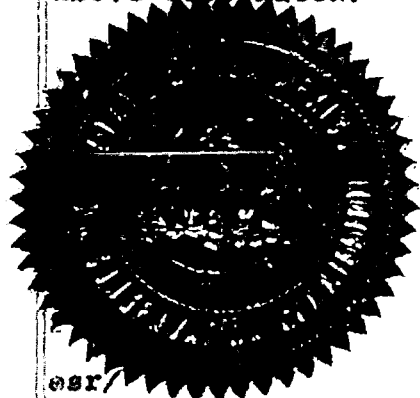
-2-

CASE No. 3374  
Order No. R-3037

shall report the results thereof to the Commission within 30 days after the completion of such discovery well. On or before December 1st of each calendar year the Commission shall designate the months in which subsurface pressure tests shall be taken in designated pools. Included in the designated list shall be listed the required Shut-in Pressure time and datum of tests to be taken in each pool. In the event a newly discovered pool is not included in the Commission's list, the Commission shall issue a supplementary Bottom Hole Pressure Schedule. Tests as designated by the Commission shall only apply to flowing wells in each pool. This test shall be made by a person qualified by both training and experience to make such test, and with an approved subsurface pressure instrument which shall be calibrated against an approved dead-weight tester at intervals frequent enough to ensure its accuracy within one per cent. Unless otherwise designated by the Commission all wells shall remain completely shut in for at least 24 hours prior to the test. In the event a definite datum is not established by the Commission the subsurface determination shall be obtained as close as possible to the mid-point of the productive sand of the reservoir. The report shall be on Form C-124 and shall state the name of the pool, the pool datum (if established), the name of the operator and lease, the well number, the wellhead elevation above sea level, the date of the test, the total time the well was shut in prior to the test, the subsurface temperature in degrees Fahrenheit at the test depth, the depth in feet at which the subsurface pressure test was made, the observed pressure in pounds per square inch gauge (corrected for calibration and temperature), the corrected pressure computed from applying to the observed pressure the appropriate correction for difference in test depth and reservoir datum plane and any other information as required by Form C-124."

(2) 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

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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

esr/