

CASE 3403:

SOUTHEASTERN NEW MEXICO
NOMENCLATURE

ASE NO.

3403

Application,

Transcripts,

Mail Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO



PAGE 1

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

May 18, 1966

REGULAR

HEARING

IN THE MATTER OF:

Southeastern New Mexico nomenclature
case calling for an order for the
creation and extension of certain pools
in Eddy and Lea Counties, New Mexico.

Case No. 3403

BEFORE: Honorable Jack M. Campbell
Mr. A. L. "Pete" Porter
Mr. Guyton B. Hays

TRANSCRIPT OF HEARING

MR. PORTER: We are going to take up next the nomenclature case for Southeast New Mexico which we will dispose of at this time. Case 3403.

(Witness sworn.)

JOE D. RAMEY

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

DIRECT EXAMINATION

BY MR. HILL:

Q State your name and your position, please.

A Joe D. Ramey, supervisor, District I, New Mexico Oil Conservation Commission.

Q This is Case No. 3403 and involves nomenclature case in Southeastern New Mexico calling for the creation and extension of certain pools in Eddy and Lea Counties. Do you have testimony you wish to offer on this case?

A Yes, sir.

Q Would you give us that testimony, please?

A I have prepared an exhibit which I have labeled Southeast New Mexico Nomenclature Exhibit 1, paragraphs (a) through (k). It is essentially as advertised on the docket with the exception that paragraph (a) is to be dismissed because of an error in advertising, and I have an addition in paragraph (c), which is as follows: Township 20 South,

Range 28 East, Section 2, West Half of the Northeast Quarter.
The remainder is as advertised.

MR. PORTER: Does that include the extension to
the Shafrue Pool, Mr. Ramey?

A Don't have anything in Shafrue this time. Double
up next time.

MR. HILL: I have no further questions and I move
the introduction of Exhibit 1.

(Whereupon, Exhibit 1 was marked
for identification and
offered into evidence.)

MR. PORTER: Without objection, Exhibit 1 will be
admitted.

(Whereupon, Exhibit 1 was
admitted in evidence.)

MR. PORTER: Does anyone have any questions of the
witness? The witness may be excused.

(Witness excused.)

MR. PORTER: If there's nothing further to be
offered in the case the Commission will dismiss paragraph (a)
as recommended by the witness, and take the balance of the
case under advisement.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO



I N D E X

WITNESS

PAGE

JOE D. RAMEY

Direct Examination by Mr. Hill

2

EXHIBIT

MARKED

OFFERED AND ADMITTED

Exhibit No. 1

3

3

dearnley-meier reporting service, inc.

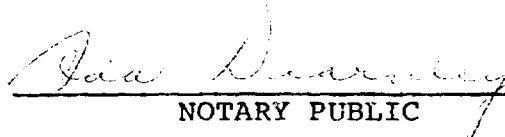
SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

PAGE 5

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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 24th day of May, 1966.


NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

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. 3403
Order No. R-3067

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 18, 1966, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico hereinafter referred to as the "Commission".

NOW, on this 23rd day of May, 1966, 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 subject matter thereof.

(2) That the proposed creation of a new pool in Section 11, Township 21 South, Range 25 East, Eddy County, New Mexico, for the production of gas from the Morrow formation should be dismissed pending readvertisement of the proposed horizontal limits.

(3) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of North McMillan-Morrow Gas Pool. Said North McMillan-Morrow Gas Pool was discovered by Yates Drilling Company, Pecos River Deep Unit No. 1, located in Unit F of Section 28, Township 19 South, Range 27 East, NMPM. It was completed in Morrow on May 20, 1963. The top of perforations is 10,333 feet.

(4) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Winchester-Wolfcamp Pool. Said Winchester-Wolfcamp Pool was discovered by J. C. Williamson, State A No. 1, located in Unit M of Section 36, Township 19 South, Range 28 East, NMPM. It was completed in Wolfcamp on February 9, 1966. The top of perforations is 9112 feet.

- 2 -

CASE No. 3403
Order No. R-3067

(5) That there is need for certain extensions to the Lusk-Strawn Pool, the Shugart-Pennsylvanian Gas Pool, and the Square Lake Grayburg-San Andres Pool, all in Eddy County, New Mexico, the North Bagley-Upper Pennsylvanian Pool, the Drinkard Pool, the Mescalero-San Andres Pool, the Osudo-Morrow Gas Pool, and the Skaggs-Drinkard Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That the proposed creation of a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production designated as the Golden Eagle-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
SECTION 11: All

is hereby dismissed.

(b) That a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production, is hereby created and designated as the North McMillan-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
SECTION 28: All

(c) That a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated as the Winchester-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
SECTION 35: S/2 SE/4
SECTION 36: SW/4 SW/4

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 10: NE/4
SECTION 27: W/2
SECTION 28: S/2

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

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
SECTION 21: W/2 SW/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
SECTION 14: NW/4

- 3 -

CASE No. 3403

Order No. R-3067

(g) That the Mescalero-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
SECTION 10: SE/4

(h) That the Osado-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
SECTION 5: Lots 1 through 8

(i) That the Shugart-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 27: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SECTION 13: NW/4

(k) That the Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
SECTION 20: S/2 NW/4

IT IS FURTHER ORDERED:

That the effective date of this order and all creations and extensions included herein shall be June 1, 1966.

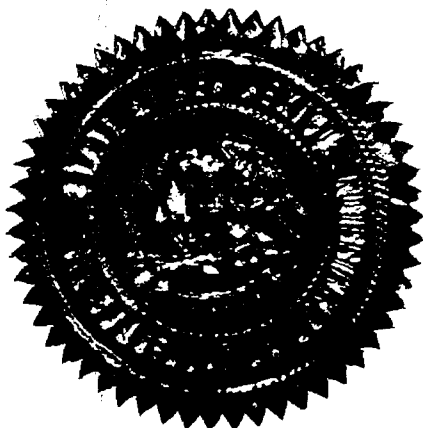
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Clinton B. Hays
CLINTON B. HAYS, Member

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



Docket No. 12-66

DOCKET: REGULAR HEARING - WEDNESDAY - MAY 18, 1966

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

- ALLOWABLE:**
- (1) Consideration of the oil allowable for June, 1966.
 - (2) Consideration of the allowable production of gas for June, 1966, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico, and also presentation of purchasers nominations for said pools for the six-month period beginning July 1, 1966; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1966.

CASE 3158: Application of Union Oil Company of California to reopen Case No. 3158, Lea County, New Mexico. Applicant, in the above-styled cause, as successor in interest to The Pure Oil Company, seeks the reopening of Case No. 3158 to consider the establishment of special pool rules for the Red Hills-Wolfcamp Gas Pool, Lea County, New Mexico, including provision for 640-acre drilling units and specified well locations. Applicant further requests an exception to the well location requirements of the requested pool rules for its Red Hills Unit Well No. 1, located in the SW/4 SE/4 of Section 32, Township 25 South, Range 33 East, and stipulates that an exception to the spacing requirements of the proposed special pool rules should be granted to the owners of mineral interest in Section 5, Township 26 South, Range 33 East. Applicant's request for the reopening of Case No. 3158, which was the application of The Pure Oil Company for special rules for said Red Hills-Wolfcamp Gas Pool, is predicated upon alleged new and independent evidence obtained since the original hearing of the case.

CASE 3401: Application of Jerald M. Schuman, Saul A. Yager and Kermit Oil Company for a non-standard drilling unit, Lea County, New Mexico. Applicants, in the above-styled cause, seek approval of a non-standard 280-acre drilling unit comprising the N/2 N/2, SE/4 NE/4, and E/2 SE/4 of Section 5, Township 26 South, Range 33 East, Red Hills-Pennsylvanian Pool, Lea County, New Mexico, to be dedicated to a well to be drilled 660 feet from the North line and 1980 feet from the West line of said Section 5.

CASE 3402: Application of Jerald M. Schuman, Saul A. Yager and Kermit Oil Company for two non-standard drilling units, Lea County, New Mexico. Applicants, in the above-styled cause, seek approval of two non-standard Red Hills-Wolfcamp Gas Pool drilling units described as follows:

- (1) A 120-acre unit comprising the SE/4 NE/4 and E/2 SE/4 of Section 5, Township 26 South, Range 33 East, to be dedicated to a well to be drilled 1980 feet from the South line and 660 feet from the East line of said Section 5;

MAY 18, 1966, REGULAR HEARING

CASE 3402 - Continued:

(2) A 160-acre unit comprising the N/2 N/2 of Section 5, Township 26 South, Range 33 East, to be dedicated to a well to be drilled 660 feet from the North line and 1980 feet from the West line of said Section 5, all of the above being in Lea County, New Mexico.

CASE 3403: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Eddy and Lea Counties, New Mexico:

a) CREATE A new gas pool for Morrow production and designated as the Golden Eagle-Morrow Gas Pool. The discovery well is The Atlantic Refining Company, Pure Federal No. 1, located in Unit K of Section 11, Township 21 South, Range 25 East, NMPM. Said pool described as:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
SECTION 11: All

b) CREATE A new gas pool for Morrow production designated as the North McMillan-Morrow Gas Pool. The discovery well is Yates Drilling Company, Pecos River Deep Unit No. 1, located in Unit F of Section 28, Township 19 South, Range 27 East, NMPM. Said pool described as:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
SECTION 28: All

c) CREATE A new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Winchester-Wolcamp Pool. The discovery well is J. C. Williarson, State A No. 1, located in Unit M of Section 36, Township 19 South, Range 28 East, NMPM. Said pool described as:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
SECTION 35: S/2 SE/4
SECTION 36: SW/4 SW/4

d) EXTEND the North Bagley-Upper Pennsylvanian Pool to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 10: NE/4
SECTION 27: W/2
SECTION 28: S/2

e) EXTEND the Drinkard Pool to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
SECTION 21: W/2 SW/4

f) EXTEND the Lusk-Strawn Pool to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
SECTION 14: NW/4

- 3 -

MAY 18, 1966, REGULAR HEARING

g) EXTEND the Mescalero-San Andres Pool to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
SECTION 10: SE/4

h) EXTEND the Osudo-Morrow Gas Pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
SECTION 5: Lots 1 through 8

i) EXTEND the Shugart-Pennsylvanian Gas Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 27: NE/4

j) EXTEND the Skaggs-Drinkard Pool to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SECTION 13: NW/4

k) EXTEND the Square Lake Grayburg-San Andres Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
SECTION 20: S/2 NW/4

To be dismissed CASE 3403 (a) CREATION OF A NEW GAS POOL
COUNTY Eddy POOL Golden Eagle-Morrow Gas

TOWNSHIP	21S	RANGE	25E	NMPM	DEPT. OF O.C.C.
					MAY 15 8 35 AM '66
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Purpose: One completed gas well capable of producing.

Discovery Well: The Atlantic Refining Co., Pure Federal #1 in unit K, of section 11-21-25. Completed in Morrow, December 27, 1965, through perforations 9995' to 10367'.

Proposed pool boundary colored in green. Section 11: All To be dismissed due to an error in advertisement.

Southeast Nomenclature Exhibit #1
Paragraph 2-K
Case 3403

CASE 3403: (b) CREATION OF A NEW GAS POOL

COUNTY Eddy

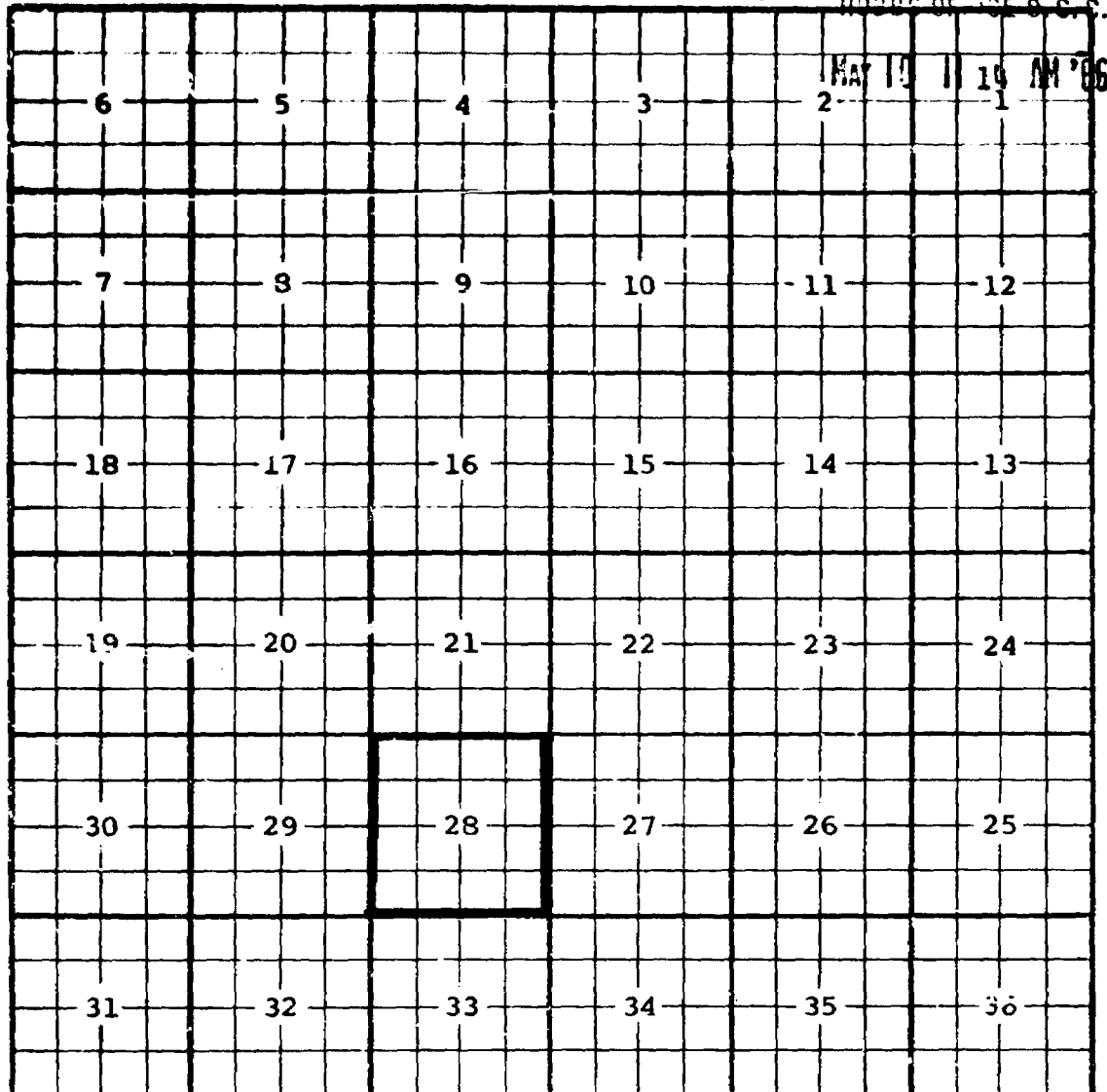
POOL North McMillan - Morrow Gas

TOWNSHIP 19S

RANGE 27E

NMPM

HOBBES OFFSHORE O. & G. CO.



Purpose: One completed gas well capable of producing.

Discovery well: Yates Drilling Co. Pecos River Deep Unit No. 1
Unit F of Section 28-19-27. Completed in Morrow May 20, 1963,
through perforations 10333' to 10361'

Proposed pool boundary colored in green. Section 28: All

CASE 3403: (c) CREATION OF A NEW OIL POOL (Continued on next page)
COUNTY Eddy POOL Winchester-Wolfcamp

TOWNSHIP 19S			RANGE 28E			NMPM		
						MAY 10 11 14 AM '66		
6	5	4	3	2	1			
7	8	9	10	11	12			
18	17	16	15	14	13			
19	20	21	22	23	24			
30	29	28	27	26	25			
31	32	33	34	35	36			

Purpose: Two completed oil wells capable of producing.

Discovery well: J. C. Williamson, State A No. 1 in Unit M
of Section 36-19-28. Completed in Wolfcamp February 9, 1966,
through perforations 9112' to 9188'.

Proposed pool boundary colored in green. Section 35: S/2 SE/4
Section 36: SW/4 SW/4

CASE 3403: (c) CREATION OF A NEW OIL POOL (Continued)

COUNTY Eddy

POOL Winchester-Wolfcamp

TOWNSHIP 20S

RANGE 28E

NMPM

UNITS OF MEASURE

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

Purpose: As stated on page one of this exhibit.

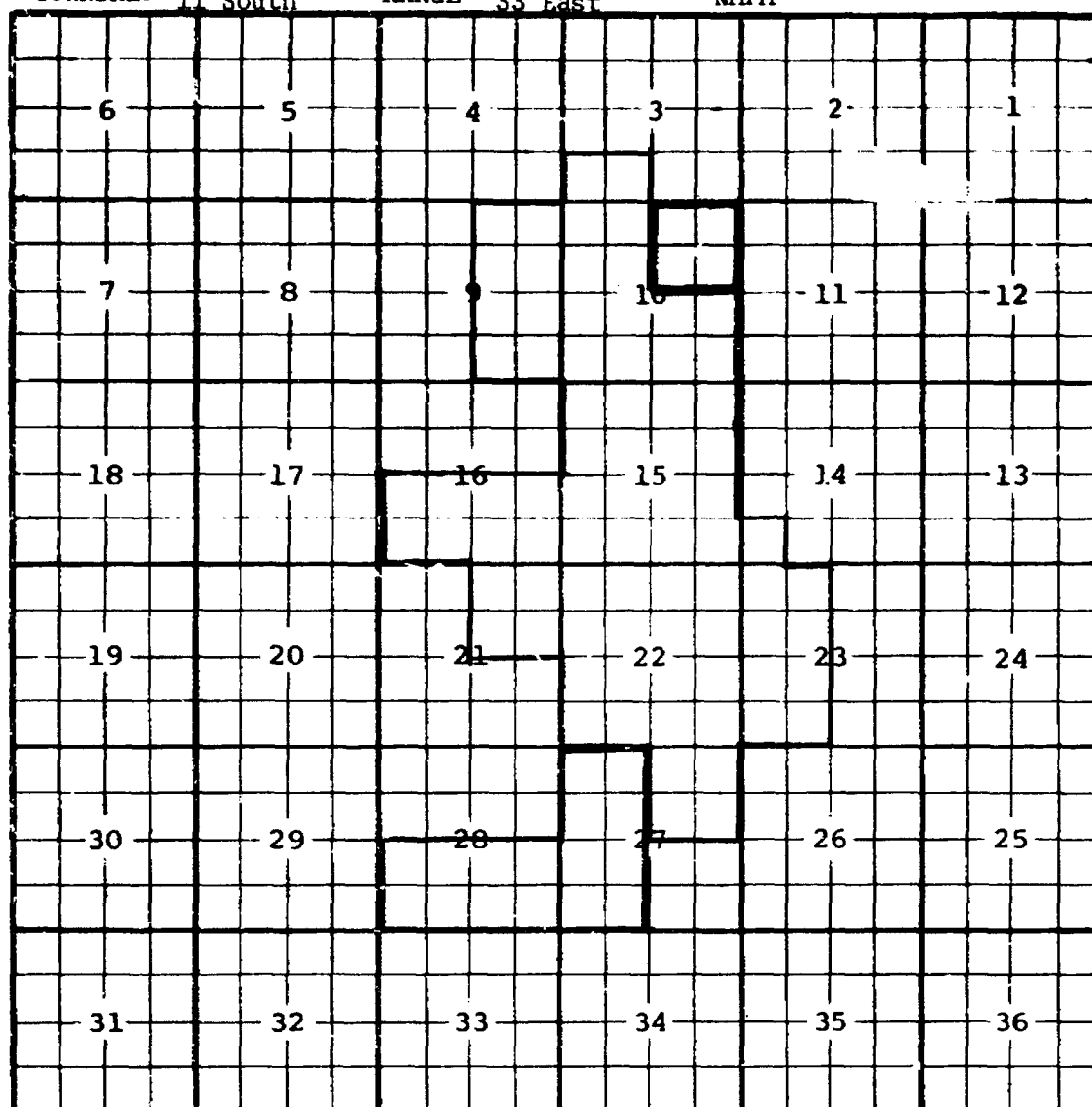
ADDITION-----J. C. Williamson, U. S. Smelting State No. 1 in Unit G
of Section 2-20-28. Completed in Wolfcamp March 20, 1966,
through perforations 9414' to 9468'.

Proposed pool boundary colored in green. Section 2: W/2 NE/4

CASE 3403: (d) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL NORTH BAGLEY-UPPER PENNSYLVANIAN

TOWNSHIP 11 South RANGE 33 East NMPM



PURPOSE: Two completed oil wells capable of producing.

TEXAS PACIFIC OIL COMPANY - J. P. Collier #2 in Unit B of Section 10-11-33.

Completed in Upper Pennsylvanian on February 27, 1966. Top of Perforations 9516'.

STOLTZ & COMPANY - Kelsay #1 in Unit B of Section 20-11-33. Completed in Upper Pennsylvanian on January 20, 1966. Top of Perforations 9372'. Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 10: NE/4

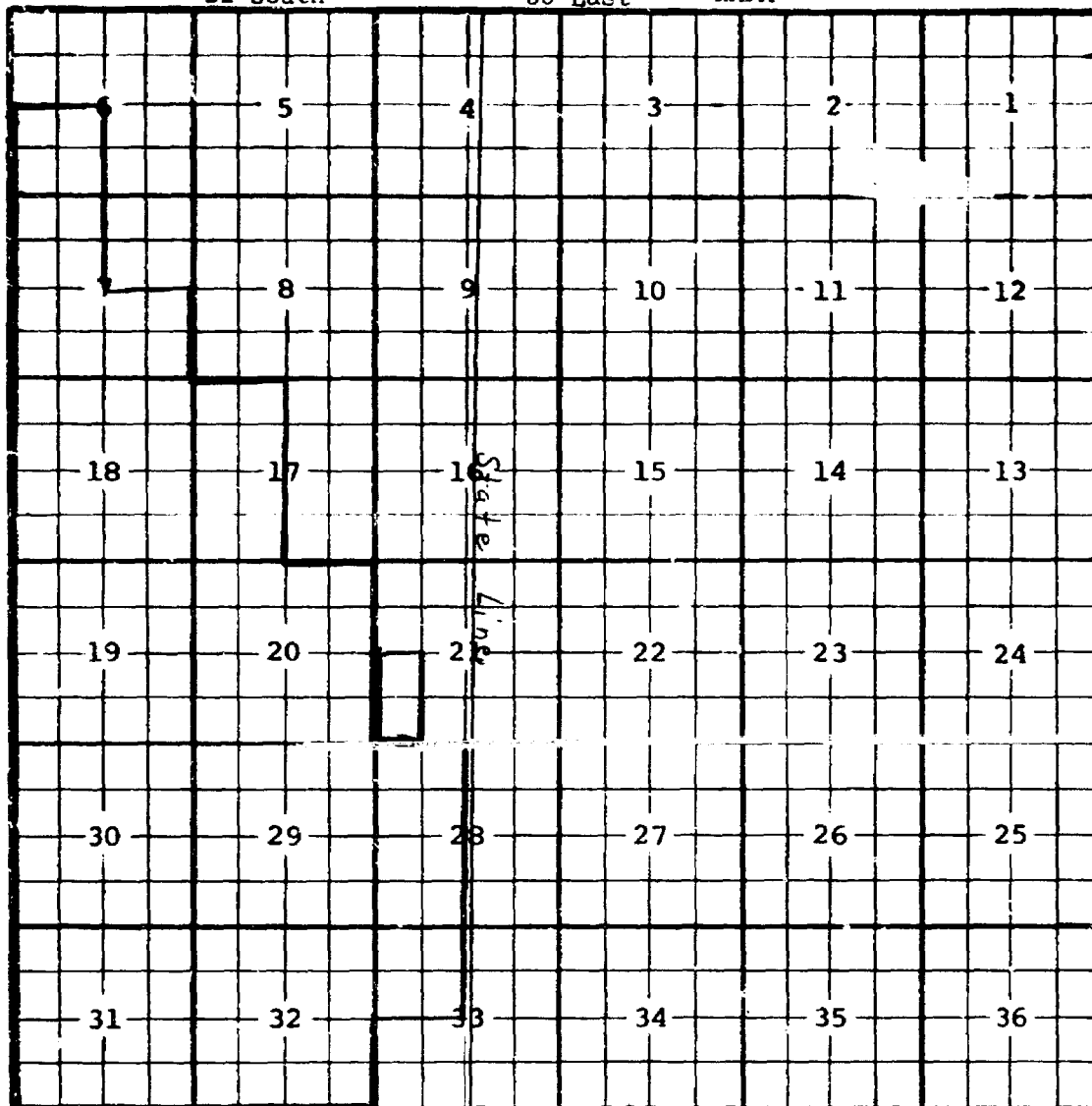
SECTION 27: W/2

SECTION 28: S/2

CASE 3403: (e) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL DRINKARD

TOWNSHIP 22 South RANGE 38 East NMPM



PURPOSE: One completed oil well capable of producing.

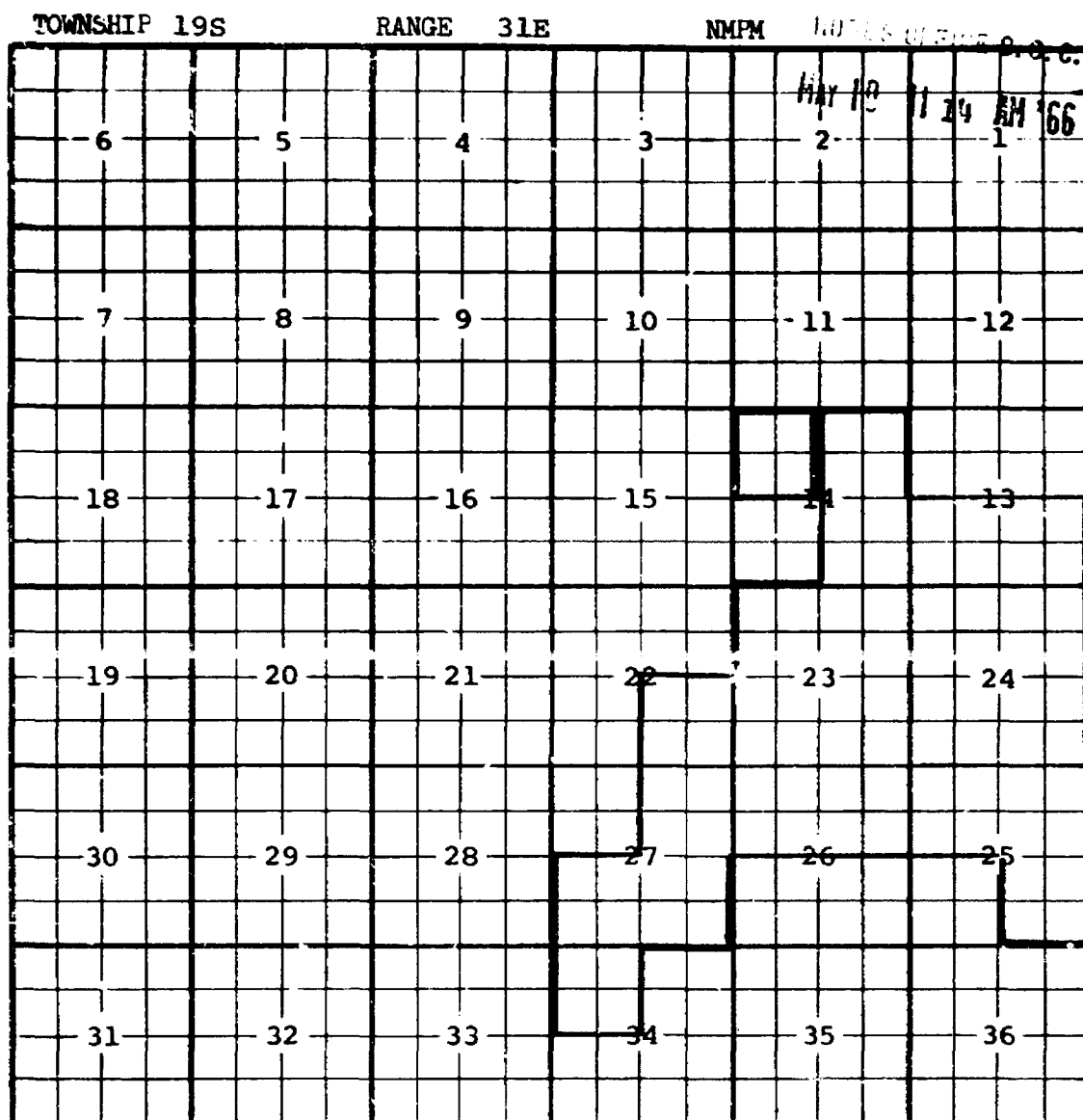
TEXACO, INC. - A. H. Blinebry NCT-1 #35 in Unit M of Section 21-22-38.

Completed in Drinkard on March 20, 1966. Top of Perforations 7092'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 21: $\frac{3}{4}$ SW/4

CASE 3403: (f) EXTENSION OF AN EXISTING OIL POOL
COUNTY Eddy POOL Lusk-Strawn



Purpose: One completed oil well capable of producing.

Gulf Oil Corp., Bunnel A Federal No. 1 in Unit F Section
14-19-31. Completed in Strawn March 3, 1966, through
perforations 11202' to 11231.'

Pool boundary colored in red.

Proposed extension colored in green. Section 14: NW/4

CASE 3403: (g) EXTENSION OF AN EXISTING OIL POOL

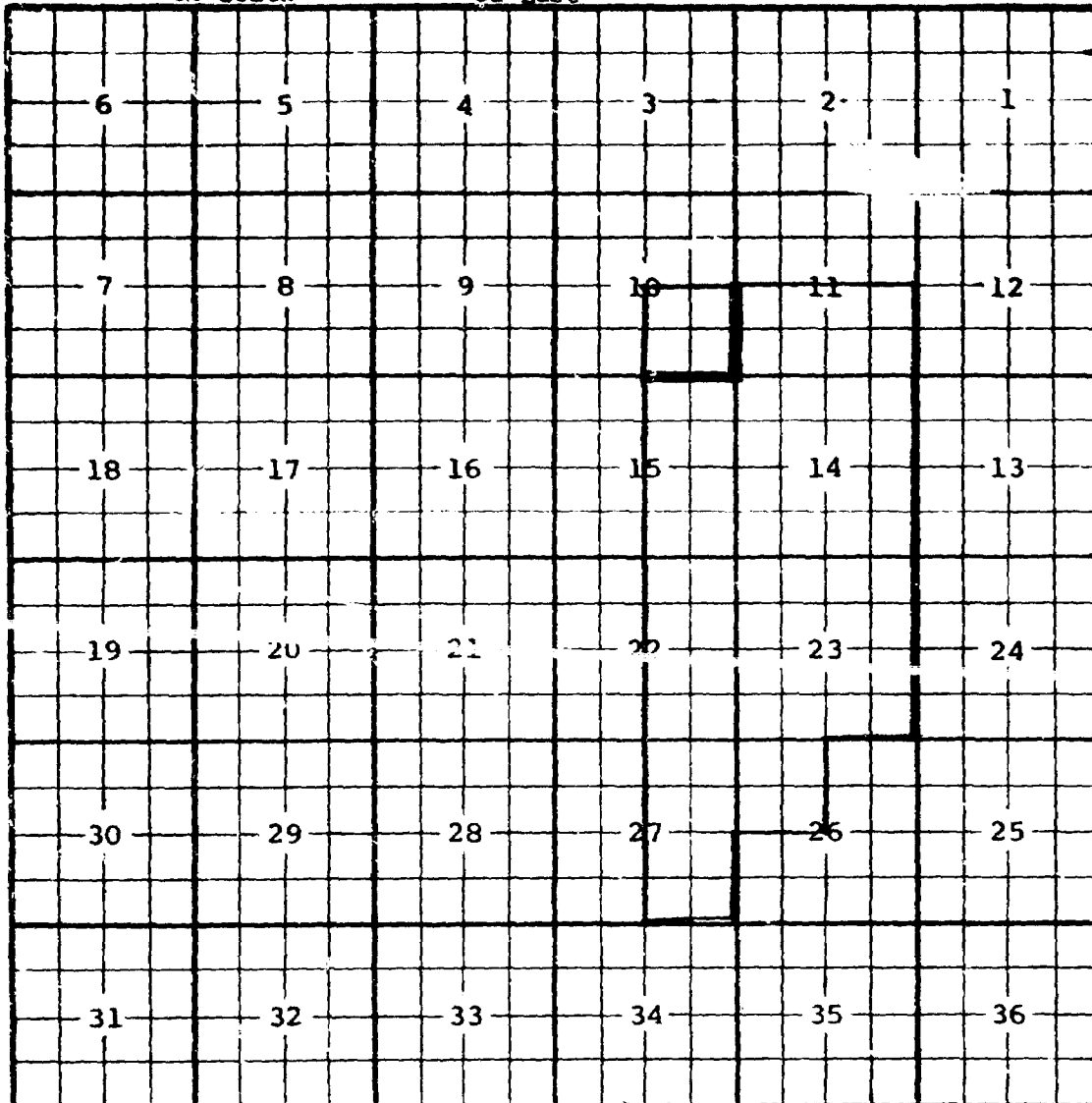
COUNTY LEA

POOL MESCALERO-SAN ANDRES

TOWNSHIP 10 South

RANGE 32 East

NMPM



PURPOSE: Two completed oil wells capable of producing.

ARNO R. DALBY - State #1 in Unit I of Section 10-10 32. Completed in San Andres on February 12, 1966. Top of Perforations 4124'.

SOGONY MOBIL OIL COMPANY, INC. - New Mex X #1 in Unit P of Section 10-10-32. Completed in San Andres on March 13, 1966. Top of Perforations 4095'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 10: SE/4

CASE 3403: (h) EXTENSION OF AN EXISTING GAS POOL

COUNTY LEA

POOL OSUDO-MORROW GAS

TOWNSHIP 21

4 3 2 1
5 4 7 8

RANGE 35 East

NMPM

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

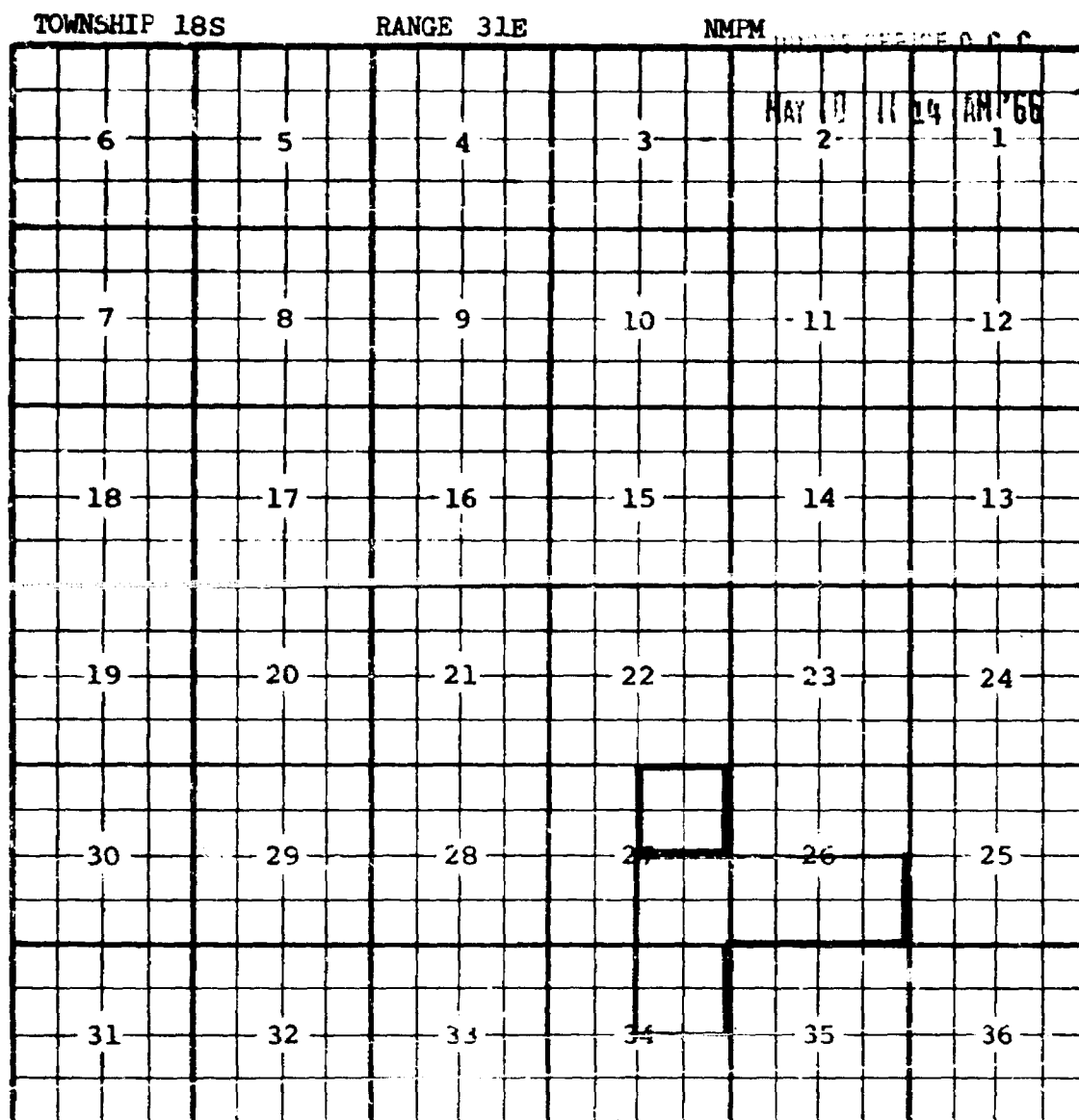
PURPOSE: One completed gas well capable of producing.

THE BRITISH AMERICAN OIL PRODUCING COMPANY - North Wilson Deep Unit #2
in Unit F of Section 5-21-35. Completed in Morrow on February 7, 1966.
Top of Perforations 11,320'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 5: Lots 1 through 8.

CASE 3403: (i) EXTENSION OF AN EXISTING GAS POOL
COUNTY Eddy POOL Shugart-Pennsylvanian Gas



Purpose: One completed gas well capable of producing.

Pan American Petroleum Corp., Greenwood Pre-Grayburg Unit well
No. 3 in Unit H of Section 27-18-31. Completed in Pennsylvanian
February 1, 1966, through perforations 11370' to 11497'

Pool boundary colored in red.

Proposed extension colored in green. Section 27: NE/4

CASE 3403: (j) EXTENSION OF AN EXISTING OIL POOL

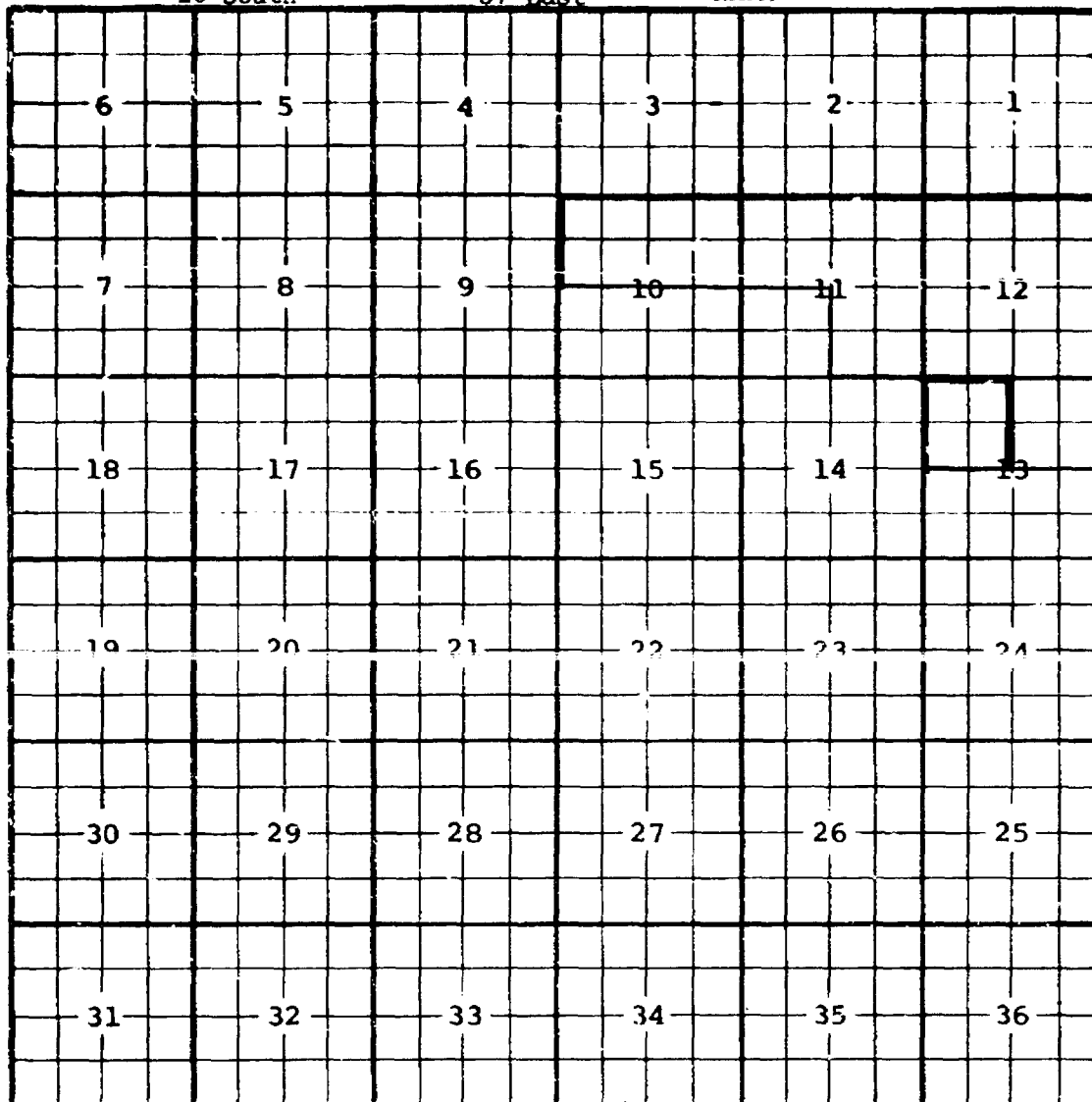
COUNTY LEA

POOL SKAGGS-DRINKARD

TOWNSHIP 20 South

RANGE 37 East

NMPM



PURPOSE: One completed oil well capable of producing.

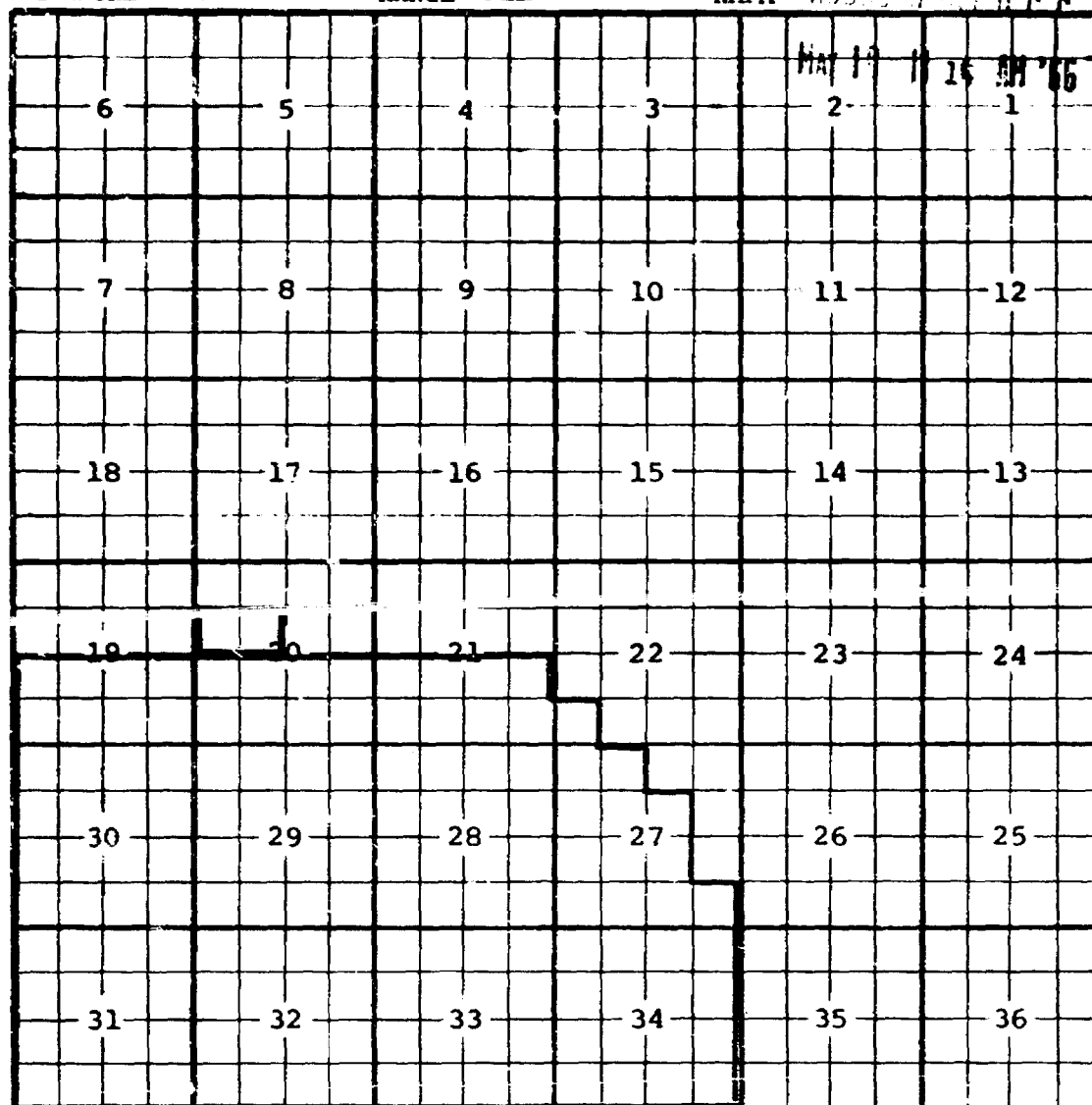
TEXACO, INC. - L. R. Kershaw #10 in Unit F of Section 13-20-37. Completed in Drinkard on March 6, 1966. Top of Perforations 6826'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 13: NW/4

COUNTY Eddy POOL Square Lake

NMFM



Kennedy Oil Co. Inc., Superior Federal No. 1 in Unit F
of Section 20-16-31. Completed in Grayburg-San Andres
March 22, 1966, through perforations 2913' to 3464'

Proposed extension colored in green. Section 20: S/2 NW/4