

CASE 3655: HEARING CALLED BY THE  
OCC to consider temporary exten-  
sion of EMERGENCY ORDER NO. E-25.

SF  
 Har  
 Chaves  
 Roosevelt  
 Eddy

Case No

In the matter of the hearing called by the  
 Oil Conservation Commission upon its own  
 motion to consider temporary extension of the  
 Emergency Order No. E-25, issued by the Commission  
 August 21, 1967, to be effective ~~September 1, 1967~~ <sup>for 15 days from</sup>  
 7 o'clock a.m. September 1, 1967. Said ~~Emergency~~ <sup>Emergency</sup>  
~~application to Rea, Chaves, Eddy, and Roosevelt~~ <sup>because of the recent</sup>  
~~order~~ <sup>suspended</sup> the provision of Rule 301(d)  
 of the Commission Rules and Regulations which  
 requires that no well shall be assigned an allow-  
 ance greater than the amount of oil produced on  
 official tests during a 24-hour period.

unprecedented increases in Southeast and Mexico  
 normal unit allowances,

TO RE-ORDER SPECIFY  
 NO. 722 & E-25

FOLDER

"VANGUARD"



Case No.

3655

Application, Transcript,  
Small 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 UPON ITS  
OWN MOTION TO CONSIDER TEMPORARY EXTEN-  
SION OF EMERGENCY ORDER NO. E-25, ISSUED  
BY THE COMMISSION AUGUST 21, 1967, TO BE  
EFFECTIVE FOR 15 DAYS FROM 7 O'CLOCK A.M.,  
SEPTEMBER 1, 1967.

CASE No. 3655  
Order No. R-3320

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 13, 1967, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 13th day of September, 1967, 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 Emergency Order No. E-25, dated August 21, 1967, suspended for 15 days, effective September 1, 1967, in Southeast New Mexico, the provision of Rule 301 (d) of the Commission Rules and Regulations which requires that no well shall be assigned an allowable greater than the amount of oil produced on official tests during a 24-hour period.

(3) That said Emergency Order further provided that all wells in Lea, Chaves, Eddy, or Roosevelt Counties, New Mexico, which were assigned a top unit allowable for their respective pools on the August Proration Schedule or by Supplement Allowable during August, 1967, would be assigned a top unit allowable

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CASE No. 3655

Order No. R-3320

for their respective pools during September, 1967, subject to receipt of a special test prior to the expiration date of said Emergency Order.

(4) That the aforementioned provisions of Emergency Order No. E-25 were promulgated in order to allow all wells in Southeast New Mexico capable of producing top unit allowables to take advantage of the increased normal unit allowable established by the Commission for Southeast New Mexico for September, 1967.

(5) That in order to allow sufficient time for the re-testing of affected wells, that provision of Rule 301 (d) of the Commission Rules and Regulations which requires that no well shall be assigned an allowable greater than the amount of oil produced on official tests during a 24-hour period should remain suspended in Southeast New Mexico through September 30, 1967, and

(6) Further, that all wells in Lea, Chaves, Eddy, or Roosevelt Counties, New Mexico, which were assigned a top unit allowable for their respective pools on the August Proration Schedule or by Supplement Allowable during August, 1967, should continue to receive a top unit allowable for their respective pools during September, 1967, subject to receipt of a special test prior to September 30, 1967.

IT IS THEREFORE ORDERED:

(1) That the provision of Rule 301 (d) of the Commission Rules and Regulations which requires that no well shall be assigned an allowable greater than the amount of oil produced on official tests during a 24-hour period is hereby suspended in Southeast New Mexico, through September 30, 1967.

(2) That all wells in Lea, Chaves, Eddy, or Roosevelt Counties, New Mexico, which were assigned a top unit allowable for their respective pools on the August Proration Schedule or by Supplement Allowable during August, 1967, shall continue to be assigned a top unit allowable for their respective pools during September, 1967, subject to receipt of a special test prior to September 30, 1967.

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CASE No. 3655  
Order No. R-3320

(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



*David F. Cargo*  
DAVID F. CARGO, Chairman

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

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

esr/

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# WESTERN UNION

## TELEGRAM

W. P. MARSHALL  
CHAIRMAN OF THE BOARD

R. W. MCFALL  
PRESIDENT

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

LA023 NSA064

1967 SEP 12 AM 8 08

NS FWB003 PD 3 EXTRA=FORT WORTH TEX 12 840A CDT=  
A L PORTER JR, SECRETARY AND DIRECTOR=  
NEW MEXICO OIL CONSERVATION COMMISSION STATE LAND  
OFFICE BLDG SANTAFE NMEX=  
REFERENCE IS TO CASE 3655 DOCKETED FOR WEDNESDAY,  
SEPTEMBER 13, 1967, CONCERNING TEMPORARY EXTENSION OF  
EMERGENCY ORDER E-25 WHICH SUSPENDED THE PROVISION OF  
RULE 301 (D) OF THE COMMISSION RULES AND REGULATIONS  
WHICH REQUIRES THAT NO WELL SHALL BE ASSIGNED AN  
ALLOWABLE GREATER THAN THE AMOUNT OF OIL PRODUCED ON  
OFFICIAL TESTS DURING A 24-HOUR PERIOD FOR A 15-DAY

WU1201 (R2-65)

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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PERIOD BEGINNING 7 OCLOCK AM., SEPTEMBER 1, 1967. PAN  
AMERICAN PETROLEUM CORPORATION RESPECTFULLY RECOMMENDS  
THAT THE PERIOD THAT EMERGENCY ORDER E-25 IS IN EFFECT  
BE EXTENDED 7 DAYS UNTIL 7 OCLOCK A. SEPTEMBER 22,  
1967. THIS ADDITIONAL TIME WILL BE NECESSARY FOR PAN  
AMERICAN TO BE ABLE TO COMPLETE RETESTING ALL OF THE  
TOP ALLOWABLE WELLS THAT IT OPERATES AT THE SEPTEMBER  
1967 TOP ALLOWABLE RATE=  
NEL S WHITMORE DISTRICT PRODUCTION SUPERINTENDENT  
PAN AMERICAN PETROLEUM CORPORATION=

COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Docket No. 28-67

DOCKET: REGULAR HEARING - WEDNESDAY - SEPTEMBER 13, 1967  
OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE  
BUILDING, SANTA FE, NEW MEXICO

ALLOWABLE: (1) Consideration of the oil allowable for October, 1967;

(2) Consideration of the allowable production of gas for October, 1967, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for October, 1967.

CASE 3655:

In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider temporary extension of Emergency Order No. E-25, issued by the Commission August 21, 1967, to be effective for 15 days from 7 o'clock a.m., September 1, 1967. Said emergency order, applicable to Lea, Chaves, Eddy and Roosevelt Counties because of the recent unprecedented increases in Southeast New Mexico normal unit allowables, suspended the provision of Rule 301(d) of the Commission Rules and Regulations which requires that no well shall be assigned an allowable greater than the amount of oil produced on official tests during a 24-hour period.

CASE 3614 (DE NOVO):

Application of Shiprock Corporation for an amendment to Order No. R-1438, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-1438, which order established special rules for the Shiprock-Gallup Oil Pool. Applicant seeks the deletion of that provision of said rules which provides that wells shall not be located closer than 300 feet to the nearest well producing from the same pool. Applicant would further amend said rules to permit the drilling of wells closer than 165 feet to the outer boundary of the quarter-quarter section, but in no event closer than 165 feet to the boundary of acreage owned by an offset operator.

Upon application of Universal Oil Corporation, this case will be heard DE NOVO under the provisions of Rule 1220 of the Commission Rules and Regulations.



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Docket No. 28-67

September 13, 1967 Regular Hearing

CASE 3656: Southeastern New Mexico nomenclature case calling for an order for the creation of one pool and the assignment of an oil discovery allowable therein, and the creation of one other oil pool and two gas pools, and for the extension and contraction of certain other pools in Lea, Chaves, Eddy, and Roosevelt Counties.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Morton-Pennsylvanian Pool, comprising the following described acreage:

TOWNSHIP 14 SOUTH, RANGE 35 EAST, NMPM  
Section 32: NW/4

Further, for the assignment of approximately 52,140 barrels of oil discovery allowable to the discovery well, Olen F. Featherstone's Mobil State Well No. 1 located in Unit E of said Section 32.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the Wilson Bone Springs Pool comprising the following-described acreage:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM  
Section 19: SW/4

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Paduca-Morrow Gas Pool. The discovery well is the Texaco Inc. Cotton Draw Unit Well No. 65, located in Unit G of Section 2, Township 25 South, Range 31 East, NMPM. Said pool described as:

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM  
Section 2: N/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Paduca-Wolfcamp Gas Pool. The discovery well is the Texaco Inc. Cotton Draw Unit Well No. 65, located in Unit G of Section 2, Township 25 South, Range 31 East, NMPM. Said pool described as:

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM  
Section 2: NE/4

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Docket No. 28-67

September 13, 1967 Regular Hearing

(e) Extend the Acme-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM  
Section 4: E/2 NW/4

(f) Extend the North Bagley-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
Section 28: NE/4

(g) Extend the Lusk Strawn Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 11: NW/4 & SE/4

(h) Extend the East Mason-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM  
Section 17: S/2

(i) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 24: S/2 SE/4

(j) Extend the Springs-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM  
Section 34: S/2

(k) Contract the Square Lake Pool in Eddy County, New Mexico, by the deletion of the following-described acreage:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
Section 12: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
Section 12: NE/4

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Docket No. 28-67  
September 13, 1967 Regular Hearing

(m) Extend the Tatum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM  
Section 5: NW/4

(n) Extend the Todd-Lower San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM  
SECTION 31: NE/4

(o) Extend the Tom-tom San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM  
Section 34: N/2 SE/4

(p) Extend the Vacuum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 13: SW/4

(q) Extend the North Vacuum-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
Section 2: W/2  
Section 3: NW/4

(r) Extend the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM  
Section 17: NE/4

1r/

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Docket No. 29-67

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 13, 1967

10:30 A. M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following case will be heard before Daniel S. Nutter, Examiner, or  
Elvis A. Utz, Alternate Examiner:

CASE 3657:

Application of New Mexico Salt Water Disposal Company, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the Mobil State "GG" Well No. 1 located 1980 feet from the South and East lines of Section 10, Township 11 South, Range 34 East, Sand Springs-Devonian Pool, Lea County, New Mexico.

ir/

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

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 13, 1967

REGULAR HEARING

IN THE MATTER OF:

Hearing called by the Oil Conservation  
Commission upon its own motion to  
consider temporary extension of  
Emergency Order No. E-25, issued  
by the Commission August 21, 1967, to  
be effective for 15 days from 7 o'clock  
a.m., September 1, 1967.

Case 3655

BEFORE: David F. Cargo, Governor  
Guyton B. Hays, Land Commissioner  
A. L. "Pete" Porter, Secretary-Director

TRANSCRIPT OF HEARING

MR. PORTER: Case 3655.

MR. HATCH: Case 3655. In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider temporary extension of Emergency Order No. E-25, issued by the Commission, August 21, 1967, to be effective for 15 days from 7 o'clock a.m., September 1, 1967.

George Hatch, appearing on behalf of the Commission and its staff. I have one witness. I would like the record to show that Mr. Nutter has already been sworn.

MR. PORTER: The record will show that Mr. Nutter has been sworn in the previous case.

D A N N U T T E R, called as a witness, having been previously sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HATCH:

Q Are you familiar with the case and what it proposes?

A Yes.

Q Would you explain to the Commission the reason for the issuance of Emergency Order E-25?

A At the August hearing, the Commission established a normal unit allowable for southeast New Mexico of 60 barrels of oil per day. After the allowable had been assigned, it

was discovered that the allowable increases for that month, plus the previous month had gone off and left many top allowable wells in numerous pools, with their tests down. As a result, the wells could not be assigned top allowable if the provision of Rule 301-D of the Commission's Rules and Regulations were enforced.

This provision is, that no well shall be assigned an allowable greater than the amount of oil produced on official tests during a twenty-four hour period. The Commission therefore, entered an Emergency Order 325, suspended the provision of that rule, 301-D and allowed a well which had received top allowable on the August proration schedule, to receive top allowable during the month of September. However, the Statutes limit the effectiveness of any emergency order to fifteen days.

If these wells are to continue to receive a top allowable for the remainder of September and have not been tested as of yet, it will be necessary to extend the order. Some of the larger automatic custody transfer facilities have so many wells connected to them, that it has been impossible for all operators to test all wells during this last fifteen or twenty days.

I, therefore, recommend that the emergency order

be extended, that the provisions of Rule 301-D, limiting the allowable to the amount of oil produced on the last official test, be suspended and that these wells continue to receive a top allowable subject to being tested during the rest of the month.

Q Your recommendation is to extend that suspension until what date?

A Until September 30, 1967.

MR. HATCH: That's all the questions I have.

MR. PORTER: Mr. Staley, you had asked for a thirty day extension, would you have any objection to a fifteen day extension?

MR. STALEY: No, sir.

MR. PORTER: Are there any questions of the witness? He may be excused. Is there anything further to be offered in this Case? The Commission will extend the provision of the Emergency Order through September 30th.

We will take up now, the Gas Allowable Case.



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 15<sup>th</sup> day of September, 1967.

Ada Dearnley  
Notary Public

My Commission Expires:

July 19, 1970