

CASE 3680: Application of TEXACO  
for an unorthodox location,  
Roosevelt County, New Mexico.

CASE No.

3680

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

State of New Mexico  
Oil Conservation Commission



October 31, 1967

Re: Case No. 3680  
Order No. R-3331  
Applicant:  
TEXACO, INC.

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.  
Secretary-Director

Hobbs OCC   x    
 Artesia OCC             
 Aztec 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. 3680  
Order No. R-3331

APPLICATION OF TEXACO INC.  
FOR AN UNORTHODOX LOCATION,  
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 25, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 31st day of October, 1967, 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 the applicant, Texaco Inc., seeks an exception to the Special Rules and Regulations governing the Todd-Upper San Andres Pool to recomplete its State "CT" Well No. 4 at an unorthodox location 660 feet from the North line and 1980 feet from the West line of Section 35, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico.

(3) That said well is off-pattern with respect to the well location requirements of the Special Rules and Regulations for the Todd-Upper San Andres Pool which require wells to be located in the NE/4 or the SW/4 of the section and no nearer than 990 feet to the outer boundary of the quarter section.

(4) That the subject well was drilled at a standard location for the production of oil from the Todd-Lower San Andres Pool but

-2-

CASE No. 3680  
Order No. R-3331

is no longer a commercial well in the Todd-Lower San Andres Pool.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Todd-Upper San Andres Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

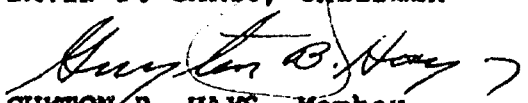
(1) That the applicant, Texaco Inc., is hereby granted an exception to the well location requirements of the Special Rules and Regulations governing the Todd-Upper San Andres Pool and is hereby authorized to recomplate its State "CT" Well No. 4 at an unorthodox location 660 feet from the North line and 1980 feet from the West line of Section 35, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico.

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

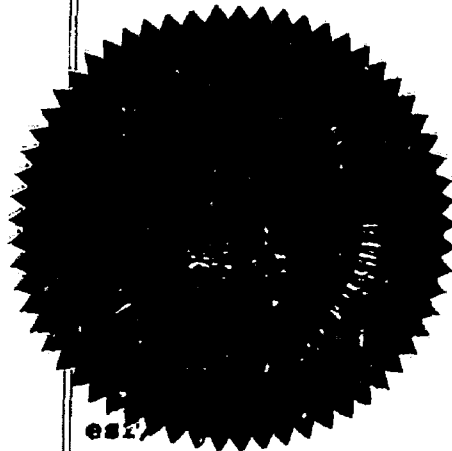
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

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



Case. 3650

Heard 10-25-67

Rec. 10-27-67

Hunt Depaco's request for a NSL  
in the Sodd - upper Penn. Gas Pool.  
Their ~~that~~ N. Mer. Lt. 'CT' #4 is 660/N,  
1480/W - sec. 35 - 75-35.

It is north of on the 660/N  
side and in the NW/4 (should be  
NE/4)

Well was completed in the lower  
oil pool & depleted. Operator  
wants to recomplete in Upper Penn.

Justified for this reason.

Must be

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 25, 1967

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 3668: Application of Mobil Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its Bridges State Well No. 121 located in Unit L of Section 13, Township 17 South, Range 34 East, Lea County, New Mexico, to produce oil from the North Vacuum-Abo, Vacuum-Upper Pennsylvanian, and Vacuum-Middle Pennsylvanian Pools, through parallel strings of tubing.

CASE 3669: Application of Amerada Petroleum Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its State "VA" Lease by the injection of water into the Grayburg-San Andres formation through two wells located in Units K and M of Section 23, Township 17 South, Range 34 East, Vacuum Pool, Lea County, New Mexico.

CASE 3670: Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (combination) of its State "MA" Well No. 3 located in Unit M of Section 24, Township 11 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Moore-Wolfcamp Gas Pool and oil from the Moore-Pennsylvanian Pool through tubing installed in parallel strings of 2 7/8 inch and 3 1/2 inch casing, respectively, cemented in a common well bore.

CASE 3671: Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Pennsylvanian formation, Bagley Field, Lea County, New Mexico, through the following three wells, all located in Township 12 South, Range 33 East:

L. H. Chambers Well No. 2, Unit C of  
Section 11; Disposal Interval - 9005  
to 9393 feet;

State BT "D" Well No. 4, Unit N of  
Section 2; Disposal Interval - 8979  
to 9291 feet;

J. T. Caudle Well No. 1, Unit H of  
Section 10; Disposal Interval - 9001 to  
9326 feet;

CASE 3672: Application of Charles B. Read and Len Mayer for back allowable, Eddy County, New Mexico. Applicants, in the above-styled cause, see the assignment of back allowable for the period from

April 7, 1967, to August 3, 1967, to their Irene Brainard Well No. 1 located in Unit E of Section 20, Township 18 South, Range 26 East, Atoka-Pennsylvanian Pool, Eddy County, New Mexico, said period being from the date of completion of the well to the date of approval by the Federal Power Commission for the sale of gas from said well.

- CASE 3673: Application of Ralph Lowe for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates formation in the interval 2964 feet to 2982 feet in his Humble State Well No. 1 located in Unit G of Section 36, Township 25 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.
- CASE 3674: Application of Robert N. Enfield for the amendment of Order No. R-3189, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3189 which pooled all mineral interests in the Chaveroo-San Andres Pool underlying the NW/4 NW/4 of Section 11, Township 8 South, Range 33 East, Chaves County, New Mexico. Applicant specifically seeks the amendment of paragraph (9) of Order No. R-3189 to fix \$125.00 per month as a reasonable charge for supervision and operational overhead for the subject well and to authorize the applicant to withhold from production the proportionate share of said \$125.00 and the proportionate share of actual operating costs of said well attributable to each non-consenting working interest.
- CASE 3675: Application of Gulf Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Hackberry Yates Unit Area comprising 720 acres, more or less, of Federal Lands in Sections 23 and 24, Township 19 South, Range 30 East, Eddy County, New Mexico.
- CASE 3676: Application of Gulf Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Yates formation through eight wells in Sections 23 and 24, Township 19 South, Range 30 East, North Hackberry-Yates Pool, Eddy County, New Mexico.
- CASE 3677: Application of Dugan Production Corporation for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Salt Creek-Dakota Oil Pool, San Juan County, New Mexico, to permit the drilling of wells on 2 1/2 acre spacing provided that no well be located nearer than 165 feet to the outer boundary of the quarter-quarter section and no nearer than 200 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.
- CASE 3678: Application of Ryder Scott Management Company for a waterflood expansion, waterflood buffer zone, and several unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of its Artesia-Nichols Waterflood Project,



Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, by the conversion of its Western-Yates Collier State Well No. 1 located in Unit F of Section 20 and its Mershon State Well No. 2 located in Unit D of Section 21. Applicant further proposes to drill three additional water injection wells at the following unorthodox locations in Section 20: 2650 feet from the North and West lines; 2650 feet from the North line and 1330 feet from the East line; and 1310 feet from the North line and 1330 feet from the East line. Applicant further seeks the designation of the W/2 NW/4 of Section 21 and the SW/4 NW/4, E/2 NW/4, NE/4, and W/2 SE/4 of Section 20 and the NW/4 NE/4 of Section 29 as a waterflood buffer zone with capacity allowables, or as an area wherein transfer of allowable between leases would be permitted.

CASE 3679:

Application of Sinclair Oil & Gas Company for the amendment of Order No. R-2854, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-2854, which order established a 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico, to be dedicated to applicant's J. R. Cone "A" Well No. 2 located in Unit L of said Section 26. Applicant now seeks the dedication of said unit to its J. R. Cone "B" Well No. 1 located in Unit N of said Section 26.

CASE 3680:

Application of Texaco Inc. for an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to recomplete its State "CT" Well No. 4 at an unorthodox location 660 feet from the North line and 1980 feet from the West line of Section 35, Township 7 South, Range 35 East, in the Todd-Upper San Andres Pool, Roosevelt County, New Mexico, in exception to the pool rules which require wells to be located in the NE/4 or the SW/4 of the Section.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

LEGAL DIVISION  
PHONE 827-2741

October 5, 1967

*Chal 3680*

C

Texaco Inc.  
Drawer 728  
Hobbs, New Mexico 88240

O

Attention: Mr. H. D. Raymond

Re: Non-Standard Location  
Todd-Upper San Andres Gas Pool  
Roosevelt County, New Mexico

P

Gentlemen:

Reference is made to your application dated October 4, 1967, for administrative approval of an unorthodox location in the Todd-Upper San Andres Gas Pool for your New Mexico "CT" State Well No. 4, located 660 feet from the North line and 1980 feet from the West line of Section 35, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico.

Y

Rule 5 of the Special Rules and Regulations governing the Todd-Upper San Andres Gas Pool allows the Secretary-Director to grant an exception to the footage requirements of Rule 4 without notice and hearing. As your proposed location is in an off pattern quarter section, the Commission has set your application for hearing before an examiner on October 25, 1967. Please advise the Commission whether or not this procedure is satisfactory.

Very truly yours,

GEORGE M. HATCH  
Attorney

GMH/esr

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

DOCKET MAILED

Date 10-11-67

TEXACO  
INC.

PETROLEUM PRODUCTS



DRAWER 728  
HOBBS, NEW MEXICO 88240

October 4, 1967

67 Oct 5 AM 8 37

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

*Case 2680*  
Re: Non-Standard Location  
Todd-Upper San Andres Gas Pool  
Roosevelt County, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

TEXACO Inc. respectfully requests administrative approval granting an exception to Rule No. 4, NMOCC Order No. R-3153, as provided for in Rule No. 5 of the same R-order. This exception is requested for TEXACO's New Mexico "CT" State Well No. 4, located 660' FNL and 1980' FWL of Section 35, T-7-S, R-35-E, Roosevelt County, New Mexico.

The subject well is currently completed in the Todd-Lower San Andres Pool and is shut-in. It is planned to abandon the Todd-Lower San Andres and complete the well in the Todd-Upper San Andres Gas Pool. The N/2 of Section 35, containing 320 acres, will be dedicated as the gas proration unit for the subject well.

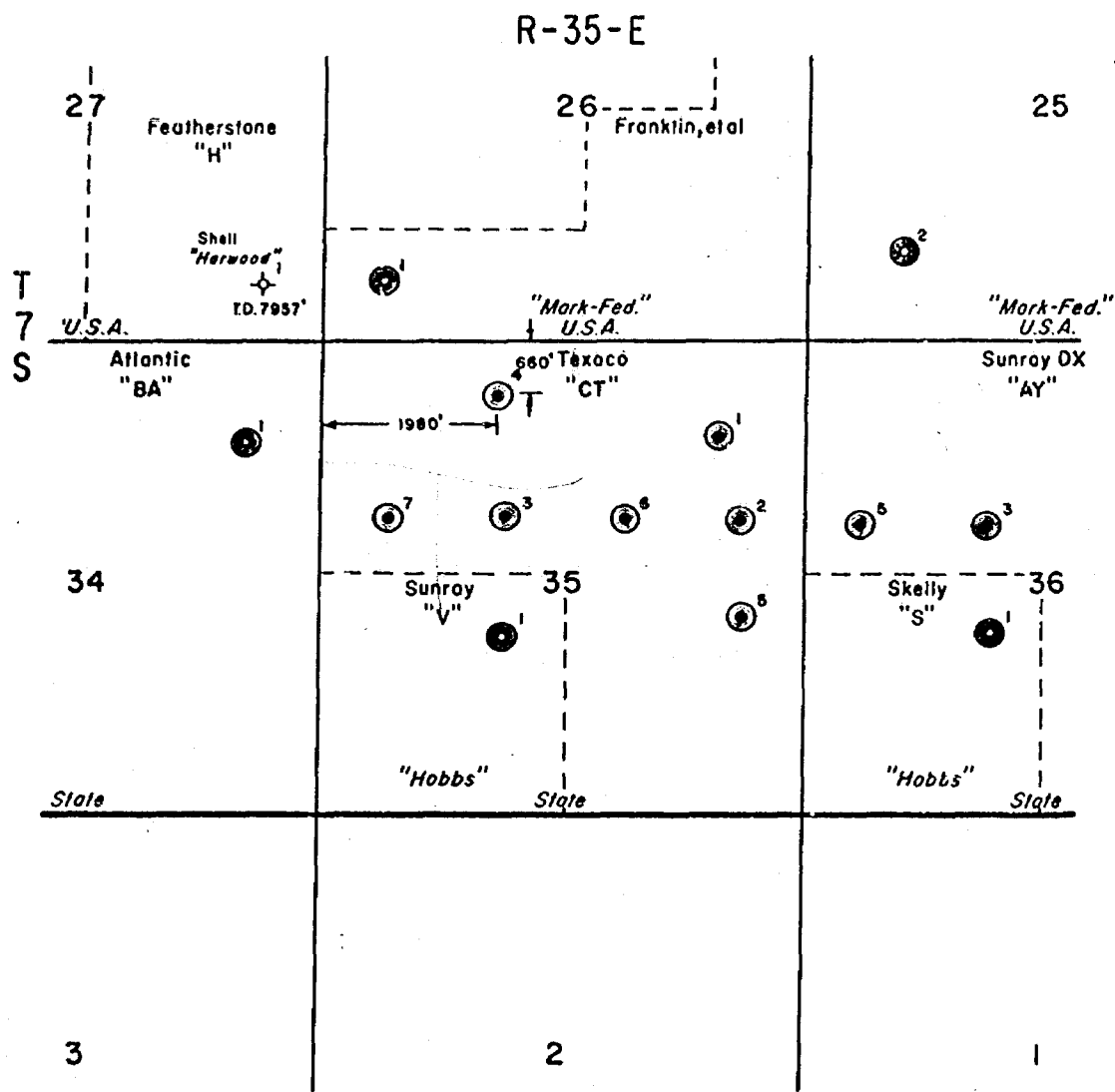
All operators offsetting the proposed non-standard location have been furnished a copy of this application by certified mail.

A plat of the proposed non-standard location showing all offset operators is enclosed with this application.

Yours very truly,

*H. D. Raymond*  
H. D. Raymond  
District Superintendent

EDMc/cr  
WDH-RJA  
NMOCC-Hobbs  
All Offset Operators



LEGEND:

- TODD UPPER SAN ANDRES
- ⊙ TODD LOWER SAN ANDRES

TEXACO Inc.

PLAT  
OF  
PROPOSED NON-STANDARD LOCATION

TODD UPPER SAN ANDRES GAS POOL  
ROOSEVELT COUNTY, NEW MEXICO

Scale: 1" = 2,000'  
Oct. 3, 1967

*Case 3680*

TEXACO  
INC.

PETROLEUM PRODUCTS



DRAWER 728  
HOBBS, NEW MEXICO 88240

October 4, 1967

Offset Operators  
(Mailing List Attached)

57 Oct 5 AM 8 37

Re: Non-Standard Location  
TEXACO Inc.  
New Mexico "CT" State Well No. 4  
Todd-Upper San Andres Gas Pool  
Roosevelt County, New Mexico

Gentlemen:

TEXACO Inc. has made application with the New Mexico Oil Conservation Commission for administrative approval of a non-standard location in the Todd-Upper San Andres Gas Pool. Attached is a copy of TEXACO's letter request to the Commission. The subject well is currently completed in the Todd-Lower San Andres Pool and it is planned to abandon this zone and complete the well in the Todd-Upper San Andres Gas Pool.

If you have no objection to TEXACO's proposal would you please execute two copies of the attached waiver and return them to TEXACO at the above address.

Yours very truly,

*H. D. Raymond*  
H. D. Raymond  
District Superintendent

EDMc/cr  
WDH-RJA  
Attachments

*Page 3680*

OFFSET OPERATORS

TEXACO Inc.  
New Mexico "CT" State  
Todd-Upper San Andres Gas Pool  
Roosevelt County, New Mexico

Atlantic-Ritchfield Company  
P. O. Box 1978  
Roswell, New Mexico 88201

Olen F. Featherstone II  
Roswell Petroleum Building  
Roswell, New Mexico 88201

Franklin, Aston and Fair  
P. O. Box 1090  
Roswell, New Mexico 88201

Skelly Oil Company  
P. O. Box 730  
Hobbs, New Mexico 88240

Sunray DX Oil Company  
P. O. Box 1416  
Roswell, New Mexico 88201

*Page 3680*

WAIVER

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Gentlemen:

The undersigned, being fully advised of TEXACO Inc.'s application to recomplete their New Mexico "CT" State Well No. 4 from the Todd-Lower San Andres to the Todd-Upper San Andres Gas Pool and that said well is located at a non-standard location, for the Todd-Upper San Andres Gas Pool, of 660' FNL and 1980' FWL of Section 35, T-7-S, R-35-E, Roosevelt County, New Mexico, hereby waives any objection to TEXACO's application.

Yours very truly,

Company: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

*Case 3680*

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



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 25, 1967

IN THE MATTER OF:

Application of Texaco, Inc., for  
an unorthodox location,  
Roosevelt County, New Mexico

Case 3680

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING



MR. UTZ: The next case will be 3680.

MR. HATCH: Case 3680, Application of Texaco, Inc.  
for an unorthodox location, Roosevelt County, New Mexico.

MR. KELLY: Booker Kelly, of White, Gilbert,  
Koch & Kelly, Santa Fe, on behalf of the application. I  
have one witness and ask that he be sworn.

(Witness sworn.)

(Whereupon, Applicant's Exhibits  
No. 1 through 5 were marked  
for identification.)

MR. UTZ: Any other appearances? You may  
proceed.

\* \* \* \* \*

C A R L L. W H I G H A M, called as a witness,  
having been first duly sworn, was examined and testified as  
follows:

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name, position and employer,  
please?

A My name is Carl L. Whigham; I am employed by  
Texaco, Inc., as Midland Division Proration Engineer in  
Midland, Texas.

Q Have your qualifications as an expert witness been

previously accepted by this Commission?

A Yes, sir.

Q Would you state what Texaco seeks by this application?

A At this application, Texaco seeks authority to recomplete its State "CT" Well No. 4, at an unorthodox location, 660 feet from the north line and 1980 feet from the west line of Section 35, Township 7 South, Range 35 East in the Todd Upper San Andres Pool in Roosevelt County, New Mexico. The exception requested is that the well be located in the northwest quarter of the section rather than the northeast quarter or the southwest quarter as specified in field rules.

Q Now, referring to what has been marked as Exhibit No. 1, which is the plat of the area, would you point out the existing well and give its history?

A Are you referring to Well No. 4? We have another exhibit.

Q Well, on your plat No. 1, you show the well that is presently the well that is designated for that acreage, right, and the well you are going to move to?

A Yes, at the present time, well No. 4 is an oil well, producing from the Todd Reservoir San Andres Pool. It is the weakest oil producer on the "CT" lease, that's one of the reasons that it was chosen as a prospect, the most

economical prospect for conversion to a gas well. Originally there was a gas completion in the upper San Andres in the north half of Section 35, as shown on Exhibit No. 4. However that completion was abandoned two months after it was placed on production because of its inability to produce significant quantities of gas and also because a better prospect was expected in the lower oil zone. So Well No. 1 in the northeast quarter was recompleted as an oil well.

Now, all of this took place back before the Todd San Andres Pool was divided up into an upper gas pool and a lower oil pool. At that time an operator was able to make the choice himself as to whether or not he would make three hundred twenty acre gas well, or an eighty acre oil well. At the present time, we felt that our prospects for making a good well were much better in the oil zone and actually it turned out that this was correct even though Well No. 1 did produce two months from the upper gas reservoir.

Q So now, originally then, the original completion in the upper zone was your Texaco "CT" Well No. 1?

A Yes, sir.

Q And when did that go off production in the upper gas zone?

A That well was completed in the upper zone in October

1964 and it had a calculated absolute open flow of 520 mcf of gas per day but a market could not be obtained immediately and the well was actually placed on production in June the following year, 1965. At that time the well would only produce approximately 200 mcf per month against a back pressure of 420 psig. So by the time that a connection was obtained and this well was placed on production, it appeared that it's productivity for some reason or other had declined and it did not appear to be a very good gas well. As a matter of fact, during the two months that it produced as a gas well, it made a total of 474 mcf of gas and 66 barrels of oil; and then at that time, or approximately October 17th, the well was recompleted as an oil zone in the lower San Andres reservoir.

Q So actually after those two zones were split, you have never really had any gas production from the upper zone?

A That's correct, yes, sir.

Q And when they were split, you were left with a choice of drilling an oil and a gas well and you already had an existing oil well?

A Yes, sir.

Q Now, what is the economics that Texaco information sees as far as drilling an additional gas well anywhere in that 320?

A The economics indicate that the drilling of a well for the specific purpose of a gas completion in the upper reservoir would be very marginal. The total reserves have been estimated at approximately 800,000,000 cubic feet. Based upon the value of that amount of reserves as compared against the cost of drilling a well, an operator would not be able to pay for the cost of drilling and completing and operating his well. So for that reason, Texaco has not chosen to drill a new well in the north half of Section 35 for the gas production.

Q Well, then, the only way that you could economically produce this gas would be from an existing well or a dual completion, is that right?

A Yes, sir, that's correct. Our experience in Well No. 1 has indicated that there are recoverable gas reserves under this lease. We would like very much to be able to recover these reserves, but it's uneconomical to drill a new well, so the next best choice is to convert one of the existing wells.

Q Now, again referring to Exhibit 1, I notice you have two oil wells, your Texaco No. 6 and No. 2. And referring to Exhibit 2, what would be the feasibility of converting those into dual completions so you could get gas out of those wells?

A In order to have a standard location in the northeast quarter it would be necessary to convert either Well No. 2 or Well No. 6. However, as it turns out, these are the two most prolific oil wells on the lease; also they are completed in 4 - 1/2 inch casing. We are extremely reluctant to dually completing in 4 - 1/2 inch casing. We are also very reluctant for obvious reasons, to dually complete in 4 - 1/2 inch casing producing the lower zone by pumping from beneath a packer. We think that we would not only encounter severe mechanical difficulties, but that our production would be severely curtailed by that type of operation. That's the reason we did not choose Well No. 2 and Well No. 6. We have another exhibit later that shows the latest productivities of the various wells and you will see from that exhibit that these are the two best wells, the two best oil wells on the lease.

Q So your alternative in that situation would probably be you would have to abandon your oil production in either No. 6 or No. 2?

A Yes, sir, that's correct, and since they are quite economical in their present status, we would naturally choose not to take that course of action.

Q How about the other wells on the lease, No. 4, 3 and 7?

A Well, Well No. 4 and Well No. 3 and Well No. 7, of course, are all common in one respect and that is that it would require approval of an unorthodox location because all three of these wells are located in the northwest quarter of the section. Well No. 4 was chosen primarily because it is the well that is most likely to be uneconomical in the very near future. It's productivity has declined until it is barely able to produce more than one or two barrels of oil per day. So, it was chosen because it will obviously not be able to produce as an oil well much longer.

Q So Texaco recommends that they would abandon the lower oil zone in that well, and just complete it as a gas producer, is that right?

A Yes, sir, that is correct.

Q Now, referring to what has been marked Exhibit 3, which is the history of Well No. 4, would you go over that briefly for the Examiner?

A Exhibit No. 3 is entitled "History of New Mexico 'CT' State Well No. 4", and this is a chronological tabulation of the events that occurred in this particular well. It was spudded June 25th, 1966, it was drilled and completed by July, 1966, and in August of that year on a 24 hour potential test, it flowed 18 barrels of oil and 4 barrels of water,

with a gas-oil ratio of 14,700. Then as of September 1st, 1957, the well has produced a total of 2,958 barrels of oil and 30,904 mcf of gas. We estimate its current rate to be approximately one barrel of oil a day with a gas-oil ratio of 22,250, so this indicates that the well has already reached a point of near to the economic limit.

Q Now, referring to Exhibit No. 4 which is a list of the operators in the area, could you locate the operators surrounding the Texaco's lease, and state whether or not they have been contacted with regard to this application and what their position is?

A Exhibit No. 4 is the list of offset operators and is so designated. Also you will note that five of these operators have been marked with an asterisk and that indicates that these are the offset operators. That's also obvious from the plat, Exhibit No. 1. All of these five offset operators were sent a copy of Texaco's letter to the Oil Conservation Commission requesting the unorthodox location, and they were requested to honor us with a waiver of objection to this application. We have received waivers since that time from Sunray D X and from Skelly Oil Company, and from Franklin, Ashton and Fair. We have received no reply from Olin F. Featherstone, and we have received no reply from Atlantic



Richfield Company.

Q And Exhibit No. 5 is the waivers that you have just referred to, is that correct?

A Yes, sir, that is correct.

Q Now, going to the Featherstone lease, first, where would their well be located that would be producing from the upper San Andres?

A It doesn't show on Exhibit No. 1 because it's quite removed from the immediate area of interest, but the Featherstone well is actually located in the northeast quarter of Section 27, which is diagonally northwest from Section 35, where Texaco "CT" Lease is located.

Q Actually, you have two wells, the Franklin Well and the Atlantic well would be in between the Featherstone well and your proposed well, right?

A Yes, sir, and for that reason the Featherstone well would not be affected by the completion of Well No. 4 as a gas well.

Q What are the present spacing rules for the upper Todd San Andres gas field, as far as the distance from the lease lines?

A The rules provide that no well shall be located closer than 990 feet to the outer boundary of the quarter section.

Q Actually your well is, in relation to the Atlantic well, is 1980 feet from the lease line, is that correct?

A Yes, sir, so we're approximately a thousand feet further from the lease line than would be required by the rules.

Q So this isn't a situation where you are crowding lease lines at all?

A No, sir.

Q Do you feel that you would be able to adequately drain your acreage from your Well No. 4?

A Yes, sir, we hope to. We, of course, won't know until we finish our completion.

Q In your opinion, would the granting of this application have an adverse affect on any of the adjoining operators as far as drainage?

A In my opinion, it would not.

Q And in your opinion, would the granting of this application prevent waste by allowing you to produce gas that would otherwise go unproduced and to also protect the correlative rights of Texaco by allowing it to produce gas under its lease?

A Yes, sir, it would.

Q Were Exhibits 1 through 4 prepared by you or under your supervision?

A Yes, sir, they were.

Q And Exhibit 5 are copies of the waivers that you received from the operators, right?

A Yes, that's right.

MR. KELLY: I would move the introduction of Exhibits 1 through 5 at this time.

MR. UTZ: Without objection, Exhibits 1 through 5 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits 1 through 5 were admitted in evidence.)

MR. KELLY: We have nothing further at this time.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Whigham, how far does the Upper Todd, Upper Todd San Andres rules say you should be from the lease line, 990?

A Rule No. 4 states that each well completed or recompleted in the Upper Todd San Andres shall be located in the northeast quarter of the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section, and no nearer than 330 feet to any

governmental quarter quarter section line. So in this case that would be 990 feet from the nearest lease line.

Q Well, you are only 660 feet from the north lease line. You are dedicating the north half of 35, aren't you?

A Yes, sir.

Q That's your proration unit?

A Yes, sir.

Q That's only 660 from the north line of that 320?

A Yes, sir, that's correct.

Q Doesn't the rule say you should be 990?

MR. KELLY: That's right.

A Yes, sir.

MR. KELLY: We have, as pointed out, though, received a waiver from the offset to the north, which would be the one who would be affected by that deviation. We are also a thousand feet away from the lease line on the offset to the west, which has not responded to our letter.

Q So you are unorthodox for two reasons, that's why I was confused.

A Yes.

Q Not only as to quarter section, but as to distance from lease line?

A Yes.

MR. KELLY: I think both facets are covered in the application.

MR. UTZ: Yes, sir, they are. I wasn't fully sure of that. Any questions? If no further questions, the witness may be excused.

(Witness excused.)

MR. UTZ: Any statements? We will take the case under advisement.

I N D E X


<u>WITNESS</u>	<u>PAGE</u>
CARL L. WHIGHAM	
Direct Examination by Mr. Kelly	2
Cross Examination by Mr. Utz	12

<u>EXHIBITS</u>	<u>MARKED</u>	<u>OFFERED AND ENTERED</u>
Applicant's 1 through 5	2	12

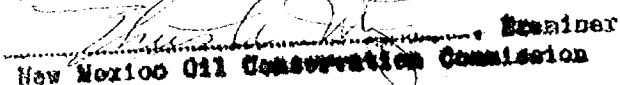
STATE OF NEW MEXICO )  
 ) ss  
 COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me and that the same is a true and correct record to the best of my knowledge, skill and ability.

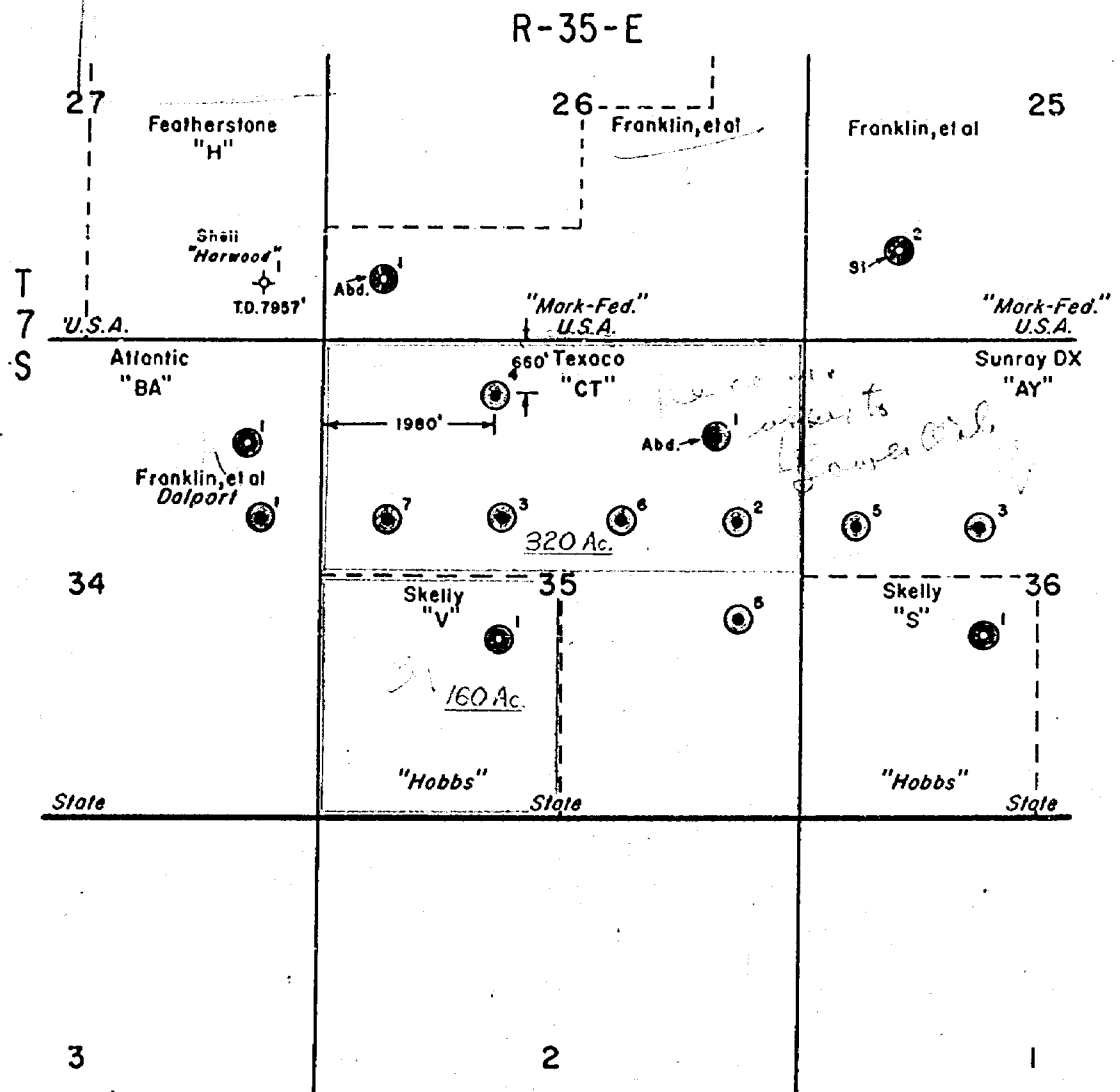
WITNESS my hand this 28th day of November, 1967.

  
 Court Reporter

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the hearing held at Case No. 36-10  
 heard by me on 10-1-67.

  
 Examiner  
 New Mexico Oil Conservation Commission

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
*Approved* EXHIBIT NO. 1  
CASE NO. 3680



TEXACO Inc.

LEGEND:

- TODD UPPER SAN ANDRES
- TODD LOWER SAN ANDRES

PLAT  
OF  
PROPOSED NON-STANDARD LOCATION  
TODD UPPER SAN ANDRES GAS POOL  
ROOSEVELT COUNTY, NEW MEXICO

Scale: 1" = 2,000'  
Oct. 3, 1967



WELL DATA

Operator and Lease Name	Well No.	Field	Current Allowable	Initial Potential	Date of Initial Potential	Average Monthly Production			Remarks
						June, July, August Oil	Water	Gas	
TEXACO Inc. N.M. "CT" State	1	Todd Upper	Abd.	502 MCFPD	10/8/64	135	0	1189	Abandoned August 18, 1965
	2	Todd Lower	3	19/4/900	9/18/65	1204	671	1412	
	3	Todd Lower	46	220/0/27	5/4/66	806	103	1534	
	4	Todd Lower	12	177/0/705	6/24/66	117	0	2013	
	5	Todd Lower	-1	18/4/14,700	9/2/66				
	6	Todd Lower	SI	1/10/650	9/22/66				
	7	Todd Lower	47	111/5/209	4/7/67	1906	1058	2819	
		Todd Lower	38	50/11/700	4/16/67	885	125	1473	
Atlantic-Richfield Company									
State "BA"	1	Todd Upper	Gas	782 MCFPD	12/4/64	89	156	8691	
Franklin, Aston & Fair									
Mark Federal *	1	Todd Upper	Gas	2700 MCFPD	12/5/63	0	1	15,168	Abandoned December, 1966 PT Upper Zone only -- 470 MCFPD, 12-15-66 SI December, 1966
*	2	Todd Lower	Abd.	2700 MCFPD	12/5/63	0	1	6261	
		Todd Upper	Gas	2000 MCFPD	6/2/64	0	2	6261	
		Todd Lower	SI	2000 MCFPD	6/2/64	0	2	6261	
Dalport State	1	Todd Lower	Currently Under Completion						
Skelly Oil Company									
Hobbs "V"	1	Todd Upper	Gas	687 MCFPD	10/21/65	0	0	3608	

\*Wells were originally completed in both upper and lower zones prior to order R-3153 which separated the zones into two fields.

<p><b>BEFORE EXAMINER UTZ</b></p> <p>OIL CONSERVATION COMMISSION</p> <p><i>Legal</i> EXHIBIT NO. <u>2</u></p> <p>CASE NO. <u>36870</u></p>
--

HISTORY OF NEW MEXICO "CT" STATE WELL NO. 4

June 25, 1966	Spudded
July 17, 1966	Reached TD of 4335' Ran and cemented 4-1/2" casing
July 20, 1966	Perforated Todd-Lower (San Andres) Zone, 4240-4285' Acidized perforations 4240-4285' with 2000 gallons
July 20, 1966 thru July 25, 1966	Swabbed load and tested, 4 BO and 1 BLW —
July 26, 1966	Fraced perforations 4240-4285' with 26,000 gallons brine and 30,000# sand
July 26, 1966 thru August 29, 1966	Swabbed and flowed load
August 31, 1966	On 24 hour potential test ending at 7:00 AM Well flowed 18 barrels oil and 4 barrels water with a GOR of 14,700
September 1, 1967	Well has produced 2958 barrels of oil and 30,904 MCF gas. Current rate is approximately 1 BOPD with a GOR of 22,250.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
<i>Chapel</i>	EXHIBIT NO. <u>3</u>
CASE NO.	<u>3680</u>

LIST OF OPERATORS  
TODD-UPPER AND LOWER SAN ANDRES POOLS  
ROOSEVELT COUNTY, NEW MEXICO

\* Atlantic-Ritchfield Company  
P. O. Box 1978  
Roswell, New Mexico 88201

\* Olen F. Featherstone II  
Roswell Petroleum Building  
Roswell, New Mexico 88201

\* Franklin, Aston & Fair  
P. O. Box 1090  
Roswell, New Mexico 88201

A. C. Holder  
5 West Central  
Lovington, New Mexico 88260

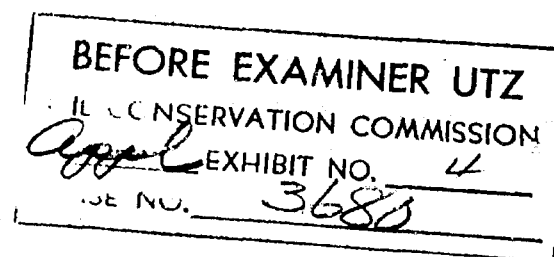
Jack McClellan  
Roswell Petroleum Building  
Roswell, New Mexico 88201

\* Skelly Oil Company  
P. O. Box 730  
Hobbs, New Mexico 88240

\* Sunray DX Oil Company  
P. O. Box 1416  
Roswell, New Mexico 88201

TEXACO Inc.  
P. O. Box 728  
Hobbs, New Mexico

\* Offset Operator to TEXACO's  
New Mexico "CT" State Lease



WAIVER

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Gentlemen:

The undersigned, being fully advised of TEXACO Inc.'s application to recomplete their New Mexico "CI" State Well No. 4 from the Todd-Lower San Andres to the Todd-Upper San Andres Gas Pool and that said well is located at a non-standard location, for the Todd-Upper San Andres Gas Pool, of 660' FNL and 1980' FWL of Section 35, T-7-S, R-35-E, Roosevelt County, New Mexico, hereby waives any objection to TEXACO's application.

Yours very truly,

Company: FRANKLIN, ASTON & FAIR, INC.

By: Tom P. Stephens  
Tom P. Stephens, Executive Vice President

Date: October 5, 1967

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

App'd EXHIBIT NO. 5  
CASE NO. 3680

WAIVER

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Gentlemen:

The undersigned, being fully advised of TEXACO Inc.'s application to recomplete their New Mexico "CT" State Well No. 4 from the Todd-Lower San Andres to the Todd-Upper San Andres Gas Pool and that said well is located at a non-standard location, for the Todd-Upper San Andres Gas Pool, of 660' FNL and 1980' FNL of Section 35, T-7-S, R-35-E, Roosevelt County, New Mexico, hereby waives any objection to TEXACO's application.

Yours very truly,

Company:

By:

Date:

*Sunny Oil Co*  
*O. F. M. Clarke*  
*10-9-67*

WAIVER

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Gentlemen:

The undersigned, being fully advised of TEXACO Inc.'s application to recomplete their New Mexico "C1" State Well No. 4 from the Todd-Lower San Andres to the Todd-Upper San Andres Gas Pool and that said well is located at a non-standard location, for the Todd-Upper San Andres Gas Pool, of 660' FNL and 1980' FWL of Section 35, T-7-S, R-35-E, Roosevelt County, New Mexico, hereby waives any objection to TEXACO's application.

Yours very truly,

Company:

Spelly Oil Co.

By:

George M. Selinger

Date:

10/13/67

RETURN TO	NOTE
FILE <u>Reg. Est.</u>	
HBR	1
JGB	2
DC	
WEM	3
WSB	4
BWC	
WIS	
PNE	
GR <u>10-16-67</u>	5
AN	
PI	
IR	