CASE 5969: GETTY OIL CO. FOR AN EXCEPTION TO RULE 104(C), LEA COUNTY, NEW MEXICO

ase Number 5969 Application Transcripts. Small Exhibits

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico June 22, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Getty Oil Company for an) CASE exception to Rule 104(C), Lea County,) New Mexico.

5969

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission:

Lynn Teschendorf, Esq. Legal Counsel for the Commission State Land Office Building

Santa Fe, New Mexico

For the Applicant:

Ken Bateman, Esq.
WHITE, KOCH, KELLY & McCARTHY Attorneys at Law

220 Otero Street Santa Fe, New Mexico

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3 O. V. STUCKEY

4 Direct Examination by Mr. Bateman

5 Cross Examination by Mr. Stamets

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EXHIBIT INDEX

					Offered	Admi, tt	<u>ed</u>
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 -	etty	Exhibit	Two,	Log Correlations	6	7	

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MR. STAMETS: We will hear the next Case 5969 and ther we will break for lunch and depending on how long the next case is, it could be one o'clock or one-fifteen, so be prepared.

MR. BATEMAN: Mr. Examiner, I'm Ken Bateman of White,
Koch, Kelly and McCarthy representing the applicant and I
have one witness to be sworn.

MR. STAMETS: I believe we need to call the case first.

MS. TESCHENDORF: Case 5969, application of Getty Oil Company for an exception to Rule 104(C), Lea County,

New Mexico.

MR. STAMETS: Mr. Bateman has put his appearance in and we would like to have the witness stand and be sworn, please?

(THEREUPON, the witness was duly sworn.)

O. V. STUCKEY

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

DIRECT EXAMINATION

BY MR. BATEMAN:

Q. Would you please state your full name, address and place of employment for the record?

- A. O. V. Stuckey, Midland, Texas, employed by Getty Oil Company as Staff Petroleum Engineer.
- Q. Have you previously testified before the Commission and made your qualifications a matter of record?
 - A. I have.

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MR. BATEMAN: Are the witness' qualifications acceptable?

MR. STAMETS: Yes.

- 9 0. (Mr. Bateman continuing.) Mr. Stuckey, would you state briefly for the record what the application requests of the Commission?
 - A. The application requests an exception to Rule 104(C) for its Mexico "L" Wells 3 and 24 to permit production of two wells closer than three hundred and thirty feet to each other in the same zone.
 - Q. What is Rule 104(C), please? That has to do with the spacing of oil wells, does it not?
 - A. It does.
 - Q. Now, would you refer to Exhibit Number one and identify the wells in question?
 - A. The Mexico "L" No. 3 is located six hundred and sixty-six feet from the north line and nineteen hundred and eighty feet from the east line of Section 5, Township 25 South, Range 38 East and Well No. 24 located seventeen hundred and eighty feet from the east line and eight hundred and sixteen

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feet from the north line of Section 5, same Township and Range.

- O. Are both of those wells currently productive?
- A. Yes, the "L" 24 is in the Fusselman zone, the "L" 3 is productive in the Ellenburger zone which is now virtually depleted.
- Q You have reached the economic limit then in Well No. "L" 3 in that zone?
- A. Yes, it's latest test in April was five barrels of oil and two hundred and seventy barrels of water per day which is uneconomical at this depth.
- Q. Now, would you identify the other wells on Exhibit
 One and identify the zones in which they are productive?
- A. The other wells on the exhibit are productive or have been productive in the past in the Fusselman zone in this field.
- Q. Have you previously completed two wells in the Fusselman zone on the same proration unit in this area?
 - A. Yes, sir.
 - Q. Are those identified on this exhibit?
 - A. They are identified on this exhibit.
 - Q. Which are they?
- A. It's the Mexico "L" 1, 23 and the Mexico "J" 2 and 23 and the Mexico "J" 4 and 7.
- Q. What do you expect to be the result then from the recompletion of Well No. "L" 24? Excuse me, the recompletion

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of Well No. "L" 3?

Mexico "J" No. 2 Well which is located on the forty to the north, which would be producing approximately fifty barrels per day of oil and some two to four hundred barrels of water per day.

- O Do you expect that you will have increased revenue by recompleting Well No. "L" 3?
- A. Yes, that has been our experience in the prior recompletions there?
- Q What effect will it have on the economic limit of that proration unit?
- A. It will extend the economic limit by increasing the revenue per barrel of oil from these wells.
- Q All right, Mr. Stuckey, would you proceed then with the exhibit that has been marked Number Two and identify it?
- A. This exhibit is a correlation of the individual logs of the two wells in question, the Mexico "L" 3 and "L" 24. You will note that on the Mexico "L" 24 the perforations are in the main portion of the Fusselman zone which has the top at approximately eighty-four hundred feet, while the proposed perforations to the Mexico "L" No. 3 you are in the Silurian section which is located at approximately eighty-three hundred feet and would be within the same Siluro-Fusselman zone as defined by the Commission as the same zone for proration

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purposes in there but they essentially would be producing from different intervals.

- Do you expect that you will have any interference of production by one well against the other?
- We do not expect that, our experience has indicated otherwise.
- Mr. Stuckey, do you expect then that the granting of your application will then prevent waste and protect correlative rights?
 - Yes, I âo.
- In that regard who are the offset owners in this case?
- The offset owners are the same, Mexico "L" and 14 Mexico "J" leases.
 - And that is Getty? Q.
 - -Getty is the operator.
 - Were Exhibits One and Two prepared by you or under your direction?
 - They were.

MR. BATEMAN: I offer Exhibits One and Two.

MR. STAMETS: These exhibits will be admitted.

(THEREUPON, Getty Exhibits One and Two

were admitted into evidence.)

CROSS EXAMINATION

BY MR. STAMETS: 25

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Mr. Stuckey, if I understand your testimony, what you are doing in this case is not drilling a new well but simply recompleting a well which was completed in a different zone?

- A That is correct.
- Q. And you will be completing in perforations or in a zone that is not being directly drained by the other well on this forty?
 - A. That is correct.

MR. STAMETS: Any other questions of the witness?
He may be excused.

(THEREUPON, the witness was excused.)

MR. STAMETS: Anything further in this case. We will take the case under advisement and recess until one-fifteen.

(THEREUPON, the hearing was in recess.)

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

I do hereby certify that the foregoing in d comblete Locald of the blocesquiss the Examiner hearing of Case No. 37 New Mexico Oil Conservation Commission

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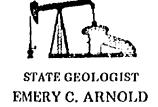
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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

LAND COMMISSIONER



5969

DIRECTOR JOE D. RAMEY

Mr. Ken Bateman

PHIL R. LUCERO July 11, 1977

Re:

CASE NO._

ORDER NO. R-5484

Dear Sir: Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case. Yours very truly, JOE D. RAMEY Director JDR/fd Copy of order also sent to: Hobbs OCC Artesia OCC Aztec OCC Other	White, Koch, Kelly & McCarthy Attorneys at Law P. O. Box 787 Santa Fe, New Mexico	Applicant:	
Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case. Yours very truly, JOE D. RAMEY Director JDR/fd Copy of order also sent to: Hobbs OCC Artesia OCC Aztec OCC		Getty Oil Company	
Commission order recently entered in the subject case. Yours very truly, JOE D. RAMEY Director JDR/fd Copy of order also sent to: Hobbs OCC	Dear Sir:		
JDR/fd Copy of order also sent to: Hobbs OCC		•	
Copy of order also sent to: Hobbs OCC	JOE D. RAMEY		
Copy of order also sent to: Hobbs OCC			
Hobbs OCC * Artesia OCC * Aztec OCC	JDR/fd		
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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. 5969 Order No. R-5484

APPLICATION OF GETTY OIL COMPANY FOR AN EXCEPTION TO RULE 104(C), LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 22, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 5th day of July, 1977, 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, Getty Oil Company, is the owner and operator of the Mexico "L" Well No. 24 located 316 feet from the North line and 1780 feet from the East line of Section 5, Township 25 South, Range 38 East, Dollarhide Fusselman Pool, Lea County, New Mexico.
- (3) That the applicant proposes to recomplete its Mexico "L" Well No. 3 located 660 feet from the North line and 1980 feet from the East line of said Section 5 in said Dollarhide-Fusselman Pool closer than 330 feet to said Mexico "L" Well No. 24 as an exception to Rule 104(C) of the Commission Rules and Regulations.
- (4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Dollarhide-Fusselman Pool, will prevent waste, and will not harm correlative rights.

-2-Case No. 5969 Order No. R-5484

(5) The application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Getty Oil Company, is hereby authorized to recomplete its Mexico "L" Well No. 3 closer than 330 feet to its Mexico "L" Well No. 24, both in Unit B of Section 5, Township 25 South, Range 38 East, Dollarhide-Fusselman Pool, Lea 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

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD Member

JOE D. RAMEY, Member & Secretary

SEAL

CASE 5953:

(Continued from June 8, 1977, Examiner Hearing)

- CASE 5967: Application of Belco Petroleum Corporation for compulsory pooling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 8 and in the other Pennsylvanian formations underlying the E/2 of said Section 8, Township 24 South, Range 35 East, Cinta Roja-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- Application of Sun Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Tubb production in the wellbore of its Elliott A Well No. 2 located in Unit H of Section 21, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 5969: Application of Getty Oil Company for an exception to Rule 104(C), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104(C) to permit its Mexico "L" Wells Nos. 3 and 24, located in Unit B of Section 5, Township 25 South, Range 38 East, Dollarhide-Fusselman Field, Lea County, New Mexico, to be located closer than 330 feet to each other.
 - Application of Rice Engineering & Operating, Inc., for amendment of Order No. R-5384, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5384 to extend the injection interval in its Hobbs Salt Water Disposal Well No. 16 located in Unit P of Section 16, Township 19 South, Range 38 East, Lea County, New Mexico, to include the total openhole section from 4176 feet to 10,008 feet.
- CASE 5954: (Continued from June 8, 1977, Examiner Hearing)

 Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Pictured Cliffs and Chacra production in the wellbore of its Breech Well No. 368 located in Unit I of Section 23, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 5956: (Continued from June 8, 1977, Examiner Hearing)

 Application of Continental Oil Company for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the F/2 NE/4, NW/4 NE/4, and NE/4 SE/4 of Section 27, Township 20 South, Pange 38 East, Warren-Tubb Gas Pool, Lea County, New Mexico, to the dedicated to its Warren Unit Well No. 42 located in Unit I of said Section 27.
- CASE 5970: Application of Texaco Inc., for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of pressure maintenance, all mineral interests in the Grayburg-San Andres formation underlying the following-described lands, Vacuum-Grayburg-San Andres Pool, Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 34 EAST Section 25: SE/4 NE/4 and S/2 Section 36: All

TOWNSHIP 17 SOUTH, RANGE 35 FAST

Section 30: All Section 31: N/2, SW/4, and SW/4 SE/4

TOWNSHIP 18 SOUTH, RANGE 34 EAST Section 12: N/2 NE/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST Section 6: All Section 7: NW/4 and NW/4 NE/4

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not-necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF

GETTY OIL COMPANY FOR AN EXCEPTION

TO STATEWIDE RULE 104, SO AS TO

ENABLE PRODUCTION OF THE MEXICO "L"

WELL NO. 3 AND WELL NO. 24 FROM THE

SAME 40-ACRE TRACT, IN THE DOLLARHIDE
FUSSELMAN FIELD, LEA COUNTY, NEW MEXICO.

Case No. 5969

ENTRY OF FORMAL APPEARANCE

Comes now L. C. WHITE of White, Koch, Kelly & McCarthy, and enters his formal appearance as resident counsel in the above-entitled matter. It is my understanding that CHESTER E. BLODGET will present the testimony in support of the application at the examinor's hearing on June 22, 1977.

WHITE, KOCH, KELLY & McCARTHY

BY:

L, C. WHITH PO Box 787

Santa Fe, New Mexico 87501

MAY 26 1977

CONSERVATION COMM. Santa Fe

FAY 23,

Getty Oil Company

P.O. Box 3000, Tulsa, Oklahoma 74102 • Telephone: (918) 584-2311

Case 9

May 19, 1977

Re: In the Matter of the Application of Getty Oil Company for an Exception to Statewide Rule 104, so as to Enable Production of the Mexico "L" Well No. 3 and Well No. 24 from the Same 40-Acre Tract, in the Dollarhide-Fusselman Field, Lea County, New Mexico

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

We are enclosing herewith the original and two copies of the above referenced application for an exception to Statewide Rule 104, Paragraph C., Subparagraph 1, with a resultant allowable not greater than one 40-acre allowable.

Getty Oil Company owns and operates all offsetting wells to the subject wells.

We would appreciate your setting this matter down for hearing on the June 22, 1977 Examiner Docket.

Yours very truly,

Chester E. Blo

CEB:sw Encl.

IN THE MATTER OF THE APPLICATION OF)		•
GETTY OIL COMPANY FOR AN EXCEPTION)		1010
TO STATEWIDE RULE 104, SO AS TO)	CASE NO.	3767
ENABLE PRODUCTION OF THE MEXICO "L")		
WELL NO. 3 AND WELL NO. 24 FROM THE)		
SAME 40-ACRE TRACT, IN THE DOLLARHIDE-)		
FUSSELMAN FIELD, LEA COUNTY, NEW MEXICO.)		

APPLICATION

Comes now Getty Oil Company and alleges and states:

- 1. That it is the operator of the Mexico "L" lease, described as the North Half (N/2) of Section 5, Township 25 South, Range 38 East, Lea County, New Mexico.
- 2. That it has completed its Mexico "L" Well No. 24 in the Fusselman zone, and said well being located 1780' from the east line and 816' from the north line of Section 5, Township 25 South, Range 38 East, Lea County, New Mexico.
- 3. That it proposes to plug back its Mexico "L" Well No. 3 and recomplete same in the Fusselman zone, and that the location of said Well No. 3 is 1980' from the east line and 666' from the north line of said Section 5.
- 4. That it has depleted the economically produceable reserves of the Ellenburger zone in its Mexico "L" Well No. 3.
- 5. That Statewide Rule 104, Paragraph C., Subparagraph 1, requires that a well be 330' from another well in the same pool or zone. That applicants Mexico "L" Well No. 3 and Well No. 24 will be approximately 250' from each other; therefore, an exception to the aforementioned rule is necessary to produce both wells on this 40-acre tract in said pool.
- 6. That the Applicant was authorized, as an exception to Rule 104 of the Commission Rules and Regulations under Order No. R-4602 dated July 23, 1973, to complete its Mexico "J" Wells No. 4 and 17, its Mexico "J" Wells No. 2 and 23, and its Mexico "L" Wells No. 1 and 23 to produce from the West Dollarhide-Fusselman Pool, Lea County, New Mexico.
- 7. That Applicant proposes that its Mexico "L" Well No. 3 and Well No. 24 be allowed to produce a maximum of one 40-acre unit allowable.
- 8. That the granting of this application will avoid waste, allow the recovery of oil which would not otherwise be recovered, and would not violate correlative rights.

WHEREFORE, PREMISES CONSIDERED, Applicant prays that this Commission set this matter down for hearing, that notice thereof be given as required by law, and that at the conclusion of said hearing based on the evidence adduced enter its order allowing Getty Oil Company to produce its Mexico "L" Well No. 3 and Well No. 24 on one 40-acre tract, all producing from the Fusselman formation as an exception to the applicable Statewide Rule, that the combined production be a maximum of a single 40-acre unit allowable for the two wells in this 40-acre unit, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

GETTY OIL COMPANY

Chester E. Blodget

Attorney

Of Counsel: Mr. L. C. White White, Koch, Kelly & McCarthy 220 Otero Street P. O. Box 787 Santa Fe, New Mexico 87501

NSP: SF

Explication of Extty Oil Company for an exception to Rule 104(e) and simultaneous dedication, Loa County, n. m.

Capplicant, in the above - styled cause, seeks an exception to Rule 104(c) to Bornit its Melico "L" Wello Nos. 3 and 24, located in Unity B and of Section 5, 7 255, R 38 1=, Dollarhide - Tresclman Tried, healty, nm, to be located Closer than 330 feet to each applicant funner type other, and the simultaneous dedication gaid wello to a 40-acre provation unit comprising the NW/4 NE/4 of said Section 5.

RLS/jr

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	5969	
Order	NO.	15	6484

APPLICATION OF GETTY OIL COMPANY FOR AN EXCEPTION TO RULE 104(C), LEA COUNTY, NEW MEXICO.

in Mi

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 22, 19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of , 19 77, 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.
- operator of Mexico L Well No. 24 located 816 feet from the North line and 1780 feet from the East line of Section 5, Township 25 South, Range 38 East, Dollarhide-Fusselman Pool, Lea County, New Mexico.
- (3) That the applicant proposes to recomplete its Mexico L "
 Well No. 3 located 660 feet from the North line and 1980 feet from
 the East line of said Section 5 in said Dollarhide-Fusselman Pool
 closer than 330 feet to said Mexico L Well No. 24 as an exception
 to Rule 104(C) of the Commission Rules and Regulations.

My.

-2-Case No. 5969 Order No. R-

- (4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the Dollarhide-Fusselman Pool, will prevent waste, and will not harm correlative rights.
 - (5) The application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Getty Oil Company, is hereby authorized to recomplete its Mexico L Well No. 3 closer than 330 feet to its Mexico L Well No. 24, both in Unit B of Section 5, Township 25 South, Range 38 East, Dollarhide-Fusselman Pool, Lea County, New Mexico.
- (2) That jursidiction 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.