

CASE 6042: GULF OIL CORPORATION FOR A
NON-STANDARD PRORATION UNIT, SIMULTANEOUS
DEDICATION AND UNORTHODOX LOCATIONS,
LEA COUNTY, NEW MEXICO

Case Number

6042

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
28 September, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation
for a nonstandard proration unit,
simultaneous dedication, and unor-
thodox locations, Lea County, New
Mexico.

CASE
6042

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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: Jeffrey G. Shrader, Esq.
Gulf Oil Corporation
P. O. Box 1150
Midland, Texas

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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I N D E X

The Witness, Charles L. Kalteyer	
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E X H I B I T S

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1 MR. NUTTER: We'll call now Case 6042.

2 MS. MS. TESCHENDORF: Case 6042. Application of Gulf
3 Oil Corporation for a nonstandard proration unit, simultaneous
4 dedication, and unorthodox locations, Lea County, New Mexico.

5 MR. SHRADER: Mr. Examiner, my name is Jeff Shrader
6 and I'm an attorney employed by Gulf Oil Corporation, Midland,
7 Texas. Mr. James Sperling of Albuquerque has entered an
8 appearance by letter in this case.

9 MR. NUTTER: We have your appearance.

10 MR. SHRADER: I have one witness, Mr. Kalteyer.
11 Is the witness still sworn and qualified?

12 MR. NUTTER: Yes, he is.

13
14 CHARLES L. KALTEYER

15 being called as a witness and being duly sworn upon his oath,
16 testified as follows, to-wit:

17
18 DIRECT EXAMINATION

19 BY MR. SHRADER:

20 Q Mr. Kalteyer, what is Gulf seeking in this appli-
21 cation?

22 A We are seeking authority to recomplete our H. T.
23 Mattern (NCT-D) Well Number 3 in the Eumont Gas Pool at an
24 unorthodox location 2310 feet from the north line and 1650
25 feet from the west line in Unit F, Section 7, Township 22

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1 South, Range 37 East, and to simultaneously dedicate a
2 388.49-acre nonstandard proration unit, comprising the north-
3 west quarter and the east half of the southwest quarter of
4 Section 6 and the northwest one-quarter of Section 7 in Town-
5 ship 22 South, Range 37 East, Eumont Gas Pool, to Wells Number
6 3 and Number 6, and to produce the unit allowable in any pro-
7 portion between the wells.

8 Q Do you have an exhibit which shows the H. T. Mattern
9 (NCT-D) Lease?

10 A Yes, sir. Our Exhibit Number 1 is a plat of that
11 lease.

12 Q Will you please explain what is shown on this ex-
13 hibit?

14 A Gulf's 288.49-acre lease is outlined in red. The
15 northwest quarter of Section 6 and the north half of the
16 northeast quarter of Section 1 in Township 22 South, Range 36
17 East are currently dedicated to the H. T. Mattern (NCT-D)
18 Well Number 7, located in Unit D of Section 6, Township 20
19 South, Range 37 East. Well Number 7 has been shut-in due to
20 lack of production and is to be plugged and abandoned.

21 The east half of the southwest quarter of Section 6
22 and the northwest quarter of Section 7, Township 22 South,
23 Range 37 East, is currently dedicated to the H. T. Mattern
24 (NCT-D) Well Number 6.

25 Q What is the current status of H. T. Mattern (NCT-D)

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1 Well Number 6?

2 A It's presently completed in the overall interval
3 3168 to 3596, and this well is located in Unit N, 1980 feet
4 from the west line and 660 feet from the south line of Section
5 6, Township 22 South, Range 37 East.

6 Q Now, that well is in the Eumont Gas Pool?

7 A Yes, sir.

8 Q What is the current producing capacity of Well Num-
9 ber 6?

10 A It's classified as marginal and is incapable of
11 producing the non-marginal allowable which would normally be
12 assigned for the acreage dedicated. Based on July's pro-
13 duction Number 6 produced with an average rate of 46 Mcf per
14 day.

15 Q What is the present status of Well Number 3 and
16 what work are you planning for it?

17 A Number 3 is presently completed in the Arrowhead
18 Pool but has been non-productive for some time. We propose
19 to squeeze off the Arrowhead completion and complete in the
20 Eumont Gas Pool.

21 Q Is this request in the interest of protection of
22 correlative rights?

23 A Yes, sir. Gulf's Exhibit 2 is a tabulation of
24 production allowable data for Eumont gas completions in the
25 vicinity of our H. T. Mattern (NCT-D) Lease. You'll note on

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1 this tabulation that the June production for our Well Number
2 6 is lower than any of the surrounding wells with the ex-
3 ception of Marathon's McDonald's State wells in Section 13,
4 Township 22 South, Range 36 East.

5 Q Has a precedent been set in this area for a second
6 or third well on a nonstandard gas proration unit with simul-
7 taneous dedication of acreage?

8 A Yes, sir, you'll note on both exhibits that Con-
9 tinental Oil has simultaneously dedicated 320 acres located
10 in Section 1, Township 22 South, Range 36 East, to their
11 Lockhart B-1, Wells 4 and 6. This unit lies immediately to
12 the west of our proposed 388.49-acre H. T. Mattern D Lease.

13 Q Will you summarize what Gulf is seeking in this
14 application?

15 A To recomplete the H. T. Mattern (NCT-D) Well Number
16 3 in the Eumont Gas Pool at an unorthodox location; to sim-
17 ultaneously dedicate a 388.49-acre nonstandard proration
18 unit, comprising the northwest quarter and the east half of
19 the southwest quarter of Section 6 and the northwest quarter
20 of Section 7 of Township 22 South, Range 37 East, Eumont
21 Gas Pool, Lea County, New Mexico, to Wells 3 and 6 and to
22 produce the unit allowable in any proportion between the two
23 wells.

24 Q Mr. Kalteyer, were the Exhibits Number 1 and 2
25 prepared by you or under your supervision?

1 A. Yes, sir, they were.

2 MR. SHRADER: I would move that at this time Ex-
3 hibits Number 1 and Number 2 be admitted into evidence.

4 MR. NUTTER: Gulf Exhibits Number 1 and 2 will be
5 admitted in evidence.

6 MR. SHRADER: I have no further questions, Mr.
7 Examiner.

8
9 CROSS EXAMINATION

10 BY MR. NUTTER:

11 Q. Mr. Kalteyer, you mentioned that the Number 7 pre-
12 sently has dedicated to it the northwest of 6 and the north
13 half of the northeast of Section 1. What order number ap-
14 proved that nonstandard unit, if you know?

15 A. Let's see if I have a note on it. That was Order
16 Number R-904.

17 Q. I beg your pardon?

18 A. Order R-904.

19 Q. Now there must be an order, also, that approved
20 the proration unit for Well Number 6, being the east half of
21 the southwest of 6 and northwest of 7.

22 A. Yes, sir, R-997.

23 Q. Bot^h of those are to be superseded, then, or re-
24 scinded?

25 A. Yes, sir.

1 Q By any order issuing in this case. And that's going
2 to leave you with 80 acres in the north half of the northeast
3 of Section 1 that won't be dedicated to a Eumont gas well,
4 is that correct?

5 A That's correct.

6 MR. NUTTER: Are there any further questions of
7 Mr. Kalteyer? He may be excused. Do you have -- does anyone
8 have anything they wish to offer in Case Number 6042?

9 We'll take the case under advisement.

10 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, 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.

Sally Walton Boyd
Sally Walton Boyd, C. S. R.

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I do hereby certify that the foregoing is
a correct and true report of the proceedings in
the case of 6042
heard by the court on 9/28, 1977.
[Signature] Examiner
New Mexico Oil Conservation Commission

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. 6042
Order No. R-5550

APPLICATION OF GULF OIL CORPORATION
FOR A NON-STANDARD PRORATION UNIT,
SIMULTANEOUS DEDICATION AND UNORTHODOX
LOCATIONS, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 28, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of October, 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, Gulf Oil Corporation, seeks approval of a 388.43-acre non-standard gas proration unit comprising the NW/4 and E/2 SW/4 of Section 6 and the NW/4 of Section 7, both in Township 22 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its H. T. Mattern NCT-D Wells Nos. 6 and 3, at unorthodox locations in Unit N of said Section 6 and Unit F of said Section 7, respectively.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the afore-said well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas 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 will otherwise prevent waste and protect correlative rights.

-2-

Case No. 6042
Order No. R-5550

(5) That Commission Order No. R-904, which approved a 240-acre non-standard Eumont Gas Pool proration unit comprising the N/2 NE/4 of Section 1, Township 22 South, Range 36 East, NMPM, and the NW/4 of Section 6, Township 22 South, Range 37 East, NMPM, and Commission Order No. R-997, which approved a 234-acre non-standard Eumont Gas Pool proration unit comprising the E/2 SW/4 of Section 6 and the NW/4 of Section 9, both in Township 22 South, Range 37 East, NMPM, should be superseded.

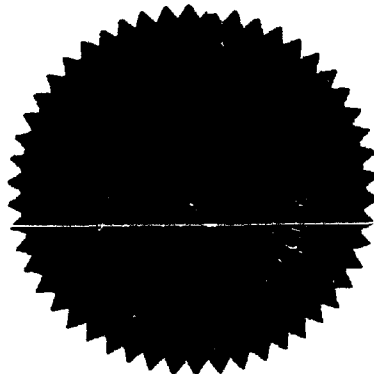
IT IS THEREFORE ORDERED:

(1) That effective November 1, 1977, a 388.42-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NW/4 and E/2 SW/4 of Section 6 and the NW/4 of Section 7, both in Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Gulf Oil Corporation H. T. Mattern NCT-D Wells Nos. 6 and 3, at unorthodox locations in Unit N of said Section 6 and Unit F of said Section 7, respectively.

(2) That Commission Orders Nos. R-904 and R-997 are hereby superseded.

(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

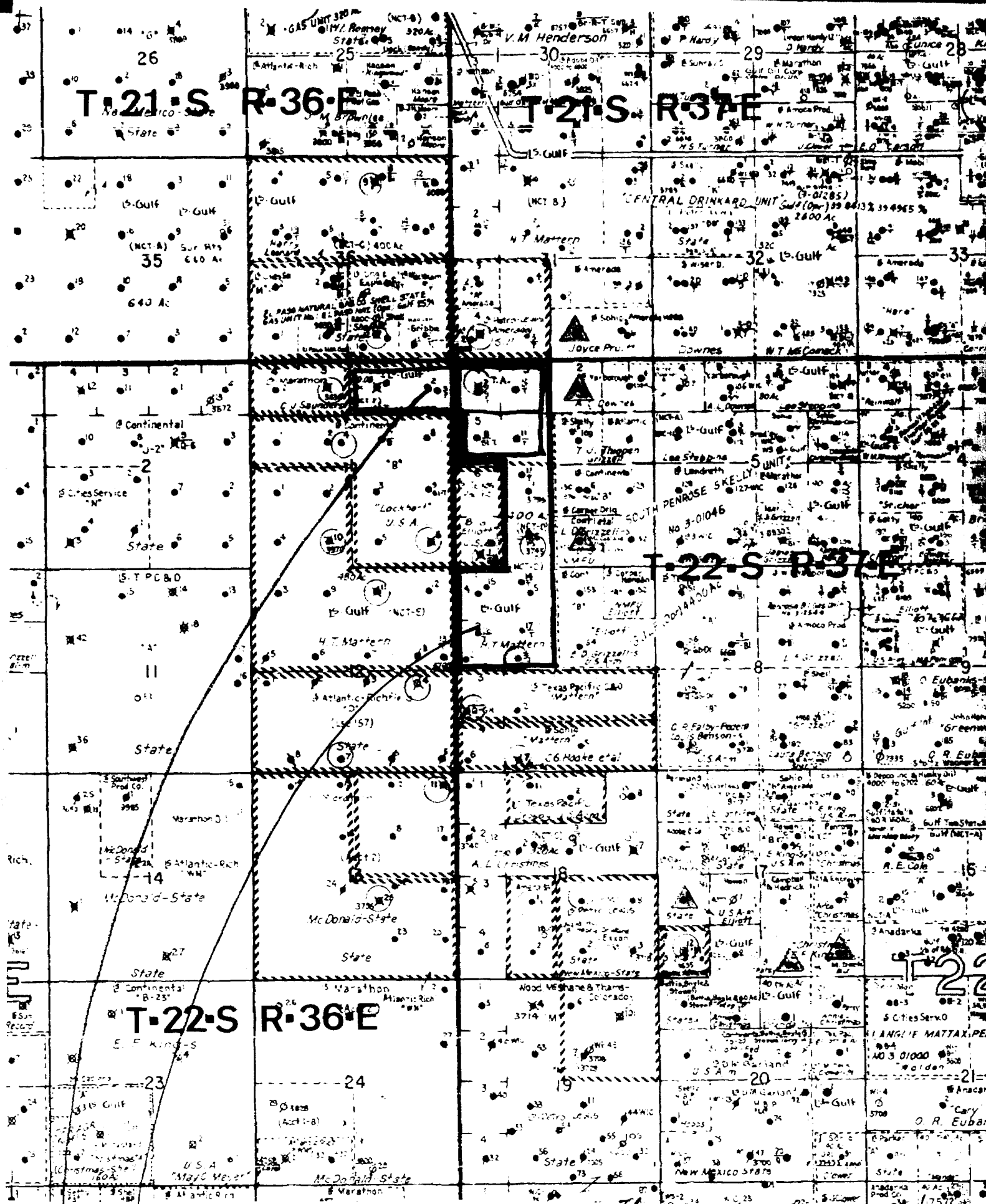
Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/



234
240 acre unit
ded to #6
man

R-997

#3 is currently
arrowhead; will be recompl

GULF OIL CORPORATION
Southwest Division Midland, Texas

240 acre unit
ded to #7
#7 now TA
R-904

H.T. MATTERN (NCT-D) LEASE
EUMONT GAS POOL
Lea County, New Mexico
Scale: 1" = 3000'

- EUMONT GAS COMPLETION
- PROPOSED GAS COMPLETION
- EUMONT OIL COMPLETION

BEFORE EXAMINER NUTTER
OIL COMPLETION COMMISSION
EXHIBIT NO. 1
CASE NO. 6042

EXHIBIT 1
CASE NO. 6042
Date: 9-28-77

2
6042
PRODUCTION & ALLOWABLE DATA
EUMONT GAS POOL
LEA COUNTY, NEW MEXICO

SECTION OPERATOR LEASE	WELL NUMBER AND UNIT	STATUS	GAS PRODUCTION JUNE, 1977 (MCF)	GAS ALLOWABLE AUGUST, 1977 (MCF)
<u>Section 36, T-21-S, R-36-E</u>				
El Paso Natural Gas Company Shell State Com. D	12 O	M 2.00	10,771	10,771
Gulf Harry Leonard (NCT-C)	9 B	M 2.00	<u>16,050</u> <u>26,821</u>	<u>16,050</u> <u>26,821</u>
<u>Section 31, T-21-S, R-37-E</u>				
Petro Lewis Corp Gill	1 M	M .96	<u>3,681</u>	<u>3,681</u>
<u>Section 1, T-22-S, R-36-E</u>				
Continental Lockhart B 1	4 G 6 P	(MWU) (MWU) M 2.00	4,544 <u>5,414</u> (9,988)*	--- --- 9,988
Marathon C. J. Saunders	1 C	M .50	8,527	8,527
Gulf H. T. Mattern (NCT-E)	10 N	(MWU)	<u>8,520</u> <u>27,035</u>	---
<u>Section 12, T-22-S, R-36-E</u>				
Gulf H. T. Mattern (NCT-E)	11 B	(MWU) M 3.00	<u>4,090</u> (12,610)*	--- 12,610
Atlantic Richfield Company	4 I 7 N	(MWU) (MWU) M 2.00	14,933 <u>11,710</u> (26,643)* <u>30,733</u>	
<u>Section 6, T-22-S, R-37-E</u>				
Gulf H. T. Mattern (NCT-D)	6 N	M 1.46	1,542	1,542
Texas Pacific Elliott B-6	1 M	M .46	<u>2,563</u> <u>4,105</u>	<u>2,563</u> <u>4,105</u>

* Unit Totals

PRODUCTION & ALLOWABLE DATA
EUMONT GAS POOL
LEA COUNTY, NEW MEXICO

SECTION OPERATOR LEASE	WELL NUMBER AND UNIT	STATUS	GAS PRODUCTION JUNE, 1977 (MCF)	GAS ALLOWABLE AUGUST, 1977 (MCF)
<u>Section 7, T-22-S, R-37-E</u>				
Sohio Mattern	7 N	M 1.00	9,109	9,109
Texas Pacific Mattern	1 L	M .98	<u>12,243</u> <u>21,352</u>	<u>12,243</u> <u>21,352</u>
<u>Section 17, T-22-S, R-37-E</u>				
Petro Lewis Corp New Mexico M State	12 M	M .25	<u>3,597</u>	<u>3,597</u>
<u>Section 18, T-22-S, R-37-E</u>				
Amerada State PA	1 K	M .50	4,641	4,641
Petro Lewis Corp New Mexico M State	1 J	M 2.00	13,583	13,583
Texas Pacific Ruby Crosby	1 C	N .50	<u>10,431</u> <u>28,655</u>	<u>7,500</u> <u>25,724</u>
<u>Section 13, T-22-S, R-36-E</u>				
Marathon McDonald State Acc't. 2	11 A 26 J	M 1.00 M 3.00	544 280 <u>824</u>	544 280 <u>824</u>

* Unit Totals

- CASE 6038: Application of W. Ridley Wheeler Estate for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in an undesignated San Andres reservoir by the injection of water into the San Andres formation thru the open-hole interval from 4800 feet to 4870 feet in its Markham Well No. 2, to be drilled 1980 feet from the South line and 25 feet from the East line of Section 28, Township 9 South, Range 35 East, Lea County, New Mexico.
- CASE 6039: Application of Gulf Oil Corporation for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of three Drinkard Pool wells on its Central Drinkard Unit in Township 21 South, Range 37 East, Lea County, New Mexico, as follows:
- Well No. 419, surface location 1631 feet from the South line and 260 feet from the West line of Section 28, to be bottomed approximately 1335 feet from South line and 15 feet from East line of Section 29; Well No. 421, surface location 1465 feet from North line and 1056 feet from East line of Section 32, to be bottomed approximately 1305 feet from North and East lines of Section 32; and Well No. 422, surface location 1155 feet from North line and 1000 feet from West line of Section 33, to be bottomed approximately 1305 feet from North line and 1335 feet from West line of Section 33.
- CASE 6040: Application of Gulf Oil Corporation for pool reclassification and a special COR limit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the North Teague-Devonian Gas Pool in Sections 22 and 27, Township 23 South, Range 37 East, Lea County, New Mexico, as an oil pool and the consolidation of said pool with the Teague-Devonian Oil Pool in Sections 27, 34, and 35 of said Township. Applicant further requests a special gas-oil ratio limit for said Teague-Devonian Oil Pool of not more than 5000 to one.
- CASE 6041: Application of Gulf Oil Corporation for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Harry Leonard Well No. 12 located in Unit P of Section 22, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to a previously approved 480-acre multiple well non-standard proration unit.
- CASE 6042: Application of Gulf Oil Corporation for a non-standard proration unit, simultaneous dedication, and unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 388.51-acre non-standard gas proration unit comprising the NW/4 and E/2 SW/4 of Section 6, and the NW/4 of Section 7, both in Township 22 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's H. T. Mattern Wells Nos. 6 and 3, at unorthodox locations in Unit N of Section 6 and Unit F of Section 7, respectively.
- VASE 6043: Application of V-F Petroleum Inc., for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the South line and 2310 feet from the East line of Section 29, Township 8 South, Range 38 East, North Sawyer-Devonian Pool, Roosevelt County, New Mexico.
- CASE 6044: Application of Orla Petco for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to 3500 feet underlying the NE/4 NE/4 of Section 1, Township 23 South, Range 27 East, and also the NW/4 NE/4 of said Section, Eddy County, New Mexico, to form two 40-acre units, each 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 wells and the allocation of the costs 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 wells and a charge for risk involved in drilling said wells.
- CASE 6045: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the NW/4 of Section 12, Township 21 South, Range 36 East, Eumont 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.
- CASE 6046: Application of Belco Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 3, Township 22 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy 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.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GULF OIL CORPORATION FOR A
NON-STANDARD PRORATION UNIT,
UNORTHODOX LOCATION AND SIMUL-
TANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO

Case No. 6042

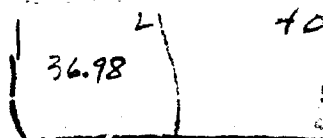
ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris & Sisk,
of Albuquerque, New Mexico, hereby enter their appearance for
the applicant, Gulf Oil Corporation, with its house counsel of
Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By:

James E. Sperling
James E. Sperling, Attorneys for
Gulf Oil Corporation
P. O. Box 2168
Albuquerque, New Mexico 87103
Telephone: (505) 243-4511



Gulf Energy and Minerals Company - U.S.

SOUTHWEST DIVISION

J. L. Hunt
VICE PRESIDENT
C. E. Fields
CONTROLLER
R. E. Galvin
GENERAL MANAGER PRODUCTION
J. A. Hord
GENERAL MANAGER EXPLORATION

P. O. Drawer 1150
Midland, TX 79702

September 2, 1977

New Mexico Oil Conservation Commission (3)
Post Office Box 2088
Santa Fe, New Mexico 87501

RE: Non-Standard Proration Unit, Unorthodox
Location, and Simultaneous Dedication,
H. T. Mattern (NCT-D) Well Nos. 3 and 6,
Eumont Gas Pool, Lea County, New Mexico.

Gentlemen:

Gulf Oil Corporation respectfully requests that a hearing be scheduled on your Examiner's Hearing Docket of September 28, 1977 to consider our application for the approval of a non-standard 388.51 acre proration unit, simultaneous dedication and unorthodox location, Eumont Gas Pool, Lea County, New Mexico.

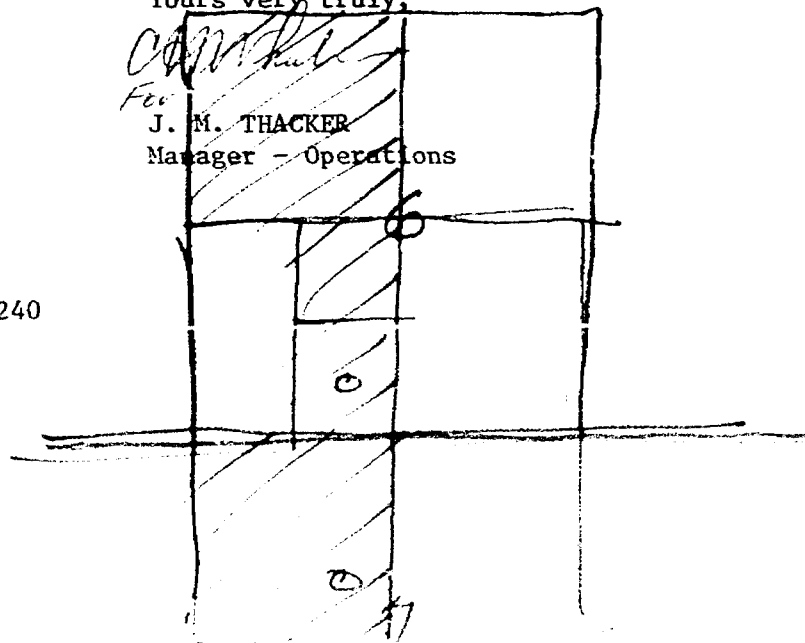
The non-standard proration unit comprising the Northwest 1/4 and East 1/2 of the Southwest 1/4 of Section 6 and the Northwest 1/4 of Section 7, T-22-S, R-37-E, Eumont Gas Pool, Lea County, New Mexico is to be simultaneously dedicated to our H. T. Mattern (NCT-D) Well No. 6 located in Unit N, Section 6 and Well No. 3 at an unorthodox location in Unit F, Section 7, T-22-S, R-37-E.

Gulf will further request that the unit allowable be produced in any proportion between the two wells.

Yours very truly,

J. M. Thacker
For
J. M. THACKER
Manager - Operations

CFK:sdn
cc: J. T. Sexton
Post Office Box 1980
Hobbs, New Mexico 88240



A DIVISION OF GULF OIL CORPORATION

DRAFT

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. 6042

Order No. R- 5550

APPLICATION OF GULF OIL CORPORATION
FOR A NON-STANDARD PRORATION UNIT,
SIMULTANEOUS DEDICATION AND UNORTHODOX
LOCATIONS, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 28,
19 77, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of October, 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.

(2) That the applicant, Gulf Oil Corporation, seeks approval
of a 388.⁴³-acre non-standard gas proration unit comprising the
NW/4 and E/2 SW/4 of Section 6 and the NW/4 of Section ⁷, both in
Township 22 South, Range 37 East, NMPM, ^{Eumont Gas Pool, Lea County, New Mexico,} to be simultaneously
dedicated to its H. T. Mattern ^{NET-D} Wells Nos. 6 and 3, at unorthodox
locations in Unit N of said Section 6 and Unit F of said Section 7,
respectively.

(2) That Commission Order Nos. R-904 and R-997 are hereby superseded.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the afore-said well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

effective November 1, 1977,

(1) That a 388.43-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NW/4 and E/2 SW/4 of Section 6, and the NW/4 of Section 7, both in Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to ~~the~~ *the Gulf Oil Corporation NCT-D* H. T. Mattern Wells Nos. 6 and 3, at unorthodox locations in Unit N of said Section 6 and Unit F of said Section 7, respectively.

(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.

(5) That Commission Order No. R-904, which approved a 240-acre non-standard Eumont Gas Pool proration unit comprising the N/2 NE/4 of Section 1, Township 22 South, Range 36 East, NMPM, and the NW/4 of Section 6 Township 22 South, Range 37 East, NMPM, and Commission Order No. R-997, which approved a 234-acre non-standard Eumont Gas Pool proration unit comprising the ~~N/2~~ E/2 SW/4 of Section 6 and the NW/4 of Section 7, both in Township 22 South, Range 37 East, NMPM, should be superseded.