

CASE 6272: DOYLE HARTMAN FOR AN EXCEP-  
TION TO RULE 15 OF ORDER NO. R-1670, AS  
AMENDED, LEA COUNTY, NEW MEXICO

CASE NO.

6272

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

DOYLE HARTMAN

Oil Operator

SUITE 808

C & K PETROLEUM BUILDING  
MIDLAND, TEXAS 79701

(915) 684-4011

EXHIBIT \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

June 2, 1978

New Mexico Oil Conservation Commission  
Box 1980  
Hobbs, New Mexico 88240

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 4

CASE NO. 6272

Re: Production Overage  
Etz No. 1  
D-7-25S-37E  
Lea County, New Mexico

Attn: Mr. Jerry Sexton  
District Supervisor

Dear Mr. Sexton:

On December 15, 1977, I completed my Etz No. 1 as a Jalmat Gas well from the Yates and Seven Rivers formations between 2857 - 3198. After a weak start, the Etz No. 1 eventually cleaned up and leveled off at a higher than top allowable rate.

By April 1, it had become apparent that the Etz No. 1 needed to be choked back in order to prevent the accumulated gas production overage from reaching the six-month level and also to allow the production overage to be worked off before the next balancing period.

However, when we attempted to choke the well back, it would load up with fluid within a day and the FTP would reach a dangerously low pressure. Therefore, in an effort to solve the problem without damaging the well, the decision was recently made to equip the well with a pumping unit.

Although the necessary pumping equipment has been placed on order, we were informed today by El Paso Natural Gas Company that the accumulated overage had already reached the six-month level and the Etz No. 1 must be shut in.

Because of the produced liquids problem, a required shut-in could very possibly cause permanent wellbore damage, thus resulting in a loss of valuable recoverable gas reserves.

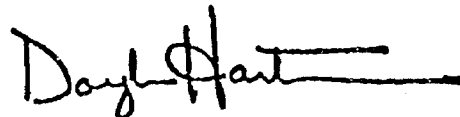
As an alternate means of reducing the accumulated gas overage for the Etz No. 1, we request permission to do the following:

1. Continue to produce the well at the rate of 475 MCFPD until artificial lift equipment can be installed. This should require about two weeks.
2. After pumping equipment has been installed, produce the well at a reduced rate until the gas overage has been worked off. With pumping equipment on the well,

the small quantity of produced liquids can be pumped out  
the tubing while the gas is produced at a reduced rate  
out the annulus.

The NMOCC's compliance with this proposal is respectfully requested.

Sincerely yours,



Doyle Hartman

DH/mv

CC: Travis Elliot  
El Paso Natural Gas Co.  
Box 1384  
Jal, New Mexico 88252

Jim Gray  
P. O. Box 812  
Jal, New Mexico 88252

Jack Fletcher  
Route 1, Box 133-C  
Midland, TX 79701

D. L. Hannifin  
P. O. Box 182  
Roswell, New Mexico 88201



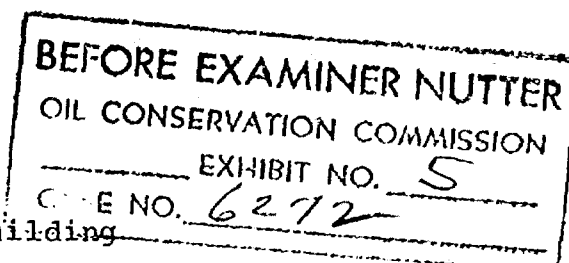
JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

June 9, 1978

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434



Mr. Doyle Hartman  
Suite 508 C & K Petroleum Building  
Midland, Texas 79701

Re: Shut-in Requirement  
Etz Well No. 1  
Unit D, Sec. 7, T-25-S, R-37-E  
Jalmat Pool, Lea County, N. M.

Dear Mr. Hartman:

Reference is made to your letter of June 2, 1978, to our Hobbs Office, wherein you have requested permission to produce the subject well at the rate of 475 MCF per day pending installation of a pumping unit.

Rule 15(B) of Order No. R-1670, as amended, states:

RULE 15(B). If, during any month, it is discovered that a well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months (or, in the case of a newly connected well or a well in a newly prorated pool, six times its average monthly allowable for the months available), it shall be shut in during that month and during each succeeding month until it is overproduced in an amount six times or less its average monthly allowable, as determined hereinabove.

According to the June proration schedule, this well through April had accumulated 38,392 MCF of overproduction. It has an average monthly allowable of 6358 MCF, and was thus overproduced 6.04 times its average allowable.

In addition, we have determined that the well produced 17,528 MCF during May against an allowable of 5988 MCF and further aggravated its overproduced status. It is now overproduced 7.85 times the current allowable.

EXHIBIT \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

Mr. Doyle Hartman

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June 9, 1978

The only relief available to the well is under Rule 15(D) or Rule 15(E) which reads as follows:

RULE 15(D). The Secretary-Director of the Commission shall have authority to permit a well which is subject to shut-in, pursuant to Rule 15(A) or 15(B) above, to produce up to 500 MCF of gas per month upon proper showing to the Secretary-Director that complete shut-in would cause undue hardship, provided however, such permission shall be rescinded for any well produced in excess of the monthly rate authorized by the Secretary-Director.

RULE 15(E). The Commission may allow overproduction to be made up at a lesser rate than permitted under Rules 15(A), 15(B) or 15(D) above upon a showing at public hearing that the same is necessary to avoid material damage to the well.

We presume that the well has already produced during June the 500 MCF maximum which can be allowed without notice and hearing, so any further relief would have to come under the provisions of Rule 15(E) after notice and hearing.

The first available hearing at which this matter can be considered is scheduled for July 6. We will be happy to place the matter on that docket if you so desire. We will be closing that docket on June 15, so we must have your application for hearing by that time.

It appears that the well's short acreage (77 acres) is a major contributory factor to this overproduction problem. The following summary illustrates how this overproduction has built up, and compares this well's status to a standard 160-acre unit.

	77-Acre Unit			160-Acre Unit	
	Allowable	Production	Overproduced Status	Allowable	Overproduced Status
Dec.	0	5620	5620		5620
Jan.	3008	12941	15553	6266	12295
Feb.	6476	12245	21322	13492	11048
Mar.	7236			15075	
	+ 245	14989	28830	+ 510	10452
Apr.	6344	15906	38392	13216	13142
May	5988	17528	49932	12475	18195
June	5746			11970	

Mr. Doyle Hartman

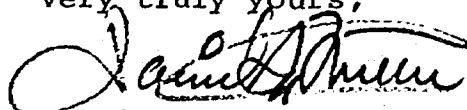
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June 9, 1978

From the above, it is apparent that the short acreage assigned to the well causes it to be overproduced almost 50,000 MCF through May, whereas it would be overproduced only about 18,000 MCF if it had 160 acres assigned.

As stated above, there is no alternative under the rules but to shut the well in pending a hearing. Please let us know as soon as possible if you desire to be on the July 6 docket.

Very truly yours,



DANIEL S. NUTTER  
Chief Engineer

DSN/dr

cc: El Paso Natural Gas Co.  
P. O. Box 1492  
El Paso, Texas

Attention: Mr. E. R. Manning

New Mexico Oil Conservation Division  
P. O. Box 1980  
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

COMPANY	Doyle Hartman
WELL	Etz No. 1
FIELD	Jalmat Gas Pool
LOCATION	990 FNL & 990 NWL (D) Sec. 7, T-25-S, R-37-E
COUNTY	Lea
STATE	New Mexico
ELEVATIONS:	KB 3179 DF GL

COMPLETION RECORD			
SPUD DATE	11-24-77	COMP. DATE	12-15-77
TD	3535	PBTD	3514
CASING RECORD	8 5/8 @ 282 w/325 4 1/2 @ 3535 w/775		
PERFORATING RECORD	Perf: 2852 - 3198 w/16		
STIMULATION	A/4000 SWF/50,000 + 80,000		
IP	IPF= 258 MCFPD		
GOR		GR	
TP	62	CP	130
CHOKE	24/64	TUBING	2 3/8 @ 2930
DST RECORD			
<p>Note: This well is a twin to the Sinclair Harrison "B" No. 1 which was plugged in 1965.</p>			
REMARKS			

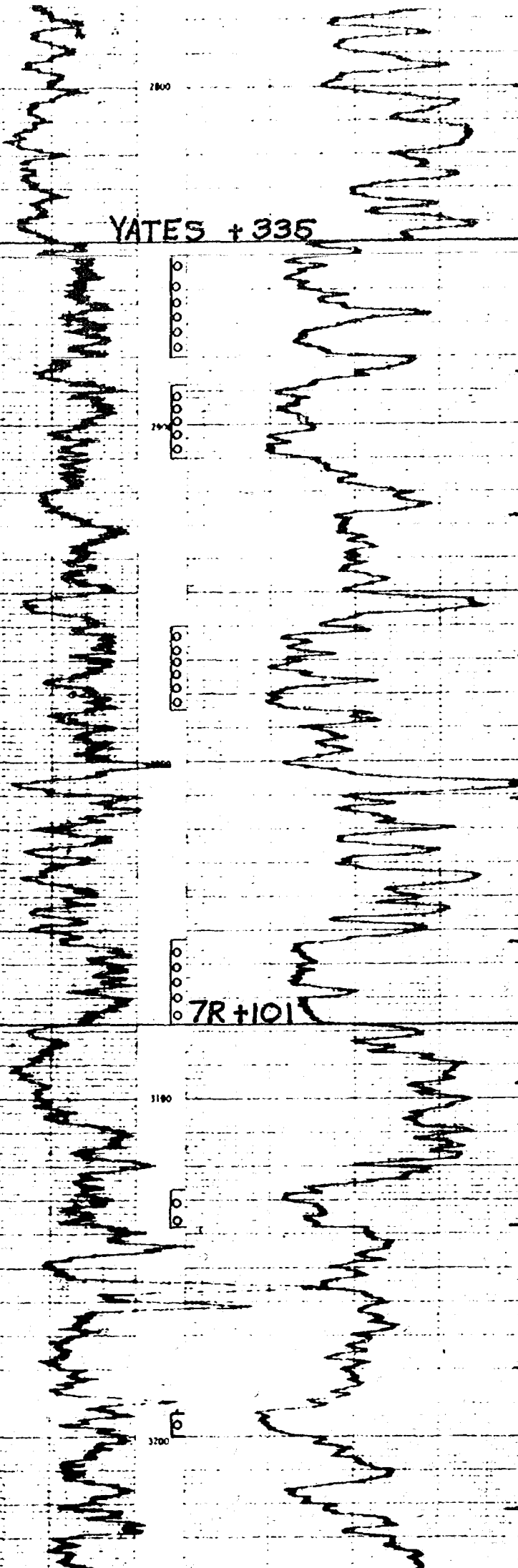


Exhibit \_\_\_\_\_  
Docket No. \_\_\_\_\_

BEFORE EXAMINED NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>2</u>
CASE NO. <u>6272</u>

# PRODUCTION HISTORY

DOYLE HARTMAN  
 Etz #1  
 D-7-25-37  
 Jalmat Gas Pool

<u>Month</u>	<u>Year</u>	<u>Production (per month)</u>	<u>Ave. Rate</u>	<u>Cumulative Production</u>
Dec.	1977	5620	510	5620
Jan.	1978	12941	417	18561
Feb.	1978	12245	437	30806
March	1978	14989	483	45795
April	1978	15906	530	61701
May	1978	17528	565	79229

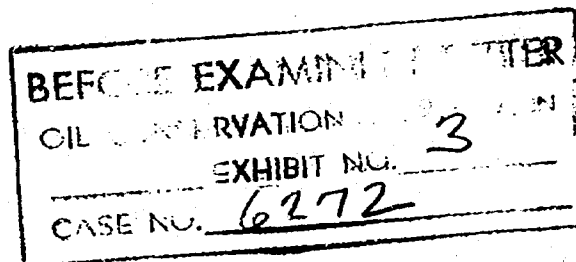


Exhibit \_\_\_\_\_

Docket No. \_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
6 July 1978

EXAMINER HEARING

IN THE MATTER OF:  
  
Application of Doyle Hartman for  
an exception to Rule 15 of Order  
No. R-1670, as amended, Lea  
County, New Mexico.

CASE  
6272

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Lynn Teschendorf, Esq.  
Legal Counsel for the Division  
State Land Office Building  
Santa Fe, New Mexico 87501

For the Applicant:

Jason Kellahin, Esq.  
KELLAHIN & FOX  
500 Don Gaspar  
Santa Fe, New Mexico 87501

SALLY WALTON BAYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 968-3404  
Santa Fe, New Mexico 87501

I N D E X

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DOYLE HARTMAN

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Nutter

15

E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, Schematic

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Applicant Exhibit Three, Letter

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Applicant Exhibit Four, Letter

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Applicant Exhibit Five, Letter

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Applicant Exhibit Six, Document

15

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Page 3

1 MR. NUTTER: Call now Case Number 6272.

2 MS. TESCHENDORF: Case 6272. Application of  
3 Doyle Hartman for an exception to Rule 15 of Order No.  
4 R-1670, as amended, Lea County, New Mexico.

5 MR. KELLAHIN: If the Chairman please, may  
6 the record show the same appearance and that the witness,  
7 Mr. Doyle Hartman, has been sworn?

8  
9 DOYLE HARTMAN

10 being called as a witness and having been previously sworn  
11 upon his oath, testified as follows, to-wit:

12  
13 DIRECT EXAMINATION

14 BY MR. KELLAHIN:

15 Q Would you state your name, please?

16 A Doyle Hartman.

17 Q Are you the applicant in this Case Number 6272?

18 A Yes, sir.

19 Q Mr. Hartman, what do you propose in this  
20 case?

21 A We're asking that our "S" No. 1 Well, which  
22 is located in Unit D of Section 7, Township 25 South,  
23 Range 37 East, which is completed as a Jalmat gas well,  
24 and which is now presently overproduced, be allowed to work  
25 off the overproduction while still being, you know, while

1 being produced, at a reduced rate.

2 Q Now, referring to what has been marked as Ex-  
3 hibit Number One, would you identify that exhibit?

4 A Okay, the Exhibit Number One is a well and  
5 location plat, acreage plat. It shows that we have the  
6 west half of the northwest quarter of Section 7 dedicated  
7 as a 77-acre Jalmat gas proration unit to our "S" No. 1.

8 Q Now, are there any other Jalmat wells in the  
9 area?

10 A Yes, sir, there is -- Phillips has a Jalmat  
11 gas well located in the southwest of the southwest of  
12 Section 6, and there's a very weak Jalmat gas well located  
13 in the -- I guess that would be the northeast of the north-  
14 east of Section 12, 25, 37, and our well is drilled as a  
15 twin to a previously plugged and abandoned Jalmat gas well  
16 operated by Atlantic Richfield Company.

17 Q Now what's the present status of that well?

18 A That well is presently shut in.

19 Q And how long has it been shut in?

20 A It's been shut in since early May. Or, excuse  
21 me, early June. It's been shut in about a month.

22 Q Now Exhibit Number One does show the offsetting  
23 ownership as well as the wells?

24 A Yes. There's one correction to add to that  
25 offsetting ownership. This came up when we asked for

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1 our nonstandard unit.

2 Union Texas in Section 6 does not own any gas  
3 rights. They only own oil rights.

4 Q And who does the gas rights belong to?

5 A Those gas rights belong to Phillips Petroleum  
6 as operator.

7 Q Now referring to what has been marked as Ex-  
8 hibit Number Two, would you identify that exhibit?

9 A Exhibit Number Two is just a well schematic  
10 for our "S" No. 1. Our "S" No. 1 was drilled and completed  
11 in November and December of last year, and is producing  
12 out of the Yates and Upper Seven Rivers formations.

13 And it was completed for initial potential of  
14 258 Mcf per day on a 2460 force choke.

15 Q I now refer you to Exhibit Number Three.  
16 Would you identify that exhibit?

17 A Exhibit Number Three is a production history  
18 for our "S" No. 1 for the period December of '77 through  
19 May of '78. It does not include the few days that the  
20 well was produced in June of '78.

21 It shows production by month, average rate,  
22 and cumulative production and Mcf.

23 Q Now do you have a later exhibit that shows  
24 the extent of the overproduction on this well?

25 A Yes, sir, it's, I think, it's Exhibit Number

1 Five and it's a letter from Mr. Nutter tabulating our over-  
2 production.

3 Q I refer you to Exhibit Number Four. Would  
4 you identify that exhibit?

5 A Yes, sir. This is a letter that I wrote on  
6 June 2nd to Mr. Jerry Sexton, District Supervisor for the  
7 NMOCC in Hobbs and where we requested that we be allowed  
8 to work off our production overage by, you know, producing  
9 the well at a reduced rate, and also the reason, we out-  
10 lined the reason we thought we were overproduced.

11 Q Without reference to the letter itself, would  
12 you just say what the reason is?

13 A Okay. As typically done in this pool, we  
14 started out, we did overproduce it some, you know, with  
15 the idea of pinching it back. Then approximately in about  
16 the 1st of April I told my pumper that we were going to  
17 have to pinch that well back or we were going to be over-  
18 produced and at that time he started trying to pinch it  
19 back and when we would pinch it back, what would happen  
20 would be the well would show tendencies of loading up.

21 Now it does not make much fluid. It makes  
22 approximately a barrel or slightly less than a barrel of  
23 water per day, but -- with a trace of oil -- but it does,  
24 it has only bottom hole shut in pressure of 110 psi, and  
25 the combination of the extremely low shut in pressure and

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1 the small amount of fluid when you pinch it back it has a  
2 tendency to load it up with fluid within a couple of days.

3 MR. NUTTER: What did you say the bottom hole  
4 pressure is?

5 A. 110 psi; that's psig.

6 MR. NUTTER: That's in the bottom hole?

7 A. That's correct. Well, no, sir, that is --  
8 that's surface pressure.

9 Q. (Mr. Kellahin continuing.) And if you reduce  
10 the producing rate, then, does that prevent the well from  
11 cleaning itself up?

12 A. What will happen when we, for example, when  
13 we tried to shut the well back we would -- it would load  
14 up and, you know, exhibit much lower, you know, flowing  
15 pressures than it had been exhibiting, so then that's the  
16 reason, if you'll notice on our production history, our  
17 production history actually went up. The pump was open  
18 it up, clean it up, and we wound up producing more gas by  
19 trying to pinch it back.

20 Q. What do you propose to do about it?

21 A. Well, in our -- in my letter to Mr. Sexton  
22 what I had considered doing was going ahead and installing  
23 artificial lift equipment on the well. This would allow  
24 us to pump the water out but choke the well back, and we  
25 have a fortunate situation, we drilled this well to the

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1 Langlie - Mattix, actually to the Queen, so we have a lot  
2 ratholed below us, you know, in order to set our tubing  
3 way low and be able to efficiently pump out any fluid the  
4 well's making.

5 Q And with type of equipment, and once you made  
6 up the overproduction, you could produce it without accu-  
7 mulating liquids, is this correct?

8 A Yes, sir. What would happen, we'd have to  
9 timeclock it because it's still not making that much fluid  
10 but it's enough to keep it pumped out without having to  
11 flow the well on a, you know, larger choke size to clean  
12 it up good, and we have one well that we have a water prob-  
13 lem with. It's a Jalmat gas well up in 22 South, 36 East,  
14 and we've been able to successfully handle the water and  
15 the gas with the use of pumping.

16 Q Now have you already ordered the pumping unit  
17 for this well?

18 A Yes, I did order a pumping unit slightly prior  
19 to the time I wrote this letter.

20 Q Now referring to Exhibit Number Five, would  
21 you identify that?

22 A Okay, Exhibit Number Five is a letter from Mr.  
23 Nutter in response to my letter to Mr. Sexton outlining  
24 the Commission rules concerning this matter and then I had  
25 a phone conversation with him on this matter and he suggested

1 that we call a hearing.

2 Q Now that letter on page two sets out the over-  
3 produced status of the well, does it not?

4 A Yes, sir, and he's also outlined the basic  
5 problem we have is the lack of acreage. That's contributed  
6 to it.

7 Q How much acreage do you have?

8 A We have 77 acres versus 160 acres for a stan-  
9 dard Jalmat gas proration unit.

10 Q Have you made any effort to get any additional  
11 acreage?

12 A We've contacted -- yes, sir, we've contacted  
13 Dalport, made a farm out offer to them. They came back  
14 and asked to buy into our well for half price.

15 So we told them we could take the risk, you  
16 know, of getting the acreage some place else.

17 Q Now referring to what has been marked as Ex-  
18 hibit Number Six, would you identify that exhibit, please?

19 A Yes, that's a production history on the Harrison  
20 "D" No. 1, which was the Sinclair Harrison "D" No. 1, which,  
21 you know, I think it was plugged just prior to the Atlantic  
22 Richfield - Sinclair merger.

23 MR. NUTTER: Now, was that the other well that  
24 was on the --

25 A That's the twin to our well.

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1 MR. NUTTER: -- same 40?

2 A. Yes, sir, and with the exception of the Upper  
3 Seven Rivers zones, our well is producing out of essentially  
4 the same zones theirs produced out of.

5 Q. Now what does this exhibit indicate, Mr.  
6 Hartman?

7 A. That's just production history and also shows  
8 that again, they apparently encountered some mechanical or  
9 reservoir problems which caused their, you know, well to  
10 go off production, and also it outlines the production  
11 history from 1955 through 1964, which was the last year of  
12 production, and the well was plugged in 1965.

13 There's one comment I'd like to add, that when  
14 we went back and checked the history, their original well  
15 was drilled in 1937 and we found that when we checked the  
16 production history backwards, the production history started  
17 in 1955, and I suspect, you know, there'd been some owner-  
18 ship changes. It was originally El Paso Natural, then  
19 Western Natural, then Sinclair, I suspect that this well  
20 may have also produced gas out of the same reservoir at  
21 a prior period but as far as production history, was started,  
22 the production history we found started in 1955.

23 MR. NUTTER: Well, I would imagine, Mr. Hartman,  
24 when the well was originally drilled you say in '37 or '39?

25 A. '37, right.

1 MR. NUTTER: It was probably a Queen oil well,  
2 wasn't it?

3 A. No, it was originally -- it encountered some  
4 water in the Queen and they made a gas well out of it.

5 MR. NUTTER: From what formation?

6 A. Out of the Yates.

7 MR. NUTTER: So it's been a gas well all its  
8 life?

9 A. In the Yates but I suspect there's more cumu-  
10 lative that should be added to this than we're showing  
11 here, but this is where the engineering committee's annual  
12 starts as far as time zero is concerned when we checked  
13 backwards, was in 1955.

14 MR. NUTTER: It doesn't show any cumulative  
15 production prior to that time?

16 A. No, sir, but, you know, once in awhile when  
17 you check them back you'll find that it's been accredited  
18 some place else or just absent, you know, some how lost.

19 Q (Mr. Kellahin continuing.) Now, Mr. Hartman,  
20 in your opinion will leaving this well shut in until the  
21 accumulated overproduction is made up cause any damage to  
22 the well?

23 A. It could possibly, very well possibly do that.  
24 Now I am not going to say that it, you know, absolutely  
25 it will, but we feel that fluid production in these low

1 pressure reservoirs is a serious problem. I think they  
2 account for a lot of problems that the operators have today.

3 Q Would it be possible for you to completely  
4 lose the well?

5 A Well, or have it severely, you know, its pro-  
6 ducing capabilities severely damaged. I have had exper-  
7 iences where -- had one experience where that actually  
8 happened.

9 Q Now would that, in your opinion, constitute  
10 waste?

11 A I think so because we've gone back and drilled  
12 a well and got what we feel like is a real nice little  
13 Jalmat well, where, you know, it previously had been plugged  
14 down, and if you'll review the area, the entire area there,  
15 there's very few good producers in that whole area.

16 Q Now the well is considerably over produced,  
17 Mr. Hartman. How would you propose to make up that over  
18 production?

19 A By producing the well at a reduced rate. When  
20 I say reduced rate, at a rate, say, sixty percent or fifty  
21 percent of the allowable rate.

22 Q Now could you do that without the installation  
23 of the pumping unit?

24 A Well, I think to be -- to insure that we would  
25 have success doing it, we should go ahead and install a

1 pumping unit.

2 Q And you'd what, you'd pump it through the  
3 tubing?

4 A We'd pump the fluid through the tubing and  
5 produce the gas through the annulus.

6 Q And in your opinion would that result in the  
7 recovery of gas that possibly would not otherwise be re-  
8 covered?

9 A Yes, sir, in the event that something did  
10 happen to the well, you know, from its being shut in.

11 Q Have you any estimate as to how long it would  
12 take you to make up the overproduction?

13 A Well, I would say we're talking about appro-  
14 ximately a year or slightly more.

15 Q Have you anything to add to that?

16 A There's only one thing I'd like to add.

17 Mr. Nutter, we got -- after I had some conver-  
18 sations with you, we got to checking the allowable history  
19 in the Jalmat Pool over the last several years, and we  
20 found that the allowable for the first half of 1978 was  
21 26 percent lower than it had been for the first half of  
22 1977 and, you know, in talking with El Paso and their  
23 proration department it looks as if, you know, it's the  
24 mathematical formula by which it's computed. We're down  
25 to so many -- so few top allowable wells that the allowable

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1 was being reduced by, you know, the overall pool decline  
2 and this is one of the reasons I feel like we probably got  
3 ourselves overproduced because we drilled this on the idea  
4 of, you know, sort of an historical allowable.

5 MR. NUTTER: Now, you can look here at the  
6 second page of your Exhibit Five and you'll see an allowable  
7 for this particular well has been running somewhere in the  
8 neighborhood of about 200 Mcf a day.

9 And the well can make 568 Mcf a day, if you  
10 let it.

11 A Right, and if you'll notice, I think your  
12 allowable average last year probably, for the Jalmat  
13 Pool, probably averaged 600 Mcf per day for the entire  
14 year of 1977, for 160-acre tract.

15 So you can see what I'm saying. The allowable  
16 has come down and that's been one of the problems. It's  
17 going to be a problem, probably, for wells on 80-acre  
18 spacing, especially.

19 Q (Mr. Kellahin continuing.) Were Exhibits  
20 Numbers One, Two, Four, and Six prepared by you or under  
21 your supervision?

22 A Yes, sir, One, Two, Three, Four, Five and  
23 Six -- or Four and Six.

24 Q Exhibit Five is the letter you received --

25 A Yes, sir.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 888-3404  
Santa Fe, New Mexico 87501

1 Q -- from Mr. Nutter.

2 A That's correct.

3 Q And Four is a letter you directed to Jerry  
4 Sexton.

5 A That is correct.

6 MR. KELLAHIN: At this time we'd offer in  
7 evidence, Exhibits One through Six.

8 MR. NUTTER: Applicant's Exhibits One through  
9 Six will be admitted in evidence.

10 MR. KELLAHIN: That's all we have, Mr. Nutter.

11  
12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q Mr. Hartman, in your letter originally addressed  
15 to our Hobbs office you state that you expected to have  
16 pumping equipment installed on the well within two weeks.

17 What's the status of that pumping equipment  
18 at the present time?

19 A We ordered two pumping units at the same time  
20 and we received one of them. It was a larger unit, went  
21 on another well, and we're expecting delivery of this 80  
22 that we ordered for this well any day.

23 Q This is a small unit?

24 A Yes, sir. Because we're not really talking  
25 about lifting very much fluid.

1 Q Will that be gas powered or electric power?

2 A Electric power. We found out that especially  
3 when you're talking about a well with a low amount of fluid  
4 and quite a bit of gas, you want to have some flexibility  
5 in timeclocking and --

6 Q And you'll have an intermitter on it, to turn  
7 it off and on, just to keep the well pumped out?

8 A Yes, sir, that's correct.

9 Q And if you were producing at 50 percent of your  
10 allowable and allowables at the present time are in the  
11 neighborhood of 200 Mcf per day, you would make about 100  
12 Mcf per day.

13 A That's correct. But at least we thought it  
14 would keep the fluid from accumulating in the well, and I  
15 think you've probably got some cross flow, you know, that  
16 occurs. We have -- we suspect that the fluid production  
17 we'll make is probably coming out of the Upper Seven Rivers  
18 and you know if it's been allowed to set there too long,  
19 it could cross flow into the Yates zone.

20 Q Well, hopefully, allowables might get higher,  
21 too and that would alleviate the overproduced problem.

22 A And there is also some other acreage that  
23 we're going to be working on in the meantime, but --

24 Q For dedication to the well?

25 A That's correct.

1 MR. NUTTER: Are there any further questions  
2 for Mr. Hartman? He may be excused.

3 Do you have anything further, Mr. Kellahin?

4 MR. KELLAHIN: No, sir, we haven't.

5 MR. NUTTER: Does anyone have anything to  
6 offer in Case Number 6272?

7 MS. TESCHENDORF: I have two letters date June  
8 30th, one from Mr. B. O. Greenway, Junior, and one from  
9 Mr. D. L. Hannifin, both supporting Mr. Doyle Hartman's  
10 position in this case.

11 MR. NUTTER: Okay, if there's nothing further  
12 in Case Number 6272, we'll take that case under advisement.

13 (Hearing concluded.)  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

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

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6272 heard by me on 7/6, 1978.  
*[Signature]* Examiner  
New Mexico Oil Conservation Commission

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
730 Bishop's Lodge Road • Phone (505) 848-3404  
Santa Fe, New Mexico 87501



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6272  
Order No. R-5770

APPLICATION OF DOYLE HARTMAN  
FOR AN EXCEPTION TO RULE 15 OF ORDER  
NO. R-1670, AS AMENDED, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of July, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Doyle Hartman, is the owner and operator of the Etz Well No. 1, located in Unit D of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
- (3) That said well was completed as a Jalmat Gas well on December 15, 1977, and a 77-acre non-standard Jalmat gas proration unit for said well was approved January 19, 1978.
- (4) That since its completion, the aforesaid Etz Well No. 1 has consistently overproduced its 77-acre allowable in the Jalmat Gas Pool, and is currently shut in in accordance with Rule 15(B) of the Rules and Regulations for Prorated Gas Pools in Southeast New Mexico, as promulgated by Order No. R-1670, as amended, inasmuch as said well is overproduced more than six times its average monthly allowable.

-2-

Case No. 6272  
Order No. R-5770

(5) That the applicant alleges that it is necessary to produce the subject well at a high rate to keep liquids out of the wellbore and prevent the well from loading up and dying.

(6) That the applicant proposes to install pumping equipment in the well to keep the liquids pumped out, and seeks authority to produce the well at 60 percent of its allowable until such time as the overproduction has been made up.

(7) That at the end of May, 1978, the well had produced 79,229 MCF of gas against a total allowable of 29,297 MCF, and was 49,932 MCF overproduced.

(8) That the well's average monthly allowable in 1978 has been 6494 MCF per month, and to produce 60 percent of the allowable, and curtail the remaining 40 percent only, would cause the well to make up its overproduction at the rate of only 2598 MCF per month (assuming constant allowables) and would take some 19 months.

(9) That to produce no more than 50 percent of the allowable and credit the remaining 50 percent to the well's overproduction would cause the well to make up its overproduction in considerably less time, would be less likely to impair correlative rights, will not cause waste, and should be approved, provided that the well is so equipped as to keep the liquids pumped off.

IT IS THEREFORE ORDERED:

(1) That the applicant, Doyle Hartman, is hereby authorized to produce his Etz Well No. 1, located in Unit D of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, at not more than 50 percent of its monthly allowable until such time as said well's overproduction has been made up.

PROVIDED HOWEVER, that said well shall not be returned to production until such time as it has been so equipped as to keep the liquids in the well bore pumped off.

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

-3-

Case No. 6272

Order No. R-5770

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
*Joe D. Ramey*  
JOE D. RAMEY,  
Director

dr/



JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

June 9, 1978

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Doyle Hartman  
Suite 508 C & K Petroleum Building  
Midland, Texas 79701

Re: Shut-in Requirement  
Etz Well No. 1  
Unit D, Sec. 7, T-25-S, R-37-E  
Jalmat Pool, Lea County, N. M.

Dear Mr. Hartman:

Reference is made to your letter of June 2, 1978, to our Hobbs Office, wherein you have requested permission to produce the subject well at the rate of 475 MCF per day pending installation of a pumping unit.

Rule 15(B) of Order No. R-1670, as amended, states:

RULE 15(B). If, during any month, it is discovered that a well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months (or, in the case of a newly connected well or a well in a newly prorated pool, six times its average monthly allowable for the months available), it shall be shut in during that month and during each succeeding month until it is overproduced in an amount six times or less its average monthly allowable, as determined hereinabove.

According to the June proration schedule, this well through April had accumulated 38,392 MCF of overproduction. It has an average monthly allowable of 6358 MCF, and was thus overproduced 6.04 times its average allowable.

In addition, we have determined that the well produced 17,528 MCF during May against an allowable of 5988 MCF and further aggravated its overproduced status. It is now overproduced 7.85 times the current allowable.

Mr. Doyle Hartman

-2-

June 9, 1978

The only relief available to the well is under Rule 15(D) or Rule 15(E) which reads as follows:

RULE 15(D). The Secretary-Director of the Commission shall have authority to permit a well which is subject to shut-in, pursuant to Rule 15(A) or 15(B) above, to produce up to 500 MCF of gas per month upon proper showing to the Secretary-Director that complete shut-in would cause undue hardship, provided however, such permission shall be rescinded for any well produced in excess of the monthly rate authorized by the Secretary-Director.

RULE 15(E). The Commission may allow overproduction to be made up at a lesser rate than permitted under Rules 15(A), 15(B) or 15(D) above upon a showing at public hearing that the same is necessary to avoid material damage to the well.

We presume that the well has already produced during June the 500 MCF maximum which can be allowed without notice and hearing, so any further relief would have to come under the provisions of Rule 15(E) after notice and hearing.

The first available hearing at which this matter can be considered is scheduled for July 6. We will be happy to place the matter on that docket if you so desire. We will be closing that docket on June 15, so we must have your application for hearing by that time.

It appears that the well's short acreage (77 acres) is a major contributory factor to this overproduction problem. The following summary illustrates how this overproduction has built up, and compares this well's status to a standard 160-acre unit.

	77-Acre Unit			160-Acre Unit	
	Allowable	Production	Overproduced Status	Allowable	Overproduced Status
Dec.	0	5620	5620		5620
Jan.	3008	12941	15553	6266	12295
Feb.	6476	12245	21322	13492	11048
Mar.	7236			15075	
	+ 245	14989	28830	+ 510	10452
Apr.	6344	15906	38392	13216	13142
May	5988	17528	49932	12475	18195
June	5746			11970	

June 9, 1978

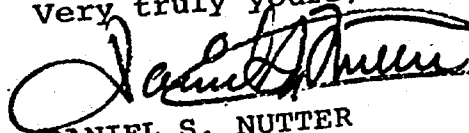
-3-

Mr. Doyle Hartman

From the above, it is apparent that the short acreage assigned to the well causes it to be overproduced almost 50,000 MCF through May, whereas it would be overproduced only about 18,000 MCF if it had 160 acres assigned.

As stated above, there is no alternative under the rules but to shut the well in pending a hearing. please let us know as soon as possible if you desire to be on the July 6 docket.

Very truly yours,



DANIEL S. NUTTER  
Chief Engineer

DSN/dr

cc: El Paso Natural Gas Co.  
P. O. Box 1492  
El Paso, Texas

Attention: Mr. E. R. Manning  
New Mexico Oil Conservation Division  
P. O. Box 1980  
Hobbs, New Mexico 88240  
Attention: Mr. Jerry Sexton

**DOYLE HARTMAN**

*Oil Operator*  
SUITE 508  
C & K PETROLEUM BUILDING  
MIDLAND, TEXAS 79701

(915) 684-4011

June 2, 1978

New Mexico Oil Conservation Commission  
Box 1980  
Hobbs, New Mexico 88240

Re: Production Overage  
Etz No. 1  
D-7-25S-37E  
Lea County, New Mexico

Attn: Mr. Jerry Sexton  
District Supervisor

Dear Mr. Sexton:

On December 15, 1977, I completed my Etz No. 1 as a Jalmat Gas well from the Yates and Seven Rivers formations between 2857 - 3198. After a weak start, the Etz No. 1 eventually cleaned up and leveled off at a higher than top allowable rate.

By April 1, it had become apparent that the Etz No. 1 needed to be choked back in order to prevent the accumulated gas production overage from reaching the six-month level and also to allow the production overage to be worked off before the next balancing period.

However, when we attempted to choke the well back, it would load up with fluid within a day and the FTP would reach a dangerously low pressure. Therefore, in an effort to solve the problem without damaging the well, the decision was recently made to equip the well with a pumping unit.

Although the necessary pumping equipment has been placed on order, we were informed today by El Paso Natural Gas Company that the accumulated overage had already reached the six-month level and the Etz No. 1 must be shut in.

Because of the produced liquids problem, a required shut-in could very possibly cause permanent wellbore damage, thus resulting in a loss of valuable recoverable gas reserves.

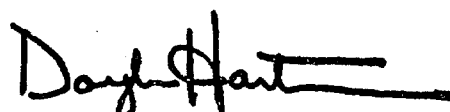
As an alternate means of reducing the accumulated gas overage for the Etz No. 1, we request permission to do the following:

1. Continue to produce the well at the rate of 475 MCFPD until artificial lift equipment can be installed. This should require about two weeks.
2. After pumping equipment has been installed, produce the well at a reduced rate until the gas overage has been worked off. With pumping equipment on the well,

the small quantity of produced liquids can be pumped out  
the tubing while the gas is produced at a reduced rate  
out the annulus.

The NMOCC's compliance with this proposal is respectfully requested.

Sincerely yours,



Doyle Hartman

DH/mv

CC: Travis Elliot  
El Paso Natural Gas Co.  
Box 1384  
Jal, New Mexico 88252

Jim Gray  
P. O. Box 812  
Jal, New Mexico 88252

Jack Fletcher  
Route 1, Box 133-C  
Midland, TX 79701

D. L. Hannifin  
P. O. Box 182  
Roswell, New Mexico 88201

Jalmat Pool      Doyle Hardman

Etz Well No 1    D-7-25S-R37E

C-101 approved 11-17-77

Spudded 11-24-77

Tested 258 MCF no liquids 12-15-77

Connected to EP 12-20-77

Request for NSP recd OCC SF 12-20-77

no waivers - put on waiting period

NSP 1080 approving 80 acre unit issued 1-19-78  
actually 76.92 ac. for well has acreage factor of .48

Gas supplement SE 4283 issued 1-26-78

effective 1-19-78

$\frac{13}{31} \times \text{Jan allow (14943)} = 6267$      $6267 \times .48 = 3008 \text{ gas allow}$   
(for 13 days)

Liquids Reported	Month	allow R	Prod	Prod Adj.	Status	adj Status
0	December	0	5444	+176	5444-	5620-
0	January	3008	12,535	+406	14971-	15553-
0	February	6476	12,245		21322-	
0	March	7236	14,989		28830-	
	April	6344	15,906		38392-	6.04 x ave mo allow
	May	5988	17528*		44932	7.85 x ave mo. allow.
	June	* 5746				

\* Called EP and got map prod from Royce Cleveland

D. L. HANNIFIN  
P. O. BOX 182  
ROSWELL, NEW MEXICO 88201

803-623-4618

June 30, 1978

Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501



Re: Case 6272

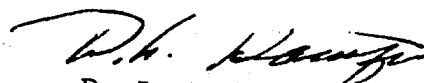
Dear Sir:

In reference to your hearing to be held Thursday, July 6, 1978, on the above case no. 6272, I support Mr. Doyle Hartman in his request for an exception to Rule 15 of Order No. R-1670, as amended.

Your consideration of his request will be appreciated by me as a working interest owner under the Doyle Hartman-Etz well #1.

Thank you.

Very sincerely,

  
D. L. Hannifin

DLH:jl

228 White Building

**B. O. GREENWADE, JR.**

OIL AND GAS PRODUCER

P. O. Box 1675

Roswell, New Mexico 88201

505/822-4755

June 30, 1978

Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: Case 6272

Dear Sir:

In reference to your hearing to be held Thursday, July 6, 1978 on the above case no. 6272, I support Mr. Doyle Hartman in his request for an exception to Rule 15 of Order No. R-1670, as amended.

Your consideration of his request will be appreciated by me as a working interest owner under the Doyle Hartman-Etz well #1.

Thank you.

Very sincerely,

*B. O. Greenwade, Jr.*  
B. O. Greenwade, Jr.

BOG:jl

CASE 6263: (Continued from June 21, 1978, Examiner Hearing)

Application of Adobe Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mississippian formation underlying the NE/4 of Section 17, Township 14 South, Range 36 East, Austin Field, 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 6264: (Continued from June 21, 1978, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the W/2 NE/4 of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico, to form a non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 330 feet from the North line and 2310 feet from the East line of said Section 36. 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 6271: Application of Doyle Hartman for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the S/2 SW/4 of Section 20 as a non-standard gas proration unit for a Jalmat gas well, or in the alternative, the SE/4 SW/4 of Section 20 for a Langlie Mattix oil well, all in Township 24 South, Range 37 East, 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 6272: Application of Doyle Hartman for an exception to Rule 15 of Order No. R-1670, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 15 of Order No. R-1670, as amended, which will allow him to produce his overproduced Etz Well No. 1, located in Unit D of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, at 60% of its allowable until such time as the overproduction has been made up.

CASE 6273: Application of Gulf Oil Corporation for creation of a new gas pool and special rules, including gas prorationing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow gas pool in Eddy County comprising all, or portions of, Sections 24 and 25, Township 18 South, Range 24 East, and Sections 18 thru 20, 28 thru 30, and 32 and 33, Township 18 South, Range 25 East; applicant further seeks the promulgation of special rules for said pool, including the prorationing of gas production on a straight acreage basis and the prohibition of more than one well to each 320-acre proration unit.



# PRODUCTION HISTORY

DOYLE HARTMAN  
 Etz #1  
 D-7-25-37  
 Jalmat Gas Pool

<u>Month</u>	<u>Year</u>	<u>Production (per month)</u>	<u>Ave. Rate</u>	<u>Cumulative Production</u>
Dec.	1977	5620	510	5620
Jan.	1978	12941	417	18561
Feb.	1978	12245	437	30806
March	1978	14989	483	45795
April	1978	15906	530	61701
May	1978	17528	565	79229

Exhibit \_\_\_\_\_

Docket No. \_\_\_\_\_

BEFORE EXAMINER NUTTER  
 OIL CONSERVATION COMMISSION  
 EXHIBIT NO. 3  
 CASE NO. 6272

BEFORE EXAMINER NUTTER	DOYLE HARTMAN
OIL CONSERVATION COMMISSION	Oil Operator
EXHIBIT NO. <u>4</u>	SUITE 508
CASE NO. <u>6272</u>	C & K PETROLEUM BUILDING
	MIDLAND, TEXAS 79701
	(915) 684-4011

EXHIBIT \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

June 2, 1978

New Mexico Oil Conservation Commission  
Box 1980  
Hobbs, New Mexico 88240

Re: Production Overage  
Etz No. 1  
D-7-25S-37E  
Lea County, New Mexico

Attn: Mr. Jerry Sexton  
District Supervisor

Dear Mr. Sexton:

On December 15, 1977, I completed my Etz No. 1 as a Jalmat Gas well from the Yates and Seven Rivers formations between 2857 - 3198. After a weak start, the Etz No. 1 eventually cleaned up and leveled off at a higher than top allowable rate.

By April 1, it had become apparent that the Etz No. 1 needed to be choked back in order to prevent the accumulated gas production overage from reaching the six-month level and also to allow the production overage to be worked off before the next balancing period.

However, when we attempted to choke the well back, it would load up with fluid within a day and the FTP would reach a dangerously low pressure. Therefore, in an effort to solve the problem without damaging the well, the decision was recently made to equip the well with a pumping unit.

Although the necessary pumping equipment has been placed on order, we were informed today by El Paso Natural Gas Company that the accumulated overage had already reached the six-month level and the Etz No. 1 must be shut in.

Because of the produced liquids problem, a required shut-in could very possibly cause permanent wellbore damage, thus resulting in a loss of valuable recoverable gas reserves.

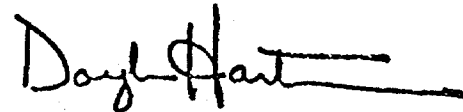
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Doyle Hartman

DH/mv

CC: Travis Elliot  
El Paso Natural Gas Co.  
Box 1384  
Jal, New Mexico 88252

Jim Gray  
P. O. Box 812  
Jal, New Mexico 88252

Jack Fletcher  
Route 1, Box 133-C  
Midland, TX 79701

D. L. Hannifin  
P. O. Box 182  
Roswell, New Mexico 88201



JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

June 9, 1978

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 5  
CASE NO. 6272

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Doyle Hartman  
Suite 508 C & K Petroleum Building  
Midland, Texas 79701

Re: Shut-in Requirement  
Etz Well No. 1  
Unit D, Sec. 7, T-25-S, R-37-E  
Jalmat Pool, Lea County, N. M.

Dear Mr. Hartman:

Reference is made to your letter of June 2, 1978, to our Hobbs Office, wherein you have requested permission to produce the subject well at the rate of 475 MCF per day pending installation of a pumping unit.

Rule 15(B) of Order No. R-1670, as amended, states:

RULE 15(B). If, during any month, it is discovered that a well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months (or, in the case of a newly connected well or a well in a newly prorated pool, six times its average monthly allowable for the months available), it shall be shut in during that month and during each succeeding month until it is overproduced in an amount six times or less its average monthly allowable, as determined hereinabove.

According to the June proration schedule, this well through April had accumulated 38,392 MCF of overproduction. It has an average monthly allowable of 6358 MCF, and was thus overproduced 6.04 times its average allowable.

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EXHIBIT \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

June 9, 1978

The only relief available to the well is under Rule 15(D) or Rule 15(E) which reads as follows:

RULE 15(D). The Secretary-Director of the Commission shall have authority to permit a well which is subject to shut-in, pursuant to Rule 15(A) or 15(B) above, to produce up to 500 MCF of gas per month upon proper showing to the Secretary-Director that complete shut-in would cause undue hardship, provided however, such permission shall be rescinded for any well produced in excess of the monthly rate authorized by the Secretary-Director.

RULE 15(E). The Commission may allow overproduction to be made up at a lesser rate than permitted under Rules 15(A), 15(B) or 15(D) above upon a showing at public hearing that the same is necessary to avoid material damage to the well.

We presume that the well has already produced during June the 500 MCF maximum which can be allowed without notice and hearing, so any further relief would have to come under the provisions of Rule 15(E) after notice and hearing.

The first available hearing at which this matter can be considered is scheduled for July 6. We will be happy to place the matter on that docket if you so desire. We will be closing that docket on June 15, so we must have your application for hearing by that time.

It appears that the well's short acreage (77 acres) is a major contributory factor to this overproduction problem. The following summary illustrates how this overproduction has built up, and compares this well's status to a standard 160-acre unit.

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Mar.	7236			15075	
	+ 245	14989	28830	+ 510	10452
Apr.	6344	15906	38392	13216	13142
May	5988	17528	49932	12475	18195
June	5746			11970	

Mr. Doyle Hartman

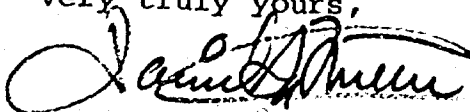
-3-

June 9, 1978

From the above, it is apparent that the short acreage assigned to the well causes it to be overproduced almost 50,000 MCF through May, whereas it would be overproduced only about 18,000 MCF if it had 160 acres assigned.

As stated above, there is no alternative under the rules but to shut the well in pending a hearing. Please let us know as soon as possible if you desire to be on the July 6 docket.

Very truly yours,



DANIEL S. NUTTER  
Chief Engineer

DSN/dr

cc: El Paso Natural Gas Co.  
P. O. Box 1492  
El Paso, Texas

Attention: Mr. E. R. Manning

New Mexico Oil Conservation Division  
P. O. Box 1980  
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

JASON W. KELLAHIN  
ROBERT E. FOX  
W. THOMAS KELLAHIN

KELLAHIN and FOX  
ATTORNEYS AT LAW  
800 DON GASPAR AVENUE  
P. O. BOX 1789  
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315  
AREA CODE 505

June 13, 1978

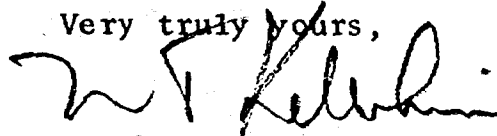
Mr. Joe Ramey  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Doyle Hartman

Dear Mr. Ramey:

I would appreciate you setting the enclosed application  
for hearing on July 6, 1978.

Very truly yours,



W. Thomas Kellahin

CC: Doyle Hartman  
James Davidson

WTK:kfm

Enclosure

BEFORE THE OIL CONSERVATION DIVISION  
STATE OF NEW MEXICO

Case 6272

IN THE MATTER OF THE APPLICATION  
OF DOYLE HARTMAN FOR AN EXCEPTION  
TO ORDER NO. R-1670, AS AMENDED,  
JALMAT GAS POOL, LEA COUNTY,  
NEW MEXICO

A P P L I C A T I O N

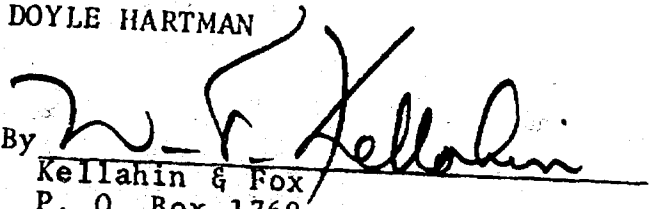
COMES NOW, Doyle Hartman, and applies to the New Mexico Oil Conservation Division of New Mexico for an exception to Division Order No. R-1670, as amended and states:

1. Applicant is the operator of the <sup>8th</sup> ~~17th~~ #1 Well located 990 feet from the North and West lines of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
2. That Division records indicate that the subject well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months.
3. That said well is subject to being shut-in pursuant to Rule 15 of Order No. R-4569, as amended.
4. That if said well is shut in, said act will cause irreparable damage to the subject well and thereby cause waste.
5. That Applicant seeks an exception to Rule 15 which will allow him to continue to produce subject well at 60% of its allowable until such time as the overproduction has been made up.

WHEREFORE, Applicant requests an exception to Rule 15 that this application be set for hearing before the Division's examiner and that upon hearing an order be entered granting said exception.

DOYLE HARTMAN

By

  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico  
Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

Case 6272

IN THE MATTER OF THE APPLICATION  
OF DOYLE HARTMAN FOR AN EXCEPTION  
TO ORDER NO. R-1670, AS AMENDED,  
JALMAT GAS POOL, LEA COUNTY,  
NEW MEXICO

A P P L I C A T I O N

COMES NOW, Doyle Hartman, and applies to the New Mexico Oil Conservation Division of New Mexico for an exception to Division Order No. R-1670, as amended and states:

1. Applicant is the operator of the ETZ #1 Well located 990 feet from the North and West lines of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

2. That Division records indicate that the subject well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months.

3. That said well is subject to being shut-in pursuant to Rule 15 of Order No. R-4569, as amended.

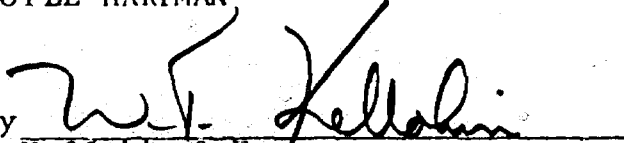
4. That if said well is shut in, said act will cause irreparable damage to the subject well and thereby cause waste.

5. That Applicant seeks an exception to Rule 15 which will allow him to continue to produce subject well at 60% of its allowable until such time as the overproduction has been made up.

WHEREFORE, Applicant requests an exception to Rule 15 that this application be set for hearing before the Division's examiner and that upon hearing an order be entered granting said exception.

DOYLE HARTMAN

By

  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico  
Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION  
STATE OF NEW MEXICO

Case 6272

IN THE MATTER OF THE APPLICATION  
OF DOYLE HARTMAN FOR AN EXCEPTION  
TO ORDER NO. R-1670, AS AMENDED,  
JALMAT GAS POOL, LEA COUNTY,  
NEW MEXICO

A P P L I C A T I O N

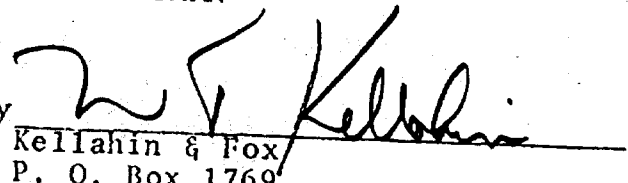
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1. Applicant is the operator of the ETZ #1 Well located 990 feet from the North and West lines of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.
2. That Division records indicate that the subject well is overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months.
3. That said well is subject to being shut-in pursuant to Rule 15 of Order No. R-4569, as amended.
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WHEREFORE, Applicant requests an exception to Rule 15 that this application be set for hearing before the Division's examiner and that upon hearing an order be entered granting said exception.

DOYLE HARTMAN

By

  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico  
Attorneys for Applicant

ROUGH

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6272

Order No. R-5770

APPLICATION OF DOYLE HARTMAN  
FOR AN EXCEPTION TO RULE 15 OF ORDER  
NO. R-1670, AS AMENDED, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 6  
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of July, 19 78, the  
Division Director, 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 Division has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, Doyle Hartman, is the owner and  
operator of the Etz Well No. 1, located in Unit D of Section 7,  
Township 25 South, Range 37 East, NMPPM, Jalmat Gas Pool, Lea  
County, New Mexico.

(3) That said well was completed as a Jalmat Gas well on December 15, 1977, and a 77-acre non-standard Jalmat gas proration unit for said well was approved January 19, 1978.

(4) That since its completion, the aforesaid Etz Well No. 1 has consistently overproduced its 77-acre allowable in the Jalmat Gas Pool, and is currently shut in in accordance with Rule 15(B) of the Rules and Regulations for Prorated Gas Pools in Southeast New Mexico, as promulgated by Order No. R-1670, as amended, inasmuch as said well is overproduced more than six times its average monthly allowable.

(5) That the applicant alleges that it is necessary to produce the subject well at a high rate to keep liquids out of the wellbore and prevent the well from loading up and dying.

(6) That the applicant proposes to install pumping equipment in the well to keep the liquids pumped out, and seeks authority to produce the well at 60 percent of its allowable until such time as the overproduction has been made up.

(7) That at the end of May, 1978, the well had ~~over~~produced 79,229 MCF of gas against a total allowable of 29,297 MCF, and was 49,932 MCF overproduced.

(8) That the well's average monthly allowable in 1978 has been 6494 MCF per month, and to produce 50 percent of the allowable and curtail the remaining 40 percent <sup>unless</sup> would cause the well to make up its overproduction at the rate of only 2598 MCF per month (assuming constant allowables) and would take some 19 months.

(9) That to produce no more than 50 percent of the allowable and credit the remaining 50 percent to the well's overproduction would cause the well to make up its overproduction in considerably less time, would be less likely to impair correlative rights, will not cause waste, and should be approved, provided that the well is so equipped as to keep the liquids pumped off.

IT IS THEREFORE ORDERED:

(1) That the applicant, Doyle Hartman, is hereby authorized to produce his Etz Well No. 1, located in Unit D of Section 7, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, at not more than 50 percent of its monthly allowable until such time as said well's overproduction has been made up.

PROVIDED HOWEVER, that said well shall not be returned to production until such time as it has been so equipped as ~~to~~ to keep the liquids in the well bore pumped off.

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

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