

CASE 6454: DOYLE HARTMAN FOR APPROVAL  
OF INFILL DRILLING AND TWO NON-STANDARD  
PRORATION UNITS, LEA COUNTY, NEW MEXICO

CASE NO.

6454

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

**JERRY APODACA**  
GOVERNOR

NICK FRANKLIN  
SECRETARY

POST OFFICE BOX 2008  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

June 29, 1979

Mr. Jason Kellahin  
Kellahin & Kellahin  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 6454  
ORDER NO. R-6032

**Applicant:**

Doyle Hartman

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY  
Director

**JDR/fd**

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC

**Other**

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. 6454  
Order No. R-6032

APPLICATION OF DOYLE HARTMAN FOR  
APPROVAL OF INFILL DRILLING AND  
TWO NON-STANDARD PRORATION UNITS,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1979, 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 E/2 of Section 9, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, currently comprises a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, and is dedicated to the El Paso Natural Gas Company Pritchard A Well No. 1, located in Unit G of said Section 9.

(3) That said Pritchard A Well No. 1 is apparently not efficiently and effectively draining the gas reserves in the Jalmat Gas Pool underlying the SE/4 of said Section 9, and El Paso Natural Gas Company has executed a farm-out agreement with the applicant, Doyle Hartman, whereby applicant would operate the SE/4 of said Section 9 and drill a Jalmat gas well thereon, and El Paso would operate the NE/4 of said Section 9 and dedicate the same to the aforesaid Pritchard A Well No. 1.

(4) That the applicant in this case seeks approval for infill drilling and two non-standard gas proration units, one

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Case No. 6454  
Order No. R-6032

for El Paso Natural Gas Company being a 160-acre unit comprising the NE/4 of Section 9 to be dedicated to El Paso's Pritchard A Well No. 1, located in Unit G, and the other unit being a 160-acre unit, for the applicant, comprising the SE/4 of Section 9, and dedicated to a well applicant proposes to drill at a point 1980 feet from the South line and 1980 feet from the East line of said Section 9.

(5) That inasmuch as approval of the two proposed non-standard units would require the abolishment of the existing 320-acre non-standard gas proration unit, applicant would not be drilling his proposed well on an existing proration unit, and such well would not be classified as an infill well on an existing unit, but as a new onshore production well, pursuant to the definitions set forth in the Natural Gas Policy Act of 1979 and the applicable rules of the Federal Energy Regulatory Commission, and applicant's request for approval of infill drilling should therefore be dismissed.

(6) That the application for cancellation of the existing 320-acre non-standard gas proration unit and approval of two 160-acre non-standard gas proration units will result in the recovery of gas reserves which otherwise might not be recovered, thereby preventing waste, will not impair but will protect correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 of Section 9, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby abolished.

(2) That two 160-acre non-standard gas proration units in the Jalmat Gas Pool are hereby approved, the first comprising the NE/4 of the aforesaid Section 9 to be dedicated to the El Paso Natural Gas Company Pritchard A Well No. 1 located in Unit G of said Section 9, and the second comprising the SE/4 of said Section 9, to be dedicated to applicant's proposed El Paso Pritchard Well No. 1, to be located 1980 feet from the South line and 1980 feet from the East line of Section 9.

(3) That each of the above-described non-standard units shall be assigned an acreage factor of 1.00 for allowable purposes.

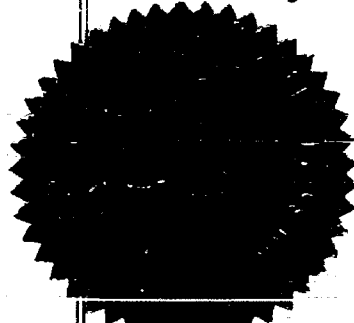
(4) That applicant's request for approval of infill drilling is hereby dismissed.

-3-

Case No. 6454  
Order No. R-6032

(5) That jurisdiction of this cause is hereby 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.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

sd/

CASE 6454: Application of Doyle Hartman for approval of infill drilling and two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of a well to be located 1980 feet from the South and East lines of Section 9, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well, the El Paso Prichard Well No. 1, located in Unit C of Section 9. Applicant further seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 9 for the new well and a 160-acre non-standard unit comprising the NE/4 of said Section 9 for the El Paso well.

CASE 6432: (Continued and Readvertised)

Application of John Yuronka for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Langlie Mattix Pool underlying the NE/4 NW/4 and the SE/4 NW/4 of Section 29, Township 24 South, Range 37 East, Lea 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 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 wells and a charge for risk involved in drilling said wells.

CASE 6435: (Continued and Readvertised)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6419: (Continued from January 31, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Lanning JC Well No. 1 located in Unit B of Section 7, Township 18 South, Range 26 East, Eagle Creek Field, Eddy County, New Mexico, to produce gas from the Strawn formation through the casing-tubing annulus and from the Morrow formation through tubing.

CASE 6423: (Continued from January 31, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jackson AT Well No. 9 located 660 feet from the South and West lines of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Wolfcamp, Pennsylvanian, and Mississippian formations, the S/2 of said Section 13 to be dedicated to the well.

CASE 6424: (Continued from January 31, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Superior Fed. KJ Well No. 1 located 990 feet from the North and West lines of Section 7, Township 20 South, Range 29 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the N/2 of said Section 7 to be dedicated to the well.

CASE 6455: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its North Texas Hills Unit Area comprising 5,120 acres, more or less, of Federal, state, and Fee lands in Township 21 South, Range 21 East, Eddy County, New Mexico.

CASE 6456: Application of Harvey E. Yates Company for a new onshore reservoir determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Loco Hills Welch Well No. 1 located in Unit D of Section 9, Township 18 South, Range 29 East, Morrow formation, Eddy County, New Mexico.

CASE 6457: Application of Harvey E. Yates Company for a new onshore reservoir determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination for its Empire South Deep Unit Well No. 13 located in Unit N of Section 30, Township 17 South, Range 29 East, Morrow formation, Eddy County, New Mexico.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
14 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Doyle Hartman for ) CASE  
approval of infill drilling and ) 6454  
two nonstandard proration units, )  
Lea County, New Mexico. )

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 Bldg.  
Santa Fe, New Mexico 87503

For the Applicant:

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SALLY WALTON BOYD  
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I N D E X

DOYLE HARTMAN

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E X H I B I T S

Applicant Exhibit One, Plat	10
Applicant Exhibit Two, Decline curve	10
Applicant Exhibit Three, Tabulation	10
Applicant Exhibit Four, Log	10

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Santa Fe, New Mexico 87501

1 MR. NUTTER: Call next Case Number 6454.  
2 MS. TESCHENDORF: Case 6454. Application of  
3 Doyle Hartman for approval of infill drilling and two non-  
4 standard proration units, Lea County, New Mexico.

5 MR. KELLAHIN: If the Examiner please, Jason  
6 Kellahin, appearing for the applicant, and we have one  
7 witness to be sworn.

8 (Witness sworn.)

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

14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you state your name, please?

17 A Doyle Hartman.

18 Q Are you the applicant in Case Number 6454?

19 A Yes, I am.

20 Q Mr. Hartman, have you testified before the  
21 Oil Conservation Division and made your qualifications a  
22 matter of record?

23 A Yes, I have.

24 MR. KELLAHIN: Are the witness' qualifications  
25 acceptable?

1 MR. NUTTER: Yes, they are.

2 Q (Mr. Kellahin continuing.) Mr. Hartman,  
3 what do you propose in Case Number 6454?

4 A We're making application for a standard  
5 Jalmat location, or Jalmat gas location, and application  
6 to have an existing Jalmat proration -- 320-acre Jalmat  
7 proration unit broken up into two Jalmat proration units,  
8 consisting of 160 acres, one of which would be located in  
9 the northeast quarter of Section 9, and the second, which  
10 would be located in the southeast quarter of Section 9.

11 Q Now referring to what has been marked as  
12 your Exhibit Number One, is that a plat of the area?

13 A Exhibit Number One is a well and ownership  
14 map covering the immediate area in which the well is pro-  
15 posed to be drilled.

16 Q Now the colored acreage, pink and yellow,  
17 and outlined in pink, is that the present proration unit?

18 A The acreage outlined in pink is the present  
19 proration unit and then the solid colors pink in the north-  
20 east quarter and yellow in the southeast quarter are the  
21 proposed proration units after they've been redefined.

22 Q Now what wells are located on the present  
23 320-acre unit?

24 A Okay, the present well located on the 320-  
25 acre unit, the present producing well, is El Paso Natural

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1 Gas Company's Pritchard A No. 1, located in Unit G of  
2 Section 9.

3 In addition to that, there are also three  
4 dry holes that are also located on this 320-acre unit.

5 Q Now would you tell us what those dry holes  
6 are, what happened to them?

7 A Okay. Now this is, part of this is from  
8 memory, but starting in Unit P, Stanolind's, I believe that  
9 was the Langlie No. 5, it was drilled and plugged, drilled  
10 as a Queen test in 1937 and plugged at that time.

11 Q With no production?

12 A With no production. An actual completion  
13 attempt was never made on the well.

14 The Federal 76 No. 1 was drilled by -- it's  
15 located in Unit I. It was drilled by Morris Antweil in  
16 1976 as a Queen test, and it was also plugged without a  
17 completion attempt, or without ever being completed.

18 And the well located in Unit H was a well  
19 drilled by Texas Pacific Oil Company in 1957. I believe  
20 it was their Pritchard 2-A, and it was drilled as a Queen  
21 test and also a completion attempt was never made on it.

22 Q And that's all the wells that are presently  
23 located on the unit.

24 A That is correct.

25 Q And just the one producing well.

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1 A. The one producing well is the El Paso Prit-  
2 chard A and it was completed in 1957 as a Jalmat-Yates  
3 gas well.

4 Q Now do you have the production history of  
5 that well?

6 A Yes. The production history is shown on  
7 Exhibits Two and Three. Exhibit Number Two is a decline  
8 curve showing production since 1965 on the well. It shows  
9 that the well was following a fairly steady decline until  
10 1973, at which time -- or through 1973, and the year 1974  
11 something apparently happened to the well because the pro-  
12 duction fell off drastically at that point, and has aver-  
13 aged approximately 35 Mcf a day for the last five years.

14 Q And that is also reflected in the Exhibit  
15 Number Three, is that correct?

16 A That is correct, on the tabular exhibit.

17 Q That's a tabular representation of the same  
18 information?

19 A That is correct.

20 Q And your Exhibit Number Four, would you  
21 identify that exhibit?

22 A Okay. Exhibit Number Four is a log and com-  
23 pletion report on the El Paso Pritchard A No. 1. The well  
24 was spudded in February, 1957; completed in June of 1957,  
25 for an open flow potential of 6.9-million per day, and it

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1 also reflects that in the latter part of 1977 El Paso made  
2 an attempt to improve the production on the well. They did  
3 some additional perforating over the interval from 2929 to  
4 3048 and performed an additional sand frac on the well at  
5 that time, but also at that time, or since that time,  
6 production has not shown any significant increase.

7 Q Now, considering the 320-acre unit, in your  
8 opinion is the El Paso well capable of producing the gas  
9 underlying the southeast quarter of the section?

10 A I do not believe that the El Paso Pritchard  
11 A No. 1 will effectively drain the remaining reserves in  
12 the southeast quarter of Section 9.

13 Q Now what information do you have to show  
14 that there are actually remaining reserves in the southeast  
15 quarter?

16 A Well, there is -- Amoco did some new drilling  
17 in the west half -- or excuse me, in the east half of the  
18 southwest of 9 this past year, and they completed a well  
19 in Unit N of Section 9, which produced an average of 527  
20 Mcf per day, as reflected --

21 MR. NUTTER: Is that that No. 1 C on the  
22 exhibit?

23 A Yes, sir.

24 MR. NUTTER: And that was drilled when, now?

25 A That was drilled in 1978.

1 MR. NUTTER: And produced how much?

2 A. It's showing, the average production is  
3 527 Mcf per day for the month of November of 1978.

4 The well located in Unit K, the 2-C, is a  
5 Langlie Mattix producer.

6 Q That well has been drilled?

7 A. Yes, both of those wells have been drilled.

8 Q And what kind of -- it's a Langlie Mattix?

9 A. That is correct.

10 Q Now are there any other Jalmat producers  
11 in the area?

12 A. Yes. Now the, what is called the 83 WI in  
13 Unit L of Section 9 was Amoco's previous Jalmat producer.  
14 It has not produced gas for at least three or four years,  
15 so its production is zero, and located in Unit N of Section  
16 4, the Welle's No. 11 averaged 121 Mcf per day in November.

17 The Welle's No. 3, located in Unit K of  
18 Section 4 averaged 288 Mcf per day in November.

19 My Langlie Jal Federal No. 1, located in  
20 Unit A of Section 8, averaged 284 Mcf per day in November.

21 And then Gulf has a well that was located  
22 in Unit E -- excuse me, Unit D of Section 16 that has been  
23 plugged for a number of years, also.

24 Q Are there any wells in Section 10 to the  
25 east?

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1 A. There are no active Jalmat producers in  
2 Section 10.

3 Q And what are the other wells shown on the  
4 exhibit?

5 A. The remainder of the wells are essentially  
6 Langlie Mattix producers that are shown on the map.

7 Q So in a sense you're talking about the 1-C  
8 Well in Section 9 as indicating reserves underlying the  
9 southeast quarter, is this correct?

10 A. I believe that is correct.

11 Q And in your opinion are there substantial  
12 reserves that will not be recovered by any other well located  
13 on either the 320-acre unit or the 160-acre unit comprising  
14 the southeast quarter?

15 A. I feel that there are significant reserves  
16 that could be recovered that probably will not be recovered  
17 from the Pritchard A No. 1.

18 Q Now are you asking the Commission to form  
19 two nonstandard units?

20 A. Yes, we are.

21 Q One in the southeast quarter to be dedicated  
22 to your proposed well?

23 A. Yes, sir.

24 Q And the other would remain dedicated to the  
25 El Paso well?



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1 A. That is correct.

2 Q. El Paso owns the acreage at the present  
3 time, is this correct?

4 A. El Paso owns the Jalmat dry gas rights.

5 Q. And how did you acquire your interest?

6 A. We acquired our interest from -- on a farm-  
7 out from El Paso.

8 Q. Were Exhibits One through Four prepared by  
9 you?

10 A. Yes, they were.

11 MR. KELLAHIN: At this time we'd offer Ex-  
12 hibits One through Four.

13 MR. NUTTER: Applicant's Exhibits One through  
14 Four will be admitted in evidence.

15 MR. KELLAHIN: That completes our testimony,  
16 Mr. Nutter.

17 MR. NUTTER: Any questions of Mr. Hartman?  
18 Ms. Teschendorf?

19  
20 CROSS EXAMINATION

21 BY MS. TESCHENDORF:

22 Q. I'm a little confused, Mr. Hartman. Are  
23 you asking for something in the alternative here? You  
24 either want two new 160-acre units with a Jalmat well on  
25 each, or you want approval of the infill drilling on the

1 320-acre unit, is that --

2 A Well, it's infill drilling, but we also at  
3 the same time request that the present proration unit be  
4 reassigned to consist of two 160's.

5 Q Well, if we redefine it as two 160's, you've  
6 only got one Jalmat well on each and you won't have an in-  
7 fill situation, isn't that true?

8 A I guess that would be correct.

9 Q So you're looking at --

10 MR. KELLAHIN: One or the other.

11 Q -- one or the other. Okay.

12 MR. KELLAHIN: In terms of the farm-out we  
13 require the creation of two new units, however.

14 A Right. The reason we did that, we felt like  
15 we could not, you know, have two operators on the same pro-  
16 ration unit, so it's really going to have to be reassigned.

17 Q That was another one of my questions. Is  
18 El Paso aware of and agreeing to this splitting up the  
19 unit?

20 A Yes, they have been receiving notices of  
21 all correspondence concerning this matter.

22 MR. NUTTER: In effect you're acting as El  
23 Paso's agent here today requesting a 160-acre nonstandard  
24 unit for them.

25 A Yes, sir, that is correct.

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

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all. Thank you.

MR. NUTTER: Does anyone have anything they  
wish to offer in Case Number 6454?

We'll take the case under advisement.

(Hearing concluded.)

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## REPORTER'S CERTIFICATE

I, SALLY W. 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 W. Boyd C.S.R.  
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the hearing of Case No. 6454 heard by me on 7/19/79.  
[Signature], Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
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Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
14 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Doyle Hartman for ) CASE  
approval of infill drilling and ) 6454  
two nonstandard proration units, )  
Lea County, New Mexico. )

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 Bldg.  
Santa Fe, New Mexico 87503

For the Applicant:

JASON KELLAHIN, ESQ.  
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## I N D E X

## DOYLE HARTMAN

Direct Examination by Mr. Kellahin	3
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## E X H I B I T S

Applicant Exhibit One, Plat	10
Applicant Exhibit Two, Decline curve	10
Applicant Exhibit Three, Tabulation	10
Applicant Exhibit Four, Log	10

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Baltimore, Md. 21206 57561

MR. NUTTER: Call next Case Number 6454.

MS. TESCHENDORF: Case 6454. Application of Doyle Hartman for approval of infill drilling and two non-standard proration units, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, appearing for the applicant, and we have one witness to be sworn.

(Witness sworn.)

DOYLE HARTMAN

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Doyle Hartman.

Q Are you the applicant in Case Number 6454?

A Yes, I am.

Q Mr. Hartman, have you testified before the Oil Conservation Division and made your qualifications a matter of record?

A Yes, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

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CERTIFIED SHORTHAND REPORTER  
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Santa Fe, New Mexico 87501

1 MR. NUTTER: Yes, they are.

2 Q (Mr. Kellahin continuing.) Mr. Hartman,  
3 what do you propose in Case Number 6454?

4 A We're making application for a standard  
5 Jalmat location, or Jalmat gas location, and application  
6 to have an existing Jalmat proration -- 320-acre Jalmat  
7 proration unit broken up into two Jalmat proration units,  
8 consisting of 160 acres, one of which would be located in  
9 the northeast quarter of Section 9, and the second, which  
10 would be located in the southeast quarter of Section 9.

11 Q Now referring to what has been marked as  
12 your Exhibit Number One, is that a plat of the area?

13 A Exhibit Number One is a well and ownership  
14 map covering the immediate area in which the well is pro-  
15 posed to be drilled.

16 Q Now the colored acreage, pink and yellow,  
17 and outlined in pink, is that the present proration unit?

18 A The acreage outlined in pink is the present  
19 proration unit and then the solid colors pink in the north-  
20 east quarter and yellow in the southeast quarter are the  
21 proposed proration units after they've been redefined.

22 Q Now what wells are located on the present  
23 320-acre unit?

24 A Okay, the present well located on the 320-  
25 acre unit, the present producing well, is El Paso Natural

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1 Gas Company's Pritchard A No. 1, located in Unit G of  
2 Section 9.

3 In addition to that, there are also three  
4 dry holes that are also located on this 320-acre unit.

5 Q Now would you tell us what those dry holes  
6 are, what happened to them?

7 A Okay. Now this is, part of this is from  
8 memory, but starting in Unit P, Stanolind's, I believe that  
9 was the Langlie No. 5, it was drilled and plugged, drilled  
10 as a Queen test in 1937 and plugged at that time.

11 Q With no production?

12 A With no production. An actual completion  
13 attempt was never made on the well.

14 The Federal 76 No. 1 was drilled by -- it's  
15 located in Unit I. It was drilled by Morris Antweil in  
16 1976 as a Queen test, and it was also plugged without a  
17 completion attempt, or without ever being completed.

18 And the well located in Unit H was a well  
19 drilled by Texas Pacific Oil Company in 1957. I believe  
20 it was their Pritchard 2-A, and it was drilled as a Queen  
21 test and also a completion attempt was never made on it.

22 Q And that's all the wells that are presently  
23 located on the unit.

24 A That is correct.

25 Q And just the one producing well.

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1 A The one producing well is the El Paso Prit-  
2 chard A and it was completed in 1957 as a Jalmat-Yates  
3 gas well.

4 Q Now do you have the production history of  
5 that well?

6 A Yes. The production history is shown on  
7 Exhibits Two and Three. Exhibit Number Two is a decline  
8 curve showing production since 1965 on the well. It shows  
9 that the well was following a fairly steady decline until  
10 1973, at which time -- or through 1973, and the year 1974  
11 something apparently happened to the well because the pro-  
12 duction fell off drastically at that point, and has aver-  
13 aged approximately 35 Mcf a day for the last five years.

14 Q And that is also reflected in the Exhibit  
15 Number Three, is that correct?

16 A That is correct, on the tabular exhibit.

17 Q That's a tabular representation of the same  
18 information?

19 A That is correct.

20 Q And your Exhibit Number Four, would you  
21 identify that exhibit?

22 A Okay. Exhibit Number Four is a log and com-  
23 pletion report on the El Paso Pritchard A No. 1. The well  
24 was spudded in February, 1957; completed in June of 1957,  
25 for an open flow potential of 6.9-million per day, and it

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1 also reflects that in the latter part of 1977 El Paso made  
2 an attempt to improve the production on the well. They did  
3 some additional perforating over the interval from 2929 to  
4 3048 and performed an additional sand frac on the well at  
5 that time, but also at that time, or since that time,  
6 production has not shown any significant increase.

7 Q Now, considering the 320-acre unit, in your  
8 opinion is the El Paso well capable of producing the gas  
9 underlying the southeast quarter of the section?

10 A I do not believe that the El Paso Pritchard  
11 A No. 1 will effectively drain the remaining reserves in  
12 the southeast quarter of Section 9.

13 Q Now what information do you have to show  
14 that there are actually remaining reserves in the southeast  
15 quarter?

16 A Well, there is -- Amoco did some new drilling  
17 in the west half -- or excuse me, in the east half of the  
18 southwest of 9 this past year, and they completed a well  
19 in Unit N of Section 9, which produced an average of 527  
20 Mcf per day, as reflected --

21 MR. NUTTER: Is that that No. 1 C on the  
22 exhibit?

23 A Yes, sir.

24 MR. NUTTER: And that was drilled when, now?

25 A That was drilled in 1978.

1 MR. NUTTER: And produced how much?

2 A. It's showing, the average production is  
3 527 Mcf per day for the month of November of 1978.

4 The well located in Unit K, the 2-C, is a  
5 Langlie Mattix producer.

6 Q That well has been drilled?

7 A Yes, both of those wells have been drilled.

8 Q And what kind of -- it's a Langlie Mattix?

9 A That is correct.

10 Q Now are there any other Jalmat producers  
11 in the area?

12 A Yes. Now the, what is called the 83 WI in  
13 Unit L of Section 9 was Amoco's previous Jalmat producer.  
14 It has not produced gas for at least three or four years,  
15 so its production is zero, and located in Unit N of Section  
16 4, the Welle's No. 11 averaged 121 Mcf per day in November.

17 The Welle's No. 3, located in Unit K of  
18 Section 4 averaged 288 Mcf per day in November.

19 My Langlie Jal Federal No. 1, located in  
20 Unit A of Section 8, averaged 284 Mcf per day in November.

21 And then Gulf has a well that was located  
22 in Unit E -- excuse me, Unit D of Section 16 that has been  
23 plugged for a number of years, also.

24 Q Are there any wells in Section 10 to the  
25 east?

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1 A There are no active Jalmat producers in  
2 Section 10.

3 Q And what are the other wells shown on the  
4 exhibit?

5 A The remainder of the wells are essentially  
6 Langlie Mattix producers that are shown on the map.

7 Q So in a sense you're talking about the 1-C  
8 Well in Section 9 as indicating reserves underlying the  
9 southeast quarter, is this correct?

10 A I believe that is correct.

11 Q And in your opinion are there substantial  
12 reserves that will not be recovered by any other well located  
13 on either the 320-acre unit or the 160-acre unit comprising  
14 the southeast quarter?

15 A I feel that there are significant reserves  
16 that could be recovered that probably will not be recovered  
17 from the Pritchard A No. 1.

18 Q Now are you asking the Commission to form  
19 two nonstandard units?

20 A Yes, we are.

21 Q One in the southeast quarter to be dedicated  
22 to your proposed well?

23 A Yes, sir.

24 Q And the other would remain dedicated to the  
25 El Paso well?

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A. That is correct.

Q El Paso owns the acreage at the present time, is this correct?

A. El Paso owns the Jalmat dry gas rights.

Q And how did you acquire your interest?

A. We acquired our interest from -- on a farm-out from El Paso.

Q Were Exhibits One through Four prepared by you?

A. Yes, they were.

MR. KELLAHIN: At this time we'd offer Exhibits One through Four.

MR. NUTTER: Applicant's Exhibits One through Four will be admitted in evidence.

MR. KELLAHIN: That completes our testimony, Mr. Nutter.

MR. NUTTER: Any questions of Mr. Hartman? Ms. Teschendorf?

# CROSS EXAMINATION

BY MS. TESCHENDORF:

Q I'm a little confused, Mr. Hartman. Are you asking for something in the alternative here? You either want two new 160-acre units with a Jalmat well on each, or you want approval of the infill drilling on the

1 320-acre unit, is that --

2 A Well, it's infill drilling, but we also at  
3 the same time request that the present proration unit be  
4 reassigned to consist of two 160's.

5 Q Well, if we redefine it as two 160's, you've  
6 only got one Jalmat well on each and you won't have an in-  
7 fill situation, isn't that true?

8 A I guess that would be correct.

9 Q So you're looking at --

10 MR. KELLAHIN: One or the other.

11 Q -- one or the other. Okay.

12 MR. KELLAHIN: In terms of the farm-out we  
13 require the creation of two new units, however.

14 A Right. The reason we did that, we felt like  
15 we could not, you know, have two operators on the same pro-  
16 ration unit, so it's really going to have to be reassigned.

17 Q That was another one of my questions. Is  
18 El Paso aware of and agreeing to this splitting up the  
19 unit?

20 A Yes, they have been receiving notices of  
21 all correspondence concerning this matter.

22 MR. NUTTER: In effect you're acting as El  
23 Paso's agent here today requesting a 160-acre nonstandard  
24 unit for them.

25 A Yes, sir, that is correct.

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MR. NUTTER: Are there any further questions

for Mr. Hartman? He may be excused.

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all. Thank you.

MR. NUTTER: Does anyone have anything they  
wish to offer in Case Number 6454?

We'll take the case under advisement.

(Hearing concluded.)


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## REPORTER'S CERTIFICATE

I, SALLY W. 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 W. Boyd, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing, Case No. 6454  
heard by me on 2/14 19 79.  
, Examiner  
Oil Conservation Division

SALLY WALTON BOYD  
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PRODUCTION HISTORY  
EL PASO NATURAL GAS CO.

Prichard "A" No. 1  
G-9-25S-37E  
Lea County, N. M.  
(Jalmat Gas Pool)

YEAR	GAS PRODUCTION (MCF)	AVERAGE RATE (MCFPD)	CUMULATIVE PRODUCTION (MMCF)
1965	281,458	771	2037
1966	233,240	639	2270
1967	180,998	496	2451
1968	144,443	396	2595
1969	122,641	336	2718
1970	89,950	246	2809
1971	66,138	181	2874
1972	42,215	116	2917
1973	49,130	135	2966
1974	10,010	27	2976
1975	11,040	30	2987
1976	15,702	43	3002
1977	10,016	30	3013
1978	11,352	34	3025

BEFORE EXAMINER NUTTER  
OIL CONSERVATION DIVISION  
*Walter* EXHIBIT NO. 3  
CASE NO. 1454

PRODUCTION HISTORY  
EL PASO NATURAL GAS CO.

Prichard "A" No. 1  
G-9-25S-37E  
Lea County, N. M.  
(Jalmat Gas Pool)

<u>YEAR</u>	<u>GAS PRODUCTION (MCF)</u>	<u>AVERAGE RATE (MCFPD)</u>	<u>CUMULATIVE PRODUCTION (MMCF)</u>
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1974	10,010	27	2976
1975	11,040	30	2987
1976	15,702	43	3002
1977	10,016	30	3013
1978	11,352	34	3025

Exhibit 3  
case 6454

100-118-1073

JASON W. KELLAHIN  
W. THOMAS KELLAHIN  
KAREN AUBREY

KELLAHIN and KELLAHIN  
ATTORNEYS AT LAW  
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TELEPHONE 982-4200  
AREA CODE 505

January 17, 1979

Oil Conservation Division  
New Mexico Energy & Minerals Dept.  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

Enclosed, in triplicate, is the application of Doyle Hartman for approval of a non-standard proration unit in the Jalmat Gas Pool, for for price category determination under the rules of the F.E.R.C. for the proposed well.

We would appreciate having this application set for the first availabl examiner hearing in February.

Yours very truly,

*Jason Kellahin*

Jason Kellahin

JK:ss  
cc. Doyle Hartman

BEFORE THE  
NEW MEXICO ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF DOYLE HARTMAN FOR APPROVAL OF  
AN UNORTHODOX PRORATION UNIT AND  
FOR WELL CLASSIFICATION, JALMAT  
GAS POOL, LEA COUNTY, NEW MEXICO

Case 6454

A P P L I C A T I O N

Comes now Doyle Hartman and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of an unorthodox unit and for well classification for pricing under the provisions of the Federal Energy Regulatory Commission, and in support thereof would show the Division:

1. Applicant proposes to drill a well to the Jalmat Gas Pool, to be located 1980 feet from the South line, and 1980 feet from the East line of Section 9, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, dedicating to the well the SE/4 of Section 9, consisting of 160 acres.
2. The East half of Section 9 is presently dedicated to El Paso Natural Gas Company's Prichard No. 1 Well, located in Unit G of Section 9. The NE/4 will continue to be dedicated to the Prichard No. 1 Well.
3. The Prichard No. 1 well is presently producing at the rate of approximately 15 Mcf of gas per day, and cannot efficiently and economically drain the acreage dedicated to it. Applicant's proposed well is necessary to produce recoverable hydrocarbons that would not otherwise be recovered.
4. Applicant further seeks a determination pursuant to the F.E.R.C. rules, Part 271.305 that the subject well is necessary to effectively and efficiently drain a portion of

the Jalmat Gas Pool covered by the proposed proration unit which cannot be effectively and efficiently drained by any existing well within the proration unit and will offer evidence to support this determination.

WHEREFORE Applicant respectfully requests that this matter be set for hearing at the next Examiner hearing, and that after notice and hearing as required by law the Division enter its order approving the proposed proration unit, and that the Division enter its order making the wellhead price ceiling category determination as requested.

Respectfully submitted,

DOYLE HARTMAN

By *James Kellahin*  
Kellahin & Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
ATTORNEYS FOR APPLICANT

10-21-1972

BEFORE THE  
NEW MEXICO ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF DOYLE HARTMAN FOR APPROVAL OF  
AN UNORTHODOX PRORATION UNIT AND  
FOR WELL CLASSIFICATION, JALMAT  
GAS POOL, LEA COUNTY, NEW MEXICO

Case 6454

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1. Applicant proposes to drill a well to the Jalmat Gas Pool, to be located 1980 feet from the South line, and 1980 feet from the East line of Section 9, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, dedicating to the well the SE/4 of Section 9, consisting of 160 acres.

2. The East half of Section 9 is presently dedicated to El Paso Natural Gas Company's Prichard No. 1 Well, located in Unit G of Section 9. The NE/4 will continue to be dedicated to the Prichard No. 1 Well.

3. The Prichard No. 1 well is presently producing at the rate of approximately 15 Mcf of gas per day, and cannot efficiently and economically drain the acreage dedicated to it. Applicant's proposed well is necessary to produce recoverable hydrocarbons that would not otherwise be recovered.

4. Applicant further seeks a determination pursuant to the F.E.R.C. rules, Part 271.305 that the subject well is necessary to effectively and efficiently drain a portion of

the Jalmat Gas Pool covered by the proposed proration unit which cannot be effectively and efficiently drained by any existing well within the proration unit and will offer evidence to support this determination.

WHEREFORE Applicant respectfully requests that this matter be set for hearing at the next Examiner hearing, and that after notice and hearing as required by law the Division enter its order approving the proposed proration unit, and that the Division enter its order making the wellhead price ceiling category determination as requested.

Respectfully submitted,

DOYLE HARTMAN

By *James Kellahin*  
Kellahin & Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
ATTORNEYS FOR APPLICANT



BEFORE THE  
NEW MEXICO ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF DOYLE HARTMAN FOR APPROVAL OF  
AN UNORTHODOX PRORATION UNIT AND  
FOR WELL CLASSIFICATION, JALMAT  
GAS POOL, LEA COUNTY, NEW MEXICO

Case 6454

A P P L I C A T I O N

Comes now Doyle Hartman and applies to the Oil Conservation Division, New Mexico Energy and Minerals Department, for approval of an unorthodox unit and for well classification for pricing under the provisions of the Federal Energy Regulatory Commission, and in support thereof would show the Division:

1. Applicant proposes to drill a well to the Jalmat Gas Pool, to be located 1980 feet from the South line, and 1980 feet from the East line of Section 9, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, dedicating to the well the SE/4 of Section 9, consisting of 160 acres.

2. The East half of Section 9 is presently dedicated to El Paso Natural Gas Company's Prichard No. 1 Well, located in Unit G of Section 9. The NE/4 will continue to be dedicated to the Prichard No. 1 Well.

3. The Prichard No. 1 well is presently producing at the rate of approximately 15 Mcf of gas per day, and cannot efficiently and economically drain the acreage dedicated to it. Applicant's proposed well is necessary to produce recoverable hydrocarbons that would not otherwise be recovered.

4. Applicant further seeks a determination pursuant to the F.E.R.C. rules, Part 271.305 that the subject well is necessary to effectively and efficiently drain a portion of

the Jalmat Gas Pool covered by the proposed proration unit which cannot be effectively and efficiently drained by any existing well within the proration unit and will offer evidence to support this determination.

WHEREFORE Applicant respectfully requests that this matter be set for hearing at the next Examiner hearing, and that after notice and hearing as required by law the Division enter its order approving the proposed proration unit, and that the Division enter its order making the wellhead price ceiling category determination as requested.

Respectfully submitted,

DOYLE HARTMAN

*By Jason Kellahin*  
Kellahin & Kellahin  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
ATTORNEYS FOR APPLICANT

ROUGH

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. 6454

Order No. R-6032

APPLICATION OF DOYLE HARTMAN FOR  
APPROVAL OF INFILL DRILLING AND  
TWO NON-STANDARD PRORATION UNITS,  
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14,  
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of June, 19 79, 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 E/2 of Section 9, Township 26 South, Range 37 East, NMPM1, Lea County, New Mexico, currently comprises a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, and is dedicated to the El Paso Natural Gas Company Pritchard A Well No. 1, located in Unit G of said Section 9.

(3) That said Pritchard A Well No. 1 is apparently not efficiently and effectively draining the gas reserves in the Jalmat Gas Pool underlying the SE/4 of said Section 9, and El Paso Natural Gas Company has executed a farm-out agreement ~~to~~ with the applicant, Doyle Hartman, whereby applicant would operate the SE/4 of said Section 9 and drill a Jalmat gas well thereon, and El Paso would operate the NE/4 of said Section 9 and continue to dedicate the same to the <sup>applicant</sup> Pritchard A Well No. 1.

(4) That the applicant in this case seeks approval for infill drilling and two non-standard gas proration units, one for El Paso Natural Gas Company being a 160-acre unit comprising the NE/4 of Section 9 to be dedicated to El Paso's Pritchard A Well No. 1, located in Unit G, and the other unit being a 160-acre unit, for the applicant, comprising the SE/4 of Section 9, and dedicated to a well applicant proposes to drill at a point 1980 feet from the South line and 1980 feet from the East line of said Section 9.

(5) That inasmuch as approval of the two proposed non-standard units would require the abolishment of the existing <sup>320-acre</sup> non-standard gas proration unit,

(3) That each of the above-described non-standard units shall be assigned an acreage factor of 1.00 for alluvial purposes.  
(4) That applicant's request for approval of infill drilling is hereby dismissed.  
(5) Jurisdiction Done at

applicant would not be drilling his proposed well on an existing proration unit, and such well would not be classified as an infill well on an existing unit, but as a new onshore production well, pursuant to the definitions set forth in the ~~State~~ Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission, and applicant's request for approval of infill drilling should therefore be dismissed.

(6) That the application for cancellation of the existing 320-acre non-standard gas proration unit and approval of two 160-acre non-standard gas proration units will result in the recovery of gas reserves which otherwise might not be recovered, thereby preventing waste, will not impair but will protect correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

- (1) That the 320-acre ~~unit~~ non-standard <sup>gas proration</sup> unit in the Jalmat Gas Pool comprising the E/2 of Section 9, Township 26 South, Range 31 East, NMPM, Lea County, New Mexico, is hereby abolished.
- (2) That two 160-acre non-standard gas proration units in the Jalmat Gas Pool are hereby approved, the first comprising the NE/4 of the aforesaid Section 9 to be dedicated to the El Paso Natural Gas Company Pritchard A Well No. 1 located in Unit G of said Section 9, and the second comprising the SE/4 of said Section 9, to be dedicated to applicant's proposed El Paso Pritchard Well No. 1, to be located 1980 feet from the South line and 1980 feet from the East line of Section 9.