

March 27, 1981

Offset Operators (List Attached) - Certified

Re: Maralo Application for 80-acre Non-Standard Gas Unit, Jalmat Yates Unit No. 25, Jalmat Gas Field, Lea County, NM

Gentlemen:

Maralo is requesting approval of an 80-acre non-standard gas proration unit for our Jalmat Yates Unit No. 25. This 80-acre unit would comprise the S/2 NW/4, Section 18, T-25-S, R-37-E, Lea County, New Mexico.

A request to dually complete Jalmat Yates Unit 25 as a Yates Water Injection Well and a Seven Rivers gas well was mailed to all offset operators by certified mail on June 23, 1980. The New Mexico Oil Conservation Division did not grant the non-standard gas unit portion of the request because we were not sure Jalmat Unit 25 would be a gas well or an oil well. On a subsequent test, Jalmat Unit 25 produced 334 MCFG and no oil on a 24-hour test.

Sincerely, R. A. Lowery

RAL:JB

cc: Richard Stamets N.M. Oil Conservation Division Santa Fe, NM 87501

> Jerry Sexton N.M. Oil Conservation Division Hobbs, NM 88240





March 9, 1981

616

NSP - 125 700/ NSP - 626 S-1620 June 5-13-901 Aulo 5-13-901

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

Attention Mr. Richard Stamets

Re: Maralo Request for Non-Standard Gas Unit Maralo Jalmat Yates Unit No. 25 Jalmat Yates Unit, Lea County, NM

Gentlemen:

Confirming your telephone discussions with Conrad Coffield on March 5, 1981, Maralo requests administrative approval of an 80-acre non-standard gas proration unit for our Jalmat Yates Unit No. 25. This well is located in Unit F 2500' FNL & 1550' FWL of Section 18, T-25-S, R-37-E, Lea County, New Mexico and is dually completed as a Yates water injection well (perforations 2856-3031') and a Seven Rivers gas well (perforations 3130-3228). Authority for this dual completion was granted by Order R-6419.

We propose to dedicate the S/2 NW/4. Section 18, T-25-S, R-37-E (See attached plat) to well No. 25. Also attached for your consideration, is a Form C-116 which shows that Jalmat Unit No. 25 flowed 334 MCF gas with no oil on a 24-hour test from the Seven Rivers formation on September 22, 1980. Well No. 25 has been shut-in since that date waiting on a pipeline connection.

Other wells located on the S/2 NW/4 of Section 18 are:

Jalmat Yates Unit No. 23 - A Yates oil well currently pumping 2 BO + 0 BW per day

Jalmat Yates Unit No. 24 - A Yates oil well currently pumping 1 BO + 0 BW per day

Jalmat Yates Unit No. 26 - A Yates water injection well currently injecting 400 BW per day

All other testimony presented in Case No. 6948, June 25, 1980, (Order No. R-6419) is still valid.

Yours truly,

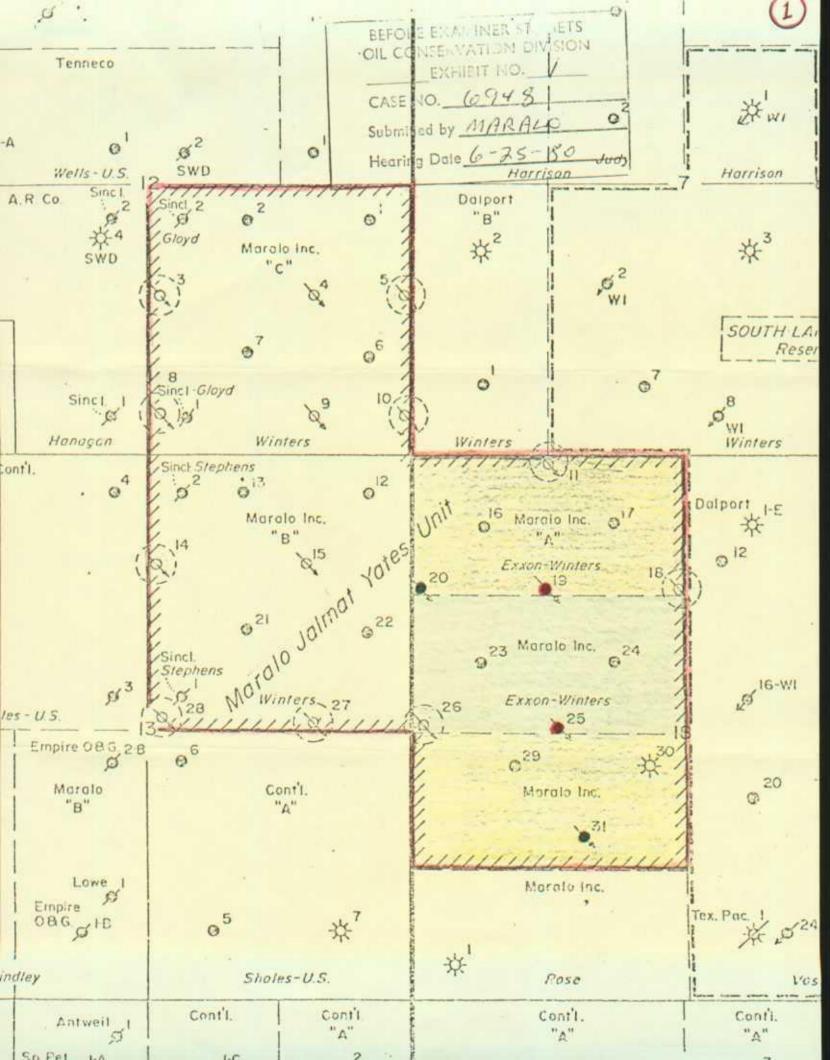
Lawerey

R. A. Lowery Production Manager

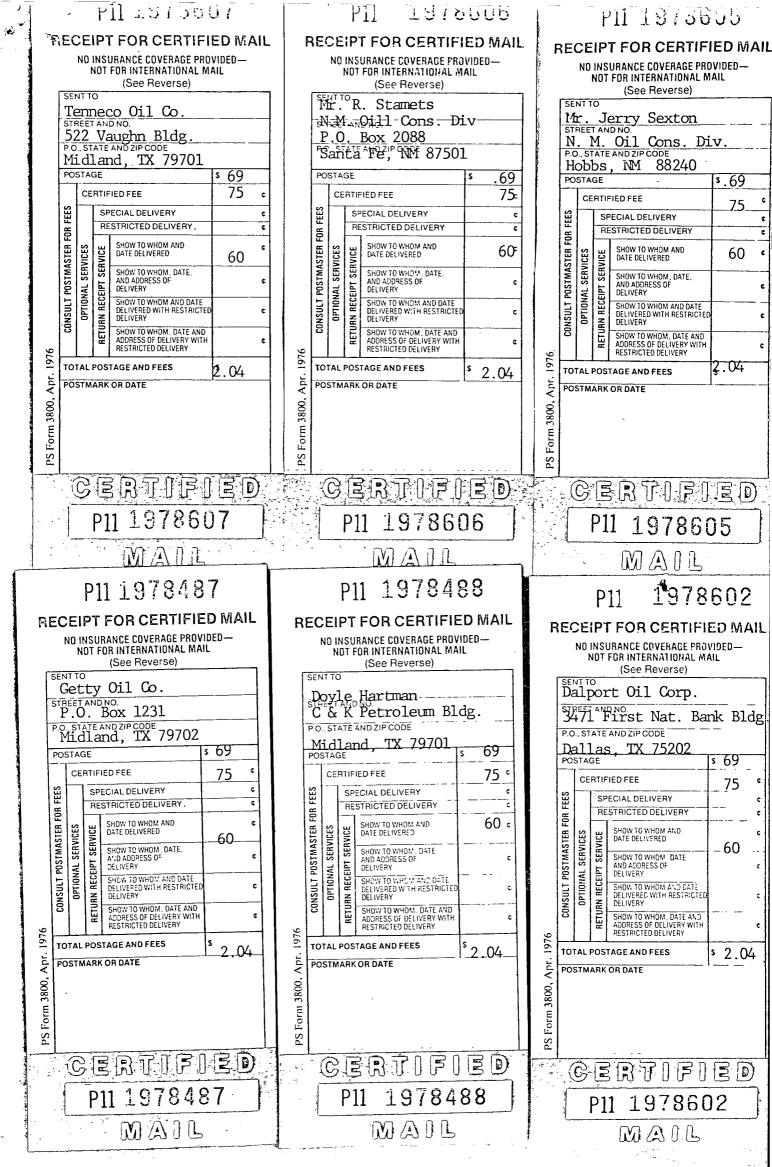
RAL: JB Attachment

cc: Jerry Sexton New Mexico Oil Conservation Division

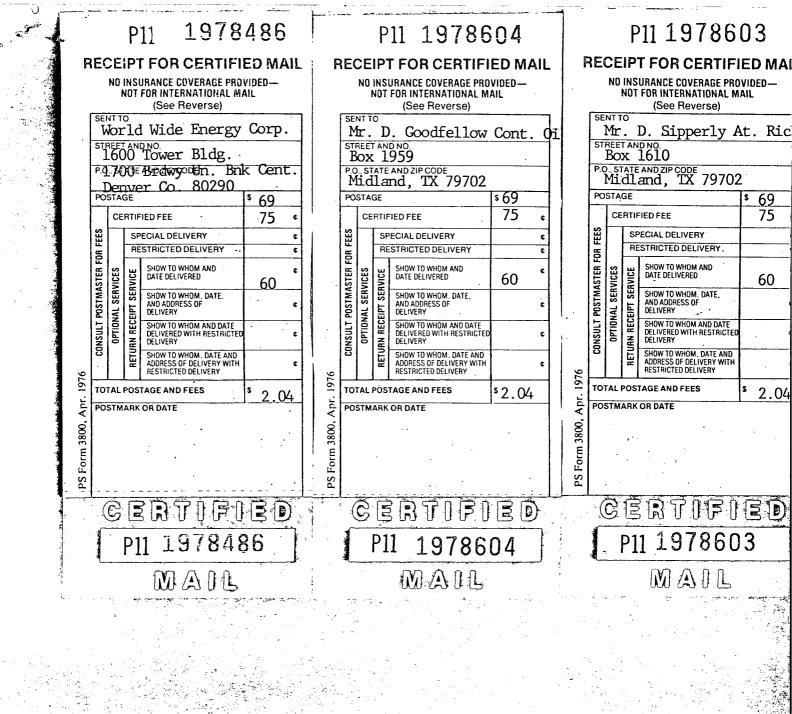
Hobbs, № A Subsidiary of M. Ralph Lowe Inc. / P. O. Box 832 / Midland, Texas 79701 / (915) 684-7441



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		79702							d an allow st, each w nt. Operati	sported in In lieu of 1	copy of thi ules.				
	MARALO, INC.	Box 832 Midland Texas	k 832 Di And Texas		L EASE NAME	JALMAT YATES UNIT		·				No well will be assigned an allowable greater than the amount of oil produced on the official test. During gas-oll ratio test, ench well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is theoremission.	Gas volumes must be reported in MCF measured at a pressure base of 1,5.025 0.60. Descrites instruction in the of tubing pressure for any well producing through	Mail original and one copy of this report to the district office of the New Mexico OII Conservation Commission in accordance with Rule 301 and appropriate pool rules.	
	Operator	Address BO			JALM						l located Increase	will be 0.60.	Rule 30		Υ.



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Commaster Sille LAW OFFICES HINKLE, COX, EATON, COFFIELD & HENSLEY OF COUNSEL LEWIS C. COX, JR. PAUL W. EATON, JR. CONRAD E. COFFIELD 1000 FIRST NATIONAL BANK TOWER HAROLD L. HENSLEY, JR. STUART D. SHANOR C. D. MARTIN BOSWELL NEW MEXICO OFFICE BOS HINKLE BUILDING BOO HINKLE BUILDING POST OFFICE BOX 3589AR 1 2 1981 2 D. MANTIN PAUL J. KELLY, JR. JAMES H. BOZARTH DOUGLAS L.LUNSFORD PAUL M. BOHANNON MIDLAND, TEXAS 79702 MARILLO, TEXAS OFFICE MARILLO, TEXAS OFFICE MARILLO, TEXAS OFFICE (806) 372-5569 (915) 683-4691 CC (ERNEST R. FINNEY, JR. J. DOUGLAS FOSTER K. DOUGLAS PERRIN C. RAY ALLEN ONLY ATTYS. EATON, COFFIELD, MARTIN, BOZARTH, BOHANNON, FINNEY, FOSTER, ALLEN, ALLEN, BURFORD, BREWER & STONE LICENSED IN TEXAS August 8, 1980 C, HAT ALLEN JACQUELINE W. ALLEN T. CALDER EZZELL, JR. WILLIAM B. BURFORD JOHN S. NELSON RICHARD E. OLSON PHILLIP T. BREWER Mr. Dick Lowery Maralo, Inc. Post Office Box 832 Midland, Texas 79701 Oil Conservation Division Re: Case No. 6948, Order R-6419

Dear Dick:

Transmitted herewith is a copy of Order No. R-6419, which is the Order resulting from the hearing in Case No. 6948, held June 25, 1980.

The Order is substantially as we wanted it to be, authorizing the dual completion for all four wells involved. Do note the periodic packer leakage test required under the terms of the Order.

With the entry of this Order, I will mark our file on this particular matter as closed. However, if you have any questions with respect to the Order, please call me.

I assume the Dalport acreage aspect of this project continues along the lines which you and Randy worked out and that if Dalport <u>signs</u> their agreement, the authority for salt water injection on that acreage can be sought. If you are ready for that part of the project to be lined up, please call.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

Conrad E. Coffield

CEC:cl Enclosure ENERG AND MINERALS DEPAR MENTILI **DIL CONSERVATION DIVISION**

UNIT IT ILL INLANU

MAR 1 2 198

(505) 827-2434

BRUCE KING GOVERNOR

LARRY KEHOE SECRETARY

August 6, 1980

OIL CO 18 THAT C POST DEFICIE BUILDING

AUG 0 8 1000

HINKLE, COX, EATON, COFFIELD & HENSLEY : ::DLAND, TEXAS

Mr. Conrad E. Coffield Hinkle, Cox, Eaton, Coffield & Hensley Attorneys at Law P. O. Box 3580 Midland, Texas 79702

CASE NO.___ Re: 6948 ORDER NO. R-6419

Applicant:

Maralo, Inc

Dear Sir:

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

Pours very truly, JOE D. RAMEY Director

JDR/fd

Copy of order also sent to:

Hobbs OCD Artesia OCD____ Aztec OCD

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. 6948 Order No. R-6419

OIL CONS

APPLICATION OF MARALO, INC. FOR DUAL COMPLETIONS AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 25, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>4th</u> day of August, 1980, 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, Maralo, Inc., seeks approval for the dual completion (conventional) and simultaneous dedication of four wells in its Jalmat Yates Unit, Jalmat Pool, Lea County, New Mexico, as follows: to inject water into its Jalmat Yates Waterflood Project and to produce oil from the Seven Rivers formation from Unit Wells Nos. 19 and 20 located in Units C and D, and to inject water into said waterflood project and produce gas from the Seven Rivers from Unit Wells Nos. 25 and 31 located in Units F and K, all in Section 18, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the mechanics of the proposed dual completions are feasible and in accord with good conservation practices.

(4) That pending actual completion of Wells Nos. 25 and 31 in the Seven Rivers formation as oil wells or gas wells and dedication of acreage, the application for simultaneous dedication of said wells is premature and should be dismissed. -2-Case No. 6948(Order No. R-6419

OIL COME DVATION D

(5) That approval of the subject application $for_A dual^{VOI}$ SION completions will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Maralo, Inc., is hereby authorized to complete four wells in its Jalmat Yates Unit as dual completions (conventional) to inject water in the Yates formation and to produce oil from the Seven Rivers formation from Unit Wells Nos. 19 and 20 located in Units C and D and to produce gas from the Seven Rivers from Unit Wells Nos. 25 and 31 located in Units F and K, all in Section 18, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That each of said wells shall be equipped with parallel strings of tubing with packers set between the Yates and Seven Rivers formations and within 100 feet of the top of the Yates formation and that the Yates zone tubing shall be plastic coated internally.

(3) That the applicant shall complete, operate, and produce said wells in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order.

(4) That the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for gas wells in Southeastern New Mexico.

(5) That that part of this application seeking simultaneous dedication for Unit Wells Nos. 25 and 31 is hereby dismissed.

(6) 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.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION JOE D. RAMEY Director

S E A L fd/

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO. <u>5</u> CASE NO. <u>6948</u>	merelo
Submitted by MARALO	
Hearing Date <u>6-25-80</u>	

June 23, 1980

Offset Operators - Attached

Gentlemen:

Maralo, Inc. as operator of the Jalmat Yates Unit (NMCC Case No. 6328, Order No. R-5817, top Yates formation 100 feet below the base of the Queen formation) is making application (C. C. Form C-107) for dually completing Unit well No. 19 and No. 25 to produce oil-gas from the Seven Rivers and inject water into the Yates.

If you have no objection to our application, please approve the waiver below and return one signed copy to Maralo, Inc., P. O. Box 832, Midland, Texas.

Sincerely,

, Louis

R. A. Lowery Production Manager

DKN:JB

WAIVER :

As offset operator, we have no objection to Maralo's application to dual their Jalmat Yates Unit wells No. 19 and No. 25.

COMPANY

TITLE

DATE

APPLICATION FOR MULTIPLE COMPLETION

• ; •

reim G-107 **5-1-61**

		·	,		
Operator	<u></u>	County	<u></u>	Date	
Maralo, Inc.	• .	Lea	a .	6-23-80	
Address		Lease	<u> </u>	Well No.	
	<u>TX 79702</u>		Jalmat Yates Ut.	25	•
Location Unit Sec of Well F	18	Township		Range	
1. Has the New Mexico Oil Conscrvatio		25S	he multiple completion of	a well in these same pool	s or in the same
zones within one mile of the subject			ne monspre compression of		
2. If answer is yes, identify one such in			; Operator Lease, and	d Well No.:	
Reserve Oil, Inc. (Getty) South Langlie	e Jal Unit	· ·		
3. The following facts are submitted:	llanet		Intermediate	•	
	Upper Zone		Zone	Lowe	
a. Name of Pool and Formation	Jalmat-Yates		Seven Rivers		
b. Top and Bottom of	2856' (+280	ויר	3131' (+6')	· · ·	
Pay Section			. ,		-
(Perforations) c. Type of production (Oil or Gas)	3131' (+105		3226' (-90')		<u> </u>
d. Method of Production	Water_Injec	ction	Gas		
(Flowing or Artificial Lift)	Injection		Flow		•
4. The following are attached. (Please of		······································		· · ·	
izers and/or turbolized diameters and setting b. Plat showing the loca of operators of all lea c. Waivers consenting to tors have been furnis	ers and location thereof depth, location and typ ation of all wells on ap uses offsetting applican o such multiple comple thed copies of the appl well or other acceptable uch log is not available	, quantities up pe of packers a pplicant's leas t's lease. tion from each ication.* le log with to at the time ap	all casing strings, includ sed and top of cement, per and side door chokes, and su e, all offset wells on off offset operator, or in liev ops and bottoms of produci oplication is filed it shall ar with their correct mailin	forated intervals, tubing s uch other information as m set leases, and the names u thereof, evidence that sa ing zones and intervals o be submitted as provided	trings, including ay be pertinent s and addresses aid offset opera f perforation in
<u> </u>					-
		•.			<u> </u>
6. Were all operators listed in Item 5 al date of such notification	ove notified and furnis	hed a copy of	this application? YES_	NOXX If answ	cr is yes, give
CERTIFICATE: I, the undersigned,			of th		<u> </u>
(co under my supervision and direction and t	ompany), and that I am hat the facts stated the	authorized by rein are true, o	said company to make this correct and complete to the	s report; and that this repo e best of my knowledge.	nt was prepared
		-	•		
			PAY.		
1	· · · · · · · · · · · · · · · · · · ·	·····	R. C. La	Signature	
Appropriately given at pr •Should waivers from all offset operators sion will hold the application for a peri- day period, no protest nor request for h	s not accompany an app iod of twenty (20) days	lication for ac from date of 1	0320. Iministrative approval, the eccipt by the Commission	e New Mexico Oil Conser i's Santa Fe office. If, af	vation Commis- ter said turenty
NOTE: If the proposed multiple complet the producing zones, then separ	ion will result in an un ate application for app	orthodox well roval of the s	location and/or a non-sta ame should be filed simul	andard proration unit in the	meonmore of cation.



April 8, 1981

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

Attention Mr. Richard Stamets

Re: Application for Non-Standard Location S/2 NW/4 of Sec. 18, T-25-S, R-37-E, Jalmat Gas Pool, Lea County, NM

Gentlemen:

Attached is a copy of the certified notification to Sun-Texas as requested in your letter of April 2, 1981.

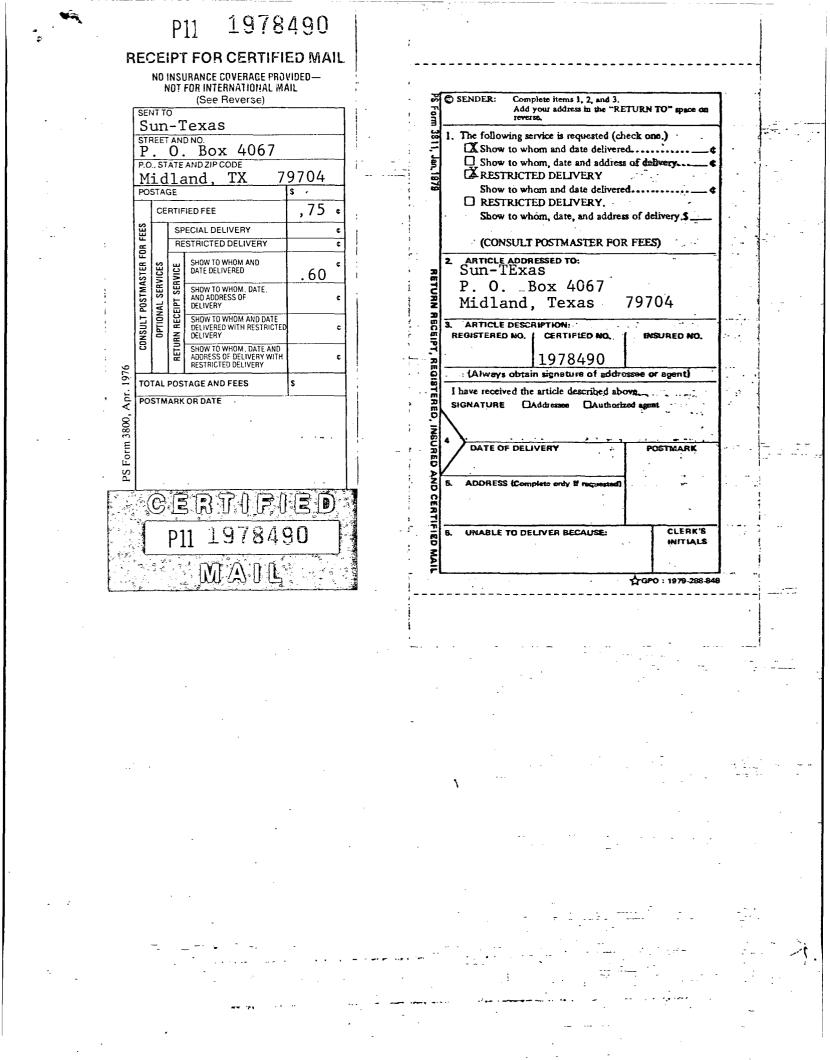
Sincerely,

R.a. Lawery

R. A. Lowery Production Manager

cc: Jerry Sexton New Mexico Oil Conservation Division Hobbs, NM 88240

OIL CONSERVATION DIVISION SANTA FE





March 27, 1981

Offset Operators (List Attached) - Certified

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Sincerely, R.a. Lowery

RAL: JB

R. A. Lowery

Richard Stamets cc: N.M. Oil Conservation Division Santa Fe, NM 87501

> Jerry Sexton N.M. Oil Conservation Division Hobbs, NM 88240



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT **OIL CONSERVATION DIVISION**

March 13, 1981

BRUCE KING GOVERNOR

LARRY KEHOE SECRETARY

> Maralo Inc. P. O. Box 832 Midland, Texas 79701

> > Application for Non-Standard Re: Location: <u>S/2 NW/4 of Sec. 18</u>, T-25-S, R-37-E, Jalmat Gas Pool, Lea County, New Mexico

POST OFFICE BOX 2088

STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501

(505) 827-2434

We may not process the subject application for non-standard location until the required information or plats checked below (is) (are) submitted.

A plat must be submitted clearly showing the ownership of the offsetting leases.

A statement must be submitted that offset owners have been XX / notified of the application by certified mail. Includes owners in the E/2 of Section 18 and the SE/4 of Section 13.

A plat must be submitted fully identifying the topography necessitating the non-standard location.

Other:

L. STAMETS R. Technical Support Chief

RLS/dr



ENERGY AND MINERALS DEPARTMENT

April 2, 1981

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

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

Maralo Inc. P. O. Box 832 Midland, Texas 79701

> Re: Application for Non-Standard Location: S/2 NW/4 of Sec. 18, T-25-S, R-37-E, Jalmat Gas Pool, Lea County, New Mexico

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 \square

A plat must be submitted clearly showing the ownership of the offsetting leases.

A statement must be submitted that offset owners have been notified of the application by certified mail.

 \square

A plat must be submitted fully identifying the topography necessitating the non-standard location.

X/ Other: The information submitted by your letter of March 27, 1981, does not indicate that the owners in the W/2 SE/4 of Section 18 (Sun-TP) have been notified.

R. L. STAMETS Technical Support Chief

RLS/dr