

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 5029: Application of Great Basins Petroleum for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Antebellum Unit Area comprising 3840 acres, more or less, of State and Federal lands in Township 23 South, Range 34 East, Lea County, New Mexico.
- CASE 5029: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Old Indian Draw Unit Area comprising 3,128 acres, more or less, of Federal and fee lands in Township 22 South, Range 28 East, Eddy County, New Mexico.
- CASE 5030: Application of Yates Drilling Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Artesia Metex Unit Area comprising 2,000 acres, more or less, of State lands in Township 18 South, Ranges 27 and 28 East, Eddy County, New Mexico.
- CASE 5031: Application of Yates Drilling Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Artesia Metex Unit Area by the injection of water into the Grayburg Formation through 14 wells located in Sections 24, 25, 26, 35, and 36 of Township 18 South, Range 27 East, and Sections 19 and 30 of Township 18 South, Range 28 East, Eddy County, New Mexico.
- Applicant further seeks an administrative procedure whereby the locations of said wells can be changed without further notice and hearing.
- CASE 5031: Application of Anadarko Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Burnham GSA Unit Area by the injection of water into the Grayburg-San Andres formation through six wells in Section 2, Township 17 South, Range 30 East. Square Lake Pool, Eddy County, New Mexico.
- CASE 5032: Application of Continental Oil Company for a special gas-oil ratio limit or in the alternative, a lease casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special pool rules for the Bell Lake-Bone Spring Pool to provide a gas-oil ratio limit of 5000 to 1 or in the alternative to provide for lease casinghead gas allowable in said pool.

- CASE 5034: Application of Mark Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Red Lake-Pennsylvanian Pool, Eddy County, New Mexico, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on 320-acre spacing rather than the present 160-acre spacing.
- CASE 5035: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates-Seven Rivers formation in the open-hole interval from 3373 feet to 3731 feet in its B. V. Lynch "A" Fed Well No. 1 and from 3712 feet to 3734 feet in its Well No. 10 located in Units J and C, respectively, Section 34, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 5036: Application of The Wil-Mc Oil Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the San Andres formation in the perforated interval from 4208 feet to 4282 feet in its Champlin State Well No. 1 located in Unit M of Section 3, Township 8 South, Range 33 East, Chaveroo-San Andres Pool, Chaves County, New Mexico.
- CASE 5037: Application of David Fasken for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying Section 31, Township 20 South, Range 25 East, Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled in Unit J of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.
- CASE 5038: Application of Twinlakes Oil Company for a dual completion and salt water disposal exception, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its O'Brien "C" Well No. 3 located in Unit K of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico, as a dual completion (tubingless) to produce oil from the Twin Lakes-San Andres Pool and gas from an undesignated Cisco gas pool through parallel strings of 2 7/8" casing cemented in a common wellbore. Said well was formerly dually completed for San Andres production and Devonian salt water disposal pursuant to Order No. R-4497. Applicant further seeks the amendment of Order No. R-3636 which authorized, as an exception to Order R-3221, the disposal of Devonian and San Andres water production in unlined surface pits; applicant seeks authority to also dispose of water produced from the aforesaid Cisco gas pool in said pits.

CASE 5039: Southeastern nomenclature case calling for an order for the abolishment and extension of certain pools in Lea County, New Mexico.

(a) Abolish the East Brunson-Granite Wash Pool in Lea County, New Mexico, described as:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 13: W/2

Section 24: W/2 and SE/4

Section 25: NW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 19: SW/4

(b) Extend the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 13: W/2

Section 24: W/2 and SE/4

Section 25: NW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 19: SW/4

(c) Abolish the North Lynch Yates-Seven Rivers Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 17: SW/4

Section 18: E/2

Section 19: NE/4

Section 20: NW/4

(d) Extend the Teas Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 17: SW/4

Section 18: E/2, SW/4, and E/2 NW/4

Section 19: NE/4

Section 20: NW/4

(e) Extend the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 2: N/2

Section 3: N/2

(f) Extend the Eunice-Monument Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: NW/4

(g) Extend the Justis-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 12: N/2

(h) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 35: NW/4

(i) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 23: E/2 SW/4

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 5: NW/4
Section 6: N/2 and SE/4

(j) Extend the Triple X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

(k) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: SW/4
Section 18: SE/4
Section 21: NW/4

Docket No. 21-73

LOCKET: REGULAR HEARING - TUESDAY - AUGUST 7, 1973

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE
BUILDING - SANTA FE, NEW MEXICO

CASE 5007: (Continued from the June 28, 1973, Regular Hearing)

Application of Belco Petroleum Corporation for a drilling permit in the Potash-Oil Area, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Felmont Federal Well No. 1 to test the Morrow formation adjacent to the South Salt Lake-Morrow Gas Pool at a location 660 feet from the North line and 1980 feet from the East line of Section 25, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, said location being within the boundaries of the Potash-Oil Area as defined by Commission Order No. R-111-A, and having been objected to by the owners of potash leases in the area.

dearnley, meier & associates

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

July 25, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Great Basins
Petroleum for a unit agreement,
Lea County, New Mexico.

Case No. 5028

BEFORE: Richard L. Stamets,
Examiner.

TRANSCRIPT OF HEARING

1 MR. STAMETS: Case 5028: Application of Great
2 Basins Petroleum for a unit agreement, Lea County, New Mexico.
3 I will call for appearances in this case.

4 MR. HUNKER: George Hunker, Roswell, New Mexico,
5 appearing on behalf of the Applicant. I have one witness
6 to be sworn, Mr. Marvin Gross.

7 MR. STAMETS: Are there any other appearances in
8 this case?

9 (No response)

10 * * * *

11 MARVIN C. GROSS,
12 was called as a witness, and after being duly sworn according
13 to law, testified as follows:

14 DIRECT EXAMINATION

15 BY MR. HUNKER:

16 Q For the record, Mr. Gross, will you give us your name,
17 address, and occupation?

18 A Marvin C. Gross, Box 358, Roswell, New Mexico.

19 Q How long have you lived in Roswell, New Mexico, Mr. Gross?

20 A Approximately thirteen years.

21 Q What is your occupation?

22 A I am an independent geologist.

23 Q Prior to your living in Roswell, where did you live,
24 and what did you do?

25 A I lived in Midland, Texas for four years and worked

1 for Tenneco Oil Company.

2 Q Have you had experience in the Permian and Delaware

3 Basins of New Mexico as a geologist?

4 A Yes.

5 Q Have you ever testified before the Commission?

6 A Yes.

7 Q Has the Commission accepted you as an expert in the field

8 of geology?

9 A Yes.

10 MR. HUNKER: I would like to have Mr. Gross's

11 qualifications accepted, if you will, Mr. Stamets.

12 MR. STAMETS: The witness's qualifications are

13 acceptable.

14 Q (By Mr. Hunker) Will you explain to the Examiner what

15 Great Basins seeks in this case?

16 A Great Basins Petroleum asks for a unit agreement in

17 Lea County, New Mexico. Great Basins seeks approval

18 of the Antebellum Unit Area comprising 3840 acres, more

19 or less, of State and Federal lands in Township 23

20 South, Range 34 East, Lea County, New Mexico. The

21 area consists of Sections 16, 17, 20, 21, 22, and 29

22 of Township 23 South, Range 34 East.

23 Q How much of the acreage in the unit is owned by the

24 State of New Mexico?

25 A Three are 1600 acres.

1 Q How many acres is Federal land?

2 A Twenty-two hundred forty acres.

3 Q Is there any fee lands?

4 A No, sir.

5 Q Have you prepared a geological report in connection with
6 this proposed unit and the drilling of a test well on
7 the unit area?

8 A I have, sir.

9 Q What does this geological report reflect in the main,
10 Mr. Gross?

11 A The report consists of five pages. It gives the location
12 of the proposed unit, the objectives, the depths of
13 the test.

14 MR. STAMETS: Is this in the form of an exhibit?

15 MR. HUNKER: Yes, it is. I have them marked.

16 MR. STAMETS: Do you have a set for the Examiner?

17 MR. HUNKER: Yes, I do.

18 MR. STAMETS: If you would pass them up here, it
19 would make it easier to follow.

20 MR. HUNKER: All right, sir.

21 Q (By Mr. Hunker) What type of test well is proposed in
22 connection with this unit, Mr. Gross?

23 A We propose to drill a Morrow test to a depth of
24 approximately 13,800 feet.

25 Q What zone will that--

1 A In this area, we have the possibility of encountering
2 production from the Delaware sands at around 5,000 feet,
3 and Bone Spring limestone and sands at around 8,500
4 feet, and the Wolfcamp at around 11,200 feet, the
5 Strawn around 11,700 feet, and the Atoca at around 12,000,
6 and the Morrow from 12,900 to 13,800.

7 Q In connection with the geological report, have you
8 prepared a structure map showing the formations?

9 A Yes.

10 Q And that covers this area?

11 A Yes, sir. I have prepared a structure map of the Morrow
12 Clastics which is the nearest mapping horizon zone to
13 the Morrow sand, and this map shows a closure or structure
14 over the unit area.

15 The unit area encompasses all of the structure
16 with the exception of the acreage committed to the
17 Bell Lake Unit to the south.

18 Q So you would say all, or substantially all of the
19 geological feature is covered by this unit area?

20 A As far as I am concerned, it is.

21 Q In your opinion, Mr. Gross, will unitization permit
22 this area to be developed in the interest of conservation
23 and the prevention of waste?

24 A Yes, it will.

25 Q What is the number of the structure exhibit that you

1 have there?

2 A Exhibit B.

3 Q It's Exhibit B to the report, but what is the number for
4 the Commission?

5 A For the Commission, it's Exhibit Number Three.

6 Q And the map of the area you have in front of you is
7 marked as Exhibit Number Two?

8 A Yes.

9 Q And your report is Exhibit Number One?

10 A Yes.

11 Q What other material have you prepared for the Examiner
12 in connection with this matter?

13 A I have a cross section of the wells from north to south,
14 which is shown on the blue line on Exhibit Four, or on
15 Exhibit B, excuse me, which is Exhibit Four in this case.

16 This is the interval from approximately the base
17 of the Wolfcamp down through the Morrow, and it shows
18 the Atoca pay and the Morrow sand pays in the area
19 coming from the Antelope Shell in Section 22 down to
20 the Shell Antelope Unit Well in Section 4.

21 Q Have you also prepared a Sentaroa cross section?

22 A Yes, sir. This is Exhibit Number Five.

23 Q What does that show?

24 A It is an east-west cross section from the Continental
25 Bell Lake Number Two in Section 3 on through the Shell

1 Harris in Section 27 over to the Midwest Well in
2 Section 9 of Township 24, Range 35.

3 This is mainly to show the Morrow pay in the Shell
4 Harris Well as being separated from the Sentaroa field.

5 Q Have you also prepared an Exhibit Number Six showing
6 certain production curves?

7 A Yes, sir. I have plotted the production curve on the
8 Shell Number One Antelope Ridge Unit from 1967 through
9 1972, and this curve shows the well as being still
10 capable of producing at the same rate that it did at
11 its inception.

12 Q The cross section is marked as Exhibit Five, is that
13 correct?

14 A Yes.

15 Q And the exhibit with regard to the production curve
16 is Exhibit Six?

17 A Yes, that's correct.

18 Q Do you have any other matters that you would like to
19 bring to the Commissioner's attention with respect to
20 the approval of this unit area?

21 A Our primary objective in this test is the pay in the
22 Shell Harris Well, which we have the curve on. We
23 feel like this well shows us that there is a large
24 reservoir in the area, and this well is structurally
25 high to it.

1 Q Do you have any further?

2 A No, sir.

3 MR. HUNKER: I have no further questions. I would
4 like to move for the admission of Exhibits One through Six.

5 MR. STAMETS: Without objection, Applicant's
6 Exhibits One through Six will be admitted in evidence.

7 (Whereupon Applicant's Exhibits One through Six
8 were admitted in evidence.)

9 * * * *

10 CROSS EXAMINATION

11 BY MR. STAMETS:

12 Q What percent of the royalty interest owners in the
13 proposed unit have tentatively agreed to the unit at this
14 time?

15 A Sir, I don't have that information.

16 MR. HUNKER: I think I could probably advise you
17 on that matter. We have indications that ninety-five percent
18 of the working interest owners will participate in the unit.
19 The unit operator has substantial control of the unit area.

20 MR. STAMETS: Are there any other questions of
21 the witness?

22 (No response)

23 MR. STAMETS: He may be excused.

24 (Witness excused.)

25 MR. STAMETS: Is there anything further?

dearnley, meier & associates

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MR. HUNKER: No, sir.

MR. STAMETS: If not, Case 5028 will be taken under
advisement.

* * * *

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, RICHARD E. McCORMICK, a Certified Shorthand
Reporter, in and for the County of Bernalillo, State of
New Mexico, do hereby certify that the foregoing and attached
Transcript of Hearing before the New Mexico Oil Conservation
Commission was reported by me; and that the same is a true
and correct record of the said proceedings to the best of
my knowledge, skill and ability.

Richard E. McCormick
CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is
a correct and true copy of the
the transcript of Case 5028
heard by me on July 25, 1973.
Richard L. Stamets
New Mexico Oil Conservation Commission

I N D E XWITNESSPAGE

MARVIN C. GROSS

Direct Examination by Mr. Hunker

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Cross Examination by Mr. Stamets

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E X H I B I T SEXHIBITADMITTEDOFFERED

Applicant's #1 Geological report

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Applicant's #2 Map

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Applicant's #3 Structure map

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Applicant's #4 Cross section

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Applicant's #5 Sentaroa cross section

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Applicant's #6 Production curve

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BEFORE THE
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July 25, 1973

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BEFORE: Richard L. Stamets,
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21 area consists of Sections 16, 17, 20, 21, 22, and 29
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4 feet, and the Wolfcamp at around 11,200 feet, the
5 Strawn around 11,700 feet, and the Atoca at around 12,000,
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21 Q Have you also prepared a Sentaroa cross section?

22 A Yes, sir. This is Exhibit Number Five.

23 Q What does that show?

24 A It is an east-west cross section from the Continental
25 Bell Lake Number Two in Section 3 on through the Shell

1 Harris in Section 27 over to the Midwest Well in
2 Section 9 of Township 24, Range 35.

3 This is mainly to show the Morrow pay in the Shell
4 Harris Well as being separated from the Sentaroa field.

5 Q Have you also prepared an Exhibit Number Six showing
6 certain production curves?

7 A Yes, sir. I have plotted the production curve on the
8 Shell Number One Antelope Ridge Unit from 1967 through
9 1972, and this curve shows the well as being still
10 capable of producing at the same rate that it did at
11 its inception.

12 Q The cross section is marked as Exhibit Five, is that
13 correct?

14 A Yes.

15 Q And the exhibit with regard to the production curve
16 is Exhibit Six?

17 A Yes, that's correct.

18 Q Do you have any other matters that you would like to
19 bring to the Commissioner's attention with respect to
20 the approval of this unit area?

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22 Shell Harris Well, which we have the curve on. We
23 feel like this well shows us that there is a large
24 reservoir in the area, and this well is structurally
25 high to it.

1 Q Do you have any further?

2 A No, sir.

3 MR. HUNKER: I have no further questions. I would
4 like to move for the admission of Exhibits One through Six.

5 MR. STAMETS: Without objection, Applicant's
6 Exhibits One through Six will be admitted in evidence.

7 (Whereupon Applicant's Exhibits One through Six
8 were admitted in evidence.)

9 * * * *

10 CROSS EXAMINATION

11 BY MR. STAMETS:

12 Q What percent of the royalty interest owners in the
13 proposed unit have tentatively agreed to the unit at this
14 time?

15 A Sir, I don't have that information.

16 MR. HUNKER: I think I could probably advise you
17 on that matter. We have indications that ninety-five percent
18 of the working interest owners will participate in the unit.
19 The unit operator has substantial control of the unit area.

20 MR. STAMETS: Are there any other questions of
21 the witness?

22 (No response)

23 MR. STAMETS: He may be excused.

24 (Witness excused.)

25 MR. STAMETS: Is there anything further?

1 MR. HUNKER: No, sir.

2 MR. STAMETS: If not, Case 5028 will be taken under
3 advisement.

4 * * * *

5
6 STATE OF NEW MEXICO)
7) ss
8 COUNTY OF BERNALILLO)

9 I, RICHARD E. McCORMICK, a Certified Shorthand
10 Reporter, in and for the County of Bernalillo, State of
11 New Mexico, do hereby certify that the foregoing and attached
12 Transcript of Hearing before the New Mexico Oil Conservation
13 Commission was reported by me; and that the same is a true
14 and correct record of the said proceedings to the best of
15 my knowledge, skill and ability.

16
17 *Richard E. McCormick*
18 CERTIFIED SHORTHAND REPORTER
19
20
21

22 I do hereby certify that the foregoing is
23 a correct and true copy of the
24 transcript of Case No. 5028
25 dated July 25, 1973
Richard E. McCormick
New Mexico Oil Conservation Commission

dearnley, meier & associates

I N D E XWITNESSPAGE

MARVIN C. GROSS

Direct Examination by Mr. Hunker

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Cross Examination by Mr. Stamets

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Applicant's #1 Geological report

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Applicant's #2 Map

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Applicant's #3 Structure map

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Applicant's #4 Cross section

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Applicant's #5 Sentaroa cross section

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Applicant's #6 Production curve

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