

Case No.

864

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
April 20, 1955

IN THE MATTER OF:

CASE NO. 864 (g) Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1955

IN THE MATTER OF:

The following portion of the Northwestern
New Mexico nomenclature case was continued
from the March 16 hearing.

(g) Extension of the Ballard-Pictured
Cliffs Pool to include:

TOWNSHIP 26 NORTH, RANGE 8 WEST
SW/4 Section 17; S/2 Section 18;
W/2 Section 20; W/2 Section 27;
all Section 28; N/2 Section 29;
N/2 Section 33; NW/4 Section 34

TOWNSHIP 26 NORTH, RANGE 9 WEST
All Section 9; N/2 Section 10;
N/2 Section 11; all Section 12;
N/2 Section 13; SE/4 Section 16;
NE/4 Section 21; N/2 Section 22;
NW/4 and SE/4 Section 23

Case No. 864 (g)

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 864.

MR. WEBB: William G. Webb, representing J. Glenn Turner,
Dallas. It is my understanding from the representative of Skelly,
that the intendor propose in this hearing to introduce testimony
looking to the consolidation of the present Ballard-Pictured Cliffs
Pool with the South Blanco Pool. It is our position that the call,
as issued by this notice is insufficient from a legal standpoint,
upon which to base an order consolidating those pools, assuming

that testimony were introduced of sufficient caliber to induce the Commission to consolidate the pools. Therefore, we believe that the Skelly, if such is their present intention, should file a proper application with the Commission and that otherwise the case should be continued for a later hearing. It is our disposition to continue the case, if Skelly concurs. I believe they are the only other interested party.

MR. MACEY: Mr. Selinger?

MR. SELINGER: We would suggest that Case 864 (g) be dismissed; that the Commission issue a new notice covering the area outlined in Order R-577 in Case Number 816 and also the area involved in the extension of Case 864 (g). In that notice, put in the question of whether or not the Ballard-Pictured Cliffs Pools should be abolished, and whether or not the present boundaries of the South Blanco-Pictured Cliffs Pool should be extended to cover the areas outlined in the two Orders, R-577 and Case 864 (g).

MR. MACEY: In connection with what you just said, you more or less want the Commission to carry the ball as far as the application is concerned. The way I, personally, have always interpreted the Commission's applications on its own motion, that it was their responsibility to put the information into the record. Certainly, if you wish to apply for consolidation of the Ballard-Pictured Cliff and South Blanco-Pictured Cliffs, we would certainly have the advertisement. The Commission's staff has recommended that they extend the Ballard-Pictured Cliffs Pool and they haven't gone any further than that. Would your company be willing to make application so that we could advertise the case properly, and hear

the matter next month?

MR. SELINGER: Nomenclature problems are generally upon the motion of the Commission. We won't quibble on words. We believe we have good substantial evidence to think we can convince the Commission that all the Pictured Cliffs is all one formation connected. If you desire for us to be the applicant, we will accept the responsibility. We will file an application. Our main objective is to oppose the Ballard extension in 864 (g), which, for the first time encroaches upon a unit established by this Commission. We have no interest in the original order establishing the Ballard-Pictured Cliffs as a separate field, we have no interest in that. Our only interest comes now in Case 864 (g). If Mr. Webb's client doesn't desire to assume the responsibility, or if the Commission Staff desires Skelly to have the responsibility, we will be glad to do so.

MR. MACEY: Can you give us an application in time for advertisement next month?

MR. SELINGER: I will send you an application Monday morning.

MR. MACEY: Mr. Webb?

MR. WEBB: In view of Mr. Selinger's position, I think it would be wise to consolidate his new application with the present application made by the Commission. We are not proposing anything except to support the Commission. Mr. Selinger's client is the one who is proposing something new.

MR. MACEY: Does anyone have anything further?

MR. WHITTAKER: Mr. Whittaker, Southern Union. I am going to concur with Mr. Webb because we definitely have an interest in

that case, too, insofar as it upholds what the Commission set out to do in this particular case in question.

MR. MACEY: Anyone else? We will continue Case 864 until next month, pending disposition of the case to be heard on Skelly's application, which will be forthcoming.

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 28th day of April, 1955.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

ADA DEARNLEY & ASSOCIATES
STENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
April 20, 1955

IN THE MATTER OF:

CASE NO. 864 (r) Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
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SW/4 Section 17; S/2 Section 18;
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all Section 28; N/2 Section 29;
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TOWNSHIP 26 NORTH, RANGE 9 WEST
All Section 9; N/2 Section 10;
N/2 Section 11; all Section 12;
N/2 Section 13; SE/4 Section 16;
NE/4 Section 21; N/2 Section 22;
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June 19, 1955

ADA DEARNLEY & ASSOCIATES
STENOTYPE REPORTERS
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TELEPHONE 3-6691

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 864
Order No. R-624

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
CALLING FOR THE CREATION OF
NEW POOLS AND EXTENSION OF
EXISTING POOLS IN SAN JUAN AND
RIO ARriba COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this 20th day of April, 1955, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as prescribed by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the following new pools should be created in San Juan and Rio Arriba Counties, New Mexico: Gallegos-Fruitland Pool, North Aztec-Fruitland Pool, Huerfanto-Dakota Pool, South Los Pinos-Dakota Pool, and North Los Pinos-Dakota Pool.

(3) That extensions as advertised should be approved for the South Blanco-Dakota Pool and the Canyon Largo-Pictured Cliffs Pool.

(4) That extension of the Ballard-Pictured Cliffs Pool, as described in Section 'g' of the advertisement for this case, should be deferred for further study upon the motion of Skelly Oil Company.

IT IS THEREFORE ORDERED:

That the application of the Oil Conservation Commission upon its own motion be, and the same hereby is, approved as follows:

(a) That a new pool should be created in San Juan County, New Mexico, classified as a gas pool for production from the Fruitland formation, designated as the Gallegos-Fruitland Pool, and described as:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
All of Sections 21, 22, 27 and 28

(b) That a new pool should be created in San Juan County, New Mexico, classified as a gas pool for production from the Fruitland formation, designated as the North Aztec-Fruitland Pool, and described as:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
All of Sections 17, 18, 19 and 20

(c) That a new pool should be created in San Juan County, New Mexico, classified as a gas pool for production from the Dakota formation, designated as the Huerfanito-Dakota Pool, and described as:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
NW/4 Section 2, NE/4 Section 3

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
SE/4 Section 34, SW/4 Section 35

(d) That a new pool should be created in San Juan County, New Mexico, classified as a gas pool for production from the Dakota formation, designated as the South Los-Pinos-Dakota Pool, and described as:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM
S/2 Section 22; SW/4 Section 23;
W/2 Section 26; all Section 27

(e) That a new pool should be created in San Juan County, New Mexico, classified as a gas pool for production from the Dakota formation, designated as the North Los-Pinos-Dakota Pool, and described as:

TOWNSHIP 32 NORTH, RANGE 6 WEST, NMPM
All of Sections 17 and 18

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM
All of Sections 10, 11, 13, 14 and 15

(f) That the South Blanco-Dakota Pool, as heretofore classified, defined and described, should be extended to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
N/2 Section 5

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM
W/2 Section 29; E/2 Section 30;
E/2 Section 31; W/2 Section 32

(g) That consideration of the proposed extension to the Ballard-Pictured Cliffs Pool, as heretofore classified, defined, and described, should be given continuance to the regular hearing of April 20, 1955.

(h) That the Canyon Largo-Pictured Cliffs Pool, as heretofore classified, defined, and described, should be extended to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
W/2 Section 18; W/2 Section 19

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Order No. R-624

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM
S/2 Section 24

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
SE/4 Section 32;
S/2 Section 33;
SW/4 Section 34

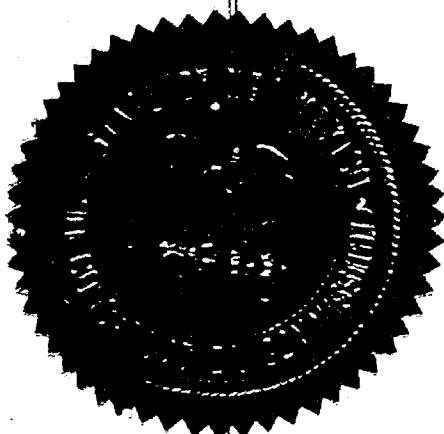
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary



/tr

Case 864

NW NOMENCLATURE CASE MARCH 16 1955 HEARING

- (a) Creation of the Gallegos-Fruitland Pool in San Juan County, New Mexico, for production of gas from the Fruitland formation, and described as:

Twp. 27 North, Rge. 11 West
All of Sections 21, 22, 27 and 28

and such other...~~xxx~~

- (b) Creation of the North Aztec-Fruitland Pool in San Juan County, New Mexico, for production of gas from the Fruitland formation, and described as:

Twp. 30 North, Rge. 10 West
All of Sections 17, 18, 19 and 20

and such other.....

- (c) Creation of the ^(Huerfanito) Huerfanita-Dakota Pool in San Juan County, New Mexico, for production of gas from the Dakota formation, and described as:

Twp. 26 North, Rge. 9 West
NW/4 Section 2;
NE/4 Section 3

Twp. 27 North, Range 9 West
SE/4 Section 34;
SW/4 Section 35

and such other.....

- (d) Creation of the Los Pinos-Dakota Pool in San Juan County, New Mexico, for production of gas from the Dakota formation, and described as:

Twp. 31 North, Rge. 7 West
S/2 Section 22
SW/4 Section 23
Ex W/2 Section 26
all Section 27

and such other.....

- (e) Creation of the North Los Pinos-Dakota Pool in San Juan County, New Mexico, for production of gas from the Dakota formation, and described as:

Twp 32 North, Rge. 6 West
~~All Sections 7 and 8;~~

all ~~NE/4~~ Section 17
all ~~NE/4~~ Section 18

Twp. 32 North, Rge. 7 West
All Sections 10, 11, 13, 14 and 15

and such other.....

- (f) Extension of the South Blanco-Dakota Pool to include:

Twp. 26 North, Rge. 6 West
N/2 Section 5

Twp. 27 North, Rge. 6 West
W/2 Section 29
E/2 Section 30
E/2 Section 31
W/2 Section 32

and such other.....

- (g) Extension of the Ballard-Pictured Cliffs Pool to include therein:

Twp. 26 North, Rge. 8 West

SW/4 Section 17;
S/2 Section 18;
W/2 Section 20;
W/2 Section 27;
all Section 28;
N/2 Section 29;
N/2 Section 33;
NW/4 Section 34

Twp. 26 North, Rge. 9 West

all Section 9;
N/2 Section 10;
N/2 Section 11;
all Section 12;
N/2 Section 13;
SE/4 Section 16;
NE/4 Section 21;
N/2 Section 22;
NW/4 and SE/4 Section 23

and such other....

- (h) Extension of the Canyon Largo-Pictured Cliffs Pool to include therein:

Twp. 25 North, Rge. 6 West

W/2 Section 18;
W/2 Section 19

Twp. 25 North, Rge. 7 West

S/2 Section 24

Twp. 26 North, Rge. 7 West

SE/4 Section 32
S/2 Section 33
SW/4 Section 34

and such other.....

Exhibit #1

RECOMMENDED POOL EXTENSIONS & CREATIONS FOR FRUITLAND AND
DAKOTA FOR MARCH, 1955

FRUITLAND

(1) Gallegos Fruitland:

T-27N, R-11W All of Sections 21, 22, 27, 28

Based on: Western Development Company
#2 Douthit
NW/27-27-11, IP 1300 MCF/day after 3 hrs.

(2) North Aztec Fruitland:

T-30N, R-10W All of Sections 17, 18, 19, 20

Based on: El Paso Natural Gas Co.
#1 Gage*
NW/20-30-10, IP 387 MCF/day after 3 hrs.

(*P.B. from P.C. - completed in Fruitland)

DAKOTA

(1) South Blanco Dakota Pool Extension:

T-27N, R-6W W/2 Section 29, E/2 Section 30, E/2 Section 31, W/2 Sec. 32
T-26N, R-6W N/2 Section 5

Based on: R. A. Johnston
#1 Rincon Unit
SE/30-27-6, IP 500/MCF/day after 3 hrs.

(2) Huerfanito Dakota:

T-27N, R-9W SE/4 Section 34, SW/4 Section 35
T-26N, R-9W NW/4 Section 2, NE/4 Section 3

Based on: Magnolia Petroleum Company
#1 Crandell-Federal
NE/3-26-9, IP 25 MCF/day after 3 hrs.

(3) Los Pinos Dakota:

T-31N, R-7W All Sections S/2 22, SW/4 23, W/2 26, All 27

Based on: Blackwood & Nichols
#1-27 NE Blanco Unit
NE/27-31-7, IP 536 MCF/day after 3 hrs.

(4) North Los Pinos Dk.

T-32N, R-6W All Sections 17, 18
T-32N- R-7W All Sections 10, 11, 13, 14, 15

Based on: El Paso Natural Gas Co.
#1 Allison Unit*
NW/17-32-6, IP 2326 MCF/day after 3 hrs.

El Paso Natural Gas Co.
#7 Allison Unit
SE/10-32-7, IP 4385

To be Continued
Ballard - Pictured Cliffs

(* #1 Allison Unit re-completed in Dakota)

until April 1955

T-26N - R8W

Section 17 SW/4

" 18 S/2
" 20 W/2
" 27 W/2
" 28 All
" 29 N/2
" 33 N/2
" 34 NW/4

Based on: Southern Union Gas
Newsom #2
SW/17-26N-8W I.P. 4733
Hodges #4
NE/27-26N-8W I.P. 573
Hodges #2
SE/28-26N-8W I.P. 850

T-26N R9W

Section 9 All

" 10 N/2
" 11 N/2
" 12 All
" 13 N/2

Based on:

Stanolind
Huerfano #29
NW/9-26N-9W I.P. 264
Huerfano #28
SE/9-26N-9W I.P. 3300
Turner-Crandel 1-10
NW/10-26N-9W I.P. 2656
Turner-Crandel 2-10
NE/10-26N-9W I.P. 2174
Turner-Ballard 1-11
NW/11-26N-9W I.P. 615
Turner-Ballard 2-11
NE/11-26N-9W I.P. 582
Turner-Ballard 1-12
NW/12-26N-9W I.P. 2148
Turner-Ballard 3-12
NE/12-26N-9W I.P. 1150
Turner-Ballard 4-12
SE/12-26N-9W I.P. 1443

Ballard-P.C.
T-26N R-9W

Section 16 SE/4

" 21 NE/4
" 22 N/2
" 23 NW/4 & SE/4

Based on:

Stanolind - Huerfano #35
NE/21-26N-9W I.P. 1128

-3-

Stanolind (continued)

Huerfano #36

NW/23-26N-9W I.P. 4938

Huerfano #32-A

SE/23-26N-9W I.P. 3060

Canyon Largo-Pictured Cliffs

T25N- R-6W Section 18 W/2
 " 19 W/2

T25N - R-7W Section 24 S/2

Based on:

Superior

Slagel 1-19 NW/19-25N-6W I.P. 1606

Hightower 2-24 SE/24-25N-6W I.P. 7085

T26N-7W Section 32 SE/4
 " 33 S/2
 " 34 SW/4

Based on:

El Paso Natural

Hamilton State #5

SE/32-26N-7W I.P. 382

Pubco-

Hughes #34-3

SW/34-26N-7W I.P. 355

BEFORE THE
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SANTA FE, NEW MEXICO

March 17, 1955

IN THE MATTER OF:

CASE NO. 86L

TRANSCRIPT OF PROCEEDINGS

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COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 17, 1955

Northwestern New Mexico nomenclature case,
calling for creations and extensions of pools,
as follows:

(a) Creation of the Gallegos-Fruitland Pool
in San Juan County for production of gas from
the Fruitland formation, as follows:

TOWNSHIP 27 NORTH, RANGE 11 WEST
All Sections 21, 22, 27 and 28

(b) Creation of the North Aztec-Fruitland Pool
in San Juan County for production of gas from
the Fruitland formation, as follows:

TOWNSHIP 30 NORTH, RANGE 10 WEST
All Sections 17, 18, 19 and 20

(c) Creation of the Huerfanito-Dakota Pool in
San Juan County for production of gas from the
Dakota formation, as follows:

CASE NO.
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TOWNSHIP 26 NORTH, RANGE 9 WEST
NW/4 Section 2, NE/4 Section 3

TOWNSHIP 27 NORTH, RANGE 9 WEST
SE/4 Section 34; SW/4 Section 35

(d) Creation of the Los Pinos-Dakota Pool in
San Juan County for production of gas from the
Dakota formation, as follows:

TOWNSHIP 31 NORTH, RANGE 7 WEST
S/2 Section 22; SW/4 Section 23;
W/2 Section 26/ all Section 27

(e) Creation of the North Los Pinos-Dakota Pool
in San Juan County for production of gas from
the Dakota formation, as follows:

TOWNSHIP 32 NORTH, RANGE 6 WEST
All of Sections 17 and 18

TOWNSHIP 32 NORTH, RANGE 7 WEST
All Sections 10, 11, 13, 14 and 15

(f) Extension of the South Blanco-Dakota Pool
to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST
E/2 Section 5

TOWNSHIP 27 NORTH, RANGE 6 WEST
W/2 Section 29; E/2 Section 30;
E/2 Section 31; W/2 Section 32;

(g) Extension of the Ballard-Pictured Cliffs Pool
to include therein:

TOWNSHIP 26 NORTH, RANGE 8 WEST
SW/4 Section 17; S/2 Section 18;
W/2 Section 20; W/2 Section 27
all Section 28; N/2 Section 29;
N/2 Section 33/ NW/4 Section 34

TOWNSHIP 26 NORTH, RANGE 9 WEST
All Section 9; N/2 Section 10;
N/2 Section 11; all Section 12;
N/2 Section 13; SE/4 Section 16;
NE/4 Section 21; N/2 Section 22;
NW/4 and SE/4 Section 23

(h) Extension of the Canyon Largo-Pictured
Cliffs Pool to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST
W/2 Section 18; W/2 Section 19

TOWNSHIP 25 NORTH, RANGE 7 WEST
S/2 Section 24

TOWNSHIP 26 NORTH, RANGE 7 WEST
SE/4 Section 32;
S/2 Section 33;
SW/4 Section 34

TRANSCRIPT OF HEARING

BEFORE:

Honorable John Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

MR. MACEY: The next case on the docket is Case No. 864.

Before we start the case I'd like to read a telegram into the
record. The telegram is directed to the Oil Conservation

Commission from George W. Selinger, Shelly Oil Company, reads as follows: March 16th hearing includes Case No. 204, paragraph G, Ballard-Pictured Cliffs Pool nomenclature hearing to which we respectfully request a continuation and postponement. That matter involves a previous commission order No. R-80 in Case No. 296 issued July 24, 1951, Huerfano unit, a unit operating agreement and the USGS. In addition to that fact we desire additional time to prepare ourselves when the matter is called for hearing.

ELVIS A. UTZ,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By: MR. KITTS:

Q Would you state your name and position, please.

A Elvis A. Utz, Engineer for the Oil Conservation Commission.

Q Mr. Utz, you have several recommendations I believe in this case, will you look at paragraph A and state the basis for that recommendation?

A Yes, sir, the paragraph A has reference to the Gallegos Fruitland Pool, Township 27 North, Range 11 West was recommended to include all of Sections 21, 22, 27 and 28. This extension is recommended on the basis of Western Development Company No. 2 Douthit.

Q Paragraph B, Mr. Utz, will you explain the basis for that recommendation.

A The recommendation has reference to a new creation called a North Aztec Fruitland Pool, Township 30 North, Range 10 West,

all of Sections 17, 18, 19 and 20. That recommendation is based on the El Paso Natural Gas Company No. 1 Gage, NE/20, Township 30 North, Range 10 West. This is a plug back well from the Pictured-Cliffs, recompleted in the Fruitland.

Q Paragraph C, Mr. Utz, will you explain that, please.

A That has reference to another new creation which is called the Huerfanito Dakota Pool, in Township 26 North, Range 9 West, northwest quarter of Section 2 and the northeast quarter of Section 3; in Township 27 North, Range 9 West, the southeast quarter of Section 34, and the southwest quarter of Section 35. This extension is based on a completed well known as the Magnolia Petroleum Company No. 1 Crandell-Federal in Section 3, Township 26 north, Range 9 west.

Q Did you state Section 11 was to be included?

A No, sir, I don't believe I did.

Q Would you repeat again the territory?

A The Huerfanito Dakota Pool is recommended to include in Township 26 north, Range 9 West, the northwest quarter of Section 2, the northeast quarter of Section 3 and in Township 27 north, Range 9 west, the southeast quarter of Section 34 and the southwest quarter of Section 35.

Q Now on paragraph D, Mr. Utz, will you explain the basis of that recommendation?

A This is another new creation to be known as the Los Pinos Dakota Pool, which is located in Township 31 north, Range 7 West, and to include the south half of Section 22, the southwest quarter of Section 23, the west half of Section 26, and all of Section

27. The basis on which this new creation is established or is

recommended is a Blackwood and Nichols No. 1-27 northeast Blanco Unit in Section 27, Township 31 north and Range 7 West.

Q And passing down to paragraph E, will you state the basis of your recommendation there?

A This is another new creation to be known as the North Los Pinos Dakota Pool and is to include in Township 32 North, Range 6 West, all of Sections 17 and 18, and in Township 32 North, Range 7 West, all of Sections 10, 11, 13, 14 and 15. This is recommended on the basis of El Paso Natural Gas Company No. 1 Allison Unit and Section 17, Township 32 North, Range 6 West, and the El Paso Natural Gas No. 7 Allison Unit in Section 10, Township 32 North, Range 7 West.

Q Paragraph F, you recommend an extension of the South Blanco Dakota Pool, will you explain that?

A Yes, sir, that is an extension to an old pool and is to include Township 26 North, range 6 West, the north half of Section 5, and in Township 27 North, Range 6 West, the west half of Section 29, East half Section 30, East half Section 31, West half Section 32, and is recommended on the basis of the R. A. Johnston No. 1 Rincon Unit in Section 30, Township 27 North, Range 6 West.

Q Paragraph G, you made a further recommendation, I understand there, there has been a request for a continuance on the hearing.

A There has been an extension -- a request for a continuance?

MR. KITTS: You wish to proceed and hear that?

MR. MACEY: Well, we will continue this portion of the case until the April 20th hearing but I do believe, Mr. Utz, you ought to put into the record the exhibits and the reasons for the

extension.

MR. KITTS: Proceed, Mr. Utz.

A Yes, sir, this is an extension to an Old Pictured Cliffs Pool called the Ballard - Pictured Cliffs Pool. The extensions are to include the area as follows: Township 26 North, Range 8 West, Southwest quarter of Section 17, south half of Section 18, west half Section 20, west half Section 27, all of Section 28, north half of Section 29, north half of Section 33, northwest quarter of Section 34. Also, Township 26 North, Range 9 West, all Section 9, north half Section 10, north half Section 11, all Section 12, north half Section 13; and the southeast quarter of Section 16, northeast quarter of Section 21, north half Section 22, northwest quarter and southeast quarter of Section 23. This is based on, these extensions are based on the following wells: Southern Union Gas Company Newsom No. 2 in Section 17, Township 26 North, Range 8 West, the Southern Union Hodges No. 4 in Section 27, Township 26 North, Range 8 West, and the Southern Union Hodges No. 2 in Section 28, Township 26 North, Range 8 West.

Also, the Stanolind Huerfano No. 35 in Section 21, Township 26 North, Range 9 West and the Stanolind Huerfano No. 36 in Section 23, Township 26 North, Range 9 West, and the Stanolind Huerfano No. 32-A in Section 23, Township 26 North, Range 9 West.

Q Is that all in paragraph G?

A Yes, sir, I believe it is.

Q In passing on to paragraph H, what is the basis for your recommendation of that extension?

A That is an extension Canyon Largo-Pictured Cliffs Pool to include the area as follows: Township 25 North, Range 6 West,

west half of Section 18, west half of Section 19, and Township 25 North, Range 7 West, the south half of Section 24, and Township 26 North, Range 7 West, the southeast quarter of Section 32, south half of Section 33, and southwest quarter of Section 34. This recommendation is based on Superior 31agel 1-19 in Section 19, Township 25 North, Range 6 West; a Superior Hightower 2-24, Section 24, Township 25 North, Range y West, and the El Paso Natural Gas Company Hamilton State No. 5 in Section 32, Township 26 North, Range 7 West, and the Pubco-Hughes 34-3, in Section 34, Township 26 North, Range 7 West.

Q Mr. Utz, do you have any exhibit you have prepared in connection with this case?

A Yes, I do have. I have the exhibit which shows the recommended extensions and new creations together with the wells listed as a reason for these extensions.

MR. KITTS: Will you mark that Exhibit 1, please, and we will offer Exhibit 1 in evidence.

MR. MACEY: Without objection the exhibit will be received. Is that all you have, Mr. Kitts?

MR. KITTS: That is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. MACEY: We will continue paragraph G, Case 864, to the April hearing and take the rest of the case under advisement.

STATE OF NEWMEXICO))
)) SS.
COUNTY OF BERNALILLO))

I, MARGARET McCOSKEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 6th day of April, 1955.

Margaret McCoskey
Notary Public-Court Reporter

My commission expires
August 15, 1956.

ADA DEARNLEY & ASSOCIATES
STENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 4, 1955

Skelly Oil Company
Box 1650
Tulsa, Oklahoma

Attention: Mr. George Selinger, Attorney

Gentlemen:

As you requested in your letter of April 1, 1955, we
enclose a copy of Oil Conservation Commission Order
R-80 in Case 286.

Through the attached copy of the docket of our April 20
hearing, you will note that Section 'g' of Case 864
was given the desired continuation at your request.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

C
O
P
Y



MAIN OFFICE 600

SKELLY OIL COMPANY

PRODUCTION DEPARTMENT
J. S. FREEMAN, VICE PRESIDENT

TULSA 2, OKLAHOMA

April 1, 1955

Mr. W. B. Macey
New Mexico Oil Conservation Commission
Mabry Hall
Santa Fe, New Mexico

Dear Sir:

286
If you will recall on March 16, in Case 864, paragraph "G", the Commission held a hearing for Nomenclature on the Ballard Pictured Cliffs Pool, and on that date we requested a continuation and postponement since the matter involved a previous Commission Order No. R-80 in Case 296, issued July 24, 1951, on the Huerfanito Unit which was a Unit Operating Agreement involving the U.S.G.S. Although I was unable to stay for that particular hearing, I discussed this with both you and Mr. Utz and it was agreeable to have this matter postponed and continued. We felt at that time that the matters involved took it out of the usual routine Nomenclature hearing to be covered by a specific hearing on this matter.

Will you please advise the status of this part, particularly when the matter is called for further hearing. Also, please send us a copy of Order R-80.

Yours very truly,

George W. Selinger
George W. Selinger

GWS:dd

Money: write him & tell him case
could be moved
under R-80

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WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

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K TUA685 PD=TULSA OKLA 7 453PMC=

MR W B MACEY=

NEW MEXICO OIL CONSERVATION COMMISSION

MABRY HATL SANTA FE NMEX=

PLEASE ADVISE WHAT FIELD SECTIONS 1 THROUGH 4 AND SECTIONS 10 THROUGH 15 IN 26 NORTH 9 WEST SAN JUAN COUNTY PRODUCTION FROM PICTURED CLIFFS=

GEORGE W SELINGER SKELLY OIL CO=

1-4 Under.

S/210, S/211, S/213, All 14, 15 in Ballard P.C.

N/210, N/211, All 12, N/213 Recommended for

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

George Selinger
Skelly

Sections 1 thru 4 Undesignated.

S/210, S/211, S/213, All 14 and 15 in Ballard Pictured Cliffs.

N/210, N/211, All 12, N/213 will be Recommended for Ballard Extension in March 16

GA

CLASS OF SERVICE
This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

MAIN OFFICE

W. P. MARSHALL, PRESIDENT

1220

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LA238 KC116

K.TUB225 LONG DL PD=WUX TULSA OKLA 9 114PMC

W B MACEY

NEW MEXICO OIL CONSERVATION COMMISSION MABRY HALL
SANTA FE NMEX

MARCH 16 HEARING INCLUDES CASE NO. 864 PARAGRAPH "G"
BALLARD PICTURE CLIFFS POOL NOMENCLATURE HEARING TO WHICH
WE RESPECTFULLY REQUEST A CONTINUATION AND POSTPONEMENT.
THIS MATTER INVOLVES A PREVIOUS COMMISSION ORDER NO. R-80
IN CASE NO. 296 ISSUED JULY 24 1951 HUERFANITO UNIT, A
UNIT OPERATING AGREEMENT, AND THE U.S.G.S. IN ADDITION TO
FACT THAT WE DESIRE ADDITIONAL TIME TO PREPARE OURSELVES
WHEN THIS MATTER IS CALLED FOR HEARING.

GEORGE W SELINGER SKELLY OIL COMPANY

16 864 R-80 296 24 1951 HUERFANITO U.S.G.S.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE