Caso Mo.

1190

Application, Transcript,
Smell Exhibits, Etc.

BEFORE THA OIL CONSERVATION COMMISSION Santa Fe, New Mexico

IN THE MATTER OF:

Case No. 1190

December 13, 1956.

DEARNLEY-MEIER AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE CID CONSERVATION COMMISSION Santa Fe, New Mexico December 13, 1956

IN THE MATTER OF:

Northwestern New Mexico nomenclature case calling for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

.:Case 1190

- (a) Extension of the Eallard-Pictured Cliffs Pool to include:
 - Township 25 North, Range 8 West Section 24: NE/4
 - Township 27 North, Fange 8 West Section 32: S/2
- (b) Extension of the South Blanco-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, to include:

Township 26 North, Range 6 West Section 25: SE/4
Section 36: NE/4

Township 27 North, Range 9 West Section 23: W/2

(c) Extension of the Blanco-Mesaverde Pool to include:

Township 27 North, Range 3 West Sections 7, 8, & 9: All (fractional) Sections 16, 17, & 18: All

Township 27 North, Range 4 West Section 13: All

(d) Extension of the Bisti-Lower Gallup Gil Pool to include:

Township 25 North, Range 12 West Section 4: SW/4 SW/4

Mr. A. Li Porter Mr. E. S. (Johnny) Walker

TRANSCRIPT OF PROCEEDINGS

Mi. PORTER: The case to be taken up next is Case 1190.

MR. GURLEY: Case 1190. Northwestern New Mexico nomenclature case calling for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

ELVIS A. UTZ

a witness, of lawful age, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

Py MR. CULLEY:

- Q State your name, please.
- A Elvis A. Utz, engineer with the Oil Conservation Commission
- Q Have you testified before this Commission before, Mr. Utz?
- A Yes, sir.
- Q You, in your official capacity as an engineer for the Cil Conservation Commission of New Mexico, had an opportunity to study the proposed extension of the Ballard-Pictured Cliffs Pool?
- A Yes, I have, and I recommend that the Ballard-Pictured Cliffs Pool be extended on the basis of two wells producing from this formation.
 - Q Do you have an exhibit?
- A I will submit the exhibit when we are through with the testimony.
 - Q Have you harked that exhibit, Mr. Utz?
 - A Yes, sir, Exhibit No. 1.

DEARNLEY MEIER & ASSOCIATES

- Q Have you, in your official capacity, had an opportunity to study the proposed extension of the South Blanco-Pictured Cliffs Pool in San Juan and Ric Arriba Counties, New Mexico?
- A Yes, and I recommend that the South Blanco-Pictured Cliffs Pool be extended on the basis of two wells capable of producing from the Pictured Cliffs formation.
 - Q Do you have an exhibit to substantiate your testimony?
 - A Yes, sir.
 - Q That is Exhibit 2?
 - A That is Exhibit 1.
 - Q It is also Exhibit 1?
 - A That is correct.
- Q Have you, in your official capacity, had an opportunity to study the proposed extension of the Blanco-Mesaverde Pool?
- A Yes, I have, and I recommend that the Blanco-Mesaverde Gas Pool be extended as advertised on the basis of one well capable of producing from this formation.
- Q Have you, in your official capacity, had an opportunity to study the extension of the Bisti-Lower Gallup Cil Pool?
- A Yes, I have, and I recommend that the Bisti-Lower Gallup Oil Pool be extended as advertised on the basis of one well capable of producing from this formation.
 - Q Did you have your exhibits to enter at this time?
- A I submit Exhibit 1, which lists all the extensions as advertised, together with the wells on which these extensions are based.
 - Q Was this exhibit prepared under your direction?

A It was prepared under my direction and checked.

MR. GURLEY: That is all.

MR. PORTER: Without objection, the exhibit will be admitted. Any questions of Mr. Utz?

Does anyone else have anything further in this case? The witness may be excused.

(Witness excused).

MR. PORTER: The case will be taken under advisement. Anything else to come before the Commission? The hearing is adjourned.

CERTIFICATE

STATE OF NEW MEXICO) : ss COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 31st day of December, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Has Sumly Notary Public

My commission expires: June 19, 1959.

DEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF MEN MEXICO

IN THE MATTER OF THE MEARING CALLED BY THE OIL COMMENVATION COMMENSION OF THE STATE OF MEN MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 1190 Order No. R-934

THE APPLICATION OF THE OIL COMMENSATION COMMENSATION COMMENSATION WHOM ITS COMMENSATION OF THE OIL COMMENSATION OIL COMMENSATION OF THE OIL COMMENSATION OIL COMMENSATION OIL COMMENSATION OIL COMMENSATION OIL COMMENSATION O

GROUP OF THE COMMISSION

This came came on for bearing at 9 o'clock a.m. on Becamber 13, 1866, at Santa Fe, New Mexico, before the Gil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

ACV, on this 25 day of Pecember, 1958, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing and being fully advised in the premiues.

- (1) That due public motice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That there is need for certain extensions to the Ballard-Pictured Cliffs Pool, the South Blanco-Pictured Cliffs Pool and the Blanco Mesavorde Pool, all in Rio Arriba and San Juan Counties, New Mexico, and the Bisti-Lower Gallup Cil Pool in San Juan County, New Mexico.

IT IS THE EXPOSE OFFICED;

(a) That the Ballard-Pictured Cliffs Pool in Ric Arriba and San Juan Counties, Nov Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 8 WEST, HMPM Section 24: ME/4

TOWNSHIP 27 NONTH, RANGE 8 WEST, NMPM Section 32: \$/2

(b) That the South Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, as beretofore classified, defined, and described, be and the same is hereby extended to include therein:

-2-Case No. 1199 Order Mo. R-934

TOTALED SA MORTH, LANGE 6 WEST, MUPH

Section 35: 83/4 Section 36: 82/4

TOPESED ST MONTH, SANSE 9 WEST, MEPS Section 28: 1/2

(c) That the Blanco Monaverde Pool in Rie Arriba and San Juan Counties, New Maxico, as heretofere classified, defined, and described, he and the same is befoly extended to include therein:

TOWESHIP 27 MORTH, BANGE 3 WEST, MMPM Sections 7, 8 & W: All (Practional) Sections 16, 17, & 18: All

TOTALLO OF MARCH, MARC 4 MAY MARCH

(d) That the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, he and the same is beauty extended to include therein:

TOWEST 25 MORTH, RANAN 12 WEST, MAPN Section 4: SW/4 SW/4

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

> STATE OF NEW MEXICO OIL COMBERVATION COMMISSION

JOHN F. SIME, Chairman

A. L. PORTER, Jr., Member & Secretary

SEAL

DOCKET: REGULAR HEARING DECEMBER 13, 1956

Qii Conservation Commission 9 amm., Mabry Hall, State Capitol, Santa Fe, NM

ALLOWABLE: (1) Consideration of the oil allowable for January, 1957.

(2) Consideration of the allowable production of gas from designated pools in Lea County, New Mexico, for January, 1957, consideration of the gas allowable for January, 1957, for the prorated pools of San Juan and Rio Arriba Counties, New Mexico, and also presentation of purchasers' nominations for the 6-month period beginning February 1, 1957, for the prorated pools of San Juan and Rio Arriba Counties.

NEW CASES

CASE 1185:

Application of the Ibex Company for an order authorizing three pilot water flood projects in the Artesia Pool, Eddy County, New Mexico, in exception to Rule 701 of the New Mexico Oil Conservation Commission Rules and Regulations, and further approving the unorthodox location of a number of its old wells in said pool. Applicant, in the above-styled cause, seeks an order authorizing three separate pilot water flood projects in the Premier sand of the Grayburg formation of the Artesia Pool; said projects to be effected by means of water injection through approximately 16 existing wells in Sections 4, 21, 28, and 32, Township 18 South, Range 28 East, Eddy County, New Mexico. Applicant also seeks Commission approval of the unorthodox location of certain of the above referenced wells.

CASE 1186:

Application of El Paso Natural Gas Company for the forced pooling of the N/2 of Section 26, Township 31 North, Range 11 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, or in the alternative, for a 280-acre non-standard drilling and proration unit in the Blanco-Mesaverde Pool. Applicant, in the above-styled cause, seeks an order force pooling the N/2 of Section 26, Township 31 North, Range 11 West, San Juan County, New Mexico, or in the alternative, authorizing a 280-acre non-standard drilling and proration unit in the Blanco-Mesaverde Pool consisting of the NW/4, N/2 NE/4, SE/4 NE/4 of said Section 26.

CASE 1187:

Application of the New Mexico Oil Conservation Commission upon its own motion for an order changing the name and information required on Form C-128, as established by Rule 1127 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order changing the name of Form C-128 to "Well Location and Proration Plat" and to change certain of the information required to be reported thereon.

CASE 1188:

Southeastern New Mexico nomenclature case calling for the creation of new pools and the extension of and deletion of certain areas from existing pools in Lea, Chaves, Eddy and Roosevelt Counties, New Mexico

(a) Creation of a new oil pool for San Andres production, designated as the West Cave-San Andres, and described

Township 17 South, Range 28 East Section 12: SE/4

(b) Creation of a new oil pool for Pennsylvanian production, designated as the Four Lakes-Pennsylvanian Pool, and described as:

Township 12 South, Range 34 East Section 1: NV/4 Section 2: NE/4

(c) Creation of a new oil pool for Grayburg production, designated as the West Henshaw-Grayburg Pool, and described as:

Township 16 South, Range 30 East Section 8: SW/4

(d) Creation of a new oil pool for Pennsylvanian production, designated as the Leamex-Pennsylvanian Pool, and described as:

Township 17 South, Range 33 East Section 23: SW/4

(e) Creation of a new oil pool for Pennsylvanian production, designated as the Milnesand-Pennsylvanian Pool, and described as:

Township 8 South, Range 35 East Section 18: SW/4

(f) Creation of a new oil pool for Grayburg and San Andres production, designated as the West Square Lake-Grayburg-San Andres Pool, and described as:

Township 16 South, Range 29 East Section 25: SE/4 SE/4 Section 36. NE/4

Township 16 South, Range 30 East Section 30: SW/4

-3-Docket No. 39-56

(g) Creation of a new gas pool for Pennsylvanian production, designated as the Welch-Pennsylvanian Gas Pool and described as:

Township 26 South, Range 37 East Section 21: NV/4

(h) Delete from the Blinebry Oil Pool the following:

Township 21 South, Range 37 East Section 4: Lot 8

(i) Delete from the Blinebry Gas Pool the following:

Township 21 South, Range 37 East
Section 4: Lot 8

- (j) Extension of the Terry-Blinebry Pool to include:

 Township 21 South, Range 37 East
 Section 4: Lat 8
- (k) Extension of the Caprock-Queen Pool to include:

Township 14 South, Range 31 East Section 35: W/2 NW/4

(1) Extension of the Eumont Pool to include:

Township 18 South, Range 37 East Section 33: N/2

Township 19 South, Range 37 East Section 22: W/2 NW/4

Township 22 South, Range 37 East Section 15: N/2 NW/4

(m) Extension of the vertical limits of the Leo Pool to include the Queen formation, and extend the pool houndary to include:

Township 18 South, Range 30 East Section 26: W/2 NW/4 and NW/4 SW/4 Section 27: E/2 NE/4 and NE/4 SE/4

(n) Extension of the Loco Hills Pool to include:

Township 18 South, Range 29 East Section 19: NE/4

(o) Extension of the North Mason-Delaware Pool to include

Township 26 South, Range 31 East Section 24: E/2

(p) Extension of the vertical limits of the Palmillo Pool to include the grayburg formation, with the present pool boundary of:

Township 18 South, Range 29 East Section 30: 5/2

-4-Dacket No. 39-56

(q) Extension of the Red Hills-Yates Pool to include:

Township 19 South, Range 30 East Section 28: SW/4 Section 29: S/2

CASE 1189:

Southeastern New Mexico nomenclature case calling for the abolishment of the Hardy Pool in Lea County. New Mexico, and the extension of the Eumant and Penrose-Shelly Oil Pools in Lea County, New Mexico.

- (a) Abolish the Hardy Poel in Lea County, New Mexico.
- (b) Extend the Eumont Pool boundary to include:

Township 20 South, Range 37 East Section 25: NW/4 and S/2 Section 36: E/2

Township 26 South, Range 38 East Section 31: All

(c) Extension of the Penrose-Skelly Pool to include:

Township 21 South, Range 37 East
Section 4: W/2
Section 8: NE/4
Section 9: W/2
Section 16: NW/4

CASE 1190:

Northwestern New Mexico nomenclature case calling for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

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

Township 25 North, Range 8 West Section 24: NE/4

Township 27 North, Range 8 West Section 32: S/2

(b) Extension of the South Blanco-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, to include:

Township 26 North, Range 6 West Section 25: SE/4 Section 36: NE/4

Township 27 North, Range 9 West Section 23: W/2

-5-Docket No. 39-56

(c) Extension of the Blanco-Mesaverde Pool to include:

Township 27 North, Range 3 West Sections 7, 8 & 9: All (fractional) Sections 16, 17, & 18:All

Township 27 North, Range 4 West Section 13: All

(d) Extension of the Bisti-Lower Gallup Oil Peol to include:

Township 25 North, Range 12 West Section 4: SW/4 SW/4

CONTINUED CASES

CASE 1053:

Application of the Oil Conservation Commission upon its own motion, at the request of the State Engineer, for an order prescribing rules and regulations to govern the disposal of salt water in areas of Lea County, New Mexico. The Commission desires to formulate rules and procedures which will result in the efficient disposal of salt water and which will eliminate the practice of surface disposal of large volumes of oil field brines in order to prevent the contamination of the fresh-water bearing horizons in Lea County, New Mexico.

CASE 1102:

REHEARING Application of the Ohio Oil Company for rehearing in Case 1102, Order R-892 which established pool rules for the Dean Permo-Pennsylvanian and Dean-Devonian Pools, Lea Courty, New Mexico. Applicant, in the above-styled cause, seeks reconsideration by the Commission of the spacing and allowable provisions for the Dean Permo-Pennsylvanian Pool with particular attention to the allowable for existing wells on 40-acre tracts. Applicant contends that such wells should retain the normal 40-acre allowable rather than one-half of the normal 80-acre allowable as established by Order R-892.

MOMENCLATURE RECOVERNDATIONS, DECIDERER, 1956

REGULAR HEARING

BALLARD PICTURED GAS CLIFFS

Tokak to

Township 25N, Range Sw (San Juan County)
Section 2h, ME/h based on:

Benson-Montin #1 Graham 24-25N-8w 860/N, 1100/E

IP 5265 MCF; AOF 7509 MCF; SICP 644#/ 12 days

Township 27N, Range 8N (San Juan County) Section 32, S/2 based on:

> EPNG #1 Cuccia State, 1700/N; 800/E, Section 32-27N-8W IP 779 MCF; AQF 783 MCF; SICP 710#/ 12 days

(8)

SOUTH BLANCO PICTURED GAS CLIFFS

Township 26N, Range 6N (Rio Arriba County)
Section 25, SE/h; Section 36, NE/h based on:

EPNG #2 Johnston State 990/N; 1650/E, Section 36-26N-6W IP 1569 MCF; AOF 1587 MCF; SICP 993#/ 8 days

Township 27N, Range 9W (San Juan County)
Section 23, W/2 Based on:

J. Glenn Turner #57-23 Huerfanito Unit 1820/S; 1850/W, Section 23-27N-9W IP 2850 MCF; MOF 3070 MCF; SICP 717#/ 7 days

(2)

BLANCO GAS MESAVERDE

Township 27N, Range 3W (Rio Arriba County)
Sections 7,8,9, all (partial)
Sections 16, 17, 18, all

Township 27N, Range LW (Rio Arriba County)
Section 13, all based on:

Magnolia #2-E Jicarilla 1650/S; 990/W, Section 16-27N-3W IP 6815 MCF; ACF 10,368 MCF; SICP 1723 #

(d)

BISTI LOWER GALLUP (OIL) POOL

Township 25N, Range 12W (San Juan County)
Section 4, Sv/h SW/4 based on:

Amerada Petroleum #1 Ka-Da-Pa 660/S; 660/N, Section h-25N-12c IP 592 BOPD, 38 gravity.