

CASE 1304: El Paso Natural Gas Products Co.
application for unorthodox oil well location
in undesignated Gallup Oil Pool, San Juan Co.
Sec. 30-24N-8W.

Case No.

1304

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
WASH. D.C., NEW SERIES
August 30, 1957

IN THE MATTER OF:

CASE 1304

I hereby certify that the foregoing is

the true and correct transcript of the proceedings

in the above entitled matter of the Commission

TRANSCRIPT OF PROCEEDINGS

ILLEGIBLE

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 30, 1957

IN THE MATTER OF:

The application of El Paso Natural Gas Products
Company for the approval of an unorthodox oil
well location in an undesignated Gallup Oil Pool
in San Juan County, New Mexico. Applicant, in
the above-styled cause, seeks an order approv-
ing the unorthodox location of its Sapp No. 1 Well
in an undesignated Gallup Oil Pool at a point 1,450
feet from the South line and 965 feet from the East
line of Section 30, Township 24 North, Range 8
West, San Juan County, New Mexico. Said well was
projected as a wildcat gas well but was found to be
productive of oil rather than gas.

CASE NO. 1304

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

EXAMINER NUTTER: The application for El Paso Natural Gas Products
Company for the approval of an unorthodox oil well location in an undesignated
Gallup oil pool in San Juan County, New Mexico.

MR. WHITWORTH: I am Garrett C. Whitworth, representing El Paso
Natural Gas Products Company and I have one witness, Mr. Ewell N. Walsh, would
like to be sworn in at this time.

MR. NUTTER: Mr. Walsh, will you stand and be sworn please?

WITNESS HAVING FIRST BEEN DULY SWORN TESTIFIED AS FOLLOWS:

MR. WHITWORTH: You are Mr. Ewell N. Walsh?

MR. WALSH: That is right.

MR. WHITWORTH: Where do you live Mr. Walsh?

A. At 216 El Paso Drive, Farmington, New Mexico.

Q. And by whom are you employed?

A. El Paso Natural Gas Products Company.

Q. In what capacity are you employed?

A. Division Petroleum Engineer.

Q. What experience have you had in this capacity?

A. Four and a half years of Petroleum Engineer with the El Paso Natural Gas Company and effective August 1, 1957, Division Petroleum Engineer for El Paso Natural Gas Products Company.

Q. In that capacity you make it your business to familiarize yourself with the drilling of particular wells?

A. Yes I do.

Q. Are you familiar with the drilling of Sapp No. 1 Well on Section 30, Range 8 West, Township 24 North, NMPM, San Juan County, New Mexico?

A. Yes I am.

Q. Are you familiar with the location of this well?

A. Yes.

Q. Are you familiar with the ownership of the lease on which this well is located?

A. Yes I am.

Q. Are you familiar with the ownership of surrounding leases?

A. Yes I am.

Q. Now.....

MR. NUTTER: Now Mr. Whitworth, I would like to interrupt one moment Mr. Walsh, have you previously testified before the New Mexico Oil Conservation Commission?

A. No I have not.

Q. For the record lets get Mr. Walsh qualified as an expert.

Mr. Walsh's qualifications are acceptable to the Commission as an expert witness.

MR. WALSH: Thank you sir.

MR. WHITWORTH: I have a plat which I would like to have identified as Exhibit 1 and ask if you are familiar with the area depicted on that plat?

A. I am familiar with the area depicted on the plat.

Q. What area is it?

A. It covers Sections 29, 30, 31 and 32 of Township 24 North, Range 8 West, reference to New Mexico Principal Meridian, San Juan County, New Mexico.

Q. Now is the location of that well depicted on that plat?

A. It is.

Q. What is the location?

A. 965 feet from the east line 1450 feet from the south line of Section 30, Township 24 North, Range 8 West.

Q. Who owns the lease on which this well is located?

A. El Paso Natural Gas Products Company.

Q. And who owns the surrounding lease?

A. El Paso Natural Gas Products Company.

Q. What kind of well was that supposed to be when it was originally staked?

A. A gas well.

Q. Was the well completed as a gas well or an oil well?

A. An oil well.

Q. In what formation was it completed?

A. A lower Gallup formation.

Q. Is the well producing now?

A. It is.

Q. What is it producing?

A. Average production for the month of July, 6.24 barrels per day
on a 25 day basis.

Q. Of oil?

A. Of oil.

Q. Does it produce any gas?

A. It has a gas-oil ratio test 22,596 cubic feet per barrel.

MR. NUTTER: How much was that?

A. 2,000.

Q. 2,000?

A. 2,596.

Q. Now would you term this well a gas well or an oil well?

A. An oil well.

Q. If.....this application is denied what would it necessitate
with regard to this particular lease?

A. The well would have to be shut-in and additional wells drilled
in order to hold the lease.

Q. In other words it would necessitate additional drilling, is that
right?

A. Right.

Q. Now, had the well been a gas well, would it have conformed to
Rule 104 (b) of the New Mexico Oil Conservation Commission rules?

A. It would in terms of Wildcat Gas Well.

Q. Now since it is not a gas well and is an oil well, in what
respect is that particular rule violated?

A. According to your footage regulations on Rule 104 (b) the well now falls as an unorthodox location for an oil well as it was to have been a standard location for a wildcat gas well.

A. Thats all I have.

MR. NUTTER: Mr. Walsh, when this well was originally staked, to what formation was it projected?

A. To the lower Gallup.

Q. And El Paso anticipated discovering gas in the Gallup formation in that area?

A. Yes.

Q. And instead of encountering gas, they encountered oil?

A. Thats right.

Q. Is there any other question of the witness? If not, the witness may be excused. Does anyone have anything further they wish to offer in this case? You wanted to offer this plat as Exhibit No. 1, Mr. Whitworth?


MR. WHITWORTH: Thats right sir.

MR. NUTTER: Is there objection to the receipt of El Paso Natural Gas Products Company Exhibit No. 1 in Case No. 1304? If not, the Exhibit will be received in evidence. Does anyone have anything further they wish to offer in this case? If not, we will take the case under advisement and the hearing is adjourned.

STATE OF NEW MEXICO)
 :
COUNTY OF SANTA FE)

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

Dated at Santa Fe, New Mexico, this 19th day of September, 1957.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 1304
heard by me on 8-30, 1957.
 Examiner
New Mexico Oil Conservation Commission

El Paso Natural Gas Company
MAIN OFFICE 880

1957 AUG 7 PM 1:13

El Paso, Texas

August 6, 1957

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Unk. Requested 8/10/57

Gentlemen:

Enclosed please find El Paso Natural Gas Products Company's Application (in triplicate) for the approval of production of oil from its Sapp #1 Well located in an unorthodox location in San Juan County, New Mexico, together with a plat (for each copy of the application) indicating the exact location of said well.

It is requested that hearing be had on this matter before an Examiner on or about August 20, 1957.

Yours very truly,

Garrett C. Whitworth
Garrett C. Whitworth
Attorney

GCW:nb

Enc: 3

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

September 24, 1957

C
O
P
Y

Mr. Garrett C. Whitworth
El Paso Natural Gas Products Co.
Box 1161
El Paso, Texas

Dear Sir:

We enclose a copy of Order R-1046 issued September 16, 1957,
by the Oil Conservation Commission in Case 1304, which was heard by
an Examiner on August 30th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1304
Order No. R-1046

APPLICATION OF EL PASO NATURAL
GAS PRODUCTS COMPANY FOR APPROVAL
OF AN UNORTHODOX OIL WELL LOCATION
IN AN UNDESIGNATED GALLUP OIL POOL
IN SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 30, 1957, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of September, 1957, the Commission, a quorum being present, having considered the application, the evidence, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That El Paso Natural Gas Products is the owner and operator of an oil and gas lease covering Section 30, Township 24 North, Range 8 West, NMPM, San Juan County, New Mexico.

(3) That the applicant spudded its Sapp No. 1 Well as a projected gas well at a point 1450 feet from the South line and 965 feet from the East line of said Section 30, which location is an orthodox gas well location under the provisions of Paragraph (b) (2) of Rule 104 of the Commission Rules and Regulations.

(4) That the above-described Sapp No. 1 Well was found to be productive of oil from the Gallup formation and was completed as an oil well in said formation.

(5) That approval of the unorthodox location of the said Sapp No. 1 Well will not cause waste nor impair correlative rights.

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Case No. 1304
Order No. R-1046

(6) That the denial of this application would impose an undue hardship upon the applicant.

IT IS THEREFORE ORDERED:

(1) That the unorthodox location of the El Paso Natural Gas Products Company Sapp No. 1 Well at a point 1450 feet from the South line and 965 feet from the East line of Section 30, Township 24 North, Range 8 West, NMPM, in an undesignated Gallup Oil Pool in San Juan County, New Mexico, be and the same is hereby approved.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



ir/

DOCKET: EXAMINER HEARING AUGUST 28, 1957

New Mexico Oil Conservation Commission 1:00 p.m. Hobbs, New Mexico

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 1300: Application of General American Oil Company of Texas for permission to institute a pilot water flood program in the Grayburg-Jackson Pool in Eddy County, New Mexico, and for the establishment of an allowable formula for all wells involved in said project. Applicant, in the above-styled cause, seeks an order authorizing the injection of water into the Grayburg-Jackson Pool through five wells presently producing from said pool in Sections 18 and 19, Township 17 South, Range 30 East, Eddy County, New Mexico, the input volume not to exceed 400 barrels of water per day into each intake well. Applicant further requests the establishment of an allowable formula for all wells involved in the subject water flood project to permit the operation of the project at its maximum efficiency. The area covered by the subject application is presently included in the Grayburg Cooperative and Unit Area gas injection project authorized by Commission Orders No. 659 and No. 802.
- CASE 1301: Application of Tidewater Oil Company for a non-standard gas proration unit in the Tubb Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order granting a 120-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's Percy Hardy No. 2 Well located 660 feet from the South line and 1980 feet from the East line of said Section 17.
- CASE 1302: Application of Continental Oil Company for permission to produce more than eight oil wells into a single common tank battery in the Eumont Gas Pool on its State "A-36" Lease in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the production into a common tank battery of eleven existing oil wells plus one additional proposed oil well in the Eumont Gas Pool within the boundaries of its State "A-36" Lease which comprises the S/2 and NE/4 of Section 36, Township 20 South, Range 37 East, Lea County, New Mexico.
- CASE 1303: Application of Gulf Oil Corporation for a 468-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a 468-acre non-standard gas proration unit in the Eumont Gas Pool consisting of SW/4 Section 30 and the N/2 Section 31, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's H. T. Mattern "B" No. 10 Well located in the NE/4 NW/4 of said Section 31.

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Docket No. 25-57

EXAMINER HEARING AUGUST 30, 1957

Oil Conservation Commission 9:00 a.m. Mabry Hall, State Capitol, Santa Fe

The following case will be heard before Daniel S. Nutter, Examiner.

CASE 1304:

Application of El Paso Natural Gas Products Company for the approval of an unorthodox oil well location in an undesignated Gallup Oil Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the unorthodox location of its Sapp No. 1 Well in an undesignated Gallup Oil Pool at a point 1,450 feet from the South line and 965 feet from the East line of Section 30, Township 24 North, Range 8 West, San Juan County, New Mexico. Said well was projected as a wildcat gas well but was found to be productive of oil rather than gas.

ir/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 8-30-57

CASE 1304

Hearing Date 8-30-57 9am

DSN @ SF

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving the unorthodox
location for the subject well.

No objections were voiced at the
hearing; in fact El Paso, the
applicant, owns all of the
offsetting leases.

Note to legal:

a similar order issued recently
for Skelly could serve as a
guide

Samuel A. Butler
Staff Member

Examiner

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

1957 AUG 7 PM 1:14

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS PRODUCTS COMPANY
FOR THE ESTABLISHMENT OF AN UNORTHODOX
LOCATION FOR SAPP #1 WELL LOCATED
1,450 FEET FROM THE SOUTH LINE AND
965 FEET FROM THE EAST LINE OF SEC-
TION 30, TOWNSHIP 24 NORTH, RANGE
8 WEST, N.M.P.M., SAN JUAN COUNTY,
NEW MEXICO.

CASE NO. _____

A P P L I C A T I O N

COMES NOW, El Paso Natural Gas Products Company, hereinafter
called "Applicant", and alleges and states:

1. That Applicant is the owner and operator of oil and gas
leases covering Section 30, Township 24 North, Range 8 West, N.M.P.M.,
San Juan County, New Mexico.
2. That heretofore, Applicant has drilled its Sapp #1 Well on
said section at a location 1,450 feet from the south line and 965
feet from the east line of said Section 30, as indicated by the
plat which is attached hereto and made a part hereof.
3. That said well was originally staked as a standard wild-
cat gas well location, but was subsequently completed as an oil
well in the Gallup Formation in an undesignated oil pool.
4. That this Application is made for the prevention of waste
and the drilling of unnecessary wells and the granting of the Order
prayed for herein will not prejudice correlative rights.
5. Applicant seeks an order, pursuant to Rule 104 (b)(2)
approving said well in said location for the production of oil.
6. No other interested party is known to the Applicant.

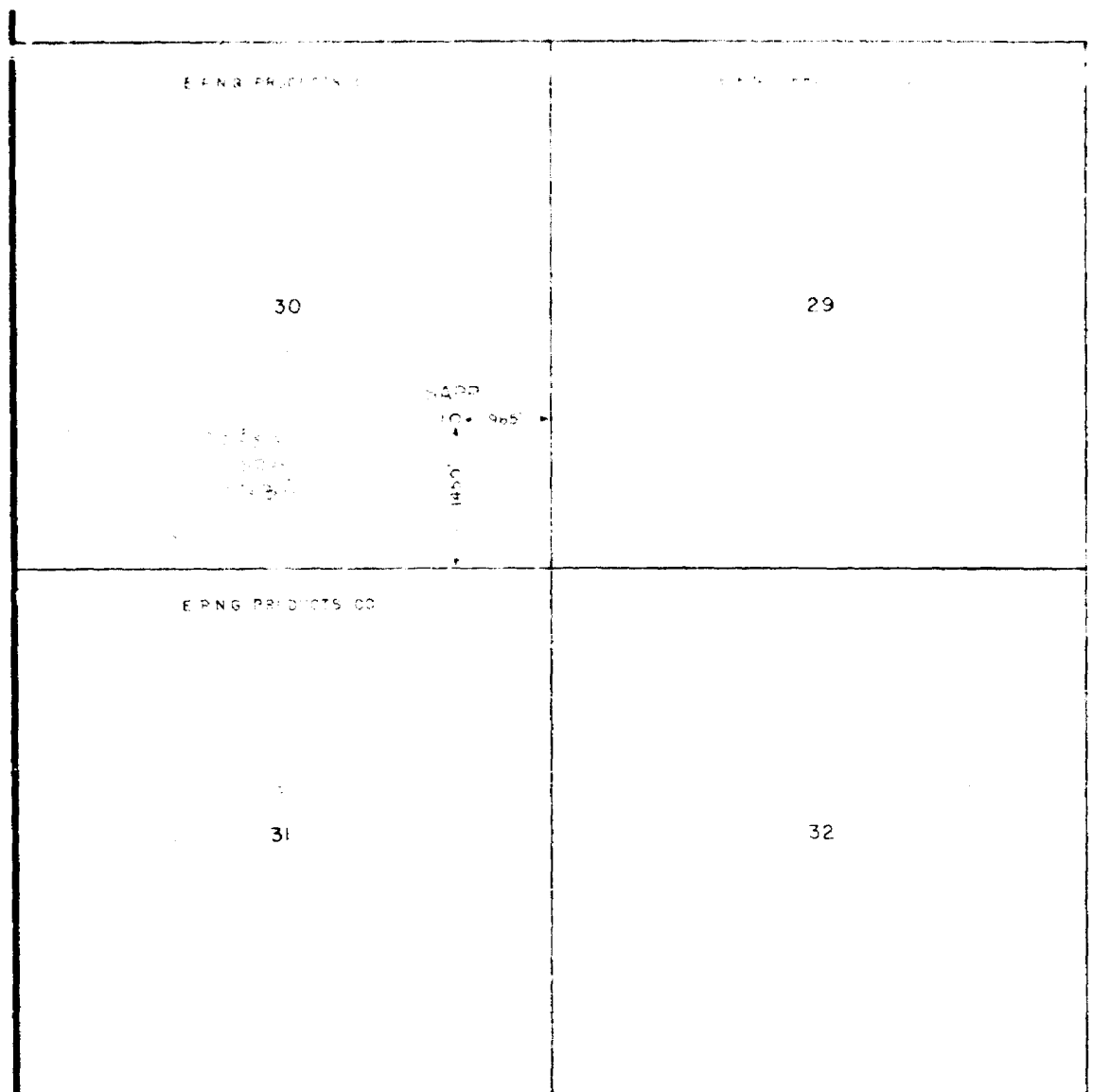
WHEREFORE, Applicant respectfully requests that an Order be
issued setting this matter down for hearing in the City of Aztec,
New Mexico, on August 20, 1957, before an Examiner, and that notice
thereof be given as required by law, and that upon final hearing,
an Order be issued approving said well in said location for the
production of oil.

*Ticket Mailed
8-20-57*

PLAT ON FILE O. C. C.
SANTA FE, NEW MEXICO

Garrett C. Whitworth
Garrett C. Whitworth
Attorney for
El Paso Natural Gas Products
Company

R - 8 - W



EL PASO NATURAL GAS PRODUCTS CO.

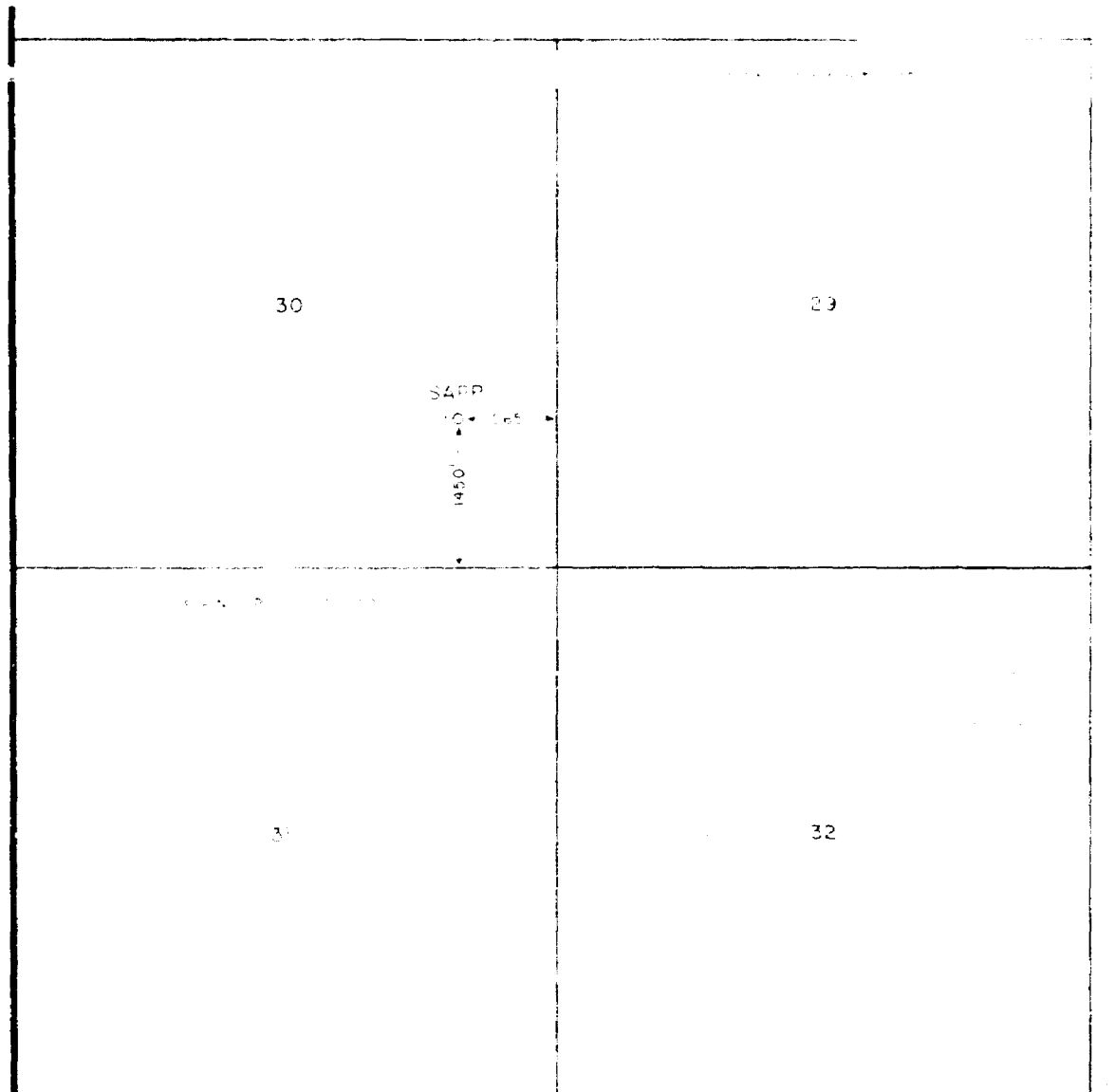
SCALE 3" = 1 mile

PLAT ACCOMPANYING APPLICATION FOR

UNORTHODOX OIL WELL LOCATION

SAPP No. 1

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Before Examiner Hutter

Oil Conservation Commission

app Exhibit Case No. 1304
EX 1

EL PASO NATURAL GAS PRODUCTS CO.

SCALE 3" = 1 mile

PLAT ACCOMPANYING APPLICATION FOR

UNORTHODOX OIL WELL LOCATION

SAPP No. 1