

CASE 1893: Application of PETRO-ATLAS
cancelling overproduction charged
against Well No. 1 - San Juan Co.

Case No.

1893

Application, Transcript,
Small Exhibits, Etc.

BEFORE EXAMINER NOTED

OIL CONSERVATION COMMISSION NEW MEXICO OIL CONSERVATION COMMISSION

Case No. 1893

MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS

COPY Form C-122
Revised 12-1-55

Pool Undesignated Formation Pictured Cliffs County San Juan
 Initial X Annual _____ Special _____ Date of Test 8-21-58
 Company ENTERPRISE, INC. Lease ASICS Well No. 1
 Unit 8 Sec. 8 Twp. 27N Rge. 9W Purchaser El Paso Natural Gas
 Casing 3-1/2" Wt. 15.30 I.D. _____ Set at 2515' Perf. 2412 To 2441
 Tubing 1-1/4" Wt. 2.40 I.D. _____ Set at 2400' Perf. 2400 To 2400
 Gas Pay: From 2412 To 2444 L _____ xG 0.84 -GL _____ Bar. Press. 12
 Producing Thru: Casing X Tubing _____ Type Well Single Gas
 Date of Completion: 8-14-58 Packer _____ Single-Bradenhead-G. G. or G.O. Dual
 Reservoir Temp. _____

OBSERVED DATA

Tested Through (Prover) (Choke) (None)

Type Taps _____

Flow Data						Tubing Data		Casing Data		Duration of Flow Hr.
No.	(Prover) (Line) Size	(Choke) (Orifice) Size	Press. psig	Diff. h _w	Temp. °F.	Press. psig	Temp. °F.	Press. psig	Temp. °F.	
SI						612		612		
1.		3/4"	170		57	157		170	57	3 hours
2.										
3.										
4.										
5.										

FLOW CALCULATIONS

No.	Coefficient (24-Hour)	$\sqrt{h_{wpf}}$	Pressure psia	Flow Temp. Factor F _t	Gravity Factor F _g	Compress. Factor F _{pv}	Rate of Flow Q-MCFPD @ 15.025 psia
1.	12.2		190	1.0029	0.9452	1.014	1.928
2.							
3.							
4.							
5.							

PRESSURE CALCULATIONS

Gas Liquid Hydrocarbon Ratio _____ cf/bbl.
 Gravity of Liquid Hydrocarbons _____ deg.
 P_c _____ (1-e^{-s})

Specific Gravity Separator Gas _____
 Specific Gravity Flowing Fluid _____
 P_c 630 P_c^2 396,900

No.	P_w P_t (psia)	P_t^2	$F_c Q$	$(F_c Q)^2$	$(F_c Q)^2$ (1-e ^{-s})	P_w^2	$P_c^2 - P_w^2$	Cal. P_w	P_w P_c
1.						36,100	396,900		
2.									
3.									
4.									
5.									

Absolute Potential: 2,164 MCFPD; n 0.85
 COMPANY ENTERPRISE, INC.
 ADDRESS 7700 E. Main St., Farmington, New Mexico
 AGENT and TITLE H. B. GALT, ENGINEER
 WITNESSED _____
 COMPANY _____

REMARKS

BEFORE EXAMINER MUTTER
Oil, Gas Deliverability
Initial Test
CASE NO. 102

Form C-122-A
Revised April 20, 1955

NEW MEXICO OIL CONSERVATION COMMISSION
GAS WELL TEST DATA SHEET - - SAN JUAN BASIN

(TO BE USED FOR FRUITLAND, PICTURED CLIFFS, MESAVEROE, & ALL DAKOTA
EXCEPT BARKER DOME STORAGE AREA)

Pool South Elmore Formation Pictured Cliffs County San Juan
Purchasing Pipeline El Paso Natural Gas Company Date Test Filed 9-11-59

Operator HEINZ-CHILAS, INC. Lease 275 Well No. 2441
Unit 3-1/2" Sec. 15.500 Twp. 27N Rge. 24E Pay Zone: From 2405 To 2441
Casing: OD 3-1/2" WT. 15.500 Set At 2441' Tubing: OD 1-1/4" WT. 2.4 T. Perf. 2405
Produced Through: Casing X Tubing Gas Gravity: Measured 0.81-0.88 Estimated
Date of Flow Test: From 11-30-58 To 12-5-58 * Date S.I.P. Measured
Meter Run Size 4.00 Orifice Size 1.25 Type Chart Sq. Root Type Taps Flange

OBSERVED DATA

Flowing casing pressure (Dwt) psig + 12 = psia (a)
Flowing tubing pressure (Dwt) psig + 12 = psia (b)
Flowing meter pressure (Dwt) psig + 12 = psia (c)
Flowing meter pressure (meter reading when Dwt. measurement taken:
Normal chart reading psig + 12 = psia (d)
Square root chart reading ()² x spring constant = psia (d)
Meter error (c) - (d) or (d) - (c) ± = psi (e)
Friction loss, Flowing column to meter:
(b) - (c) Flow through tubing: (a) - (c) Flow through casing = psi (f)
Seven day average static meter pressure (from meter chart):
Normal chart average reading 7.00 309 psig + 12 = 321 psia (g)
Square root chart average reading ()² x sp. const. = 321 psia (g)
Corrected seven day avge. meter press. (pf) (g) + (e) = 321 psia (h)
P_t = (h) + (f) 618 = 639 psia (i)
Wellhead casing shut-in pressure (Dwt) 618 psig + 12 = 639 psia (j)
Wellhead tubing shut-in pressure (Dwt) psig + 12 = 639 psia (k)
P_c = (j) or (k) whichever well flowed through 31 = 321 psia (l)
Flowing Temp. (Meter Run) °F + 460 = 321 °Abs (m)
P_d = 1/2 P_c = 1/2 (l) = 321 psia (n)

FLOW RATE CALCULATION

$$Q = \frac{\text{(Integrated)}}{\left(\frac{V(c)}{V(d)} \right)} = \text{MCF/day}$$

DELIVERABILITY CALCULATION

$$D = Q \left[\frac{p_c^2 - p_d^2}{p_c^2 - p_w^2} \right]^n = 321.3 \text{ MCF/day}$$

SUMMARY
P_c = 321 psia
Q = 321 Mcf/day
P_w = 321 psia
P_d = 321 psia
D = Mcf/day
Comp. HEINZ-CHILAS, INC.
By Superintendent
Title
Witnessed by
Company

- * This is date of completion test.
- * Meter error correction factor

REMARKS OR FRICTION CALCULATIONS

GL	(1-e ^{-S})	(F _c Q) ²	(F _c Q) ² (1-e ^{-S}) R ²	P _t ² (Column 1)	P _t ² + R ²	P _w
			Negligible			

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1893: Application of Petro-Atlas, Inc. for an order
cancelling the over-production charged against
one well in the South Blanco-Pictured Cliffs
Pool, San Juan County, New Mexico

TRANSCRIPT OF HEARING

FEBRUARY 10, 1960

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1893: Application of Petro-Atlas, Inc. for an order
cancelling the over-production charged against
one well in the South Blanco-Pictured Cliffs
Pool, San Juan County, New Mexico

TRANSCRIPT OF HEARING

FEBRUARY 10, 1960

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1893: Application of Petro-Atlas, Inc. for an order cancelling the over-production charged against one well in the South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order cancelling the overproduction charged against the Aztec Well No. 1, located in the SE/4 NW/4 of Section 8, Township 27 North, Range 9 West, South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico. Such overproduction was occasioned by applicant's delay in filing Form C-122-A.

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will take next Case 1893.

MR. PAYNE: Case 1893. Application of Petro-Atlas, Inc. for an order cancelling the over-production charged against one well in the South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.

MR. VERITY: George L. Verity for the Applicant. By way of an opening statement, I would like to point out to the Examiner that this well in question was completed as a commercial well in August of 1958, and at that time the Applicant had just gone through a reorganization wherein it had just taken over the

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operation of its gas wells and prior to that time had not carried through on mechanics to the Commission of these gas wells. Upon completion of this well, the Applicant obtained the information required by the form required for filing, Form C-122, which was the general form for filing a completion of a gas well deliverability. In November, 1958, this well was put on production to El Paso Natural Gas Company, and in that month all of the information required for Form C-122-A, which is required by the Special Rules promulgated by Order No. R-333 C and D, were obtained. The well was given the required open flow test, which I believe is two weeks, and then was given line pressure tests for the required eight days, and all of the information that is required in the required form that should have been filed at that time was obtained, but Petro-Atlas in all innocence thought that they had filed the only form required when they filed Form C-122 in August. The well then was produced until August of 1959, at which time the fact that Form C-122-A had not been filed came to the attention of your department in Aztec, and they shut the well in and at that time advised Petro-Atlas that they had not filed the proper form. This was the first time that they knew about it.

MR. NUTTER: What was the interval of time, Mr. Verity, from the time the tests were completed --

MR. VERITY: The tests were completed on the 8th day of December, 1958.

MR. NUTTER: And it was called to your attention by the



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Aztec office:-

MR. VERITY: August of 1959, and then in September of 1959, the Form 122-A was actually filed with the Commission, but we particularly want to point out that that form that was filed was based on the tests and information that was taken in November and December of 1958 at initial production. Since then, the well has been only partially produced under the shutin order, just a small amount.

One other thing, and this will, of course, all this information will be brought out by Mr. Grove in testimony. If we had actually filed the form, the information on the test, then our allowable through August of 1959 would have been, that was from first production through August of 1959, would have been 33,724 MCF. During that same period we actually produced 45,705 MCF. Now, this meant that we were produced -- that we actually produced more gas than we were entitled to produce if the report had been properly filed, but it is 33,724 MCF that we have been penalized that we would like for the Commission to allow us to forego by an order stating that the report filed in September on the test, actually made in September, be taken as of that time.

MR. NUTTER: In other words, you are not requesting that all of the overproduction be cancelled, but only that portion --

MR. VERITY: Which we would have been entitled to receive, that's 33,724 against the 45,705.

(Witness sworn.)



NORMAN GOVE

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

DIRECT EXAMINATION

BY MR. VERITY:

Q Will you state your name, please?

A Norman Gove.

Q Are you a graduate petroleum engineer?

A I received a BS degree in geological engineering from the University of Oklahoma in 1948.

Q Have you testified before this Commission as an expert?

A No, sir, I have not.

Q You have before other Commissions?

A Yes, sir.

MR. VERITY: We submit the witness' qualifications.

Q (By Mr. Verity) Mr. Gove, how are you now employed?

A I am the engineer for Petro-Atlas, Incorporated and also in charge of their oil and gas production.

Q Was there a reorganization of your company in July of 1958?

A Yes, sir. Effective July 1958, the previous production the Petro-Atlas, Incorporated had in Oklahoma, Kansas, New Mexico, Texas, and a few other states was sold to American Petrofena of Texas, and the new company was organized as Petro-Atlas, Incorporated, and then in the summer of 1958 operating as Petro-Atlas,

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Incorporated, we drilled several wells in the San Juan Basin, including the Aztec No. 1, a gas well.

Q Prior to August of 1958, had Petro-Atlas, Incorporated or its officers had occasion to complete in San Juan, Rio Arriba, or McKinley Counties --

A There were some gas wells completed by Petro-Atlas, however, the operations were turned over to El Paso Natural Gas Company, or Southern Union.

Q So that you had not operated any?

A Yes, sir.

Q Then in July you took over this operation out of your own office?

A Yes, sir.

Q Now, when did you complete the Aztec No. 1 well which is here in question?

A The Aztec No. 1 was completed in August of 1958.

Q And this well is located, is it not, in the approximate center of SE NW, Section 8, 27 North, 9 West,, San Juan County?

A Yes, sir.

Q Did you cause tests to be made on this well at the time of its completion in August of '58?

A Yes, sir, we did.

Q Did you make these tests to obtain information to fill in Form C-122?

A Yes, sir.

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Q Was that the form at that time that you and the officers of Petro-Atlas thought was the proper information to file with the Commission?

A Yes, sir.

Q I hand you what has been marked Applicant's Exhibit 1. Tell us what it is, please.

A It is a copy of Form C-122 for the Petro-Atlas, Inc. Aztec No. 1.

Q That's the well here in question?

A Yes, sir.

Q Did you run tests and obtain all the information reflected in this report?

A Yes, sir.

Q And was an identical report like this filed at that time with the Commission?

A Filed with the Aztec office, yes, sir.

Q Now, when did you first learn -- First, subsequent to that, was this well put on production to El Paso Natural Gas?

A Yes, sir, it was, it was put on production the latter part of November, 1958?

Q And at that time did El Paso Natural run any tests on the well?

A El Paso Natural Gas produced the well in such a manner that test data was obtained.

Q And when did you first learn that you had not filed



proper reports with regard to this well?

A It was August 25th, 1959.

Q At that time did you receive a notification from the Aztec office of the Oil Conservation Commission--

A Yes, sir.

Q --of New Mexico. I hand you Exhibit No. 2. Is that the information you received from them?

A That is the correct information, yes, sir.

Q Now, after receiving that information, did you then obtain information from El Paso concerning the test that they had run in November and December at initial production?

A We did, yes, sir.

Q And did you obtain at that time from those initial tests, did you obtain all information that was required for Form C-122?

A Yes, sir.

Q Did you file Form C-122 at that time?

A Yes, sir, it was filed September 11th, 1959.

Q And when was the information taken that you included in that form that was filed in September of 1959?

A That information was obtained during the period of November 30, 19 -- There is an error, that should be '58, November 30, 1958 through December, 1958.

Q Now, I hand you what has been marked Exhibit 3. Is it a copy of the report that you filed at that time?

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A Yes, sir, it is.

Q Are you familiar with the orders that have been promulgated regarding the Blanco-Pictured Cliff Pool?

A I am now.

Q At one juncture was this the proper report to file? I mean, was Exhibit 1 the proper report to file?

A It apparently could have been used.

Q Up until Order No. R-333 C and D were promulgated?

A I believe so, looking back over a group of orders, yes, sir.

Q Now, from initial production through August of 1959, what was the total gas produced from the Aztec No. 1 well?

A From November 1958 through August 31, 1959, we produced 45,705 MCF.

Q Do you know what your allowable would have been if you had filed Form C-122-A in December, 1958, at the time when it should have been filed? That is, the allowable for that same period of time?

A I have calculated an allowable which I think would be within a couple of percents. I've calculated an allowable for that same period of time of 33,724.

Q MCF?

A MCF, yes, sir.

Q Now then, have you also calculated the allowable from the end of that period; that is, from the end of August through



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January?

A Yes. The allowable from September 1, 1959 through January 31, 1960, that additional allowable.

Q Do you have the cumulative figure?

A Yes, sir.

Q From initial production through January, what is your cumulative, what would your cumulative allowable be if you had filed --

A Through January 1, it would have been 52,541 MCF.

Q Now then, do you also have, from initial production through January, the actual production?

A Yes, sir, the actual production through January 31, 1961 would have been --

Q 1960.

A I'm sorry, would have been 65,611 MCF.

Q Does this leave you overproduced from what your true allowable would have been if your report had been filed properly?

A Yes, sir.

Q How much?

A 3,407 MCF.

Q Do you know what your February allowable for the well is?

A Yes, sir, 3,753 MCF.

Q So then if the well remained shut in through February,



what would be the situation with regard to what the true allowable should have been?

A We would approximately have, we would actually be under-produced by some 277 MCF.

Q And then if the Commission cancelled the underage that they have this well charged with in the amount of 33,724 MCF, which was the allowable from initial production through August of '59, the time that you first discovered that you hadn't filed the proper report, would that make it even as of the end of February?

A Yes, sir, if that overage was cancelled it would be approximately even.

MR. VERITY: We offer into evidence Exhibits 1, 2 and 3.

MR. NUTTER: The letter was Exhibit No. 3, Mr. Verity?

MR. VERITY: The letter was 2 and the blue report was 3.

MR. NUTTER: The C-122 was 1, the letter 2, and the blue copy is Exhibit 3?

MR. VERITY: Yes, sir.

MR. NUTTER: Petro-Atlas' Exhibits 1, 2 and 3 will be entered in evidence in this case.. Does anyone have any questions of the witness?

MR. PAYNE: Yes.

MR. NUTTER: Mr. Payne.

CROSS EXAMINATION

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Q Mr. Gove, your actual production through January 31, 1960 has been 55,611 MCF?

A Yes, sir.

Q Now, in that case the well is only -- What would it have been on the 122, the well would be only 3,470 MCF overproduced as of that date?

A Yes, sir.

MR. VERITY: As of February 1, yes, sir.

Q So what you are asking then is that this 3,470 MCF be cancelled?

A Yes, sir, that's based on my calculated allowable, Mr. Payne.

MR. VERITY: Well, excuse me, no, we are asking that more underage than that be cancelled. See, that is provided that you don't charge us with 33,724 MCF of overproduction from initial production through August. In other words, this 33,704 MCF overproduced is under assumption that we don't, we are not charged with 33,724 MCF production from initial production through August.

MR. PAYNE: Then you are asking in effect that instead of being overproduced, that the well revert to an underproduced status?

MR. VERITY: No, sir, I'm sorry, we are not doing that either, what we are asking -- You see, we would have a true allowable if this report had been filed from initial production through August, in the amount of 33,724 MCF.



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Now, since we didn't file that report on time, your Aztec office says, "You are overproduced all that you produced from initial production through August." Now, we actually produced during that period 45,705 MCF and we acknowledged the difference, that 33,724, which would have been our true allowable and which we produced as underproduction, so we acknowledge presently -- I say presently as of February 6, we are overproduced 3,470 MCF, but we say that we shouldn't be penalized for not having filed the information when the test was actually made, and that we should back date the figure of Form C-122-A to December of 1958 in which case it will wipe out 33,724 MCF that you got us charged as being overproduced. Do you understand that?

MR. PAYNE: No, sir, because your well produced 45,705, in the critical period that we are discussing the allowable would have been 33,724.

MR. VERITY: Right.

MR. PAYNE: So the only overproduction that should be cancelled under your theory of the case would be 11,981.

MR. VERITY: No, because you charged us during that period not just with that amount, you charged us with 45,705 MCF overproduction.

MR. PAYNE: Your allowable would have been 33,724?

MR. VERITY: That's right. Now, since that time, you see, we have made up a lot of overproduction.

MR. PAYNE: That's what I'm getting at. You want the



3,470 overproduction to be wiped out, but you also want to return the well to an underproduced status of some -- Well, the way I see it, it should not be over 8,000 MCF underproduced, rather than 33,724.

A Could I just add one thing, Mr. Payne? I have the February schedule, gas schedule, and at that time you were carrying our well overproduced through December at 36,913. We were overproduced, but that was because no allowable had been assigned for this well for the period of November 1958 through August. It was actually through July of 1959, so what we are trying to do is get an allowable assigned for that period of time of November 1958 through July of 1959 so that we can apply the production during that period against the allowable and not show us overproduced some 36,931 MCF, but maybe only some 4,000 MCF.

MR. VERITY: Do you have a February allowable schedule?

A Yes, sir, that's what I have.

MR. VERITY: What does this show this well to be overproduced?

A Through December, which is the last information the Commission has. In other words, the latest sales information the Commission has is for the month of December, shows the well was overproduced some 36,931 at the end of December.

MR. VERITY: And of that figure we want, we think we should have 33,724 MCF cancelled because that --

MR. PAYNE: What would be the status of this well if the 122-A had been filed on time?

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MR. VERITY: At this time it would be 3,400 as of February 1st. It would be 3,407 MCF overproduced.

MR. PAYNE: Then you want 3,000 --

MR. VERITY: No, we don't. Actually they've got us charged with overproduction of 34,000 -- 3,407 MCF plus 33,724 MCF. In other words, the 3,407 overproduction is what we say we should have at this time, but you've got us charged with that plus 33,724, so we went the 33,724 portion of that cancelled.

MR. NUTTER: Are you also asking that the 3,000 some odd be cancelled?

MR. VERITY: No, we are not.

MR. PAYNE: What you are asking for is that the well, the status of the well be 3,407 MCF overproduced as of February 1, 1960?

MR. VERITY: Right.

Q (Mr. Nutter) To get to something a little more basic here, Mr. Gove, it is your allegation, I believe, that prior to the promulgation of Order 333 C and D, the figure on Form C-122 would have been adequate?

A That's the way I interpret one order there, Mr. Nutter. There is one order, it's an older order. As I say, we were unaware of these pool orders, and after we received this from Mr. Arnold I contacted Mr. Utz and he sent me the batch of orders that were applicable to San Juan gas production and going through them I discovered in one of the orders that it was possible to obtain an

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allowable in Order R-565, which apparently is an older order and it has since then been superseded by others, but it was dated December 23, 1954. In that order it says, "An assumed deliverability equal to fifteen percent of volume of gas produced in the initial potential test will be used."

MR. VERITY: Your general rules provide for filing Form C-122, and that's what they filed not knowing that there was a special rule that had been promulgated for gas in San Juan, Rio Arriba and McKinley Counties.

MR. NUTTER: Now, when was this special rule promulgated that required the filing of Form C-122?

MR. VERITY: It was promulgated considerably before this period.

MR. NUTTER: Before 1958?

MR. VERITY: That's right.

Q (By Mr. Nutter) Now, one other question, Mr. Gove, did the Oil Conservation Commission carry this well in its proration schedule from month to month from August of, or November or December of 1958 at which time you completed your tests until August of 1959 at which time they notified you that that well was overproduced, did they carry this well in the proration schedule?

A They did, yes, sir.

Q Did the show any allowable assigned to the well?

A No, sir.

Q This wasn't merely an error of one time of failing to



file the form, it was an error of producing the well when there was no allowable assigned, is that correct?

A That's correct we weren't producing the well ourselves, El Paso Natural Gas was taking the gas.

Q Were you getting a copy of the proration schedule?

A Yes, sir.

Q Were you looking up to see if you had any allowable assigned to the well?

A I was looking at it and I was of the opinion that El Paso was going to file these forms and that was going to be wiped out. I knew that there was a lag of time, there was some lag in the time that the well was assigned an allowable and first put on production. I knew that existed, but it certainly isn't as long as we had it, that's true.

Q You were under the impression that perhaps this lag would be nine or ten months even?

A I didn't know; this was my first experience with gas production, and looking through the schedule I did see other excessive production for other wells.

Q One other thought entered my mind, Mr. Grove, if this well had been assigned an allowable, that would have meant that the other allowables in the same pool would have been lower, is that correct, because the pot would have been divided among other wells in the pool?

A That is true.

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Q Therefore you can't take an average allowable that was assigned to a similar well in this pool during this time that you are considering and say this would have been the allowable of the well?

A That's why I say mine was an approximate allowable, the way I arrived at my allowable, I took a proportion after the allowable had been assigned after we became aware of our situation in October, I worked back after we were assigned an allowable I compared our allowable and deliverability with the allowable and deliverability of offsetting wells and I checked several months to see that I had the same proportion. My allowable is based on a proportion. Now, it is an approximate figure, so this 3,407 MCF is not a final figure, I believe it is within a couple of percents though.

Q So you recognize the fact that if the Commission should grant this application, that the actual amount of overproduction or underproduction, or whatever the status of the well may be, might not be the same as the figure that you have come up with?

A I do, Mr. Nutter, yes, sir.

MR. NUTTER: Does anyone have any further questions of Mr. Gove? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Verity?

MR. VERITY: That's all we have, Your Honor.

MR. NUTTER: Does anyone have anything they wish to

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offer in Case 1893? Take the case under advisement.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, J. A. Trujillo, 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 by me, 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, the 23rd day of February, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
NOTARY PUBLIC

My Commission Expires:
October 5, 1960

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BEFORE THE
OIL CONSERVATION COMMISSION
MABRY HALL
Santa Fe, New Mexico
June 10, 1960

REGULAR HEARING

IN THE MATTER OF:

CASE 1893: (De Novo)

Application of Petro-Atlas, Inc. for a hearing de novo before the Oil Conservation Commission in Case No. 1893, Order No. R-1619, relating to a request for cancellation of the over-production charged against one gas well in the South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.

BEFORE:

Governor John Burroughs
A. L. Porter, Esquire
Murray Morgan, Esquire

TRANSCRIPT OF HEARING

MR. PORTER: The meeting will come to order.

MR. VERITY: I would like to make a very brief opening statement in this regard. In August of 1958 Petro-Atlas, Inc. had recently been reorganized and at that time they completed their Aztec No. 1 well in the approximate center of the southeast quarter of Section 8, 27 North, 9 West in San Juan County. Prior to the time that they completed this well, El Paso Natural Gas Company had been not only making all of their completion, but also filing all of their reports and in the reorganization at that time

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Petro-Atlas, Inc. took over the operation of the gas wells and filling of their reports. This well that I mentioned was completed as a gas well in the Blanco, South Blanco Pictured Cliffs Pool. At its completion, the applicant here, Petro-Atlas, made tests of the well, completion tests, in accordance with the general rules of this Commission and at a later date filed forms C-122-A which the general rules for the state require. They were not aware of the fact at that juncture that in San Juan County special order of the Commission requires a special test made over a 30 day period prior to the assignment of an allowable in accord with deliverability of the well. The well was there without connection until the 25th day of November, 1958 at which time El Paso Natural Gas Company put the well on their line and right here is the whole key to this application. Generally, I rely on the Commission and apologize because at this juncture I did not present proper evidence in the Examiner's Hearing and this is the point at this time in spite of the fact that this information was not properly reported to the Commission; El Paso Natural Gas Company took the 30 day test that is required for Pictured Cliffs Pool in San Juan County, this information was never properly relayed to the applicant, Petro-Atlas and hence it was never properly reported to this Commission on Form C 122A, which is required by the Commission. But the test was taken and all of the details we have today which we didn't have at the Commissioner's Hearing, the



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chart and full information with regard to the test that was taken from November 25, '58 for the 30 days. Now then, the rules of the Commission require that the form, C-122A must be filed within 60 days after November 25. It was not done, but the well was connected and allowed to produce until the applicant -- it was discovered by your Farmington-Aztec Office and the applicant was given a letter from your office there shutting in the well and advising this report had not been filed. At this time, the applicant obtained from El Paso Natural Gas Company the information that had been obtained back when the well was put on production and filed the proper report, this was not until September of '59.

This made as far as your Aztec office company, record allowable commencing on the 11th day of July, 1959. So actually this well was hooked on to the pipe line after it made a proper test investigation as to its deliverability in November, but it was not accredited any allowable until the 11th of July and this application asks this Commission to grant us an allowable for that period from November 25th to July 11th, '58 to '59 and as we think our evidence will show, we believe we are entitled to this and correlative rights insures and demands we have it.

(witness sworn.)

NORMAN GOVE

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



DIRECT EXAMINATIONBY MR. VERITY:

Q State your name.

A Norman B. Gove.

Q What is your occupation?

A Petroleum Engineer.

Q Are you a graduate petroleum engineer?

A I received a degree, geological engineering and have been working at petroleum engineering since 1948.

Q Have you testified before as an engineer?

A Yes, I have.

Q Who are you employed by?

A Petro-Atlas, Inc.

Q Are you familiar with the Petro-Atlas, Inc. Aztec No. 1, located in the approximate center of southeast quarter of northwest Section 8, 27 North, 9 West?

A Yes, sir, I am.

Q How long have you been employed by Petro-Atlas?

A Since April, 1957.

Q Was there reorganization of this company and its operations active in the summer of 1958?

A Yes, sir.

In the summer of 1958, our production in the Mid-Continental area was sold to a new company and Petro-Atlas, Inc.

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which retained the oil wells and undeveloped acres in the San Juan Basin, we did not, however, retain the gas pools that had been owned by Petro-Atlas Corporation.

Q In August of 1958, did Petro-Atlas have Aztec No. 1 well?

A Yes, sir, we did.

Q And at that juncture, did you make tests with regard to the well?

A Yes, sir, we ran a one point open float test.

Q What was the reason for running this test?

A It was my understanding that tests were required, based on what I remembered in the Commission rules.

Q Was this made in accordance with the general order of the Commission state-wide for completion?

A Yes, sir.

Q Did you or Petro-Atlas at this time have knowledge of the special rule and regulation that required a different type of test in this area?

A No, sir, I did not.

MR. VERITY: This is an Exhibit that was introduced before as Exhibit 1, do you want it marked or should I refer to it as a previous number?

(Whereupon, Exhibit 1 was marked for identification.)

Q Mr. Gove, I hand you what the reporter has marked as



applicant's Exhibit 1, which was also Exhibit 1 in the previous hearing. Will you please tell us what it is?

A It is the result of this one point open float test we ran August 21, 1958. The well was tested for a period of three hours and produced at the rate of 1,902 MCF per day.

Q Was this application or identical copy of it filed with the Commission at that time?

A Yes, sir, it was filed at that time.

Q And when was this well first put on, connected to the pipe line?

A November 25, 1958.

Q Do you know what ensued at that time, was there any further testing made at that juncture?

A Yes, commencing November 25, 1958, the well was produced in accordance with the normal procedure for conducting a deliverability test of El Paso Natural Gas Company.

Q Was this information relayed to you or your company?

A No, sir, it was not.

Q Was the well produced then starting with November 25?

A Yes, sir, it was.

Q How long did it continue without any unusual interruption other than the usual shut-in?

A To the best of my knowledge, it was produced in that manner at least through December 31, 1958.

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Q Now, then, was the well produced the same as though it had been given an allowable for a period of months?

A Yes, sir, it was.

(Whereupon, Exhibit 2 was marked for identification.)

Q Mr. Gove, I hand you what the reporter has marked as Exhibit 2, will you please tell us what it is?

A It is a letter that Mr. Arnold, the supervisor in District 3, addressed to us on August 25, 1959, which he stated that in the checking of their records they had not received an initial deliverability test form and as this test is long overdue, we are notifying El Paso Gas to shut this well in and leave it shut in until released by this office.

Q Was this the first time you knew that the proper report had not been filed on the well?

A Yes, sir, it was.

MR. VERITY: We offer both Exhibits 1 and 2 in evidence.

Q Now, at the time you received the letter from Mr. Arnold, which informed you that the proper report had not been made, what did you do?

A We immediately contacted El Paso Natural Gas Company and requested the information obtained during the period of the last six days of November and month of December. We requested that information specifically. We received the information for the week of December 16th, 1958, through December 23rd, 1958, which would have been approximately two and a half weeks after the well



was put on the line.

Q Did you request they advise you of this information?

A Yes, sir, we did.

(Whereupon Exhibits 3 and 4 were marked for identification.)

Q I hand you what the reporter has marked Exhibit 4 and will you tell us what that is, please?

A That is a letter that our production superintendent in Farmington received from Mr. Venard ~~Q~~ who is chief clerk of the gas purchaser's section of the El Paso Natural Gas Company, El Paso, Texas. His letter stated: "Listed below is test information as requested in your telephone call of September 4, 1959," it lists the well name, average daily volume, average statistics, pressure, temperature, gravity, spring size and orifice size.

Q Was the 30 day test information on the well here in question?

A No, that was actually average data for the one week of December 16th through December 23rd.

Q Was it made up in accordance with the regulations concerning taking that test?

A Yes, sir, it was.

Q I hand you what has been marked as Exhibit 3, and will you please tell us what it is?

A It is form C 122A, which we filed September 11, 1959, and pertained to the test run, December 16th, 1958 through December

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23, 1958.

Q Is there any data on that report that is not accurate?

A Yes, the date of float test, I believe I indicated in ink as 11-30-58 through 12-58. That should be 12-6-58 through 12-23-58.

Q Would you indicate that correction on the Exhibit, please?

(Whereupon, witness does so.)

Q Mr. Gove, since the last hearing, have you obtained from El Paso Natural Gas Company any data with regard to the testing of this well?

A Yes, sir. We received the actual float charts and temperature charts for the period of November 25 through December 31, 1958 for the Aztec No. 1.

Q I hand you what the reporter has marked Exhibit 3 and would you tell us what it is, please?

A It is a copy of the letter I received from Mr. McKinfill, union supervisor, statistic section of the El Paso Gas Company, El Paso, Texas. His letter reads as follows: "Gentlemen, enclosed are meter charts for stations as indicated below by meter code numbers for the month of November and December 1958. These charts are sent at your request for monitoring purpose, please return to our office when they have served your purpose."

(Whereupon, Exhibits 5, 6, 7, 8, 9 and 10 were marked for identification.)

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Q Mr. Gove, I hand you Exhibits marked 6 through 10 and will you please tell us what these are?

A These are the actual float charts taken from the sales meter at our Aztec No. 1.

Q How long a period of time do these five Exhibits cover?

A These five Exhibits cover the period from November 25 through December 31, 1958.

Q Referring now if you will, please, to Exhibit 6, would you explain that to us?

A It is the chart for the period of November 25 through November 30, 1958, which is the first production for the well. It shows both the differential and static pressure of the meter. It indicates also that the well was produced approximately all that time. There was a very little down time for the well during that period.

Q Now, are you familiar with the requirements of order R-333-C and D which makes special requirements for testing of wells where this well is located?

A I am now, yes, sir.

Q Refer now, please to Exhibit 7 and tell us what it reflects, first, does this Exhibit show that the well was on open flow from its initial production for the period of time covered by that chart?

A It shows it was produced into the El Paso line, yes, sir.



Q I notice this chart is actually two charts and we have been referring to it as one. What is the double chart about?

A The other chart is a temperature chart which is a recording of the gas temperature as it passed through the gas meter.

Q Is this necessary in order to make calculations from this test at a later date?

A Yes.

Q If you will please refer to Exhibit 7.

A Exhibit 7 is a chart for the period of November 30 through December 8, 1958. It shows that the well also was produced for that complete seven day period of time. Actually, it's an eight day chart.

Q Was it produced at open flow?

A It was produced at its ease against that line pressure.

Q Now, referring to Exhibit 8.

A Exhibit 8 indicates the period of December 7, 1958 through December 15, 1958 and it indicates the same thing that the well was produced that entire period of time.

Q And Exhibit 9.

A Exhibit 9 is for the period 12-16-58. 12-23-58. It shows the well was produced for that entire seven days, that is, the period on which our test data was submitted on the C 122A. That data was taken from this chart and that would have been December 16, 1958, would have been approximately two and a half

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weeks after the well was put on the line and I believe the existing orders or the regulations require a two week conditioning period, so the conditions have been satisfied.

Q In other words, charts that are marked Exhibit 6, 7 and 8 reflect that the conditioning period had been conducted and chart 9 shows that after that conditioning period, the proper test was made to show the deliverability??

A Yes, sir. This was actually a flow test period, December 16th through December 23, 1960.

Q Exhibit 10 is a following week, December 23rd, 1958.

A Through December 1958, the well was produced all that time.

Q Do orders R-333-C and D require a shut-in test?

A Yes.

Q What condition is prescribed prior or at the taking of the shut-in test?

A To my knowledge, the well was shut-in for one week for a shut-in.

Q Was a shut-in test taken on this well after it had been shut-in a week?

A No, the pressure that was used for the shut-in pressure was the initial shut-in pressure.

Q Well, it would have been shut-in much longer than a week, actually?

A Yes, it was actually one week shut-in which was



obtained in August, it was the pressure we reported on the C 122-A for the period of August 14 through August 21, 1958.

Q Now, each of these charts, Exhibits 6 through 10, have a temperature chart accompanying the pressure chart?

A They have, yes, sir.

MR. VERITY: We offer 6 through 10 in evidence. I also didn't offer 4 and 5 which I do at this time.

MR. PORTER: Makes a total of 10 Exhibits?

MR. VERITY: That is correct.

MR. PORTER: Without objection, the Exhibits will be admitted to the record.

(Whereupon, Exhibits 4 through 10 received in evidence.)

BY MR. VERITY: Mr. Gove, referring now to Exhibit 4 and the information that is on Exhibit 4, do you know whether or not the information is in accordance with the information reflected by the charts?

A Yes, sir, the information that Mr. Orr reported in his letter of September 8, which is Exhibit 4 is also on the back of Exhibit 9, which is the chart for the period of December 16, '58 through December 23, '58, and in turn that information was placed on C-122-A. which I believe is Exhibit 3.

Q Turning to Exhibit 3 for the moment, I notice that in the approximate middle of this report, under the heading "observed data" there are some blocks on that report, will you explain that to us please?

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A That information is to be obtained by the producer with a dead weight tester. That is the part of the test which we had not handled.

Q What is the purpose of running a dead weight tester on the well?

A It's my thought and my understanding of this form and the test that it's primarily to determine the meter in order that a corrected or a true flow rate is obtained for purposes of then calculating the deliverability..

Q Is there normally a friction factor that contributes to the expected error in the meter?

A Well, the friction factor would not enter, could enter into the meter to a degree. That is also handled in this first section. Now, on a well of this size or deliverability, friction is made negligible.

Q Has the meter that worked the test exhibited by these charts been tested?

A Yes, sir. It has been by the El Paso Natural Gas Company. It's my understanding we have conducted further tests with the same meter and it indicated a meter error at the time of three pounds.

Q In which direction?

A It would be in El Paso's favor.

Q By saying El Paso's favor, the error was against



Petro-Atlas or against? The error actually made the amount of deliverability less than it really was?

A Yes, very slightly. It made the volume that El Paso had calculated, which was 276 MCF a day and after a correction was made, the corrected flow was 276.7 MCF for a day. It was quite small.

Q Mr. Gove, are you using these charts and the data that was obtained from the initial 30 day period of flow of this well, have you calculated what the allowable for this well would have been if it had been granted an allowable from the 25th day of November, 1958, the initial production date, to the 11th day of July, 1959, the day at which the Commission has granted the first allowable to this well?

A Yes, sir, I have.

Q What is the amount?

A The amount is 26,527 MCF.

Q Has this allowable so far been denied to Petro-Atlas for this well?

A Yes, sir, it has.

Q Mr. Gove, if this allowable is not granted, will Petro-Atlas correlative rights be affected?

A I believe they will, yes, sir.

Q In what way?

A In that off setting wells will be able to drain our acreage.

Q You will not be able to recover your just share of the

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gas underlying your land?

A Yes, sir.

MR. VERITY: I believe that is all.

MR. PORTER: Anyone have a question of the witness?

Q (MR. PAYNE) Do you have a plat of this general area showing the location of this well?

A No, I haven't, Mr. Payne. I am very sorry I don't.

Q Mr. Gove, is there a South Blanco Pictured Cliff well owned by another operator or other operator which directly or diagonally offsets this well?

A Yes, sir. Aztec Oil and Gas has the Hanks No. 9, which is in unit P.

BY MR. PORTER: That would be the southeast quarter?

A That would be the southeast quarter of that section. We are in the northwest quarter. In addition, Aztec Oil has the Hanks No. 10, which is in unit N, that would be in the southwest quarter of the section 5. I am sorry, I retract that. Our well was located in unit F in section 8. Aztec Oil and Gas has the Hanks No. 9 in unit P of section 5, 279, which would be in the southeast quarter of section 5, so that would be a northeast diagonal offset. Then Aztec Oil and Gas has the Hanks No. 10 which is in unit F, section 5, and that would be a north offset, that well being in the southwest quarter of section 5.

Q 160 acre space?

A Yes, sir. Now, it's my understanding that Aztec is



drilling some other wells in some adjacent quarter sections, I don't have those locations.

BY MR. PAYNE: Mr. Gove, I am sure you are aware of the so-called New Mexico Correlative Rights Statute and it provides that each operator should be given the opportunity to recover his fair share of the oil and gas or both under his tract.

A Yes, sir.

Q Now, Petro-Atlas had the opportunity, did it not?

A Yes, sir, we did.

Q Now, Mr. Gove, do you work with oil proration for your company at all?

A We are a rather small company. I have to do several jobs. I am only an engineer with the company, also, supervise the production. We have a production superintendent in Farmington. I am concerned with oil and gas, both in New Mexico, Utah and Kansas.

Q Do you watch the proration schedules to find out what allowable is assigned to an oil well?

A I do, yes, sir.

Q Don't you think that also behooves an operator to study the gas proration schedule to find what, if any, allowable his gas well has?

A Yes, sir.

Q Now, Mr. Gove, I would like to read you Exhibit 7 that was entered at the Examiner's Hearing, and ask you your opinion of

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it and ask you in what respects you think it may be in error. This finding reads as follows:

"But an operator had study responsibilities not only for conducting such well tests as are required by Commission rules and regulations, but also for knowing what the proration schedule reflects as to the statutes of his well and no injuries exist for producing a gas well in excess of 60 days on the gas proration schedule as to allowable has been assigned to the well." I would like to ask your opinion of that finding and what respect you think it might be in error or unduly harsh?

A I am no attorney. Legally it's undoubtedly correct. I think we are as engineers talking about law. It might boil down to the case where law has no excuse.

Q Well, as an engineer who operates wells for your company, don't you ordinarily attempt to file such reports as are required and produce your wells in accordance with the allowable schedule?

A We do. The only way we operate the gas wells and in the San Juan Basin in the event any trouble occurs, we periodically check them in the event maybe we have a bad valve or the well freezes or an intermeter has to be installed. We do that as for putting the well on and off the line. That responsibility rests with the purchaser. In reality, we have not had any control of that feature of it.

Q Actually, the responsibility doesn't rest with the

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purchaser, does it? I mean, as the purchaser on the well?

A That is right.

Q Do you think perhaps that operators of gas wells have advocated too much authority to the gas purchaser and are expecting them to take the various tests and file them?

A No, sir. Previously we were paying El Paso, I believe, something like \$25.00 or \$50.00 a month to operate those wells. Operate, and that operation consists of looking after them and filing the reports and then that was, I'd say, under the Petro-Atlas, we have several wells. We are very short handed out there. We did not sample with the San Juan Basin until, I believe, it was, oh, say, somewhere along -- we were actually operator, operator personally until the spring of '57. Prior to that our production was acquired from Tom Bolack and those gas wells were operated by El Paso for a fee. But when an operator supposedly operates the well himself, the operation of most gas wells just consists of a periodic check as to equipment and the filing of reports.

Q Then the operator does file and sign the reports just as an official deliverability test?

A Yes, sir, yes, sir.

Q That, of course, is what you didn't file and what you might call in an untimely manner?

A Yes, sir.

Q But as I understand it, you were aware that such reports had to be filed?



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A That is correct.

Q You were aware of the other reports that had to be filed, you filed them and signed them?

A Yes, sir. I did the completion report, that is right. In other words, when we started out here in 1957, we obtained all the forms we could in Aztec and we attempted to keep up with them. In this one we just failed to handle it.

Q Now, Mr. Gove, let me ask you this, do you feel that an allowable such as this should be reinstated upon the filing of a required report no matter how long it's going to be until it is filed?

A I think that certain circumstances might warrant it.

Q Even if ten years have gone by?

A No, sir.

Q Do you have any reason to believe you would have ever discovered this report had it not been filed in absence of a letter from the office of the Commission?

A There is a possibility it might not have, yes, sir.

MR. PAYNE: Thank you, that is all.

REDIRECT EXAMINATION

BY MR. VERITY:

Q The information that was required so that the Commission could grant you a fair share of this oil and gas has been given to them, hasn't it?

A Yes, sir.



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Q And the situation would not be any different insofar as information is concerned if you had filed this report within the 60 day period, would it?

A The information would have been the same, yes, sir.

Q If Petro-Atlas is denied this allowable from November to July, they are not given an opportunity to recover their fair share of the gas underlying the 160, are they?

A That is right, they are not.

Q They have asked you some opinions here with regard to what you thought, I want to ask you one. Do you think that in order to protect the correlative rights of the producers in the state, that the main reason for these reports are to give the information with regard to them or to just require oil companies to keep statistics and keep a lot of records?

A I think it gives them the required information.

Q And so that they can properly allocate the fair recoverable oil or gas to each operator, is that right?

A That is right.

MR. VERITY: That is all.

BY MR. PORTER: I believe you said that a test was taken immediately following completion in August of 1958 in accordance with the general rules?

A It was my understanding of the state-wide rules.

Q State-wide general rules of the Commission?

A I thought it was conducted in that manner.



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Q At that time, whoever was responsible didn't have knowledge of the special pool rules?

A No, sir. I did not have the knowledge nor did our production manager in Farmington have the knowledge either, because he only came into Farmington in April '57, and all the previous days off the gas wells we had at that time had been completed and at that time information had been handled by El Paso. So this was the first time that we had completed a gas well ourselves and begin to operate one in the Basin.

Q In the state?

A Yes, sir.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Gove, this well was connected November 25, 1958?

A That is correct.

Q These charts that you have submitted here as Exhibits, what period of time do they cover? First, let me ask how many charts do you have?

A We have five sets of charts. When I say sets, I mean the flow and temperature.

Q I would like to ask you for the dates for the first three charts.

A The first which is Exhibit 6 is November 25th through November 30th, or until November 30, 1958. Exhibit 7 is indicated by El Paso to be November 30, '58 through December 8, '58. Now,



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however, the next chart says December 7, '58 through December 15, '58, there is a day I don't know what that is, one thing I noticed that when I was talking about that there seemed to be an overlap of one day. The next chart which is Exhibit 9 is for the period of December 16, '58 to December 23, '58 and then Exhibit 10 is December 23, '58 to December 31, '58.

Q Mr. Gove, are you familiar with the initial deliverability testing procedure of R-333C and D?

A I am now, yes, sir.

Q Then the first three charts that you spoke of here, Exhibit 6, 7 and 8, are those charts taken in conformance of that particular rule?

A That is my understanding, yes, sir.

Q Is there anything special in regard to those charts over any other chart or any other well?

A I believe the primary consideration is that the well has to be produced uninterrupted or with the minimum down time, and these charts --

Q The charts are test charts?

A No, sir.

Q In other words, any other well that is produced uninterruptedly for the first three charts after connection to the pipe line would have identical charts?

A Yes, sir.

Q You favor from these charts?



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A Yes, sir.

Q So that actually whether or not you used those charts for reporting a test, they would be identical, would they not?

A Yes, sir.

Q Mr. Gove, one more thing before we get through this, are you familiar with the section in R-333-C and D in regard to scheduling of tests?

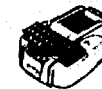
A Once again, as I say, I was not aware of that letter until I contacted you by phone and you very obligingly sent me all the orders. I believe that was sometime along about in October.

Q I believe you have said in your testimony that these charts meet all the requirements for the initial deliverability test?

A I was of the opinion they did, yes, sir.

Q Let me read you a part of a section, a part 3 of R-333-C and D, "Deliverability test," this is the fourth paragraph. "Provided, however, when initial deliverability is accomplished in accordance with section B, sub section paragraph 1, that is, a section for deliverability test to be used as only a test for wells connected to gas transportation facilities during the period of April 1 through October 31st. Then the operator shall notify the Commission in writing at any time during the 14 day conditioning period." Did you notify the Commission during this period?

A No, sir, we did not.



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Q So actually, these do not meet that requirement because you didn't schedule a test?

A From that standpoint, that is right.

Q Mr. Gove, I believe you are familiar with the form that you have filed on this Aztec No. 1.

A I think I am now, yes, sir.

Q You filed the form 104 on or about August 26th?

A Yes, sir.

Q '58, and filled the C-110 about the same time?

A Yes, sir.

Q Where did you get the information that these forms were required to be filed to the Commission?

A We had filed them previously to oil wells, I mean, the same type forms. The C-104 and those others are filed for oil wells, I think we were quite familiar with oil well forms. We drilled seven oil wells and one gas well so by that time we were, I think, fairly familiar and any mistakes we made had been called to our attention on the oil wells.

Q Then you say you knew that you should file these forms from verbal instructions from Aztec as general rules?

A I think possibly verbally our superintendent had conversation with our staff in Aztec, yes, sir.

Q You were not familiar with proration order 565C?

A No, sir, we were not.



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Q Did you know at that time that if you did not file these forms 110 and 104 you would not receive an allowable?

A We went on that assumption because we knew we would not receive an allowable, well allowable until we filed those forms. It was the same thing for gas wells, yes, sir.

Q I believe you stated in your testimony that this information on these charts were taken, -- the information was relayed to you as operator, is that correct?

A That is right and actually El Paso doesn't make a practice of relaying that information unless you request it. We know since this situation developed. We now contact El Paso, we contact them and they give us the information with regard to the flow volumes and we run a dead weight ourselves. We done it since on this well, on the two other tests and we done it on two other gas wells on South Blanco.

Q That is just the point I wanted to bring out. In other words, the purchaser is not obligated to give you that information?

A That is correct.

Q I believe I understood you to say that you thought this was the only test that you had to file in order to obtain an allowable and this test was absolute overflow or which test were we talking about?

A We were of the opinion we had to file a potential test.

Q This potential test, what do you mean? The PT 2 3/4"



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choke test?

A This was run with it, was run with a choke.

Q 3/4"?

A Yes, sir.

Q Where did you get the information you had to run that test and file it with the Commission?

A We had this form, we thought this form had to be filed. We contacted a testing, outfit in Farmington, and they run that test. We requested them to run this test. We didn't know, we wanted it for the state. We told them we wanted the well tested and to run a flow test for us and that is what he run.

Q You filed that form when?

A We filed that form sometime shortly after August 21st, '58, the day of the test was August 21, '58. No later than the 31st of August, 1958.

Q Again, where did you get the information that led you to believe you had to file that form to obtain an allowable?

A The general regulations indicated that the test had to be filed.

Q General regulations?

A I believe they do.

Q I am not familiar with the general regulations.

A Rule 122 shall be submitted. Shall be that pressure data as required under the provision of Rule 401. It does go on that forms that 122A, B and C, should be submitted to special pool rule



which we do not have knowledge of.

Q Those general rules did call your attention to the fact they were special pool rules?

A Well, actually now I don't recall that we had any C-122A forms in our cabinet. It was one of those situations, we had USG forms and oil conservation forms and it's pretty hard to note, it's difficult at all to have quite an assortment of forms to be filed with various regulatory bodies. We missed unfortunately.

Q There is nothing in the general rules that say you have to file that absolute overflow test for proration purposes, is there?

A No, there isn't. Now, as I say, we filed the general regulation form C-122, shall be submitted though and we filed it, the rule said it. We were not aware of what 122A, 122C referred to.

Q So you just filed it because the general rule says that you had to file?

A Yes, sir.

Q Without any regard for obtaining information?

A Probably so, yes, sir. We filed, was it C104 or C110 which is entitled for an allowable.

MR. VERITY: In southeastern New Mexico or many areas in New Mexico, the form C-122 is the counterpart of 122A.

A I presumed that C-122 is developed for southeast New Mexico.

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BY MR. PORTER: Do you have many wells on the San Juan Basin?

A There certainly are.

Q Have you lost an allowable because of late test filing similar to our case?

A No, sir, I was not aware of that, no, sir.

Q If the relief you requested is granted, do you think in those other cases then the allowable should be corrected on?

A I think it would depend on the circumstances under which the form had been filed, failure to file the form.

Q What do you think would be a justifiable circumstance?

MR. VERITY: We have this purpose, your honor, and we think that it is one that the Commission ought to have. We believe that the function of the Commission is one that it's carrying out, that is, to regulate production so that waste is not permitted and so correlative rights are protected and everyone gets their just and fair share on oil and gas that is in place. Now, in order to accomplish this, the Commission must be appraised of deliverability and pressures and flows and information that informs the Commission the potential of a well in connection with the potential of adjacent wells in the pools and that the reason you very properly design these tests. If this reason is not conveyed to the Commission, then we think the individual does not have any invasion of his correlative rights, but where the Commission is informed of all

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the information as they are in this case and certainly within a reasonable period of time, I don't think it's fair to consider what if it was five years, if it was less than a year, it was a matter of months where the Commission was informed of this information so that they can grant the particular producer his just fair share of an allowable. We think they should do it and if there is others up there who haven't received their fair share, they ought to be in this hearing asking for it. If you want me to answer that question, I just don't think it's a proper position here. We are not worried about the rights of other people. Petro-Atlas is here before the Commission and if they are not granted this allowable, they are not given their rights to the proper and the fair share of the gas. We think we have showed the Commission it shows on the charts of this application and on the evidence before it, that it is going to be granted their right to get their fair share, they got to be given it from the time of the first connection. Now, there isn't any contention here, your honor, it's true that a test was not scheduled, and I don't believe anybody has any serious contention that this information is not accurate and I want to point this out to the Commission to the offset operators up there and they are making no objection to this. Aztec Oil isn't here, the other offset operator has not objected to this being granted and the truth of the matter is I firmly believe if we set down and scheduled them, you are not entitled too. As a matter of fact, I



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think they're not being here shows that they have that opinion. We believe this Commission and the truth of the matter, they don't have the right to deny production of a just, fair share of an allowable, and we are not denying here at any place, I see that the tests are wrong or that if the test had been filed in time that they, the applicant, wouldn't be described as an allowable. What we are endeavoring to do is penalize someone for not having filed a test in time. Now, this penalty I can see might be made in the nature of a fine. I don't think under the laws of the State of New Mexico and under the Rules and Regulations of this Commission which insures a person of correlative rights, and let me read it, Rule 17 under definition states correlative rights shall mean the opportunities afforded ~~sofar~~ as practicable to do so. To the owner of each property in the pool to produce without waste his just and equitable share of oil or gas or both in the pools being in amount ~~sofar~~ as can practicably be determined and ~~sofar~~ as can be practicably obtained without waste substantially in the proration from the quantity of recoverable oil or gas or both under such property bears or both in the pool. I think this is a perfect example of what the language of this rule and statute which it's taken from is referring to. The Commission in this case if it's going to make any allowance for the fact this word is in here, I think is required to realize this is what they're talking about when they say practicable.

MR. PORTER: Does that answer all your questions?



Mr. Verity, I realize your thought. Maybe in the interest of time, we can let you go ahead and then you can omit that part from your closing statement.

MR. VERITY: That was my closing statement.

MR. PAYNE: You are aware that oil and gas produced in excess of an allowable assigned to the well is illegal oil or gas, aren't you, under the statute in New Mexico?

MR. VERITY: Yes, but what we are saying is that also of the statutes of New Mexico, we of Aztec are not negligible, at time it may have not been assigned; that it should be assigned as of this date, which would make it not illegal.

Q (BY MR. PAYNE) Inasmuch as it has not been assigned an allowable, it should not have been produced?

MR. VERITY: I can't grant you that conclusion, because this is in disregard of our correlative rights establishment.

Q (BY MR. PAYNE) Are you saying that a man can go out and drill a hole and not make any intention of drilling and to make it approved and not take any of the required tests; that he should be able to produce that well from the time of completion and file his test whenever he sees fit?

MR. VERITY: I am not saying that. In each instance, we believe this well was completed and all the tests were made. In all regards if these tests had not been made by the applicant, then it was not entitled to that gas under a correlative rights doctrine; that

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well established I don't think we would have any rights.

Q (BY MR. PAYNE) Mr. Verity, this deliverability test was not taken as a test?

MR. VERITY: This is true.

Q (BY MR. PAYNE) You're merely computing the information from the charts in order to fill out the deliverability form?

MR. VERITY: I don't believe there is any evidence, no evidence in front of the Commission that the charts and information obtained were not accurate or they were not identical and exactly the same as if it had been stamped prior to the time it was started, this was a deliverability test so we still have the fact that the potentiality and deliverability of this well is before the Commission and we think this establishes the correlative rights to produce to the just and fair share during that period.

MR. PORTER: Gentlemen, we would like to finish with the witness at this time, if we may interrupt these arguments. Each of you will be given an opportunity to make a closing statement.

Q (By Mr. Utz) Do you feel that the form C-122A is any less important than any of the other forms you file with the Commission?

A I don't know, having the knowledge that I do.

Q For example, Form C-110, which is a certificate of an authorization of transport oil and natural gas. If you had neglected to file that form for nine months, do you think you should

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have prior to the time you filed that form?

A I believe our point is that we filed a test form. I mean, we were aware the well had to be tested. I believe most states require a test allowable and can be assigned an oil well, it's required that an oil test be filed immediately to have an allowable assigned so we filed a test form. I believe that is a point that has been made but overlooked. We filed a C-122A and it turned out it was not the proper form. We feel we did not ignore the test, that is an important test in our case, that is my thought.

Q Anyway, you filed a test, you filed the wrong test?

A Yes, sir, we did not ignore filing a test form.

Q In other words, the question I asked, you filed a C-110 form that permitted you to produce the oil?

A I say no, if a man files a test form in ignorance, and improper one, I don't think he should be penalized. We did make an honest effort to file the test. Well, that is my thought.

Q You are familiar with R-333C and D?

A I am becoming quite familiar with it.

Q Do you agree that those orders are specific as to what you necessarily would file in order to receive an allowable?

A I think they are.

Q So in effect, you are pleading ignorance to those orders in regard to filing?



MR. VERITY: Actually, there again, that calls for a legal answer. I think we answered it before.

MR. PORTER: I feel this point has been belabored and I move that we move on to another area or dispense the witness.

MR. PAYNE: One question, Mr. Gove, this late filing in this matter would result in a pool allowable being erroneously set, would it not?

A It would be an error to a slight degree, that is correct, Mr. Payne. Yes, sir, I believe that question was brought up at the Examiner's Hearing.

Q What you are asking us is that not anybody who might have filed a form late be reinstated no matter when it was filed. Is that what you are saying, you attempted to comply and did not and therefore you feel in this particular case you are entitled to this?

A Yes, sir, that is my feeling.

MR. PORTER: Anyone else have a question?

MR. VERITY: We have nothing further and I have no desire to make any further argument. I think we made our point clear to the Commission and we in effect are pleading to the mercy of the Commission. You might say the main basis is we think that the Commission has got all the information so they can grant us our fair share. We have nothing further.

MR. PORTER: Nothing further to be offered in the case.

The case will be taken under advisement.

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MR. VERITY: Pardon me one minute, these charts belong to El Paso and they have requested them back and I wonder if the Commission's secretary would return them to me as soon as you have used them in regard to taking this case under advisement?

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I N D E X

WITNESS	DIRECT	REDIRECT	CROSS	RECROSS
Norman Gove	4	20	22	

E X H I B I T S

	Marked	Received
Exhibit 1, Witness Gove	5	
Exhibit 2, " "	7	
Exhibit 3,4, " "	8	13
Exhibit 5 through 10, Witness Gove	9	



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, LEW NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 27th day of June, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico

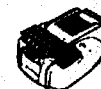
Lew Nelson
NOTARY PUBLIC

My Commission Expires:
June 14, 1964.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

tests comp'd
DEC 8 58
error caught
Aug 59

IN RE: APPLICATION OF PETRO-ATLAS, INC.,
FOR AN ORDER CANCELLING OVER-PRODUCTION
ON ITS AZTEC NO. ONE (1) WELL LOCATED
IN THE APPROXIMATE CENTER OF THE SOUTH-
EAST QUARTER OF THE NORTHWEST QUARTER
(SE $\frac{1}{4}$ NW $\frac{1}{4}$) OF SECTION EIGHT (8), TOWN-
SHIP TWENTY-SEVEN (27) NORTH, RANGE
NINE (9) WEST, IN SAN JUAN COUNTY, NEW
MEXICO.

CASE NO.

1893

compl 8-14-58

A P P L I C A T I O N

Comes now the applicant, Petro-Atlas, Inc., and states:

1. That it is the owner and operator of the Petro-Atlas Aztec No. 1 well located in the approximate center of the Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$) of Section Eight (8), Township Twenty-seven (27) North, Range Nine (9) West in San Juan County, New Mexico.

2. That such well was completed as a commercial gas well on the 14th day of August, 1958 and that on the 21st day of August, 1958 a production test was taken on the well and as a result thereof Form C-122 was filed with the Oil Conservation Commission; that prior to the promulgation of Order No. R-333 C & D such test and report on Form C-122 was correct and that applicant was under the impression that it took the correct test and made the correct report, but that Order R-333-C&D above referred to amended the rules for the pool and established a different deliverability test and a report thereof on Form C-122A.

3. That subsequent to the completion of the above referred to well and in November, 1958 the above described well was connected to El Paso Natural Gas Company's pipe line and thereupon started producing gas; that during the initial production of this well all of the information was obtained as required for filing the prescribed Form C-122A, referred to above, and such form was

Doyle
Milled
1-28-60
gk

filed by the applicant from such information on September 11, 1959.

4. That the production taken from the above described well from its initial production in November, 1958 until September, 1959 was a proper amount of production and would have been within the allowable set for said well had Form C-122A been filed at the prescribed time; that the failing to file such form was an inadvertence which arose due to reorganization of the company and changes from previous operation of the property wherein the pipe line company had filed the report form; that the purported over-production which the Commission records show against this well during such period is due to such inadvertence and that the Commission should grant the applicant relief by allowing the time of filing the Form C-122A to relate back to the time of initial production, being the time that the information reflected by such report was obtained, and thereby cancelling the over-production charged against such well.

WHEREFORE, applicant prays that this application be set down for hearing; that due notice thereof be given as required by the laws of the State of New Mexico and the Rules of this Commission, and that the Commission, from the evidence to be adduced at such hearing, enter an order permitting the filing date of such report Form C-122A regarding the captioned well to relate back prior to first production, and that all over-production charged against such well be cancelled.

*Had forms been filed
allowable.
would have been
33,724 MCF
actually produced
45,705 MCF
Not seeking cancellation
of all overproduction
only 33,724*

PETRO-ATLAS, INC., Applicant

By

[Signature]
Geo. L. Verty
152 Petroleum Center Bldg.
Farmington, New Mexico
ATTORNEY FOR APPLICANT

Page #2

*amended
82,141 MCF
at 1/1/60
55,611*

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. 1893
Order No. R-1619

APPLICATION OF PETRO-ATLAS, INC.
FOR AN ORDER CANCELLING THE
OVER-PRODUCTION CHARGED AGAINST
ONE GAS WELL IN THE SOUTH BLANCO-
PICTURED CLIFFS POOL, 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 February 10, 1960, at Santa Fe, New Mexico, before Daniel S. Mutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of March, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Mutter, 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 cause and the subject matter thereof.
- (2) That the applicant, Petro-Atlas, Inc., is the owner and operator of the Aztec Well No. 1, located in the SE/4 NW/4 of Section 8, Township 27 North, Range 9 West, South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.
- (3) That said Aztec Well No. 1 was completed in August, 1958, and was connected to a gas gathering facility in November, 1958.
- (4) That while a three-hour absolute open flow potential test was taken in August, 1958, and the results were filed on Form C-122, the applicant failed to file Form C-122-A, as required by Order Nos. R-333-C and R-333-D, until September 11, 1959. Form C-122-A is used to report an Initial Deliverability Test, which test is taken under stabilized flow conditions and furnishes the basis for properly prorating a gas well in Northwest New Mexico.

-2-

Case No. 1893
Order No. R-1619

(5) That since Form C-122-A was not filed in a timely manner, the well was not assigned an allowable in the proration order and schedule for a consecutive period of some ten months, during which period the operator produced the well.

(6) That accordingly the subject well became considerably over-produced, and the applicant now seeks to have over-production cancelled in an amount equal to the allowable which would have been assigned to the well had Form C-122-A been timely filed.

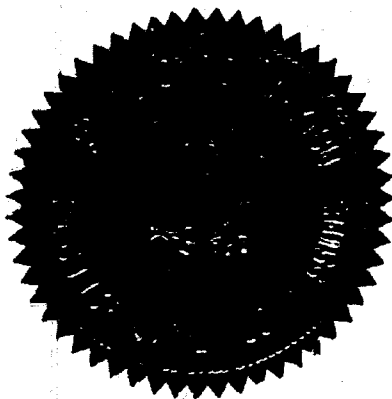
(7) That each operator has the duty and responsibility not only for conducting such well tests as are required by Commission Rules and Regulations, but also for knowing what the proration schedule reflects as to the status of his wells, and no justification exists for producing a gas well in excess of 60 days when the gas proration schedule shows that no allowable has been assigned to the well.

(8) That the subject application should be denied.

IT IS THEREFORE ORDERED:

That the subject application be and the same is hereby denied.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

ven/

Case # 93
Ex. # 1

NEW MEXICO OIL CONSERVATION COMMISSION

COPY

Form C-122

Revised 12-1-55

MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS

Pool Undesignated Formation Platoro G122a County San Juan
Initial X Annual _____ Special _____ Date of Test 8-21-58
Company AMERICAN, INC. Lease AMERICAN Well No. 1
Unit 7 Sec. 8 Twp. 27N Rge. 2E Purchaser El Paso Natural Gas
Casing 3-1/2" Wt. 25.35 I.D. _____ Set at 2535' Perf. 2432 To 2441
Tubing 1-1/4" Wt. 2.45 I.D. _____ Set at 2439' Perf. 2405 To 2400
Gas Pay: From 2432 To 2444 L _____ xG 0.84 -GL _____ Bar. Press. 22
Producing Thru: Casing X Tubing _____ Type Well Single Gas
Date of Completion: 8-24-58 Packer _____ Single-Bradenhead-G. G. or G.O. Dual
Reservoir Temp. _____

OBSERVED DATA

Tested Through (Prover) (Choke) (Prover) Type Taps _____

No.	Flow Data					Tubing Data		Casing Data		Duration of Flow Hr.
	(Prover) (Line) Size	(Choke) (Orifice) Size	Press. psig	Diff. h_w	Temp. °F.	Press. psig	Temp. °F.	Press. psig	Temp. °F.	
SI										
1.		<u>3/8"</u>	<u>170</u>		<u>57</u>	<u>157</u>		<u>170</u>	<u>57</u>	<u>2 hours</u>
2.										
3.										
4.										
5.										

FLOW CALCULATIONS

No.	Coefficient (24-Hour)	$\sqrt{h_{wpf}}$	Pressure psia	Flow Temp. Factor F_t	Gravity Factor F_g	Compress. Factor F_{pv}	Rate of Flow Q-MCFPD @ 15.025 psia
1.	<u>11.2</u>		<u>150</u>	<u>1.000</u>	<u>0.999</u>	<u>1.000</u>	<u>1.000</u>
2.							
3.							
4.							
5.							

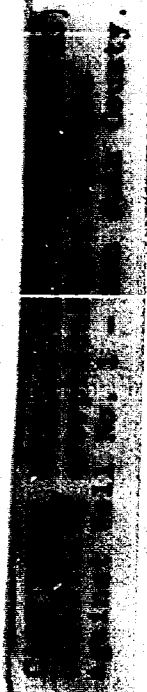
PRESSURE CALCULATIONS

Gas Liquid Hydrocarbon Ratio _____ cf/bbl.
Gravity of Liquid Hydrocarbons _____ deg.
 P_c _____ $(1-e^{-s})$ _____ Specific Gravity Separator Gas _____
Specific Gravity Flowing Fluid _____
 P_c 600 P_c^2 360,000

No.	P_w P_t (psia)	P_t^2	$F_c Q$	$(F_c Q)^2$	$(F_c Q)^2 (1-e^{-s})$	P_w^2	$P_c^2 - P_w^2$	Cal. P_w	P_w / P_c
1.						<u>22,500</u>	<u>360,000 - 22,500</u>		
2.									
3.									
4.									
5.									

Absolute Potential: 2,104 MCFPD; n 0.85
COMPANY AMERICAN, INC.
ADDRESS 700 N. Main St., Farmington, New Mexico
AGENT and TITLE W. E. Goss, Manager
WITNESSED _____
COMPANY _____

REMARKS



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 3, 1960

C
O
P
Y

Mr. George Verity
152 Petroleum Center Building
Farmington, New Mexico

Dear Mr. Verity:

On behalf of your client, Petro-Atlas, Inc., we
enclose two copies of Order R-1619 in Case 1893
issued by the Oil Conservation Commission this
date.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ir/

Enclosures: (2)

COA -
Holiba +
Lyte

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE: APPLICATION OF PETRO-ATLAS, INC.,
FOR AN ORDER CANCELLING OVER-PRODUCTION)
ON ITS AZTEC NO. ONE (1) WELL LOCATED)
IN THE APPROXIMATE CENTER OF THE SOUTH-)
EAST QUARTER OF THE NORTHWEST QUARTER)
(SE $\frac{1}{4}$ NW $\frac{1}{4}$) OF SECTION EIGHT (8), TOWNSHIP) CASE NO. 1893
TWENTY-SEVEN (27) NORTH, RANGE NINE (9)
WEST, IN SAN JUAN COUNTY, NEW MEXICO.)

FIRST AMENDMENT TO APPLICATION

Comes now the applicant, PETRO-ATLAS, INC., and files this
its First Amended Application in the captioned matter and alleges
and states:

1. That it is the owner and operator of the Petro-
Atlas Aztec No. 1 well located in the approximate center of the
Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$) of Section
Eight (8), Township Twenty-seven (27) North, Range Nine (9) West
in San Juan County, New Mexico.

2. That such well was completed as a commercial gas
well on the 14th day of August, 1958 and that on the 21st day of
August, 1958 a production test was taken on the well and as a
result thereof Form C-122 was filed with the Oil Conservation
Commission; that prior to the promulgation of Order No. R-333 C&D,
such test and report on Form C-122 was correct and that applicant
was under the impression that it took the correct test and made the
correct report, but that Order R-333-C&D above referred to amended
the rules for the pool and established a different deliverability
test and a report thereof on Form C-122A.

3. That subsequent to the completion of the above referred to well and in November, 1958, the above well was connected to El Paso Natural Gas Company's pipe line and thereupon started producing gas; that during the initial production of this well all of the information was obtained as required for filing the prescribed Form C-122A, referred to above, and such form was filed by the applicant from such information on September 11, 1959.

4. That the production taken from the above described well from its initial production in November, 1958 until September, 1959 was a proper amount of production and would have been within the allowable set for said well had Form C-122A been filed at the prescribed time; that the failing to file such form was an inadvertence which arose due to reorganization of the corporation and changes from previous operation of the property wherein the pipe line company had filed the report form; that the purported overproduction which the Commission records show against this well during such period is due to such inadvertence and that the Commission should grant the applicant relief by allowing the time of filing the Form C-122A to relate back to the time of initial production, being the time that the information reflected by such report was obtained and thereby cancelling the overproduction charged against such well.

5. That the applicant is entitled to produce the captioned well at a proper allowable during the period of time prior to the time that Form C-122A was filed in September, 1959 and that granting such allowable will prevent waste and promote the greatest ultimate recovery of gas from the pool in which such well is located. That the granting of an allowable to the applicant for the period of

time from the inception of production in the above described well until Form C-122A was filed in September, 1959 is necessary in order to protect its correlative rights; that the granting of such allowable will in no wise interfere with the correlative rights of any other producers in the pool and that the refusal to grant such allowable will improperly and invalidly interfere with the correlative rights of this applicant.

WHEREFORE, applicant prays that this application be set down for hearing; that due notice thereof be given as required by the laws of the State of New Mexico and the Rules of this Commission, and that the Commission, from the evidence to be adduced at such hearing, enter an order permitting the filing date of such report Form C-122A regarding the captioned well to relate back prior to first production, and that all over-production charged against such well be cancelled; that applicant be granted a proper allowable for the above described well from the inception of first production until September, 1959 when Form C-122A was filed regarding such well, and that the Commission enter such order as is required to protect the correlative rights of applicant.

PETRO-ATLAS, INC., Applicant

By 
(Geo. L. Verity)
152 Petroleum Center Bldg.
Farmington, New Mexico
ATTORNEY FOR APPLICANT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE: APPLICATION OF PETRO-ATLAS, INC.,
FOR AN ORDER CANCELLING OVER-PRODUCTION)
ON ITS AZTEC NO. ONE (1) WELL LOCATED)
IN THE APPROXIMATE CENTER OF THE SOUTH-) CASE NO. 1893
EAST QUARTER OF THE NORTHWEST QUARTER)
(SE $\frac{1}{4}$ NW $\frac{1}{4}$) OF SECTION EIGHT (8), TOWNSHIP)
TWENTY-SEVEN (27) NORTH, RANGE NINE (9)
WEST, IN SAN JUAN COUNTY, NEW MEXICO.)

APPLICATION FOR HEARING DE NOVO

Comes now PETRO-ATLAS, INC., applicant in the captioned matter, and moves the Commission for a de novo hearing on the captioned application, and in support thereof would show to the Commission as follows:

That the captioned application was set for hearing before Daniel S. Nutter, Examiner, on February 10, 1960 and on such date heard before said Examiner. That as a result of such hearing the application was denied. That applicant is entitled to a de novo hearing before the Commission in accord with Rule 1220 of Commission Rules and that same should be granted.


(Geo. L. Verity)

152 Petroleum Center Bldg.
Farmington, New Mexico
ATTORNEY FOR PETRO-ATLAS, INC.
Applicant.

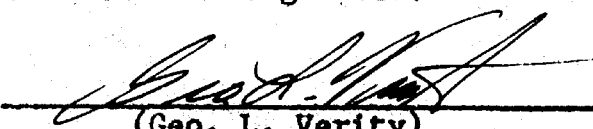
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE: APPLICATION OF PETRO-ATLAS, INC.,)
FOR AN ORDER CANCELLING OVER-PRODUCTION)
ON ITS AZTEC NO. ONE (1) WELL LOCATED) CASE NO. 1893
IN THE APPROXIMATE CENTER OF THE SOUTH-)
EAST QUARTER OF THE NORTHWEST QUARTER)
(SE $\frac{1}{4}$ NW $\frac{1}{4}$) OF SECTION EIGHT (8), TOWNSHIP)
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(Geo. L. Verity)
152 Petroleum Center Bldg.
Farmington, New Mexico
ATTORNEY FOR PETRO-ATLAS, INC.
Applicant.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 30, 1960

Mr. George Verity
152 Petroleum Center Building
Farmington, New Mexico

Dear Mr. Verity:

On behalf of your client, Petro-Atlas, Inc., we
enclose two copies of Order R-1619-A in Case 1893
issued by the Oil Conservation Commission this
date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Carbon copy of order sent to:

Oil Conservation Commission
Hobbs
Antec

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BEFORE THE
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
APRIL 13, 1960

IN THE MATTER OF:

CASE 1893 Application of Petro-Atlas, Inc. for a hearing :
de novo before the Oil Conservation Commission :
in Case No. 1893, Order No. R-1619, which was :
an application to cancel the overproduction :
charged against one gas well in the South :
Blanco-Pictured Cliffs Pool, San Juan County, :
New Mexico. Said Order No. R-1619 denied the :
requested relief. :

BEFORE:

John Burroughs
Daniel S. Nutter
A. L. Porter

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: Mr. Payne, I believe we should dispose of
Case 1893.

MR. PAYNE: Case 1893. Application of Petro-Atlas, Inc.
for a hearing de novo in Case 1893. Mr. Commissioner, the attorney
for the applicant has requested that that case be continued to the
regular hearing in May.

MR. PORTER: Does anyone have any comment on the counsel's
motion for continuance? Case 1893 will be continued to the May
regular hearing.

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6591

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, THOMAS T. TOMKO, Court Reporter, 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 machine shorthand and reduced to typewritten transcript by me, 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, the 21st day of April, A.D. 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Thomas T. Tomko
Notary Public

My Commission expires:

January 7, 1964

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 18, 1960

IN THE MATTER OF:

Application of Petro-Atlas, Inc. for a hearing de novo before the Oil Conservation Commission in Case No. 1893, Order No. R-1619, relating to a request for cancellation of the overproduction charged against one gas well in the South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.

Case 1893

BEFORE: Mr. A. L. Porter
Mr. Murray Morgan

TRANSCRIPT OF HEARING

MR. PAYNE: Mr. Commissioner, the Applicant in this case has requested it be continued to the regular Commission hearing on June 10th.

MR. PORTER: Does anyone have any objection to counsel's motion for Case 1893? The Case 1893 will be continued to June 10th.

At this time, in order to release one of our witnesses, we are going to take Southeast nomenclature case, following that we will have a short recess.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



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 26th day of May, 1960.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 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. 1893
Order No. R-1619-A

APPLICATION OF PETRO-ATLAS, INC.
FOR AN ORDER CANCELLING THE
OVER-PRODUCTION CHARGED AGAINST
ONE GAS WELL IN THE SOUTH BLANCO-
PICTURED CLIFFS POOL, 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 February 10, 1960, at Santa Fe, New Mexico, before Daniel S. Mutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations, and the cause came on for hearing de novo before the Commission on June 10, 1960.

NOW, on this 30th day of June, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced in both hearings, 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 cause and the subject matter thereof.
- (2) That the applicant, Petro-Atlas, Inc., is the owner and operator of the Aztec Well No. 1, located in the SE/4 NW/4 of Section 8, Township 27 North, Range 9 West, South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.
- (3) That said Aztec Well No. 1 was completed in August, 1958, and was connected to a gas gathering facility in November, 1958.
- (4) That while a three-hour absolute open flow potential test was taken in August, 1958, and the results were filed on Form C-122, the applicant failed to file Form C-122-A, as required by Order Nos. R-333-C and R-333-D, until September 11, 1959. Form C-122-A is used to report an Initial Deliverability Test, which test is taken under stabilized flow conditions and furnishes the basis for properly prorating a gas well in Northwest New Mexico. The

-2-
CASE No. 1893
Order No. R-1619-A

test reported on Form C-122 is not used in anyway for proration purposes nor is it required to be taken.

(5) That since Form C-122-A was not filed in a timely manner, the well was not assigned an allowable in the proration order and schedule for a consecutive period of some ten months, during which period the operator produced the well.

(6) That accordingly the subject well became considerably over-produced, and the applicant now seeks to have over-production cancelled in an amount equal to the allowable which would have been assigned to the well had Form C-122-A been timely filed.

(7) That each operator has the duty and responsibility not only for conducting such well tests as are required by Commission Rules and Regulations, but also for knowing what the proration schedule reflects as to the status of his wells, and no justification exists for producing a gas well in excess of 60 days when the gas proration schedule shows that no allowable has been assigned to the well.

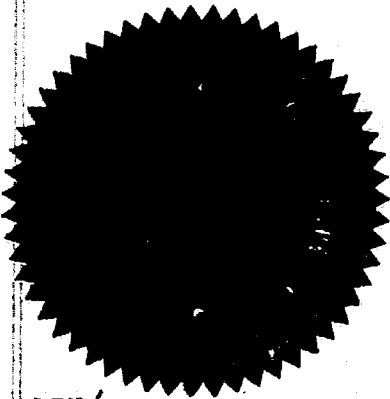
(8) That even though the failure of an operator to get an allowable properly assigned to a well is the result of unfamiliarity with Commission Rules and Regulations, as appears to have been the situation in this case, to authorize the well's production retroactively to the date the required test should have been filed, would inevitably result in the Commission being unable to properly perform the regulatory functions which it is obligated to perform under the laws of New Mexico.

(9) That the subject application should be denied.

IT IS THEREFORE ORDERED:

That the subject application be and the same is hereby denied.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

esr/

DOCKET: EXAMINER HEARING FEBRUARY 10, 1960

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

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary-Director:

- CASE 1889: Application of Continental Oil Company for three non-standard gas proration units. Applicant, in the above-styled cause, seeks the cancellation of three existing non-standard units and the establishment of three non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico. One such unit is to comprise 400 acres, being the NE/4, N/2 NW/4 and the N/2 S/2 of Section 32, Township 22 South, Range 36 East. Another unit is to comprise 160 acres, being the S/2 S/2 of said Section 32. Another unit is to comprise 80 acres, being the S/2 NW/4 of said Section 32. The proposed units are to be dedicated respectively to the State, A-32 Wells Nos. 2, 3 and 4 all in said Section 32 and located respectively in the SW/4 NE/4, the SE/4 SE/4 and the SE/4 NW/4.
- CASE 1890: Application of Socony Mobil Oil Company, Inc. for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle, after separate measurement, the production from the Penrose Skelly, Paddock, Blinbry Gas, Tubb Gas, Drinkard and Brunson Pools as well as production from the Montoya, Silurian and Simpson formations from all wells on its Brunson Argo Lease, consisting of the NE/4 of Section 9 and the NW/4 of Section 10, both in Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 1891: Application of Val R. Reese & Associates, Inc. for extension of the Escrito-Gallup Oil Pool and for the promulgation of special rules and regulations governing said pool. Applicant, in the above-styled cause, seeks an order extending the Escrito-Gallup Oil Pool, Rio Arriba County, New Mexico, to include acreage in Sections 19 and 30, Township 24 North, Range 6 West, and acreage in Sections 24 and 25, Township 24 North, Range 7 West. Applicant also proposes the promulgation of special rules and regulations governing the drilling, spacing and allocation of allowables to oil wells and gas wells in said pool, including gas-oil ratio limitations.

CASE 1892: Application of Texaco Inc. for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its Remuda Basin Unit Agreement, which unit is to comprise approximately 8572 acres in Townships 22 and 23 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 1893: Application of Petro-Atlas, Inc. for an order cancelling the over-production charged against one well in the South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order cancelling the overproduction charged against the Aztec Well No. 1, located in the SE/4 NW/4 of Section 8, Township 27 North, Range 9 West, South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico. Such overproduction was occasioned by applicant's delay in filing Form C-122-A.

CASE 1894: Application of Robert N. Enfield for designation of a unit area. Applicant, in the above-styled cause, seeks a designation of the following described 560 acres as the Southwest Mescalero Unit Area: Section 32, E/2 NE/4; Section 33, S/2 and NW/4, Township 10 South, Range 32 East, Lea County, New Mexico.

CASE 1895: Application of Northwest Production Corporation for a non-standard gas unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas unit in an undesignated Pictured Cliffs pool consisting of the N/2 SE/4, NE/4 SW/4, and SE/4 NW/4 of Section 21, Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Said unit is to be dedicated to a well to be drilled in either the NE/4 SE/4 of the NW/4 SE/4 of said Section 21.

CASE 1896: Application of Mountain States Petroleum Corporation for a non-standard gas unit for an unorthodox gas well location. Applicant, in the above-styled cause, seeks the establishment of a 181-acre non-standard gas unit adjacent to the Pine Lake-Pictured Cliffs Gas Pool consisting of all of Section 30, Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Said unit is to be dedicated to the Federal 30-F Well, to be located at an unorthodox location 790 feet from the South line and 750 feet from the West line of said Section 30.

ig/

GEO. L. VERITY
ATTORNEY AT LAW
SUITE 162 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
TELEPHONE DAVIS 5-0203

May 10, 1960

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

ATTN: Mr. Oliver Payne

Re: Case No. 1893
Application of Petro-Atlas, Inc.
re: Aztec No. 1 well,
San Juan County, N. M.

In accord with my telephone conversation with Mr. Oliver Payne on this date, it is requested that the May 18, 1960 setting of the above case be passed and that same be set for hearing on June 10, 1960.

Yours very truly,


Geo. L. Verity

lm
cc: Petro-Atlas, Attn: Mr. Gove

*June 19 1960
Docket Mailed
May 31 1960
GZ*

DOCKET: REGULAR HEARING MAY 18, 1960Oil Conservation Commission, 9 a.m., Mabry Hall, State Capitol, Santa Fe

- ALLOWABLE: (1) Consideration of the oil allowable for June, 1960.
- (2) Consideration of the allowable production of gas for June, 1960, for six prorated pools in Lea County, New Mexico, and also presentation of purchasers' nominations for the six-month period beginning July, 1960; consideration of the allowable production of gas for seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1960.

CASE 1935: In the matter concerning purchaser prorationing by Sinclair Crude Oil Company in all oil pools from which it purchases in New Mexico.

CASE 1909: (De Novo)

Application of Pan American Petroleum Corporation for a hearing de novo before the Commission in Case No. 1909, Order No. R-1628, relating to the request for a 386-acre non-standard gas unit in the Dakota Producing Interval, San Juan County, New Mexico, comprising all of partial Section 7 and the W/2 of partial Section 8, both in Township 28 North, Range 10 West.

CASE 1904: (De Novo)

Application of Sunray Mid-Continent Oil Company for a hearing de novo before the Commission in Case No. 1904, Order No. R-1636, relating to special rules governing the Central Bisti LPG-Gas-Water Injection Project in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, particularly those provisions concerning the assignment of well allowables.

CASE 1893: (De Novo)

Application of Petro-Atlas, Inc. for a hearing de novo before the Oil Conservation Commission in Case No. 1893, Order No. R-1619, relating to a request for cancellation of the over-production charged against one gas well in the South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.

CASE 1669:

In the matter of the application of Pan American Petroleum Corporation for the promulgation of special rules and regulations for the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to provide for 320-acre spacing units and for well location requirements, as authorized on a temporary basis by Order No. R-1417, dated June 5, 1959.

CASE 1967:

Application of Redfern and Herd, Val R. Reese and Associates, Inc., and El Paso Natural Gas Company for the promulgation of special pool rules governing the Devils Fork-Gallup Pool, Rio Arriba County, New Mexico, including provisions relating to drilling and proration units, an allocation formula, and market demand proration for said pool.

CASE 1968:

Southeastern New Mexico nomenclature case calling for an order creating new pools and extending existing pools in Chaves, Eddy, and Lea Counties, New Mexico.

- (a) Create a new oil pool for Devonian production, designated as the West Gladiola-Devonian Pool, and described as:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM
Section 26: SW/4

- (b) Abolish the Buffalo Valley-San Andres Pool, described as:

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM
Section 35: SW/4

- (c) Extend the Brushy Draw-Delaware Pool to include:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 24: NW/4

- (d) Extend the Coyote-Queen Pool, to include:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 11: SE/4
Section 27: W/2

- (e) Extend the El Mar-Delaware Pool, to include:

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 31: NW/4 Partial Section

- (f) Extend the Empire-Abo Pool, to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 35: SE/4

- (g) Extend the West Henshaw-Grayburg Pool, to include:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 10: NE/4

- (h) Extend the Logan Draw Pool, to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 19: SW/4 NE/4

- (i) Extend the West Pearl-Queen Pool, to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 36: NW/4

- (j) Extend the Shugart Pool, to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 3: SE/4

- (k) Extend the West Teas-Yates Pool, to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 16: W/2 NW/4

CASE 1969:

Northwestern New Mexico nomenclature case calling for an order creating new pools and extending existing pools in San Juan and Rio Arriba Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool, to include:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 1: W/2 & SE/4
Section 12: NE/4

- (b) Extend the Blanco-Mesaverde Pool, to include:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 6: All

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM
Section 31: All
Section 32: All

- (c) Extend the Escrito-Gallup Oil Pool, to include:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 16: S/2 SW/4
Section 17: S/2 SE/4

- (d) Extend the Horseshoe-Gallup Oil Pool, to include:

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM

Section 21: SE/4 SE/4

Section 27: NW/4 NW/4

Section 28: NW/4 NE/4

TOWNSHIP 31 NORTH, RANGE 17 WEST, NMPM

Section 13: NE/4 SW/4

- (e) Extend the Puerto Chiquito-Gallup Oil Pool, to include:

TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPM

Section 4: SW/4

Section 5: SE/4

Section 9: W/2 & SE/4

Section 16: NE/4

- (f) Extend the Totah-Gallup Oil Pool, to include:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 33: SE/4

Section 35: N/2

- (g) Extend the Verde-Gallup Oil Pool, to include:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM

Section 6: W/2

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM,

Section 1: N/2 & E/2 SE/4

Section 2: NE/4 NE/4

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM

Section 22: N/2 SW/4

Section 29: SW/4

Section 30: NW/4 SW/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM

Section 36: SW/4 SW/4

- (h) Extend the Angels Peak-Dakota Pool, to include:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM

Section 6: W/2

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Section 7: All (partial)

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 13: W/2
Section 14: S/2

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 25: E/2
Section 36: All

- (i) Extend the South Blanco-Dakota Pool, to include:

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM
Section 26: W/2

- (j) Extend the West Blanco-Dakota Pool, to include:

TOWNSHIP 32 NORTH, RANGE 13 WEST, NMPM
Section 25: All
Section 26: All
Section 36: E/2

- (k) Extend the West Kutz-Dakota Pool, to include:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
Section 34: E/2
Section 35: All

ig/

DOCKET: REGULAR HEARING JUNE 10, 1960

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.

- ALLOWABLE:
- (1) Consideration of the oil allowable for July, 1960.
 - (2) Consideration of the allowable production of gas for July, 1960, for six prorated pools in Lea County, New Mexico; consideration of the allowable production of gas from seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for July, 1960, and also presentation of purchaser's nominations for the six-month period beginning August 1, 1960, for seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico.

CONTINUED CASE

CASE 1893: (De Novo)

Application of Petro-Atlas, Inc. for a hearing de novo before the Oil Conservation Commission in Case No. 1893, Order No. R-1619, relating to a request for cancellation of the over-production charged against one gas well in the South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.

NEW CASES

CASE 1987:

Southeastern New Mexico nomenclature calling for an order creating new pools and extending existing pools in Lea, Chaves, Roosevelt, and Eddy Counties, New Mexico.

- (a) Create a new oil pool, designated as the South Bitter Lake-San Andres Pool, and described as:

TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM
Section 27: NW/4

- (b) Create a new gas pool, designated as the South Bowers-Seven Rivers Gas Pool, and described as:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 9: SW/4

- (c) Create a new oil pool, designated as the Corbin-Delaware Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 31: NE/4

- (d) Create a new oil pool, designated as the Corral Canyon-Delaware Pool, and described as:

TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM
SECTION 18: NE/4

- (e) Create a new gas pool, designated as the Fowler-Paddock Gas Pool, and described as:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
SECTION 15: NE/4

- (f) Create a new oil pool, designated as the Jenkins-Pennsylvanian Pool, and described as:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
SECTION 3: SW/4

- (g) Create a new oil pool, designated as the King-Pennsylvanian Pool, and described as:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM
SECTION 35: SE/4

- (h) Create a new gas pool, designated as the North Skaggs-Drinkard Gas Pool, and described as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 6: SE/4

- (i) Extend the Allison-Pennsylvanian Pool, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 6: NW/4

- (j) Extend the Bluitt-Pennsylvanina Pool, to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 25: NE/4

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
SECTION 19: NW/4

- (k) Extend the Empire-Abo Pool, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
SECTION 35: SW/4

Docket No. 16-60

- (1) Extend the Hare Pool, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 9: N/2 NE/4

- (m) Extend the Justis-Blinebry Pool, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
SECTION 13: NW/4
SECTION 26: SE/4

- (n) Extend the Saunders-Permo Pennsylvanian Pool, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
SECTION 9: SE/4

CASE 1988: Northwestern New Mexico nomenclature case calling for an order creating a new pool and extending existing pools in San Juan and Rio Arriba Counties, New Mexico:

- (a) Create a new oil pool, designated as the La Platta-Gallup Oil Pool and described as:

TOWNSHIP 31 NORTH, RANGE 13 WEST, NMPM
SECTION 5: S/2

- (b) Extend the Aztec-Fruitland Pool, to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
SECTION 32: NE/4

- (c) Extend the Aztec-Pictured Cliffs Pool, to include therein:

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM
SECTION 18: W/2
SECTION 19: N/2
SECTION 20: W/2 & SE/4
SECTION 28: SW/4
SECTION 29: N/2 & SE/4

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
SECTION 13: NE/4

- (d) Extend the West Kutz-Pictured Cliffs Pool, to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
SECTION 19: E/2

- (e) Extend the Horseshoe-Gallup Oil Pool, to include therein:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM
SECTION 15: NE/4 NW/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM
SECTION 27: NE/4 NW/4 & SW/4 NE/4
SECTION 28: N/2 NW/4

- (f) Extend the Verde-Gallup Oil Pool, to include therein:

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM
SECTION 20: SE/4 NW/4

- (g) Extend the Angels Peak-Dakota Pool, to include therein:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
SECTION 16: W/2

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
SECTION 15: S/2
SECTION 16: A11
SECTION 22: A11
SECTION 23: A11
SECTION 24: W/2

- (h) Extend the South Blanco-Dakota Pool, to include therein:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
SECTION 23: N/2
SECTION 24: N/2

- (i) Extend the West Kutz-Dakota Pool, to include therein:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM,
SECTION 29: E/2

ig/

GEO. L. VERITY
ATTORNEY AT LAW
SUITE 167 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
TELEPHONE DAVIS 5-0203

March 8th, 1960

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

*De Novo
for
April
Regular*

Gentlemen:

Re: Case No. 1893
Application of Petro-Atlas, Inc.,
re its Aztec No. 1 well in approx.
center of SE $\frac{1}{4}$ NW $\frac{1}{4}$ 8-27N-9W, in
San Juan County, N. M.

✓ This will acknowledge receipt of two (2) copies of Order
R-1619 in the captioned case entered on March 3, 1960 pursuant
to the hearing thereof on February 10, 1960 before Daniel S.
Nutter, Examiner.

Pursuant thereto, I am enclosing herewith the following
instruments, in triplicate, for filing in this matter:

1. Application for hearing de novo
2. First amendment to application

I will appreciate this matter being set for a de novo
hearing and advice to this office as to the date of such hear-
ing.

Yours very truly,


Geo. L. Verity

lm
cc: Petro-Atlas, Inc.

*Recket
Mailed
4-1-60
sh*

DOCKET: REGULAR HEARING APRIL 15, 1960

OIL CONSERVATION COMMISSION - 9 a.m. - HOBBS AUDITORIUM, 1300 EAST SCHARBAUER

HOBBS, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for May, 1960
- (2) Consideration of the allowable production of gas for May, 1960 from six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico for May, 1960.
- CASE 1934: In the matter concerning purchaser prorationing by Indiana Oil Purchasing Company in all oil pools from which it purchases in New Mexico.
- CASE 1935: In the matter concerning purchaser prorationing by Sinclair Crude Oil Company in all oil pools from which it purchases in New Mexico.
- CASE 1936: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider changing the date of the Regular Commission Hearing in June, 1960, from the 15th to the 10th.
- CASE 1937: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider consolidating the rules governing the six prorated gas pools in Southeast New Mexico into one order, and to consider consolidating the rules governing the seven prorated gas pools in Northwest New Mexico into one order.
- CASE 1938: Southeastern New Mexico nomenclature case calling for an order creating new pools and extending existing pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico.
- (a) Create a new pool classified as an oil pool for San Andres production, designated as the Button Mesa-San Andres Pool, and described as:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
SECTION 20: NE/4

- (b) Create a new pool classified as an oil pool for San Andres production, designated as the Echol-San Andres Pool, and described as:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
SECTION 8: NW/4

- (c) Create a new pool classified as an oil pool for Wolfcamp production, designated as the Echol-Wolfcamp Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 38 EAST, NMPM
SECTION 16: NW/4

- (d) Create a new pool classified as an oil pool for Devonian production, designated as the Reeves-Devonian Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
SECTION 24: NW/4

- (e) Extend the Bluitt-Pennsylvanian Pool to include:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 24: NE/4

- (f) Extend the Caprock-Queen Pool to include:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM
SECTION 3: SE/4

- (g) Extend the West Crossroads-San Andres Pool to include:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
SECTION 20: E/2

- (h) Extend the East Dayton (Grayburg) Pool to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
SECTION 28: NW/4
SECTION 29: NE/4

- (i) Extend the Empire-Abo Pool to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
SECTION 33: SW/4

- (j) Extend the North Hackberry-Yates Pool to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

SECTION 20: SE/4

SECTION 29: N/2 NE/4 and NE/4 NW/4

- (k) Extend the East Hightower-Devonian Gas Pool to include:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM

SECTION 30: E/2 NE/4

- (l) Extend the Hume-Queen Pool to include:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

SECTION 7: NE/4

- (m) Extend the Jalmat Gas Pool to include:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

SECTION 3: N/2

- (n) Extend the Leamex-Pennsylvanian Pool to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

SECTION 23: NE/4

- (o) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

SECTION 34: SE/4

- (p) Extend the Ranger Lake-Pennsylvanian Pool to include:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM

SECTION 22: SE/4

- (q) Extend the East Red Lake-Queen Pool to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

SECTION 2: W/2 NE/4

- (r) Extend the Sawyer-San Andres Gas Pool to include:

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM

SECTION 4: NW/4

- (s) Extend the Sugart-Pennsylvanian Gas Pool to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 26: S/2
SECTION 27: SE/4

- (t) Extend the Tubb Gas Pool to include:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
SECTION 28: SW/4

- (u) Extend the Turkey Track Pool to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
SECTION 28: N/2 and SE/4

CASE 1939:

Northwestern New Mexico nomenclature case calling for an order creating new pools and extending existing pools in San Juan and Rio Arriba Counties, New Mexico.

- (a) Create a new pool classified as an oil pool, designated as the Chiquito-Gallup Oil Pool and described as:

TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPM,
SECTION 5: NE/4

- (b) Extend the Pine Lake-Pictured Cliffs Pool to include:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
SECTION 30: All (partial)

- (c) Extend the Tapacito-Pictured Cliffs Pool to include:

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM
SECTION 12: SW/4
SECTION 13: NW/4

- (d) Extend the West Kutz-Pictured Cliffs Pool to include:

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
SECTION 9: SE/4

- (e) Extend the Blanco-Mesaverde Pool to include:

TOWNSHIP 32 NORTH, RANGE 13 WEST, NMPM
SECTION 26: W/2

- (f) Extend the Angels Peak-Gallup Oil Pool to include:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
SECTION 19: SE/4
SECTION 29: NW/4
SECTION 30: NE/4

- (g) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM
SECTION 10: S/2 SW/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM
SECTION 27: SE/4 NW/4, NE/4 SW/4, & SE/4

- (h) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM
SECTION 30: S/2 SE/4
SECTION 31: NE/4 NE/4

- (i) Extend the Angels Peak-Dakota Pool to include:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
SECTION 6: W/2
SECTION 7: W/2

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM
SECTION 1: All

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
SECTION 19: E/2
SECTION 20: All

- (j) Extend the South Blanco-Dakota Pool to include:

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM
SECTION 19: W/2
SECTION 27: S/2

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
SECTION 24: S/2

- (k) Extend the West Kutz-Dakota Pool to include:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM
SECTION 9: All (partial)
SECTION 10: All (partial)
SECTION 15: All
SECTION 16: N/2

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
SECTION 27: All
SECTION 28: All
SECTION 33: All
SECTION 34: W/2

CASE 1893: (De Novo)

Application of Petro-Atlas, Inc. for a hearing de novo before the Oil Conservation Commission in Case No. 1893, Order No. R-1619, which was an application to cancel the overproduction charged against one gas well in the South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico. Said Order No. R-1619 denied the requested relief.

ig/

GEO. L. VERITY
ATTORNEY AT LAW
SUITE 182 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
TELEPHONE DAVIS 5-0203

*Case file
1893*

April 4th, 1960

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

ATTN: Mr. Oliver Payne

Re: Case No. 1893
Application of Petro-Atlas, Inc.
re Aztec No. 1 well,
San Juan County, N. M.

I will appreciate the Commission passing the setting
of the above matter on April 13, 1960 at Hobbs, New Mexico, and
re-setting the case for hearing in Santa Fe on May 18, 1960.

Yours very truly,


Geo. L. Verity

GLV/m
cc: Petro-Atlas

*Letter
mailed
5-4-60
JH*

NEW MEXICO OIL CONSERVATION COMMISSION

COPY

Form C-122

Revised 12-1-55

MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS

Pool Undesignated Formation Pictured Cliffs County San Juan
 Initial X Annual _____ Special _____ Date of Test 8-21-58
 Company PETRO-ATLAS, INC. Lease AZTEC Well No. 1
 Unit F Sec. 8 Twp. 27N Rge. 9W Purchaser El Paso Natural Gas
 Casing 5-1/2" Wt. 15.5# I.D. _____ Set at 2516' Perf. 2412 To 2441
 Tubing 1-1/4" Wt. 2.4# I.D. _____ Set at 2409' Perf. 2406 To 2408
 Gas Pay: From 2412 To 2464 L _____ xG 0.84 -GL _____ Bar. Press. 12
 Producing Thru: Casing X Tubing _____ Type Well Single Gas
 Date of Completion: 8-14-58 Packer _____ Single-Bradenhead-G. G. or G.O. Dual
 Reservoir Temp. _____

OBSERVED DATA

Tested Through (Prover) (Choke) (Prover)

Type Taps _____

No.	Flow Data			Tubing Data		Casing Data		Duration of Flow Hr.
	(Prover) (Line) Size	(Choke) (Orifice) Size	Press. psig	Diff. h _w	Temp. °F.	Press. psig	Temp. °F.	
SI						618	618	
1.		3/4"	178		57	187	178	3 hours
2.								
3.								
4.								
5.								

FLOW CALCULATIONS

No.	Coefficient (24-Hour)	$\sqrt{h_{wpf}}$	Pressure psia	Flow Temp. Factor F _t	Gravity Factor F _g	Compress. Factor F _{pv}	Rate of Flow Q-MCFPD @ 15.025 psia
1.	12.2		190	1.0029	0.8452	1.014	1,992
2.							
3.							
4.							
5.							

PRESSURE CALCULATIONS

Gas Liquid Hydrocarbon Ratio _____ cf/bbl.
 Gravity of Liquid Hydrocarbons _____ deg.
 P_c _____ (1-e^{-S})

Specific Gravity Separator Gas _____
 Specific Gravity Flowing Fluid _____
 P_c 630 P_c² 396,900

No.	P _w P _t (psia)	P _t ²	F _c Q	(F _c Q) ²	(F _c Q) ² (1-e ^{-S})	P _w ²	P _c ² -P _w ²	Cal. P _w	P _w P _c
1.						36,100	360,800		
2.									
3.									
4.									
5.									

Absolute Potential: 2,164 MCFPD; n 0.85COMPANY PETRO-ATLAS, INC.ADDRESS 729 1/2 E. Main St., Farmington, New MexicoAGENT and TITLE N. B. GOVE, ENGINEER

WITNESSED _____

COMPANY _____

REMARKS

BEFORE THE
 OIL CONSERVATION COMMISSION
 SANTA FE, NEW MEXICO

ENCHIT No. 1

CASE

1893De novo

APR 1
 Case - 1893

INSTRUCTIONS

This form is to be used for reporting multi-point back pressure tests on gas wells in the State, except those on which special orders are applicable. Three copies of this form and the back pressure curve shall be filed with the Commission at Box 871, Santa Fe.

The log-log paper used for plotting the back pressure curve shall be of at least three inch cycles.

NOMENCLATURE

Q = Actual rate of flow at end of flow period at W. H. working pressure (P_w). MCF/da. @ 15.025 psia and 60° F.

P_c = 72 hour wellhead shut-in casing (or tubing) pressure whichever is greater. psia

P_{st} = Static wellhead working pressure as determined at the end of flow period. (Casing if flowing thru tubing, tubing if flowing thru casing.) psia

P_t = Flowing wellhead pressure (tubing if flowing through tubing, casing if flowing through casing.) psia

P_f = Meter pressure, psia.

h_w = Differential meter pressure, inches water.

F_g = Gravity correction factor.

F_t = Flowing temperature correction factor.

F_{pv} = Supercompressibility factor.

n = Slope of back pressure curve.

Notes: If P_w cannot be taken because of manner of completion or condition of well, then P_w must be calculated by adding the pressure drop due to friction within the flow string to P_t .

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1893 EXHIBIT NO. 2

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission



MURRAY E. MORGAN

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

1000 RIO BRAZOS ROAD
AZTEC

August 25, 1959

Petro-Atlas, Incorporated
729 East Main
Farmington, New Mexico

Gentlemen:

In checking our records we find that your #1 Aztec Well located in Unit F, Section 6-24-94 South Blanco Pictured Cliffs Pool, which was connected to the pipeline November 25, 1958, has never had an initial deliverability test filed. As this test is long over-due we are notifying the transporter, El Paso Natural Gas Company to shut this well and leave it shut in until released by this office.

We are enclosing a copy of Order R-333-C & D, the San Juan Basin gas well testing order. You will note that all prorated wells should have initial deliverability tests filed within 45 days in order to avoid losing allowable.

Yours very truly

Emery C. Arnold
Emery C. Arnold
Supervisor, District #3

ECA:ks
cc: El Paso Nat. Gas Co.
Farmington, N.M.

Oil Conservation Commission
Santa Fe, N.M.

Block Rothcliff
Baker Kendrick

Sept 23 - Oct 7
Flow Oct 7 - 15
Shut 15 - 22

BEFORE EXAMINER MUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1893

Initial Deliverability
TestForm C-122-A
Revised April 20, 1955NEW MEXICO OIL CONSERVATION COMMISSION
GAS WELL TEST DATA SHEET - - SAN JUAN BASIN(TO BE USED FOR FRUITLAND, PICTURED CLIFFS, MESAVERDE, & ALL DAKOTA
EXCEPT BARKER DOME STORAGE AREA)

Pool South Blanco Formation Pictured Cliffs County San Juan
Purchasing Pipeline El Paso Natural Gas Company Date Test Filed 9-11-59
Operator PETRO-ATLAS, INC. Lease AZTEC Well No. 1
Unit F Sec. 8 Twp. 27N Rge. 9W Pay Zone: From 2406 To 2441
Casing: OD 5-1/2" WT. 15.50# Set At 2516' Tubing: OD 1-1/4" WT. 2.4 T. Perf. 2406
Produced Through: Casing X Tubing 12-25-58 Gas Gravity: Measured _____ Estimated _____
Date of Flow Test: From 11-30-58 To 12-8-58 Date S.I.P. Measured 8-21-58
Meter Run Size 4.00 Orifice Size 1.25 Type Chart Sq. Root Type Taps Flange

OBSERVED DATA

Flowing casing pressure (Dwt) _____ psig + 12 = _____ psia (a)
Flowing tubing pressure (Dwt) _____ psig + 12 = _____ psia (b)
Flowing meter pressure (Dwt) _____ psig + 12 = _____ psia (c)
Flowing meter pressure (meter reading when Dwt. measurement taken):
Normal chart reading _____ psig + 12 = _____ psia (d)
Square root chart reading (_____) ² x spring constant _____ = _____ psia (d)
Meter error (c) - (d) or (d) - (c) _____ ± _____ = _____ psi (e)
Friction loss, Flowing column to meter:
(b) - (c) Flow through tubing: (a) - (c) Flow through casing _____ = _____ psi (f)
Seven day average static meter pressure (from meter chart):
Normal chart average reading _____ psig + 12 = _____ psia (g)
Square root chart average reading (7.00) ² x sp. const. 500 = 245 psia (g)
Corrected seven day ave. meter press. (p_f) (g) + (e) _____ = 245 psia (h)
P_t = (h) + (f) _____ = 245 psia (i)
Wellhead casing shut-in pressure (Dwt) 618 psig + 12 = 630 psia (j)
Wellhead tubing shut-in pressure (Dwt) 618 psig + 12 = 630 psia (k)
P_c = (j) or (k) whichever well flowed through _____ = 630 psia (l)
Flowing Temp. (Meter Run) 51 °F + 460 _____ = 511 °Abs (m)
P_d = 1/2 P_c = 1/2 (l) _____ = 315 psia (n)

$$Q = \text{(Integrated)} \times \left(\frac{\text{FLOW RATE CALCULATION}}{\frac{V(c)}{V(d)}} \right) = \text{_____ MCF/da}$$

DELIVERABILITY CALCULATION

$$D = Q \text{ } 357 \left[\frac{P_c^2 - P_d^2}{P_c^2 - P_w^2} \right]^n \text{ } .9902 = \text{ } 321.3 \text{ MCF/da.}$$

SUMMARY

P_c = 630 psia Company PETRO-ATLAS, INC.
Q = 357 Mcf/day By Lonnie Kramer
P_w = 245 psia Title Superintendent
P_d = 315 psia Witnessed by _____
D = 321 Mcf/day Company _____

* This is date of completion test.
* Meter error correction factor

REMARKS OR FRICTION CALCULATIONS

GL	(1-e ^{-S})	(F _c Q) ²	(F _c Q) ² (1-e ^{-S}) R ²	P _t ² (Column 1)	P _t ² + R ²	P _w
			Negligible			

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1887 EXHIBIT No. 3
Re. Novak

RECEIVED
CLERK
CASE No. 1887

El Paso Natural Gas Company

El Paso, Texas

September 8, 1959

Mr. L. H. Kramer
Petro-Atlas Corporation
729 East Main Street
Farmington, New Mexico

Dear Mr. Kramer:

Listed below is the test information as requested in your telephone call of September 4, 1959:

<u>Well Name</u>	<u>Ave. Daily Volume</u>	<u>Ave. Static</u>	<u>Temp.</u>	<u>Gravity</u>	<u>Spring Size</u>	<u>Orifice Size</u>
Aztec #1	357	7.00	51	.627	500#	1.250

Yours truly,

Measurement Department

Venard Orr
Venard Orr, Chief Clerk,
Gas Purchase Section

VO:nc

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

EXHIBIT No. 4
CASE 1893

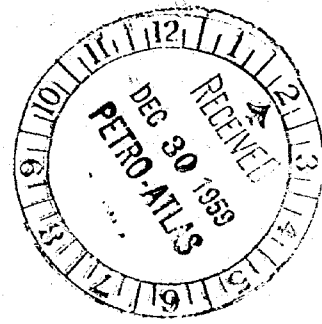
De novo

38,121 14,209
 45,705
 9765
 55,470
 5

47,933
 7208
 52,141

55,470
 111
 55,641
 52,141
 3,970
 3753

9765
 9208



El Paso Natural Gas Company

El Paso, Texas

May 3, 1960

Petro-Atlas, Inc.
Attention: Mr. N. B. Gove
2000 National Bank of Tulsa Building
Tulsa 3, Oklahoma

Gentlemen:

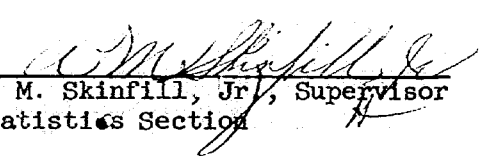
Enclosed are meter charts for stations as indicated below by
Meter Code Numbers for the months of November and December, 1958.

74 761 01

These charts are sent at your request for monitoring purposes.
Please return them to this office when they have served your purpose.

Yours truly,

Measurement Department


A. M. Skinfill, Jr., Supervisor
Statistics Section

AMSJr:nm

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 7893 EXHIBIT No. 5

He now

0961 - 7 1/2