

CASE 1978: Application of CAULKING
for a gas-gas dual of its EXOTHER
PC-297 WELL and for a non-standard
gas unit.

Casa No.

1976

Application, Transcript,
Small Exhibits, Etc.

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. 1976
Order No. R-1695

APPLICATION OF CAULKINS OIL COMPANY
FOR A GAS-GAS DUAL COMPLETION IN THE
SOUTH BLANCO-PICTURED CLIFFS GAS POOL
AND THE DAKOTA PRODUCING INTERVAL, RIO
ARRIBA COUNTY, NEW MEXICO, AND FOR A
320-ACRE NON-STANDARD GAS UNIT IN THE
DAKOTA PRODUCING INTERVAL:

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 1, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, 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 30th day of June, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Caulkins Oil Company, is the owner and operator of the Reuter PC-297 well, located 1650 feet from the South line and 990 feet from the West line of Section 15, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant proposes the dual completion of the above-described Reuter PC-297 well in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Gas Pool and the production of gas from the Dakota Producing Interval through parallel strings of 1-1/4 inch tubing and 2-3/8 inch tubing respectively.

(4) That the applicant further seeks the establishment of a 320-acre non-standard gas unit in the Dakota Producing Interval consisting of the SW/4 of said Section 15 and the NW/4 of Section 22, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, to be dedicated to said Reuter PC-297 well.

(5) That the mechanics of the proposed dual completion are feasible and in accord with sound conservation practices.

(6) That the requested 320-acre non-standard gas unit in the Dakota Producing Interval, which unit would cross section lines, should be denied inasmuch as the applicant has made no effort to communitize the said SW/4 of Section 15 with the SE/4 of said Section 15 or the NW/4 of said Section 15, thereby forming a standard 320-acre gas unit in the Dakota Producing Interval.

(7) That the applicant should be granted a 160-acre non-standard gas unit in the Dakota Producing Interval consisting of the SW/4 of said Section 15 and to be dedicated to the said Reuter PC-297 well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, be and the same is hereby authorized to dually complete the Reuter PC-297 well located 1650 feet from the South line and 990 feet from the West line of Section 15, Township 26 North, Range 6 West, NMPN, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Gas Pool and production of gas from the Dakota Producing Interval through parallel strings of 1-1/4 inch tubing and 2-3/8 inch tubing respectively.

PROVIDED HOWEVER, That the applicant shall complete, operate, and produce the well in accordance with the provisions of Section V, Rule 14-A.

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the South Blanco-Pictured Cliffs Gas Pool.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the applicant to comply with any requirement of this order, the Commission may terminate the authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest of conservation.

(2) That the applicant's request for a non-standard gas unit in the Dakota Producing Interval consisting of the SW/4 of Section 15 and the NW/4 of Section 22, both in Township 26 North, Range 6 West, NMPN Rio Arriba County, New Mexico, be and the same is hereby denied.

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CASE No. 1976

Order No. 2-1633

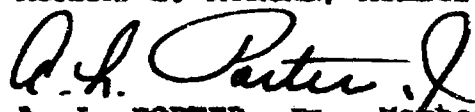
(3) That a 160-acre non-standard gas unit in the Dakota Producing Interval consisting of the SW/4 of said Section 13, be and the same is hereby established. Said unit is to be dedicated to the said Reuter PC-297 well.

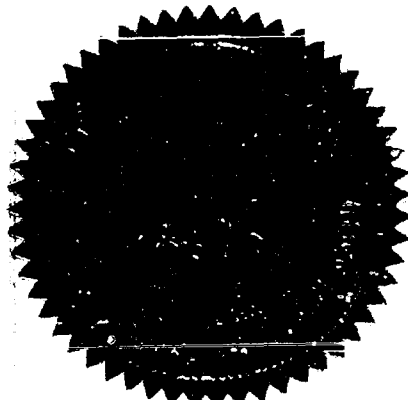
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



esr/

File

OIL CONSERVATION COMMISSION

P. O. BOX 671
SANTA FE, NEW MEXICO

June 30, 1960

Mr. Jason Kellahin
Box 1713
Santa Fe, New Mexico

Dear Sir:

On behalf of your client we enclose two copies
of Order R-1695 in Case 1976, which was 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 and Aztec

C
O
P
Y

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 6-3-60

CASE 1976

Hearing Date 6-8-60

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

1. Deny Calkins 320 acre unit, consisting of the SW sec. 15 + NW sec. 22 T6N-6W. and grant them a 160 ac. unit consisting of the SW 1/4 sec. 15.
2. Operator has not made diligent effort to communitize ~~the~~ with the NW 1/4 or the SE 1/4 sec. 15.
3. Non Std. units which cross section lines should not be allowed except in instances where a Std. unit definitely cannot be formed.
4. Grant approval of the P.C. Dakota. Deal as requested.

Trust H. My

Hold for transcript.

E. A. H.

JASON W. KELLAHIN
ROBERT L. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54W EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

YUCCA 3-9396
YUCCA 2-2991

April 27, 1960

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

Gentlemen:

Enclosed an original and two copies of application of
Caulkins Oil Company for approval of a dual completion
for production of gas from the Pictured Cliffs Formation
and the Dakota Formation, South Blanco Pool and approval
of a non-standard proration unit, Rio Arriba County,
New Mexico.

Please advise when this case has been set for hearing.

Very truly yours,

Jason W. Kellahin
Jason W. Kellahin

jwk:mas
enclosures

*For info.
Miles 5-17-60*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR
APPROVAL OF A DUAL COMPLETION
FOR PRODUCTION OF GAS FROM THE
PICTURED CLIFFS FORMATION AND
THE DAKOTA FORMATION, SOUTH
BLANCO POOL AND APPROVAL OF A
NON-STANDARD PRORATION UNIT,
RIO ARriba COUNTY, NEW MEXICO.

June 1976

A P P L I C A T I O N

Comes now Caulkins Oil Company and applies to the Oil Conservation Commission of New Mexico for permission to duly complete its Reuter PC-297 well for production of gas from the Pictured Cliffs Formation and production of gas from the Dakota formation and in support thereof would show:

1. Said well is located 1650 feet from the South line and 990 feet from the West line of Section 15, Township 26 North, Range 6 West, N.M.P.M. and is presently completed in and producing from the Pictured Cliffs formation in the South Blanco - Pictured Cliffs Gas Pool. Said well is located within the exterior boundaries of the South Blanco-Dakota Gas Pool.

2. Applicant proposes to deepen said well to approximately 7500 feet perforating the Graneros-Dakota formation and complete the well for production from both the Pictured Cliffs and the Dakota formations.

3. There is attached hereto and made a part thereof, a plat showing the location of said well together with offsetting lease ownership and offsetting wells. There is also attached hereto and made a part hereof a diagrammatic sketch of the proposed dual completion.

4. Applicant further seeks approval of a non-standard proration unit consisting of the SW/4 of Section 15 and NW/4 of Section 22, Township 26 North, Range 6 West, N.M.P.M. for

for dedication to Dakota gas production.

5. That the approval of this application for a dual completion and approval of a non-standard proration unit for Dakota production is in the interests of conservation, the protection of correlative rights, and prevention of waste.

WHEREFORE, applicant prays that this matter be set for hearing before the Commission or the Commission's duly appointed examiner at as early a date as possible, and that after notice and hearing as provided by law, the Commission enter its order approving the dual completion and the non-standard proration unit as proposed.

Respectfully submitted,

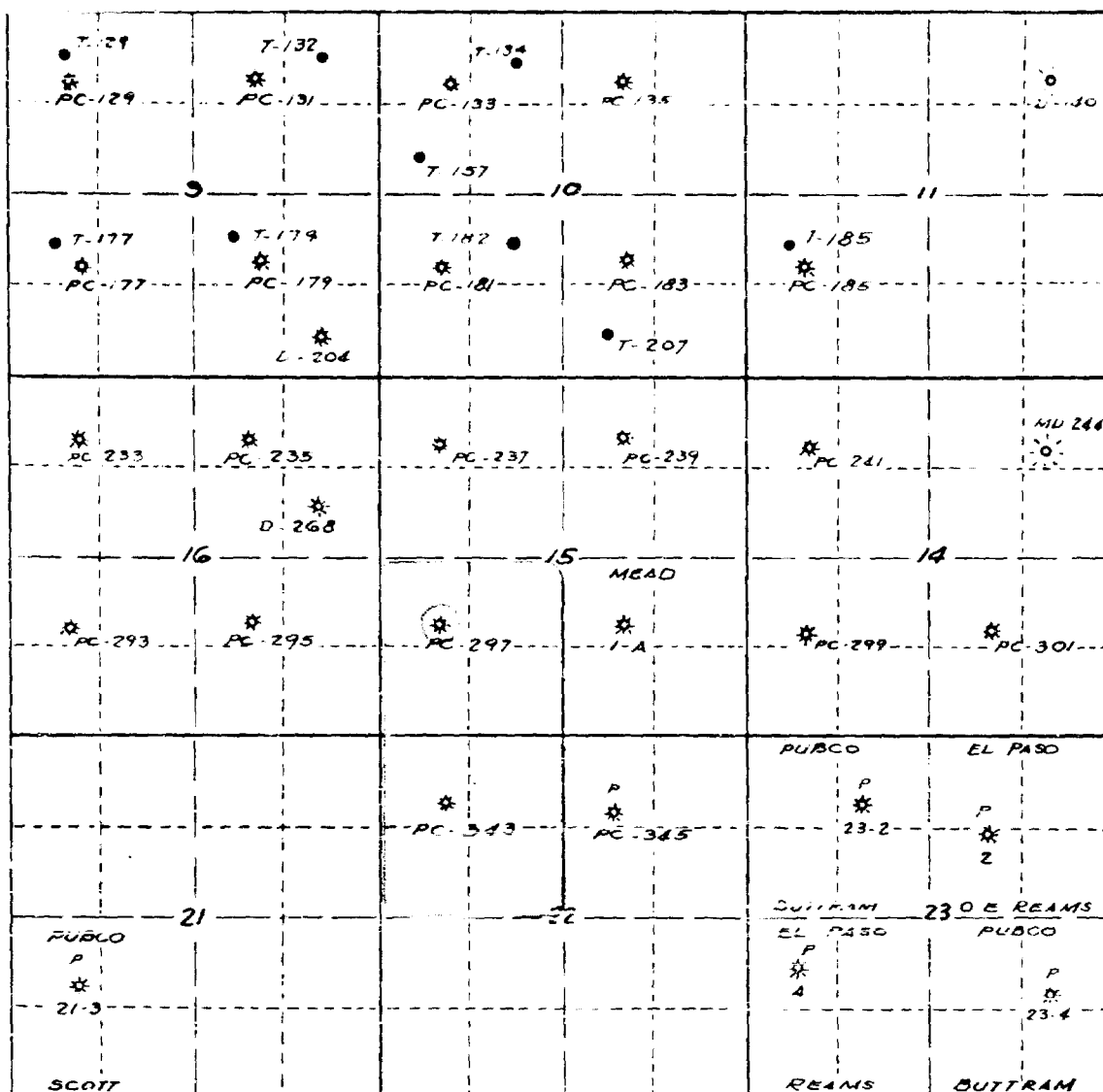
CAULKINS OIL COMPANY

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1713
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

R-6-W

T-26-N



ADDRESSES OF OPERATORS SHOWN ABOVE:

Robert E. Mead, 3333 Republic Bank Building, Dallas 1, Texas

El Paso Natural Gas Company, attention Mr. Harry Severtz,
P. O. Box 997, Farmington, New Mexico

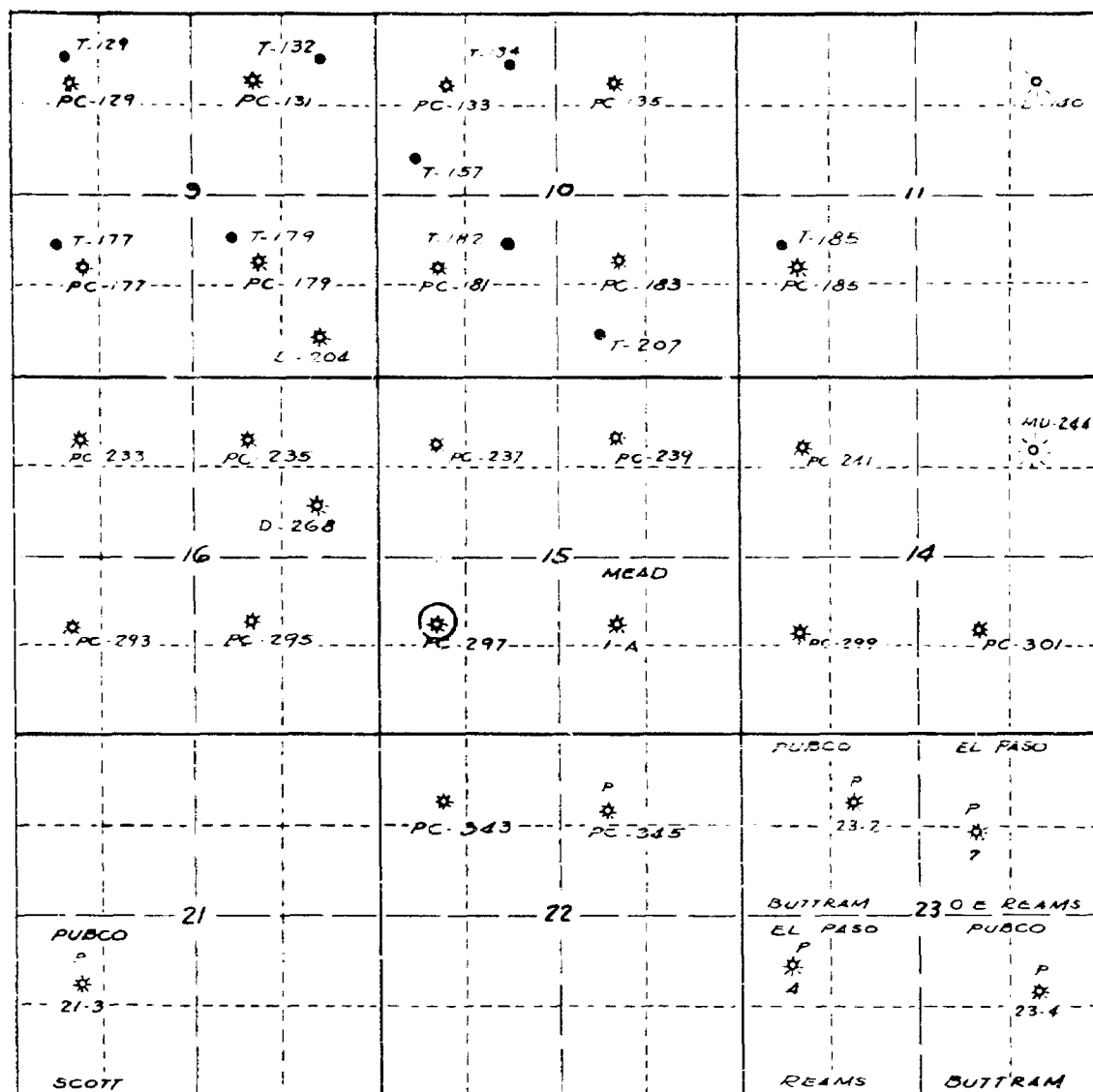
Pubco Petroleum Company, P. O. Box 1419, Albuquerque, New Mexico

Thomas E. Scott, Jr., P. O. Box 1267, Scottsdale, Arizona

AREA SURROUNDING THE SANIKINS OIL CO., REUTER PC-297, LOCATED 1650' FROM
SOUTH LINE AND 990' FROM WEST LINE OF SECTION 15-26N-6E, RIO ARriba COUNTY,
NEW MEXICO, A PROPOSED PICTURE CLIFFS-LAKOTA DUAL COMPLETION.

Case 1976

T-26-N



Robert E. Mead, 3333 Republic Bank Building, Dallas 1, Texas

El Paso Natural Gas Company, attention Mr. Harry Severtz,
P. O. Box 997, Farmington, New Mexico

Pubco Petroleum Company, P. O. Box 1419, Albuquerque, New Mexico

Thomas T. Scott, Jr., P. O. Box 1267, Scottsdale, Arizona

AREA SURROUNDING THE SINKING OIL CO., NEUTRAL PC-297, LOCATED 1650' FROM SOUTH LINE AND 990' FROM EAST LINE OF SECTION 15-26"-6N, RIO ARriba COUNTY, NEW MEXICO, A PROPOSED PICTORAL CHIEFS-LAYOTA DUAL COMPLETION.

CASE NO. 1976
EXHIBIT NO. /

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Case EXHIBIT NO. 1
CASE NO. 1976

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 1, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company for approval of a gas-gas dual completion and for the establishment of a non-standard gas unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Reuter PC-297 well in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Gas Pool and the production of gas from the Dakota Producing Interval through parallel of 1 1/4-inch and 2 3/8 inch tubing respectively. Applicant further seeks an order establishing a non-standard gas unit to be dedicated to the subject well in the Dakota Producing Interval consisting of the SW/4 of Section 15 and the NW/4 of Section 22, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.

Case 1976

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order. We'll take up next Case 1976.

MR. PAYNE: Application of Caulkins Oil Company for approval of a gas-gas dual completion and for the establishment of a non-standard gas unit.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, representing the applicant. We'll have one witness, Mr. Frank



Gray.

(Witness sworn.)

(Whereupon Caulkins' Oil Company Exhibits Nos. 1 & 2 were marked for identification.)

FRANK GRAY

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Frank Gray.

Q By whom are you employed and in what position?

A I'm employed by Caulkins Oil Company as Superintendent of their operations in the Farmington, New Mexico area.

Q Have you testified before this Commission as an expert and had your qualifications accepted?

A Yes, sir.

MR. KELLAHIN: Are the witness's qualifications accepted?

MR. UTZ: Yes.

Q Mr. Gray, are you familiar with the application of Caulkins Oil Company in Case 1976?

A Yes.

Q Would you state briefly what is proposed in this case?

A It's proposed to complete the Caulkins Oil Company



Reuter PC-297 in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Pool and the production of gas from the Dakota sand through the same string of casing.

Q Does it also propose a non-standard proration unit for Dakota production?

A Yes, it does.

Q Now, referring to what has been marked as Exhibit No. 1, would you discuss that exhibit, please?

A Exhibit No. 1 is a plat showing the wells in Section 15, 26 North, 6 West, Rio Arriba County, New Mexico. It also shows wells in those sections adjoining Section 15. The operators of the wells are also shown on those tracts not operated by Caulkins Oil Company. The colored portion of the map shows the acreage we desire to dedicate to the proposed Dakota well. The description of this acreage being the Southwest Quarter of Section 15 and the Northwest Quarter of Section 22, both sections being in Township 26 North, 6 West. These two Quarter Sections have the same royalty interest and working interest, as a matter of fact, that is all of Federal Lease SFO3552.

Q If that acreage is dedicated to the well, will that prevent dedication of adjacent acreage for Dakota production in any manner?

A It should not affect the dedication of acreage in any way. It would avoid, in this particular case, any necessity for



unitizing or working out any sort of a unit agreement with anyone else.

Q Has Caulkins Oil Company offered to unitize with anyone on adjacent acreage?

A Yes, an offer was made to unitize 160 acres with the Southwest of Section 15, 26, 6, so that the operator of that Quarter Section could participate in the drilling of a Dakota well if he should so desire.

MR. UTZ: Excuse me a moment. Did you say the Southwest of 15?

A Excuse me, that is the Southeast of 15.

Q Does that constitute, then, your reasons for wishing to establish the non-standard proration unit, Mr. Gray?

A Would you repeat the question?

Q Does that fully state your reasons for wishing to establish the proposed non-standard unit?

A Yes, except there is economic reasons for wanting to use the well in the Southwest of 15 for the Dakota well.

Q Would that be more economical than any other procedure?

A Yes, sir, it would. That's an economic problem.

Q Now, referring to what has been marked as Exhibit No. 2, will you discuss that exhibit, please?

A Exhibit 2 is a diagramatic sketch showing the casing that's already in the well, also the mechanical arrangement and



cementing program for the proposed dual completion.

Q Is that exhibit identical with an exhibit which was attached to the application in this case?

A It's the identical with the exception of the cementing program. The one that was filed with the application showed that we would bring the cement back to the top of the, to the base of the Menefee zone and we have altered the plan so that the cement will be brought back to the top of the Cliff House zone.

Q Will that fully protect the production formations involved in this area?

A That will cover all of the probable producing zones with the exception of the Chocra zone. We prepare to cement from 3200 back through the Pictured Cliffs and with the top of the cement on the first stage above the Cliff House and the second stage from 3200 feet up through the Pictured Cliffs zone, it will isolate the Chocra zone effectively.

Q Is this a type of dual completion which has heretofore been approved by the Commission?

A Well, the general plans here have been approved.

Q In your opinion will it effectively separate the producing horizons?

A Yes, sir.

Q There is nothing unusual about this type of dual completion in this case, is there?

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A No, the mechanics of the dual are approximately the same as a number of others that have been done or have been approved in the area.

Q Would you just briefly outline for the record what you propose to do in regard to this completion?

A We would gas drill with a six and quarter hole to the present depth of 2936 to approximately 7500 feet, then run a string of 4-1/2 inch, 11.6 pound J-55 seamless casing to 7500 feet with a differential valve multiple stage cementer at 3300 feet and 2800 feet and pump approximately a hundred barrels of bentonite mud into the casing and then cement through the shoe with 150 percent of the calculated volume of cement necessary to bring the cement column back to the top of the Cliff House at approximately 4500 feet.

After waiting long enough for this cement to take its initial set, we would go ahead and cement through the DV cement at 3200 feet with 35 sacks of cement. Then, immediately after putting that cement away we would open the cementer at 2800 feet and flush out any cement above 2800 feet. Then the cementer at 2800 feet would be closed, and go ahead and perforate and sand frack the Dakota zone, then clean it up so that the gas production from the Dakota is free of frack sand, then set a Baker Model "D" production packer as close as possible to the Graneros perforations. This packer would be run containing a expendable packer plug. We would then cut and pull the casing from approximately 2800 feet or immediately above



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the DV tool.

Then the Pictured Cliff would be perforated and sand fracked and produced long enough so that its production is free of frack sand. The well would then be killed with water and a string of 2-3/8 OD upset tubing run to the Baker packer. The expendable plug would be pushed out and the tubing would be latched into the packer. String of inch and quarter upset tubing would be run preliminary to the 2-3/8 tubing to approximately 2800 foot.

Q Would the well be so equipped that the production of the distillate and gas would be measured and produced separately?

A Yes, the equipment would be installed on the surface so that the production from each zone could be produced and measured separately.

Q Were exhibits 1 and 2 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: We would like to offer in evidence Exhibits 1 and 2.

MR. UTZ: Without objection Exhibits 1 and 2 will be entered into the record.

MR. KELLAHIN: That's all the questions, Mr. Utz.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Gray, did the cement on the 10-3/4 inch surface



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circulate or not?

A I don't know. I believe it did. The amount of cement was used should have circulated. This well was drilled in May, 1951. That was prior to my hiring by the group of people owning the property out there, so the entire well was drilled before I got there. I mean I had no part in the drilling of this particular well.

Q Your well records don't show?

A The well records do not show.

Q How about the top of the cement on the top of the 7 inch?

A I believe there was a temperature survey run on that. The Schlumberger temperature survey showed a probable cement top at 1397.

Q What weight was the 4-1/2 inch J-55?

A 11.6.

Q Who owns the Southeast Quarter of Section 15?

A The Pictured Cliff well on that Quarter Section is owned by R. E. Mead of Dallas. I'm not certain where his rights end, but I understand that the Dakota is owned by a Mr. Scott or one of the corporations that he's affiliated with.

Q Tom Scott, Brookhaven? A Tom Scott.

Q Brookhaven?

A Brookhaven and Dacresa Corporation.

Q You say you attempted to arrive at a communitization



agreement on the Dakota for the South Half of 15?

A No. He was not approached on the idea of communitizing the South Half of Section 15. I'm not certain which Quarter Section they offered to put in with his Quarter Section, but it was not, it did not include the Southwest of 15 or the Northwest of 22.

Q Is there a Dakota unit in the North Half of 15?

A No, there is not. There's no Dakota well in the North Half of 15. The closest Dakota well would be the East Half of 16.

Q What unit is dedicated to that well?

A The well in the East Half of 16?

Q Yes, sir.

A It's the North Half of the Northeast, excuse me, I want to correct that, it's the South Half of the Northeast and the North Half of the Southeast. There's 160 acres as the record dedication to it, however, additional acreage can be dedicated to it out of that section if it's the Commission's wishes that we do that. That well was also drilled in 1951, I believe.

Q I rather doubt that we would instigate such a proceeding but you probably would in the event of prorationing?

A Yes, sir.

Q Why is it that you would rather not dedicate the Northwest Quarter of 15 rather than the Northwest Quarter of 22? Because of the difference in lease ownership?

A It's a difference in lease ownership, the group of

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people that own this NMO3552 lease are different from those owning the Northeast Quarter of 15. It would be necessary to work out a unitization agreement to do that and to do what we would like to do here it will not be necessary to have any sort of a unitization agreement because that's the whole lease. That's all of it.

Q Is there any Dakota wells in Sections 21, 22 or 23?

A No, sir.

MR. PAYNE: Or 10 or 14?

A There is a Dakota well in the Southeast of Section 10, excuse me, it's in the Southeast of Section 9. There was a Dakota well in Section 10, the D134, but it was plugged back several years ago and converted to a Tociito injection well. In Section 14, the Caulkins MD244 in the Northeast Quarter is a Dakota producer. In Section 11 there's also a, in the Northeast of Section 11, there's also a Caulkins Oil Company Dakota well, D140.

Q Is there Dakota production South of this particular area shown on Exhibit No. 1?

A South of Section 22?

Q Yes, sir.

A Not, no, I don't believe there is, not within four or five miles of it anyway.

Q Do you believe that the Northwest Quarter of 22 can reasonably be assumed to be productive in the Dakota?

A Yes, sir, I think so.



MR. UTZ: Any other questions?

MR. PAYNE: Yes, sir.

BY MR. PAYNE:

Q Mr. Gray, what happens if the East Half of Section 15 is dedicated to a Dakota well, which it may well be, then you have got a 160-acre tract here in the Northwest Quarter that that's all that's going to be available to be dedicated to it?

A It would be in that one section. However, the Quarter Section in the Southwest of Section 10 is open.

Q Once you grant one of the non-standard units they keep compounding them so you get more and more non-standard units. Now, you say the ownership of the Northwest Quarter and Northeast Quarter of 15 are different?

A The ownership of the Northwest and the Southwest are different.

Q All right.

A That's of Section 15.

Q Now, about the Northeast, is that owned by either of the parties that own the Northwest or the Southwest?

A The Northeast of 15?

Q Yes.

A The Northeast of 15 and the Northwest of 15 are the same.

Q You didn't approach Mr. Scott to communitize the South Half of 15?

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A No, sir.

Q Any particular reason for that?

A Just in an effort to avoid having to unitize where we might be able to avoid it.

MR. PAYNE: Thank you.

A If I might, there are several different directions that a person could go there on the unitizing. However, at least one of the 320-acre tracts that would be assigned the well probably would have to be located in two different sections. Beyond that I think it could be avoided.

Q (By Mr. Payne) Now, the Northwest of the Northwest are owned by the same party, so it, presumably the North Half of 15 would be dedicated to a Dakota well, is that right?

A Yes.

Q So then the Southeast Quarter of 15 presumably would be joined with the Northeast corner of 22 in order to form a Dakota unit?

A Well, that could go most any direction.

Q If you take it over into 14 you are really going to have the pattern in bad shape, aren't you?

A If I may, I would like to show you the layout of the block that we operate.

Q Please do.

A This is speculative entirely. May I come around here?



The blue is owned by one group, the pink by another group and the yellow by still another group and the green still another. In trying to work it out it's possible, but purely speculative, I don't know whether they would want to do it, but this 320 --

Q You are talking about the North Half of Section--

A I'm just talking about the area in general.

MR. KELLAHIN: You have to describe it for the record. Make a description of it for the record.

A All right, the North Half of Section 15 could be one unit. The Southeast Quarter of 15 and the Northeast Quarter of 22 could be a unit. The South Half of 22 could be a unit. What happens down in here is anyone's guess because we're moving away from production, but those quarter sections can be arranged so that they wouldn't overlap into other sections too many times.

Q Of course you are proposing the first one that will overlap a different section?

A Yes, sir.

BY MR. UTZ:

Q It would be necessary to communitize the Northeast of 22 with the Southeast of 15, would it not?

A Yes, sir.

Q Do your people own the Northeast of 22?

A One group does that Caulkins operates for. The ownership on the yellow, however, is different from the blue.

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Q You are not proposing at this time for that communitization to be effected?

A No, sir, only what we have asked for in the hearing today.

MR. KELLAHIN: What you have just suggested would result in only one communitization instead of two, would it not?

A Yes.

MR. PAYNE: But also by one communitization you could have a standard unit in the South Half of Section 15, couldn't you?

A We could have, we would have two communitizations if we ever decided to drill this tract here.

MR. PAYNE: Yes, sir.

MR. UTZ: Any other questions? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Any statements in this case? The case will be taken under advisement.



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 9th day of June, 1960.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1976, heard by me on June 1, 1960.

Thurston H. [Signature] Examiner
New Mexico Oil Conservation Commission

