

CASE 2402:

NORTHWESTERN NEW MEXICO
NOMENCLATURE

-asa 110.

2402

plication, Transcript,
all 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 THE STATE OF
NEW MEXICO FOR THE PURPOSE
OF CONSIDERING:

CASE NO. 2402
ORDER NO. R-2102

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
CREATING AND EXTENDING CERTAIN
POOLS IN RIO ARriba, SANDOVAL
AND SAN JUAN COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 18, 1961 at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 23rd day of October, 1961, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That there is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of oil from the Mancos formation, said pool to bear the designation Boulder-Mancos Oil Pool. Said Boulder-Mancos Oil Pool was discovered by P. M. Drilling Company Bayless Well No. 1, located in the NE/4 NE/4 of Section 15, Township 28 North, Range 1 West, NMPM. It was completed January 24, 1961. The casing shoe is at 4150 feet.

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CASE NO. 2402

Order No. R-2102

(3) That there is need for the creation of a new pool in San Juan County, New Mexico, for the production of gas from the Mesaverde formation, said pool to bear the designation Flora Vista-Mesaverde Pool. Said Flora Vista-Mesaverde Pool was discovered by J. Glenn Turner Osborn Well No. 1-22, located in the SW/4 SW/4 of Section 22, Township 30 North, Range 12 West, NMPM. It was completed January 30, 1961. The casing shoe is at 3332 feet.

(4) That there is need for certain extensions to the Otero-Chacra Pool in Rio Arriba County, New Mexico, to the Angels Peak-Gallup Oil Pool, to the Cha Cha-Gallup Oil Pool, and to the Totah-Gallup Oil Pool in San Juan County, New Mexico, to the South Blanco-Pictured Cliffs Pool, to the Blanco-Mesaverde Pool and to the Escrito-Gallup Oil Pool in Rio Arriba and San Juan Counties, New Mexico and to the Ballard-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico.

(5) That the proposed extension to the Devils Fork-Gallup Pool in Rio Arriba County, New Mexico, be dismissed pending further study.

IT IS THEREFORE ORDERED:

(a) That a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Mancos production, is hereby created and designated as the Boulder-Mancos Oil Pool, consisting of the following-described area:

TOWNSHIP 28 NORTH, RANGE 1 WEST, NMPM

Section 14: W/2
Section 15: E/2
Section 22: E/2
Section 27: NE/4

(b) That a new pool in San Juan County, New Mexico, classified as a gas pool for Mesaverde production, is hereby created and designated as the Flora Vista-Mesaverde Pool, consisting of the following-described area:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 22: S/2
Section 23: S/2
Section 26: W/2
Section 27: NE/4

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CASE NO. 2402

Order No. R-2102

(c) That the Ballard-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM

Section 32: NE/4

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

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 26: NE/4

(e) That the Otero-Chacra Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 4: S/2

Section 9: E/2

Section 15: W/2

Section 16: NE/4

(f) That the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Section 11: All

Section 14: N/2

(g) That the Angels Peak-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM

Section 19: NE/4

(h) That the Cha Cha-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 30: S/2 SW/4 and SW/4 SE/4

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CASE NO. 2402

Order No. R-2102

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM

Section 17: SE/4

Section 23: W/2 SE/4

Section 25: SE/4 and W/2 NE/4

(i) That the proposed extension to the Devils Fork-Gallup Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described is hereby dismissed.

(j) That the Escrito-Gallup Oil Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM

Section 30: W/2 NW/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 23: SW/4

(k) That the Totah-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM

Section 11: E/2 (partial)

Section 12: All (partial)

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM

Section 23: E/2 NE/4

Section 24: W/2 NW/4

IT IS FURTHER ORDERED:

That the effective date of this order and all creations, extensions, and abolishments included herein shall be November 1, 1961.

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CASE NO. 2402

Order No. R-2102

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



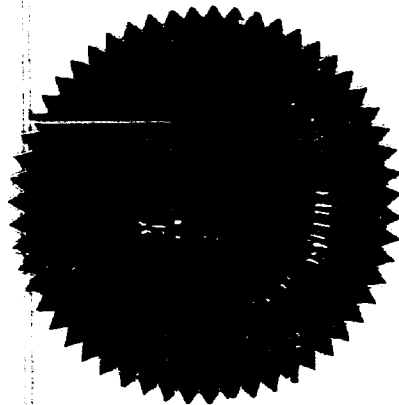
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



igg/

ATWOOD & MALONE
LAWYERS

JEFF D. ATWOOD (1883-1960)
ROSS L. MALONE
CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER

P. O. DRAWER 700
TELEPHONE MAIN 2-6221
ROSWELL PETROLEUM BUILDING
ROSWELL, NEW MEXICO

October 16, 1961

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

Re: Case No. 2402 before the Oil Conservation
Commission of the State of New Mexico

Gentlemen:

We are local counsel for Pan American Petroleum Corporation and as such wish to enter our appearance in the captioned case. Pan American will also be represented by Guy Buell, a member of the Texas Bar, and a company employee. The actual presentation for Pan American will be made by Mr. Buell.

Very truly yours,

ATWOOD & MALONE

By: *Bob F. Turner*

BFT:ps

cc: Mr. Guy Buell
Mr. J. K. Smith

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



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

1000 RIO BRAZOS ROAD
AZTEC

October 2, 1961

Mrs. Ida Rodriguez
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

RE: Northwest Nomenclature Case
October 18, 1961


Dear Ida:

Enclosed please find the paragraph sheets for subject case.

Plats are provided for the two paragraphs relative to creations.

Copies of the exhibit will be presented at the hearing.

Yours very truly,


A. R. Kendrick

(•) Create a new pool in Rio Arriba Count y,

New Mexico, classified as ~~XX~~ an oil pool for Mancos

production, designated as the Boulder-Mancos Oil Pool and

described as:

TOWNSHIP 28 NORTH, RANGE 1 WEST, NMPH,
Section 14: W/2
Section 15: E/2
Section 22: E/2
Section 27: NE/4

Based on:

Discovery well:
P-M Drilling Company #1 Bayless
A-15-28N-1W
IP 88 BOPD
Casing shoe: 4150'
Completed: January 24, 1961

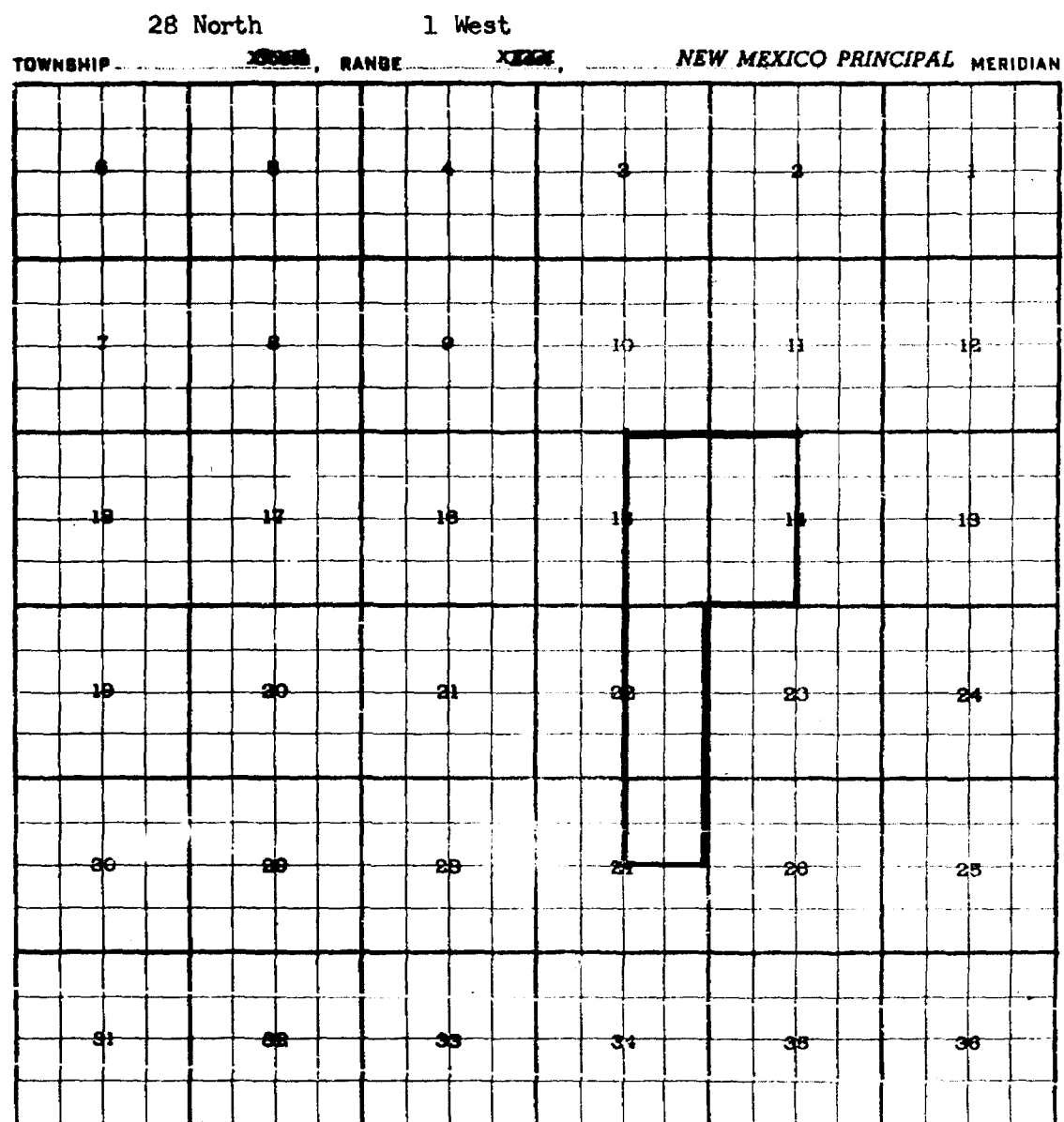
Mobil Oil Co. #12-14 Boulder Apache 1
E-14-28N-1W
IP 155 BOPD

Foutz & Bursum #1 Bayless-Wigham
A-27-28N-1W
IP 120 BOPD

(a)1.

County Rio Arriba

Pool Boulder-Mancos Oil Pool



Discovery well:

P-M Drilling Company #1 Bayless

330/N, 330/E, 15-28N-1W

IP 88 BOPD

Casing shoe: 4150'

Completed: January 24, 1961

(b) Create a new pool in San Juan Count y ,

New Mexico, classified as a gas pool for Mesaverde

production, designated as the Flora Vista-Mesaverde Pool and

described as:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPH.

Section 22: S/2

Section 23: S/2

Section 26: W/2

Section 27: NE/4

Based on:

Discovery well:

J. Glenn Turner #1-22 Osborn

M-22-30N-12W

ADP 10,808 MCFPB: SICP 1368#/4 days

Casing shoe: 3332'

Completed: January 30, 1961

Southwest Prod. Co. #1 Hughlett Smith

O-23-30N-12W

ADP 4925 MCFPB: SICP 1490#/7 days

Southwest Prod. Co. #1 Paul Palmer

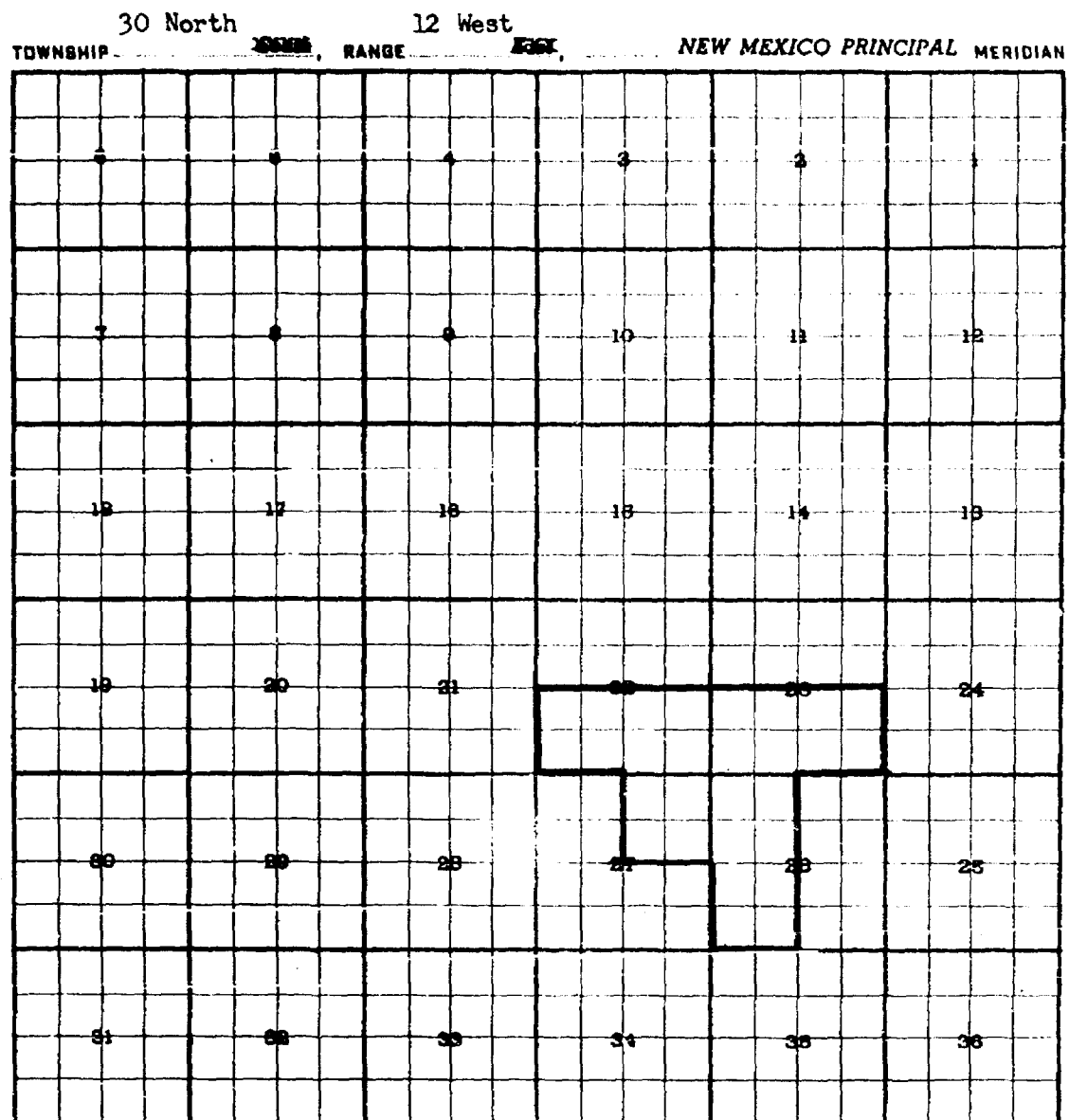
L-26-30N-12W

DST over 7,000 MCF

(b)1.

County San Juan

Pool Flora Vista-Mesaverde Pool



Discovery well:

J. Glenn Turner #1-22 Osborn

790/s, 900/W, 22-30N-12W

AOF 10,808 MCFPD: SICP 1368#/4 days

Casing shoe: 3332'

Completed: January 30, 1961

(C) Extend the Ballard-Pictated Cliffs Pool
boundary in Rio Arriba, Sandoval, & San Juan Count ies,
New Mexico, to include therein:

✓ TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPH.
Section 32: NX2 NE/4

Based on:

Othel Development Co. #1 Othel State
A-32-25N-7W
IP 145 MCFPD

(d) Extend the Soyth Blanco-Pictured Cliffs Pool
boundary in Rio Arriba & San Juan Count ies,
New Mexico, to include therein:

✓ TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPH.
Section 26: NE/4

Based on:

EPMS #38 Lindrich Unit
A-26-24N-3W
AOF 1029 MCFPB: SICP 543M/11 days

(●) Extend the Otero-Chacra Pool

boundary in Rio Arriba County y,

New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM.

Section 4: SE/4 S/2

✓ Section 9: E/2

Section 15: W/2

Section 16: NE/4

Based on:

Pan American #12 Jicarilla Cont. 146

K-4-25N-5W

IP 1065 MCFPD

Pan American #13 Jicarilla Cont. 146

J-9-25N-5W

IP 1400 MCFPD

Pan American #14 Jicarilla Cont. 148

C-15-25N-5W

IP 1520 MCFPD

(f) Extend the Blanco-Mesaverde Pool
boundary in Rio Arriba & San Juan Count 199,
New Mexico, to include therein:

/ TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPH.
Section 11: All
Section 14: N/2

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXX

Based on:

Skelly Oil #6 Marshall "A"
A-14-27N-9W
AOF 5157 MCFPD

(9) Extend the Angels Peak-Gallup Oil Pool
boundary in San Juan County y,
New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 10 WEST, N14W,
Section 19: NE74

Based on:

Frontier Refining #3 Gov't Evensen "G"
G-19-27N-10W
IP 1250 ACPPD

(h) Extend the Che Cha-Gallup Oil Pool
boundary in San Juan Count y,

New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM.
Section 30: S/2 SW/4 & SW/4 SE/4

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM.
Section 17: SE/4
Section 23: W/2 SE/4
Section 24 & 25: SE/4 & W/2 NE/4

Based on:

Aztec O & G #29 Navajo "G"
N-30-29N-13W
IP 52 BOPD

Pan American #1 Wood Oil Unit
P-17-29N-14W
IP 454 BOPD

Pan American #15 Navajo "H"
O-23-29N-14W
IP 167 BOPD

Humble #15 Navajo "L"
O-25-29N-14W
IP 268 BOPD

Humble #13 Navajo "L"
O-25-29N-14W
IP 187 BOPD

(J) Extend the Escrito-Gallup Oil Pool
boundary in Rio Arriba & San Juan Count ies,
New Mexico, to include therein:

TONSHIP 24 NORTH, RANGE 6 WEST, NM/PH,
Section 30: W/2 NW/4

TONSHIP 24 NORTH, RANGE 7 WEST, NM/PH,
Section 23: SW/4

Based on:

Reese & Assoc. #5-30 Goff
E-30-24N-6W
IP 120 BOPD

Reese & Assoc. #3-23 Kanney
K-23-24N-7W
IP 540 BOPD

Reese & Assoc. #2-23 Love
L-23-24N-7W
IP 1344 BOPD

(k) Extend the Total-Gallup Oil Pool

boundary in San Juan County Y,

New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM,

Section 11: E/2 (partial)

Section 12: All (partial)

✓ TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM,

Section 23: E/2 NE/4

Section 24: W/2 NW/4

Based on:

Aspen Crude #1-11 Federal

I-11-28N-13W

IP 326 BOPD

Pan American #100 Gallegos Canyon Unit

K-12-28N-13W

IP 249 BOPD

Pan American #105 Gallegos Canyon Unit

P-12-28N-13W

IP 98 BOPD

Pan American #9 Navajo "H"

A-23-29N-14W

IP 166 BOPD

NAOCO Exhibit No. 1
Case No. 2402

The following is recommended for the Northwest nomenclature case for October 18, 1961:

- (a) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Mancos production, designated as the Boulder-Mancos Oil Pool and described as:

TOWNSHIP 28 NORTH, RANGE 1 WEST, NMPM.

Section 14: S/2 W/2

Section 15: E/2

Section 22: E/2

Section 27: NE/4

based on:

Discovery well:

P-K Drilling Company #1 Bayless

A-15-28N-1W

IP 88 BOPD

Casing shoe: 4150'

Completed January 24, 1961

Mobil Oil Co. #12-14 Boulder Apache 1

E-14-28N-1W

IP 155 BOPD

Foutz & Bursum #1 Bayless-Wigham

A-27-28N-1W

IP 120 BOPD

- (b) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Mesaverde production, designated as the Flora Vista-Mesaverde Pool and described as:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 22: S/2

Section 23: S/2

Section 26: W/2

Section 27: NE/4

based on:

Discovery well:

J. Glenn Turner #1-22 Osborn

N-22-30N-12W

AOP 10,208 MCFPD, SICP 1369#/4 days

Casing shoe: 3332'

Completed January 30, 1961

Southwest Production #1 Hughlett Smith

O-23-30N-12W

AOP 4925 MCFPD; SICP 1490#/7 days

Southwest Production #1 Paul Palmer

L-26-30N-12W

DST over 7,000 MCF

- (c) Extend the Ballard-Pictured Cliffs Pool boundary in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM

Section 32: NE/4

based on:

Othel Development Co. #1 Othel State

A-32-25N-7W

IP 145 BOPD

- (d) Extend the South Blanco-Pictured Cliffs Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPN

Section 26: NE/4

based on:

EPNG #33 Lindrith Unit
A-26-24N-3W
AOP 1022 NCFPD; SGP 943#/11 days

- (e) Extend the Otero-Chacra Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPN

Section 4: S/2

Section 9: E/2

Section 15: W/2

Section 16: NE/4

based on:

Pan American #12 Jicarilla Contract 146
K-4-25N-5W
IP 1065 NCFPD

Pan American #13 Jicarilla Contract 146
J-9-25N-5W
IP 1400 NCFPD

Pan American #14 Jicarilla Contract 146
O-15-25N-5W
IP 1520 NCFPD

- (f) Extend the Blanco-Mesaverde Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 9 WEST, NMPN

Section 11: All

Section 14: N/2

based on:

Skelly Oil #6 Marshall "A"
A-14-27N-9W
AOP 5157 NCFPD

- (g) Extend the Angels Peak-Gallup Oil Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPN

Section 19: NE/4

based on:

Frontier Refining #3 Government Evensen "G"
G-19-27N-10W
IP 1250 NCFPD

- (h) Extend the Cha Cha-Gallup Oil Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPN

Section 30: S/2 SW/4 and SW/4 SE/4

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPN

Section 17: SE/4

Section 23: W/2 SE/4

Section 25: SE/4 and W/2 NE/4

based on:

Aztec Oil & Gas #29 Hugood "C"
N-30-29N-13W
IP 52 BOPD

Pan American #1 Wood Oil Unit
P-17-29N-14W
IP 454 BOPD

Pan American #15 Navajo "H"
O-23-29N-14W
IP 167 BOPD

Humble Oil & Ref. #15 Navajo "L"
G-25-29N-14W
IP 263 BOPD

Humble Oil & Ref. #13 Navajo "L"
O-25-29N-14W
IP 137 BOPD

- (i) Extend the Devils Fork-Gallup Pool boundary in Rio Arriba County, New Mexico, to include therein:

DISMISS

- (j) Extend the Escrito-Gallup Oil Pool boundary in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPN

Section 30: W/2 NW/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPN

Section 23: SW/4

based on:

Reese & Associates #5-30 Goff
E-30-24N-6W
IP 120 BOPD

Reese & Associates #3-23 Kenney
K-23-24N-7W
IP 540 BOPD

Reese & Associates #2-23 Booe
L-23-24N-7W
IP 1344 BOPD

- (k) Extend the Tetch-Gallup Oil Pool boundary in San Juan County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 13 WEST, NMPN

Section 11: E/2 (partial)

Section 12: All (partial)

TOWNSHIP 20 NORTH, RANGE 14 WEST, NMPN

Section 23: E/2 SE/4

Section 24: W/2 NW/4

based on:

Aspen Crude #1-11 Federal
L-11-20N-13W
IP 386 BOPD

Aspen Crude #1-12 Federal
L-12-20N-13W
IP 244 BOPD

-4-
Cane No. 2402

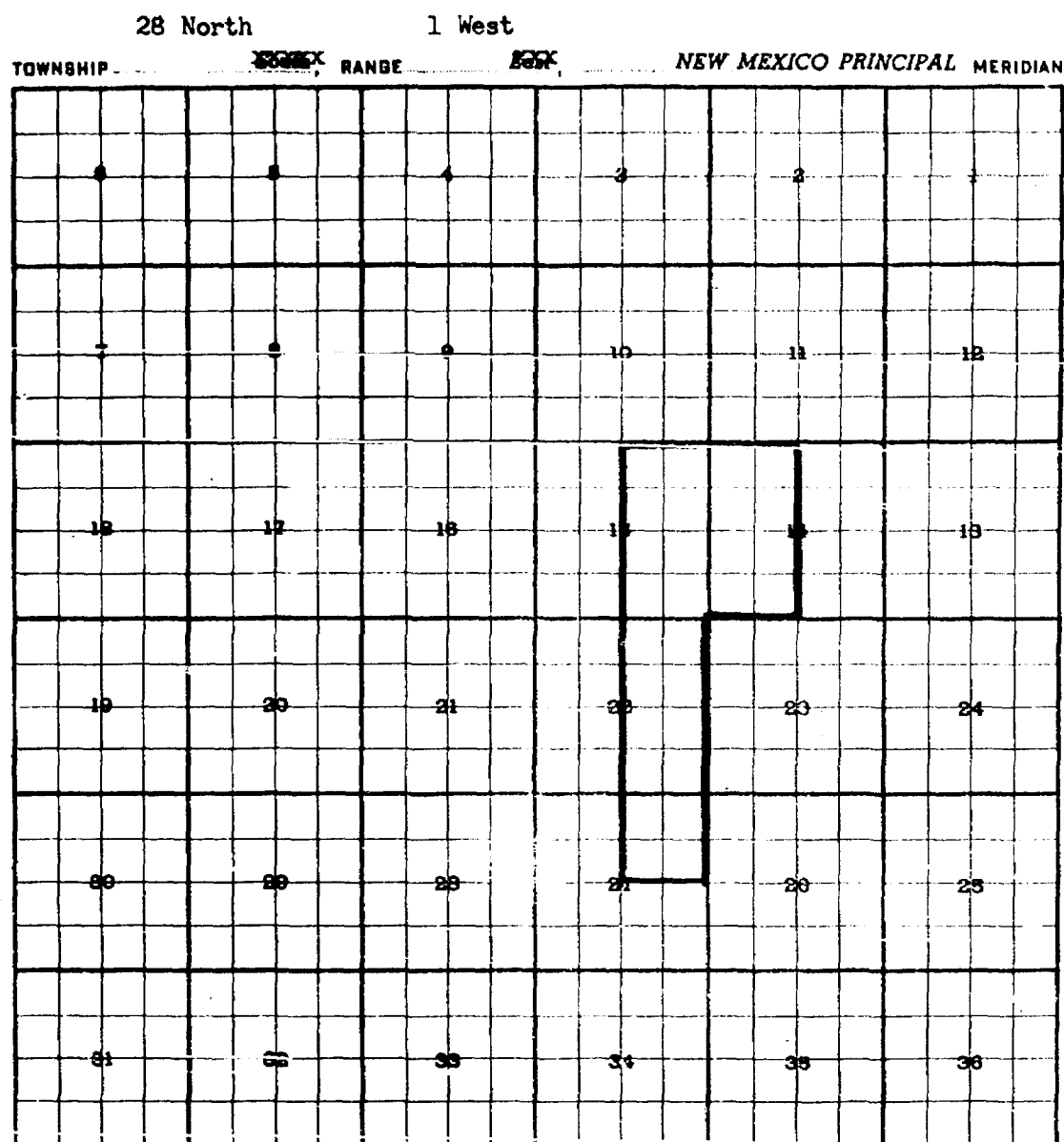
Pan American #105 Callegos Canyon Unit
F-12-22N-13W
IP 98 BOPD

Pan American #9 Navajo "H"
A-23-29N-14W
IP 106 BOPD

(a)1.

County Rio Arriba

Pool Boulder-Mancos Oil Pool



Discovery well:

P-M Drilling Company #1 Bayless

330/N, 330/E, 15-28N-1W

IP 88 BOPD

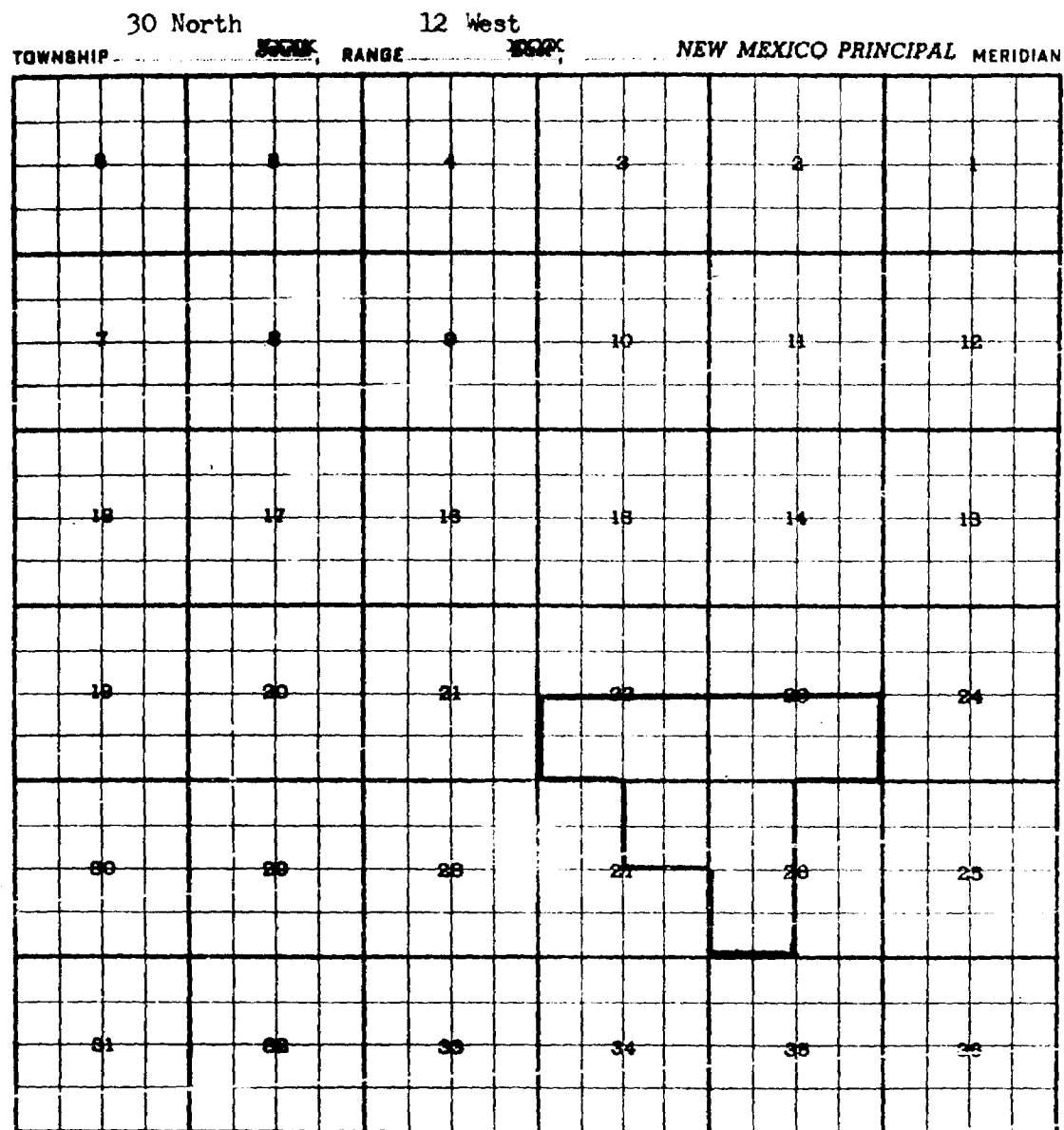
Casing shoe: 4150'

Completed: January 24, 1961

(b)1.

County San Juan

Pool Flora Vista-Mesaverde Pool



Discovery well:

J. Glenn Turner #1-22 Osborn

790/S, 900/W, 22-30N-12W

AOF 10,808 MCFPD: SICP 1368#/4 days

Casing shoe: 3332'

Completed: January 30, 1961

BEFORE THE
OIL CONSERVATION COMMISSION
Roswell, New Mexico
October 18, 1961

REGULAR HEARING

IN THE MATTER OF:

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

CASE 2402

BEFORE: Mr. A. L. Porter

TRANSCRIPT OF HEARING

MR. PORTER: We will take up next Case 2402. Northwestern
New Mexico nomenclature case calling for an order creating new
pools and extending existing pools in Rio Arriba, Sandoval, and
San Juan Counties, New Mexico.

I would like to ask for appearances.

MR. BUELL: Guy Buell for Pan American Oil. I would like
to enter an appearance in paragraph (b).

A. L. KENDRICK

called as a witness, having been first duly sworn on oath, was ex-
amined and testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

Q Will the witness please state his name and position?

DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO
PHONE: CM 3-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A A. L. Kendrick, Engineer with the Oil Conservation Commission.

Q Mr. Kendrick, have you made a study concerning the necessity for creating new pools and extension of existing pools in the area of the State of New Mexico under your jurisdiction?

A Yes.

Q And have you combined it in an exhibit marked Exhibit No. 1 in this case?

A I have.

(Whereupon, Exhibit No. 1 was marked for identification)

Q Referring to that exhibit, what is your recommendation concerning the creation of an oil pool for the Mancos production?

A I recommend that a new oil pool for Mancos production in Rio Arriba County be created known as the Boulder-Mancos Oil Pool, consisting of the South half of the West half of Section 14, the East half of Section 15, the East half of Section 22, and the Northeast quarter of Section 27, all in Township 28 North, Range 1 West. The discovery well was the P-M Drilling Company No. 1 Bayless, located in Unit A of 15, 28 North, 1 West, initial potential of 88 barrels of oil per day; casing shoe, 4150 feet; completed January 24, 1961. There are two other completions in that pool.

Q What is your recommendation concerning the creation of a new gas pool for Mesaverde production?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-4691

ALBUQUERQUE, NEW MEXICO

A I recommend a new gas pool be created in San Juan County for gas production from the Mesaverde formation, to be know as the Flora Vista-Mesaverde Pool, consisting of the South half of Section 22, the South half of Section 23, the West half of Section 26, and the Northeast quarter of Section 27, all in Township 30 North, Range 12 West. The discovery well was the J. Glenn Turner No. 1-22 Osborn, located in Unit M, Section 22, 30, North, 12 West, which has an overflow potential of 10,808 MCF per day; shutin casing pressure after four days of 1368 pounds; casing shoe is a 3,332 feet; completed January 30, 1961. There are two other completions producing in that pool.

Q Mr. Kendrick, does your recommendation on the creation of this pool in any way affect the rules and regulations applicable to the wells in this pool?

A The Statewide rule will still apply as far as well location, footagewise; proration unit size will still be in effect. It would not be a proration unit.

Q This pool would not prorate as a result of this record?

A No.

Q What is your recommendation concerning the extension of the Ballard-Pictured Cliffs Pool?

A That that pool be extended as shown in paragraph (c) of Exhibit 1, on the basis of one completion therein.

Q What is your recommendation concerning the extension of the South Blanco-Pictured Cliffs Pool?



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO

PHONE: CH 3-6651

A My recommendation is that that pool be extended as shown in paragraph (d) of Exhibit 1, on the basis of one completion therein.

Q What is your recommendation concerning the extension of the Otero-Chacra Pool?

A That that pool be extended as shown in paragraph (c), Exhibit 1, on the basis of three wells completed therein.

Q What is your recommendation concerning the extension of the Blanco-Mesaverde Pool?

A My recommendation is that that pool be extended as shown in paragraph (f), Exhibit 1, on the basis of one well completed there in.

Q What is your recommendation concerning the extension of the Angels Peak-Gallup Oil Pool?

A That that be extended as shown in paragraph (g), Exhibit 1, on the basis of one well completed therein.

Q What is your recommendation concerning the extension of the Cha Cha-Gallup Oil Pool?

A That the pool be extended as shown in paragraph (h) of Exhibit 1, on the basis of five wells completed therein.

Q Do you have any recommendation with respect to the Devils Fork-Gallup Pool?

A My recommendation for the extension is that it be dismissed.

Q What is your recommendation concerning the extension of the Escrito-Gallup Oil Pool?



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A That the pool be extended as shown in paragraph (j), Exhibit 1, on the basis of three wells completed therein.

Q What is your recommendation concerning the extension of the Totah-Gallup Oil Pool?

A That it be extended as shown in paragraph (k), of Exhibit 1, on the basis of four wells completed therein.

Q Do you have anything further you would like to add to your testimony?

A No.

MR. MORRIS: That concludes the direct examination of Mr. Kendrick. I offer Exhibit No. 1, Case 2402 into evidence.

MR. PORTER: Without objection, the exhibit will be admitted.

MR. BUELL: I have a few questions. Can we go back to paragraph (b), Mr. Kendrick?

A Yes, sir.

CROSS-EXAMINATION

BY MR. BUELL:

Q The Flora Vista-Mesaverde, that you have recommended. Would you picture, in your mind's eye, the outline to define the limits of that pool that you recommended to the Commission?

A Yes, sir.

Q Based on your knowledge of the outlying Blanco-Mesaverde Pool to the North, how near would these defined limits be to one another at their closest points?



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A Approximately two and a half miles.

Q Are you familiar with the rate at which this Osborn well has been producing?

A Not of my own knowledge, but strictly rumors, that it is producing at a rate in excess of the average well in the Blanco-Mesaverde.

Q Assuming that that rumor is correct and that that well has been producing at a rate of two and a half miles a day, Mr. Kendrick, how would that compare with the other allowable in the Blanco-Mesaverde well to the north?

A It would be considerably in excess or higher than the allowable for comparable, a well of comparable productivity in the Blanco-Mesaverde Pool.

Q Do you feel, I am sure you do, due to your recommendation to separate this, do you feel that that Osborn well is separable, a distinct accumulation of gas, from the Blanco-Mesaverde production?

A Probably not a separate accumulation, but it is in a separate sand segment from that which is produced as Blanco-Mesaverde Pool.

Q Mr. Kendrick, let me ask you, in view of - - I will ask you for an assumption; assuming that the interval producing in that Osborn well is in communication with production in Blanco-Mesaverde, under that assumption and with the disproportionately higher rate of withdrawal that the Osborn well is enjoying, would it not correlative rights to it?

A With that assumption, it is possible.

MR. BUELL: That is all I have. I do have a short statement.

MR. PORTER: Any further questions? The witness may be excused.

(Witness excused.)

MR. PORTER: Mr. Buell, would you like to make your statement?

MR. BUELL: Yes, sir. Of course, again, with respect to paragraph (b), the setting up of the Flora Vista-Mesaverde, Pan American would recommend that the Commission, that in this case they be on the side of caution, since if this does prove to be connected and in communication with Blanco-Mesaverde wells, it will certainly be a violation of correlative rights.

Upon the disproportionately higher withdrawal rate that this Osborn well is enjoying we base our recommendation.

MR. PORTER: Mr. Kendrick, I would like to ask one question before you leave the stand. Are you familiar with the activity that is going on in this area now, as to whether or not we may expect any drilling between these two areas within the near future?

MR. KENDRICK: Development is going on along this sand trend and Dakota wells have been drilled between this particular sand bar and the Blanco-Mesaverde Pool, which have not encountered this particular sand build-up and Cliff House formation to the north and east between the two pools. There is a well with this



same sand development about a mile and a half or two miles south of the proposed pool, which is about three miles west of the Blanco-Mesaverde Pool, which did encounter this particular sand bar. However, the shutin pressure in this particular well area is approximately three or four hundred pounds more than the shutin pressures are from this pool.

MR. PORTER: Mr. Buell, you may rest assured that the Commission can certainly appreciate your concern in this matter and Mr. Kendrick and Mr. Arnold will keep the thing under close surveillance. We will go ahead at this time but conditions might warrant a change later be allotted.

MR. BUELL: We are simply alarmed over the great difference in withdrawal between this Osburn well and the Blanco; about 100 percent per day. That was the reason for our appearance.

MR. PORTER: Thank you, sir.

If there is nothing further to be offered in this case, we will dismiss paragraph (1) and take the balance of the case under advisement. The hearing is adjourned.



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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, CECIL R. LANGFORD, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Roswell, 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 15th day of November, 1961.

Cecil R. Langford
Notary Public-Court Reporter

My commission expires:
Oct. 20, 1965

