

CASE 2440: Application of SOCONY
MOBIL for permission to shut-in
BOULDER-APACHE WELL NO. 12-14.

Q 52 / 10.

2440

Production, Transcript,
all Exhibits, Etc.

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

P. O. BOX 871
SANTA FE

December 21, 1961

Mr. Burns Errebo
Box 466
Simms Building
Albuquerque, New Mexico

Re: Case No. 2440
Order No. R-2149
Applicant:
Socony Mobil Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC x

OTHER

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. 2440
Order No. R-2149

APPLICATION OF SOCONY MOBIL OIL
COMPANY FOR PERMISSION TO TRANSFER
ALLOWABLES, RIO ARriba COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 29, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 21st day of December, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Socony Mobil Oil Company, seeks permission to shut-in the Boulder Well No. 12-14, located in the SW/4 NW/4 of Section 14, Township 28 North, Range 1 West, NMPM, Boulder-Mancos Oil Pool, Rio Arriba County, New Mexico, and to transfer its allowable to the Boulder Well No. 23-14, located in the NE/4 SW/4 of said Section 14, for the purpose of conducting interference tests.

(3) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Socony Mobil Oil Company, is hereby authorized to shut-in the Boulder Well No. 12-14, located in the SW/4 NW/4 of Section 14, Township 28 North, Range 1 West, NMPM,

-2-

CASE No. 2440
Order No. R-2149

Boulder-Mancos Oil Pool, Rio Arriba County, New Mexico, and to transfer its allowable to the Boulder Well No. 23-14, located in the NE/4 SW/4 of said Section 14, for the purpose of conducting interference tests.

(2) That the permission to transfer the allowable granted by this order shall be for a period of 90 days commencing on the effective date of this order.

PROVIDED HOWEVER, That the Secretary-Director of the Commission, upon the showing of good cause, may extend the period by 90-day increments.

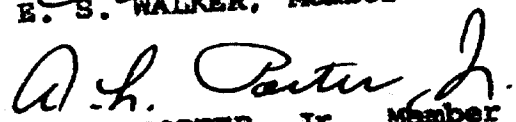
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

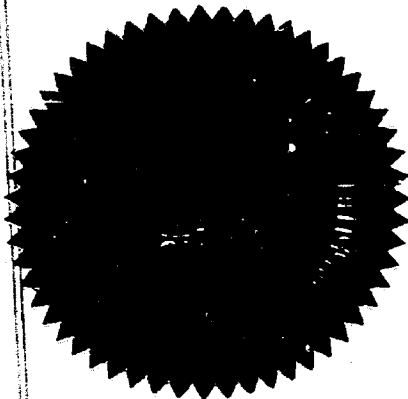
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

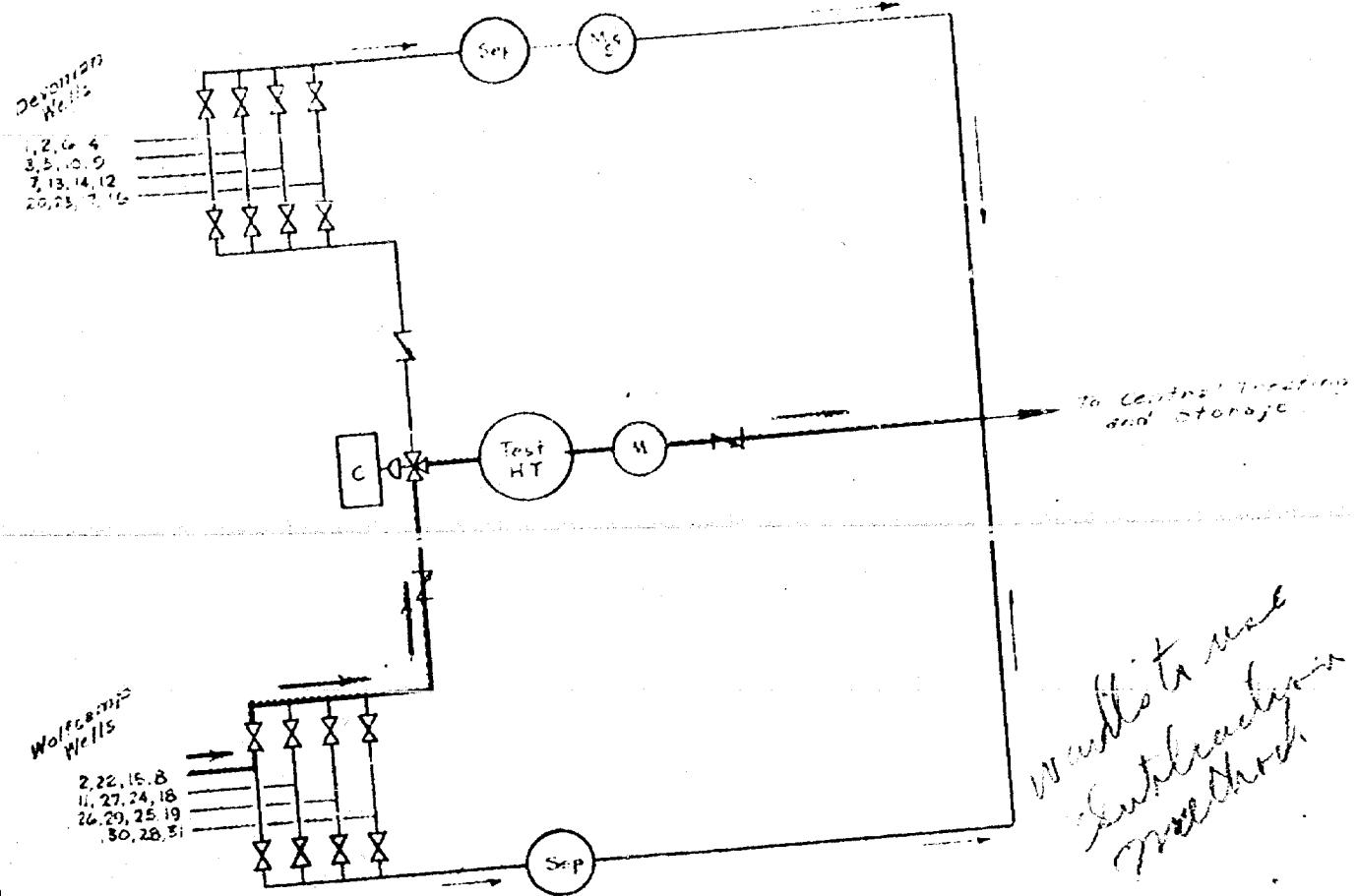

EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


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



esr/



LEGEND

- Check Valve
- 3-Way, 3 Position Valve (Pneumatically Controlled)
- Block Valve
- Control Panel (Pneumatic)
- Meter
- Meter & Sampler
- Separator
- Testing Vessel (Heater-Treater)

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Exhibit NO. 3
CASE NO. 2464

NO. DATE BY		ALTERATION
Processed by local committee		
COMMINGLING FACILITIES		
L.D. Pope Lessee - De Leen Field		
Lea County		New Mexico
SOCONY MOBIL OIL COMPANY, INC.		
DRAWN F.D.S.	SCALE N.T.S.	DWG. NO.
CHECKED J.M.M.	DATE 10-2-61	A-133-D&P

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 12/7/61

CASE 2440

Hearing Date 9am 11/29
DSN @ SF

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

Grant an order authorizing Socomey
pencil to ST their 12-14 Boulder well
in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec 14 T28N R1W
Rio Arriba County, N.M. and to
transfer the account to the 23-14
Boulder Well in the NE $\frac{1}{4}$ SW $\frac{1}{4}$
Sec 14 for the purpose of conducting
interference tests.

Provide that this authority shall
terminate 90 days from the date
of the order, but may be
renewed by the Secy Dir in
increments of not more than
90 days upon showing of good cause
therefor

Van Dusen
Staff Member

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 29, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, as alternate examiner:

Cases listed on this docket after Case 2444 will not be heard before 1 P.M.

CASE 2434: Application of Amerada Petroleum Corporation for a dual completion and a 160-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State DA Well No. 1 located in Unit L, Section 16, Township 21 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in the Eumont Gas Pool and the Drinkard Pool, with the production of oil from the Drinkard zone to be through a string of 2 3/8-inch tubing and the production of gas from the Eumont zone to be through the tubing-casing annulus. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool, comprising the N/2 S/2 of said Section 16, said unit to be dedicated to said State DA Well No. 1.

CASE 2435: Application of Cities Service Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Hodges "B" Well No. 3, located in Unit L of Section 1, Township 25 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in undesignated Blinebry and Drinkard pools and in the Fusselman formation adjacent to the North Justis-Fusselman pool, with the production of oil from the Blinebry and Drinkard zones to be through parallel strings of 2 1/16-inch tubing and the production of oil from the Fusselman zone to be through a parallel string of 2 3/8-inch tubing.

CASE 2436: Application of Hudson & Hudson for two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of two unorthodox oil well locations in the Maljamar Pool, one well to be located within 100 feet and not less than 25 feet of the Southeast corner of Unit J, Section 24, Township 17 South, Range 31 East, Eddy County, New Mexico, and one well to be located within 100 feet and not less than 25 feet of the Northwest corner of Unit O in said Section 24.

Docket No. 32-61

CASE 2437:

Application of J. C. Williamson for a dual completion, Lea County, New Mexico. Applicant, in the above styled cause, seeks permission to complete its Westates-Federal Well No. 6, located in Unit D of Section 1, Township 25 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in the McKee and Ellenburger formations with the production of oil from both zones to be through parallel strings of 2 3/8-inch tubing.

CASE 2438:

Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its V. M. Henderson Well No. 6, located in Unit C of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion in the Paddock, Blinebry Gas, and Drinkard Pools with the production of oil from the Drinkard formation to be through a tapered string of tubing of 2 1/16-inch and 1 1/4-inch diameter and from the Paddock formation to be through a parallel string of 2 1/16-inch tubing and the production of gas from the Blinebry formation to be through the tubing-casing annulus.

CASE 2421:

(Cont.)
Application of Texaco Inc. for approval of a unit agreement and for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northeast Caprock (Queen) Unit Agreement, covering 1360 acres, more or less, in Township 12 South, Range 32 East, Caprock Queen Pool, Lea County, New Mexico. Applicant further seeks authority to institute a unit-wide waterflood by the injection of water into the Queen formation through 19 wells located within said unit.

CASE 2439:

Application of Sunray Mid-Continent Oil Company for a 67.04-acre non-standard oil proration unit and an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of 67.04-acre non-standard oil proration unit in the Totah-Gallup Oil Pool, comprising Lots 2, 3 and 4 of Section 14, Township 29 North, Range 14 West, San Juan County, New Mexico, said unit to be dedicated to a well to be located at an unorthodox location 330 feet from the North line and 2510 feet from the West line of said Section 14.

CASE 2440: Application of Socony Mobil Oil Company for permission to transfer allowables, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks permission to shut-in the Boulder-Apache Well No. 12-14, located in Section 14, Township 28 North, Range 1 West, Boulder-Mancos Oil Pool, Rio Arriba County, New Mexico, and transfer its allowable to the Boulder-Apache Well No. 23-14 located in said Section 14 for the purpose of conducting interference tests.

CASE 2441: Application of Water Flood Associated, Inc., for a waterflood project in the Maljamar and Robinson Pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Maljamar and Robinson Pools in portions of Sections 5, 6 and 7, all in Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 2442: Application of El Paso Natural Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Mescalero Ridge Unit Well No. 1, located in Unit D of Section 21, Township 19 South, Range 34 East, Lea County, New Mexico, as a dual completion (conventional) in the Bone Springs and Morrow formations, with the production of oil from the Bone Springs zone to be through a string of 2 3/8-inch tubing and the production of gas from the Morrow zone to be through a parallel string of 2 1/16-inch tubing.

CASE 2443: Application of Gulf Oil Corporation for an 80-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Eumont Gas Pool, comprising the E/2 NE/4 of Section 34, Township 19 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the J. W. Smith Well No. 2, located 660 feet from the North and East lines of said Section 34.

The following cases will not be heard before 1 P.M.

CASE 2444: Application of Aztec Oil & Gas Company for an exception to Rule 309-A, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309-A to permit the Totah-Gallup oil production from three wells on

Docket No. 32-61

applicant's Hagood Federal Lease, located in Section 19, Township 29 North, Range 13 West, San Juan County, New Mexico, to be transported prior to measurement on said lease to applicant's Smith "C" Lease, located in Section 18, Township 29 North, Range 13 West.

CASE 2445:

Application of Southwest Production Company for an order extending the Flora Vista-Mesaverde Pool, San Juan County, New Mexico, and establishing special rules and regulations in said pool. Applicant, in the above-styled cause, seeks an order extending the Flora Vista-Mesaverde Pool to include Sections 22, 23, 26 and 27, all in Township 30 North, Range 12 West, San Juan County, New Mexico, and establishing special rules and regulations including a provision for 320-acre spacing units in said pool.

CASE 2446:

Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 22, Township 30 North, Range 12 West, San Juan County, New Mexico. Interested parties include Roy Rector and O. G. Shelby, both of Flora Vista, New Mexico, and Myron T. Dale, address unknown.

CASE 2416:

(Cont.)

Application of Southwest Production Company for an order pooling all mineral interests in an undesignated Mesaverde gas pool in the E/2 of Section 22, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 2447:

Application of Humble Oil & Refining Company for approval of a pressure maintenance project in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project in the Cha Cha-Gallup Oil Pool by the injection of water into certain wells located on the Navajo Indian Reservation in Sections 13 through 29 and 33 through 36, Township 29 North, Range 14 West, San Juan County, New Mexico. Applicant further seeks the promulgation of special rules and regulations governing said project.

CASE 2448:

Application of Pan American Petroleum Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project on its C. J. Holder,

State Holder Oil Unit, State "CA", State Oil Unit and Gallegos Canyon Unit Leases, San Juan County, New Mexico, in the Cha Cha-Gallup Oil Pool with water injection initially to be through five wells located in Sections 8 and 16, Township 28 North, Range 13 West, and Section 23, Township 28 North, Range 12 West, and requests adoption of special rules to govern the operation of said project.

CASE 2449:

Application of Pan American Petroleum Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project on its Navajo Tribal "H" and Gallegos Canyon Unit Leases, San Juan County, New Mexico, in the Totah-Gallup Oil Pool with water injection initially to be through five wells located in Section 35, Township 29 North, Range 13 West, Section 12, Township 28 North, Range 13 West, and Sections 13 and 24, Township 29 North, Range 14 West, and requests adoption of special rules to govern the operation of said project.

iqg/



Mobil Oil Company

A Division of Socony Mobil Oil Company, Inc.

P. O. Box 3371, Durango, Colorado

October 30, 1961

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

Attention: Mr. A. L. Porter

Re: APPLICATION FOR
EXAMINER HEARING

Gentlemen:

Socony Mobil Oil Company hereby requests an examiner hearing before the New Mexico Oil Conservation Commission on or about November 29, 1961.

The purpose of the hearing is to request approval to transfer oil allowable from a presently producing well which will be shut in for an indefinite period while an interference test is conducted in the Boulder - Mancos Pool, Rio Arriba County.

Socony proposes to shut in Boulder #12-14 in Sec. 14, T28N, R1W and record the bottom hole pressure while the other wells in the pool are being produced (see attached map of area). Socony desires to transfer the allowable of Boulder #12-14 to Socony Boulder #23-14. Correlative rights would not be violated by this proposed transfer of allowable.

Your favorable approval of this request for hearing will be greatly appreciated.

Respectfully submitted
Socony Mobil Oil Company, Inc.

By RC Mills
R. C. Mills, Engineering Supervisor

RCM/se

cc: NMOCC (2) w/ attachment
O. E. Van Meter "
Burns Errebo "

Decker
11/16/61
[Signature]

Case 2440
[Handwritten notes and signatures on right margin]



SKELLY OIL COMPANY

P. O. Box 1650
TULSA 2, OKLAHOMA

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT
W. P. WHITMORE, MGR. PRODUCTION
W. D. CARSON, MGR. TECHNICAL SERVICES
ROBERT G. HILTZ, MGR. JOINT OPERATIONS
GEORGE W. SELINGER, MGR. CONSERVATION

November 27, 1961

Re: Case No. 2440
Boulder-Mancos Oil Pool
Rio Arriba County, New Mexico

VIA AIR MAIL

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

We have received the Docket for Wednesday, November 29, 1961, in which Case No. 2440 will come on for hearing at 9:00 A.M. on the application of Socony Mobil Oil Company for permission to transfer allowable from its Boulder-Apache Well No. 12-14 located in Section 14, Township 28 North, Range 1 West, Boulder-Mancos Oil Pool, Rio Arriba County, to its Boulder-Apache Well No. 23-14 located in said Section 14, for the purpose of conducting interference tests.

This is to advise that Skelly Oil Company has no objection to the granting of the request made in the application in this Case.

Very truly yours,

George W. Selinger

RJJ:br

cc: Socony Mobil Oil Company (Via Air Mail)
Box 3371
Durango, Colorado
Attention: Mr. P. M. Barry, District Production Superintendent

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

November 29, 1961

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325.1182

ALBUQUERQUE, N. M.
PHONE 243.6691

IN THE MATTER OF:

Application of Socony Mobil Oil Company for permission to transfer allowables, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks permission to shut-in the Boulder-Apache Well No. 12-14, located in Section 14, Township 28 North, Range 1 West, Boulder-Mancos Oil Pool, Rio Arriba County, New Mexico, and transfer its allowable to the Boulder-Apache Well No. 23-14 located in said Section 14 for the purpose of conducting interference tests.

CASE NO.
2440

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

EXAMINER NUTTER: The Hearing will come to order, please.
We will call Case No. 2440.

MR. WHITFIELD: Application of Socony Mobil Oil Company for permission to transfer allowables, Rio Arriba County, New Mexico.

MR. ERREBO: I am Earns H. Errebo, appearing on behalf of Modrall, Seymour, Sperling, Roehl and Harris of Albuquerque. We have one witness, Mr. R. C. Mills, who may be sworn at this time.



(Witness sworn.)

R. C. MILLS,

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

DIRECT EXAMINATION

BY MR. ERABEO:

Q Will you state your name, please?

A Robert C. Mills.

Q Where do you reside, by whom are you employed and in what capacity?

A My home is in Durango, Colorado, and I am employed by the Mobil Oil Company. I work in Durango as an engineering supervisor.

Q Mr. Mills, have you ever testified as a petroleum engineer before this Commission?

A Yes.

Q What is the purpose of Socony Mobil Oil Company's application today?

A We are seeking approval to transfer the allowable from one well in the Boulder-Mancos Pool while it is shut-in for the purpose of making an interference test.

Q Where is the Boulder-Mancos pool located?

A In Rio Arriba County, Township 28 North, Range 1 West, shown on the exhibit map.

Q How many wells are there in this pool at the present

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time?

A Five wells have been completed. In addition, four are either recovering lead oil or are in drilling operation.

(Applicant's Exhibit No. 1 marked.)

Q Will you please state by reference to your Exhibit No. 1 exactly what you propose to do with the well involved?

A With reference to the map, the Socony leases outlined in red, the Socony Mobil Boulder 12-14 is in the Northwest of Section 14 and the well location is circled in ink. That is the well we would like to shut-in. We would like to transfer the allowable from that Well No. 12-14 to Boulder 23-14, which is circled with the red pencil. Our operation involves these two wells, shutting in one well and transferring its allowable to 23-14.

Q You hope to obtain engineering information from this procedure, is that right?

A Yes, we do.

Q Do you hope to show communication between these two wells?

A We hope to determine if there is communication. We are hopeful that the data we obtain will enable us to determine the optimum spacing for the Boulder-Mancos Pool.

Q What is the present allowable production for these wells? What is the top?

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A Seventy-seven barrels.

Q What is the 12-14 well which you propose to shut-in presently assigned as to allowable?

A Seventy barrels.

Q Is it making its allowable?

A Yes, it is capable of producing approximately 85 barrels a day.

Q Do you propose to transfer the allowable to 23-14 Southeast?

A Yes, sir.

Q What is the capability of this well as far as production is concerned?

A On a recent test made to determine the capacity of this well, it produced at top capacity 170 barrels.

Q That leads you to believe that this well could actually produce in excess of top capacity?

A Yes, sir.

Q You don't know how much?

A No.

Q Have you had occasion to measure the GOR of either or both of these wells?

A Yes, we have. Both are approximately 140 cubic feet per barrel.

Q Do you plan to treat or otherwise work over 12-14 before it's shut-in in the event the Commission grants this appli-



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Question?

A Yes, we do. It's the only well which has been completed to date which has not been fractured, and we think that from a production standpoint to sustain producing rate, we need to fracture the well and also we feel that to make a fair comparison in what we are attempting to prove or determine with our interference test, the well should be fracked so that it will be quite comparable in all respects to the other wells in the pool.

Q Is there any water produced from the reservoir?

A No, there's been no water produced there, yet.

Q What is the GOR, a 140 to one?

A Yes.

Q What period of time would you recommend the Commission at this time that you be allowed to shut-in this well and transfer the allowable?

A Well, we would prefer to request that the transfer be made for an indefinite period. However, we feel that ninety days should be sufficient to collect the data that we want.

Q You feel that there is relative likelihood that any time less than ninety days you would not have the information that you want?

A Well, I have no basis for saying yes or no to the question except I could qualify this by saying that the bottom-hole pressure device can be read at any time at the surface, so when we are beginning to see some pressure deflection, if there



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is interference, we will know that immediately when the shut-in well begins to experience some pressure difference. If we don't see some interference within ninety days, we would probably give serious consideration to terminating the interference test and returning the 12-14 to production.

Q Oil is trucked out of there, is it not?

A That's correct.

Q Do you contemplate any likelihood that production from your well in the offset will be interrupted on account of not being able to haul the production out during this ninety-day period which would, if granted, run during the middle of the winter? Do you think that constitutes any problem?

A It's a possibility. However, we are ready to anticipate that possibility by furnishing ample storage for the oil on the lease.

Q How about the offset wells? Would you expect to be producing? That would also have some effect, I assume, on bottom-hole pressure in the shut-in well. Will you have ample capacity for storage?

A I can't say positively that they do but I'm sure they realize the problems in reaching this area and will supply themselves with adequate storage.

Q There is no necessity at this time to request flexibility from the Commission as to the period of time over which this shut-in would be allowed?



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A If it could be granted, I would prefer to leave it as an indefinite period for the reason we don't know what type response we're going to get there.

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

A No, I don't believe so.

MR. ERREBO: That's all we have.

EXAMINER NUTTER: Are there any questions of Mr. Mills?

CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Mills, who owns the East half of the Northwest quarter of Section 14?

A Mobil owns those entire four sections and about this time P M Drilling Company obtained those two 80's and they obtained two 80's in Section 15 for the purpose of drilling a test well in this area, a wildcat, and so, P M Drilling is leaseholder of those two 80's that you're referring to.

Q Is there any way that the grouping of this completion can adversely affect P M's correlative rights?

A No, I don't believe so.

Q Does Skelly Oil Company own any acreage in this area?

A Sections 1, 2, 11 and 12 in this township immediately to the north of the Mobil lease.

MR. MORRIS: I believe that's all I have. I would like to mention we have received correspondence from Skelly Oil Company voicing no objection to the granting of the application in



this case.

CROSS EXAMINATION

BY EXAMINER NUTTER:

Q Mr. Mills, the West half of the Northwest quarter of Section 14, the well there is designated as the 12-14 Apache, while the wells down near the remainder of the lease are designated with the name Boulder. Is there any significance in this?

A When we originally drilled that first well of ours, the 12-14, we called it a Boulder-Apache lease. We found that too cumbersome and so we have been describing it as Boulder, but this is the thing from which this map was updated. Originally, it carried the lease name of Apache, which was an oversight on our part. It's incorrect. It should be Boulder.

Q So this is all one lease?

A Yes.

Q The ownership is identical in every respect?

A Yes.

Q The 80's as well as the remainder of the four sections?

A Yes.

Q The GOR here of 142 cubic feet per barrel, is there enough producing history in the reservoir to date with respect to what kind of drive that it has?

A Well, by analogy, I'm of the opinion that the drive will be primarily gravity drainage.

Q Is this pool producing from shale or sand interspersed

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In the Mancos shale?

A It is producing from a shale or silica stone. We believe that the reservoir, as it exists, that there are fractures in that shale.

Q Have cores been taken?

A Yes, they have. Aztec Oil & Gas took one, or several, rather, up in Section 45 of the Township to the north, and those cores did exhibit some fracturing and some oil staining.

Q Have any cores been taken in the immediate area of 12-14?

A No.

Q If there is a gravity drive, will it be detrimental to the 12-14 for it to produce at double allowable for an indefinite period?

A No, I don't think so.

Q Which way is it draining from?

A From east to west.

Q You stated that the 12-14 is the only well in this area that has not been fracked?

A Yes, sir; correct.

Q What was the potential when it was originally brought in?

A One hundred fifty-five barrels a day which declined in about three days to 100 barrels. This was about the middle of August. Since the middle of August, the well has declined in



producing rate from 100 to 85. We feel that one of the reasons for that very rapid initial decline is attributable to the fact the well was not fractured and there is a rather limited drainage reading.

Q Do you think it would be appropriate for the Commission to transfer a full allowable away from the well in view of the fact that it is declining at that rate?

A Well, the declining history would indicate that the well, even if it's not fractured, should surely be capable of producing 70 barrels a day in 90 days, if it must be qualified that way, and we feel that we will substantially increase the productive capacity of the well by fracturing. By way of note, there, I'd like to point out our Boulder 23-14 had no natural show when we drilled through the section with air and yet, we fractured the well and it showed an IP of 160 barrels a day and has increased slightly since then. The same is true of the Skelly well to the north of 12-14. It had no natural show and was IP'd for 97 barrels a day. It's reasonable to expect that we will substantially improve the productive capacity of 12-14 through fracturing.

Q Is it your plan to fracture the top 14?

A Yes, we'll do that before we initiate the interference test.

Q You're going to measure that bottomhole pressure at the surface?

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PHONE 325-1192

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PHONE 243-6691



A It is a down-hole element and it will be -- we have an electric cable coming to the surface.

EXAMINER NUTTER: Are there any questions of Mr. Mills?

MR. ERREBO: Just one thing.

REDIRECT EXAMINATION

BY MR. ERREBO:

Q Mr. Mills, was Exhibit 1 prepared by you or under your supervision?

A Yes, sir.

MR. ERREBO: We offer Exhibit 1 in evidence.

EXAMINER NUTTER: Socony Mobil Oil's Exhibit No. 1 will be admitted in evidence.

MR. ERREBO: That's all we have.

EXAMINER NUTTER: The witness may be excused.

(Witness excused.)

Does anyone have anything they wish to offer in Case No. 2440?

We will take the case under advisement.

* * *

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PHONE 243-6691

STATE OF NEW MEXICO)
COUNTY OF SAN JUAN) ss.

I, THOMAS F. HORNE, NOTARY PUBLIC in and for the County of San Juan, 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.

Thomas F. Horne
NOTARY PUBLIC

My Commission Expires:

October 2, 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2440 heard by me on 11/29, 1961.

[Signature], Examiner
New Mexico Oil Conservation Commission



Case File 2440

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

March 21, 1962

Mobil Oil Company
P. O. Box 3371
Durango, Colorado

Attention: Mr. P. M. Barry

Gentlemen:

Reference is made to your letter of March 19, 1962, wherein you requested a 90-day extension to the interference test and allowable transfer authorized for the Boulder-Mancos Pool, Rio Arriba County, New Mexico, by Commission Order R-2149.

Inasmuch as the testing has been disrupted due to marketing problems created by weather conditions, this office has no objection to the extension requested.

Mobil Oil Company is, therefore, hereby authorized to continue the interference tests and to transfer the allowable from Boulder Well No. 12-14 to Boulder Well No. 23-14 until June 21, 1962.

Very truly yours,

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

ALP/DSN/ig
cc: E. C. Arnold
Oil Conservation Commission
Aztec, New Mexico

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Mobil Oil Company

A Division of Socony Mobil Oil Company, Inc.
P. O. Box 3371, Durango, Colorado

March 19, 1962

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

Attention: Mr. A. L. Porter

Re: Case No. 2440
Order No. R-2149
Boulder-Mancos Interference Test

Gentlemen,

On December 21, 1961, Socony Mobil Oil Co., Inc. was granted permission to conduct an interference test in the Boulder-Mancos Pool under the authority of Commission Order No. R-2149.

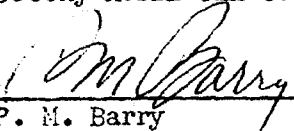
As a condition of this order, Socony was given permission to transfer the allowable from Boulder #12-14 to #23-14, both wells being located in Sec. 14, T26N, R1W. The period of this authorized transfer was 90 days beginning December 21, 1961, with the provision that the test period could be extended in 90 day increments for good cause.

During the past 90 days our lease has been shut in approximately four weeks because road conditions did not permit any oil hauling. This enforced shut-in has impaired the effectiveness of our test and has reduced the effective test period from 90 to approximately 60 days.

Socony hereby requests permission to continue the interference test for an additional 90 day period to commence March 21, 1962. Your favorable consideration of this request will be greatly appreciated.

Respectfully submitted,
Socony Mobil Oil Co., Inc.

by


P. M. Barry
Dist. Prod. Supt.

RCMills/se

cc: B. H. Robinson