

CASE 2959: Application of TEXAS
PACIFIC OIL CO. for unorthodox
location, Lea County, N. Mex.

CASE No.
2959

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

Operator Texas Pacific Oil Company		Lease N.M. State "AE"		Well No. 1
Unit Letter K	Section 10	Township 10-S	Range 36-E	County Lea
Actual Footage Location of Well: 1980 feet from the West line and 2310 feet from the South line				
Ground Level Elev.	Producing Formation Devonian	Pool South Crossroads Devonian	Dedicated Acreage: 80 Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B

Hill & Meeker (Texas Pacific Oil)		
BEFORE EXAMINER UTZ OIL CONSERVATION COMMISSION <i>Agreed</i> EXHIBIT NO. <u>1</u> CASE NO. <u>2959</u>		
		♦
	•	
Texas Pacific Oil ♦	⊙ ♦	Ralph Lowe (Texas Pacific Oil) ♦
Cabeen Expl.	S. Crossroads Unit Well #1	
		State

CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

John L. Furonka
Name

Division Engineer

Position
Texas Pacific Oil Co.

Company
November 26, 1963

Date

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

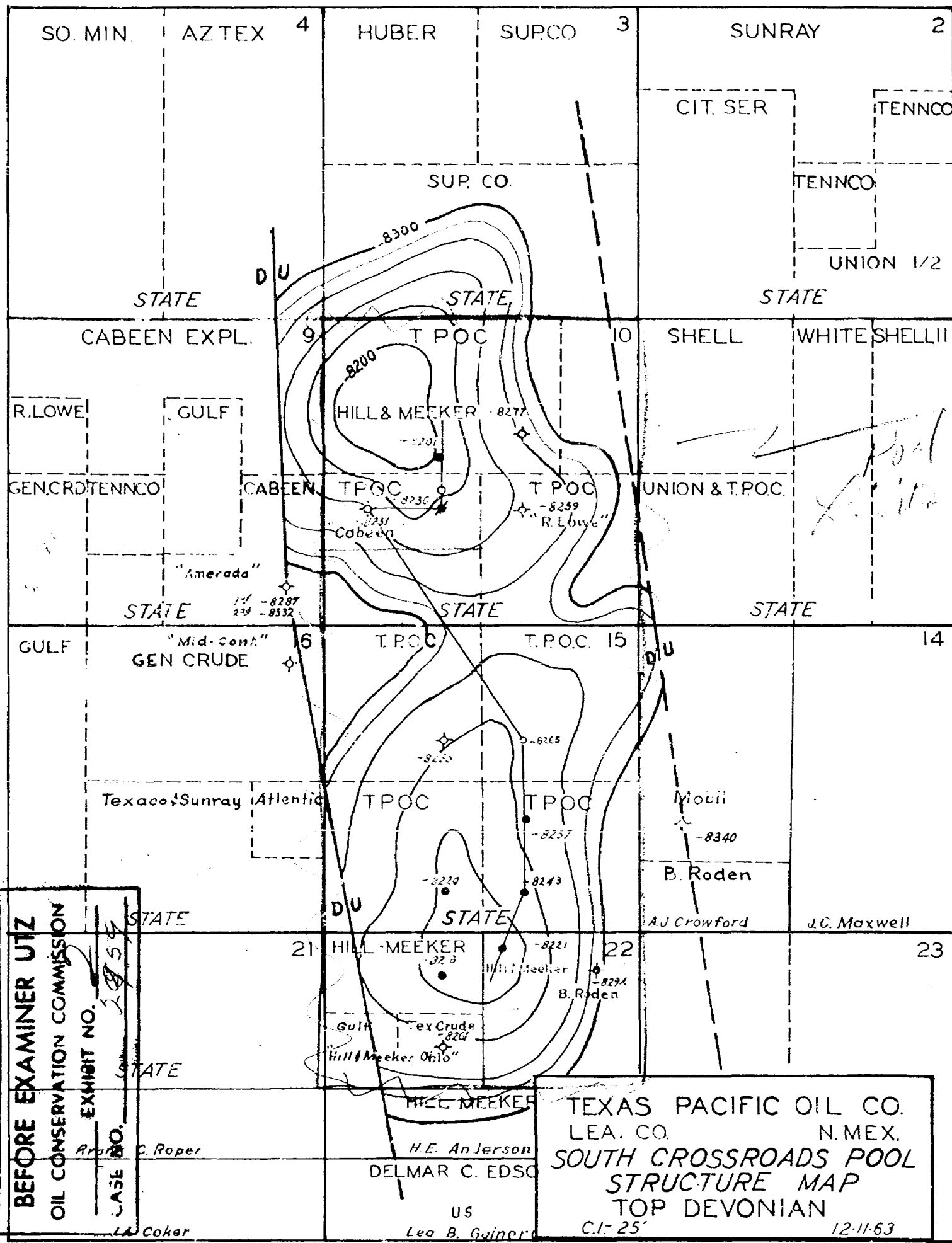
Registered Professional Engineer
and/or Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

INSTRUCTIONS FOR COMPLETION OF FORM C-128

1. Operator shall furnish and certify to the information called for in Section A.
2. Operator shall outline the dedicated acreage for *both* oil and gas wells on the plat in Section B.
3. A registered professional engineer or land surveyor registered in the State of New Mexico or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
4. All distances shown on the plat must be from the outer boundaries of the Section.
5. If additional space is needed for listing owners and their respective interests as required in question 3 of Section A, please use space below.



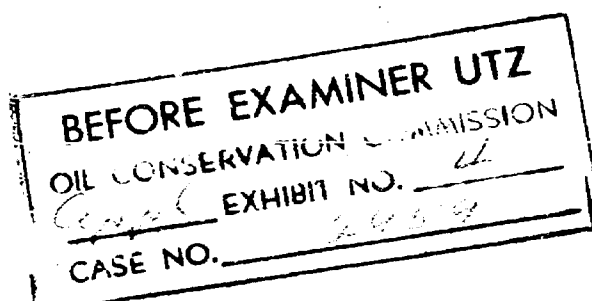
Hill & Meeker - State 10 #1
2130' FNL & 1980' FWL Sec. 10, T-10-S, R-36-E
Comp. 7-17-63 Elev. 4024' DF
Top of Devonian: 12225 (-8201')

DST 12235'-12270' (-8211' to -8246'): Opd. 4 1/4 hrs.
Rec. 1500' HOCWB and 115 BO. FP: 1110#-3500#.
30 min. SIP: 4750#

5 1/2" @ 12235'. TD 12270'. Treat open hole w/250 gals
acid & 1000 gals acid. Potential: Flwd 325 BOPD on a
16/64" choke, TP 215#, CP 200#, GOR not reported, Gr. 42.6°.

	<u>Allow</u>	<u>Prod.</u>	<u>Gas</u>	<u>Water</u>
July 63	4425	2800		
Aug.	9610	7729		
Sept.	9300	No report		

Total Production: 10,529 Bbls.
Dec. '63 Allowable: 303 BOPD



Texas Pacific & Union - South Crossroads Unit #1

1980' FS&WL, Sec. 10, T-10-S, R-36-E

Comp. 1-8-55 Elev. 4024' DF

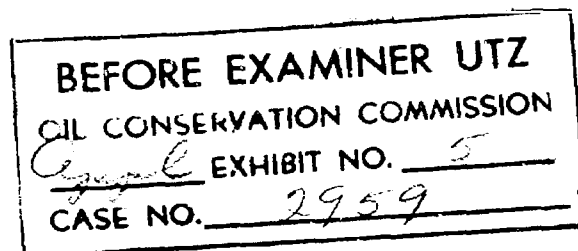
Top of Devonian: 12254' (-8230')

Cored 12255'-12305' (-8231' to -8281') DST 12252'-
12305' (-8228' to -8281'): Opd. 1 1/4 hrs. Rec. 15' oil
& 60' mud. FP: 1125#. 15 min. SIP: 4625#. DST 12250'-
12330' (-8226' to -8306'): Opd. 8 hrs. Fair blow. Rec.
15' oil, 1810' sli O&GSW and 900' salty sulfur water.
FP: 900#-1950#. 30 min. SIP: 4850#.

7" @ TD 12433' (-8409'). Perf. 12254'-12292' (-8230' to
-8268'). Treat w/500 gals. acid. Swbd dry. Treat w/
2,000 gals acid. Flwd 300 BOPD on 16/64" choke. TP: 150#
on 12-1-54 w/8 Bbls. last hr. SI 72 hrs. for BHP. Flwd
163 BO/23 hrs. on 18/64" choke. TP 80#. Treat w/5,000 gals
acid. Swbd 10 BO & 108 BW/8 hrs. on 12-11-54. Sqzd. w/oil-
cement slurry. Swbd 272 BO/66 hrs. Treat w/500 gals acid.
Swbd 177 BO and 1288 BW/152 hrs. Sqzd. Perf. 12254'-12264'
(-8230' to -8240'). Swbd 20 BO and 11 BW/21 hrs. Treat
w/500 gals acid. Swbd 113 BO and 878 BW/108 hrs.

P&A 11-14-55

Total Production: 1,123 Bbls.



Cabeen Exploration Corp. - Union State #1

1980' FSL & 660' FWL, Sec. 10, T-1C-S, R-36-E
Comp. 7-7-61 Elev. 4027' DF
Top of Devonian: 12278' (-8251')

DST 12220'-12300' (-8193' to -8273'): Opd. 2 hrs.
Rec. 60' mud. FP: 1350#, 60 min. SIP: 3440#

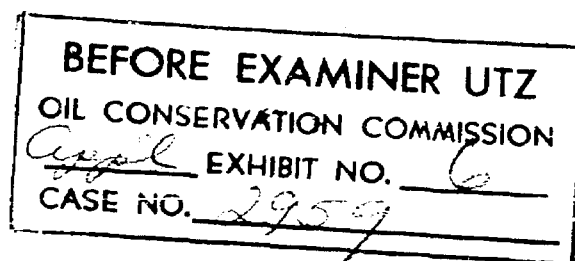
DST 12225'-12310' (-8198' to -8283'): Opd. 4 hrs.
Rec. 1152' oil, 1350' HO&GCWB + 390' HO&GCM
FP: 270#-1223#. 2 hrs. SIP 4415#

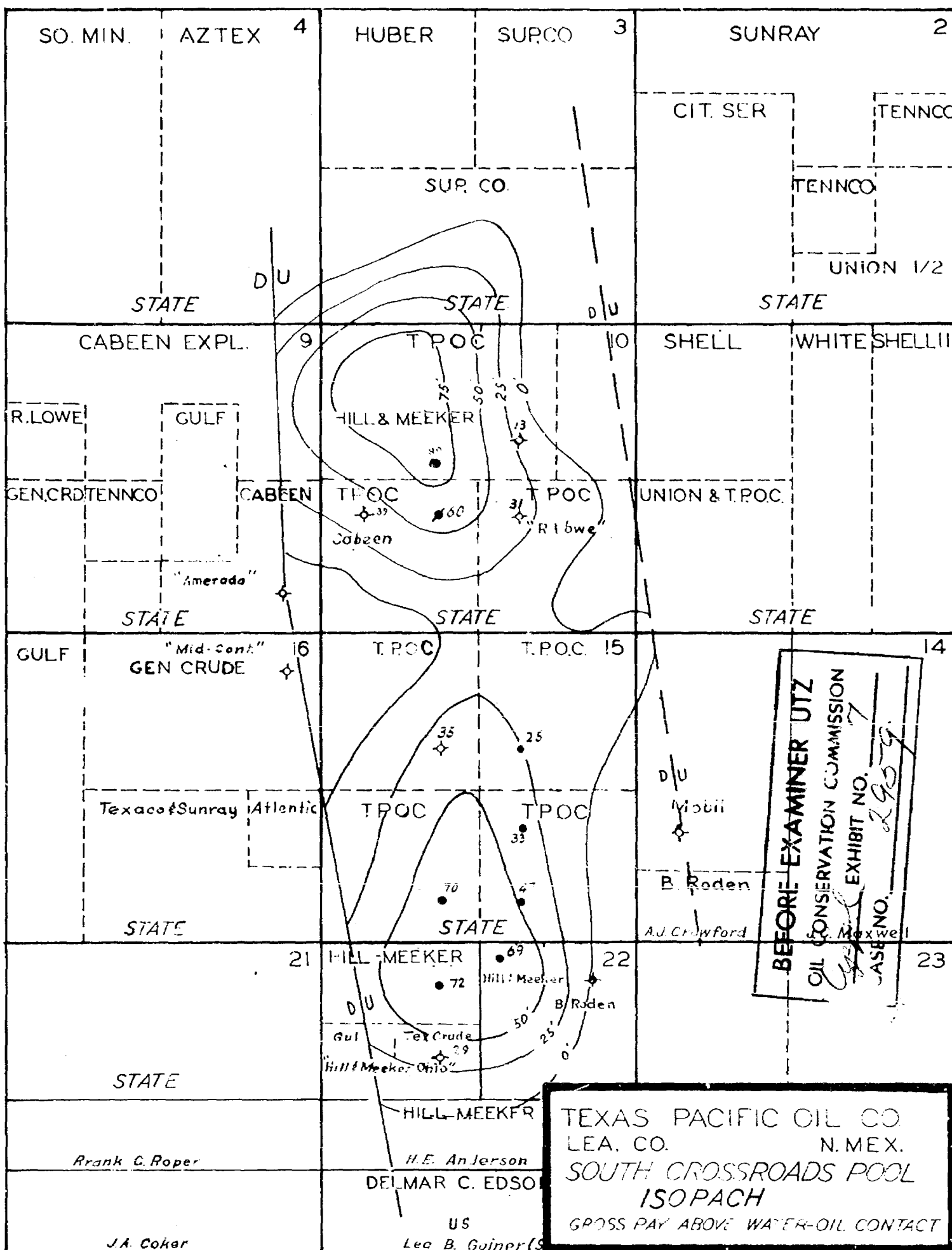
DST 12233'-12318' (-8206' to -8291'): Opd. 4 1/2 hrs.
Rec. 1365' oil, 1360' O&GCWB, 180' O&GCM & 3590' O&GC
salt water. FP: 1352#-3375#. 3 hr. SIP: 4735#

5 1/2" @ TD 12323' (-8296') Notch perf. @ 12307' (-8280')
Treat w/500 gals acid. Flwd 42 BO & 18 BW/12 hrs. Sqzd.
Perf. 12286'-12290' (-8259' to -8263'). Treat w/500 gals
acid. Reperf. 12285'-12290' & retreat w/500 gals. Swbd
65 BO & 42 BW/18 hrs. Sqzd. Sand jet @ 12296' (-8269').
Treat w/2,000 gals acid. Tests range from 66 BOPD and 255
BWPD on 7/18/61 to 20 BOPD and 410 BWPD on 9-18-61.

	<u>Allow.</u>	<u>Prod.</u>	<u>Gas</u>	<u>Water</u>
Sept. '61	2100	648		
Oct.	2170	668		6240
Nov.	2100	776		
Dec.	2170	61		1920
Jan. '62	2170	387		

Total Production: 2,540 Bbls.





BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 7
CASE NO. 29579

TEXAS PACIFIC OIL CO.
LEA. CO. N. MEX.
SOUTH CROSSROADS POOL
ISOPACH
GROSS PAY ABOVE WATER-OIL CONTACT

TP Oil Co — State AE #1

2310' ESL
1980' FWL) 10-105-36E

S Crossroads Dev, Lea County

Run 3 R-2284

Jack Russell

DRAFT
JMD/esr

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. 2959

Order No. R- 2429

APPLICATION OF TEXAS PACIFIC
OIL COMPANY FOR AN UNORTHODOX
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 16, 1963, 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 day of December, 1963, 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, Texas Pacific Oil Company, seeks an exception to the Special Rules and Regulations for the South Crossroads-Devonian Pool to drill its State AE Well No. 1 at an unorthodox location 2310 feet from the South line and 1980 feet from the West line of Section 10, Township 10 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) *That due to the reservoir characteristics of the Devonian formation at the proposed location the subject well should drain ~~only~~ the N/2 SW/4 of said Section 10.*

(4) That approval of the subject application will prevent waste and protect correlative rights *provided the applicant dedicate the N/2 SW/4 of Section 10 Township 10 South, Range 36 East, NMPM, Lea County, New Mexico, to the subject well.*

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Pacific Oil Company, is hereby granted an exception to the Special Rules and Regulations for the South Crossroads-Devonian Pool and is hereby authorized to drill its State AE Well No. 1 at an unorthodox location 2310 feet from the South line and 1980 feet from the West line of Section 10, Township 10 South, Range 36 East, NMPM, Lea County, New Mexico; *provided, however, that the N/2 SW/4 of said Section 10 shall be dedicated to said well.*

(2) 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.

DOCKET NO. 36-63
DOCKET NO. 37-63

DOCKET: EXAMINER HEARINGS DECEMBER 13, 1963 AND DECEMBER 16, 1963

BOTH HEARINGS 9:00 A.M. OIL CONSERVATION COMMISSION CONFERENCE
ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

Examiner: Elvis A. Utz; Alternate Examiner: Daniel S. Nutter

DOCKET NO. 36-63 - DECEMBER 13, 1963:

CASE 2956: Application of United States Smelting Refining and Mining Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 4 of Order No. R-2589 to drill its State "B" Well No. 1 at an unorthodox location 660 feet from the North and West lines of Section 18, Township 19 South, Range 35 East, Scharb Bone Springs Pool, Lea County, New Mexico.

DOCKET NO. 37-63 - DECEMBER 16, 1963:

CASE 2959: Application of Texas Pacific Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 3 of Order No. R-2284, to drill its State AE Well No. 1 at an unorthodox location 2310 feet from the South line and 1980 feet from the West line of Section 10, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico.

CASE 2960: Application of the British American Oil Producing Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Wilson Deep Unit Area comprising 1,905 acres, more or less, of State land in Township 20 South, Range 36 East, and Township 21 South, Range 35 East, Lea County, New Mexico.

CASE 2961: Application of Amerada Petroleum Corporation for force-pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Morrow, or Atoka, zone of the Pennsylvanian formation underlying the SE/4 of Section 19, Township 9 South, Range 35 East, Lea County, New Mexico, to be dedicated to its S. E. Anderson "A" Well No. 1, a gas well located in Unit P of said Section 19.

CASE 2962: Application of Texaco Inc. for an oil-oil-salt water disposal triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the triple completion (tubingless) of its State of New Mexico "BZ" (NCT-10) Well No. 2 located in Unit N of Section 2, Township 25 South, Range 37 East, North Justis Field, Lea County, New Mexico, to produce oil from the North Justis-Blinebry and North Justis-Drinkard Pools through parallel strings of 2 7/8-inch casing and to dispose of produced salt water into the interval from 4310 to 4390 feet, San Andres formation, through a third string of 2 7/8-inch casing. All casing strings would be cemented in a common well bore.

44-3959

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO

TELEPHONE 622-4641
AREA CODE 505

November 26, 1963

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Pursuant to my telephone conversations with Mr. Durrett and Mr. Nutter, it is requested that the enclosed application be set for a special examiner's hearing on December 16, 1963.

Respectfully yours,

John F. Russell
John F. Russell

JFR:np

Enclosure

DOCKET MAILED

Date 12-4-63
[Signature]

DOCKET NO. 36-63

DOCKET NO. 37-63

DOCKET: EXAMINER HEARINGS DECEMBER 13, 1963 AND DECEMBER 16, 1963

BOTH HEARINGS 9:00 A.M. OIL CONSERVATION COMMISSION CONFERENCE
ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

Examiner: Elvis A. Utz; Alternate Examiner: Daniel S. Nutter

DOCKET NO. 36-63 - DECEMBER 13, 1963:

CASE 2956: Application of United States Smelting Refining and Mining Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 4 of Order No. R-2589 to drill its State "B" Well No. 1 at an unorthodox location 660 feet from the North and West lines of Section 18, Township 19 South, Range 35 East, Scharb Bone Springs Pool, Lea County, New Mexico.

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CASE 2960: Application of the British American Oil Producing Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Wilson Deep Unit Area comprising 1,905 acres, more or less, of State land in Township 20 South, Range 36 East, and Township 21 South, Range 35 East, Lea County, New Mexico.

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BEFORE THE OIL CONSERVATION COMMISSION : M 45
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
TEXAS PACIFIC OIL COMPANY FOR AN UN-)
ORTHODOX OIL WELL LOCATION FOR ITS)
STATE LEASE A.E.#1 WELL TO BE LOCATED)
1980 FEET FROM THE WEST LINE AND 2310)
FEET FROM THE SOUTH LINE OF SECTION)
10, TOWNSHIP 10 SOUTH, RANGE 36 EAST,)
N.M.P.M., LEA COUNTY, NEW MEXICO, IN)
THE SOUTH CROSSROADS-DEVONIAN POOL)

No. 7257

APPLICATION

COMES NOW Texas Pacific Oil Company and makes application for an unorthodox oil well location for its State Lease A.E.#1 Well to be located 1980 feet from the West line and 2310 feet from the South line of Section 10, Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico, in the South Crossroads-Devonian Pool, and states:

1. Applicant, Texas Pacific Oil Company, a division of Joseph E. Seagram & Sons, Inc., is the successor to Texas Pacific Coal and Oil Company, the lessee and owner of State of New Mexico Oil and Gas Lease K-2943 covering the SW $\frac{1}{4}$ of Section 10, Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico.
2. That an oil well was previously drilled 1980 feet from the West line and 1980 feet from the South line of Section 10, Township 10 South, Range 36 East, which was abandoned due to mechanical difficulties in completing said well.
3. That by reason of the location of the prior well, it is not advisable for the Applicant to make an orthodox location and

Applicant desires to make a location at a point 1980 feet from the West line and 2310 feet from the South line of Section 10, Township 10 South, Range 36 East, and commence drilling operations at said point.

4. Applicant desires to dedicate the $N\frac{1}{2}SW\frac{1}{4}$ of said Section 10, Township 10 South, Range 36 East, to said well.

5. That the proposed unorthodox location of Applicant's well will not cause waste nor impair the correlative rights of any other operator in the South Crossroads-Devonian Pool.

WHEREFORE, Applicant requests that this matter be set down for hearing at an early date before an examiner for the purpose of authorizing an unorthodox oil well location for Applicant's State Lease A.E.#1 Well; that notice of the hearing be published as required by law and that, after said hearing, the Commission issue an order authorizing an unorthodox location for Applicant's State Lease A.E.#1 Well to be located 1980 feet from the West line and 2310 feet from the South line of Section 10, Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

Respectfully submitted,

TEXAS PACIFIC OIL COMPANY

By John D. Russell
Attorney for Applicant

P. O. Drawer 640
Roswell, New Mexico

DATED: November 26, 1963

Case 2959

Heard 12-16-63

Rec. 17-16-63

1. Grant Trust. Pac. oil Corp. can
unorthodox location for their
N. Mex. St "AE" #1, ~~261015~~ 261015, 188014
line. sec. 10-105-36E.

2. Due to the nature of the reservoir
waste will very likely be overted
by allowing this operation.

Thrust. J. P.

3. Port is S. Crossroads - Rev.

← E. P.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
C. B. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

December 27, 1963

Mr. John Russell
Attorney at Law
Drawer 640
Roswell, New Mexico

Re: Case No. 2959
Order No. R-2629
Applicant:
Texas Pacific 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.
Secretary-Director

lr/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

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. 2959
Order No. R-2629

APPLICATION OF TEXAS PACIFIC
OIL COMPANY FOR AN UNORTHODOX
LOCATION, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 16, 1963, 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 27th day of December, 1963, 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, Texas Pacific Oil Company, seeks an exception to the Special Rules and Regulations for the South Crossroads-Devonian Pool to drill its State AE Well No. 1 at an unorthodox location 2310 feet from the South line and 1980 feet from the West line of Section 10, Township 10 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That due to the reservoir characteristics of the Devonian formation at the proposed location the subject well should drain the N/2 SW/4 of said Section 10.

(4) That approval of the subject application will prevent waste and protect correlative rights, provided the applicant dedicates the N/2 SW/4 of Section 10, Township 10 South, Range 36 East, NMPM, Lea County, New Mexico, to the subject well.

-2-

CASE No. 2959
Order No. R-2629

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Pacific Oil Company, is hereby granted an exception to the Special Rules and Regulations for the South Crossroads-Devonian Pool and is hereby authorized to drill its State AE Well No. 1 at an unorthodox location 2310 feet from the South line and 1980 feet from the West line of Section 10, Township 10 South, Range 36 East, NMPM, Lea County, New Mexico; provided, however, that the N/2 SW/4 of said Section 10 shall be dedicated to said well.

(2) 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

Jack M. Campbell

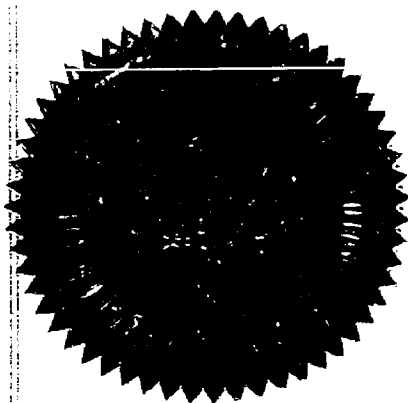
JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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



esr/

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 16, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Oil Company for
an unorthodox location, Lea County, New Mexico.
Applicant, in the above styled-cause, seeks an
exception to Rule 3 of Order No. R-2284, to
drill its State AE Well No. 1 at an unorthodox
location 2310 feet from the South line and 1980
feet from the West line of Section 10, Township
10 South, Range 36 East, South Crossroads-
Devonian Pool, Lea County, New Mexico.

Case No. 2959

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

MR. UTZ: The next Case is Case 2959.

MR. DURRETT: Application of Texas Pacific Oil Company for an unorthodox location, Lea County, New Mexico.

MR. RUSSELL: John F. Russell, Roswell, New Mexico, appearing on behalf of the applicant. I have one witness.

MR. UTZ: Are there other appearances in this case?

(Witness sworn.)

JOHN YURONKA,

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

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, address, by whom you are employed and what position?

A My name is John Yuronka; I am employed as Division Engineer by Texas Pacific Oil Company in Midland, Texas.

Q Have you previously qualified before the Commission to give expert testimony?

A Yes, I have.

Q Are you familiar with the application in Case Number 2959.

A Yes, sir.

Q What does that application seek?

A The application seeks an unorthodox location for our State of New Mexico AE Well No. 1 located in the South Crossroads-Devonian Pool, Lea County, New Mexico.



(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

Q I hand you what has been marked as Exhibit 1 and ask you what that shows?

A Exhibit 1 is a plat denoting the location of the proposed well. The location of this well will be 1980 feet from the West line and 2310 feet from the South line of Section 10, Township 10 South, Range 36 East.

Q Have you prepared other exhibits for presenting at this hearing?

A Yes, I have.

(Whereupon, Applicant's Exhibit No. 2 marked for identification.)

Q Referring to what has been marked as Exhibit 2, what does that show?

A Exhibit 2 is a structure map on top of the Devonian for the South Crossroads-Devonian Pool. The oil-water contact is denoted in red and a cross-section is shown in black.

Q Is there anything further you want to explain in connection with that Exhibit?

A I would prefer to go into detail as we discuss the cross-section.

(Whereupon, Applicant's Exhibit No. 3 marked for identification.)

Q Referring to what has been marked as Exhibit No. 3, what does that portray?



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

A Exhibit 3 is a north-south cross-section for the South Crossroads-Devonian Pool starting in the southeast quarter of the northwest quarter of Section 10, Township 10 South, Range 36 East with a Hill and Meeker State 10 Well No. 1 and going through the proposed location of our State AE Well Number 1, and also including Texas Pacific South Crossroads Unit Well Number 1, Cabeen Exploration Union State Well Number 1, and Texas Pacific Oil Company State AG Number 1, Texas Pacific State O Number 2 and Hill and Meeker Santa Fe 22 Well Number 1, this cross-section as I said previously is denoted by the black line drawn on the plat.

MR. UTZ: What does this cross-section purport to show?

A The cross-section shows the type of Devonian in each well and also the oil-water contact. The oil-water contact, as I stated previously, has been set at a minus 8290. This has been determined from various sources. In the first source was a detail lateral log on the South Crossroads Unit Well Number 1 located in the northeast of the southwest of Section 10. On this detail lateral log the oil-water contact was picked at a minus 2890.

In the Cabeen Well, which is located in the northwest of the southwest of Section 10, two drillstem tests were run in the Devonian as denoted on the cross-section. Drillstem test Number 3 shown on the cross-section was to a minus 8283. This drillstem test recovered 1152 feet of oil, 1350 feet of heavy oil and gas-cut water blanket and 390 feet of heavy oil and gas-cut mud.

Drillstem Test Number 4 had a subsea datum of minus 8291, open



four and a half hours, recovered 1365 feet of oil, 1360 feet of oil and gas-cut water blanket, 180 feet of oil and gas-cut mud, and 3590 feet of oil and gas-cut salt water.

(Whereupon, Applicant's Exhibits Nos. 4, 5 and 6 marked for identification.)

Q Referring to what has been marked Exhibits 4, 5 and 6, what information is contained in those exhibits?

A Exhibits 4, 5 and 6 are the three northmost wells shown in the cross-section. Exhibit 4 is the Hill and Meeker State 10 Number 1. It shows the location of the well, completion date, top of Devonian, drillstem test, completion data and also production on the well since completion.

Exhibit 5 is Texas Pacific South Crossroads Unit Well Number 1 and Cabeen Exploration Union State Well Number 1, which is located in the northwest of the southwest of Section 10 and includes the intervals cored, in addition to drillstem tests taken and the attempted completion on the well.

Exhibit Number 6 is the completion and production data on the Cabeen Exploration Corporation's Union State Well Number 1, shown or located, pardon me, in the northwest of the southwest of Section 10. This shows the two drillstem tests that I previously mentioned. One, 12225 to 12310, the bottom of which was at minus 8283; and the second test at 12233 to 12310, the bottom of which was at a minus 8291.

MR. UTZ: That well is now plugged?



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A Yes, sir. If I may I would like to finish my discussion on the determining of the oil and water contact and then go back and discuss the completion of these wells.

MR. UTZ: Sure.

A In addition to the lateral log on the South Crossroads Unit and the drillstem test on this Cabeen Exploration well, our State AD Well Number 1, which is located 1980 feet from the North and East lines of Section 10, Township 10 South, Range 36 East, this well was cored from 12,303 to 12,328, subsea datum of minus 8,273 to minus 8,305. In this core the water was picked up at approximately minus 8202, which is also the first porosity in the well. In addition we have cored out State U Well Number 1 which is located 1980 feet from the North and West line of Section 15 and that well was cored down to minus 8286 and no water was encountered.

MR. UTZ: What was the deepest core on your other well up in the southwest quarter of the southeast quarter?

A That was cored down to a minus 8305 I believe. Yes, sir. If I may I would like to discuss the completion of the South Crossroads Unit Well Number 1 and the Cabeen Exploration, which are the second and third wells on the cross-section.

MR. UTZ: All right.

A This well was drilled in the latter part of 1954, top of the Devonian was encountered at 12,254; subsea datum of minus 8,230; the well was cored and drillstem tests taken as denoted on



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the exhibit, and completion was attempted by setting seven-inch casing at total depth, which was a minus 8,409. The well was perforated 12,254, 12,292 at a subsea of minus 8,230 to a minus 8,268. The well was treated with 500 gallons of acid and it swabbed dry, and then it was again treated with 2,000 gallons of acid and it flowed 300 barrels of oil per day on a 16-64 choke.

The well was then shut in for 72 hours for a bottom hole pressure. After bottom hole pressure the well flowed 163 barrels of oil in 23 hours. At that time the well was treated with 5,000 gallons of acid and afterwards the well swabbed ten barrels of oil and 108 barrels of water in eight hours.

A squeeze was attempted with an oil-cement slurry, and after this squeeze job was performed 272 barrels of oil in 66 hours were swabbed from the well. It was then treated with 500 gallons of acid and swabbed 177 barrels of oil and 1,288 barrels of water in 152 hours.

The perforations were then squeezed and a completion was attempted further on up the hole at a subsea of minus 8,230 to 8,240. The well swabbed 25 barrels of oil and 11 barrels of water in 21 hours. It was then treated again with acid and swabbed 113 barrels of oil and 878 barrels of water in 108 hours.

The total production from this well was 1,123 barrels of oil. The well was plugged and abandoned on November 14, 1955. This well and the Cabeen well that I will discuss very shortly are the only wells in the field in which a completion was attempted through



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perforations. All the wells that are producing at the present time are completed in open-hole. Because of the type of formation that the Devonian is, it is very difficult to perforate close to the oil-water contact, and once water is obtained to attempt a successful squeeze job and come back up above and try to complete your well.

In regard to this Cabeen Exploration the well was completed in July of 1961, and was approximately the same type of completion as our South Crossroads Unit Number 1 where pipe was set at total depth and the perforation was notched at minus 9280 to begin with, and after acid treatment, water was obtained. They then attempted to squeeze the well and come up the hole, but were never able to get rid of the water.

During the history of this well it produced from September of '61 to January of '62 and produced 2,540 barrels of oil.

Again I would like to state that the South Crossroads Unit and this well are the only wells except the recent completion in which a completion is being attempted with pipe at total depth. All the remaining wells are open-hole completions.

(Whereupon, Applicant's Exhibit No. 7 marked for identification.)

Q (By Mr. Russell) Referring to Exhibit 7, will you explain what that purports to show?

A Exhibit 7 is an isopac of the South Crossroads Pool showing gross pay from the top of the Devonian to the oil-water contact. I would like to point out that the South Crossroads Unit



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has gross pay of 60 feet, north offset is 89 feet, the Hill and Meeker well. The Cabeen Well shows 39 feet of gross pay. In the southern portion of the field in Section 15, our State O Well No. 1, located in the northwest of the southeast of Section 15, shows 33 feet of gross pay. That well was completed in January of 1956 and has produced almost 700,000 barrels of oil.

MR. UTZ: Which well was that?

A Our State O No. 1, located in the northwest of the southeast of Section 15 shows 33 feet of gross pay.

MR. UTZ: How much oil, 700,000?

A I can give you the exact figure here, 685,608. Our State O-2, which is one location south, was completed in October of '62, and the production on that well at this time is 100,355 barrels.

MR. UTZ: Go ahead.

Q (By Mr. Russell) Mr. Yaronka, on the basis of the testimony you have given, will you briefly give a resume of the need for an unorthodox location?

A The pool rules for the South Crossroads-Devonian call for an 80-acre unit with the well located in the center of a quarter-quarter section, with a deviation of 150 feet allowed for topographical reasons or some other thing. In this particular case the South Crossroads Unit Well No. 1 was drilled in a standard location for the pool. Our proposed location has been moved 330 feet for the reason that we feel that with some deviation involved



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It would be preferred to bottom the hole as far away from our South Crossroads Unit as possible because of the fact that water has already entered in part of the pay. This area, we have drilled seven wells in this area and it is an unusual straight area as far as deviation tests are concerned, and we feel that it would be a safe distance to locate the well from the plugged and abandoned South Crossroads Unit Well.

Q What acreage do you propose to dedicate to this well?

A We propose to dedicate the north half of the southwest quarter.

Q Of Section --

A Section 10, 10 South, Range 36 East.

Q Based upon the testimony which you've already given, in your opinion, is that north half of the southwest quarter productive of oil, in your opinion?

A In my opinion it is.

Q Are there other non-standard or unorthodox locations in this pool?

A The north offset Hill and Meeker State 10 No. 1 is located 1980 feet from the west line and 2310 feet from the north line of Section 10. In addition the Hill and Meeker Santa Fe 22 No. 1 is located 330 feet from the north line and 2310 feet from the east line of Section 22, Township 10 South, Range 36 East.

Q In your opinion will the granting of this application prevent waste and protect correlative rights?



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A Yes, sir.

Q Were Exhibits 1 through 7 prepared by you or under your supervision?

A They were.

MR. RUSSELL: I would like at this time to introduce, or offer into evidence Exhibits 1 through 7, inclusive.

MR. UTZ: Without objection Exhibits 1 through 7 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits 1 through 7 were entered in evidence.)

Q (By Mr. Russell) Is there any further statement that you wish to make in this case?

A No, sir.

MR. RUSSELL: I have no further questions of the witness.

CROSS EXAMINATION

BY MR. UTZ:

Q What were the pool limits of this pool?

A Horizontal?

Q Horizontal limits?

A I believe the entire section, Section 10 is included in the pool.

Q Is there any acreage further to the south of Section 10?

A I don't know the exact nomenclature, Mr. Utz.

Q I'm having a little difficulty with my well names here. I believe that it's your South Crossroads Unit No. 1 which is the



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well on Exhibit Number 5?

A Yes, sir.

Q Perhaps you stated what your real difficulty was in trying to complete that as a producing well. If you did, would you tell me again the reason that you feel that you lost that well with only 1123 barrels of production?

A Well, we were doing all right until we shut it in for bottom hole pressure. When we opened it up after bottom hole pressure it did not flow the top allowable. I think it was 163 barrels of oil in 23 hours. Previously it had a 500 and 2,000 gallon acid treatment. At this time we hit it with 5,000 gallons and from then on we were never able to get rid of the water.

Q You hit it with 5,000 gallons just before you shut it in or did you --

A After we shut it in for the bottom hole pressure we opened the well up to produce it and it did not flow the top allowable.

Q Then you treated it with 5,000 gallons and it went to water?

A Yes, sir. The tests in regard to that are shown on the exhibit.

Q What do you consider the top of the pay in that well in a minus sub-sea?

A Well, the top of the pay would be where we perforated, a minus 8,230 to a minus 8,268, which is also the top of the



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Devonian.

Q The water table is --

A Minus 8,290.

Q -- minus 8,290. Then you feel that the bottom of your perforations, which would also be the bottom of your zone treating, would not, was above the water-oil contact?

A Yes. I think I stated previously that from a detailed lateral log on that particular well we picked up the oil-water contact at a minus 8,290.

Q Is it rather unusual for a well to decrease in productivity or become logged with water on shut-in?

A Well, this particular well was not logged with water at the shut-in.

Q It just reduced its producing capacity?

A Well, apparently it did. I sat on the completion of that well. I would liked to have seen that well flowed a little longer before the treatment was performed.

MR. PORTER: You mean the acid treatment?

A That 5,000 gallon acid treatment, or smaller treatment used instead of a large treatment.

Q (By Mr. Utz) In your opinion the large treatment that you gave it went down into the water table?

A Yes, sir.

Q Is that what caused it to go to water?

A I feel in all probability, if the well had been left as



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it was, or perhaps a small acid treatment, we could have had a commercial well, and in all probability at least paid the well out. We are in the process at the moment of completing another well under the same circumstances. It has had three treatments, not quite as large as these, but we feel that if we cannot complete the well by pumping at the stage it's in right now, that we cannot possibly get rid of the water by squeezing.

Q In regard to the Hill and Meeker State 10 Number 1, which is the west offset to this well, that well is still producing, is it?

A Yes, sir. The information on that well was submitted --

Q Is it Number 4?

A Yes, sir, and that well is still producing. This September apparently there was a late C-115 filed, of some sort. There was just no production shown in the monthly Oil and Gas Engineering Committee Report on the well.

Q Aside from it being a marginal well, it's producing satisfactorily in your opinion?

A Are you talking about the State 10 No. 1?

Q I think I am talking about a different well from what I am looking at on Exhibit 4. The well that I'm speaking of is the State Number 10, which is the west offset to your South Crossroads Unit No. 1, or the first well on your cross-section.

A That's the north offset.

Q Well, the Hill and Meeker is the north offset, isn't it?



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A Yes, sir.

Q Yes, okay. I'll get straightened out here in a minute.
The third well on your cross-section is the Cabeen Well, right?

A Yes, sir.

Q It's that well that I want to talk about.

A Yes.

Q That well is now plugged and abandoned?

A Yes, sir.

Q What were the circumstances causing that well to be plugged and abandoned?

A The exhibit will show that pipe was set at total depth, as it was in this South Crossroads well, and perforation was notched at a minus 8280, which is just ten feet above the oil-water contact. Upon first acid treatment of the well, which consisted of 500 gallons, the well made water in addition to oil. By our records there weren't any extensive tests conducted on it, and they immediately squeezed the perforations and came up and perforated on a subsea of minus 8259 to 8263. This was again treated with acid and the only test I have on this particular interval is 65 barrels of oil and 42 barrels of water in 18 hours. This was then squeezed at an interval at a minus 8269 below the perforations, they squeezed then sand jetted and a completion attempted. The test, after treating with 2,000 gallons of acid the well was tested for a long period of time, from approximately the middle of July to the middle of September, and the tests on that well ranged from 66



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barrels of oil and 255 barrels of water per day, down to 20 barrels of oil and 410 barrels of water per day.

Q The bottom of the perforations on that test was 8269, is that correct?

A The first one was at a minus 8280.

Q Minus 8280?

A That's right.

Q I'm speaking of these last tests that you gave me.

A The last one was minus 8269, yes, sir.

Q So the well was definitely not a commercial well at a minus 8269, would that be your opinion?

A Well, I feel it would have had a better chance of completion if they would have gone ahead and perforated, or on their first completion attempt taken that four foot interval from minus 8259 to 8263; because once they treated that first zone they got water. It was just another 19 feet, to be exact, up to the next, to where they perforated. If they wouldn't have perforated at 8280, that would have given them 27 feet down to the oil-water contact, approximately 27 feet. There are now wells producing that are approximately the same interval above the oil-water contact, and have at least 100,000 barrels of oil produced from them. Our State O No. 1, total depth on that is 12,287, which is minus 8272.

Q Where is that well located?

A This is in the northwest of the southeast of Section 15. That well was completed in January of '56, a total depth of 12,287



which is a minus 8272, and is produced at 685,000 barrels of oil through September of '63, and we still haven't any water in it.

Q You feel the water-oil contact is at the same level down in that section as it is in the upper portion of Section 10?

A The northwest offset is our State U, which I mentioned previously that we cored down to minus 8286 and we had no water; that's the only well in which we have cored and we have no water. The operators down at this end, because of the experience up on the north end, have tried to stay as much above the oil-water contact as possible. Our State O, as I mentioned, is only 18 feet above the oil-water contact, if the oil-water contact that we have assumed, of minus 8290 still holds for that down there. Our O-2 --

Q This is again in Section 15?

A Yes, sir, it's the south offset to O-1. That well is completed to a minus 8249. The well has produced 100,000 barrels of oil and during the month of September it produced approximately 50 barrels of water per day. It is now beginning to produce water. In August of '63 the first water production in the well showed up approximately ten barrels a day.

Q And your No. 1 has not produced any water as yet?

A No, sir.

Q Are both of these wells top allowable wells?

A Yes, sir. There are only two wells in the field that are not top allowable.

Q To what do you contribute the reason your No. 2 is

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beginning to produce water while the No. 1 is not?

A Well, water encroachment can occur in two ways, it can either occur through funnelling and coming in from the bottom of the hole or through a real porous zone in which you have produced, say, a major portion of your oil and water encroachment is coming in. In this particular case I would not know which it is, unless we ran some sort of a survey on it.

Q To say the least the completion of the wells in this pool is a pretty ticklish job in order to complete a water free well, is it not?

A Yes, sir.

Q In your opinion would it follow that rate of production in this pool should be watched very closely?

A Well, I haven't looked into that aspect of it, Mr. Utz.

Q It is possible that maybe an 80-acre allowable might be too much for this type of water drive pool though?

A I would not care to comment on that at this time.

Q It is a sizeable allowable, however, is it not, 12,000 feet?

A Yes, sir.

Q Then the two wells which are on the Unit, which you propose to dedicate with this unorthodox location, are now incapable of producing? That's true, is it not?

A Yes, sir.

Q Do you contribute the reason for them being incapable of



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producing to improper completion methods and water-coning at the wellbore?

A Well, I will say this, we have drilled seven wells in that pool, that South Crossroads Unit was the first one and since then all of our wells except this last one have been open-hole completions. We don't have much hope for this one.

Q But on the other hand the core data which you present and testified to shows that the water table is somewhat below the completion point of either of these wells.

A Yes, sir. In this particular area we feel we have it fairly well pin-pointed to a minus 8290 by the log, the detailed lateral log on the South Crossroads Unit, and the fact that we have two drillstem tests on the Cabeen well.

Q Actually that core data is about the only, that plus your contouring on which you have good control, would be the only basis on which you could claim that the entire 80 acres was productive of oil, would that be a true statement, in your opinion?

A Just the coring and the contouring?

Q Yes.

A Well, I think the drillstem tests would be some indication.

Q The drillstem tests, you mean prior to the time they went to water?

A Well, on the completion of the well and during the drilling of the well. As I mentioned on this Cabeen well, they took



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a drillstem test down to minus 8283 which had no water; then they drilled down to minus 8291 and took a drillstem test and this had something like 3690 feet of salt water, so I think we have it fairly well pin-pointed on this particular 80-acre tract.

Q And the reason you are moving north is, of course, due to structure?

A I don't believe that's what I said.

Q Well, why wouldn't you move south then?

A Well, we would be further on down, first of all if you move south, why we couldn't ask the 80-acre tract we're asking for, we would have to ask for the east half of the southwest quarter.

Q This well was drilled in the center of the quarter-quarter section, was it not?

A Yes, sir.

Q You are talking about moving the location of the well --

A I see what you mean. Well, we would be about on a par if we move approximately 330 feet south, structurally we would probably be very close to that Cabeen well.

Q Structurally?

A Structurally.

Q So then the reason that you want to move north is due to structure?

A Yes, I guess you could say that.

MR. UTZ: Are there any other questions of the witness?

MR. DURRETT: Yes, sir, I have a question.



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BY MR. DURRETT:

Q Would you look at your Exhibit Number 7, which is your isopac?

A Yes, sir.

Q The reason I'm asking you to do that, because I can call the numbers on here it's easier for me to identify the wells. Now referring to Section 10, am I reading the map correct, that the Texas Pacific is the operator of this entire section?

A All except the east half of the northeast quarter.

Q The east half --

A We are not the operators.

Q I see that. Here's the question that I'm leading to, on the Hill and Meeker well which is designated with an ALT in the northwest quarter of 10 --

A Yes.

Q Did you drill that well?

A No, that's a Hill and Meeker well that's on a farmout from us.

Q When was that well drilled?

A That well was completed in July of this year.

Q Of this year. Well, it is off pattern, is it not?

A Yes, sir.

Q What was the reason for that, do you know?

A I don't know.

Q Do you know if that was approved off pattern by order of



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the Commission after hearing, or was that an administrative approval?

A I don't know exactly how it was approved. We have checked the files, your files in Hobbs and we could not find anything in the way of an order of any sort regarding that well.

MR. PORTER: No exception to the rule?

A As I say, all we did was look and we couldn't find anything.

Q (By Mr. Durrett) Now, one other question. Referring to this same map, the isopac, in the southeast quarter of 10, that well that's designated with 31-T Ralph Lowell?

A Yes, sir.

Q That is a dry hole, is that right?

A Yes, sir, that's also a farmout from us.

Q When was that well completed?

A June of this year.

Q Is that on pattern, it looks like it might be?

A It's a little off pattern. It's 1876 from the south and 2086 from the east. It would be within a tolerance of 150 feet.

Q Thank you. One other question. Do you have any knowledge concerning this Hill and Meeker well in Section 22 in the northeast quarter, which is designated with a 69?

A Yes, sir.

Q That's off pattern, is it not?

A Yes, sir. That well is 330 feet from the north line and



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2310 from the east line. That well is, now, I believe, a limited allowable well of 200 barrels per day.

Q You mean limited by order of the Commission?

A In the proration schedule it shows a test on the well, probably from the last survey, I don't know exactly when the last survey was, over 300 barrels, which would be adequate for top allowable. However the production on this well indicates that since about November of '62, the well has not produced over 6,000 barrels of oil per month. I would assume, I think just recently you people have cut some allowable on some wells that have not made capacity, and I assume that this was it, although I did not do any investigating on that particular aspect.

Q Do you know of your own knowledge whether or not that well was approved to be drilled off pattern by administrative procedure or by hearing?

A This well was completed in June of '62. I believe the hearing for the pool rules was held, and I don't know the exact date, but the order was issued in August of '62.

Q So this was probably excepted when the rules were written?

A I don't know.

MR. DURRETT: I believe that's all I have, thank you.

BY MR. PORTER:

Q Are you convinced that this is all one pool?

A Mr. Porter, again I just haven't made that particular type of study. From all indications it would appear to be that



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way because you have a dry hole in the, well, our State U No. 1.

Q You are referring to the well --

A In the southeast of the northwest of Section 15.

Q -- right.

A And it would appear from the information we have right now, that that would probably be the case.

MR. UTZ: The pool areas are separated?

A Well, we do have a dry hole between the southern portion and the northern portion.

MR. UTZ: And we have operators such as you who are reluctant to move south?

A Yes, sir.

Q (By Mr. Porter) What does a well cost here, 12,350?

A Oh, approximately \$250,000.00.

Q In other words, your company is gambling the \$250,000.00 that you can complete this one properly at this particular location?

A Yes.

MR. PORTER: I don't have any further questions.

MR. UTZ: You are offsetting the Meeker well, or you propose to offset the Meeker well by the same distance, or 330 feet from the section line, is that correct?

A Well, the distance between the two wells will be 660 feet.

MR. UTZ: Any other questions of the witness? The witness may be excused.



(Witness excused.)

MR. UTZ: Are there any statements to be made in this case? The case will be taken under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

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 December, 1963.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:
June 19, 1967

I hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2959, heard by me on Dec. 16, 1963.
[Signature], Examiner
New Mexico Oil Conservation Commission

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NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE DECEMBER 16, 1963 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
John D Russell L.E. Thomas	TP Oil Co. Amerada	Hobbs
A. JACK E. JAMES	AMERADA	HOBBES
John Yironka	TP Oil Co	Midland
Jac B. Alenta	Amerada	Midland
Jason Kellahi	"	Santa Fe
Marshall Smith	Statehouse Reporting	Santa Fe
A. L. Porter	"	"