

CASE 3047: Application of EL PASO
NATURAL GAS CO. for 3 non-standard
gas proration units and 1 unorth.
well location.

CASE NO.

3047

Application,

TRANSCRIPTS,

SMALL Exhibits

ETC.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF EL PASO NATURAL GAS COMPANY FOR THE ESTABLISHMENT OF A 376.88 ACRE NON-STANDARD GAS PRORATION UNIT IN THE BLANCO-MESAVEREE GAS POOL, CONSISTING OF THE SE/4 AND THE E/2 OF THE SW/4, AND LOTS 1, 2 AND 3 OF SECTION 9, TOWNSHIP 32N, RANGE 7W, SAN JUAN COUNTY, NEW MEXICO, AND LOTS 3 AND 4 AND THE NE/4 OF THE SW/4 OF SECTION 10, TOWNSHIP 32N, RANGE 7W, SAN JUAN COUNTY, NEW MEXICO, AND FOR THE ESTABLISHMENT OF A 357.84 ACRE NON-STANDARD GAS PRORATION UNIT CONSISTING OF THE SE/4 AND THE S/2 OF THE SW/4 AND THE NE/4 OF THE SW/4 AND LOTS 1 AND 2 OF SECTION 10, TOWNSHIP 32N, RANGE 7W, OF SAN JUAN COUNTY, NEW MEXICO, AND LOTS 3 AND 4 OF SECTION 11, TOWNSHIP 32N, RANGE 7W, SAN JUAN COUNTY, NEW MEXICO, AND FOR THE ESTABLISHMENT OF A 359.20 ACRE NON-STANDARD GAS PRORATION UNIT IN THE BLANCO-MESA-VERDE GAS POOL CONSISTING OF THE S/2 AND LOTS 1 AND 2 OF SECTION 11, TOWNSHIP 32N, RANGE 7W, SAN JUAN COUNTY, NEW MEXICO AND FOR THE ESTABLISHMENT OF AN UNORTHODOX LOCATION FOR A WELL TO BE DRILLED IN THE SE/4 OF SAID SECTION 9.

CASE NO. 3047

A P P L I C A T I O N

Comes now El Paso Natural Gas Company hereinafter called "Applicant" authorized to do business in the State of New Mexico and files this Application for three (3) non-standard gas proration units and for an unorthodox well location, and in support thereof alleges and states:

I

Three proposed Gas Proration Units in Sections 9, 10 and 11, Township 32N, Range 7W, San Juan County, New Mexico are as shown on Applicant's Exhibit No.1. The proposed location of a gas well to be dually completed in the Mesaverde and Dakota Formations will be drilled 1650 feet from the South line and 825 feet from the East line of the SE/4 of said Section 9 as shown on El Paso's Exhibit No.1.

II

All of the proposed non-standard units are located in the Allison unit of which Applicant is the Unit Operator.

III

This application should be granted in order to maintain orderly development and a uniform spacing pattern and to provide for the drilling of a well to conform to the established proration pattern.

IV

If the relief requested in this application is granted it will prevent waste and will not violate correlative rights.

V

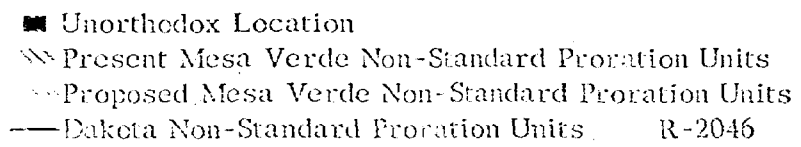
No other interested party is known to Applicant.

WHEREFORE, Applicant respectfully requests that notice of this application is as required and that this matter be set for hearing at the first Examiner Hearing in May, 1964 and that upon final hearing, an Order be issued to approve said proposed non-standard proration units and the proposed unorthodox location as set out and for such other and further relief to which Applicant may show itself justly entitled.

EL PASO NATURAL GAS COMPANY

GARRETT C. WHITWORTH
Attorney

Exhibit #1



Proposed Mesa Verde Non-Standard Proration Units		
Secs. 9 and 10	376.88 acres	✓
Secs. 10 and 11	357.84 acres	✓
Sec. 11	359.20 acres	✓✓

Case 3047

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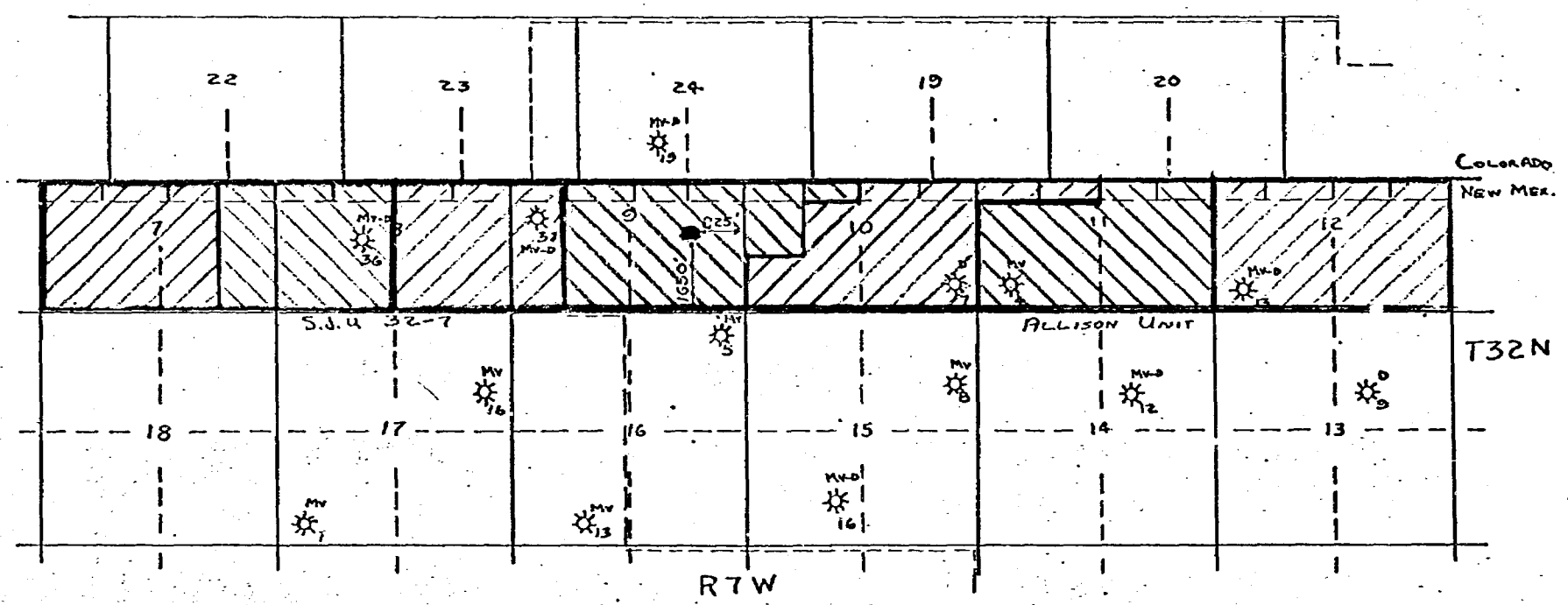
BEFORE EXAMINER
OIL CONSERVATION COMMISSION
El Paso EXHIBIT NO. 1
CASE NO. 3047

EL PASO NATURAL GAS COMPANY

Case 3047 Exhibit #1

XERO COPY

XERO COPY



- Unorthodox Location
- \\ Present Mesa Verde Non-Standard Proration Units
- /// Proposed Mesa Verde Non-Standard Proration Units
- Dakota Non-Standard Proration Units R-2046

Proposed Mesa Verde Non-Standard Proration Units

Secs. 9 and 10	376.88 acres
Secs. 10 and 11	357.84 acres
Sec. 11	359.20 acres

XERO COPY

May 27th
El Paso Natural Gas Company
MAIN OFFICE 000

El Paso, Texas REGISTERED MAIL 8:33

April 22, 1964

262 3047

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

Dear Mr. Porter:

I have enclosed the original and two copies of El Paso Natural Gas Company's Application for three non-standard gas proration units in the Blanco-Mesaverde Gas Pool in Sections 9, 10 and 11, Township 32N, Range 7W, San Juan County, New Mexico and for the establishment of an unorthodox location for a well to be drilled in the SE/4 of said Section 9.

Request is hereby made that this matter be set for hearing before an examiner on the soonest possible date.

Yours very truly,

EL PASO NATURAL GAS COMPANY

Garrett C. Whitworth
Garrett C. Whitworth
Attorney

GCW:ck

DOCKET MAILED

Date *5-15-64*

J. O. SETH (1883-1963)

A. K. MONTGOMERY
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
GEORGE A. GRAHAM, JR.
RICHARD S. MORRIS
FREDERICK M. MOWRER

SETH, MONTGOMERY, FEDERICI & ANDREWS

ATTORNEYS AND COUNSELORS AT LAW
350 EAST PALACE AVENUE
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307
AREA CODE 505
TELEPHONE 982-3876

May 25, 1964

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: Case No. 3047, Application of El
Paso Natural Gas Company for three
non-standard gas proration units
and one unorthodox well location,
San Juan County, New Mexico

Gentlemen:

We hereby enter our appearance in the above referenced
case on behalf of the applicant, El Paso Natural Gas
Company. Associated with us in this case will be Mr.
Ben R. Howell and Mr. Garrett C. Whitworth of the El
Paso, Texas bar.

Very truly yours,

SETH, MONTGOMERY, FEDERICI & ANDREWS

By

Richard S. Morris

RSM:LHS

cc: Mr. Ben R. Howell and
Mr. Garrett C. Whitworth
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 27, 1964

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

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

- CASE 3033: (Continued from April 29, 1964 Examiner Hearing)
Application of Cherry Brothers and Cabot Corporation for the creation of a new oil pool and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Lower Wolfcamp production for its Austin State Well No. 1, located in Unit F of Section 19, Township 14 South, Range 36 East, Lea County, New Mexico, and for the establishment of temporary pool rules therefor, including a provision for 80-acre oil proration units.
- CASE 3046: Application of Marathon Oil Company for a triple completion and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (tubingless) of its State Warn A/c 1 Well No. 3, located in Unit F of Section 31, Township 17 South, Range 35 East, to produce oil from the Glorieta, Wolfcamp, and Abo formations, Vacuum Field, Lea County, New Mexico. Applicant further seeks the approval of a non-standard 80-acre proration unit comprising the SE/4 NW/4 and NE/4 SW/4 of said Section 31 to be dedicated to the aforesaid Wolfcamp and Abo zones in said well.
- CASE 3047: Application of El Paso Natural Gas Company for three non-standard gas proration units and one unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the following three non-standard gas proration units:
A 376.88-acre unit comprising the SE/4 and E/2 SW/4 and Lots 1, 2 and 3 of Section 9 and Lots 3 and 4 and the NW/4 SW/4 of Section 10;
A 357.84-acre unit comprising the SE/4, S/2 SW/4, and NE/4 SW/4 and Lots 1 and 2 of Section 10 and Lots 3 and 4 of Section 11;
A 359.20-acre unit comprising the S/2 and Lots 1 and 2 of Section 11, all in Township 32 North, Range 7 West, Blanco Mesaverde Pool, San Juan County, New Mexico. Applicant further seeks the approval of an unorthodox location for a well to be dually completed in the Mesaverde and Dakota formations at a point 1650 feet from the South line and 825 feet from the East line of said Section 9.
- CASE 3048: Application of E. L. Fundginsland for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, San Juan County, New Mexico.
- CASE 3049: Application of Sohio Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Littman San Andres Unit Area comprising 661 acres, more or less, of State and Federal lands in Sections 8, 9, 16, and 17, Township 21 South, Range 38 East, Lea County, New Mexico. The Unit Area also includes 1280 acres of fee land in Sections 5, 6, 7, 14, and 15, Block A-29, PSL, Andrews County, Texas.

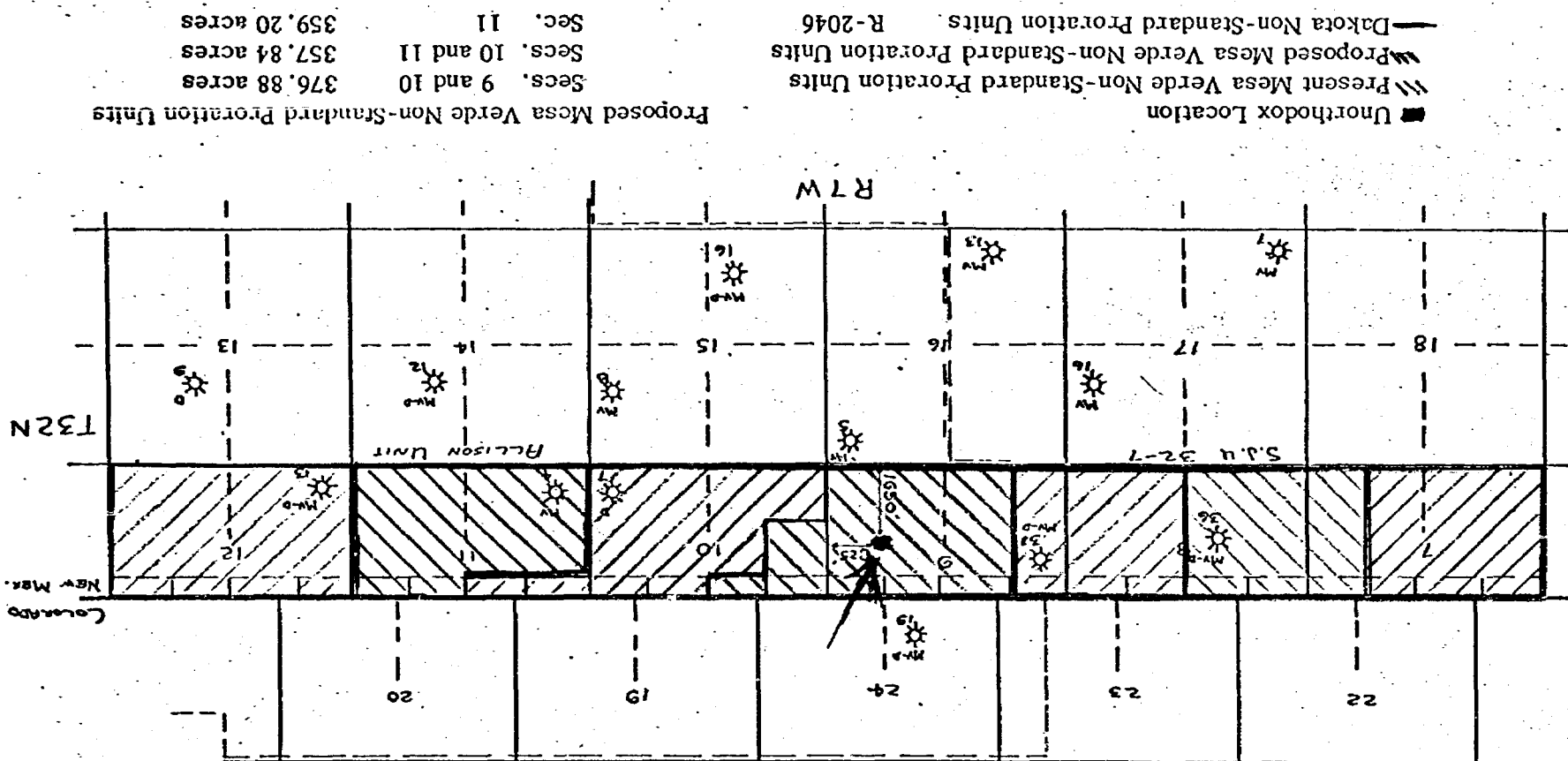
- CASE 3050: Application of Sohio Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Littman-San Andres Pool by the injection of water into the San Andres formation through 4 wells in Sections 8, 9 and 16, Township 21 South, Range 38 East, Lea County, New Mexico. Said project is to be operated in Lea County, New Mexico. Said project is to be operated in conjunction with applicant's proposed waterflood project in the Littman San Andres Unit in Andrews County, Texas.
- CASE 3051: Application of Pan American Petroleum Corporation to amend Order No. R-2026, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Rules 7 and 10 of Order No. R-2026 to permit the production of more than two times top allowable from wells in its Northeast Hogback Unit Pressure Maintenance Project even though they offset wells outside the project area.
- CASE 3052: Application of The Atlantic Refining Company to amend Order No. R-2210, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Rules 7 and 10 of Order No. R-2210 to permit the production of more than two times top allowable from wells in its Horseshoe Gallup Unit Pressure Maintenance Project even though they offset wells outside the project area.
- CASE 3053: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formation through two wells located in Section 12, Township 17 South, Range 32 East, Lea County, New Mexico.
- CASE 3055: Application of Texas Pacific Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its J. P. Collier Well No. 1 located in Unit F of Section 10, Township 11 South, Range 33 East, Lea County, New Mexico, to produce oil from the North Bagley Upper and Lower Pennsylvanian Pools through parallel strings of tubing.
- CASE 3056: Application of Texas Pacific Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State "AF" Well No. 3, located in Unit L of Section 8, Township 18 South, Range 39 East, Lea County, New Mexico, to produce oil from the Abo and Wolfcamp formations, Vacuum Field, through parallel strings of tubing.
- CASE 3057: Application of Charles O. Trimble for an oil treating plant permit, Lea County, New Mexico. Charles O. Trimble, dba Trimble Mud Service, in the above-styled cause, seeks authority pursuant to Rule 312 to install and operate an oil treating plant approximately one mile South and West of Eunice, New Mexico, for the purpose of processing and treating sediment oil.
- CASE 3058: Application of Cities Service Oil Company to establish a special GOR limit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special gas-oil ratio limit of 6000 cubic feet of gas for each barrel of oil produced in the Reeves-Pennsylvanian Pool, Lea County, New Mexico.

- 3 - Wednesday, May 27 Examiner Hearing

- CASE 3059: Application of Frank Darden for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cowntown Unit Area comprising 280 acres, more or less, of State land in Sections 13 and 24, Township 18 South, Range 28 East, Eddy County, New Mexico.
- CASE 3060: Application of Frank Darden for a waterflood, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Artesia Pool in his Cowntown Unit Area, by the injection of water into the Grayburg formation through two injection wells in Sections 13 and 24, Township 18 South, Range 28 East, Eddy County, New Mexico.
- CASE 3061: Application of Kewanee Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Dayton Grayburg Pool by the injection of water into the Grayburg formation through one well in Section 25, Township 18 South, Range 26 East, Eddy County, New Mexico.
- CASE 3062: Application of Kewanee Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Atoka Grayburg Pool by the injection of water into the Grayburg formation through one well in Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico.

EL PASO NATURAL GAS COMPANY

Case 347 Exhibit #1



3047

Case 3047

Heard 5-27-64

Rec. 5-28-64

1. Grant El Paso thru Knox Hts.
Protraction units for the Blanco - M.V.
Suspension as follows:

(a) Sec 9, SE/4, E/2 SW/4, lots 1, 2 + 3.
Sec. 10, NW/4 SW/4, Lots 3 + 4. 376.85 Ac.

(b) Sec. 10, SE/4, E/2 SW/4, SW/4 SW/4 lots.
1 + 2,
Sec. 11, Lots 3 + 4. 357.84 Ac.

(c) Sec. 11, S/2, Lots 1 + 2, 359.20 Ac.
ad-in. 32 N - 7 W.

2. Grant, a new. Hts. location for
a ~~Blanco~~ Blanco - M.V. well to be
drilled 1650/S, 825/E line sec. 9
32 N - 7 W.

Thos. H.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

June 3, 1964

Mr. Garrett Whitworth
El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas

Re: Case No. 3047
Order No. R-2717
Applicant:

El Paso Natural Gas Company

Dear Sir:

Enclosed herewith ^{is one copy} ~~are two copies~~ of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC x

OTHER Mr. Richard S. Morris

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. 3047
Order No. R-2717

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THREE NON-STANDARD GAS
PRORATION UNITS AND ONE UNORTHODOX
WELL LOCATION, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 27, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, El Paso Natural Gas Company, seeks approval of the following-described non-standard gas proration units in the Blanco-Mesaverde Gas Pool:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 7 WEST

- (a) A 376.88-acre unit comprising the SE/4 and E/2 SW/4 and Lots 1, 2, and 3 of Section 9 and Lots 3 and 4 and the NW/4 SW/4 of Section 10.

(b) A 357.84-acre unit comprising the SE/4, S/2 SW/4, and NE/4 SW/4 and Lots 1 and 2 of Section 10 and Lots 3 and 4 of Section 11.

(c) A 359.20-acre unit comprising the S/2 and Lots 1 and 2 of Section 11.

(3) That the applicant also seeks an exception to the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to drill a well at an unorthodox location 1650 feet from the South line and 825 feet from the East line of Section 9, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by one well.

(5) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Blanco-Mesaverde Gas Pool are hereby approved:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 7 WEST

(a) A 376.88-acre unit comprising the SE/4 and E/2 SW/4 and Lots 1, 2, and 3 of Section 9 and Lots 3 and 4 and the NW/4 SW/4 of Section 10.

(b) A 357.84-acre unit comprising the SE/4, S/2 SW/4, and NE/4 SW/4 and Lots 1 and 2 of Section 10 and Lots 3 and 4 of Section 11.

(c) A 359.20-acre unit comprising the S/2 and Lots 1 and 2 of Section 11.

-3-

CASE No. 3047

Order No. R-2717

(2) That the applicant, El Paso Natural Gas Company, is hereby granted an exception to the well location requirements of the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool and is hereby authorized to drill a well at an unorthodox location 1650 feet from the South line and 825 feet from the East line of Section 9, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(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

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
May 27, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas
Company for three non-standard gas
proration units and one unorthodox
well location, San Juan County, New
Mexico.

Case No. 3047

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6691

SANTA FE, N. M.
PHONE 983-3971

FARMINGTON, N. M.
PHONE 325-1162



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

MR. UTZ: Case 3047.

MR. DURRETT: Application of El Paso Natural Gas Company for three non-standard gas proration units and one unorthodox well location, San Juan County, New Mexico.

MR. WHITWORTH: Garrett Whitworth, member of the Texas Bar, for El Paso Natural Gas Company; and I think that Mr. Richard Morris has made an appearance in this case.

MR. UTZ: Yes, he has.

MR. WHITWORTH: We have one witness to be sworn, Mr. Gerald Hickson.

(Witness sworn.)

GERALD HICKSON

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

DIRECT EXAMINATION

BY MR. WHITWORTH:

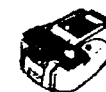
Q Mr. Hickson, for the record, would you please state your name, by whom and in what capacity you are employed?

A Gerald Hickson, employed by El Paso Natural Gas Company as a proration engineer.

Q Have you previously testified as an expert proration engineer before this Commission?

A Yes, sir.

Q Have your qualifications been made a matter of record?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

A They have.

Q To your knowledge, they haven't changed since that time?

A No.

MR. UTZ: The witness' qualifications are acceptable.

Q (By Mr. Whitworth) Mr. Hickson, by this application, what does El Paso seek to do in this case?

A We're seeking approval of three non-standard proration units, one being 376.88 acres, comprising the Southeast Quarter and the East Half of the Southwest Quarter and Lots 1, 2 and 3 of Section 9, and Lots 3 and 4 and the Northwest Quarter of the Southwest Quarter of Section 10, 32 and 7; one unit being 357.84 acres, being the Southeast Quarter, the South Half of the Southwest Quarter, and the Northeast Quarter of the Southwest Quarter and Lots 1 and 2 of Section 10, and Lots 3 and 4 of Section 11, 32 and 7; the third unit being 359.2 acres, the South Half and Lots 1 and 2 of Section 11, all in Township 32 and 7.

Q Does El Paso also seek approval of an unorthodox location for a well to be drilled in the Southeast Quarter of Section 9?

A Yes, sir.

Q Do you have a plat depicting the exact location of these proposed non-standard units and also the proposed location of this unorthodox well?

A Yes, sir, I do. It's El Paso's Exhibit No. 1.



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

Q Would you please explain this exhibit, Mr. Hickson?

A The units outlined in red are Basin Dakota non-standard proration units as set out in Order R-2046. The units in yellow are units which have previously been established as Mesaverde non-standard proration units to conform with the Basin Dakota units in 2046.

The three units in green are the three non-standard proration units which we are asking for approval of here today, and the well located in Section 9, the Southeast Quarter of Section 9 is our unorthodox location.

Q Why is it necessary to have a hearing on these proposed non-standard units?

A Well, sir, in Section 9 the non-standard unit we're requesting crosses a governmental section, and the same in Section 10, and 11 is greater than 320 acres.

Q To your knowledge, have there been any applications previously granted to non-standard units in this area?

A Yes, sir, in the Mesaverde there has been three in the 32,7 Unit and one in the Allison Unit in Section 12.

Q All of these proposed non-standard units are located in the Allison Unit, is that right?

A Yes, sir, that's correct.

Q Who is the operator of that unit?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325.1182

SANTA FE, N. M.
PHONE 983.3971

ALBUQUERQUE, N. M.
PHONE 243.6691



FARMINGTON, N. M.
PHONE 325-1182

DEARNLEY-MEIER REPORTING SERVICE, Inc.

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

A El Paso Natural Gas Company.

Q Are there any offset operators to these proposed non-standard units?

A Only the 32, 7 Unit and El Paso operates that and has no objection to this application.

Q Why is it necessary, Mr. Hickson, to have a hearing on this proposed unorthodox well location?

A Well, Rule 2 of Section 8, special rules for the Blanco Mesaverde Pool of Order R-1670, state that a standard location shall be located in the Northeast Quarter or Southwest Quarter of a governmental section.

Well, in Section 9 of 32 and 7, there is already one standard location which is in the 32, 7 Unit. In order to set up a better drainage pattern for the area in the Mesaverde and Dakota, we have moved this location to the Southeast Quarter.

Q Why is the well located exactly where it is depicted on the plat?

A Well, that location was set out by our geological department in order to have a more effective drainage area in this area in both the Mesaverde and Dakota. Had we put it in a standard location in Section 9, we would have had two wells in the Southwest Quarter of Section 9.

Q Mr. Hickson, at the proper time, administrative approval will be sought by El Paso to dually complete this well in the



Mesaverde and Dakota formations, is that correct?

A Yes, sir, that's correct.

Q If the relief requested by El Paso in this case is granted, is it your opinion that it will prevent waste and not violate correlative rights?

A Yes, I believe that's correct.

Q To your knowledge, does any other party oppose El Paso's application in this case?

A We have received no complaints in this case.

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

A No, sir.

MR. WHITWORTH: Mr. Examiner, we ask that El Paso's Exhibit No. 1 be received into evidence.

MR. UTZ: Without objection, Exhibit No. 1 will be entered into the record of this case.

(Whereupon, El Paso's Exhibits
Nos. 1 and 2 received in evidence.)

MR. WHITWORTH: That's all we have.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Hickson, the unorthodox location here you said would be a Mesaverde Dakota dual eventually?

A Yes, sir, it's proposed to be.

Q Allowing this location, it will allow a better drainage pattern for both zones, will it not?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

A Yes, sir, that's correct. We have, in Section 24 of 32 and 7 in Colorado we have a Mesaverde Dakota dual, and one in Section 9 of 32 and 7, which is in 32,7 Unit; and in Section 16 it's a Mesaverde single, and this would set up a better drainage pattern in both zones if we drill the well in the Southeast Quarter rather than in the standard location, being in the Southwest Quarter.

Q It might even prevent the No. 19 from draining some New Mexico gas?

A Yes, sir.

MR. UTZ: Are there any other questions of the witness?
The witness may be excused.

(Witness excused.)

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

* * *



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

STATE OF NEW MEXICO)
) SS
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true record of the said proceedings, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 10th day of June, 1964.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 3042...
heard by me on *May 27* 1964...
Shirley J. [Signature] Examiner
New Mexico Oil Conservation Commission



DRAFT

JMD/esr

June 1, 1964

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. 3047

Order No. R- 2117

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THREE NON-STANDARD GAS
PRORATION UNITS AND ONE UNORTHODOX
WELL LOCATION, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
May 27, 1964, at Santa Fe, New Mexico, before Examiner 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 June, 1964, the Commission,
a quorum being present, having considered the application, the testimony,
the record, ~~evidence adduced~~ and the recommendations of the Examiner,
_____ 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, El Paso Natural Gas Company, seeks
approval of the following-described non-standard gas proration units
in the Blanco-Mesaverde Gas Pool:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 7 WEST

- (a) A 376.88-acre unit comprising the SE/4 and
E/2 SW/4 and Lots 1, 2, and 3 of Section 9
and Lots 3 and 4 and the NW/4 SW/4 of Sec-
tion 10.
- (b) A 357.84-acre unit comprising the SE/4, S/2
SW/4, and NE/4 SW/4 and Lots 1 and 2 of Sec-
tion 10 and Lots 3 and 4 of Section 11.

- (c) A 359.20-acre unit comprising the S/2 and Lots 1 and 2 of Section 11.

(3) That the applicant also seeks an exception to the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to drill a well at an unorthodox location 1650 feet from the South line and 825 feet from the East line of Section 9, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by one well.

(5) That approval of the subject application will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Blanco-Mesaverde Gas Pool are hereby approved:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 32 NORTH, RANGE 7 WEST

- (a) A 376.88-acre unit comprising the SE/4 and E/2 SW/4 and Lots 1, 2, and 3 of Section 9 and Lots 3 and 4 and the NW/4 SW/4 of Section 10.
- (b) A 357.84-acre unit comprising the SE/4, S/2 SW/4, and NE/4 SW/4 and Lots 1 and 2 of Section 10 and Lots 3 and 4 of Section 11.
- (c) A 359.20-acre unit comprising the S/2 and Lots 1 and 2 of Section 11.

(2) That the applicant, El Paso Natural Gas Company, is hereby granted an exception to the well location requirements of the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool and is hereby authorized to drill a well at an unorthodox

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CASE No. 3047

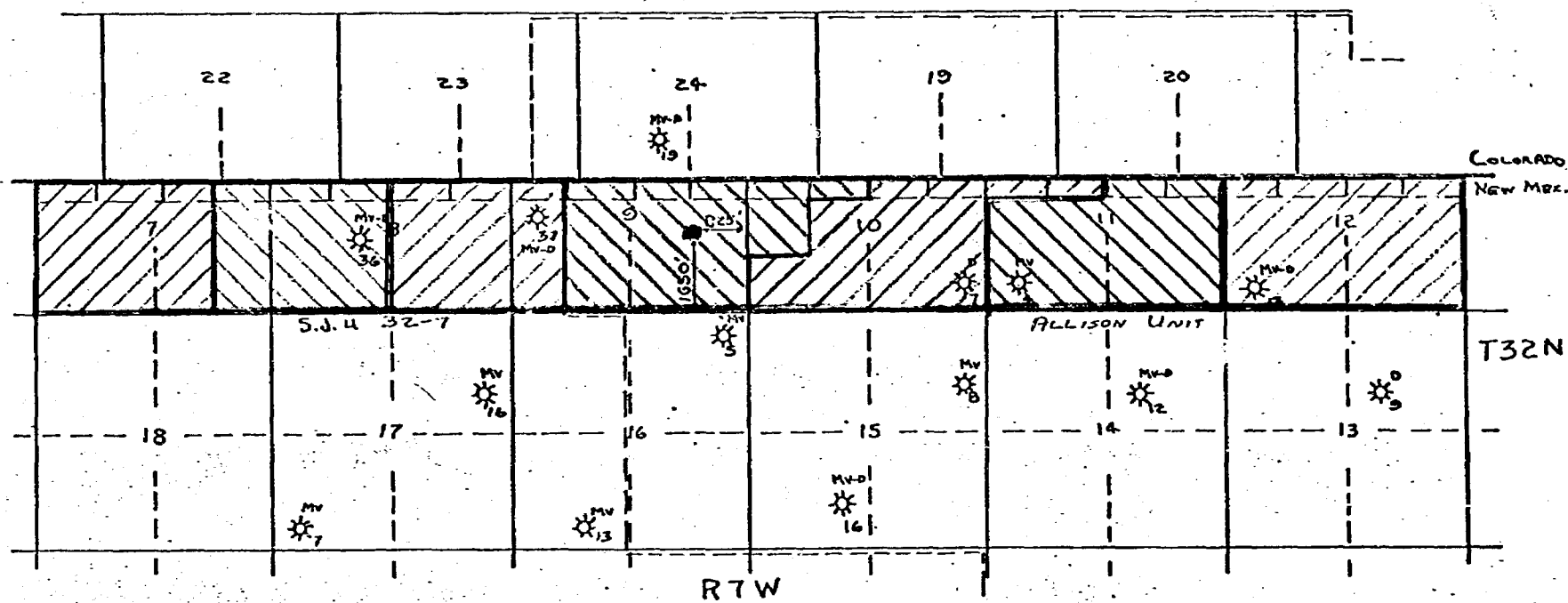
location 1650 feet from the South line and 825 feet from the East line of Section 9, Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico.

(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.

EL PASO NATURAL GAS COMPANY

Case 3047 Exhibit #1



- Unorthodox Location
- /// Present Mesa Verde Non-Standard Proration Units
- \\ Proposed Mesa Verde Non-Standard Proration Units
- Dakota Non-Standard Proration Units. R-2046

Proposed Mesa Verde Non-Standard Proration Units

Secs. 9 and 10	376.88 acres
Secs. 10 and 11	357.84 acres
Sec. 11	359.20 acres