

CASE 3137: Application of SOUTHERN  
UNION PROD. CO. for an unorthodox  
location, San Juan County, N. M.

CASE No.  
3137

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

DRAFT

JMD/esr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CF Subj. \_\_\_\_\_

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 3137

Order No. R- 2803

APPLICATION OF SOUTHERN UNION  
PRODUCTION COMPANY FOR AN UNOR-  
THODOX 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  
October 28, 1964, at Santa Fe, New Mexico, before Examiner  
Daniel S. Nutter.

NOW, on this November 2, 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, Southern Union Production Company,  
seeks authority to complete its Navajo Indian Well No. 6 at an  
unorthodox location in the Blanco-Mesaverde <sup>gas</sup> Pool 1700 feet from  
the North line and 910 feet from the West line of Section 6,  
Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico.

(3) That the subject well was drilled and completed as  
a Basin-Sakota gas well at a standard location in the Basin-Sakota gas pool.  
(4) That the subject well is outside the horizontal limits  
of the Blanco-Mesaverde Gas Pool as presently designated by the Commission  
but within one mile thereof and may be considered a pool extension  
if successfully completed in the Blanco-Mesaverde gas pool.

✓ (4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southern Union Production Company, is hereby authorized to complete its Navajo Indian Well No. 6 at an unorthodox location in the Blanco-Mesaverde <sup>gas</sup> Pool 1700 feet from the North line and 910 feet from the West line of Section 6, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico.

(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.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

MAILED  
SEP 30 PM 1 1933

SOUTHERN UNION PRODUCTION COMPANY )  
Applicant )

CASE NO.

3127

TO THE HONORABLE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

Southern Union Production Company (herein called "Applicant") hereby makes application for an exception to the Commission's Rules and Regulations for operation of the Blanco-Mesaverde Pool so as to authorize dual completion at a nonstandard Mesaverde Pool location of one well for gas production from both Mesaverde and Dakota formations, and in support of such application states:

1.

The names of the common sources of supply affected by the order sought in this application are the Blanco-Mesaverde Pool and the Basin Dakota Pool.

2.

Applicant's Navajo Indian No. 6 Well has been drilled to the Dakota formation on the SW/4NW/4, Section 6, Township 26 North, Range 8 West, San Juan County, New Mexico, at a location 1700 feet from the North line and 910 feet from the West line of such section. The drilling unit for this well is the W/2, Section 6, Township 26 North, Range 8 West, and the well is located outside, but within less than one mile, of the limits of the Blanco-Mesaverde Pool as previously defined and designated by the Commission.

3.

The aforesaid well was commenced and drilled upon belief, based upon information then available to Applicant, that the well would be productive

of gas from the Dakota Formation only. However, subsequent information obtained by Applicant during drilling of the well indicates a substantial possibility that the well can be dually completed as a gas producer from both the Mesaverde and the Dakota formations. Dual completion of the well will permit production from both Mesaverde and Dakota formations at substantially less cost than would be incurred through drilling and operation of separate and individual wells for production from the Dakota and Mesaverde formations, respectively. Consequently, dual completion of the well will permit the ultimate recovery of substantially greater volumes of gas from beneath the aforesaid drilling unit than would be possible with the higher costs associated with the drilling and operation of two separate wells at standard Mesaverde Pool and Dakota Pool locations and will thereby prevent waste and protect correlative rights.

4.

A hearing of this application before an examiner designated by the Commission is desired by Applicant.

5.

The names and addresses of all owners, other than Applicant, of acreage adjacent to the drilling unit for the aforesaid well are:

El Paso Natural Gas Company  
Post Office Box 1492  
El Paso, Texas

J. Glenn Turner  
1900 Mercantile Dallas Building  
Dallas, Texas 75201

Consolidated Oil & Gas, Inc.  
4150 East Mexico Avenue  
Denver, Colorado 80222

and the same are all parties interested in this application that are known to Applicant.

WHEREFORE, Applicant respectfully requests that, after such notice and hearing as the Commission may direct, the Commission make and enter

its order granting to Applicant an exception to the Commission's Rules and Regulations respecting development and operation of the Blanco-Mesaverde Pool so as to authorize dual completion, operation and production of the aforesaid well from both the Mesaverde and Dakota formations.

Respectfully submitted,

SOUTHERN UNION PRODUCTION COMPANY

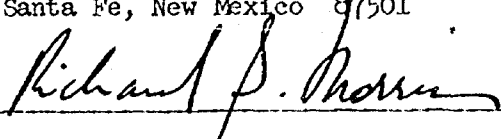
By

  
Executive Vice President

WY  
SLM

Seth, Montgomery, Federici & Andrews  
350 East Palace Avenue  
Santa Fe, New Mexico 87501

By



Attorneys for Southern Union Production Company

J. O. SETH (1883-1963)

A. K. MONTGOMERY  
WM. FEDERICI  
FRANK ANDREWS  
FRED C. HANNAHS  
RICHARD S. MORRIS  
JOHN G. JASPER  
SUMNER G. BUELL

SETH, MONTGOMERY, FEDERICI & ANDREWS

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

PH 1  
SEP 30  
1964

POST OFFICE BOX 2307  
AREA CODE 505  
TELEPHONE 982-3876

September 29, 1964

Mr. A. L. Porter, Jr.  
New Mexico Oil Conservation Commission  
State Land Office Building  
Santa Fe, New Mexico

Re: Navajo Indian Well No. 6  
SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Sec. 6, T26N, R8W  
San Juan County, New Mexico

Dear Mr. Porter:

Enclosed is an application by Southern Union Production Company seeking an exception to the location requirements for wells completed in the Blanco-Mesaverde gas pool.

While some reference is made in this application to the dual completion of the subject well, we have advised the company that it should seek that authority by administrative procedure and that the only matter for hearing would concern the well's "off-pattern" location.

Very truly yours,

*Richard S. Morris*

RSM:ff  
Enc.  
cc:WSJameson

DOCKET MAILED

Date 10-13-64  
*OK*

October 28 Examiner Hearing

CASE 2910 (Reopened):

In the matter of Case No. 2910 being reopened pursuant to the provisions of Order No. R-2589, which order established 80-acre spacing units for the Scharb-Bone Springs Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 2659 (Reopened):

In the matter of Case No. 2659 being reopened pursuant to the provisions of Order No. R-2347-A, which continued the original order establishing 80-acre proration units for the North Bagley-Wolfcamp Pool, Lea County, New Mexico, for an additional year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2904 (Reopened):

In the matter of Case No. 2904 being reopened pursuant to the provisions of Order No. R-2576, which order established temporary 80-acre spacing units for the Flying "M" Abo Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 2678 (Reopened):

In the matter of Case No. 2678 being reopened pursuant to the provisions of Order No. R-2359-A, which continued the original order establishing 160-acre proration units for the East Saunders Permo-Pennsylvanian Pool, Lea County, New Mexico, for an additional year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 3136: Application of William A. and Edward R. Hudson for expansion of a waterflood project and for certain unorthodox locations, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to expand their Maljamar Grayburg-San Andres Waterflood Project by the drilling of three injection wells at unorthodox locations not more than 100 feet nor closer than 25 feet to the Northeast corner of Units H, M and P of Section 24, Township 17 South, Range 31 East, Eddy County, New Mexico. Applicants further seek authority to convert from oil production to water injection their Puckett "A" Well No. 26 located in the Southeast corner of Unit D and Wells Nos. 27 and 28 located in the Northwest corners of Units K and C, respectively, all in said Section 24.

CASE 3137: Application of Southern Union Production Company for an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Navajo Indian Well No. 6 at an unorthodox location in the Blanco Mesaverde Pool 1700 feet from the North line and 910 feet from the West line of Section 6, Township 26 North, Range 8 West, San Juan County, New Mexico.

CASE 2660 (Reopened):

In the matter of Case No. 2660 being reopened pursuant to the provisions of Order No. R-2348-A, which continued the original order establishing 80-acre proration units for the Middle Lane-Pennsylvanian Pool, Lea County, New Mexico, for an additional year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 28, 1964

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

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

- CASE 3113: (Continued from the September 30, 1964 Examiner Hearing).  
Application of BCO, Inc. for a unit agreement, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Escrito Gallup Pool Unit Area comprising 3123.88 acres, more or less, of State and Federal lands in Township 24 North, Ranges 7 and 8 West, San Juan and Rio Arriba Counties, New Mexico.
- CASE 3114: (Continued from the September 30, 1964 Examiner Hearing).  
Application of BCO, Inc. for a waterflood project, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Escrito Gallup Oil Pool in its Escrito Unit Area by the injection of water into the Gallup formation through three wells located in Sections 17 and 18, Township 24 North, Range 7 West, and Section 12, Township 24 North, Range 8 West, San Juan and Rio Arriba Counties, New Mexico.
- CASE 3131: Application of Texstar Petroleum Company for a unit agreement, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Hospah Unit Area comprising 1160 acres, more or less, of State and Fee lands in Townships 17 and 18 North, Ranges 8 and 9 West, Hospah Pool, McKinley County, New Mexico.
- CASE 3132: Application of Texstar Petroleum Company for a waterflood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Hospah Pool in its Hospah Unit Area, by the injection of water into the Hospah Sand through 8 wells located in Section 1, Township 17 North, Range 9 West, and Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico.
- CASE 3133: Application of George W. Strake for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Hackberry Deep Unit Area comprising 3,832.60 acres, more or less, of Federal and State lands in Townships 19 and 20 South, Ranges 30 and 31 East, Eddy County, New Mexico.
- CASE 3134: Application of Lone Star Producing Company for a non-standard location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to deepen its Federal Well No. 1-D and complete same in the South Prairie-Atoka Gas Pool. Said well is 660 feet from the North and East lines of Section 29, Township 8 South, Range 36 East, Roosevelt County, New Mexico, at a non-standard location for said gas pool.
- CASE 3135: Application of Lone Star Producing Company for a non-standard unit and a non-standard location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 21, Township 8 South, Range 36 East, South Prairie Atoka Gas Pool, Roosevelt County, New Mexico. Said unit to be dedicated to applicant's Federal Well No. 1-B at a non-standard location for said pool 660 feet from the South and West lines of said Section 21.

NEW YORK OFFICE  
20 EXCHANGE PLACE  
NEW YORK, N. Y. 10005  
TEL: 212-425-3220

AUSTRAL OIL COMPANY

INCORPORATED  
SAN JACINTO BUILDING  
WALKER AT MAIN  
HOUSTON, TEXAS 77002  
CA 8-9461

October 13, 1964

MAIN OFFICE 000

'64 OCT 15 PM 1 30

LONG DISTANCE  
713-228-9461

*Re: Navajo  
Care file  
3/37*

Southern Union Production Company  
P. O. Box 808  
Farmington, New Mexico 87401

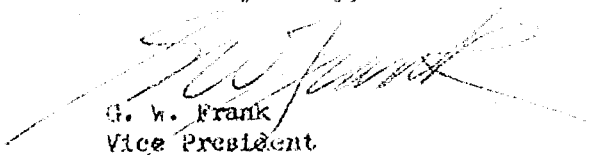
Attention: Mr. B. R. Vanderslice

Re: Navajo Indian #6 Well  
San Juan County, New Mexico

Gentlemen:

Austral Oil Company Incorporated approves the Navajo Indian #6 well location and will offer no opposition to Southern Union Production Company's petition to the New Mexico Oil Conservation Commission that this unorthodox Mesa Verde location be designated as a proper location. It is our understanding that this well is located 1700' from the North line and 910' from the West line of Section 5, T-26-N, R-6-W, N.M.P.M., San Juan County, New Mexico.

Yours very truly,

  
G. W. Frank  
Vice President

GKF:mjw

cc: Mr. A. L. Porter  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

La Plata Gathering System Inc.  
Petroleum Club Plaza  
Farmington, New Mexico

bcc: Mr. Karl Schneidau

POST OFFICE BOX 808  
FARMINGTON, NEW MEXICO 87401

MAJNY OFFICE 0000  
264 Oct 15 PM 1964

BV:ml

OPERATOR'S OFF-SET PLAT  
TO  
SOUTHERN UNION PRODUCTION COMPANY  
Navajo Indian #6

R-9-W

R-8-W

<p>E.P.N.G.</p> <p>78 10-36 O P.C. Dak.-M.V.</p> <p>Sec. 36</p> <p>52-36 O P.C.</p> <p>Huerfanito</p>	<p>So. Union Prod.</p> <p>1-C Nav. O P.C.</p> <p>Sec. 31</p> <p>Consolidated 1-31 Linda O P.C.-M.V.</p> <p>Bolack</p>	<p>E.P.N.G.</p> <p>9-C O P.C.-M.V.</p> <p>6-C O P.C.</p> <p>T 27 N</p>
<p>E.P.N.G. (Austral-M.V. Operator)</p> <p>11-1 O P.C.</p> <p>Sec. 1</p> <p>14-1 O P.C.</p> <p>Huerfanito</p>	<p>So. Union Production</p> <p>6 Nav. ⊙ Dak.-M.V.</p> <p>Sec. 6</p> <p>8-B O Dak.</p> <p>Newsom</p>	<p>1-Starr O P.C.</p> <p>T 26 N</p>
<p>E.P.N.G.</p> <p>3-12 Ballard O P.C.</p> <p>Sec. 12</p>	<p>E.P.N.G.</p> <p>1 Williams O P.C.</p> <p>Sec. 7</p>	<p>So. Union Prod.</p> <p>6-B Newsom O P.C.</p>

Do Un  
Pl #1

OPERATOR'S OFF-SET PLAT

TO

SOUTHERN UNION PRODUCTION COMPANY

Navajo Indian #6

R-9-W

R-8-W

<p>E.P.N.G.</p> <p>78 10-36 ○ P.C.</p> <p>Dak.-M.V.</p> <p>Sec. 36</p> <p>52-36 ○ P.C.</p> <p>Huerfanito</p>	<p>So. Union Prod.</p> <p>1-C Nav. ○ P.C.</p> <p>Sec. 31</p> <p>Consolidated 1-31 Linda ○ P.C.-M.V.</p>	<p>E.P.N.G.</p> <p>9-C ○ P.C.-M.V.</p> <p>6-C ○ P.C.</p> <p>Bolack</p>	T 27 N
<p>E.P.N.G. (Austral-M.V. Operator)</p> <p>11-1 ○ P.C.</p> <p>Sec. 1</p> <p>Huerfanito</p>	<p>So. Union Production</p> <p>6 Nav. ⊙ Dak.-M.V.</p> <p>Sec. 6</p>	<p>1-Starr ○ P.C.</p> <p>8-B ○ Dak.</p> <p>Newsom</p>	T 26 N
<p>E.P.N.G.</p> <p>3-12 Ballard ○ P.C.</p> <p>Sec. 12</p>	<p>E.P.N.G.</p> <p>1 Williams ○ P.C.</p> <p>Sec. 7</p>	<p>So. Union Prod.</p> <p>6-B Newsom ○ P.C.</p>	

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
App EXHIBIT NO. 3  
CASE NO. 3137

ORK OFFICE  
O EXCHANGE PLACE  
NEW YORK, N. Y. 10005  
TEL: 212-425-3220

**AUSTRAL OIL COMPANY**

INCORPORATED  
SAN JACINTO BUILDING  
WALKER AT MAIN  
HOUSTON, TEXAS 77002  
CA 8-9461

LONG DISTANCE  
713-228-9461

October 13, 1964

Southern Union Production Company  
P. O. Box 808  
Farmington, New Mexico 87401

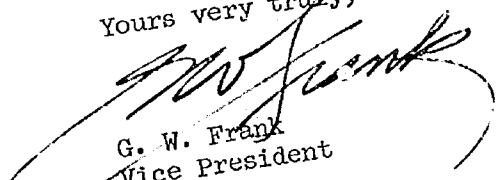
Attention: Mr. B. R. Vanderslice

Re: Navajo Indian #6 Well  
San Juan County, New Mexico

Gentlemen:

Austral Oil Company Incorporated approves the Navajo Indian #6 well location and will offer no opposition to Southern Union Production Company's petition to the New Mexico Oil Conservation Commission that this unorthodox Mesa Verde location be designated as a proper location. It is our understanding that this well is located 1700' from the North line and 910' from the West line of Section 6, T-26-N, R-8-W, N.M.P.M., San Juan County, New Mexico.

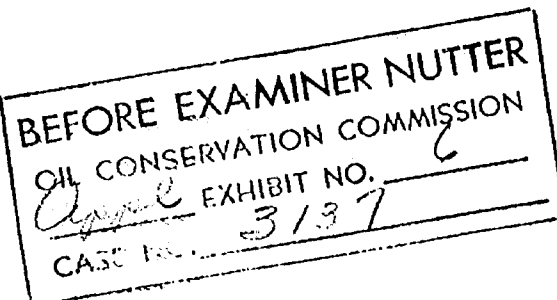
Yours very truly,

  
G. W. Frank  
Vice President

GWF:mjw

cc: Mr. A. L. Porter  
New Mexico Oil Conservation Commission  
Sante Fe, New Mexico

La Plata Gathering System Inc.  
Petroleum Club Plaza  
Farmington, New Mexico



ASH file

El Paso Natural Gas Company  
El Paso, Texas

MAIN OFFICE  
OCT 23 1964

3137

October 23, 1964

ADDRESS REPLY TO  
POST OFFICE BOX 990  
FARMINGTON, NEW MEXICO

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. <u>5</u>	CASE NO. <u>3137</u>

Gentlemen:

Re: Unorthodox Location  
Navajo Indian #6 - Mesaverde  
NW/4 Section 6, T26N, R8W  
San Juan County, New Mexico

This is to advise that El Paso Natural Gas Company, as offset working interest owner, has no objection for the unorthodox location of the Mesaverde completion in the Southern Union Production Company's Navajo Indian #6 well located in the NW/4 of Section 6, T-26-N, R-8-W, San Juan County, New Mexico.

Very truly yours,

*D. N. Canfield*

D. N. Canfield  
Area Manager  
Land & Geological Department

DNC:ed  
cc: Mr. Sam Smith  
Southern Union Production



*Executive Offices*  
4150 EAST MEXICO AVENUE  
DENVER, COLORADO 80222  
PHONE: 757-5441

*Nish file*  
*[Signature]*

MAILED 100  
OCT 15 1964  
*Consolidated Oil & Gas, Inc.*

*3137*

October 14, 1964

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
<i>gpr</i>	EXHIBIT NO. <u>4</u>
CASE NO. <u>3137</u>	

Mr. A. L. Porter  
New Mexico Oil & Gas Conservation  
Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Dear Mr. Porter:

This is to advise you that Consolidated has no objection to the unorthodox location as proposed by Southern Union Production Company for their Navajo Indian No. 6. This well is to be located 1700 feet from the North line and 910 feet from the West line of Section 6, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico.

Very truly yours,

CONSOLIDATED OIL & GAS, INC.

*Robert B. Tenison*  
Robert B. Tenison, Vice President

RBT:bw  
cc: Mr. B. R. Vanderslice

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 11/2/64

CASE 3137

Hearing Date 9am 10/28/64  
DSN @ SF

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

Enter an order approving an  
unearthed location in the  
Blanco Mesaverte Pool for  
Southern Union Production Company's  
Navajo Indian Well No 6 at a  
point 1700' FNL and 910' FWL  
of Sec 6, Twp 26 N, Rge 8 W, NMPM,  
San Juan County, New Mexico

Finding: Well was drilled ~~at~~  
as a <sup>Basin</sup> Dakota gas well at a  
std loc for the Basin Dakota gas  
Pool. ~~The~~ ~~well~~ well is actually  
outside the horizontal limits of the  
Blanco Mesaverte Pool as defined.  
By the Commission and may be considered  
a pool extension. Approval will not cause  
impairment of correlative rights and will in fact  
prevent economic waste to Navajo  
avoid the drilling of excessive  
wells.

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. 3137  
Order No. R-2803

APPLICATION OF SOUTHERN UNION  
PRODUCTION COMPANY FOR AN UNOR-  
THODOX 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 October 28, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of November, 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, Southern Union Production Company, seeks authority to complete its Navajo Indian Well No. 6 at an unorthodox location in the Blanco-Mesaverde Gas Pool 1700 feet from the North line and 910 feet from the West line of Section 6, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico.

(3) That the subject well was drilled and completed as a Basin-Dakota gas well at a standard location in the Basin-Dakota Gas Pool.

(4) That the subject well is outside the horizontal limits of the Blanco-Mesaverde Gas Pool as presently designated by the

-2-

CASE No. 3137  
Order No. R-2803

Commission but within one mile thereof and may be considered a pool extension if successfully completed in the Blanco-Mesaverde Gas Pool.

(5) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southern Union Production Company, is hereby authorized to complete its Navajo Indian Well No. 6 at an unorthodox location in the Blanco-Mesaverde Gas Pool 1700 feet from the North line and 910 feet from the West line of Section 6, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico.


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

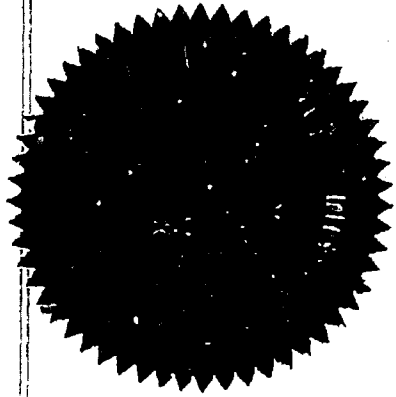
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JACK M. CAMPBELL, Chairman

  
E. S. WALKER, Member

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



esr/

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
E. B. JOHNNY WALKER  
MEMBER

P. O. BOX 2088  
SANTA FE

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

November 10, 1964

Mr. Richard S. Morris  
Seth, Montgomery, Federici & Andrews  
Attorneys at Law  
Post Office Box 2307  
Santa Fe, New Mexico

Re: CASE NO. 3137  
ORDER NO. R-2803  
APPLICANT Southern Union Production

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

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 28, 1964

EXAMINER      HEARING

-----  
IN THE MATTER OF: Application of Southern Union )  
Production Company for an unorthodox location, )  
San Juan County, New Mexico. Applicant, in )  
the above-styled cause, seeks authority to )  
complete its Navajo Indian Well No. 6 at an )  
unorthodox location in the Blanco Mesaverde )  
Pool 1700 feet from the North line and 910 )  
feet from the West line of Section 6, )  
Township 26 North, Range 8 West, San Juan )  
County, New Mexico. )  
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Case No. 3137

BEFORE: DANIEL S. NUTTER

TRANSCRIPT OF HEARING

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MR. NUTTER: The hearing will come to order, please.  
The next case will be Case No. 3137.

MR. DURRETT: Application of Southern Union Production  
Company for an unorthodox location, San Juan County, New Mexico.

MR. MORRIS: If the Examiner please, I am Richard  
Morris, Seth, Montgomery, Federici and Andrews, Santa Fe,  
appearing on behalf of the applicant, Southern Union Production  
Company. We will have one witness, Mr. Bill Vanderslice. I  
ask that he be sworn at this time.

(Witness sworn.)

BILL VANDERSLICE

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

DIRECT EXAMINATION

BY MR. MORRIS:

Q Mr. Vanderslice, will you please state your name,  
by whom you are employed, in what capacity, and where you are  
located?

A My name is Bill Vanderslice, I'm employed by Southern  
Union Production Company in Farmington, New Mexico, as area  
superintendent.

Q How long have you been with Southern Union, Mr.  
Vanderslice?

A Twenty-seven years.

Q Of that twenty seven years, how long have you been in drilling and exploration?

A Eighteen years.

Q Would you briefly outline your experience with Southern Union in field operations?

A Well, I've served as a geologist and presently I'm in Farmington in charge of drilling, production, land, and geology.

Q Are you familiar with the area of the Blanco-Mesaverde Pool with which we are concerned in the application of Southern Union in Case 3137?

A I am.

Q Are you familiar with Southern Union's application in that case?

A I am.

Q What is it that Southern Union seeks by this application?

A Southern Union Production Company has recently drilled and completed it's Navajo No. 6 well located 1700 feet from the north line and 910 feet from the west line of Section 6, Township 26 North, Range 8 West, San Juan County, New Mexico.

This well as originally scheduled is a Dakota test; it made a Dakota well. After running the logs, we completed in the Mesaverde, subject to our own risk subject to approval

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of the Commission for permission to produce it.

(Whereupon, Applicant's Exhibit No. 1 Marked for Identification.)

Q So that you can refer to these exhibits in the course of your testimony, Mr. Vanderslice, would you identify what has been marked as Exhibit No. 1 in this case?

A Exhibit 1 is the small map showing the limits of the Blanco-Mesaverde field. It shows the location of our No. 6 Navajo well in question.

(Whereupon, Applicant's Exhibit No. 2 Marked for Identification.)

Q Referring to what has been marked as Exhibit No. 2, what is that exhibit?

A That is a large geologic Mesaverde facies map that Mr. Nutter has.

Q Would you outline the history of development in this particular area, the reasons for Southern Union's method of development, and explain why we are before the Commission today seeking an exception to the rules of the Blanco-Mesaverde Pool?

A Well, as I said before, this No. 6 well was originally scheduled as a Dakota test. It had an initial potential of 3672 Mcf. The well was drilled in the northwest quarter of the section to preserve a pattern that a Dakota producer had been set by being drilled in the southeast quarter.

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Prior to running the electric logs, we had no intentions of completing in the Mesaverde because it was believed that the formation would be marginal or non-productive in this area.

The Blanco-Mesaverde Pool boundary has been static in this area for several years because of the poor productive history of edge wells located a short distance to the north of the Navajo 6.

An electric log analysis of the Mesaverde did not indicate any substantial improvement in quality as compared to the poor producing edge wells in the nearby Blanco field.

Since Southern Union Production has recently been stimulating various productive zones in the area with the use of carbon dioxide in the sand fractured treatments with excellent results, the Navajo No. 6 afforded us with an opportunity to economically attempt a completion in the Mesaverde.

It was estimated that for approximately \$20,000, that we could attempt this completion and possibly extend production in the area. This cost may be compared to that of drilling a new Mesaverde well in the southwest quarter, which we estimate would cost \$68,500. This savings of about \$48,500.00 for practically an experiment. Therefore, since it's our objective to complete wells where we can, especially a wildcat or a well that we've extended the field on, we



attempted completion in the Mesaverde.

This completion resulted in an initial potential of 7,571 Mcf per day and resulted in an unintentional unorthodox Mesaverde location.

Q Unorthodox location?

A Yes.

Q It's really off pattern location?

A Yes. It's orthodox as far as the Dakota was concerned.

Q Did you expect to get such a good well in the Mesaverde section?

A Well, we didn't know. We were offsetting some very poor wells. We had had very good luck with the carbon dioxide fracture treatment in the area in the Dakota. Here was an opportunity to experiment with it at an economic cost, one that could be justified so we completed and made a very good well.

The wells that are right due to the north of us here in Section 31, well drilled by Consolidated and completed in the Mesaverde, one year production amounted to \$3,580, we calculate it will take that well 24 years to pay out.

Over to the east a little bit, El Paso has a well that in five and a half years has sold \$15,000.00 worth of gas. We figure that well to be a 25-year well or a 25-year pay-out.

Another one in Section 35, there we figure it a 26-year pay-out. We wanted, since we had had likewise our good results with carbon dioxide, we wanted to try a completion here to see if we could improve production in the poor area.

Q As it turned out, you obtained a very successful result?

A A very good well, yes.

Q Are there other wells being drilled in the area by Southern Union to the Mesaverde or Dakota formations?

A We're presently drilling a well in the northeast quarter of Section 5 right to the east of our Navajo 6, we're drilling one in Section 4; these wells will be completed if the logs so indicate as Dakota-Mesaverde dual wells.

(Whereupon, Applicant's Exhibit No. 3 Marked for Identification.)

Q Refer now if you will to what has been marked Exhibit No. 3. State what that exhibit is and what it shows, Mr. Vanderslice.

A It shows the location of the well and the offset operators, other offset operators.

Q Who are those offset operators?

A They are the El Paso Natural Gas Company, the Consolidated Oil and Gas, and the Australia Oil Company.

Q And those are the offset operators that would be

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affected by the off-pattern location of this well?

A Yes. We have letters of consent from these people stating that they have no objections to our producing this well if permission is granted by the Commission.

Q Are those letters the letters we have marked as Exhibits 4, 5, and 6?

A Yes.

(Whereupon, Applicant's Exhibits 4, 5, and 6 Marked for Identification.)

Q Do you have anything further to add to your testimony, Mr. Vanderslice?

A No.

Q Let me ask you, Mr. Vanderslice, if Exhibit 1, 2, and 3 were prepared by you or under your direction?

A Yes, sir.

MR. MORRIS: At this time, we offer Exhibits 1 through 6 into evidence.

MR. NUTTER: Applicant's Exhibits 1 through 6 will be admitted in evidence.

(Whereupon, Applicant's Exhibits 1 through 6 were offered and admitted into evidence.)

MR. MORRIS: That's all I have at this time.

MR. NUTTER: Are there any questions of Mr. Vanderslice?

CROSS EXAMINATION

BY MR. NUTTER:

Q What is the footage location of this well?

A The well is located 1700 feet from the north line and 910 feet from the west line of Section 6, Township --

Q 910?

A 910.

Q Now, the well directly to the north in Section 31 is a Mesaverde well, is that correct?

A Yes, that's correct.

Q That's the one that you figure on the basis of current production will have a 24-year pay-out?

A 24-year pay out. The well was completed in 11/29/62, using productive figures for the year 1963, the well sold \$3,580.00 worth of products.

Q It has an initial potential of 1580, is that correct?

A 1580.

Q The well over in Section 33 of 27, 8, is an El Paso well. It has an initial potential of 868, that's the one that you stated you estimated would have a 25-year pay-out, is that correct?

A That is correct.

Q Then you mentioned one other well, is that the one



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in Section --

A That's the R & G No. 47 Hammond there.

Q It has an initial potential of 960?

A Yes.

Q How many years do you figure it's going to take?

A Twenty-six years.

Q So, these wells are in the pool. Your well is an extension of the pool and has an initial potential of some 7,000,000, is that correct?

A That is correct.

Q Did you complete this well in the Dakota also?

A Yes, we did. It had an initial potential of 3,000,672 Mcf.

Q In the Dakota?

A Yes. If I might, one reason that we completed this well, the large map that you have, the facies map shows a typical, constant section through there. We're primarily concerned with producing this well in order to determine if we've increased it's productivity instead of coming up with a high initial potential. That would govern what we would like to do in the future, but we would also like to know if it would help the well in the Mesaverde.

Q Is the well in the southeast quarter of Section 6 a Dakota well?



A No.

Q Was any test made of the Mesaverde there?

A No. They were drilled last year. You'll notice that I have the cutoff of present limits of Mesaverde production; all wells to the south of that are Dakota wells with the exception of one well, there's been no attempt at completing in the Mesaverde in the area.

Q According to the symbol, the well there in Section 15 would be a Mesaverde well, is it?

A An attempt was made to complete it in the Mesaverde. It was completed for 150 Mcf per day. I didn't show it as a Mesaverde well because we consider that a non-commercial or a dry hole.

MR. NUTTER: Are there any other questions of Mr. Vanderslice? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Morris?

MR. MORRIS: That's all we have.

MR. NUTTER: Does anyone have anything they wish to offer in Case 3137? We will take the case under advisement and call Case 3136.

I N D E X

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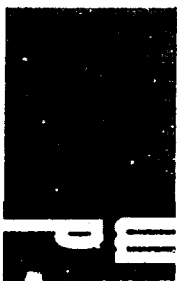
E X H I B I T S

<u>Number</u>	<u>Marked for Identification</u>	<u>Offered and Admitted</u>
1	4	8
2	4	8
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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 and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 3rd day of November, 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. 3137, heard by me on 10/28, 1964.

*[Signature]*  
Examiner  
New Mexico Oil Conservation Commission