# Case Ma

) 83

Replication, Transcript,

Small Exhibits, Etc.

#### NOTICE OF PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder in the following public hearing to be held June 21, 1951, beginning at 10 o'clock A. M. on that day in the Caty of Santa Fe, New Mexico, in the Council Chamber of the City Hall.

#### STATE OF NEW MEXICO TO:

All named parties in the following case and notice to the public.

#### Case 283:

In regard to the application of Blanco Gas Company by J. B. Howell, Superintendent, for a special exception to Section 4-A of Order No. 799 (Blanco Pool casing requirements, San Juan County, New Mexico).

Given under the seal of the Oil Conservation Commission of New Mexico at Santa e, New Mexico, on May 28, 1951.

STATE OF NEW MEXICO
OIL CONSERVATION/COMMISSION

R. R. SPURRIER, SECRETARY

(SEAL)

#### LEGAL NOTICE

NOTICE CF. TUBINCATION
STATE OF NEW MEXICO
OIL CONSERVATION
The State New Co by its
Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on May 28, 1951.

STATE OF NEW MEXICO
Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on May 28, 1951.

STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION
(SEAL) R. R. SPURRIER,
Secretary

Legal No. 271—Rublished in the farmington Daily Times, Farmington No. Mo. Saturday, June 2, 1951.

Chamber of the City Hall.

STATE OF NEW MEXICO TO:
All named parties in the following case and notice to the public.

Case 283:

In regard to the application of Blanco Gas Company by J B Howell, Superintendent, for a special exception to Section 4-A of Order No. 799 (Blanco Pool casing requirements, San Juan County, New Mexico)

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on May 28, 1951.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

(SEAL) R. R. SPURRIER, Secretary

### AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO ( ss.
COUNTY OF SAN JUAN )
states: that he is the publisher-advertising manager of the Farmington Daily Times, a daily newspaper published, and of general paid circulation in San Juan County, New Mexico, said newspaper being the successor, without interruption, of the Farmington Times Hustler, a weekly newspaper formerly published and of general paid circulation in said County and State, continuously and without interruption, for more than 26 weeks immediately prior to its succession by said daily paper; that said Farmington Times Hustler was, and the Farmington Daily Times is entered and mailed under the second class postal privilege in said County, that being the County in which the notice, of which a copy as published, is hereto attached and made part hereof, is required to be published; that said notice was published in the Farmington Daily Times in the English language once each week for Consecutive weeks on the following dates, to-wit:
1st Publication on the 2 day of June , 19 12.
2nd Publication on the day of, 19,
3rd Publication on the day of, 19,
4th Publication on the day of, 19
Publisher-Advertising Manager  Subscribed and sworn to before me this 4 day of June 19-
Subscribed and swith whelete me the
me Internation

PUBLISHER'S BILL 39 lines one time @ 10 s 3.00 .... lines @ \_\_\_\_\_ - - \$-Total - - - - - - -Notary Public My commission expires: New Commission Decision Sept. 1903, 1001 Received payment,

armington Daily Albert

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION.
The State of New Mexico by its oil
Conservation Commission hereby gives noitice pursuant to law and the rules and
regulations of said Commission promulgated thereunder in the following public
heaving to be held June 21, 1951, beginning
at 10 o'clock A. M., on, that day in the
City of Santa Fe, New Mexico, in the
Council Chamber of the City Hall.
STATE OF NEW MEXICO TO:
All named parties in the following case
and notice to the public:
CASE 283—
In regard to the application of Blanco
Gás Company by J. B. Howell, Superintendent, for a special exception to Section 4-A of Order No. 799 (Blanco Pool
casing requirements, San Juan County,
New Mexico).
Given under the seal of the Oil Conservation Commission of New Mexico at
Santa Fe, New Mexico, on May 29, 1951.
State of New Mexico
Oil Conservation Commission
(SEAL) R. R. SPURRIER.
(Pub. May 31, 1951).

PUBLISHER'S BILL

lines, \_\_\_\_times, \$\_\_

Received payment,

## Affidavit of Publication

State of New Alexico County of Santa Fe I, Will Emrison. declare and say that I am the (Business Manager) (Editor) of the Santa Po-Now Lexioun , a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and adver tisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once each we consecutive weeks and enoths some characteristic medic the regular issue of the paper during the time of publication, and that the notice w published in the newspaper proper, and not in any supplement, once each week 1 time weeks expectatively the first publication being on May , 19.51 , and the last publ 31st \_\_\_\_day of\_\_\_\_ day of \_, 196\_; that payr for said advertisement has been (duly made), or (assessed as court costs); that undersigned has personal knowledge of the matters and things set forth in this affid Editor-Manage 29 lines, one time at \$ 2,90 Subscribed and sworn to before me this..... Tax \$\_\_\_\_\_ Total . . . . \$ 2.50 My Commission expires ine.14,1953

# 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. 283 ORDER No. R-90

THE APPLICATION OF THE BLANCO GAS COMPANY FOR A SPECIAL EXCEPTION TO SECTION 4-A OF ORDER 799 (BLANCO POOL CASING REQUIREMENTS, SAN JUAN COUNTY)

#### ORDER OF DISMISSAL

This matter came on regularly for hearing before the Commission on June 21, 1951, and for further hearing on July 24, 1951, and it appearing to said commission that the application sought exception to Section 4-A of Order No. 799, the Blanco Pool Rules, which Rules are under consideration in another proceeding.

IT IS THEREFORE ORDERED:

That this case, be, and the same hereby is dismissed.

DONE at Santa Fe, New Mexico, this 15th day of October, 1951.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM. Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

#### BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO SANTA FE, NEW MEXICO

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

CASE NO. 283 ORDER NO. \_\_

THE APPLICATION OF THE BLANGO GAS COMPANY FOR A SPECIAL EXCEPTION TO SECTION 4-A OF ORDER 799 (BLANCO POOL CASING REQUIREMENTS, SAN JUAN COUNTY).

#### ORLER OF DISMISSAL

This matter came on regularly for hearing before the Commission, on June 11,1917, dans 10, June hearing on June 10, June 10, June hearing on June 10, June 1

That this case be and the same hereby is dismissed with the

DONE at Santa Fe, New exico, this 19th day of July, 1951.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, CHAIRMAN

Guy SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY

SEAL

Reform the for Occ. In my State 3 new mixers of the heavy Called by the being Conservation Communing person mexico for the purpose of Considering;

The Application of the the Conservation of the purpose of Considering;

He application of the Dearco bas Company for a Special Acytum It section 4-9 of Order 799, (Blanco Pool Casing Reguments, San Jaan County)

Order of Desmisser.

This matter came on regularly

for hearing before the Commission

and it appearing to said Commission

What the appearation to the Blanco

Casing program for only one week,

When in truth and in fact Munerous

ather weels in the investable vacanty

were entitled to the same relief, and

applicant consented to duminous hereof

in order that an applicantin covering

numerous wells in the area prograt

be feled at a future time,

It is therefore ordered

that this Care he and the same hereby is dismined without firegulier. Done at Santa de new mexico, This 19th day of July, 1951 States Ren Prexico Oil Cons Comm. Sex RRS

# BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

TRANSCRIPTION OF HEARING

CASE NO. 283

24 July 1951 (DATE)

**Original** 

E. E. GREESON

ADA DEARNLEY

COURT REPORTERS

BOX 1302

PHONE 2-4547

ALBUQUERQUE, NEW MEXICO

# BEFORE THE OIL CONSERVATION COMMISSION July 24, 1951

CASE NO. 283: (Continued from June 21st hearing). In regard to Blanco Gas Company's application for an order granting exception to Section 4-A of Order 799 regarding casing requirements in San Juan County, New Mexico.

MR. SHEPARD: We will now take up Case No. 283.

(Mr. Graham reads the Notice of Publication.)

MR. GRAHAM: This case was continued from the June hearing, Case 283.

MR. McLANE: I would like to state for the record my name is A. E. McLane of Dallas, Texas, and representing Delhi Oil Corporation. This application was filed by Blanco Gas Company and on April 1951, Blanco Gas Company was merged into the Delhi Oil Corporation, so that Delhi is now the owner of all the rights of Blanco Gas Company.

I have witnesses I would like to have sworn.

# J. B. HOWELL,

having been first duly sworn, testified as follows:

# DIRECT EXAMINATION

# By MR. McLANE:

- Q Will you state your name please?
- A J. B. Howell.
- Where do you live, Mr. Howell?
- A Farmington, New Mexico.
- By whom are you employed, Mr. Howell?

- A Delhi Oil Corporation.
- Q In what capacity?
- Q And in that capacity, is it your duty to supervise the drilling of oil, oil and gas wells that Delhi drills in the San Juan Basin?

  - Q Is it also your duty to supervise all water wells that company drills in the Basin?
  - Q Nearly all of your work pertains there to the San Juan Basin, is that right?
  - Q You are familiar with the oil and gas wells that have been drilled in the Blanco-Laplata field are you not?

    - Q I believe Delhi has drilled some 7 water wells in that area, has it not?

      - And you supervised the drilling of all those wells? A That is correct.

      - Did you encounter any water in the drilling of those A Yes. Wells above the distance of approximately 300 feet?
      - Q Have you made any tests in the drilling of any of your gas wells in that area to see whether there was any water in

any formation at a shallow depth?

- A We tested two such wells.
- Which wells were those? Q
- They are known as Delhi Florance 15 and No. 16.
- What was the result of that test?
- There was no evidence of water in the hole at the depth that the hole was drilled to set surface pipe.
- Q I believe that the present requirements are for a minimum of 250 feet of surface pipe in those wells.
- Q And in your opinion what would be the minimum depth that A That is correct. should be required for setting surface pipe in those wells?
- Q Do you know what the minimum amount of surface pipe was used for similar wells in the Kutz-Canyon field is?
- A Well, I don't know what is a requirement. There is the practice and the custom to set approximately a hundred feet.
- Q Well, in your opinion are there conditions similar in those two fields or are the conditions different?
- A The conditions are similar. Q Do you know any reason why the requirements of the Blanco field should be greater than the Kutz-Canyon field?
- Q In your opinion would a minimum of 100 feet of surface A I know of no reason. pipe be sufficient for protection against water in the Blanco field?

- Q Have you talked this problem over with other operators
- Have you discussed it with El Paso Natural Gas Company? in that area? A I have.

  - I have.
  - They are of the same opinion as myself and Delhi.
  - Q Here is an instrument marked Exhibit 1 in Case 283. Did El Paso Natural Gas Company deliver that to you for the purpose of filing in this case with the Commission?
    - A Yes.

MR. McLANE: We would like to file that. MR. SPURRIER: Without objection, it will be

- Q Have you discussed the matter with the San Juan Basin received.

  - Q And what was their reaction to this proposed change in operators? A I have.
    - A They were of the same opinion as the Delhi and they were to prepare a statement to the Commission -- to be the rules? presented today -- but for some reason it wasn't, delivered. MR. McLANE: I believe the Commission already has

such a statement.

Yes, I have a Biter addressed to me MR. SPURRIER:

dated July 23. "This is to advise you that the Executive Committee of the San Juan Basin operators Committee, had its meeting in Farmington on July the 23rd, 1951, and adopted a resolution to recommend that a minimum of 100 feet of surface casing be permitted for Pictured Cliff and Mesaverde wells. Very truly yours, Scott R. Brown, Secretary-Treasurer."

Without objection, that will be made prt of the record.

- Q Mr. Howell, when you stated in your opinion a minimum of 100 feet of surface pipe should be set, were you intending to say in some situations you might want to set more but you think that should be the minimum?
- A That is correct.
- Q Of course, if the situation would be such in a particular well you thought more pipe than that should be set, you would set it wouldn't you?
- A That is correct.
- Q Most of your wells in that area are on Federal land are they not?
- A Yes.
- Q And under the jurisdiction of the United States Geological Survey, is that right?
- A Yes.
- Q And, of course, if in a particular well they should determine on Federal lands more surface pipe should be set you would set more on that particular well, is that right?

# A Yes.

MR. McLANE: I believe that is all.

MR. SHEPARD: Any questions?

experience

MR. GRAHAM: Mr. Howell, have you had considerable/ in the San Juan, particularly the Blanco field? A Two and a half years

- Q: To your knowledge are there any areas in there where the water situation is likely to require more than the minimum?
- A We haven't yet drilled in any area that did have that.
  - MR. SHEPARD: Any other questions? Mr. Morrell? MR. MORRELL: I would like to make a statement

later.

- MR. GRAHAM: With reference to the letter that was read here, that relates to the Blanco pool as it now
- MR. SPURRIER: No, sir, it relates to no place in particular except the Pictured Cliff and Mesaverde wells.
- MR. GRAHAM: The intention of that, Mr. Howell-do you have any information on it?
- A Yes, it is intended for this particular area in general. MR. McLANE: Do you know whether the San Juan Basin operators intended by that letter to confine their

statement to the Blanco-La Plata-Largo area?

A I believe that was their intent.

MR. SHEPARD: Any other questions? If not, you will be excused.

(Witness excused.)

MR. MORRELL: Mr. Commissioner, I would like to enter into this record that the Geological Survey concurs in the recommendation by Delhi Oil Corporation, formerly the Blanco Gas Company. I have a suggested wording for a modification for your consideration of modifying Section 4-A. I do believe we would have two minimums. One, the minimum of 100 feet as suggested by the proponents, and in in addition for water, potable water-bearing formations are present that the minimum should also include those waters. I suggest for yourconsideration modifying the first sentence of 4-A to read as follows:

"The surface pipe should be set to a minimum depth of 100 feet, and where shallow potable water-bearing beds are present, the surface pipe shall be set to such shallow potable water-bearing beds and a sufficient amount of cement shall be used to circulate the cement behind the pipe to the bottom of the cellar."

That is the end of the revision of that first sentence. The determination of the existence of shallow water beds can be determined by the respective representives of the Oil Conservation Commission and the Survey for their respective lands at the time the notices are approved for

each well.

I will also suggest for the consideration of the Commission a consideration of modifying Order 799 to cover the entire field as may be redefined hereafter at your hearing of August 7th. Since the order now merely mentions the Blanco gas pool.

Diverting from this particular case, although it is directly related, I think that the information that Mr. Barnes presented here a few minutes ago is very pertinent, particularly with the steel situation. I would like to clarify for the Commission and also the operators present in the San Juan Basin the purpose of my recent directive concerning pool names for reports to the Geological Survey for wells drilled on Federal lands. I recognize, as the Commission does, that nomenclature must be on an orderly procedure. The necessity for offset wells to justify extension of pools has been recognized by previous nomenclature committees making recommendation to the Commission. There is a distinct difference between nomenclature/oil and those of gas pools. And as has recently been presented to this commission, area designation for these pools is now before you for consideration in southeastern New Mexico. On that same basis the Geological Survey has requested operators to submit to the Survey for its records reports on an area-defined pool. Based on structural information which is sufficient to justify a conclusion that any wells

hereafter completed to the Mesaverde formation within that area will be from the same common reservoir.

The Geological Survey will be glad to cooperate and work with the Commission in establishing a satisfactory definition for the Commission's purpose of operation and to cover the matter of steel before your August 7 hearing.

MR. GRAHAM: Will you yield to a question, Mr.

## Morrell?

MR. MORRELL: Yes, sir.

MR. GRAHAM: With reference to the water situation, you use the term, "potable water". Now, with reference to underground comingling with water do you make any particular term "potable water"?

MR. MORRELL: I was using the term potable as is now in the order, which I understand it is that can be used by the surface owners or land owners for their purpose.

MR. GRAHAM: As a matter of underground waste, the water doesn't necessarily have to be potable, is that right?

MR. MORRELL: We are essentially protecting the potable as the main possible water-bearing formation in the shallow depths, though they may not be potable in one area if the existence of them indicates the possiblilty of a continuous zone of water which might be potable also.

MR. GRAHAM: Your idea is to protect the use of those waters rather than any underground waste by comingling. MR. MORRELL: It is a combination of prevention of waste by protecting the water.

MR. GRAHAM: No more questions.

MR. SHEPARD: Any further questions? Any further statements. If not, it will be taken under advisement. If there is nothing else to come before the Commission, we will stand adjourned.

-0-0-0-0-

STATE OF NEW MEXICO )
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings before the Oil Conservation Commission in Case No. 283, held on July 24, 1951, is a true and correct record of the same to the best of my knowledge, skill and ability.

6.6. Jaleson

My Commission expires: 7-4-52

• • .

# BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

TRANSCRIPTION OF HEARING

CASE NO. 283

219mm 1921 (DATE)

E. E. GREESON
AOA DEARNLEY
COURT REPORTERS
80X 1302
PHONE 2-4547
ALBUQUERQUE, NEW MEXICO

# BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

Case 283: In regard to Blanco Gas Company's application for an order granting exception to Sec. 4-A of Order No. 799 with regard to casing requirements in San Juan County, New Mexico.

(Mr. Graham reads notice of publication.)

MR. SPURRIER: Who is to appear? Mr. Howell:

MR. HOWELL: Mr. Commissioner, inasmuch as that was requested for one well only, but since there may be a number of Picture Cliff wells drilled in that area, we would like to request or submit it for your consideration for the field.

(Off the record.)

MR. HOWELL: Mr. Commissioner, we would like to ask for a continuance of this case and have it to apply to the area that will be set out.

MR. SPURRIER: I think I would recommend to the Commission that we dismiss this, and that you refile an application to include the area which you want to set this up for. And you will probably also want to consult some of the other operators to see that they will agree with it.

MR. HOWELL: Thank you, sir.

MR. SPURRIER: Thank you, Mr. Howell. But in answer to your request, I will recommend that the case be continued to July 24.

24

STATE OF NEW MEXICO

នន

COUNTY OF BERNALILLO

I HEREBY CERTIFY That the foregoing transcript is a true record of the matters therein contained.

DONE at Albuquerque, N. M., July 5, 1951.

My Commission Expires:

Aug. 4, 1952.

2-90

Ce-J. B. Howell; Supl

Slanco Jas Co.

305 W. Main St

Farmington

ce-El Paso Natural

ath-W. T. Hollis

102 12 N. Court are

Farmington

. 

#### EL PASO NATURAL GAS COMPANY

102 North Court Avenue Farmington, New Mexico

July 23, 1951

New Mexico Oil Conservation Commission Santa Fe, New Mexico

Dear Sirs:

Please consider this letter as El Paso's opinion covering Case No. 283 concerning Blanco Gas Company's application for an order granting exception to Section 4-A of Order 799 regarding casing requirements in San Juan County, New Mexico.

Please be advised that El Paso Natural Gas Company fully concurrs with Blanco Gas Company's ideas and petition. Since Blanco Gas Company has found no water above 300 feet in cable tool water wells that they have drilled, we feel that 100 feet of surface pipe is sufficient for Pictured Cliffs wells in the Blanco Field and see no reason why 100 feet of surface pipe would not be sufficient for Mesa Verde wells in said field.

Yours very truly,

EL PASO NATURAL GAS COMPANY

Chief Petroleum Engineer

Ex. 2 Care 283

SAN JUAN BASIN OPERATORS

COMMITTEE

DUDLEY CORNELL, Chairman

EXECUTIVE COMMITTEE OFFICERS

TOM BOLACK, Vice-Chairman

SCOTT BROWN, Sec.-Treas.

FARMINGTON, NEW MEXICO

July 23, 1951

EXECUTIVE COMMITTEE MEMBERS

B. B. BRADISH J. B. HOWELL

ROBERT L. MADDOX

RALPH L. HENDRICKSON

A. H. LLWYD

G. W. R. HOY

Mr. R. R. Spurrier Oil Conservation Commission Santa Fe, New Mexico

Dear Mr. Spurrier:

This is to advise you that the Executive Committee of the San Juan Basin Operators Committee had its meeting in Farmington on July 23, 1951, and adopted a resolution to recommend that a minimum of 100 feet of surface casing be permitted for Pictured Cliffs and Mesa Verde wells.

Very truly yours,

(Case 283)

Scott R. Brown Secretary-Treasurer

SRB: na

Ey 3 Case 283

# DELHI OIL CORPORATION 1315 PACIFIC AVENUE

DALLAS I, TEXAS

Farmington District Office 305 West Main Street Farmington, New Mexico

February 6, 1951

June Seman

Mr. Al Greer New Mexico Conservation Commission Aztec, New Mexico

Dear Sir:

We have filed Intention To Drill a Pictured Cliff test well 1650' from the South Line and 1650' from the West Line of Section 8, T-30N, R-8-W, San Juan County, New Mexico in the Blanco Field.

We respectfully ask approval to set approximately 100' of surface casing instead of the 250', which is at present required for wells in the Blanco Field.

For your information we drilled a well to T.D. of 750' approximately 800' South of the proposed well site in an attempt to secure drilling water for our C. F. Moore Well No. 1 and later plugged and abandoned same for lack of water.

Your early approval by letter to the U.S.G.S. with copy for our files would be greatly appreciated.

This is alright in Yours very truly,

this specific instance because

of the proximity of the

water well. However, it By: Definitioned as Company

should not become a bong

ine of exceptions

fine of exceptions

# New Mexico OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L.MECHEM
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
NEMBER
STATE GEOLOGIST R. R. SPURRIER
BECRETARY AND DIRECTOR



AZTEC. NEW MEXICO

February 7, 1951

Mr. R. R. Spurrier, Director Oil Conservation Commission Box 871 Santa Fe, New Mexico

Dear Mr. Spurrier:

Enclosed is a letter from the Blanco Gas Company by Mr. J. B. Howell, Superintendent, which is self explanatory.

Although we do have casing requirements in the Planco Field which require 250 feet of surface casing, I believe in this case it would be absolutely unnecessary, and inasmuch as casing is so hard to get, I think the Company should be allowed to go ahead as indicated in their letter. Therefore, I recommend that you approve their plan as soon as possible.

Very truly yours,

Al Greer

Cil and Gas Inspector Dist. #3.

AG:ho

cc - Blanco Gas Co. - U.S.G.S.

Mr. J. B. Howell, Superintendent Delhi Oil Corporation Farmington. New Mexico

Dear Mr. Howell:

In answer to your request of February 6, 1951, we wish to advise that sub-section a, Section 4 of Order No. 799, effective February 25, 1949 requires that a minimum of 250 feet of casing be set through the shallow potable water beds.

We cannot set this ruling aside without notice and hearing.

We regret the impossibility of being able to grant your request.

Very truly yours,

RRS:bpw

Secretary and Director

cc: Al Greer

USGS, Farmington