

CASE 3765: APPLICATION OF D. J.
SIMMONS FOR AN UNORTHODOX GAS
WELL LOCATION, SAN JUAN COUNTY.

Case Number

3765

Application

Transcripts.

Small Exhibits

ETC.

D. J. Simmons
St. Worth, Texas
Wt. Out 64822

5/16

817 Area Code

If not in Miss Hilley
will take message.

Wants a hearing earlier than
May 22 if possible.

Miss Hilley was notified,
by phone, that the matter
will be set on May 16, 1968.

George

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. 3765
Order No. R-3412

APPLICATION OF D. J. SIMMONS FOR
AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 16, 1968,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 20th day of May, 1968, 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, D. J. Simmons, seeks approval of
an unorthodox gas well location in the Blanco-Mesaverde Gas Pool
for his General Petroleum-Rock Island Well No. 2 at a point
1850 feet from the North line and 810 feet from the West line
of Section 24, Township 29 North, Range 9 West, NMPM, San Juan
County, New Mexico.

(3) That said well is to serve as the unit well for a
294.91-acre gas proration unit comprising the W/2 of said
Section 24.

(4) That said well was drilled and completed as a Dakota
gas well at a standard location for the Basin-Dakota Gas Pool,
and is off-pattern with respect to the Special Rules and Regula-
tions governing the Blanco-Mesaverde Gas Pool.

CASE No. 3765
Order No. R-3412

(5) That the aforesaid W/2 of Section 24 is presently dedicated to the applicant's D. J. Simmons "E" Well No. 3 located at a standard location in the NE/4 SW/4 of said Section 24.

(6) That severe mechanical problems have caused the aforesaid Well No. 3 to become non-productive and prevent accomplishment of a satisfactory workover.

(7) That the entire W/2 of said Section 24 is productive of gas from the Blanco-Mesaverde Gas Pool.

(8) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Blanco-Mesaverde Gas Pool, 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, providing the aforesaid D. J. Simmons "E" Well No. 3 is properly plugged and abandoned or temporarily abandoned in accordance with a Commission-approved program.

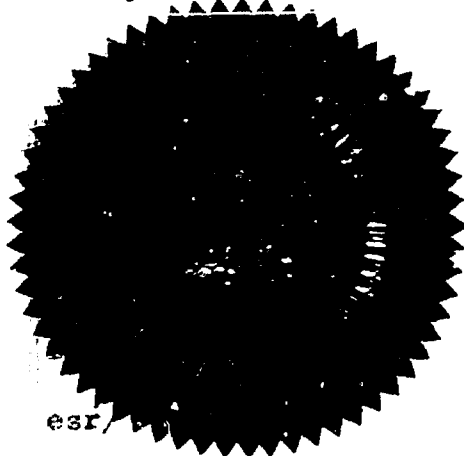
IT IS THEREFORE ORDERED:

(1) That the applicant, D. J. Simmons, 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 complete his General Petroleum-Rock Island Well No. 2 at an unorthodox location 1850 feet from the North line and 810 feet from the West line of Section 24, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

(2) That Administrative Order NWU-128 is hereby cancelled.

(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

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

P. O. BOX 2088
SANTA FE

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

May 20, 1968

Mr. D. J. Simmons
Post Office Box 1469
Farmington, New Mexico

Re: Case No. 3765
Order No. R-3412
Applicant:
D. J. Simmons

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC X

Other _____

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Case 3765

April 15, 1968

C
O
P
Y

Mr. D. J. Simmons
P. O. Box 1469
Farmington, New Mexico

Attention: Mr. Ashton B. Geren, Jr., Supt.

Gentlemen:

We have your letter of April 11, 1968, requesting administrative approval for an unorthodox Mesaverde location for the General Petroleum-Rock Island No. 2 Dakota Well located 1850 feet from the North line and 810 feet from the West line of Section 24, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

The Commission rules do not provide for administrative approval for an unorthodox location in an off-pattern quarter section. Please advise if you desire a hearing concerning this application.

Very truly yours,

GEORGE H. HATCH
Attorney

GMH/esr

Not eligible for adm. approval - see if applicant wants a hearing set -

D. J. SIMMONS
P.O. Box 1469
Farmington, New Mexico 87401

60 APR 13 1968

April 11, 1968

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

Attention: Mr. A.L. Porter, Jr.
Secretary - Director

Dear Mr. Porter:

I would like to make application to the New Mexico Oil Commission for exception to Rule 2 of Section VIII, Sub-section A of Order No. R-1470 which deals with location of Mesaverde wells as to either the NE $\frac{1}{4}$ or the SW $\frac{1}{4}$ of a section.

We propose to utilize the General Petroleum - Rock Island No. 2 Dakota well located 1800 feet from the North line and 810 feet from the West line of Section 24 - Twp. 29 N - R 9W San Juan Co., New Mexico by plug back from the Dakota zone which was uneconomical and produce from the Mesaverde section in this well.

Our present Mesaverde well, the D. J. Simmons "E" No. 3 located 1605 feet from the South line and 1650 feet from the West line of Section 24 - Twp. 29 N - R 9W of San Juan Co., New Mexico, is an old open hole completion which is now non-productive as a result of cavings, stuck tubing etc. and by using the above mentioned well which we secured from General Petroleum would be of considerable savings as compared to reworking our old Mesaverde well.

We have contacted the operators of all offset wells to this lease.

An early decision on this would certainly be appreciated.

Yours very truly,

William D. Simon, Jr.
William D. Simon, Jr. - Capt.
For: D. J. Simmons

El Paso Natural Gas Company

El Paso, Texas 79901

April 11, 1968

Case 3765

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

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

Gentlemen:

We have been contacted by Mr. D. J. Simmons concerning his recently completed Mesa Verde well 1850 feet from the North line and 810 feet from the West line, Section 24, T-29-N, R-9-W, for which he is requesting a waiver for an off-pattern well in the Northwest quarter of the section rather than the Southwest quarter of the section.

This is to advise you that El Paso Natural Gas Company, as an offset operator, has no objection to the completion and production of the off-pattern well drilled at this location.

Yours very truly,

D. H. Rainey

D. H. RAINEY
Assistant Manager
Gas Proration Department

APR 16 1968

DHR:ps

cc: Mr. D. J. Simmons
P. O. Box 1469
Farmington, New Mexico

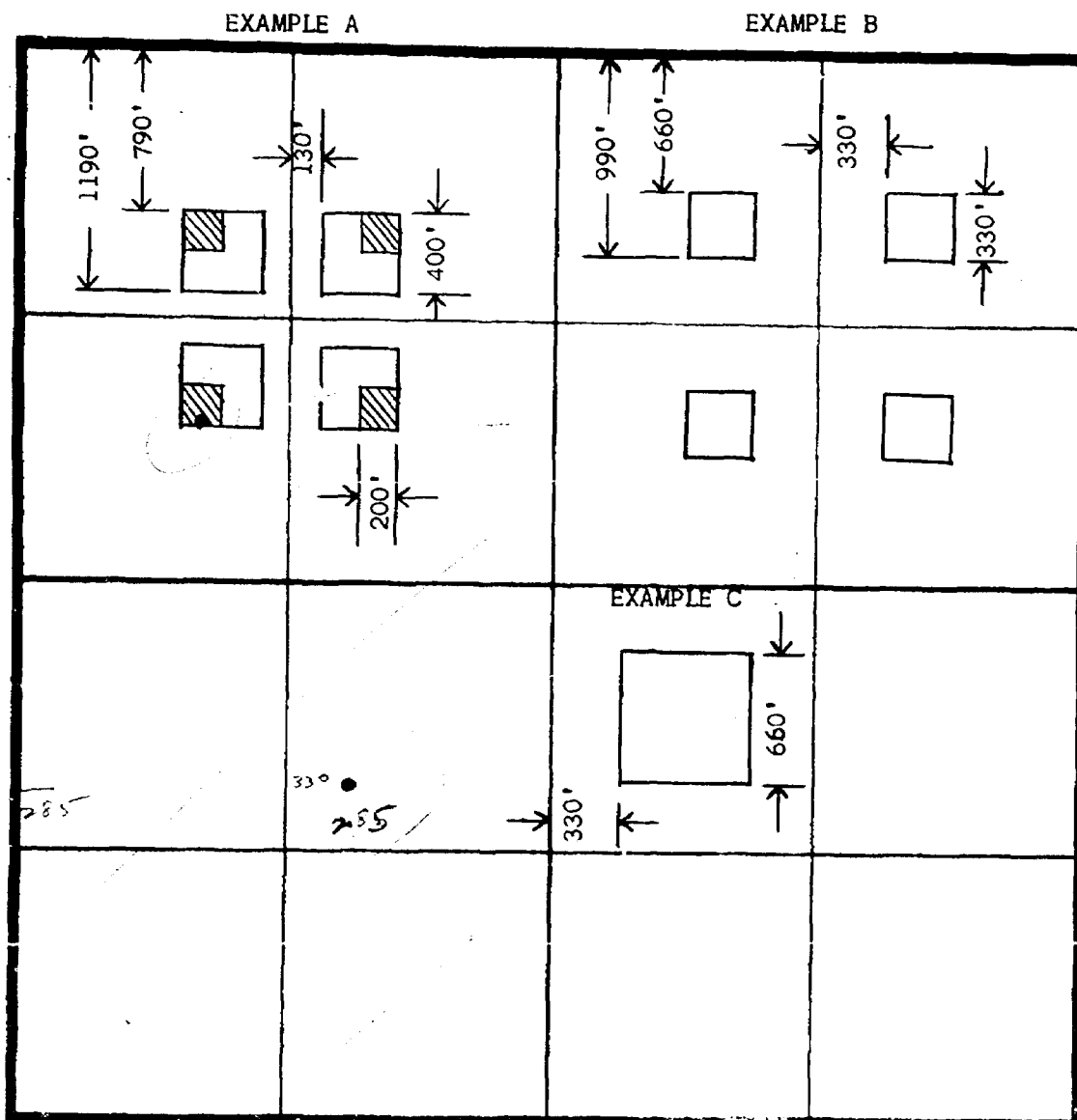
Attention: Mr. A. B. Geren, Jr.

DOCKET MAILED

Date _____

STANDARD OIL AND GAS WELL LOCATIONS IN NEW MEXICO ACCORDING TO RULE 104
OF THE GENERAL RULES AND REGULATIONS

Sec. _____ Township No. _____ of Range No. _____



EXAMPLE A - Shows Standard Gas Well location in San Juan, Rio Arriba and Sandoval Counties. 200' crosshatched square shows portion of 400' square which is a standard location for oil or gas wells. These locations may be used in any quarter section.

EXAMPLE B - Shows standard gas well location for the State, except San Juan, Rio Arriba and Sandoval Counties. These locations may be used in any quarter section.

EXAMPLE C - Shows Standard Oil Well location for the State. This location may be used for a wildcat oil or gas well except in San Juan, Rio Arriba and Sandoval Counties. This location may be used in any quarter quarter section.

11/19/56

Docket No. 15-68

DOCKET: EXAMINER HEARING - THURSDAY - MAY 16, 1968

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 3760: Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of water produced in the South Vacuum-Devonian Pool into the Devonian formation in the interval from 12,000 feet to 12,180 feet in its John Trigg Lea Federal J Well No. 2 located in Unit P of Section 14, Township 18 South, Range 35 East, Reeves-Devonian Pool, Lea County, New Mexico.
- CASE 3761: Application of Harlan Production Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Etz-State Well No. 15 at an unorthodox location 1650 feet from the North line and 1325 feet from the West line of Section 16, Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico.
- CASE 3762: Application of Shannick Oil Company for authority to operate an oil treating plant, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to install a combination chemical and hot-water wash oil treating plant, said plant to be located approximately four miles West of Crossroads, New Mexico, and to purchase, transport, treat, and sell oil, condensate, and sediment oil in connection with the operation of said plant.
- CASE 3763: Application of Pan American Petroleum Corporation for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation in the interval from 712 feet to 715 feet in its USG Section 18 Well No. 28, located in Unit C of Section 18, and/or in the interval from 757 feet to 762 feet in its USG Section 19 Well No. 24 located in Unit C of Section 19, both in Township 29 North, Range 16 West, Hogback-Dakota Pool, San Juan County, New Mexico.

CASE 3764: Application of Pan American Petroleum Corporation for lease commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Dakota oil production from its Navajo Tribal USG Section 19 (A) and its Navajo Tribal USG Section 18 (B) leases in Sections 18 and 19 of Township 29 North, Range 16 West, Hogback-Dakota Oil Pool, San Juan County, New Mexico, allocating the production to each lease on the basis of periodic well tests even though there is a difference in over-riding royalty interests between Sections 18 and 19.

CASE 3765: Application of D. J. Simmons for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his General Petroleum-Rock Island Well No. 2 at a point 1850 feet from the North line and 810 feet from the West line of Section 24, Township 29 North, Range 9 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, in exception to the pool rules which require locations to be in either the Northeast or Southwest of the Section.

CASE 3766: Application of Tamarack Petroleum Company, Inc., for an amendment to Order No. R-3396, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3396, which authorized a waterflood project in its South Pearl Queen Unit Area, Pearl Queen Pool, Lea County, New Mexico, to delete the water injection wells previously authorized in Unit B of Section 3, Units G and L of Section 4, Unit I of Section 5, and Unit C of Section 10, and to authorize for water injection its Saunders Federal Well No. 7 in Unit P of Section 5 and its Saunders Federal Well No. 3 in Unit D of Section 10, all in Township 20 South, Range 35 East.

CASE 3767: Application of Mobil Oil Corporation for lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Grayburg-San Andres production from its Bridges State Wells Nos. 8 and 53 located in Units J and H, respectively, of Section 23, with Grayburg-Jackson production from its Bridges State Lease comprising the W/2 of Section 24, all in Township 17South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, allocating the production on the basis of periodic well tests, even though there is a

Examiner Hearing - May 16, 1968

Docket No. 15-68

difference in over-riding royalty interest between Sections 23 and 24.

CASE 3768: Application of Mobil Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its Bridges State Well No. 126 located in Unit J of Section 11, Township 17 South, Range 34 East, Lea County, New Mexico, in such a manner as to produce oil from the Abo, Upper Pennsylvanian, and Morrow formations, Vacuum Field, through parallel strings of tubing.

✓
May 27, 1955

C
Stanolind Oil and Gas Company
P. O. Box 487
Farmington, New Mexico

Attention: Mr. L. O. Speer, Jr.

Administrative Order NWU-128

Gentlemen:

P Reference is made to your application for approval of a 294.91-acre non-standard gas proration unit in the Blanco-Mesaverde Gas Pool consisting of the following acreage:

Township 29 North, Range 9 West, NMPM
W/2 of Section 24

Y It is understood that this unit is to be ascribed to your Simmons "E" Well No. 3, located 1605 feet from the South line and 1650 feet from the West line of Section 24, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

By authority granted me under provisions of Rule 1, Section (b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool, as set forth in Order R-128-C, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules based upon the unit size of 294.91 acres.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:jh
cc: Oil Conservation Commission
Aztec, New Mexico

SM

D. J. SIMMONS
P.O. Box 1469
Farmington, New Mexico 87401

Case 3765
April 16, 1968

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

Attention: Mr. George M. Hatch
Oil Comm. Attorney

Dear Mr. Hatch:

I received your letter of April 15, 1968 in which you stated the Commission rules do not provide for administrative approval for an unorthodox location in an off-pattern quarter section.

In view of the above information, we therefore do desire a hearing at the earliest time possible, concerning our proposal to utilize the General Petroleum - Rock Island No. 2 Dakota well located 1850 feet from the North line and 810 feet from the West line of Section 24 - Twp. 29 N - R 9 W San Juan Co., New Mexico by plug back from the Dakota zone which was uneconomical and produce the Mesaverde section in this well.

As I stated in my letter of April 11, 1968, the D. J. Simmons "E" No. 3 located 1605 feet from the South line and 1650 feet from the West line of Section 24 - Twp. 29 N - R 9 W of San Juan Co., New Mexico, is an old open hole completion which is now non-productive as a result of cavings, stuck tubing etc. and by using the above mentioned well which we secured from General Petroleum would be of considerable savings as compared to reworking our old Mesaverde well.

Yours very truly,

Ashton B. Geren, Jr.
Ashton B. Geren, Jr. - Supt.
For: D. J. Simmons

1968 Apr 17 PM 1:11

DOCKET MAILED

Date *5/2/68*

AS

D. J. SIMMONS
P.O. Box 1469
Farmington, New Mexico 87401

April 30, 1968

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

Attention: Mr. George M. Hatch
Oil Comm. Attorney

Dear Mr. Hatch:

Mr. Simmons asked that I forward to you for your files a copy of the letter of waiver that we recently received from Tenneco Oil Company regarding our proposed Unorthodox Mesaverde Location, 1850' FNL, - 810' FWL, Section 24, T-29-N, R-9-W, San Juan County, New Mexico.

Yours very truly,

Ashton B. Geren, Jr.
Ashton B. Geren, Jr. - Supt.
For: D. J. Simmons

68 MAY 2 AM 6 30

TENNECO OIL COMPANY A Major Component of Tenneco Inc.
P.O. BOX 1114 • 815 SECOND AVENUE • DURANGO, COLORADO 81302



April 19, 1968

2nd
Mr. D. J. Simmons
P.O. Box 1469
Farmington, New Mexico 87401

Attention: Mr. Ashton B. Geren, Jr.

Re: Proposed Unorthodox Mesaverde
Location, 1850' FNL, -810' FWL,
Section 24, T-29-N, R-9-W,
San Juan County, New Mexico

Gentlemen:

Please be advised that Tenneco Oil Company does not object to your proposed completion into the Mesaverde Formation at the above location. However, it is requested that a copy of the BHP information obtained with the AOF test be submitted to the Tenneco District office. Also, a short (3-5 day) bottom pressure build-up test after the initial deliverability test could provide valuable information for future Mesaverde evaluation work.

Please give this program appropriate consideration and provide us with any resultant data.

Yours very truly,

TENNECO OIL COMPANY

C W Nance

C. W. Nance
District Production Superintendent

JEM/jh

CO MAY 2 1968

dearnley-meier reporting service, inc.

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

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 16, 1968
EXAMINER HEARING

IN THE MATTER OF:

Application of D.J. Simmons for an
unorthodox gas well location, San
Juan County, New Mexico.

Case 3765

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3765.

MR. HATCH: Case 3765. Application of D.J. Simmons for an unorthodox gas well location, San Juan County, New Mexico.

MR. SIMMONS: My name is Simmons, D.J. and I reside in Fort Worth, Texas and the application is to --

MR. HATCH: Excuse me, Mr. Simmons, let's have you sworn.

(Witness sworn)

D.J. SIMMONS

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

MR. UTZ: You may proceed, sir, with your case.

MR. SIMMONS: My name is Simmons, D.J. and I reside in Fort Worth, Texas, Terrance County, and my application is for an unorthodox location on a 320-acre tract to recomplete a well in a different formation which consists of 320 acres in Section 24, Township 29 North and 9 West, San Juan County, New Mexico.

MR. HATCH: Mr. Simmons, you are representing yourself?

A Yes.

Mr. [Name] [Address]

[City, State, Zip]

[Phone Number]

MR. SANDERS: Well, I have been [Name]

I have also obtained waivers from the off/ret owners which
is on file with the commission and a plat of the property
is on file.

Mr. [Name] [Address]
from [Name] National [Name] [Name] [Name]. There is

Mr. [Name] [Address]

Mr. [Name] There is [Name] [Name] [Name] [Name]
related to yours?

MR. [Name] [Address]

MR. [Name] [Address]

MR. [Name] [Address]

MR. [Name] [Address] [Name] [Name] [Name] [Name]
[Name] [Name] [Name] [Name] [Name] [Name] [Name] [Name]

[Name] [Name] [Name] [Name] [Name] [Name]

[Name] [Name] [Name] [Name]

[Name] [Name] [Name] [Name]

[Name] [Name] [Name] [Name]

their engineer and he said it wouldn't be necessary or if it was necessary he would send a waiver but they made no objection it would be the same.

MR. UTZ: They are located north and south of you?

MR. SIMMONS: yes, but they're a long ways. they're about a mile up there.

MR. UTZ: What is the adjoining offsets?

MR. SIMMONS: Their lease joins it but their well is about a mile away.

MR. UTZ: So actually the ownership of the lease directly to the north and directly to the south is owned by Pan American?

MR. SIMMONS: Yes, sir.

MR. UTZ: And they're present at this hearing, are they not?

MR. SIMMONS: Well, no, they're not present. They didn't give me a waiver. They're here but they are represented in other matters but not this matter.

MR. ROSS: May I make a statement?

MR. UTZ: If he wants to object now is the time to do it.

MR. ROSS: Even though this is on the docket

we didn't get local counsel to appear with us and the only thing we can tell you at this time is we have no comment. I don't know what the situation is.

MR. SIMMONS: They said they'd give me a waiver if I needed one but I didn't need it, if they didn't appear there would be no objection to it.

MR. ROSS: We didn't appear for this case and we can't make a comment about the waiver because we don't know anything about it.

MR. SIMMONS: I have this from Denver, however, I talked to the engineer who is authorized to do it.

MR. UTZ: Mr. Simmons, they've had proper notice, if they want to intervene in the case and make an appearance they are ready and able to do so.

Now, the old well was located in the northeast quarter of the southwest quarter, is that correct?

MR. SIMMONS: Yes, sir.

MR. UTZ: And this well just pooped out, so to speak?

MR. SIMMONS: Well, it was drilled in '51 and it was a shot hole well and it filled up like most of them did and most of those it's been a policy to rework them. This one got to where it was down pretty low and was ready

for reworking and the process up there is whipstocking them and setting another string of pipe and fracking them and the substitute well was drilled to the Dakota, that was a dry hole, and I bought the well.

MR. UTZ: You are talking about the new well now?

MR. SIMMONS: New well, yes, sir, and was recompleted in the Mesa Verde Formation and with abandonment of the No. 3 E -- and this is 4-E, now I temporarily abandoned it for the reason that there was some discussion about the possibility of 160-acre spacing at some later date so I left the pipe and everything in it and that was satisfactory to them for the reason that if they do go 160-acre, then I'll recomplete it rather than to drill another well on that 160.

MR. UTZ: As a matter of personal advice to you, I wouldn't hold my breath till I got that 160.

MR. SIMMONS: I'm not going to. But as I say, El Paso said it's a possibility.

MR. UTZ: Is your first well temporarily abandoned now?

MR. SIMMONS: Yes, sir.

MR. UTZ: And disconnected?

MR. SIMMONS: Yes, sir, disconnected.

MR. UTZ: So the well you wish to be dedicated to 320 acres is the well in Unit E?

MR. SIMMONS: Owner of the tract, that's right.

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

CROSS EXAMINATION

BY MR. ARNOLD:

Q Mr. Simmons this well in the southwest quarter which you have temporarily abandoned, are you pretty certain that your casing doesn't have a hole in it? In other words, do you think --

A No, we don't have a hole in it that we know of. We have a string of tubing in it. It's got good seven inch casing in it that it's had all the time. It hasn't been making an excessive amount of water.

Q But you do intend to leave the well there for --

A Well, McGrath told me it was all right, this is a Federal Lease and he said it was all right to leave it there temporarily, however, I have a bond up with them that I will plug it if they require it.

Q I was just wondering if you were going to

leave it there for an extended period of time.

A No long extended period of time. I'll plug it if it requires it.

Q Actually I believe the rule calls for a temporarily abandoned well in a -- producing well in a field to have a cement plug set at the base of the pipe if it's going to be there for any period of time.

A I can do that. I can set a plug at the bottom, if they require that, yes. But this one has a tubing stuck in it and it has about a thousand foot open hole, shot hole, it's never been cleaned out since it was drilled in '51, about 17 years and it could, of course, I intended before buying this well to go ahead and work it over and if necessary, wash over the tubing.

Q You know why I was concerned is because we have had quite a bit of corrosion problem in this field.

A Yes, it's funny, it's not too hot in the area I'm in there. As a matter of fact, I haven't had any trouble with the pipe eating up with this upper water section.

Q Except that on this particular well you couldn't actually swear that you don't have a hole in the pipe, could you?

A Well, I won't swear I didn't have it in any,

there may be some kind of seepage in there but there's no excessive amount of water from the well.

Q Well, except for the fact that it actually isn't producing anything at the moment, it would --

A It was up until I abandoned it. It would produce but it wouldn't produce from the casing and the tubing. They would each blow down. They weren't connected, casing and tubing.

Q Well, the point I was trying to make is, how are you certain that the well is not logged off because of the fact that you have a hole in the casing and that it has loaded the casing with water?

A I tell you, I think it's full of cuttings, I mean from the shot hole, I think that over a period of years it's produced up in the casing and dropped back until it's filled the thing up with -- there's about 100 or 200-foot coal section in there that was shattered with about 1,900 quarts of nitroglycerin and that strung all up and down the hole and just filled it completely up.

Q But if the Commission should request an order to leave this well for an extended period, that you go in and set up a cement plug, you wouldn't object to that?

A No, we'd set it.

MR. HATCH: It's your opinion that the entire west half of this section is still productive of gas. It's only mechanical troubles?

MR. SIMMONS: That's all. Oh, yes, it's in a very good area so far as the Mesa Verde production is concerned. Each well can make five, six million feet all I have each and on completion. And I have others that I'm going to have to work over for this same reason but they don't make an excessive amount of water. It's just the minor amount of gas, particularly the biggest difficulty I've had. I haven't been paying a lot of attention to it until just recently that they have the Dakota wells in the area and they are put in the same line with the Mesa Verde wells and of course, they have much higher pressure than Mesa Verde wells and when they fill those lines full of Dakota high-pressure gas it pushes these Mesa Verde wells off the line, I've found as much as 700 pounds on our meters and in the past year at various periods of time. Of course, we would holler about it and they would get it down, reduce it some but it still books up there all the time and high pressure of the area, the old wells, they can't buck that high pressure line and our allowable is so low at the present time till actually a

pay out on one of those rework jobs -- this one here has cost me about twenty-five thousand but if I were to rework the old one probably would run in the neighborhood of thirty-five thousand. It would be another ten years at the present allowable due to the amount of gas they take out of the field and you're limited to that amount, of course.

MR. UTZ: They are taking a lot of gas out of the field, it's just not out of your wells?

A No, they're not taking out of the field as much as they should, I don't think, because they are taking West Texas gas. They are taking that gas out of the Delaware Basin where these pipelines are great on reserves. They have on of those wells there probably has reserves of a couple of townships up here and these gas companies go -- they've got a taker peak on those wells. They start paying way before they even start laying their lines and consequently they've got a lot of makeup gas to go along. I think that's where the hitch is right now. That's what I understood from one of the vice presidents down in West Texas.

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

(Witness excused)

MR. UTZ: Other statements in this case? Case will be taken under advisement.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, KAY EMBREE, 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 27th day of May, 1968.

Kay Embree
 NOTARY PUBLIC

My Commission Expires:

November 19, 1971

I do hereby certify that the foregoing is a complete record of the proceedings in the Oil Conservation Commission Case No. 3265, and that the same was reported by me on May 16, 1968.
James L. [Signature]
 Notary Public for the State of New Mexico