

Original

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

TRANSCRIPT OF HEARING
IN CASES 464, 465, 466

Henrickson's Reporting Service
2224 - 47th Street
Los Alamos, New Mexico

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

JANUARY 15, 1953

In the Matter of:

The application of Lowry Et Al Operating Account
for an order approving a unit agreement for the
development of the stipulated Pictured Cliffs
Unit No. 1 Area embracing 160 acres of land, more
or less, in Rio Arriba County, New Mexico, as
described: NMPM, Township 26 North, Range 6 West,
NE/4 Section 16.

TRANSCRIPT OF HEARING

BEFORE:

Hon. Ed Mechem, Governor and Chairman
Hon. R. R. Spurrier, Secretary and Member
Hon. E. S. Walker, Member

GRAHAM - Case No. 464.

SPURRIER - Would you like to consolidate those cases?

KELLAHAN - I was just going to ask you to.

SPURRIER - O. K.

KELLAHAN - If the Commission please, - Jason Kellahan - representing the Lowry Et Al Operating Account - I request that the Commission consolidate Case 364, 365 and - - I mean, 464, 465 and 466 for the purposes of hearing. These are three 160 acre units, all of which are under the same basic unit agreement and the same operating agreement and the evidence in them will be identical.

SPURRIER - May the record show that notices have been duly read for the Cases 465 and 466.

KELLAHAN - If the Commission please, this matter before the Commission upon the application of Tim G. Lowry and Todd M. Pettigrew, doing business as Lowry Et Al Operating Account for approval of three unit agreements of 160 acres each. These units are situated in Township 26 North, Range 6 West, in Sections 2 and 16. All of the lands involved in these proposed units are owned by the State of New Mexico or they are assigned to several lease owners, all of whom have committed their various interests to the unit agreement.

There was filed with the application for approval of the unit, a copy of the proposed unit agreement which is in a form, or substantially so, that has heretofore been approved by this Commission and by the Commissioner of Public Lands.

This proposed unit agreement has already been approved, as to form, by the Commissioner of Public Lands - Mr. Walker's predecessor.

There is attached to the application as Exhibit A, a plat indicating the producing Pictured Cliffs gas wells which have been completed in Sections 2 and 16, giving the geological information on this area. The operating agreement provides for the orderly and efficient development and operation of the unitized areas.

I would like to point out that in the application in our hearing here today, is for unitization only so far as Pictured Cliffs formation is concerned. As our witness, I'd like to call Henry S. Birdseye and have him sworn.

HENRY S. BIRDSEYE

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. KELLAHAN:

Q. Would you state your name, please?

A. Henry S. Birdseye.

Q. Do you hold a position with the Lowry Oil Company, Mr. Birdseye?

A. Yes, I do. I'm the geologist.

Q. Have you had special training or experience in the field of geology?

A. I majored in geology at college and have been in charge of the geological operations for Lowry Et Al Operating Account for sixteen (16) months.

Q. Where did you receive your college training?

A. At Harvard University.

Q. Did you graduate there?

A. Yes, sir, I did. In 1950.

Q. What was your degree?

A. Bachelor of Arts and Geological Sciences.

Q. Have you worked in the oil business as a geologist aside from the sixteen months you mentioned?

A. Yes, I have done geophysical work and field geological work.

Q. Is the Commission satisfied with the witness' qualifications?

SPURRIER; We are.

KELLAMAN - Mr. Birdseye, I hand you a plat which is marked as Exhibit A. Is that the plat which is attached to the application in this case?

A. It is.

Q. With reference to that plat, would you discuss the geological information contained thereon and the development in the area that is the subject of this hearing?

A. This plat shows a - the locations and some pertinent geological information regarding the Pictured Cliffs wells which have been completed on these two State sections in Township 26 North, 6 West. Would you like to have me describe - - the primary point to be considered in these two sections and in the unitization of them is that they - - the formation and reservoir characteristics pertaining to any one well on these sections also pertains to other locations in the same section and two locations in adjoining sections.

Q. Two of these wells that you have mentioned are on the part of the land involved in these three units, is that not so?

A. That is correct.

Q. Which two are those?

A. Our number State 5-235 and State 6-233 in the north half of Section 16.

Q. Are those producing wells?

A. They are.

Q. They are now operating?

A. They are now on pipe line.

Q. Now, Mr. Birdseye, in your opinion, does the area covered by these units form an efficient operating unit for the development of the Pictured Cliffs formation?

A. Yes. The locations are staked and drilled in accordance with the rules and regulations of the Oil Conservation Commission.

Q. They are 160 acre units under the rules of the spacing regulations of the Commission?

A. That is correct.

Q. In your opinion, if these units are approved, will the development and operation under the terms of the unit agreement and the operating agreement be in the best interest of conservation of oil and gas and better utilization of reservoir energy?

A. In my opinion, that is true according to the rules and regulations of the Oil Conservation Commission, as previously established.

Q. You mean by that the 160 acres spaced - - -

A. Yes, that's true.

Q. Under the operation proposed, will the State receive its fair share of the recoverable oil and gas?

A. Yes, it will - in my opinion.

Q. In your opinion, if these unit agreements are approved, are they in the best interests of the State?

A. Yes, it is my opinion that they are.

Q. Is it your opinion that the development and operation can be carried on more economically and efficiently in the interest of conservation and the prevention of waste under the terms of the unit agreement than otherwise?

A. Yes. In order to drill these Pictured Cliff wells in accordance with the rules and regulations of the Oil Conservation Commission, it is necessary to establish 160 acre drilling units.

Q. Are all of the lands involved in these units State land?

A. Yes.

Q. Have the leaseholders of these leases committed their interests to the unit agreement?

A. Yes, they have.

Q. All of them?

A. All of them.

KELLAHAN - I'd like to have the record show that the form of this unit agreement has been submitted to the Commissioner of Public Lands and the proper fees have been paid and the agreement has been approved, as to form. That completes our dissertation.

VOICE - Have they all consented to it?

KELLAHAN - All their signatures do appear on the unit agreement and we have an exhibit which shows the interest set forth attached to the application.

SPURRIER - Anyone else have questions of this witness? If not, the witness may be excused.

(Witness excused)

SPURRIER - Are there any other comments in this case? If not, we'll take the case under advisement - or these cases under advisement, and call for Case 467.

STATE OF NEW MEXICO)
)
COUNTY OF LOS ALAMOS)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing on Cases 464, 465 and 466, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on January 15, 1953, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Los Alamos, New Mexico, this 15th day of January, 1953.

Jessie M. Kinnick
REPORTER
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