

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO  
May 16, 1956

IN THE MATTER OF:

CASE NO. 1071

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 16, 1956

IN THE MATTER OF:

Northwestern New Mexico nomenclature case calling for the creation of new pools and the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

(a) Creation of a new gas pool for Pictured Cliffs production, designated as the Choza Mesa Pictured Cliffs Pool, and described as:

TOWNSHIP 28 NORTH, RANGE 4 WEST

Section 11: All

Section 12: All

Section 14: All

TOWNSHIP 29 NORTH, RANGE 3 WEST

Section 31: All

TOWNSHIP 29 NORTH, RANGE 4 WEST

Section 35: All

Section 36: All

(b) Creation of a new oil pool for Sanastee production, designated as the Otero Sanastee Oil Pool, and described as:

TOWNSHIP 22 SOUTH, RANGE 5 WEST

Section 1: NE/4

TOWNSHIP 23 NORTH, RANGE 5 WEST

Section 36: SE/4

(c) Extension of the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 25 NORTH, RANGE 5 WEST

Section 9: SE/4

Section 13: S/2

Section 23: NW/4

TOWNSHIP 26 NORTH, RANGE 5 WEST

Section 27: All

Section 28: All

TOWNSHIP 27 NORTH, RANGE 6 WEST

Section 19: All

Section 20: All

Case No.  
1071

TOWNSHIP 27 NORTH, RANGE 9 WEST

Section 3: NW/4  
 Section 4: N/2 & SW/4

(d) Extension of the Ballard-Pictured Cliffs pool to include:

TOWNSHIP 25 NORTH, RANGE 8 WEST

Section 14: SE/4

TOWNSHIP 26 NORTH, RANGE 8 WEST

Section 5: NW/4  
 Section 6: All  
 Section 7: N/2

TOWNSHIP 26 NORTH, RANGE 9 WEST

Section 1: NE/4

(e) Extension of the Fulcher Kutz-Pictured Cliffs pool to include:

TOWNSHIP 27 NORTH, RANGE 9 WEST

Section 16: SW/4  
 Section 22: W/2  
 Section 27: W/2 & SE/4  
 Section 28: E/2

(f) Extension of the Aztec-Pictured Cliffs pool to include:

TOWNSHIP 28 NORTH, RANGE 9 WEST

Section 15: NW/4

(g) Extension of the Otero-Pictured Cliffs pool to include:

TOWNSHIP 24 NORTH, RANGE 5 WEST

Section 20: NE/4  
 Section 21: NW/4

(h) Extension of the Blanco Mesaverde Pool to include:

TOWNSHIP 27 NORTH, RANGE 8 WEST

Section 20: All

TOWNSHIP 28 NORTH, RANGE 3 WEST

Section 23: All  
 Section 24: W/2  
 Section 25: W/2  
 Section 26: All  
 Section 35: All  
 Section 36: W/2

TOWNSHIP 28 NORTH, RANGE 9 WEST  
Section 29: All

TOWNSHIP 31 NORTH, RANGE 6 WEST  
Section 10: All  
Section 11: W/2  
Section 13: All  
Section 14: All  
Section 15: All

(i) Extension of the Bisti Lower-Gallup Oil Pool to include:

TOWNSHIP 25 NORTH, RANGE 12 WEST  
Section 16: SE/4 NW/4

BEFORE:

Mr. A. L. Porter  
Mr. E. S. (Johnny) Walker

TRANSCRIPT OF HEARING

MR. PORTER: The next case is 1071.

MR. GURLEY: Case 1071 involves the Northwestern New Mexico nomenclature case calling for the creation of new pools and the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

I should like to read at this time into the record a statement made by Mr. F. Norman Woodruff of the El Paso Natural Gas Company. The said statement reads as follows:

"The following statement pertains to Case 1071, particularly to that portion of subsection (d) thereof concerning the following acreage: Township 26 North, Range 8 West, Section 5, Northwest quarter; Section 6, All; Section 7, North half; Township 26 North, Range 9 West; Section 1, Northeast quarter, said acreage is proposed for inclusion in the Ballard-Pictured Cliffs Pool.

El Paso Natural Gas Company recommends that the hearing regarding subject acreage be combined with the hearing on Case 1054

pertaining to proration and delineation of the Ballard-Pictured Cliffs Pool and be heard at the time testimony is taken on Case 1054.

Should the Commission at this time hear testimony on this matter it is then requested that the hearing be continued until such time as the testimony to be received in Case 1054 is available to the Commission to aid in the proper disposition of subject Case 1071 (d)." Signed F. Norman Woodruff.

I have in addition a letter from Benson-Montin, Oil Producers and Operators which reads as follows:

"Gentlemen: Benson-Montin hereby requests that the Commission combine Case No. 1054 with Cases No. 1071(c), 1071(d) and 1071(e), and that the hearing for the combined cases be continued to a later date.

Benson-Montin is particularly interested in Case No. 1054 covering the Ballard Field, in which we operate approximately 35 Pictured Cliffs wells and own interests in an additional 35 wells. It appears to us that the call of the hearing for Case No. 1054 is so broad as to include the substance of Cases 1071(c), 1071(d) and 1071(e). In fact, Case No. 1054 involves matters quite complex, and which cannot be properly evaluated without information available from wells currently being drilled. A matter of proper delineation of field boundaries in the instance of two fields meeting by offset wells requires in our opinion study of the characteristics of the wells on each side of the boundary. The wells thus involved in this particular case are now only in the process of being drilled, and the required information cannot possibly be made available by May 17th, the date for which the hearing of Case No. 1054 is now scheduled.

Benson-Montin has no objection to proration of the Ballard

Field and are not asking to postpone this hearing because of proration. When Case No. 1054 was originally set on the Commission's docket, we requested that the subject matter be divided, such that proration for the Ballard Field might be heard separately from the more complex matter of pool boundaries, and thus establish proration without delay. We also asked that the Commission grant additional time for the operators to study the problem of pool boundaries. The Northwest New Mexico Engineering Committee had already formed a sub-committee to study this particular subject, and it seemed to us appropriate that this sub-committee be asked to direct its work to the Ballard Field area and provide such assistance as it might render. The Conservation Commission refused to do this, and advised us that all matters as set out in Case No. 1054 would be heard at one time.

We understand that Skelly Oil Company would like to consider a partial division of the South Blanco Pictured Cliffs Field. We have no objection to this being incorporated into the hearing of the above cases.

In accord with the reasons set out herein, we request these four cases be combined, and that they be continued until the June hearing. We further request that the Commission incorporate this letter into the record of Cases No. 1054, 1071(c), 1071(d) and 1071(e) when they are called, and that if the Commission does hear these matters at such later date as the information is available which we believe to be vital to these cases."

MR. PORTER: The record will reflect this letter and statement and we will proceed with Case 1071.

E L V I S A . U T Z

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

DIRECT EXAMINATION

By MR. GURLEY:

Q Would you state your name, please?

A Elvis A. Utz.

Q What is your position?

A Engineer, Oil Conservation Commission.

Q Have you qualified before this Commission before, Mr. Utz?

A Yes, sir.

Q In the matter of the creation of a new gas pool for Pictured Cliffs production designated as the Choza Mesa, in your official capacity, have you had an opportunity to study such proposal?

A Yes, sir, I have.

Q What are your recommendations therein?

A I recommend that the Pictured Cliffs be delineated as advertised on the basis of wells capable of producing.

Q Have you also in your official capacity had an opportunity to study the creation of a new oil pool designated as the Otero Sanastee Oil Pool in the San Juan area?

A Yes, sir, I have.

Q What are your recommendations therein?

A I recommend that the Otero Sanastee Oil Pool be created as advertised on the basis of two wells capable of producing.

Q Have you had an opportunity to study the proposed extension of the South Blanco-Pictured Cliffs Pool?

A Yes, I have.

Q What are your recommendations therein?

A I recommend that the portion of Section (c) for the South Blanco-Pictured Cliffs Pool which is the portion in 27 North

and 9 West be dismissed. I recommend that the balance of Section (c) be included in the extension of the South Blanco-Pictured Cliffs Gas Pool as advertised on the basis of wells capable of producing.

Q Have you had an opportunity in your official capacity to study the proposed extension of the Ballard-Pictured Cliffs Pool in the San Juan area?

A Yes, I have.

Q What are your recommendations therein?

A I recommend that the Ballard-Pictured Cliffs Pool be extended as advertised on the basis of wells capable of producing, and are offsets to the now delineated Ballard-Pictured Cliffs Gas Pool.

Q Have you had an opportunity to study the proposed extension of the Fulcher Kutz-Pictured Cliffs Pool?

A Yes, I have.

Q What are your recommendations therein?

A I recommend that the Fulcher Kutz-Pictured Cliffs Gas Pool be extended as advertised on the basis of six wells capable of producing, and which are 160 acre offsets to now delineated Fulcher Kutz Gas Pool.

Q Have you made a study of the proposed extension of the Aztec-Pictured Cliffs Pool?

A Yes, I have.

Q What are your recommendations?

A I recommend that the Aztec-Pictured Cliffs be extended as advertised on the basis of one well capable of producing.

Q Have you had an opportunity to study the proposed extension of the Otero-Pictured Cliffs Pool?

A Yes, I have.

Q What are your recommendations?

A I recommend that the Oterc-Pictured Cliffs Pool be extended

as advertised on the basis of one well capable of producing.

Q Have you made a study of the proposed extension of the Blanco Mesaverde?

A Yes, I have.

Q What are your recommendations there?

A I recommend that the Blanco Mesaverde Gas Pool be extended as advertised on the basis of six gas wells capable of producing.

Q Have you had an opportunity to study the proposed extension of the Bisti Lower-Gallup Oil Pool?

A Yes, I have.

Q What are your recommendations?

A I recommend that the Bisti Lower-Gallup Oil Pool be extended as advertised on the basis of one oil well capable of producing.

Q Would you state the name of the pool again please?

A Bisti-Lower Gallup Oil Pool.

Q Do you have any exhibits which you wish to introduce?

A Yes, I do. I have an exhibit which gives the extensions as recommended, together with the name and locations and the abilities of these wells to produce as stated.

Q Was this exhibit prepared by you or under your direction?

A It was prepared under my direction.

MR. GURLEY: We wish to introduce into evidence Exhibit 1 in this case.

MR. PORTER: Without objection it will be received.

MR. PORTER: Mr. Utz, with reference to Paragraph B of this case, do you have the description of the discovery well in that pool?

A Yes, sir, I do.

MR. PORTER: Will you read that please?

A "The discovery well would be the Humble Oil and Refining

Company No. 1 Jicarilla B located 990 from the north and east lines of Section 1, 22 North and 5 West which had an initial potential of 55 barrels of oil per day and a top of the perforation with 5,820.

MR. GURLEY: That is all.

MR. PORTER: Mr. Arnold, did you have a question?

MR. ARNOLD: I notice that the docket has an error, it says 22 South, Range 5 West. I don't know whether anybody mentioned that or not. The advertisement was right.

MR. PORTER: The advertisement was right.

MR. ARNOLD: Yes.

A And the exhibit is right.

MR. PORTER: We have already accepted the exhibits in this.

MR. KENDRICK: Paragraph (e) pertaining to the recommended addition to the Pictured Cliffs Section 16, Southwest quarter, Section 22, West half, Section 27 the West half, and the Southeast quarter Section 28, East half of the five wells are direct offsets to the present boundaries in the Fulcher Kutz-Pictured Cliffs Field. One of these wells is more than one mile from the boundary of the Fulcher Kutz Pool boundary, and I recommend that all these wells as advertised, or the area as advertised, be taken into the pool boundary such that all wells may be prorated. The wells are of the same depth range and from the same common source of supply as the Fulcher Kutz-Pictured Cliffs Field, which has been recognized for a number of years.

MR. PORTER: Does that include an area that was not advertised?

A No, sir, that is the area that is as advertised.

MR. KENDRICK: For clarification of the record, Mr. Utz,

you recommended Section (c), or a portion of Section (c) in the recommended extension to the South Blanco-Pictured Cliffs in 27 North, Range 9 West. Did you mean those to be dismissed entirely, or dismissed from Case 1071 and incorporated in Case 1054?

A I meant for those to be dismissed entirely. They will be taken up at a later date.

MR. PORTER: Any further questions of the witness? The witness may be excused. The case will be taken under advisement.

(Witness excused.)

MR. PORTER: Case 1071 will be taken under advisement and the hearing will be adjourned.

(Hearing adjourned.)

C E R T I F I C A T E

STATE OF NEW MEXICO )  
 : SS  
 COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 22nd day of May, 1956.

  
 Notary Public-Court Reporter

My commission expires:

June 19, 1959.