

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1790

TRANSCRIPT OF HEARING

OCTOBER 7, 1959

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IN THE MATTER OF:

CASE 1790 Application of El Paso Natural Gas Products Com- :
pany for a non-standard oil proration unit and an :
unorthodox oil well location. Applicant, in the :
above-styled cause, seeks the establishment of a :
40-acre non-standard oil proration unit in the :
Horseshoe-Gallup Oil Pool consisting of a portion :
of the E/2 W/2 of Section 28, Township 31 North, :
Range 16 West, San Juan County, New Mexico, to be :
dedicated to a well on an unorthodox location at :
a point 1980 feet from the South line and 4430 :
feet from the East line of said Section 28. :
: :
: :
: :

BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: The next case will be 1790.

MR. PAYNE: Case 1790. Application of El Paso
Natural Gas Products Company for a non-standard oil proration unit
and an unorthodox oil well location.

MR. SPANN: For the record, Charles C. Spann, Grant-
ham, Spann & Sanchez, Albuquerque, New Mexico, representing the
applicant. We have one witness, Mr. Vandiver.

(Witness sworn)

JAMES C. VANDIVER,

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

DIRECT EXAMINATION

BY MR. SPANN:

Q Will you state your name, residence and employment?

A James C. Vandiver, Farmington, New Mexico, Division Landman, El Paso Natural Gas Products Company.

Q Have you previously testified before this Commission and had your qualifications accepted?

A I have.

MR. SPANN: Are there objections to the witness' qualifications?

MR. UTZ: Pardon?

MR. SPANN: Are there objections to the witness' qualifications?

MR. UTZ: No, sir. The witness is qualified.

Q Mr. Vandiver, you are familiar with the application of El Paso Natural Gas Products Company for an unorthodox location, non-standard proration unit in the Horseshoe-Gallup Pool, San Juan County, New Mexico?

A I am.

Q In connection with that application, you attached an Exhibit showing the location of the proposed well. Now, as I understand it, there has been a change, or you wish an amendment to that plat showing the proposed location, and that has resulted

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from conferences with the U.S.G.S..

A That's right, and with Atlantic Refining Company.

Q Atlantic is the offset operator, and this is all Indian acreage, I think?

A Yes, it is. It is Ute Indian acreage.

Q And there are no other persons or companies concerned except the U.S.G.S., and you have the Indians, Atlantic and yourself?

A That is correct, in this immediate area.

Q Now, would you just state to the Examiner how you wish to amend your plat?

A We wish our application to read, rather than 1980 feet from the South line -- we wish to amend that to read 660 feet from the South line.

Q South line of what?

A Section 28, Township 31 North, Range 16 West.

MR. UTZ: It was 1980?

A Yes, it was 1980, and we wish to amend it to 660. I wish to state at this time that the terrain in this vicinity is very rough. We may have to move that a few feet one way or the other.

MR. UTZ: Was it rough at your previous location?

A Yes, sir, it sure was, but we were able to make the location at that footage.

MR. PAYNE: You mean some five feet or so you might

have to move it, or more than that?

A Oh, we hope not any more than that. We'll try to stay as close to those footages as we possibly can, and it may be we can locate on the footage that we desire.

MR. SPANN: We would like to amend our Exhibit A attached to the application to conform with the new location as described by Mr. Vandiver.

MR. UTZ: Is there objection to counsel's request for amendment of the application? If not, the application will be so amended.

Q (By Mr. Spann) Do you happen to have a map showing the new location?

A No, I don't.

MR. SPANN: May I inquire if the Commission would like a map prepared and submitted to you, or is this sufficient?

MR. UTZ: For what purpose?

MR. SPANN: Well, just to substitute it as an Exhibit to show in the records that there has been -- just where the location is on the plat.

MR. UTZ: No, sir, this will be all right with your amendment.

Q (By Mr. Spann) The area involved in your non-standard unit will be the same as shown on Exhibit A, I take it?

A It will be, there will be no change.

Q There will be 40 acres dedicated to this well?

A Yes, sir.

Q Now, will you just tell the Commission the reason that this unorthodox location is needed, and why this well needs to be located where it is?

A We conferred with Mr. Anderson with the U.S.G.S., and at his request we have moved the well location from the original location to 660 feet from the South line in Section 28; and we feel that a well there will economically drain the lands around the location.

Q And do you feel this area, or this unit will be productive of oil?

A We do.

Q Based upon the drilling that has been done in the area, I take it?

A That's right.

Q Now, how about your non-standard unit, why is it necessary that that be established as you have applied?

A Well, the non-standard unit, as you know, the acreage on the East side of the boundary line is owned by the Navajos and the Utes, and we establish an agreement to use the acreage on our side of the line, on the Ute land, so that we can properly produce that acreage.

Q And will the establishment of this non-standard unit prevent waste and protect correlative rights?

A It certainly will, in our opinion.

Q And you did notify -- well, Atlantic is actually here, but you did notify the offset operators of your application?

A Yes, they received notice by registered mail.

MR. SPANN: That's all the questions I have.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Vandiver, what do you propose to number this well?

A It will be Horseshoe Ute No. 27.

QUESTIONS BY MR. UTZ:

Q Mr. Vandiver, can you tell me how close the well is to the West line of this unit?

A Within a hundred feet.

Q This is not an even section, is it?

A No, sir. You mean a 640-acre section?

Q Yes.

A No.

Q 5280. Is it within a hundred feet or less than a hundred feet?

A Within a hundred feet.

Q That could mean less than a hundred feet?

A It could mean less than a hundred feet, but I'm sure that we have stayed a hundred feet away from that line.

MR. PAYNE: You own the adjoining property to the East, anyway, don't you?

A Yes, sir.

MR. UTZ: Are there any other questions of the witness? If there are none, the witness may be excused.

(Witness excused)

MR. UTZ: Are there any other statements to be made in this case? If there are none, the case will be taken under advisement.

