

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
DECEMBER 12, 1960

IN THE MATTER OF:

CASE 2137 Application of Caulkins Oil Company for a non-
standard gas proration unit. Applicant, in the
above-styled cause, seeks the establishment of a
320-acre non-standard gas proration unit in the
Basin-Dakota Pool, San Juan and Rio Arriba Coun-
ties, New Mexico, comprising the SE/4, S/2 NE/4
and S/2 SW/4 of Section 16, Township 26 North,
Range 6 West. Said unit is to be dedicated to
the D-268 well located in the SE/4 NE/4 of said
Section 16.

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: Case 2137.

MR. MORRIS: Case 2137. Application of Caulkins Oil Com-
pany for a non-standard gas proration unit.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, representing
the applicant. We have one witness, Mr. Frank Gray.

(Witness sworn)

FRANK GRAY,

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

DIRECT EXAMINATION

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BY MR. KELLAHIN:

Q Would you state your name, please?

A Frank Gray.

Q By whom are you employed and in what position?

A Production superintendent for Caulkins Oil Company.

Q Mr. Gray, have you testified before the Commission as an expert witness and have your qualifications been accepted?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir. Let me ask for appearances at this time in this case. If there are none, you may proceed.

Q (By Mr. Kellahin) Mr. Gray, are you familiar with the application in Case 2137?

A Yes, sir.

Q Would you state what is proposed in this case?

A It is proposed to dedicate the south half of the northeast quarter, the southeast quarter, and the south half of the southwest quarter of Section 16, to the Caulkins Oil Company's State "A" Well No. D-268.

(Whereupon, Applicant's Exhibit No. 1 was marked for identification.)

Q Now, referring to what has been marked as Caulkins Exhibit No. 1, would you state what that Exhibit shows?

A Shows the area surrounding the Caulkins Oil Company's State "A" D-268 in Section 16, 26 North, 6 West. It shows the ownership



of all of the acreage adjoining Section 16. Also, the acreage, as proposed to dedicate to this 268 is colored in pink, and the remainder of the Section, which has already been dedicated to another well, shown in blue.

Q To what well is the acreage shown in blue dedicated?

A Caulkins 233.

Q All of it is immediately operated by Caulkins Oil Company?

A Yes, all of it.

Q Now, with reference to Well D-268, would you discuss briefly the history of that well?

A The well was completed as a Dakota producer in April, 1951, and it is located 660 feet from the East line and 1990 feet from the North line of Section 16. Now, it has been producing from Dakota sand since that time, and the acreage dedicated to it at the present time is the south half of the northeast and north half of the southeast. The working interest ownership is common to all, all of the acreage we propose to dedicate for this well, and also the royalty interest. All of it was part of the State East-E291-17.

Q Now, in your opinion, is all of the acreage you propose to dedicate that to previously productive of gas from the Dakota formation?

A Yes; sir, it should be productive of the entire Section.

Q On what do you base that conclusion?

A Just on the fact that we have wells both higher and lower structurally that produce from the Dakota sand.



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Q In this area?

A In that area, yes, sir.

Q In your opinion, will the dedication of the acreage proposed impair correlative rights?

A No, I don't think correlative rights would be impaired nor would it cause any waste.

Q For what reason, Mr. Gray, do you not wish to dedicate a half section to each of the two wells involved in this Section?

A The ownership of the acreage we have is common through all the acreage. I think the ownership of the acreage we propose to dedicate to this well has the same working interest and royalty interest. There is a difference in working interest between the north half of the north half of this Section and the remainder of it. Now, then, the acreage we propose for this well is that portion of Section 16-26-6, remaining after the 320-acre unit was established for the Caulkins Oil Company State P D 233 Well by Commission Order R-1627, dated March 11, 1960.

Q Was Exhibit No. 1 prepared by you?

A Yes, sir.

MR. KELLAHIN: I would like to offer in evidence Exhibit No. 1. That is all the questions.

MR. UTZ: Without objection, the Exhibit No. 1 will be entered into the record.

(Whereupon, Applicant's Exhibit No. 1 was received in evidence.)



MR. KELLAHIN: That is all the questions.

CROSS-EXAMINATION

BY MR. PAYNE:

Q If your application were approved, then Section 16 in its entirety will be two Dakota gas wells, is that right?

A Yes, sir.

Q What is the location of your D-268 lease, the footage location?

A 1980 from the North and 660 from the East.

Q Do you have an unorthodox location approved for this well inasmuch as it's 660 instead of 790?

MR. KELLAHIN: The well was drilled prior to the adoption of the spacing location.

MR. PAYNE: That is all.

BY MR. UTZ:

Q The 268 was a singularly completed well?

A Yes, sir.

Q The 233 is a picture Dakota?

A Dual picture Dakota.

Q The reason you want this type of location is to line up the ownership in the Section?

A Yes.

Q Are there any producing gas wells to the South of this area?

A Not in the Dakota, not in this immediate area.



Q But you have a Dakota well to the North in Section 9?

A Yes, the D-204 B. A. Creek offset.

Q There is none to the West?

A None to the West, no.

Q None to the East, is that right?

A That is right.

Q None to the South?

A There is a well in Section 24, but that will be quite a ways to the East. The Caulkins Oil Company Sanchez No. 1 in the northwest of 24 is a Dakota producer now. That is to the East. Now, to the West, there is a Dakota well in Section 13. However, that is rather a long ways away. 13, 26, 7.

Q Do you have any contours of this area that would tend to show the productivity of the Dakota in the south part of this Section?

A No, I don't have one prepared at this time.

Q Except your statement that there is Dakota production higher and lower than this Section?

A That statement was on the information on the P M D 24 in Section 13 27-7, which is higher than the D-268 Well and the Caulkins Oil Company D-204 in Section 9 and the Caulkins Oil Company Sanchez No. 1 in Section 24. Now, the 204 Well is lower structurally and the Sanchez well is approximately flat with it, that is, it's approximately flat with the D-268 Well.

MR. UTZ: Any other questions? The witness may be excused.



(Witness excused)

MR. UTZ: Any other statements in this case?

(No response)

MR. UTZ: The case will be taken under advisement.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, LLEWELYN NELSON, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 6 day of Dec,
1960, in the City of Albuquerque, County of Bernalillo, State of
New Mexico.

NOTARY PUBLIC

My Commission expires:

June 14, 1964

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 2137,
heard by me on Dec. 12, 1960.
[Signature] Examiner
New Mexico Oil Conservation Commission

DE ARNIE EV MEIER REPORTING SERVICE, Inc.

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