

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

In the matter of the application of Stanolind )  
Oil and Gas Company for the approval of the )  
San Juan 32-5 Unit Area, embracing 25,937.96 )  
acres, more or less, located in Township 31 )  
north, Range 5 west, Township 32 north, Range )  
5 west, and Township 32 north, Range 6 west, )  
N.M.P.M., San Juan and Rio Arriba Counties, )  
New Mexico. )

CASE NO. 491

TRANSCRIPT OF HEARING  
HELD AT THE  
OFFICES OF THE OIL CONSERVATION COMMISSION  
FEBRUARY 24, 1953

PROCEEDINGS TRANSCRIBED FROM ELECTRONIC  
TAPE RECORDER BY AGNES COOMBS, COURT REPORTER

P R O C E E D I N G S

(Time 9:10 A.M.)

SECRETARY SPURRIER: The meeting will come to order, please. Let the record show that the Commission has directed me to take the record in these cases today. There will be no decisions issued until the Commission has been able to review the testimony. The first case on the docket is Case No. 491. Let the record show that the advertisement has been read. Who is appearing for Stanolind?

MR. OLIVER SETH: Seth and Montgomery.

MR. SPURRIER: Mr. Seth, will you proceed with your--

MR. SETH: I would like to call Mr. Ingram as our first witness.

(Mr. Tom L. Ingram is duly sworn by Secretary Spurrier.)

MR. SETH: I beg your pardon, is this 491?

MR. SPURRIER: It's 491, Oliver.

MR. SETH: I'm sorry, Mr. Baldwin is the one I want sworn.

MR. SPURRIER: Very well. Mr. Baldwin. (Mr. Ben F. Baldwin is duly sworn by Secretary Spurrier.)

DIRECT EXAMINATION BY MR. SETH:

Q. State your name, please, Mr. Baldwin.

A. Ben F. Baldwin.

Q. And would you state your qualification--your educational qualifications and experience, Mr. Baldwin?

A. I have a degree as Geologist, at Texas Tech, and I have worked as a geologist in various capacities during the last fifteen years for Stanolind Oil and Gas Company.

Q. (Addressing the Secretary): Are his qualification accepted?

SECRETARY SPURRIER: They are.

DIRECT EXAMINATION BY MR. SETH RESUMED:

Q. Are you familiar, Mr. Baldwin, with the geology of the area covered by the San Juan 32-5 Unit, in Rio Arriba and San Juan Counties?

A. Yes, sir.

Q. In your opinion, does the proposed Unit Area, is it underlain with formation or formations that there is a reasonable expectation that oil or gas will be encountered?

A. In my opinion, yes.

Q. Will you state briefly what the geology is of the proposed Unit Area?

A. Well, within the proposed Unit Area, the Fruitland, Picture Cliff, Mesa Verde, and perhaps Dakota formations should carry oil or gas. And it appears from past development in San Juan Basin that these formations previously mentioned will produce, in stratigraphic nature such as Blanco and the various other pools within San Juan Basin.

Q. What formations do you expect to test by the commitments under the Unit Agreement?

A. The Fruitland, and Mesa Verde.

Q. Are those productive elsewhere in the San Juan Basin?

A. The Fruitland is productive elsewhere in the San Juan Basin, Nashajo, and the vicinity of NE Blanco. The Mesa Verde produces in Blanco.

MR. SPURRIER: What about the Picture Cliffs?

A. Picture Cliffs should be found productive in 32-5.

DIRECT EXAMINATION RESUMED BY MR. SETH:

Q. At approximately what depth do you expect to encounter these formations?

- A. We expect to encounter the Fruitland at above thirty-five hundred feet; the Picture Cliff two hundred feet below that, roughly; the Mesa Verde above fifty-nine hundred feet; and Dakota above eighty-five hundred feet. It all depends upon the elevation at the location.
- Q. In your opinion, then, as a geologist, and from your knowledge of the Unit Agreement, would you say that operation under the Unit Agreement will lead to orderly development of this particular area?
- A. It's my opinion that by unit agreement it would lead to very orderly development.
- Q. And may the development and production be guided by good reservoir practices under this Unit Agreement?
- A. I think so. By unitizing the area we'd have better control over the production and therefore we would recover more hydrocarbons than we would otherwise.
- Q. Do you believe, for those reasons, it is in the best interests of the State of New Mexico?
- A. I do.
- Q. Do you believe it will promote conservation and prevent waste?
- A. I do, very definitely.
- Q. And under the Unit Agreement will the State of New Mexico receive its fair share of the recoverable oil and gas?
- A. Yes, sir.
- MR. SETH: That's all of the direct testimony, if the Commission please.

MR. SPURRIER: Does anyone have a question of the witness? (No response.)

If not, the witness may be excused.

WITNESS BALDWIN: Thank you.

(Mr. Ben Kee is then called as a witness, and is duly sworn by  
Secretary Spurrier.)

DIRECT EXAMINATION BY MR. SETH:

Q. State your full name, Mr. Kee.

A. Ben R. Kee.

Q. By whom are you employed, and in what capacity?

A. I am District Land Man for Stanolind Oil and Gas Company.

Q. Are you familiar with the terms of the proposed Unit Agreement, the  
subject of this hearing?

A. Yes, sir.

Q. Do you have a map showing the Unit Area?

A. There is attached to the Unit Agreement an exhibit marked Exhibit A  
which is a plat of the Unit Area.

MR. SETH: Would you show that to the Commission? (Mr. Kee opens the map  
before Mr. Spurrier.) Does this map attached to the Unit Agreement show  
the ownership by state, federal, and fee land?

A. Yes, sir, it does show the ownership by different color.

Q. Would you state the percentage of the Unit area that is federal, state,  
and patented land?

A. Seventy-eight point fifty-four per cent (78.54%) of the Unit Area is  
federal land; three point seven o per cent (3.70%) of the Unit Area

is state lands; seventeen point seventy-five per cent (17.75%) of the Unit Area is patented lands.

Q. What is the total acreage in the Unit Area?

A. The total acreage in the Unit Area, twenty-five thousand nine hundred and thirty-seven point ninety-six (25,937.96) acres.

Q. Now would you state in each classification here the percentage of working interests committed to the Unit Agreement at this time?

A. The percentage of working interests as to federal leases committed to the Unit is one hundred per cent. The percentage of working interests on state leases committed to the Unit is sixty-six per cent. And the percentage of working interests on fee leases committed to the Unit is ninety-one per cent.

Q. You are familiar with the terms of the Unit Agreement, are you not, Mr. Kee?

A. Yes, sir.

Q. Does it follow closely Unit Agreements which have heretofore been considered by the Commission and which are in this general vicinity?

A. Yes, sir, it does. It follows very closely units previously approved covering townships of this type.

Q. Does the Agreement provide that any acreage not now committed may hereafter be committed?

A. Yes, sir.

Q. What initial drilling is provided?

A. Initially the agreement calls for one Picture Cliff test to be

followed immediately by a second Picture Cliff test. Thereafter three Mesa Verde tests to be drilled with no longer than thirty days between completion of one and beginning of the other. In lieu of the three Mesa Verde tests, should the first Mesa Verde be a dry hole, there is a provision that it may be carried--that well may be carried to the Dakota, or a second well commenced and carried to the Dakota, in lieu of the remaining two Mesa Verde obligations.

Q. Is there anything further about the Agreement you'd like to bring out at this point?

A. I know of no other provision that's unusual.

Q. It's in the usual form?

A. Yes, sir, it is.

Q. Has application been made to the Commissioner of Public Lands for approval of this Unit Agreement, and fees paid?

A. Yes, sir.

Q. Do you have a letter from the Commissioner?

A. I have. (Hands the letter to Secretary Spurrier, and it is marked by the reporter Exhibit No. 1, Case 491.)

Q. We would like to offer Exhibit No. 1 in evidence, if the Commission please; and likewise the executed copy of the Unit Agreement, together with the attached exhibit.

MR. SPURRIER: Without objection, they will be received.

MR. SETH: And we would permission to withdraw the original agreements for submission to the U.S.G.S.

MR. SPURRIER: Very well.

MR. SETH: That's all we have on this case.

MR. SPURRIER: Does anyone have a question or a comment on this case?

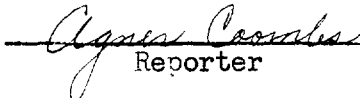
(No response.) If there are no questions, the witness may be excused.

If there are no further comments, the case will be taken under advisement and we will proceed to Case 492.

C E R T I F I C A T E

I, Agnes Coombs, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission, State of New Mexico, in the matter of Case No. 491, San Juan 32-5 Unit Area, taken at the Offices of the Oil Conservation Commission, Santa Fe, New Mexico, February 24, 1953, is a true and correct record of all said proceedings.

Dated at Santa Fe, New Mexico, this 24th day of February, 1953.

  
Reporter



*Exhibit No. 1*  
*Case 491*

# STATE LAND OFFICE

*Santa Fe, New Mexico*

E. S. WALKER  
COMMISSIONER OF PUBLIC LANDS



February 19, 1953

Subject: Thorn Unit Agreement  
Application, Otero  
County, New Mexico  
and  
San Juan 32-5 Unit  
Agreement Application,  
San Juan and Rio Arriba  
Counties, New Mexico

Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas

Attention: Mr. Oliver Seth

Gentlemen:

We are in receipt of applications requesting unitization of lands in the Thorn Unit Area in Otero County, New Mexico and the San Juan-32-5 Unit Area in San Juan and Rio Arriba Counties, New Mexico. The fees pertaining to these Unit Agreements have been submitted to this office on this date.

Yours very truly,

E. S. WALKER  
Commissioner of Public Lands

cc: U. S. Geological Survey  
Roswell, New Mexico (3)  
Oil Conservation Commission  
Santa Fe, New Mexico (1)

ct