

Case No.

606

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR THE  
PURPOSE OF CONSIDERING:

CASE NO. 606  
ORDER NO. R-392

THE APPLICATION OF EL PASO NATURAL GAS  
COMPANY FOR AN ORDER PERMITTING THE  
COMMUNITIZATION ON A NORTH-SOUTH BASIS  
OF THE NARROW SECTIONS LOCATED ON THE  
WEST SIDE OF TOWNSHIP 31 NORTH, RANGE 8  
WEST, NMPM, SUCH UNITS TO APPROXIMATE  
THE REGULAR 320-ACRE UNITS FOR THE BLANCO-  
MESAVERDE POOL UNDERLYING THE ABOVE DESCRIBED  
AREA IN SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. November 19, 1953,  
at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter  
referred to as the "Commission."

NOW, on this *24<sup>th</sup>* day of *November*, 1953, the Commission, a  
quorum being present, having considered the application and the testimony  
adduced at the hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the  
Commission has jurisdiction of this cause.

(2) That Sections 6, 7, 18, 19, 30 and 31 of Township 31 North,  
Range 8 West, are less than normal in size, each containing approximately  
540 acres. In order to provide a uniform drilling pattern, special drilling  
units should be established in said sections as to all wells now drilling  
or hereafter drilled to the Mesaverde gas horizon.

(3) That in order to prevent waste and protect correlative rights,  
it is necessary that all lands within each drilling unit be pooled as to  
production of gas from the Mesaverde gas horizon.

IT IS THEREFORE ORDERED:

1. The following lands shall constitute drilling units for pro-  
duction from the Mesaverde gas horizon:

Unit No. 1: W/2 Sect. 6, NW/4 Sect. 7 in Twp. 31 N, Rge. 8 W  
Unit No. 2: SW/4 Sect. 7, W/2 Sect. 18 in Twp. 31 N, Rge. 8 W  
Unit No. 3: W/2 Sect. 19, NW/4 Sect. 30 in Twp. 31 N, Rge. 8 W  
Unit No. 4: SW/4 Sect. 30, W/2 Sect. 31 in Twp. 31 N, Rge. 8 W

2. All lands within each of the above drilling units are hereby  
pooled as to production from the Mesaverde gas horizon. Only one well shall  
be drilled on each drilling unit.

3. Wells shall be located not closer than 660 feet from the outer  
boundary of any of the above designated drilling units.

4. Wells drilled in the east halves of said sections shall be located  
in the northeast quarter of said section, and not closer than 990' from the  
outer boundaries of said quarter section.

DONE at Santa Fe, New Mexico, on the day and year above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
Edwin L. Mechem, Chairman

*E. S. Walker*  
E. S. Walker, Member

*R. R. Spurr*  
R. R. Spurr, Member and Secretary

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 25, 1953

Mr. R. L. Hamblin  
Lease Department  
El Paso Natural Gas Company  
Boswell Tower  
El Paso, Texas

Dear Sir:

We enclose signed copy of Order No. B-392 issued in Case 606,  
which was heard by the Commission at the November 19, 1953,  
hearing, upon your petition.

Very truly yours,

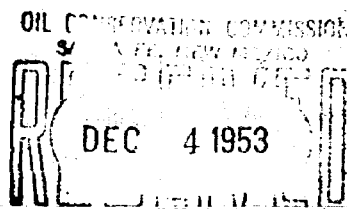
W. B. Macey  
Chief Engineer

WBM:mr

C  
O  
P  
Y

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI  
JUSTIN T. REID

SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
III SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO  
December 2, 1953



N. M. Oil Conservation Commission  
Capitol Building  
Santa Fe, New Mexico

Re: Case #606  
El Paso Natural Gas

Gentlemen:

Please find enclosed herewith a photostatic copy of the original plat of Township 31 N., R. 8 W., N.M.P.M. During the course of the hearing, the pencil sketch of the western portion of this township was presented with the understanding that there would be filed the enclosed photostat.

Very truly yours,



OS/p  
Encl

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

November 19, 1953

IN THE MATTER OF:

Application of El Paso Natural Gas  
Company for an order permitting the  
commutizing of short or narrow half  
sections on a North-South basis as  
they may lie along the west side of  
Township 31 North, Range 8, West San  
Juan County for the purpose of creat-  
ing drainage units and allowable ap-  
proximately corresponding to the spacing  
and allowable requirements of Order R-110  
relating to the Blanco-Mesaverde pool.

Case No. 606

BEFORE:

Edwin L. Mechem, Governor  
E. S. Walker, Land Commissioner  
R. R. Spurrier, Secretary, Oil Conservation Commission

TRANSCRIPT OF PROCEEDINGS

MR. SPURRIER: The next case on the docket is Case 606.

(Notice of publication read by Mr. Graham.)

MR. SETH: Mr. Seth of El Paso Natural. Mr. Morrell  
will testify.

F O S T E R M O R R E L L

the witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

MR. SETH: If the Commission please, this is an applica-  
tion for Communitization pooling of narrow quarter sections along  
the west side of 31, north, 8 west. As the Commission recalls  
this same question has arisen three times before. It was the  
subject of the hearing in Case 258, Case 300 and Case 236. Those

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PHONES 7-9645 AND 5-9346  
ALBUQUERQUE, NEW MEXICO

previous cases considered 29 north, 8 west, 30 northwest and 31 north, 9 west. This is a similar problem to that considered in those cases. Mr. Morrell, would you state your name, please?

A My name is Foster Morrell.

Q By whom are you engaged, Mr. Morrell?

A I am petroleum consultant, engaged in this case by El Paso Natural Gas Company.

Q You have testified many times before the Commission, have you not?

A I have.

Q Would you state to the Commission, please, the proposal of the El Paso Natural in this case and to describe the drilling units proposed?

A The proposal of El Paso Natural Gas Company in Case 606 is to provide drilling and proration units in township 31, north, range 8 west, to comprise the west half of section 6 and the northwest quarter of section 7 as a single unit, the southwest quarter of section 7 together with the west half of section 18 as a unit, the west half of section 19 and the northwest quarter section 30 as a unit, the southwest quarter of section 30 and the west half of section 31 as a unit. These units are all fractional in as much as the west line of lots in the township approximate 14 to 15 acres instead of the normal 40 acres.

Q Would you state the acreage in the drilling units, communitization units there, starting from north to south, the northeasterly most one is number one.

A These proposed drilling units in the order in which they were described as respectively 332.94 acres; 330.16 acres;

326.56 acres, and 326.0 acres.

Q The proposal is for the pooling of Mesa Verde Gas, is that correct?

A That is correct.

Q What would be the result if the normal spacing rules were applied to this situation?

A There would be an excess number of wells and <sup>it</sup> would be impossible to protect the correlative rights of the adjoining operators.

Q Is it possible that it would tend to deprive the owner of those small tracts of securing his fair share of the gas?

A That is correct.

Q Do you believe that this proposal is in the interest of conservation and prevention of waste?

A It is.

Q Would you state to the Commission, please, the proposed well locations on each of these four tracts?

A The proposed locations for well sites on these four tracts would be in the southwest quarter of section 6, the southwest quarter of section 18, southwest quarter of section 19 and the southwest quarter of section 30.

Q To accomplish a uniform pattern, what would be the well locations on the east half of these sections?

A The well locations on the east half of these specific sections would be in the northeast quarter of each section in the normal manner in which the field is being developed.

Q Is there presently a well within any one of these four tracts?

A Yes, there is a drilling well on tract three in southwest quarter of section 19, and a completed gas well by the Mesa Verde in the southwest quarter of section 30 on tract four.

Q Did those locations conform to the pattern that is proposed here?

A They do.

Q Are there any wells on the east half that would be out of pattern?

A There are no wells on the east half out of pattern. There are two wells completed on pattern, on section 30 and 31.

Q Do you have any recommendation to make to the Commission to the location of the wells on these four tracts with relation to the outside lines of tracts?

A It is my recommendation that the wells should be located not closer than 660 feet to the outer boundary of the drilling units.

Q Was that provided in the order in R 60 and Order R 120, do you recall?

A It was so included in those two orders.

Q As to the proration of these tracts in the event proration is established in this county, what are your views on that subject?

A It is my recommendation that the acreage of these respective drilling units be taken into consideration in the event of any future gas proration, the acreage of these units being in ratio to the normal 320 acre units.

Q Do you believe that the other aspects of proration can be adequately provided for in the order at that time?

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A I believe they can.

MR. SETH: That is all we have.

We would like to introduce this sketch made by Mr. Morrell as temporary exhibit number one, of El Paso, and like to submit a photostat of the official plat when available.

MR. SPURRIER: Without objection, it will be admitted.

Q Was this taken off the official plat?

A That was taken off the official plat of general and public survey.

Q It is, shows the general acreage of the plots and the quarter and a half sections, does it not?

A It does.

MR. SETH: That is all.

MR. SPURRIER: Does anyone have a question of the witness.

MR. GRAHAM: That completes the township situation in that area, Mr. Morrell?

A In this particular area, it does. The short lots do extend to the north in 32, north, but in that area they are included within an approved unit area. So that those short lots will be taken care of under the unit agreement.

MR. SPURRIER: If no further questions, the witness may be excused.

MR. SETH: That is all we have.

MR. SPURRIER: Anyone have a comment in this case? Mr. Davis?

MR. DAVIS: Quilman Davis, representing Southern Gas Company. We concur.

MR. KELLAHIN: Representing Phillips Petroleum Company.

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We have no interest in this immediate area, but we do concur in El Paso's application, however, we would like to make this statement in connection with the question of proration in the advertisement when the case was advertised as including also for the purpose of completing drilling units approximately corresponding to the spacing and allowable requirements of Order Number 110 relating to Blanco and Mesa Verde. In view of the testimony given, I believe it would be appropriate to include in the order the provisions which does appear in Number R110 under sections Three, subparagraph A, which reads as follows:

The pooling of properties or parts thereof shall be permitted, and if not agreed upon may be required in any case when and to the extent that the smallness or shape of a separately owned tract would, under the enforcement of the uniform spacing plan of proration units, otherwise deprive or tend to deprive the owner of such tract of the opportunity to recover his just and equitable share of the crude petroleum oil and natural gas in the Pool; provided, that the owner of any tract that is smaller than the drilling unit establishment for the field, shall not be deprived of the right to drill on and produce from such tract if same can be done without waste; but in such case the allowable production from such tract, as compared with the allowable production therefrom if such tract were a full unit, shall be in the ratio of such tract to the area of a full unit of 320 acres.

We would like to see something of this nature included in the order. That the owner of any tract that is smaller than the drilling unit established for the field shall not be deprived of the right to drill on or produce such tract if the same can be

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done without wasting, but in such cases an allowable production from such tract with a full unit would be in ratio to such tracts of the area of the full unit of 320 acres. I believe that would leave the question open just as Mr. Morrell suggested and would embody the acreage feature in the order.

MR. SPURRIER: Anyone else? If not, we will take the case under advisement and take a short recess.

(Recess)

\* \* \* \* \*

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing transcript of proceedings was taken by me on Thursday, November 19, 1953; that the same is a true and correct record to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 25th day of November, 1953:

  
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PHONES 7-9545 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Before the Oil Conservation Com -  
etc,

In the matter of the Application of  
Hoch Oil Corporation, Dallas, Texas  
for an Order permitting the Communiti-  
zation of flat or narrow quarter sections  
on a North-South Basis as they may lie  
along the West Side of townships 30 and  
31 North, Range 9 West, for the purpose  
of Cresting drilling units and allowables  
approximately corresponding to the spacing  
and allowable requirements of Order  
No. 799, relating to the Blanco-Meravende  
gas pool, in San Juan County, New Mexico.

Case # 236

ORDER R-35A.

Nunc pro Tunc ORDER of  
the COMMISSION, to Correct  
typographical error.

It appearing to the Commission that Order  
R-35 heretofore entered in the above entitled  
Case <sup>in view of the typographical error</sup> is a correct memorial of the  
Judgment as rendered and pronounced by  
this Commission in that Finding A of said  
Order recites:

"A The extreme western quarter sections of  
sections 6, 7, 18, 19, 30 and 31, Townships  
30 and 31 North Range 8 West, in n.p.m.  
San Juan County, New Mexico, are "narrow" quarter  
sections comprising approximately 100 acres each".

WHEREAS - The said finding A should  
have read "Townships 30 and 31 North Range 9 West,  
etc."

IT IS THEREFORE ORDERED That the Order R-35 heretofore entered by this Commission in this case on December 1, 1950, be, and the same hereby is, corrected to conform to the actual finding originally announced and rendered, by modifying finding "A" of said order to read:

"A. The extreme western quarter sections of sections 6, 7, 18, 19, 30 and 31, Townships 30 and 31 North Range 9 West 2 Npm, San Juan County, New Mexico, are "narrow" quarter sections comprising approximately 100 acres each."

And, said Order R-35, in all other respects is hereby ratified and confirmed, and

IT IS FURTHER ORDERED that this Order correcting the record of said Order R-35, be entered nunc pro tunc as of December 1, 1950, that being the date of original entry of said Order R-35.

Done this — day of November 1953, at Santa Fe, New Mexico —

State of New Mexico  
Oil Conservation

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CASE NO. 606

ORDER NO. R-392

THE APPLICATION OF EL PASO NATURAL  
GAS COMPANY (FOR AN ORDER PERMITTING  
THE COMMUNITIZATION OF THE ~~SECTION~~  
NARROW SECTIONS ON A NORTH-SOUTH BASIS,  
BEING LOCATED ON THE WEST SIDE OF  
TOWNSHIP 31 NORTH, RANGE 8 WEST,  
SUCH UNITS TO APPROXIMATE THE REGULAR  
320-ACRE UNITS FOR THE BLANCO-MESAVERDE  
POOL UNDERLYING THE ABOVE DESCRIBED  
AREA IN SAN JUAN COUNTY, NEW MEXICO.

--- for an order permitting the  
communitization on a north-south  
basis of the narrow sections lo-  
cated on the west side of Town-  
ship 31 North, Range 8 West,  
such units ---

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on ~~November 16~~, 1953, at  
Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,  
hereinafter referred to as the "Commission".

NOW, on this ~~20th~~ <sup>November</sup> day of ~~November~~, 1953, the Commission, a quorum being  
present, having considered the application and the testimony adduced at the hearing,  
and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Com-  
mission has jurisdiction of this cause.

- (2) ~~THAT~~ Sections 6, 7, 18, 19, 30, and 31 of Township <sup>31</sup> North, Range 8  
West, are less than normal in size, each containing approximately ~~320~~ <sup>540</sup> acres.  
In order to provide a uniform drilling pattern, special drilling units should  
be established in said sections as to all wells now drilling or hereafter  
drilled to the Mesaverde gas horizon.
- (3) ~~THAT~~ In order to prevent waste and protect correlative rights, it is  
necessary that all lands within each drilling unit be pooled as to production  
of gas from the Mesaverde gas horizon.

IT IS THEREFORE ORDERED:

1. The following lands shall constitute drilling units for production  
from the Mesaverde gas horizon:

- Unit No. 1: W/2 sec. 6; NW/4 sec. 7, T. <sup>31</sup>29 N, R. 8 W  
Unit No. 2: SW/4 sec. 7; W/2 sec. 18, T. 29 N, R. 8 W  
Unit No. 3: W/2 sec. 19; NW/4 sec. 30, T. 29 N, R. 8 W  
Unit No. 4: SW/4 sec. 30; W/2 sec. 31, T. 29 N, R. 8 W

2. All lands within each of the above drilling units are hereby pooled  
as to production from the Mesaverde gas horizon. Only one well shall be  
drilled on each drilling unit.

3. Wells shall be located not closer than 660 feet from the outer  
boundary of any drilling unit. ~~of the above designated drilling units.~~

4. Wells drilled in the east halves of said sections shall be located  
in the northeast quarter of said section and not closer than ~~660~~ <sup>660</sup> feet to the  
outer boundaries of said quarter sections.

change sec  
to 31  
North  
31 N

From G.L.O. special survey plat  
T. 31 N., R. 8 W., N.M.P.M.  
NEW MEXICO.

The diagram shows a vertical shaft with a central line representing the shaft's axis. Horizontal lines intersect this axis at various points, representing different depths. To the left of the shaft, a vertical column of numbers lists depths in feet: 14.2, 14.3, 14.5, 14.6, 14.7, 14.8, 14.9, 15.0, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 16.0, 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8, 16.9, 17.0, 17.1, 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.8, 17.9, 18.0, 18.1, 18.2, 18.3, 18.4, 18.5, 18.6, 18.7, 18.8, 18.9, 19.0, 19.1, 19.2, 19.3, 19.4, 19.5, 19.6, 19.7, 19.8, 19.9, 20.0, 20.1, 20.2, 20.3, 20.4, 20.5, 20.6, 20.7, 20.8, 20.9, 21.0, 21.1, 21.2, 21.3, 21.4, 21.5, 21.6, 21.7, 21.8, 21.9, 22.0, 22.1, 22.2, 22.3, 22.4, 22.5, 22.6, 22.7, 22.8, 22.9, 23.0, 23.1, 23.2, 23.3, 23.4, 23.5, 23.6, 23.7, 23.8, 23.9, 24.0, 24.1, 24.2, 24.3, 24.4, 24.5, 24.6, 24.7, 24.8, 24.9, 25.0, 25.1, 25.2, 25.3, 25.4, 25.5, 25.6, 25.7, 25.8, 25.9, 26.0, 26.1, 26.2, 26.3, 26.4, 26.5, 26.6, 26.7, 26.8, 26.9, 27.0, 27.1, 27.2, 27.3, 27.4, 27.5, 27.6, 27.7, 27.8, 27.9, 28.0, 28.1, 28.2, 28.3, 28.4, 28.5, 28.6, 28.7, 28.8, 28.9, 29.0, 29.1, 29.2, 29.3, 29.4, 29.5, 29.6, 29.7, 29.8, 29.9, 30.0, 30.1, 30.2, 30.3, 30.4, 30.5, 30.6, 30.7, 30.8, 30.9, 31.0, 31.1, 31.2, 31.3, 31.4, 31.5, 31.6, 31.7, 31.8, 31.9, 32.0, 32.1, 32.2, 32.3, 32.4, 32.5, 32.6, 32.7, 32.8, 32.9, 33.0, 33.1, 33.2, 33.3, 33.4, 33.5, 33.6, 33.7, 33.8, 33.9, 34.0, 34.1, 34.2, 34.3, 34.4, 34.5, 34.6, 34.7, 34.8, 34.9, 35.0, 35.1, 35.2, 35.3, 35.4, 35.5, 35.6, 35.7, 35.8, 35.9, 36.0, 36.1, 36.2, 36.3, 36.4, 36.5, 36.6, 36.7, 36.8, 36.9, 37.0, 37.1, 37.2, 37.3, 37.4, 37.5, 37.6, 37.7, 37.8, 37.9, 38.0, 38.1, 38.2, 38.3, 38.4, 38.5, 38.6, 38.7, 38.8, 38.9, 39.0, 39.1, 39.2, 39.3, 39.4, 39.5, 39.6, 39.7, 39.8, 39.9, 40.0, 40.1, 40.2, 40.3, 40.4, 40.5, 40.6, 40.7, 40.8, 40.9, 41.0, 41.1, 41.2, 41.3, 41.4, 41.5, 41.6, 41.7, 41.8, 41.9, 42.0, 42.1, 42.2, 42.3, 42.4, 42.5, 42.6, 42.7, 42.8, 42.9, 43.0, 43.1, 43.2, 43.3, 43.4, 43.5, 43.6, 43.7, 43.8, 43.9, 44.0, 44.1, 44.2, 44.3, 44.4, 44.5, 44.6, 44.7, 44.8, 44.9, 45.0, 45.1, 45.2, 45.3, 45.4, 45.5, 45.6, 45.7, 45.8, 45.9, 46.0, 46.1, 46.2, 46.3, 46.4, 46.5, 46.6, 46.7, 46.8, 46.9, 47.0, 47.1, 47.2, 47.3, 47.4, 47.5, 47.6, 47.7, 47.8, 47.9, 48.0, 48.1, 48.2, 48.3, 48.4, 48.5, 48.6, 48.7, 48.8, 48.9, 49.0, 49.1, 49.2, 49.3, 49.4, 49.5, 49.6, 49.7, 49.8, 49.9, 50.0, 50.1, 50.2, 50.3, 50.4, 50.5, 50.6, 50.7, 50.8, 50.9, 51.0, 51.1, 51.2, 51.3, 51.4, 51.5, 51.6, 51.7, 51.8, 51.9, 52.0, 52.1, 52.2, 52.3, 52.4, 52.5, 52.6, 52.7, 52.8, 52.9, 53.0, 53.1, 53.2, 53.3, 53.4, 53.5, 53.6, 53.7, 53.8, 53.9, 54.0, 54.1, 54.2, 54.3, 54.4, 54.5, 54.6, 54.7, 54.8, 54.9, 55.0, 55.1, 55.2, 55.3, 55.4, 55.5, 55.6, 55.7, 55.8, 55.9, 56.0, 56.1, 56.2, 56.3, 56.4, 56.5, 56.6, 56.7, 56.8, 56.9, 57.0, 57.1, 57.2, 57.3, 57.4, 57.5, 57.6, 57.7, 57.8, 57.9, 58.0, 58.1, 58.2, 58.3, 58.4, 58.5, 58.6, 58.7, 58.8, 58.9, 59.0, 59.1, 59.2, 59.3, 59.4, 59.5, 59.6, 59.7, 59.8, 59.9, 60.0, 60.1, 60.2, 60.3, 60.4, 60.5, 60.6, 60.7, 60.8, 60.9, 61.0, 61.1, 61.2, 61.3, 61.4, 61.5, 61.6, 61.7, 61.8, 61.9, 62.0, 62.1, 62.2, 62.3, 62.4, 62.5, 62.6, 62.7, 62.8, 62.9, 63.0, 63.1, 63.2, 63.3, 63.4, 63.5, 63.6, 63.7, 63.8, 63.9, 64.0, 64.1, 64.2, 64.3, 64.4, 64.5, 64.6, 64.7, 64.8, 64.9, 65.0, 65.1, 65.2, 65.3, 65.4, 65.5, 65.6, 65.7, 65.8, 65.9, 66.0, 66.1, 66.2, 66.3, 66.4, 66.5, 66.6, 66.7, 66.8, 66.9, 67.0, 67.1, 67.2, 67.3, 67.4, 67.5, 67.6, 67.7, 67.8, 67.9, 68.0, 68.1, 68.2, 68.3, 68.4, 68.5, 68.6, 68.7, 68.8, 68.9, 69.0, 69.1, 69.2, 69.3, 69.4, 69.5, 69.6, 69.7, 69.8, 69.9, 70.0, 70.1, 70.2, 70.3, 70.4, 70.5, 70.6, 70.7, 70.8, 70.9, 71.0, 71.1, 71.2, 71.3, 71.4, 71.5, 71.6, 71.7, 71.8, 71.9, 72.0, 72.1, 72.2, 72.3, 72.4, 72.5, 72.6, 72.7, 72.8, 72.9, 73.0, 73.1, 73.2, 73.3, 73.4, 73.5, 73.6, 73.7, 73.8, 73.9, 74.0, 74.1, 74.2, 74.3, 74.4, 74.5, 74.6, 74.7, 74.8, 74.9, 75.0, 75.1, 75.2, 75.3, 75.4, 75.5, 75.6, 75.7, 75.8, 75.9, 76.0, 76.1, 76.2, 76.3, 76.4, 76.5, 76.6, 76.7, 76.8, 76.9, 77.0, 77.1, 77.2, 77.3, 77.4, 77.5, 77.6, 77.7, 77.8, 77.9, 78.0, 78.1, 78.2, 78.3, 78.4, 78.5, 78.6, 78.7, 78.8, 78.9, 79.0, 79.1, 79.2, 79.3, 79.4, 79.5, 79.6, 79.7, 79.8, 79.9, 80.0, 80.1, 80.2, 80.3, 80.4, 80.5, 80.6, 80.7, 80.8, 80.9, 81.0, 81.1, 81.2, 81.3, 8

Temporary Exhibit No. 1  
Case No. 606

Legal Notice OCC Hearing

Date: 606

Publication:

SF  
Farmington NM

CASE Nov 19 hearing :

In the matter of the application of El Paso Natural Gas Company for an order permitting the communitizing of short or narrow quarter sections on a north-south basis as they may lie along the west side of Township ~~22~~ 31 North, Range 8 West, San Juan County, for the purpose of creating drilling units and allowables approximately corresponding to the spacing and allowable requirements of Order No. R-110 relating to the Blanco-Mesaverde Pool.



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF DELMI OIL CORPORATION FOR AN ORDER  
PERMITTING THE COMMUNITIZATION OF SHORT  
OR NARROW QUARTER-SECTIONS ON A NORTH -  
SOUTH BASIS AS THEY MAY LIE ALONG THE WEST  
SIDES OF TOWNSHIPS 30 AND 31 NORTH, RANGE  
9 WEST, FOR THE PURPOSE OF CREATING DRILLING  
UNITS AND ALLOWABLES APPROXIMATELY CORRESPONDING  
TO THE SPACING AND ALLOWABLE REQUIREMENTS

R.S.

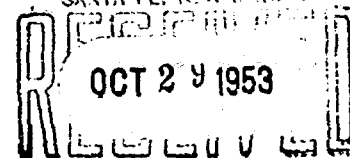
# El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

October 27, 1953

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO



Mr. R. R. Spurrier, Secretary  
Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Dear Mr. Spurrier:

By your Order #R-35, Case #236 dated December 1, 1950, you approved well spacing or drilling units along the township line of 30 and 31 N and either Range 8 or 9 W. There has always been some question in my mind as to the effect of this order number. In the heading of the order it reads, "In the matter of the application of Delhi Oil Corporation, Dallas, Texas, for an order permitting the communitizing of short or narrow quarter sections on a North-South basis as they may lie along the West side of Townships 30 and 31 N, Range 9 W, for the purpose of creating drilling units and allowables approximately corresponding to the spacing and allowable requirements of Order #799 relating to the Blanco Mesa Verde Gas Pool in San Juan County, New Mexico." However, in the body of the order under your finding #A, you found as follows:

"The extreme western quarter sections of 6, 7, 18, 19, 30, and 31 of Townships 30 and 31 N, Range 8 W, NMPM, San Juan County, New Mexico, are narrow quarter sections comprising approximately 100 acres each." I feel sure that the Range 8 W is a typographical error as your order again reads Range 9 W.

By your Order #R-60, Case #258 dated March 21, 1951, you set up the same well spacing or drilling unit pattern along the township line of 29 N, Range 8 W. ✓

Also, by your Order #R-120, Case #300 dated August 21, 1951, you set up the same spacing pattern or drilling units along the West side of the township line of 30 N, Range 8 W.

El Paso Natural Gas Company would like to make application for an order permitting the same spacing pattern along the West side of Township 31 N, Range 8 W, or in other words, that the W/2 of Section 6 and NW/4 of Section 7 be one drilling unit, that the SW/4 of Section 7 and W/2 of Section 18 be another drilling unit, that the W/2 of Section 19 and the NW/4 of Section 30 be another drilling unit, and that the SW/4 of Section 30 and the W/2 of Section 31 be another drilling unit. We have drilled our Dawson #1

Mr. R. R. Spurrier  
October 27, 1953  
Page Two.

Well in the SW/4 of Section 30 and would like to allocate to this well the SW/4 of Section 30 and W/2 of Section 31. Unless you consider that your Order #R-35, Case #236, has already established this spacing, we would like to request that the matter of establishing the same spacing along the West side of Township 31 N, Range 8 W, be given consideration and brought before you for an early hearing and that an appropriate order be entered to this effect.

We would appreciate hearing from you on this matter although we believe a new hearing will be required.

Very truly yours,

*R. L. Hamblin*

R. L. Hamblin  
Lease Department

RLH:yd

cc: W. T. Hollis

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 317  
ORDER NO. R-110

THE APPLICATION OF THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO UPON ITS OWN  
MOTION FOR AN ORDER AMENDING ORDER NUMBER  
799 RELATING TO THE BLANCO POOL, SAN JUAN  
COUNTY, NEW MEXICO, SPECIFICALLY INCLUDING  
SECTION 4-A CASING AND CEMENTING PROGRAM,  
AND OTHER MATTERS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing on October 23, 1951, at 10 a.m., at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter called the "Commission".

NOW, on this 9th day of November, 1951, the Commission, a quorum being present, having considered the testimony adduced and exhibits received at said hearing, and being fully advised in the premises,

FINDS: (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause, of all interested parties, and the subject matter thereof.

(2) That this matter originally came up for hearing on petition of the Blanco Gas Company for an exception to Section 4-A of Order 799, Blanco Pool casing Requirements, San Juan County, in Case Number 283, which case Number 283 was dismissed by Commission Order Number R-90.

(3) That evidence submitted and testimony received in Case Number 283 tended to show modification of Order Number 799 is advisable and necessary.

(4) That Order Number 799 relating to the Blanco Pool, in San Juan County, New Mexico, should be amended to provide for the orderly development of the pool as defined and described in Order Number R-89 issued in Case Number 291 and designated as the Blanco (Mesaverde) Pool, and as the pool may hereafter be changed or extended, for the purpose of promoting conservation and preventing waste, and as amended herein, be the special pool rules of the Blanco (Mesaverde) Pool as described in Order Number R-89.

IT IS THEREFORE ORDERED:

(1) That Order Number 799, being the Blanco Pool special rules, as hereinafter amended shall be the rules of the Blanco (Mesaverde) Pool, as said pool is more fully defined and described in Commission Order Number R-89,

and as said pool may hereafter be changed, reduced or extended.

(2) That Order Number 799 be, and the same hereby is amended as follows:

That, effective on the date of this order, the following rules and regulations shall apply to wells hereafter drilled or completed or re-completed to the Mesaverde Pool in the Blanco area, defined below, in addition to the Commission's applicable rules, regulations and orders heretofore or hereafter adopted to the extent not to conflict herewith:

Section 1. No well shall be drilled or completed or recompleted and no Notice of Intention to drill or Drilling Permit shall be approved, unless,

(a) Such well be located on a designated drilling unit of not less than three hundred twenty (320) acres of land, more or less, according to legal subdivision of the United States Land Surveys, in which unit all the interests are consolidated by pooling agreement or otherwise and on which no other well is completed, or approved for completion, in the pool;

(b) Such drilling unit be in the shape of a rectangle except for normal variations in legal subdivisions of the United States Land Surveys, the north half, south half, east half or west half of each section of land constituting a drilling unit;

(c) Such well shall be located 330 feet from the center of either the northeast or southwest quarter of the section, subject to variation of 200 feet for topographic conditions. Further tolerance shall be allowed by the Commission only in cases of extremely rough terrain where compliance would necessarily increase drilling costs.

Section 2. The special rules and regulations for the Blanco (Mesaverde) Pool contained herein shall be limited in their application to the present 4200-5100 foot productive horizon where the productive sands are contained between the top of the Cliff House Sand and the base of the Point Lookout Sand of the Mesaverde.

Section 3. Proration Units: The proration unit shall consist of 320 acres or (a) a legal United States General Land Office Survey half-section and (b) the approximate 320 acre unit shall follow the usual legal subdivision of the General Land Office Section Surveys and (c) where proration units lie along the edge of field boundaries described in Section 1 above, exceptions shall be permissible in that contiguous tracts of approximately 320 acres, following regular United States General Land Office subdivisions may be classed as proration units.

(a) The pooling of properties or parts thereof shall be permitted, and if not agreed upon may be required in any case when and to the extent that the smallness or shape of a separately owned tract would, under the enforcement of the uniform spacing plan of proration units, otherwise deprive or tend to deprive the owner of such tract of the opportunity to recover his just and equitable share of the crude petroleum oil and natural gas in the Pool; provided, that the owner of any tract that is smaller than the drilling unit establishment for the field, shall not be deprived of the right to drill on and produce from such tract if same can be done without waste; but in such case the allowable production from such tract, as compared with the allowable production therefrom if such tract were a full unit, shall

be in the ratio of such tract to the area of a full unit of 320 acres.

#### Section 4. Casing and Cementing Program:

##### A. Surface Pipe:

The surface pipe shall be set to a minimum depth of 100 feet, and where shallow potable water-bearing beds are present, the surface pipe shall be set to such shallow potable water bearing beds and a sufficient amount of cemented shall be used to circulate the cement behind the pipe to the bottom of the cellar. This surface casing shall stand cemented for at least 24 hours before drilling plug or initiating tests. The surface casing shall be tested after drilling plug by bailing the hole dry. The hole shall remain dry for one hour to constitute satisfactory proof of a water shut-off. In lieu of the foregoing test the cement job shall be tested by building up a pressure of 1,000 psi, closing the valves, and allowing to stand thirty minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory. This test shall be made both before and after drilling the plug. In this regard all fresh waters and waters of present or probable future value for domestic, commercial or stock purposes shall be confined to their respective strata and shall be adequately protected by methods approved by the Commission. Special precaution shall be taken in drilling and abandoning wells to guard against any loss of artesian potable water from the strata in which it occurs and the contamination of artesian potable water by objectionable water, oil or gas. The Commission shall be notified at least 24 hours prior to the conducting of any test.

##### B. Production String:

The production string shall be set on top of the Cliff House Sand with a minimum of 100 sacks of cement and shall stand cemented not less than 36 hours before testing the casing. This test shall be made by building up a pressure of 1,000 Psi, closing the valves, and allowing to stand thirty minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory.

##### C. General:

All cementing shall be done by the pump and plug method. Bailing tests may be used on all casing and cement tests, and drill stem tests may be used on cement tests in lieu of pressure tests. In making bailing test, the well shall be bailed dry and remain approximately dry for thirty minutes. If any string of casing fails while being tested by pressure or by bailing tests herein required, it shall be re-cemented and re-tested or an additional string of casing should be run and cemented. If an additional string is used, the same test shall be made as outlined for the original string. In submitting Form C-101, "Notice of Intention to Drill", the number of sacks of cement to be used on each string of casing shall be stated.

D. Rules and Regulations of the Commission relating to drilling, abandonment, production shall be applicable.

#### Section 5. Tubing:

Any completed well which produces any oil shall be tubed. This tubing shall be set as near the bottom of the hole as practicable, but in no case shall tubing perforations be more than 250 feet from the bottom. The bottom of the tubing

shall be restricted to an opening of less than 1 inch or bullplugged in order to prevent the loss of pressure bombs or other measuring devices.

#### Section 6. Special Equipment:

Any well which produces oil shall be equipped with a meter setting of adequate size to measure efficiently the gas, with this meter setting to be installed on the gas vent or discharge line. Wellhead equipment for all wells shall be installed and maintained in first class condition, so that static, bottom hole pressures and surface pressures may be obtained at any time by a duly authorized agent of the Commission. Valves shall be installed so that pressures may be readily obtained on the casing and also on the tubing, wherever tubing is installed. All connections subject to well pressure and all wellhead fittings shall be of first class material, rated at 2,000 psi working pressure and maintained in gas-tight condition. Bradenheads rated at 2,000 psi shall be installed on all production string and bradenhead connections maintained in gas-tight condition. There shall be at least one valve on each bradenhead. Operators shall be responsible for maintaining all equipment in first class condition and shall repair or replace equipment where gas leakage occurs.

#### Section 7. Safety Requirements:

Drilling boilers shall not be set closer than 200 feet to any well or tank battery. All electrical equipment shall be in first class condition and properly installed.

#### Section 8. Shooting of Wells:

Wells shall not be shot or chemically treated until the permission of the Commission is obtained. Each well shall be shot or treated in such manner as will not cause injury to the sand or result in water entering the oil or gas sand, and necessary precautions shall be taken to prevent injury to the casing. If shooting or chemical treatment results in irreparable injury to the well or to the oil or gas sand, the well shall be properly plugged and abandoned. (See Rule 42, Order Number 4, Effective 8-12-35.)

#### Section 9. Testing of Pays:

All wells drilled through the Point Lookout Pay will be treated by means of separate back pressure tests in accordance with the methods adopted by the United States Bureau of Mines (Monograph 7) of (a) the Cliff House Pay (b) the Point Lookout Pay (c) both pays commingled with a minimum of three stabilized readings from a total minimum of three different sized orifices.

A. Wells which penetrate the Cliff House Pay only will take minimum of three stabilized tests covering a total of three different sized orifices.

B. The foregoing tests shall be taken either in the process of completion, or in drilling, or by means of packer separations between the Point Lookout and Cliff House Pays after completion. All tests should be certified and filed with the Commission, and the Commission shall be notified at least 24 hours prior to conducting any test.

C. Annual back pressure tests, using total of three different sized orifices, shall be taken in June, July or August on each completed well. Each test must

be stabilized and plotted as a straight line function on logarithmic paper as outlined in United States Bureau of Mines Monograph Number 7.

D. Within six months of the effective date of this order, and every six months thereafter, there shall be a meeting of all operators within the Blanco-Mesa-verde pool in the Commission Offices in Santa Fe New Mexico, to present and discuss new information and data gathered subsequent to the effective date of this order. The Commission may discontinue these meetings when in its opinion, the pool has reached a stage of development where such meetings are unnecessary.

Section 10. Protection of Mineral Deposits:

Since the Menefee coal beds bear some gas and since these coal beds are of non-commercial value, Rule 20, Order Number 4 of the Commission dated August 12, 1935, shall not apply to this field.

Section 11. Gas Wastage:

Mesaverde gas shall not be flared since this is principally a gas reservoir and any well not connected to a commercial or domestic taker shall be shut-in until such market is obtained. Wells in this field shall be permitted to produce and market gas, as long as such can be done without waste, equitably between proration units for the field.

Section 12. Bradenhead Gas:

Bradenhead gas shall not be used either directly or expansively in engines, pumps or torches, or otherwise wasted. It may be used for lease and development purposes and - for the development of nearby leases, except as prohibited above. Wells shall not be completed as Bradenhead gas wells unless special permission is obtained from the Commission.

Section 13. Any provision herein to the contrary notwithstanding, the Commission may, and in proper cases will, on petition or on its own motion, by order entered after notice and hearing to the extent required by law, grant exceptions and permit drilling locations to become effective, thereby authorizing the drilling or completion of wells in the pool not conforming to the requirements of Section 1 through 12 above if the Commission shall find that the property sought to be drilled would be deprived of an opportunity to produce gas from the pool in the absence of such exception, or irrespective of such findings, if the Commission shall find that by reason of all circumstances an exception is proper in the prevention of waste, or undue drainage between properties, or otherwise in the exercise by the Commission of its jurisdiction over the spacing of wells or its order powers conferred by law express or implied.

Section 14. All additional lands located within one mile of any land in the pool as defined above or as it may be extended shall conform to these rules and regulations; provided, however, that by order of this Commission the pool may be redesignated from time to time so as to embrace other lands in the vicinity which are believed on the basis of additional developments, to be capable of producing gas from the Mesaverde formation, whether or not such other lands shall have been at one time included in another designated field or pool producing from Mesaverde.



IT IS FURTHER ORDERED, That the Commission retain jurisdiction of this case for such other and further order or orders in the premises as may become necessary in order to make spacing and other adjustments and to protect correlative rights and further prevention of waste.

DONE at Santa Fe New Mexico on the day and year hereinafter designated.

OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
DELHI OIL CORPORATION, DALLAS, TEXAS  
FOR AN ORDER PERMITTING THE COMMUNITIZ-  
ING OF SHORT OR NARROW QUARTER-SECTIONS  
ON A NORTH-SOUTH BASIS AS THEY MAY LIE  
ALONG THE WEST SIDE OF TOWNSHIPS 30 AND  
31 NORTH, RANGE 9 WEST, FOR THE PURPOSE  
OF CREATING DRILLING UNITS AND ALLOWABLES  
APPROXIMATELY CORRESPONDING TO THE  
SPACING AND ALLOWABLE REQUIREMENTS OF  
ORDER NO. 799 RELATING TO THE BLANCO-  
MESAVERDE GAS POOL IN SAN JUAN COUNTY,  
NEW MEXICO.

CASE NO. 236  
ORDER NO. R-35

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, New Mexico, at 10:00 o'clock A. M., October 24, 1950, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 1st day of December, 1950, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises,

FINDS:

A. The extreme western quarter sections of sections 6, 7, 18, 19, 30 and 31 of Townships 30 and 31 north, Range 8 west, NMPM, San Juan County, New Mexico are "narrow" quarter sections comprising approximately 100 acres each.

B. That the sections in question are within or near the areal limits of the Blanco-Mesaverde Pool.

C. That wells drilled upon "narrow" half sections would be entitled to only approximately 200/320 of the allowable assigned to a full 320 acre drilling unit.

D. That waste would result from unnecessary drilling on 200-acre units.

**IT IS THEREFORE ORDERED:**

1. The following "narrow" quarter sections are hereby unitized as shown below by threes, each three unitized quarter sections of approximately 300 acres each to be a drilling unit for the Mesaverde formation underlying:

W/2 Sec. 6 and NW/4 Sec. 7  
SW/4 Sec. 7 and W/2 Sec. 18  
W/2 Sec. 19 and NW/4 Sec. 30  
SW/4 Sec. 30 and W/2 Sec. 31  
W/2 Sec. 19 and NW/4 Sec. 30  
SW/4 Sec. 30 and W/2 Sec. 31

for both Townships 30 and 31 north, Range 9 west.

2. (a) Wells which may be located upon these eight unitized drilling units will be located as follows:

All to be not closer than 660 ft. to the outer boundary nor closer to the center than 330 ft. of the quarter section ("narrow") upon which it is located:

SW/4 Sec. 6	for both Townships 30 and 31 North
SW/4 Sec. 18	Range 9 west.
SW/4 Sec. 19	
SW/4 Sec. 30	

(b) All wells upon the east half of the narrow sections to be located in the northeast quarter of the section not closer than 660 feet to the outer boundary nor closer than 330 feet to the center of the quarter section upon which they are located.

3. That no well shall be drilled or completed and no Notice of Intention nor drilling permit shall be approved unless one of the above designated 300 acre units is assigned to the well for allowable and proration purposes.

4. That the allowable for any unit shall in direct proportion of the acreage in the unit to 320, i. e., a 300-acre unit will receive  $300/320$  or  $15/16$  or 93.75% of a normal unit allowable for 320 acres in Mesaverde pools spaced one well to each half section.

DONE at Santa Fe, New Mexico, on this 1st day of December, 1950.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

Signed by: Thomas J. Mabry, Chairman; Guy Shepard, Member; R.R. Spurrier, Secy.