

CASE 1963: Application of AZTEC OIL &
GAS CO. for approval of unorthodox
gas well location for its RICHARDSON
WELL NO. 8.

Case No.

1963

Application, Transcript,

Small Exhibits, Etc.

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE TELEGRAM	
DAY LETTER	<input checked="" type="checkbox"/>
NIGHT LETTER	

WESTERN UNION

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W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHIP RADIOGRAM	

NO. WDS. CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED

COLLECT
AZTEC OIL & GAS CO.

Send the following message, subject to the terms on back hereof, which are hereby agreed to

**MR. KENNETH A. SWANSON
AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS**

May 19, 1960

**YOUR APPLICATIONS IN CASES 1963, 1964, 1965 APPROVED BY THE
COMMISSION THIS DATE.**

**A. L. PORTER, Jr.,
SECRETARY-DIRECTOR
OIL CONSERVATION COMMISSION**

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeatable message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeatable message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeatable message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeatable message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeatable message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. The Telegraph Company charges on a message destined to any point in the continental United States listed in the Telegraph Company's Directory of Stations cover its delivery within the established city or community limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery by any available means as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

4-54

CLASSES OF SERVICE

DOMESTIC SERVICES

TELEGRAM

The fastest domestic service.

DAY LETTER (DL)

A deferred same-day service, at low rates.

NIGHT LETTER (NL)

Economical overnight service. Accepted up to 2 A. M. for delivery the following morning; at rates lower than the Telegram or Day Letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The fastest overseas service. May be written in code, cipher, or in any language expressed in Roman letters.

LETTER TELEGRAM (LT)

For overnight plain language messages, at half-rate. Minimum charge for 22 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea.

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. 1963
Order No. R-1675

APPLICATION OF AZTEC OIL & GAS COMPANY
FOR APPROVAL OF A 297-ACRE NON-STANDARD
GAS UNIT IN THE BLANCO-MESAVERDE GAS
POOL AND IN THE DAKOTA PRODUCING INTERVAL,
SAN JUAN COUNTY, NEW MEXICO, AND FOR AN
UNORTHODOX GAS WELL LOCATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 11, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 19th day of May, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 and the subject matter thereof.

(2) That the applicant, Aztec Oil & Gas Company, is the owner and operator of the E/2 of Section 22, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico.

(3) That the applicant proposes the establishment of a 297-acre non-standard gas proration unit in the Blanco-Mesaverde Gas Pool consisting of the E/2 of said Section 22, this same acreage to comprise a non-standard gas unit in the Dakota Producing Interval, with said units in both Pools to be dedicated to the Richardson Well No. 6, to be located at an unorthodox location at a point 1650 feet from the South line and 990 feet from the East line of said Section 22.

(4) That the request for the two subject non-standard gas units is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, and the basis for the requested unorthodox gas well location is that development in

-2-

CASE No. 1963
Order No. R-1675

this immediate area has generally been on a NW/4 and SE/4 pattern rather than in conformance with the standard NE/4 and SW/4 pattern for the Blanco-Mesaverde Gas Pool.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

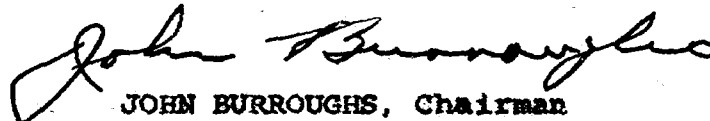
IT IS THEREFORE ORDERED:

(1) That a 297-acre non-standard gas proration unit in the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico, and a 297-acre non-standard gas unit in the Dakota Producing Interval be and the same are hereby established, each to consist of the E/2 of Section 22, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico. Each of said units is to be dedicated to the applicant's Richardson Well No. 6, to be located at an unorthodox location 1650 feet from the South line and 990 feet from the East line of said Section 22.

(2) That the above-described Richardson Well No. 6 be and the same is hereby assigned an acreage factor for allowable purposes in the proportion that the acreage in the non-standard gas proration unit dedicated to it in the Blanco-Mesaverde Gas Pool bears to the acreage in a standard gas proration unit in the Blanco-Mesaverde Gas Pool.

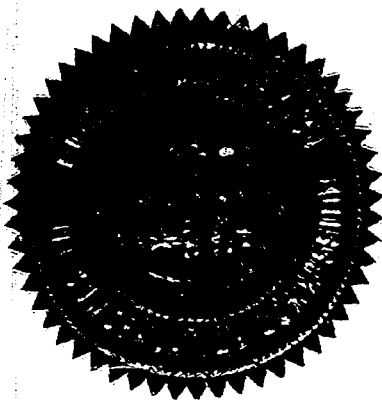
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


A. L. PORTER, Jr., Member & Secretary



esr/

DOCKET: EXAMINER HEARING MAY 11, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe.

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

- CASE 1958: Application of Texaco Inc., for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Echol-Devonian Pool from all wells on its State "AR" Lease, consisting of the N/2 SW/4 and Lots 3 and 4 of Section 2, Township 11 South, Range 37 East, Lea County, New Mexico.
- CASE 1959: Application of Sinclair Oil & Gas Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Empire-Abo Pool from all wells presently completed or hereafter drilled on its M. Yates "B" Lease, consisting of the S/2, NE/4, S/2 NW/4, and NE/4 NW/4 of Section 33, Township 17 South, Range 28 East, Eddy County, New Mexico.
- CASE 1960: Application of Gulf Oil Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its North Caverns Unit Agreement, which unit will embrace approximately 6,303 acres of Federal and State land in Townships 22 and 23 South, Range 24 East, Eddy County, New Mexico.
- CASE 1961: Application of Gulf Oil Corporation for permission to commingle the production from four separate pools and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the production from the Blinebry, Drinkard, Paddock, and Penrose-Skelly Pools from all wells located on its C. L. Hardy lease comprising the SW/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, after separately metering only the production from the Blinebry Pool and to allocate the Drinkard Paddock and Penrose-Skelly Pool production without prior metering or measurement but on the basis of monthly individual well tests. Applicant further seeks approval of an automatic custody transfer system to handle the said commingled production from all wells on the said C. L. Hardy lease.

CASE 1962:

Application of McGrath and Smith for a special allowable for one well in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico. Applicant, in the above-styled cause, seeks a special allowable for one well offsetting a capacity water-flood project in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico. Said well is the Tidewater-State Well No. 1, located in the NW/4 SE/4 of Section 18, Township 13 South, Range 32 East, Lea County, New Mexico.

CASE 1963:

Application of Aztec Oil & Gas Company for an unorthodox gas well location and for approval of two non-standard units. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Blanco-Mesaverde Gas Pool for its Richardson Well No. 6, to be located in the SE/4 of Section 22, Township 31 North, Range 12 West, San Juan County, New Mexico. Applicant further seeks establishment of a 297-acre non-standard gas proration unit in the Blanco-Mesaverde Gas Pool and a 297-acre non-standard unit in the Dakota Producing Interval, each consisting of the E/2 of said Section 22 and to be dedicated to the said Richardson Well No. 6.

CASE 1964:

Application of Aztec Oil & Gas Company for an unorthodox gas well location and for approval of two non-standard units. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Blanco-Mesaverde Gas Pool for its Richardson Well No. 7, to be located in the SE/4 of Section 15, Township 31 North, Range 12 West, San Juan County, New Mexico. Applicant further seeks establishment of a 309.55-acre non-standard gas proration unit in the Blanco-Mesaverde Gas Pool and a 309.55-acre non-standard unit in the Dakota Producing Interval, each consisting of the E/2 of said Section 15, and to be dedicated to said Richardson Well No. 7.

CASE 1965:

Application of Aztec Oil & Gas Company for approval of an unorthodox gas well location. Applicant, in the above-styled cause, seeks approval of an unorthodox location in the Blanco-Mesaverde Gas Pool for its Thompson Well No. 6, to be located in the SE/4 of Section 28, Township 31 North, Range 12 West, San Juan County, New Mexico.

CASE 1966:

Application of Texas National Petroleum Company for an oil-gas dual completion utilizing parallel strings of casing cemented in a common well bore and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of a well to be located at an unorthodox location 660 feet from the North and West

-3-

Docket No. 13-60

CASE 1966:
(Cont.)

lines of Section 1, Township 25 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation and the production of gas from the Dakota Producing Interval through 2 7/8-inch casing and through 2-inch tubing set in 4 1/2-inch casing respectively with the casing being cemented in a common well bore.

ig/

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

LAND DEPARTMENT
H. L. SHIDER, JR., MANAGER
KENNETH A. SWANSON, ATTORNEY

April 15, 1960

REGISTERED MAIL

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application of Aztec Oil & Gas Company

- I. for an Exception to Section 1(C) of Order R-110 as amended by Order R-397, for approval of an unorthodox Drilling Location in the Blanco Mesaverde Gas Pool;
- II. for an Exception to Rule 1(A) of Order R-128-D, for approval of a Non-Standard Gas Proration Unit in the Blanco Mesaverde Gas Pool and for an Exception to Rule 1(A) of Order R-1287, for approval of a Non-Standard Unit in an undesignated Dakota Gas Area, San Juan County, New Mexico.

Dear Mr. Porter:

I.

Pursuant to Section 13 of Order R-110, Aztec Oil & Gas Company hereby submits its application in triplicate for an exception to the well location regulations set forth in Section 1(C) of Order No. R-110, as amended by Order R-397, and requests approval of an unorthodox drilling location in the Southeast quarter (SE $\frac{1}{4}$) of Section 22, Township 31 North, Range 12 West, N.M.P.M., San Juan County, New Mexico.

In support of this application, applicant respectfully states and shows the following:

1. The proposed unorthodox drilling location has been staked one thousand six hundred and fifty feet (1,650') from the South line and nine hundred and ninety feet (990') from the East line of Section 22. This unorthodox location for the Southeast quarter section (SE $\frac{1}{4}$)

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Mr. A. L. Porter

-2-

April 15, 1960

rather than the prescribed Northeast ($NE\frac{1}{4}$) or Southwest ($SW\frac{1}{4}$) quarter sections is requested in order to conform to existing well spacing and to provide for proper and efficient drainage of the Section. All wells surrounding the location have been drilled on a Northwest (NW)-Southeast (SE) pattern; the area having been developed prior to the promulgation of the field rules now applicable. It is the intention of Aztec Oil & Gas Company to dedicate the East half of Section 22 as the drilling unit for the proposed well; therefore, in order to have the well spacing consistent and to provide for proper drainage of the Section, permission for this unorthodox location in the Southeast quarter section ($SE\frac{1}{4}$) is requested.

2. Applicant intends to drill a well on the unorthodox drilling location, if approved, to be known as the Richardson #6 well.

3. Applicant plans to dually complete the proposed well as a gas well producing from the Mesaverde and Dakota formations. Such well will be within the defined limits of the Blanco Mesaverde Gas Pool and in an undesignated Dakota Area.

4. Applicant owns all the acreage within the section on which the proposed unorthodox location will fall, and is the only operator owning offsetting acreage, as indicated on Exhibit "A" attached hereto and made a part hereof.

II.

Pursuant to Rule 1(A) of Order R-128-D, Applicant hereby submits its application for an exception to Rule 1(A) of Order R-128-D and simultaneously requests an exception to Rule 1(A) of Order R-1287 and approval of a non-standard gas proration unit consisting of Lots 1, 2, 7, through 10, 15 and 16 or what is known as the East half ($E\frac{1}{2}$) of Section 22, Township 31 North, Range 12 West, N.M.P.M., San Juan County, New Mexico. Applicant further requests that pursuant to Rule 1(A) of Order R-128-D and upon approval hereof, Applicant be granted an allowable for production from the Mesaverde formation in the ratio that the area of the non-standard proration unit bears to a proration unit of 320 acres; i.e. $297.04/320$.

In support of this request for a non-standard proration unit, Applicant respectfully states and shows the following:

Mr. A. L. Porter

-3-

April 15, 1960

1. The unorthodox size of the gas proration unit is due to a variation in legal subdivisions of the United States Public Land Survey.

2. The proposed non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots and lies wholly within a single governmental section.

3. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.

4. Applicant owns all of the acreage within the section on which the proposed non-standard gas proration unit is located and owns all offsetting acreage as indicated on Exhibit "A" attached hereto and made a part hereof.

WHEREFOR, pursuant to Statewide Rule 1203, Applicant respectfully requests that a hearing be set before an Examiner as soon as possible as Santa Fe, New Mexico, to consider: I. the request for approval of the unorthodox location and II. the request for approval for a non-standard gas proration unit with respect to production from the Mesa-verde and for a non-standard unit with respect to the Dakota formation hereinabove set forth.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

Mr. A. L. Porter

-4-

April 15, 1960

STATE OF TEXAS)
COUNTY OF DALLAS)

Kenneth A. Swanson, being first duly sworn, hereby states that he is the attorney of Aztec Oil & Gas Company, the applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read said application and to the best of his knowledge, information and belief, all statements of fact contained therein are true and correct.

Kenneth A. Swanson
Kenneth A. Swanson

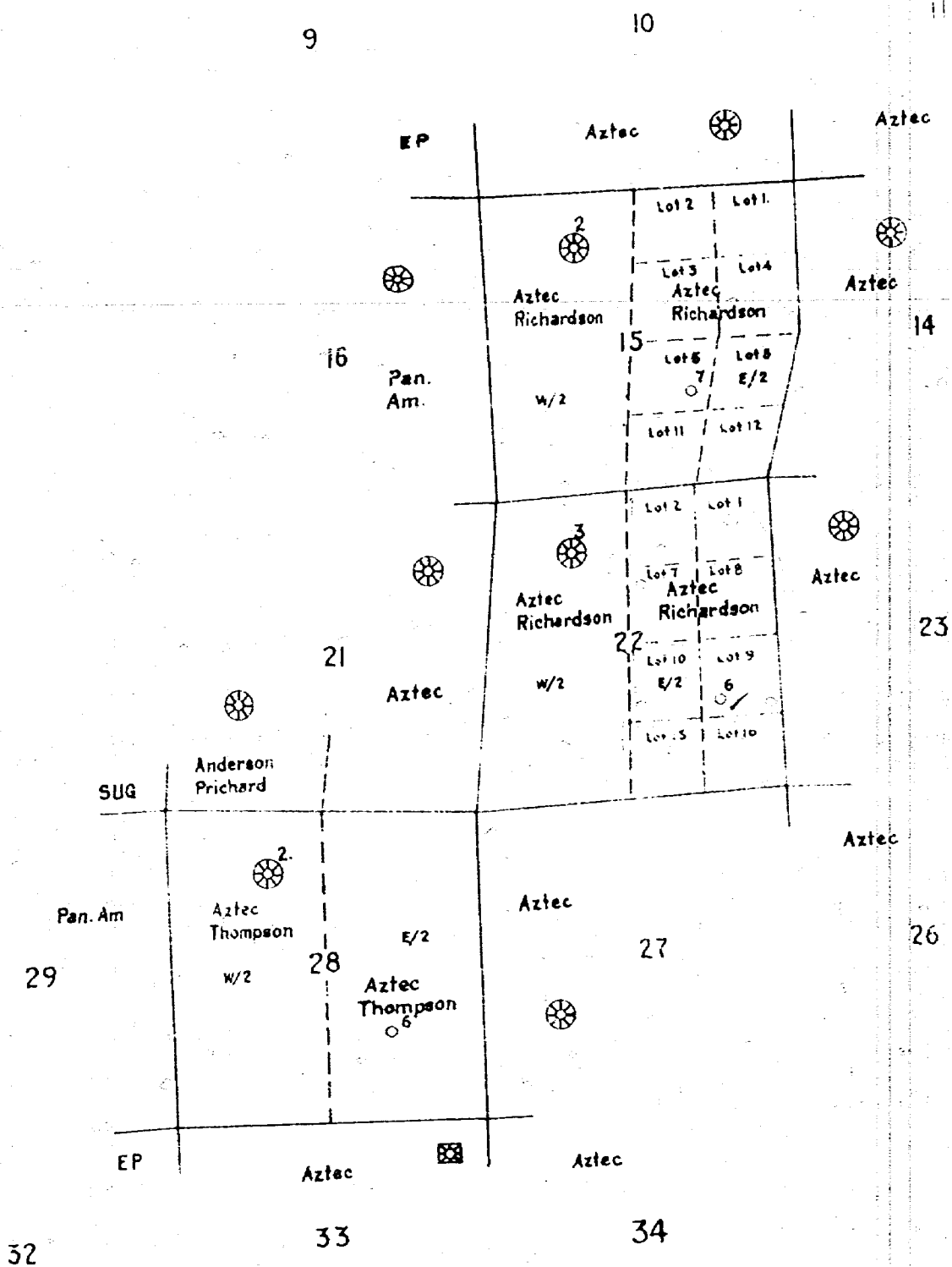
Sworn to and subscribed before me, the undersigned authority,
on this 15th day of April, 1960.

Etchella L. Jett
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1961

EXHIBIT "A"



PLAT

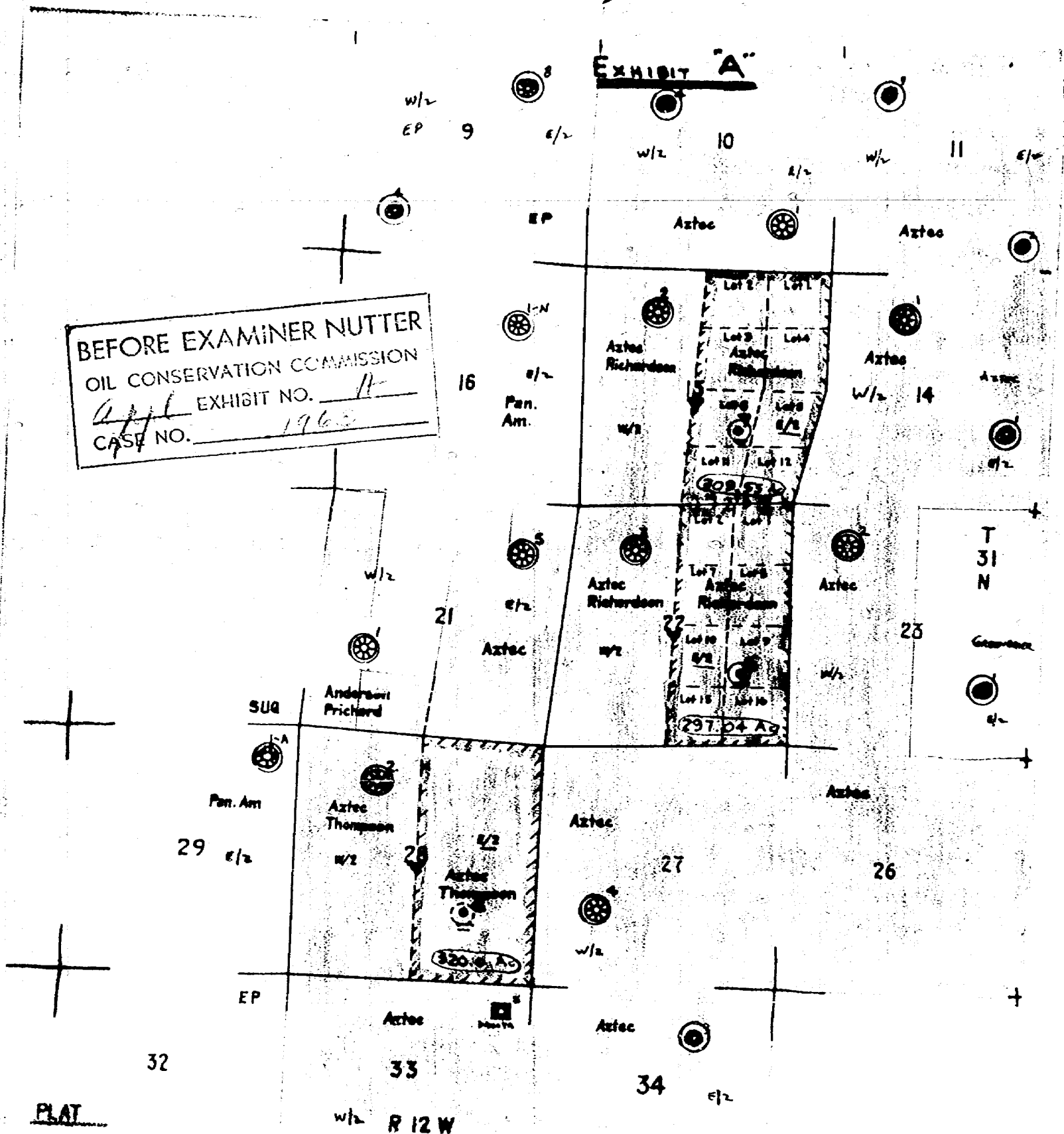
Accompanying Application for Examiner Hearing
For Unorthodox Location in BMV Pool, Non Standard
Units in both Mesaverde & Dakota Pools of Aztec
Oil & Gas Company's Richardson #6 & 7 in Sections
22 & 15, T31 N, R12 W of 297.04 & 309.55 acres
respectively. Also application for BMV Pool unorthodox
Location for its Thompson #6 in Sect. 28, T31 N, R12 W

Scale 1" = 2000'

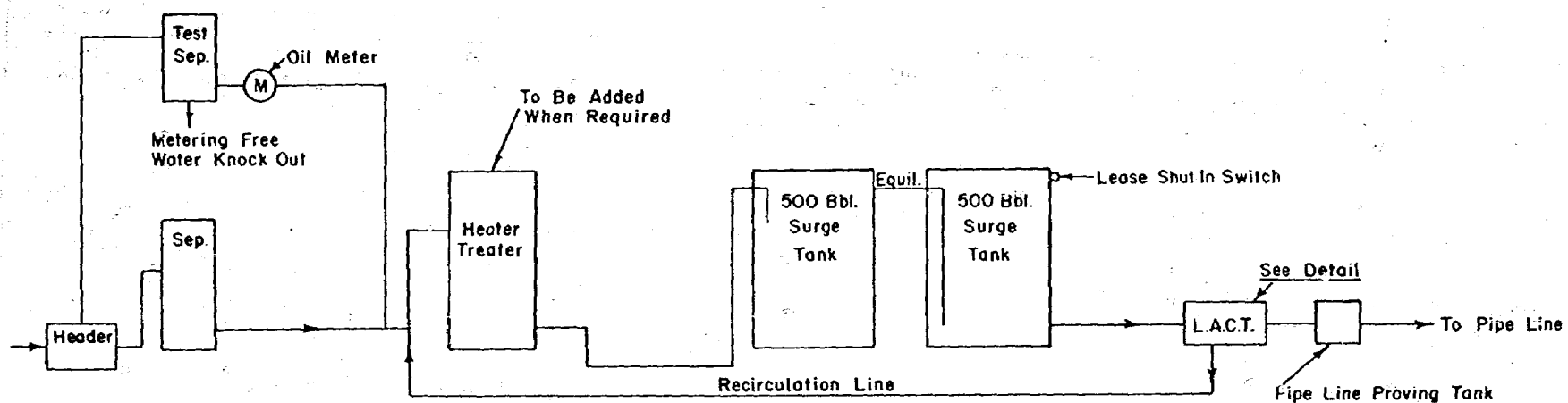
Aztec Oil & Gas Company

EXHIBIT "A"

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 11
CASE NO. 1963



SINCLAIR OIL & GAS COMPANY
 DETAIL OF LEASE AUTOMATIC CUSTODY TRANSFER SYSTEM
 M. YATES "B" (ARC) LEASE
 EDDY COUNTY, NEW MEXICO



242

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 11, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for an unorthodox gas well location and for approval of two non-standard units. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Blanco-Mesaverde Gas Pool for its Richardson Well No. 6, to be located in the SE/4 of Section 22, Township 31 North, Range 12 West, San Juan County, New Mexico. Applicant further seeks establishment of a 297-acre non-standard gas proration unit in the Dakota Producing Interval, each consisting of the E/2 of said Section 22 and to be dedicated to the said Richardson Well No. 6.

Case 1963

Application of Aztec Oil & Gas Company for an unorthodox gas well location and for approval of two non-standard units. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Blanco-Mesaverde Gas Pool for its Richardson Well No. 7, to be located in the SE/4 of Section 15, Township 31 North, Range 12 West, San Juan County, New Mexico. Applicant further seeks establishment of a 309.55-acre non-standard gas proration unit in the Blanco-Mesaverde Gas Pool and a 309.55-acre non-standard unit in the Dakota Producing Interval, each consisting of the E/2 of said Section 15, and to be dedicated to said Richardson Well No. 7.

Case 1964

Application of Aztec Oil & Gas Company for approval of an unorthodox gas well location. Applicant, in the above-styled cause, seeks

Case 1965

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



approval of an unorthodox location in the Blanco-Mesaverde Gas Pool for its Thompson Well No. 6, to be located in the SE/4 of Section 28, Township 31 North, Range 12 West, San Juan County, New Mexico.

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. CAMPBELL: Mr. Examiner, I realize that I had not expected to be here at this hour, unless Examiner or other parties have made a change in their plans, based on my original thought I would like to go ahead with this case in its regular order. Of course, a change in plans has been made, I will wait until the end.

MR. NUTTER: It was my impression that Case 1962 will take more than an hour.

MR. CAMPBELL: I expect it will.

MR. NUTTER: The applicants in Cases 1963, 1964, 1965 stated it would take about five minutes to get their cases off.

MR. CAMPBELL: All three of them?

MR. NUTTER: Yes.

MR. CAMPBELL: That's going to break a record.

MR. NUTTER: We'll see how well Warren keeps his word.

MR. PAYNE: Case 1963. Application of Aztec Oil & Gas Company for an unorthodox gas well location and for approval of two non-standard units.

MR. WHITE: L. C. White. If the Examiner please, Charles

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ALBUQUERQUE, NEW MEXICO



White of Gilbert, White and Gilbert of Santa Fe, appearing as resident counsel for the applicant. I have associated with me Mr. Kenneth Swanson, attorney of the Texas Bar, who will present the case. If the Examiner please, we would like to have, for the purposes of the hearing, Cases 1963, 1964, 1965 consolidated.

MR. NUTTER: Without objection these three cases will be consolidated for hearing.

MR. WHITE: Our appearances will be the same for all three cases.

MR. SWANSON: We have only one witness to testify in these three cases, Mr. Warren Mankin.

(Witness sworn.)

WARREN W. MANKIN

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

DIRECT EXAMINATION

BY MR. SWANSON:

Q Mr. Mankin, would you state your full name, please?

A Warren W. Mankin.

Q By whom and in what capacity are you employed?

A By Aztec Oil & Gas Company as Chief Engineer in Dallas, Texas.

Q Have you previously testified before the New Mexico Oil Conservation Commission?

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ALBUQUERQUE, NEW MEXICO



A I have.

Q And your qualifications been accepted?

A They were.

MR. NUTTER: They still are.

MR. SWANSON: These three cases involve applications by Aztec for unorthodox well locations under the Blanco-Mesaverde Field rules wherein each well will be located in the Southeast rather than the Northeast Quarters of the respective sections. We are also requesting non-standard drilling and proration units with respect to the wells. In support of the applications, one consolidated exhibit has been prepared. This is now offered for examination and will be offered in evidence when the witness has concluded his testimony.

Q Mr. Mankin, did you prepare Aztec's Exhibit A?

A Yes, sir.

Q Will you please explain what this exhibit is intended to show?

A This Exhibit A is a plat which covers a portion of the area in Township 31 North, Range 12 West, San Juan County, New Mexico. The blue color, which is predominant here, designates Aztec's lease acreage adjoining and in the area of the three tracts which are the subject matter of our applications. The half sections outlined in yellow are the drilling units for the three wells involved in these hearings. They are the East Half of Section

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ALBUQUERQUE, NEW MEXICO



15, Section 22 and Section 28, all in Township 31 North, Range 12 West, San Juan County, New Mexico.

The well locations have been plotted and they're shown by encircled scarlet dots and circles. First, the Richardson 7 is in Section 15 and it has been established at a location 1720 feet from the South line and 1610 feet from the East line of the section which puts it in Lot No. 6. The location for the Richardson No. 6 is 1650 feet from the South line and 990 feet from the East line of Section 22, which puts it in Lot No. 9; although the Thompson No. 6 will be located in Section 28, it has not been established as yet, but it is anticipated it will be in the Southeast Quarter of the section, probably in the Northwest portion of the Southeast Quarter.

Also shown are the wells drilled to the Mesaverde formation shown by a circle with a spoke type symbol, and in one instance a Dakota well is shown. The Mesaverde wells are represented by this conventional gas symbol and are circled in scarlet circles.

Q The Dakota well is in Section 5 and it's in a box symbol?

A The Dakota well is our No. 5 Thompson. It's shown in the Southeast Quarter of Section 3 and it is a box.

Q Why are these unorthodox locations being requested?

A These three locations are in an area where the surrounding wells were drilled some ten years ago in what is known as the

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La Plata area. These old wells were drilled prior to the establishment of field rules for this area and drilled on a Northwest-Southeast pattern.

Aztec proposes to follow this pattern in drilling the inside locations, in each instance if a standard location were made in in the Northeast Quarter clusters of three or possibly four wells would result, leaving no well on the South Half of the section involved to drain that part of our acreage.

Q In your opinion would standard locations as provided in the present rules effect efficient drainage of the South Half of these sections?

A I certainly believe they would. This fact, of course, is recognized in the Commission's rules which provide for wells in diagonal corners of each section. We are actually conforming with this general plan of development by making diagonal locations with respect to the existing wells. The locations which are the subject of these three applications would provide for more efficient drainage, thereby preventing waste, and would conform to the existing well spacing pattern for this particular area of the Blanco-Mesaverde Gas Pool.

Q To what formation will these wells be drilled?

A Each of the three wells is proposed to be drilled to a depth sufficient for a completion as a dual producer in the Mesaverde and Devonian. Drilling commenced on six which is in

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Section 22 at about the time that the applications were filed. It was originally scheduled to be drilled as a Dakota test. We have decided to attempt a dual completion in the Mesaverde.

Q Would you describe the gas proration units for each well, please?

A We propose to dedicate the East Half of Section 22, containing 297.04 acres to the Richardson 6. The unit for the Richardson No. 7 will be the East Half of Section 15 containing 309.55 acres. The Thompson No. 6 will have the East Half of Section 28 containing a standard 320 acres as the standard proration units.

Q Why do the Richardson 6 and 7 contain less than the normal 320 acres?

A This is because of the variance in the U. S. Public Land Surveys, an independent resurvey.

Q In your opinion is there any reason to believe that any of the acreage to be assigned to the units would not be productive of gas?

A No, all three of these units are surrounded by productive Mesaverde wells. It might be noted that the Dakota development has not been as intensive as that of the Mesaverde, although there is Dakota production in the area. In my opinion both Mesaverde and Dakota production can be easily expected to be productive in all three units.



Q Does any operator other than Aztec own an interest in these sections in Section 15 or in the offsetting acreage offsetting the East Half?

A No, Aztec is the only operator offsetting these units.

MR. SWANSON: At this time we would like to ask for admission of our Exhibit A into evidence and its incorporation in the record of these cases.

MR. NUTTER: Aztec's Exhibit A will be admitted.

MR. SWANSON: Will three copies be sufficient for you?

MR. NUTTER: We will have to have two in each case.

MR. SWANSON: I have no further questions of the witness.

MR. NUTTER: Does anyone have any questions?

MR. PAYNE: Yes.

MR. NUTTER: Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q I need to have a description of each of the well locations at least by quarter, quarter section.

A Yes. Richardson No. 6, as I have indicated previously, is located 1720 feet from the South line and 1610 feet from the East line. It is actually located in Lot 9. That would normally be what is called the Northeast of the Southeast Quarter. The Richardson No. 7 is located 1720 feet from the South line and 1610 feet from the East line of Section 15 in Lot 6, what would normally be

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known as the Northwest Quarter of the Southeast Quarter. And on the Thompson No. 6 we do not have a definite location as yet. Those would be standard quarter, quarter sections. We do not know yet on the basis of topography whether it would be in the Northwest of the Southeast or whether it would be in the Southeast or Southeast of Section 28. That location has not been established as yet.

Q What is sometimes necessary for us to do, Mr. Mankin, in cases where it hasn't been established, is to hold the order until such time as you can give us the location and then issue the order, because in an order approving a non-standard location it has to be set out in the order what the location is.

A We could state for the record at this time that the well will be a standard as to the outer boundaries of the unit. It would not be closer than 790 feet from the outer boundary of the unit.

Q It would only be non-standard --

A As it's in the improper quarter section.

MR. NUTTER: It is a standard location in a non-standard location.

A Yes, we feel that by aerial photographs we can meet not closer than 790 of the outer boundary of the proration unit, or the drilling unit.

Q Is there a second Mesaverde well in Section 27 on your plat?

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A No, sir, there has not one been drilled. We anticipate when that would be drilled that we would drill it on pattern.

MR. NUTTER: In the Northeast Quarter of the section?

A Yes. And stay as far away as possible from other wells.

Q Any other Mesaverde wells in?

A No. It would be drilled in standard pattern.

Q No Mesaverde well in the North Half of Section 33?

A No. We first attempted, thought we would make a dual completion, but we did not. The Mesaverde is there but we did not dually complete it.

Q If the second well was to be drilled in Section 34, it would also be on pattern?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Mankin? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further?

MR. SWANSON: Yes. Wouldn't it be possible to expedite action on this application, and in that regard we would like to request to give this proper attention and notify us by collect telegram at our Dallas Office of the approval of the application.

MR. NUTTER: Yes, sir, we will expedite it as quickly as we can. Does anyone have anything for Cases 1963, 1964, 1965? We will take the case under advisement and recess until one-thirty.

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS

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 day of May, 1960.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:
June 19, 1963.

I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the Examiner hearing of Case No. *1963-1964 and*
heard by me on *5/11* 19*68* 19*65*
W. J. [Signature], Examiner
New Mexico Oil Conservation Commission

