

43270.

2563

dition, Transcript,
all 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 THE STATE OF
NEW MEXICO FOR THE PURPOSE
OF CONSIDERING:

CASE NO. 2563
ORDER NO. R-2242

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
CREATING AND EXTENDING CERTAIN
POOLS IN RIO ARriba AND SAN
JUAN COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 16, 1962, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 23rd day of May, 1962, the Commission, a quorum being present, having considered the testimony presented and the 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 and the subject matter thereof.
- (2) That the proposed creation of a new pool in Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico, for the production of oil from the Gallup formation should be dismissed pending further study.
- (3) That there is need for the creation of a new pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation Mesa-Gallup Oil Pool. Said Mesa-Gallup Oil Pool was discovered by Exploration Drilling Company, Navajo #3, located in the SW/4, Unit N, of Section 24, Township 32 North, Range 18 West, NMPM. It was completed August 15, 1961. Top of perforations is 1110 feet.

-2-

CASE NO. 2563

Order No. R-2242

(4) That there is need for certain extensions to the Tapacito-Pictured Cliffs Pool and to the Puerto Chiquito-Gallup Oil Pool in Rio Arriba County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That the proposed creation of a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Gallup production, designated as the Lybrook-Gallup Oil Pool, consisting of the following described area:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 2: S/2
Section 4: SW/4
Section 9: N/2 and SE/4
Section 10: All
Section 11: All
Section 14: N/2 NE/4
Section 15: N/2 NW/4

is hereby dismissed.

(b) That a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, is hereby created and designated as the Mesa-Gallup Oil Pool, consisting of the following-described area:

TOWNSHIP 32 NORTH, RANGE 18 WEST, NMPM

Section 14: W/2 SE/4
Section 23: NE/4
Section 24: W/2
Section 25: NW/4 NE/4 and NE/4 NW/4

(c) That the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Section 6: SW/4
Section 7: NW/4

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 5: NW/4
Section 6: NE/4

-3-

CASE No. 2563

Order No. R-2242

(d) That the Puerto Chiquito-Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPL

Section 5: NW/4

Section 6: SE/4 NE/4

IT IS FURTHER ORDERED:

That the effective date of this order and all creations, extensions, and abolishments included herein shall be June 1, 1962.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



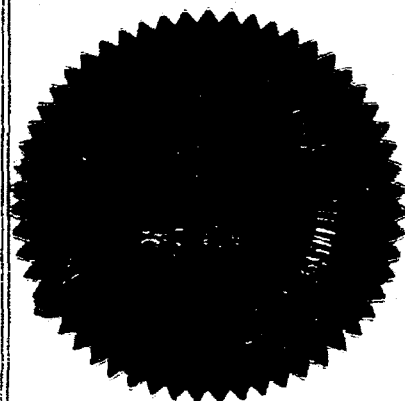
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



iqg/

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NE = Night Letter

LT = Letter Telegram

1301 (4-60)

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. The filing time on international telegrams is LOCAL TIME at point of destination.

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MAIN OFFICE

1962 MAY 14 AM 11 58

L AYA304 PD AR=ALBUQUERQUE NMEX 11 44 PM 11 24 A MST=
A L PORTER JR=

NEW MEXICO OIL CONSERVATION COMM SANTA FE NMEX=
VAL R REESE AND ASSOCIATES INC REQUESTS EXTENSION OF
CASE 2563 PARAGRAPH A TO THE JUNE 14TH MONTHLY HEARING
OF THE OIL CONSERVATION COMMISSION. THIS DELAY IS
REQUESTED FOR FURTHER STUDY OF THIS AREA PENDING OUR
REQUEST FOR FIELD RULES APPLICATION FOR FIELD RULE
HEARINGS WILL BE MADE BY MAIL MAY 14TH=

VAL R REESE...

*NW
porter*

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOCKET: REGULAR HEARING - WEDNESDAY - MAY 16, 1962

OIL CONSERVATION COMMISSION - 9 A.M., - HIGH SCHOOL AUDITORIUM - 1300
EAST SCHARBAUER, HOBBS, NEW MEXICO

- ALLOWABLE:**
- (1) Consideration of the oil allowable for June, 1962.
 - (2) Consideration of the allowable production of gas for June, 1962, for ten prorated pools in Lea and Eddy Counties, New Mexico, and also presentation of purchaser's nominations for said pools for the six-month period beginning July, 1962; consideration of the allowable production of gas for nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for June, 1962.

CASE 2558: Application of the Oil Conservation Commission, on its own motion and at the request of El Paso Natural Gas Company, to amend Rule 314.

It is proposed to amend Rule 314 by the addition of paragraph (1) thereto to further regulate the transportation of drip and to require the reporting of such transportation on Form C-110-A.

CASE 2559: Application of Gulf Oil Corporation for an amendment of Rule 112-A. Applicant, in the above-styled cause, seeks an amendment of Rule 112-A to delete that portion of said rule which requires that offset operators be notified of the taking of packer-leakage tests. Applicant further proposes that said rule be amended to provide for notification to an offset operator of the taking of such a test where the offset operator has previously requested that such notification be given.

CASE 2560: In the matter of the hearing called on the motion of the Oil Conservation Commission to consider the revision of Rules 201 and 1105 to eliminate the requirement that offset operators be notified prior to the commencement of well plugging operations.

CASE 2561: In the matter of the hearing called on the motion of the Oil Conservation Commission to consider revising Rule 111, Deviation Tests and Whipstocking. Applicant, in the above-styled cause, seeks an order revising Rule 111 to read in its entirety as follows:

RULE 111. DEVIATION TESTS AND WHIPSTOCKING

(a) Any well which is drilled or deepened with rotary tools shall be tested at reasonably frequent intervals to determine the deviation from the vertical and a tabulation thereof filed with Form C-105, Well Record. When such deviation averages more than five degrees in any 500-foot interval, no oil or gas shall be sold until it has been established that the bottom of the hole is on the proration unit assigned to the well by means of a deviational and directional survey. In lieu of said survey, the operator may, with specific approval of the Commission, establish the location of the bottom of the hole by filing a notarized tabulation of all deviation tests, assuming the deviation from the vertical and the drift to be in a constant and continuous direction to the nearest boundary of the proration unit.

(b) No well shall be whipstocked and directionally drilled without special permission from the Commission. Permission to whipstock to straighten a crooked hole, to sidetrack junk in the hole, or to control a blow-out may be obtained from the appropriate District Office of the Commission on Commission Form C-102, with copies of said Form C-102 being furnished all offset operators. Permission to whipstock for any other reason will be granted only after notice and hearing. Upon completion of any whipstocked well and prior to producing any oil or gas therefrom, a deviational and directional survey shall be conducted and a report thereof filed with the Commission.

CASE 2562: Southeastern New Mexico nomenclature case calling for an order creating new pools and extending certain existing pools in Eddy, Lea and Roosevelt Counties, New Mexico.

- (a) Create a new oil pool for San Andres production, designated as the CLR-San Andres Pool, and described as:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 31: NW/4

- (b) Create a new oil pool for Delaware production, designated as the North Double X-Delaware Pool and described as:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 11: SE/4

- (c) Create a new oil pool for Blinbry production, designated as the Oil Center-Blinbry Pool and described as:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 4: Lots 9, 10, 15 & 16

- (d) Create a new gas pool for Morrow production, designated as the Quail Ridge-Morrow Gas Pool, and described as:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 21: W/2

Section 28: N/2

- (e) Create a new oil pool for Permo Pennsylvanian production designated as the East Saunders Permo-Pennsylvanian Pool and described as:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 17: SW/4

- (f) Create a new oil pool for Drinkard production, designated as the Vacuum-Drinkard Pool and described as:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 7: N/2 NW/4

- (g) Extend the Artesia Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 34: NW/4

- (h) Extend the Atoka-Pennsylvanian Gas Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 19: E/2

- (i) Extend the Blinebry Gas Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 30: N/2

- (j) Extend the Drinkard Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 19: NE/4 SW/4

Section 30: W/2 NW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 33: W/2 NW/4

- (k) Extend the Empire-Aho Pool to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 16: NE/4 SE/4

- (l) Extend the Jalmat Gas Pool to include:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 33: E/2 NW/4

- (m) Extend the Justis-Blinebry Pool to include:

TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM
Section 6: NW/4

- (n) Extend the North Justis-Blinebry Pool to include:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4
Section 36: SW/4

- (o) Extend the North Justis-Devonian Pool to include:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4
Section 36: SW/4

- (p) Extend the North Justis-McKee Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4

- (q) Extend the Justis Tubb-Drinkard Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 35: E/2 NE/4

- (r) Extend the Lea-Bone Springs Pool to include:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 1: SW/4

- (s) Extend the Loco Hills Pool to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 19: W/2 SE/4

Docket No. 15-62

- (t) Extend the Loco Hills-Abo Pool to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 21: S/2 NW/4

- (u) Extend the Maljamar-Abo Pool to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 33: E/2 NE/4

- (v) Extend the Paddock Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 30: W/2 NW/4

- (w) Extend the South Paddock Pool to include:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 29: E/2 SE/4

- (x) Extend the Pearl-Queen Pool to include:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 23: W/2 NE/4
Section 31: SE/4

- (y) Extend the Red Lake Pool to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 23: W/2 SE/4

- (z) Extend the Saunders-Permo Pennsylvanian Pool to include:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 16: NE/4

- (aa) Extend the South Tonto-Yates Pool to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 30: NW/4

- (bb) Extend the Tubb Gas Pool to include:

TOWNSHIP 23 SOUTH, RANGE 38 EAST, NMPM
Section 6: N/2 NE/4

Docket No. 15-62

- (cc) Extend the Turkey Track Pool to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPH
Section 33: NW/4 NW/4

- (dd) Extend the Vacuum-Abo Pool to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPH
Section 6: SW/4

- (ee) Extend the Vacuum-Queen Pool to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPH
Section 6: W/2

CASE 2563:

Northwestern New Mexico nomenclature case calling for an order creating new pools and extending certain existing pools in Rio Arriba and San Juan Counties, New Mexico.

- (a) Create a new oil pool for Gallup production, designated as the Lybrook-Gallup Oil Pool and described as:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPH
Section 2: S/2
Section 4: SW/4
Section 9: N/2 and SE/4
Section 10: All
Section 11: All
Section 14: N/2 NE/4
Section 15: N/2 NW/4

- (b) Create a new pool classified as an oil pool for Gallup production, designated as the Mesa-Gallup Oil Pool and described as:

TOWNSHIP 32 NORTH, RANGE 18 WEST, NMPH
Section 14: W/2 SE/4
Section 23: NE/4
Section 24: W/2
Section 25: NW/4 NE/4 and NE/4 NW/4

- (c) Extend the Tapasito-Pictured Cliffs Pool, to include:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPH
Section 6: SW/4
Section 7: NW/4

-7-

Docket No. 15-62

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 5: NW/4

Section 6: NE/4

- (d) Extend the Puerto Chiquito-Gallup Oil Pool to include:

TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPM

Section 5: NW/4

Section 6: SE/4 NE/4

iqg/

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

1962 APR 25 PM

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

1000 RIO BRAZOS ROAD
AZTEC

April 24, 1962

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attn: Mrs. Ida Rodriguez

Dear Ida:

The attached paragraph sheets indicate the following:

Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Gallup production, designated as the Lybrook-Gallup Oil Pool.

Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production designated as the Mesa-Gallup Oil Pool.

Extend the following pools in Rio Arriba County:

Tapacito-Pictured Cliffs Pool
Puerto Chiquito-Gallup Oil Pool.

Yours very truly

A. R. Kendrick

A. R. Kendrick
Engineer, District #3

ARK:AS

Attachment

Copy 2.5

(a) Create a new pool in Rio Arriba Count 7,
New Mexico, classified as a n oil pool for Gallup
production, designated as the Lybrook-Gallup Oil Pool and
described as:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NORTH,

Section 2: S/2
Section 4: SW/4
Section 9: N/2 and SE/4
Section 10: All
Section 11: All
Section 14: N/2 NE/4
Section 15: N/2 NW/4

Based on:

DISCOVERY WELL:

Dr. Sam G. Dunn #1 Dunn
M-10-23N-7W
IP 47 BOPD
Completed 11-14-56
Top Perf: 5597'

Jacob I. Smith #2 State
K-2-23N-7W
IP 38 BOPD

Jacob I. Smith #1 State
O-2-23N-7W
IP 208 BOPD

Bco, Inc. #2-4 Campos
K-4-23N-7W
IP 318 BOPD

Reese & Assoc #1-9 Barn
H-9-23N-7W
IP 288 BOPD

Southern Union Prod. #1 Dunn
P-9-23N-7W
IP 20 BOPD

Bco, Inc. #1-10 Campos
J-10-23N-7W
IP 336 BOPD

Reese & Assoc. #1-11 VanDenburgh
M-11-23N-7W
IP 334 BOPD

Bco, Inc. #1-14 Nancy B.
B-14-23N-7W
IP 110 BOPD

Bco, Inc. #1-15 Betty B.
C-15-23N-7W

IP 90 BOPD

6/2/64 6:40 PM

(b) Create a new pool in San Juan Count 7,
New Mexico, classified as an oil pool for Gallup
production, designated as the Mesa-Gallup Oil Pool and
described as:

TOWNSHIP 32 NORTH, RANGE 18 WEST, NMPM,

Section 14: W/2 SE/4

Section 23: NE/4

Section 24: W/2

Section 25: NW/4 NE/4 and NE/4 NW/4

Based on:

DISCOVERY WELL:

Exploration Drilling #3 Navajo

N-24-32N-18W

IP 49 BOPD

Completed: 8-15-61

Top Perf: 1110'

Exploration Drilling #4 Navajo

J-14-32N-18W

IP 6 BOPD

Exploration Drilling #8 Navajo

A-23-32N-18W

IP 96 BOPD

Exploration Drilling #11 Navajo

B-23-32N-18W

IP 87 BOPD

Texas Pacific Coal & Oil #2 Navajo Tribal "C"

H-23-32N-18W

IP 89 BOPD

Exploration Drilling #7 Navajo

E-24-32N-18W

IP 96 BOPD

Exploration Drilling #12 Navajo

F-24-32N-18W

IP 8 BOPD

Texas Pacific #1 Navajo Tribal "C"

L-24-32N-18W

IP 92 BOPD

~~XXXXXXXXXXXXXXXXXXXX~~

Texaco, Inc. #4 Astec Navajo "A"

B-25-32N-18W

IP 8 BOPD

Texaco, Inc. #5 Astec Navajo "A"

C-25-32N-18W

IP 5 BOPD

(C) Extend the Tapacito-Pictured Cliffs Pool
boundary in Rio Arriba Count y,
New Mexico, to include therein:

✓ TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPL.

Section 6: SW/4

Section 7: NW/4

✓ TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPL.

Section 5: NW/4

Section 6: NE/4

Based on:

Consolidated #1-6 Tribal "C"

M-6-26N-3W

AOB 3180 MCFPD: SICP 904#/ 7 days

EPNG #62 SJU 27-5

A-6-27N-5W

AOB 922 MCFPD: SICP 1030#/11 days

(d) Extend the Puerto Chiquito-Gallup Oil Pool
boundary in Rio Arriba Count Y,
New Mexico, to include therein:

✓ TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPL,
Section 5: NW/4
Section 6: SE/4 NE/4

Based on:

R. L. Bayless #1-X Nijo
F-5-26N-1E
IP 8 BOPD

R. L. Bayless #1 Bernie
H-6-26N-1E
IP 35 BOPD

Recommendation for the Northwest Nomenclature Case, May 16, 1962:

- (a) Create a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Gallup production, designated as the Lybrook-Gallup Oil Pool and described as:

TOWNSHIP 23 NORTH, RANGE 7 WEST, N14PM

Section 2: S/2

Section 4: SW/4

Section 9: N/2 and SE/4

Section 10: All

Section 11: All

Section 14: N/2 NE/4

Section 15: N/2 NW/4

based on:

DISCOVERY WELL:

Dr. Sam G. Dunn #1 Dunn

M-10-23N-7W

IP 47 BOPD

Completed 11-14-56

Top Perf. 5597'.

Jacob I. Smith #2 State

K-2-23N-7W

IP 38 BOPD

Jacob I. Smith #1 State

O-2-23N-7W

IP 208 BOPD

Eco, Inc. #2-4 Campos

K-4-23N-7W

IP 318 BOPD

Reese & Assoc. #1-9 Benn

H-9-23N-7W

IP 288 BOPD

Southern Union Prod. #1 Dunn

F-9-23N-7W

IP 20 BOPD

Eco, Inc. #1-10 Campos

J-10-23N-7W

IP 336 BOPD

Reese & Assoc. #1-11 Van Denburgh

M-11-23N-7W

IP 334 BOPD

Eco, Inc. #1-14 Nancy D.

B-14-23N-7W

IP 110 BOPD

Eco, Inc. #1-15 Betty F.

C-15-23N-7W

IP 90 BOPD

- (b) Create a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, designated as the Mesa-Gallup Oil Pool and described as:

TOWNSHIP 32 NORTH, RANGE 10 WEST, N.M.P.M.

Section 14: W/2 SE/4

Section 23: NE/4

Section 24: W/2

Section 25: NW/4 NE/4 and NE/4 NW/4

based on:

DISCOVERY WELL

Exploration Drilling #3 Navajo

N-24-32N-18W

IP 49 BOPD

Completed 3-15-61

Top Perf. 1110'

Exploration Drilling #4 Navajo

J-14-32N-18W

IP 6 BOPD

Exploration Drilling #8 Navajo

A-23-32N-18W

IP 96 BOPD

Exploration Drilling #11 Navajo

B-23-32N-18W

IP 87 BOPD

Texas Pacific Coal & Oil #2 Navajo Tribal "C"

H-23-32N-18W

IP 89 BOPD

Exploration Drilling #7 Navajo

E-24-32N-18W

IP 96 BOPD

Exploration Drilling #12 Navajo

F-24-32N-18W

IP 8 BOPD

Texas Pacific C and O #1 Navajo Tribal "C"

L-24-32N-18W

IP 92 BOPD

Texaco, Inc. #4 Aztec Navajo "A"

B-25-32N-18 W

IP 8 BOPD

Texaco, Inc. #5 Aztec Navajo "A"

C-25-32N-18W

IP 5 BOPD

- (c) Extend the Tapacito-Pictured Cliffs Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST, N.M.P.M.

Section 6: SW/4

Section 7: NW/4

TOWNSHIP 27 NORTH, RANGE 5 WEST, N.M.P.M.

Section 5: NW/4

Section 6: NE/4

-3-
Case No. 2563

based on:

Consolidated Oil & Gas #1-6 Tribal "C"

N-6-26N-3W

AOB 3180 MCFPD; SICP 904#/7 days

EPNG #62 SJU 27-5

A-6-27N-5W

AOB 922 MCFPD; SICP 1030#/11 days

(d) Extend the Puerto Chiquito-Gallup Oil Pool boundary in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPM

Section 5: NW/4

Section 6: SE/4 NE/4

based on:

R. L. Bayless #1-X Hijo

F-5-26N-1E

IP 8 BOPD

R. L. Bayless #1 Bernie

H-6-26N-1E

IP 35 BOPD

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
High School Auditorium
1300 East Scharbauer
Hobbs, New Mexico

May 16, 1962

REGULAR HEARING

PAGE 1

IN THE MATTER OF:

Northwestern New Mexico nomenclature case
calling for an order creating new pools and
extending certain existing pools in Rio
Arriba and San Juan Counties, New Mexico.

CASE NO.
2563

BEFORE: Edwin L. Mechem, Governor
E. S. "Johnny" Walker, Land Commissioner
A.L. "Pete" Porter, Secretary-Director of Commission

TRANSCRIPT OF HEARING

MR. MORRIS: Case No. 2563, Northwestern New Mexico
nomenclature case.

A. R. KENDRICK,

having been first duly sworn, was examined and testified as fol-
lows:

DIRECT EXAMINATION

BY MR. MORRIS:

Q State your name and position, please.

A A. R. Kendrick, engineer for the Oil Commission.

Q Where are you located?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

Aztec, New Mexico

Q Are you prepared today to recommend to the Commission certain new pools being created and existing pools being extended in Rio Arriba and San Juan Counties, New Mexico?

A Yes.

Q And have you prepared an exhibit which refreshes your recollection?

A Yes.

Q And how have you designated that exhibit?

(Exhibit No. 1 marked for identification)

A Exhibit 1, Case No. 2563.

Q You are referring to Paragraph (a) of that Exhibit No. 1. What is your recommendation for the creation of a new pool for Gallup production?

A That a new pool be created, designated as the Lybrook-Gallup Oil Pool based on the discovery well in Section 10, Township 23 North, Range 7 West, NMPM. The initial potential is 47 barrels per day. Completed November 11, 1956. Top perforation at 5597 feet. Vertical limits of the pool to be the Gallup formation.

Q Are the horizontal limits of the pool to be as described in Paragraph (a) of Exhibit No. 1?

A Yes.

Q Mr. Kendrick, I note quite a bit of acreage is being taken into this new oil pool. Would you offer any enlightenment



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

on that point?

A Recently the further development has proceeded in the area and there are now ten wells in that area.

Q Where is that pool with respect to the Puerto Chiquito-Gallup oil pool? Is it in the same general area?

A No.

Q Referring to Paragraph (b) of your exhibit, what is your recommendation concerning the creation of a new pool for Gallup production?

A That a new pool be designated as Mesa-Gallup Oil Pool based on the discovery well, drilled by Exploration Drilling Company, Section 24, Township 32 North, Range 18 West, NMPM. The initial potential is 49 barrels per day. Completed August 15, 1961. Top perforation 1110 feet. Vertical limits being the Gallup formation. Horizontal limits described in Paragraph (b) on the docket of this case and on Exhibit 1.

Q How many wells do we have in that pool now?

A Ten wells.

Q And this is the Gallup pool, is that somewhere near Puerto Chiquito-Gallup?

A No, it is immediately northwest of the Horseshoe-Gallup Oil Pool.

Q Referring to Paragraph (c) of your exhibit, what is your recommendation concerning the extension of the Tapacito-Pictured Cliffs Pools?



A That is to be extended as shown in Paragraph (c) of this case based on two wells completed in that area.

Q What is your recommendation concerning extension of the Puerto Chiquito-Gallup oil pool?

A That the pool be extended as shown in Paragraph (d) of this exhibit.

Q Anything further you would like to add, Mr. Kendrick?

A No.

MR. MORRIS: I offer Exhibit No. 1 in Case 2563 and that concludes the direct examination.

MR. PORTER: The exhibit may be admitted to the record.

(Whereupon Exhibit No. 1
admitted in evidence.)

MR. PORTER: Any questions of Mr. Kendrick?

(No response.)

Nothing further to be offered in this case, we will take it under advisement.

The Hearing is adjourned.

* * * *

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

I, JAMES MALONEY, NOTARY PUBLIC in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

James Maloney
NOTARY PUBLIC

My Commission Expires:

April 12, 1966

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