

2728

him, Transcript,
Exhib. Etc.

Memo

From

E. C. Arnold,
Supervisor & Oil & Gas Inspector

4-5-63

To Mr. [unclear]

Standard Oil of Texas

Delivered this letter here this morning. I believe you granted an extension to April 7, pending receipt of a waiver letter.

From Fort & Barsump, I presume you can now grant the 30 day extension as requested.

Erving

PIPE LINES - HAULING
EARTH MOVING
WATER & SEWER LINES
EQUIPMENT RENTALS

TELEPHONES
OFFICE DAVIS 5-3712
WAREHOUSE DAVIS 5-2415

Foutz & Bursum Construction Company, Inc.
GENERAL CONTRACTORS

Box 387
FARMINGTON, NEW MEXICO

March 30, 1963

Standard Oil Company of Texas
Drawer 5
Bonahan, Texas

Attention: Mr. S. J. Mathews, Jr.

Re: Case 2725 MCCC

Gentlemen:

In line with your request for a 30 day extension on the interference tests under the above case, we are pleased to concur.

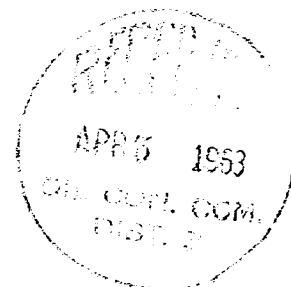
We are interested in the results of this test and would like to receive the final information.

Very truly yours,

Foutz & Bursum Construction Co., Inc.

By: L. C. Lumpkins
L. C. Lumpkins, Secretary-Treasurer

LCL:vl



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 2, 1963

C
O
P
Y

Standard Oil Company of Texas
Drawer "S"
Monahans, Texas

Attention: Mr. S. J. Mathews

Gentlemen:

Reference is made to your letter of March 29, 1963, wherein you have requested a 30-day extension to the 90-day pressure interference tests and allowable transfer authorized for your Jicarilla 4-26 Lease, Boulder-Mancos Pool, Rio Arriba County, New Mexico, by Commission Order No. R-2409.

Inasmuch as written consent has not been received from one offset operator, Foutz and Bursum, we do not feel a 30-day extension should be issued at this time. A one-week extension through April 7, 1963, is, however, hereby authorized with the provision that the allowable transfer will be extended through April 30 provided written consent to such transfer by Foutz and Bursum is received by the Aztec District Office of the Commission prior to expiration of the 7-day period.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/DSN/og

cc: Mr. Emery Arnold
Oil Conservation Commission
Aztec, N. Mex.

Case 100-725

STANDARD OIL COMPANY OF TEXAS

Drawer "S"
Monahans, Texas
March 29, 1963

1963 APR 1 AM 8 10
FIDE CCC

NEW MEXICO OIL CONSERVATION COMM.
CASE 2725, ORDER NO. R-2409
APPLICATION FOR 30 DAY EXTENSION

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

Dear Sir:

Standard Oil Company of Texas, A Division of California Oil Company, respectfully requests a 30 day extension of Order No. R-2409. This order permitted Standard Oil Company of Texas to conduct pressure interference tests for a ninety day period beginning January 1, 1963, on its' Jicarilla 4-26 Lease, Section 26, Township 28 North, Range 1 West, NMPM, Boulder Mancos Gallup Field, Rio Arriba County, New Mexico, in order to obtain information concerning reservoir characteristics of the Boulder Mancos Gallup Field. The order further stated that a maximum ninety day extension could be obtained through administrative order provided the offset operators were in agreement.

The interference test has progressed on schedule with a pressure interference of approximately 4 psi per 14 days being recorded for six weeks. On March 14 the rate of pressure interference suddenly increased to 8 psi per 14 days. The 30 day extension is requested to permit Standard Oil Company of Texas to collect additional data necessary to interpret this sudden increase in interference.

The Jicarilla 4-26 Lease is offset to the north by Socony-Mobil Oil Company and to the west by Foutz and Bursum. Attached is a letter from Socony-Mobil Oil Company stating that they do not object to our request. Mr. J. L. Foutz of Foutz and Bursum was contacted March 22, 1963. In the ensuing conversation Mr. Foutz gave verbal approval of the requested 30 day extension and stated that he would so advise by letter; however, to date his letter has not been received.

Since time is of essence, it is requested that 30 day extension be granted with the provision that Mr. Foutz's written approval will be forwarded when received.

Mr. A. L. Porter, Jr.
Page 2
March 29, 1963

Thank you for your consideration of this matter.

Very truly yours,

S. J. Mathews, Jr.
S. J. Mathews, Jr.
District Superintendent

WHA:jd

cc: Mobil Oil Company
10737 So. Shoemaker Road
Santa Fe Springs, California

Mr. J. L. Foutz
Foutz and Bursum
P. O. Box 307
Farmington, New Mexico

New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico



Mobil Oil Company

A Division of Socony Mobil Oil Company, Inc.
10737 SO. SHOEMAKER ROAD, SANTA FE SPRINGS, CALIF.

March 22, 1963

RECEIVED
MAR 27 1963
WARD - HOBBS

Standard Oil Company of Texas
Drawer 5
Monahan, Texas

Attention: Mr. S. J. Mathews, Jr.

NEW MEXICO OIL CONSERVATION COMMISSION
CASE 2725, ORDER NO. R-2409
APPLICATION FOR 30 DAY EXTENSION

Gentlemen:

In accordance with paragraph 3 of the subject order, you have requested the consent of Socony-Mobil Oil Company, an offset operator, to a 30 day extension of the order. This extended time will enable you to complete interference tests in the Boulder Mancos pool. Please be advised that we do not object to this extension.

We are very much interested in this test and trust that the results will be made available to us.

Very truly yours,

H. H. Carrick, Jr.
Santa Fe Springs District
Producing Superintendent

FMBurback/ds

cc: New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

State of New Mexico
Oil Conservation Commission

P. O. BOX 871
SANTA FE
January 16, 1963

Re: Case No. 2725
Order No. R-2409
Applicant:
Standard Oil Company of Texas

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. Porter, Jr.

OTHER _____

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. 2725
Order No. R-2409

APPLICATION OF STANDARD OIL COMPANY
OF TEXAS FOR ALLOWABLE TRANSFER, RIO
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 3, 1963, 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 16th day of January, 1963, 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, Standard Oil Company of Texas, proposes to conduct pressure interference tests on its Jicarilla 4-26 Lease, Section 26, Township 28 North, Range 1 West, NMPM, Boulder-Mancos Pool, Rio Arriba County, New Mexico, in order to obtain information concerning reservoir characteristics of the Boulder-Mancos Pool.

(3) That the applicant seeks authority to shut-in its Well No. 4 located in the SE/4 NW/4 of said Section 26 and to produce its allowable of 70 barrels of oil per day in equal proportions from applicant's Jicarilla 4-26 Well No. 2 located in the NW/4 NE/4 of said Section 26 and applicant's Jicarilla 4-26 Well No. 3 located in the NW/4 SE/4 of said Section 26.

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

(5) That approval of the subject application will afford the applicant an opportunity to gather valuable reserve information and will, therefore, be in the interest of conservation.

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CASE No. 2725
Order No. R-2409

(6) That the subject application should be approved for a 90-day period, beginning January 1, 1963, and that the Secretary-Director should be authorized to grant administrative approval for extension of the 90-day period provided application has been filed showing good cause therefor, and provided all offset operators have consented in writing to such extension of time.

IT IS THEREFORE ORDERED:

(1) That Standard Oil Company of Texas is hereby authorized to shut-in its Jicarilla 4-26 Well No. 4 located in the SE/4 NW/4 of Section 26, Township 28 North, Range 1 West, NMPM, Boulder-Mancos Pool, Rio Arriba County, New Mexico, in order to conduct pressure interference tests on said well, and to produce its allowable of 70 barrels of oil per day in equal proportions from the Jicarilla 4-26 Well No. 2 located in the NW/4 NE/4 of said Section 26 and the Jicarilla 4-26 Well No. 3 located in the NW/4 SE/4 of said Section 26.

(2) That this order shall be effective January 1, 1963, and shall terminate ipso facto 90 days therefrom unless administrative approval of an extension of time is granted by the Secretary-Director.

(3) That the Secretary-Director is hereby authorized to grant administrative approval of an extension of the 90-day period approved by this order for an additional period of time not to exceed 90 days, provided application has been filed showing good cause therefor, and provided all offset operators have consented in writing to such extension of time.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

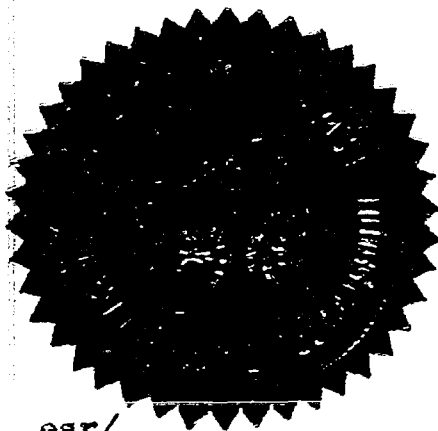
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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



esr/

STANDARD OIL COMPANY OF TEXAS

A DIVISION OF CALIFORNIA OIL COMPANY
P. O. BOX 1249 • HOUSTON 1, TEXAS

November 20, 1962

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. Dan Nutter

Gentlemen:

Standard Oil Company of Texas, a Division of California Oil Company, is operator of the Jicarilla 4-26 lease (Boulder-Mancos Pool), located in Section 26, Township 28 North, Range 1 West, Rio Arriba County, New Mexico. This lease presently has four wells producing and two wells being completed.

It is proposed to conduct interference tests on this lease to assist in planning an optimum development pattern for the pool. It is planned to shut in Well No. 4 and record its pressure performance while producing Well No. 2 and Well No. 3. The attached plat shows the wells involved.

It is anticipated that these tests will require considerable time. Therefore, it is requested that, effective December 1, 1962, the allowable for Well No. 4 be transferred to other wells on the same lease for a period of ninety (90) days. It is requested that the allowable for Well No. 4 be divided equally between Well No. 2 and Well No. 3 during this period.

Approval of this request will provide sufficient time to conduct the desired tests and will result in a more efficient operation of this lease.

Yours very truly,

C. N. Segnar
C. N. Segnar
Chief Engineer

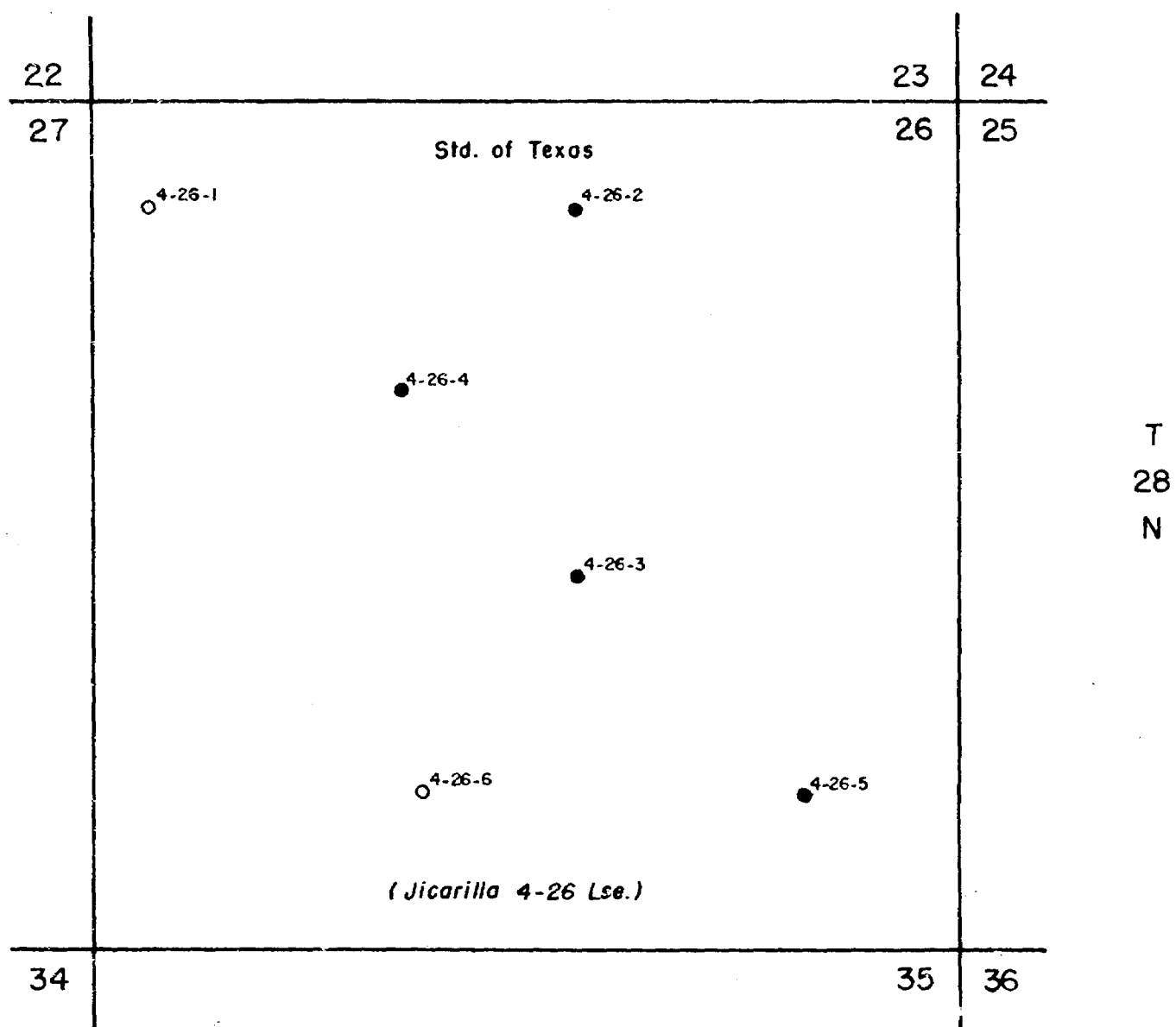
EOH:ja
Attachment

DOCKET MAILED

Date 12/21/62
BB

R-I-W

Page 2725



Standard Oil Company of Texas
Jicarilla 4-26 Lease
Boulder-Mancos Field
Rio Arriba County, N.M.
Scale: 1"=1000'

No. 1-63

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1963

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, as alternate examiner:

CASE 2724: Application of Skelly Oil Company for a dual completion,
Eddy County, New Mexico. Applicant, in the above-styled
cause, seeks authorization for the dual completion
(conventional) of its Dow "B" Well No. 21, located in Unit
I of Section 21, Township 17 South, Range 31 East, Eddy
County, New Mexico, to produce oil from the Fren and Gray-
burg-Jackson Pools through parallel strings of tubing.

CASE 2725 Application of Standard Oil Company of Texas for allowable
transfer, Rio Arriba County, New Mexico. Applicant, in
the above-styled cause, seeks authority to conduct pressure
interference tests on its Jicarilla 4-26 lease, Section 26,
Township 28 North, Range 1 West, Boulder-Mancos Pool, Rio
Arriba County, New Mexico. Applicant proposes to shut-in
Well No. 4 and produce its allowable equally from Wells
Nos. 2 and 3.

CASE 2726: Application of Continental Oil Company for a dual completion,
San Juan County, New Mexico. Applicant, in the above-styled
cause, seeks authorization for the dual completion
(conventional) of its Rattlesnake Well No. 144, located in
Unit N, Section 2, Township 29 North, Range 19 West, as a
dual completion (conventional) to produce gas from the
Upper Pennsylvanian formation and oil from the Lower Pennsyl-
vanian formation, Rattlesnake Pennsylvanian Field, San Juan
County, New Mexico.

CASE 2727: Application of Continental Oil Company to establish special
rules and regulations, Lea County, New Mexico. Applicant,
in the above-styled cause, seeks the establishment of
special rules and regulations for the Oil Center-Blinebry
Pool in Township 21 South, Range 36 East, Lea County, New
Mexico, including a provision for 80-acre spacing units.

CASE 2728: Application of Continental Oil Company for commingling
authority, Lea County, New Mexico. Applicant, in the
above-styled cause, seeks authority to commingle the pro-
duction from the Drinkard, Tubb and Wantz Abo Oil Pools on
its J. H. Nolan lease with Blinebry Gas Pool liquids pro-

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Docket No. 1-63

duced on its J. H. Nolan Unit, Section 11, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 2729:

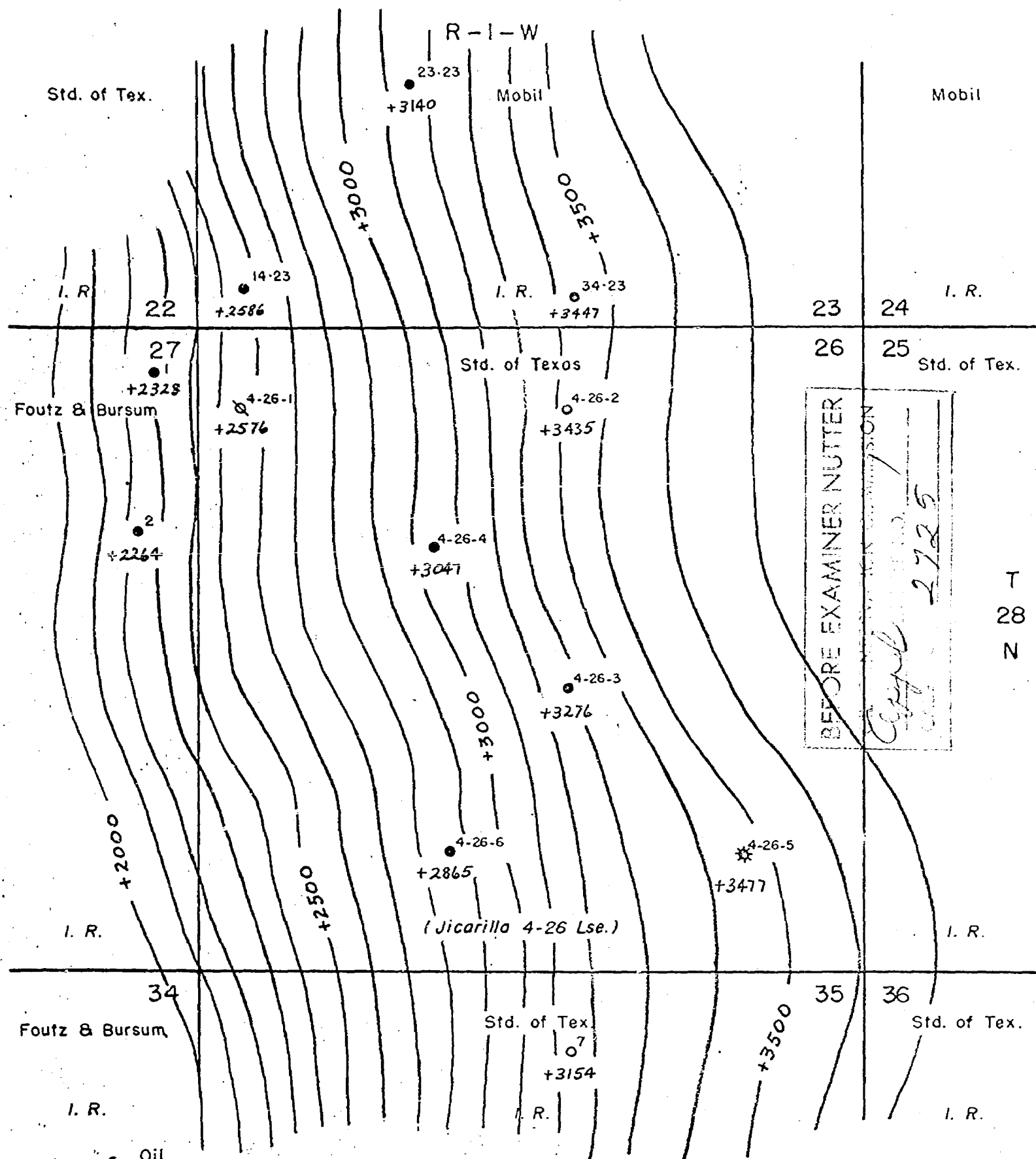
Application of Scanlon-Shepard for a waterflood project, Chaco Wash Oil Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Mesaverde formation through certain wells in Sections 21, 22, 27 and 28, Township 20 North, Range 9 West, McKinley County, New Mexico.

CASE 2716:

(Continued)

Application of Markham, Cone & Redfern for a multiple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the multiple completion of its Eubanks Well No. 3, located in Unit K, Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce a limited amount of gas from the Blinebry Gas Pool, oil from the Blinebry Oil Pool and oil from each of two pays in the Drinkard Pool. Separation of the four zones would be achieved by means of three packers.

lqg/



Standard Oil Company of Texas
 Jicarilla 4-26 Lease
 Boulder - Mancos Field
 Rio Arriba County, N.M.
 Scale: 1"=1000'

W A I V E R

Date 12-20-62

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Appl. EXHIBIT NO. 2
CASE NO. 2725

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

We have been advised that Standard Oil Company of Texas, a Division of California Oil Company, has requested permission to transfer the allowable from its Jicarilla 4-26 Well No. 4, Boulder-Mancos Pool, located in the SE/4 of NW/4 of Section 26, Township 28 North, Range 1 West, to its Jicarilla 4-26 Well Nos. 2 and 3, located in the NW/4 of the NE/4 of Section 26 and the NW/4 of the SE/4 of Section 26, respectively, both in Township 28 North, Range 1 West, for a period of ninety (90) days. It is our understanding that the transferred allowable will be divided equally between Well Nos. 2 and 3 and that the purpose of the allowable transfer is to conduct interference tests.

This is to advise that, as an offset operator, we hereby waive objection to this proposed allowable transfer.

Yours very truly,

SEELY OIL COMPANY

Raymond Seeling

W A I V E R

Date December 27, 1962

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

We have been advised that Standard Oil Company of Texas, a Division of California Oil Company, has requested permission to transfer the allowable from its Jicarilla 4-26 Well No. 4, Boulder-Mancos Pool, located in the SE/4 of NW/4 of Section 26, Township 28 North, Range 1 West, to its Jicarilla 4-26 Well Nos. 2 and 3, located in the NW/4 of the NE/4 of Section 26 and the NW/4 of the SE/4 of Section 26, respectively, both in Township 28 North, Range 1 West, for a period of ninety (90) days. It is our understanding that the transferred allowable will be divided equally between Well Nos. 2 and 3 and that the purpose of the allowable transfer is to conduct interference tests.

This is to advise that, as an offset operator, we hereby waive objection to this proposed allowable transfer.

Yours very truly,

MOBIL OIL COMPANY

By H. H. Lammick

W A I V E R

Date Dec. 14, 1962

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

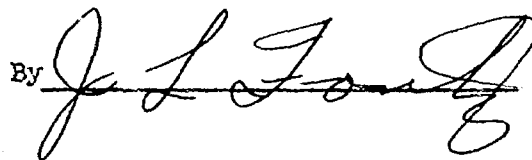
We have been advised that Standard Oil Company of Texas, a Division of California Oil Company, has requested permission to transfer the allowable from its Jicarilla 4-26 Well No. 4, Boulder-Mancos Pool, located in the SE/4 of NW/4 of Section 26, Township 28 North, Range 1 West, to its Jicarilla 4-26 Well Nos. 2 and 3, located in the NW/4 of the NE/4 of Section 26 and the NW/4 of the SE/4 of Section 26, respectively, both in Township 28 North, Range 1 West, for a period of ninety (90) days. It is our understanding that the transferred allowable will be divided equally between Well Nos. 2 and 3 and that the purpose of the allowable transfer is to conduct interference tests.

This is to advise that, as an offset operator, we hereby waive objection to this proposed allowable transfer.

Yours very truly,

FOLEY-BUNSUM

By



W A I V E R

Date 12-12-62

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

We have been advised that Standard Oil Company of Texas, a Division of California Oil Company, has requested permission to transfer the allowable from its Jicarilla 4-26 Well No. 4, Boulder-Mancos Pool, located in the SE/4 of NW/4 of Section 26, Township 28 North, Range 1 West, to its Jicarilla 4-26 Well Nos. 2 and 3, located in the NW/4 of the NE/4 of Section 26 and the NW/4 of the SE/4 of Section 26, respectively, both in Township 28 North, Range 1 West, for a period of ninety (90) days. It is our understanding that the transferred allowable will be divided equally between Well Nos. 2 and 3 and that the purpose of the allowable transfer is to conduct interference tests.

This is to advise that, as an offset operator, we hereby waive objection to this proposed allowable transfer.

Yours very truly,

P-M DRILLING COMPANY

By R. S. M. Carne

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 3, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Standard Oil Company of Texas for
allowable transfer, Rio Arriba County, New Mexico.) CASE 2725
Applicant, in the above-styled cause, seeks
authority to conduct pressure interference tests
on its Jicarilla 4-26 lease, Section 26, Township
28 North, Range 1 West, Boulder-Mancos Pool, Rio
Arriba County, New Mexico. Applicant proposes to
shut-in Well No. 4 and produce its allowable
equally from Wells Nos. 2 and 3.

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: Call Case 2725.

MR. DURRETT: Application of Standard Oil Company of
Texas for allowable transfer, Rio Arriba County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox,
Santa Fe, appearing for the Applicant. We have one witness I
would like to have sworn.

(Witness sworn.)

EDWARD O. HOLLOWAY

called as a witness, having been first duly sworn on oath, testi-
fied as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:



Q Will you state your name, please?

A Edward O. Holloway.

Q By whom are you employed and in what position?

A I am employed by Standard Oil Company of Texas in the Houston office, as a petroleum engineer.

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

A No, sir, I have not.

Q For the benefit of the Examiner, will you outline your experience as a petroleum engineer?

A I received a Bachelor of Science Degree in Petroleum Engineering from the University of Texas in 1945, and have been employed by Standard Oil Company of Texas since that time in various capacities of drilling engineer, production engineer; and have been employed in the Houston office in the Proration Section for the past 15 months, approximately.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q (By Mr. Kellahin) Are you familiar with the application of Standard Oil Company of Texas in Case 2725?

A Yes, I am.

Q Would you state briefly what is proposed by Standard in this case?

A Briefly, Standard is asking permission to transfer the allowable from the Jicarilla 4-26 Well No. 4 for a period of 90



days, in the Boulder-Mancos Field. We propose the transfer of allowable in equal portions to Wells No. 2 and 3 on the same lease, Jicarilla 4-26 Lease.

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

Q Referring to what has been marked Exhibit No. 1, will you identify that exhibit and discuss the information shown on it?

A Exhibit No. 1 is a contour map contoured on top of the Gallup formation, showing the Standard Oil Company of Texas Jicarilla 4-26 Lease and the offset leases. It will be noted that there are six wells on the Standard Oil Company of Texas Jicarilla 4-26 Lease. Well No. 1 is shown as a standing well. It has not been potentialized at this time. We are still making attempts to complete it as an oil well. Wells No. 2, 3, and 4, and 6, are oil wells. 2, 3, and 4 are top allowable wells. Well No. 6 is not a top allowable well. Well No. 4 is a shut-in gas well, and is, I believe, the only gas well in the Boulder-Mancos Pool at this time.

Q Are you familiar with the history of the development in this pool?

A Yes, I am.

Q Would you outline it briefly?

A The Boulder-Mancos Pool was discovered in January of 1961. It has been developed to this present time with 18 wells on the December 1 proration schedule, four of these operated by Standard Oil Company of Texas; other wells being operated by



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6591

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Foutz and Bursum, Mobil, Skelly, and P.M. Drilling Company.

The producing formation here is the Lower Mancos and the Upper Gallup, and the Standard completion procedure has been to set production casing somewhere above the top of the Gallup formation and to drill in with air, leaving approximately five or six hundred feet of open hole completion, setting 4-inch slotted liners and then placing the well on production.

This is sandy shale, fractured shale formation, and the recoverable oil is retained in the open fracture system rather than in the matrix itself, and we found that it's necessary for the well bore either to be in communication with the fracture system or through some sort of remedial work, fracture treatments, and so forth, to produce communication with the fracture system in order to get top allowable wells in this field.

In our attempts to determine the oil in place and various reservoir characteristics, we have tried various logs, the conventional logs tell very little quantitatively. We feel we can pick the tops of formations. Your standard porosity logs give no information. Core analysis is of no real value as far as determining porosity and permeability, because we don't know what these fractures look like through the reservoir; and so therefore, the only real method of determining or obtaining reservoir information in this pool is through material balance calculations, which require substantially more production history than we have at this time to be significant, or interference tests.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

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We're proposing at this time to run interference tests using the Wells 2, 3, and 4, in an attempt to obtain some significant reservoir information that will be helpful to us in further developing the pool.

Q Will your Well No. 5, the gas well, be involved in these tests, too?

A Yes, it will. Our proposed procedure is to shut-in,-- as I said before, the Well No. 5 is shut-in. We have no market for the gas at this time. We'll shut-in Wells 2, 3, and 4, and take a build-up pressure in Well No. 4 until we obtain static conditions in all wells. Then at the same time we will take a tubing pressure measurement, using a dead weight tester at Well No. 5. We will then place Wells 2 and 3 on production at their transferred allowable rate of approximately 105 barrels of oil per day, and we will run bottom hole pressure bomb in Well No. 4 at various intervals to determine what effect, if any, the producing of the Wells 2 and 3 is having on the bottom hole pressure of Well No. 4. We propose to carry out this procedure for 90 days or until such time as we have received significant information.

Q Do you believe you can obtain the information required within the 90 days?

A We hope so. We feel that if we don't obtain any information in 90 days, that the test will be of little value anyway. We hope to obtain significant information in that period.

Q Assuming that the Commission will approve this application,



what effective date do you request on the order?

A We would like to have the order effective January 1st, 1963.

Q Are the wells presently shut-in?

A The wells are presently shut-in to reach stabilized conditions.

Q That commenced on January 1st, is that correct?

A That is correct.

Q Have you obtained waivers from all the operators in the Pool?

A Yes, we have waivers from all the operators in the Field.

(Whereupon, Applicant's Exhibit No. 2 marked for identification)

Q Referring to what has been marked as Exhibit No. 2, does that consist of the waivers to which you just referred?

A Yes. We have waivers executed by Skelly, Mobil Oil Company, and Foutz and Bursum, and P.M. Drilling Company, the other operators in the Field, in which they state they understand the proposal, that Standard of Texas proposes to transfer the allowable for a period of 90 days from Well No. 4 in equal portions to Wells 2 and 3, and for the purpose of conducting interference tests; and they state they have no objection to this proposal.

Q Do you have logs of the wells that are involved in this test?

A Yes, we have induction electric logs on Wells 2, 3,



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1122

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

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and 4.

(Whereupon, Applicant's Exhibits
Nos. 3, 4, and 5 marked for
identification.)

A The Exhibits marked as 3, 4, and 5 are induction elec-
tric logs on Wells 2, 3, and 4 in the Jicarilla 4-26 Lease,
Boulder-Mancos Pool.

Q What information is marked on those?

A Those logs are marked showing the tops of the Mancos
and Gallup formations.

Q Were Exhibits 1, 3, 4, and 5 prepared by you or under
your supervision?

A Yes, they were.

Q The Exhibit 2 waivers were received by your company
in connection with this case?

A Yes, sir, that is correct.

MR. KELLAHIN: I would like to offer at this time
Exhibits 1 through 5, inclusive.

MR. NUTTER: Standard's Exhibits 1 through 5 will
be admitted in evidence.

(Whereupon, Applicant's Exhibits
1 through 5 admitted in evidence.)

MR. NUTTER: I can't find the pay on those logs.

A They should be marked.

MR. NUTTER: I mean on the curves.

A We can't either. That's what we're looking for.

MR. KELLAHIN: That's all the questions I have, Mr.



Nutter.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Holloway, you say that the No. 2, 3, and 4 are top allowable wells at the present time?

A Yes.

Q What is top allowable?

A Seventy barrels per day.

Q So the No. 2 and 3 would each receive half of the 70, or a maximum of 105 barrels per day for 90 days?

A Yes, sir.

MR. NUTTER: Any other questions?

A I might point out at this time that the Well No. 4 from which we propose to transfer the allowable is a low gas-oil ratio well. We have recently filed a gas-oil ratio report, and the gas-oil ratio on the well was 373 cubic feet per barrel, so that it is a top allowable, low ratio well and will receive no advantage by transferring the allowable.

Q (By Mr. Nutter) To what do you attribute the fact that the No. 5 is a gas well, the high structural position?

A We're not sure at this time. We hadn't established any contacts in the field, either gas or water contacts, until we completed this well as a gas well. It is higher structurally, which possibly explains it, but we feel that there is a possibility that the Well No. 5 is separated from the other wells in the



reservoir, and that's one of the things that we hope to get some information on in conducting these tests, since we are taking pressure measurements on Well No. 5.

Q You'll be watching the pressure in it, too?

A Yes. It is a dry gas production, so we're not running a bomb in the well, since surface measurements should be satisfactory.

MR. NUTTER: Any other questions of Mr. Holloway? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all.

MR. NUTTER: Anyone have anything they wish to offer in Case 2725? We'll take the case under advisement.

* * * *

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

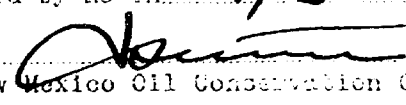
WITNESS my Hand and Seal this 21st day of January, 1963.


NOTARY PUBLIC

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's case No. 2725
heard by me on 1/3 1963.


Examiner
New Mexico Oil Conservation Commission

