



Case No.

1613

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Application, Transcript,  
Small Exhibits, Etc.

**BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO**

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

**CASE NO. 1613  
Order No. R-1351**

**APPLICATION OF BRITISH AMERICAN OIL  
PRODUCING COMPANY FOR AN UNORTHODOX  
GAS WELL LOCATION FOR A WELL IN AN  
UNDESIGNATED DAKOTA GAS POOL, SAN  
JUAN COUNTY, NEW MEXICO**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on March 11, 1959, 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 11<sup>th</sup> day of March, 1959, 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, British American Oil Producing Company, is the owner and operator of the Fullerton Well No. 5, located 660 feet from the North line and 1990 feet from the East line of Section 15, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the above-described well was drilled to the Dakota formation on an unorthodox location through good faith error.

(4) That the applicant requests approval for said unorthodox location.

(5) That no offset operator objected to the subject application.

(6) That the subject application should be approved.

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Case No. 1613

Order No. R-1351

IT IS THEREFORE ORDERED:

That the unorthodox gas well location of the applicant's Fullerton Well No. 5 in an undesignated Dakota gas pool at a point 880 feet from the North line and 1980 feet from the East line of Section 15, Township 27 North, Range 11 West, NMPN, San Juan County, New Mexico, be and the same is hereby approved.

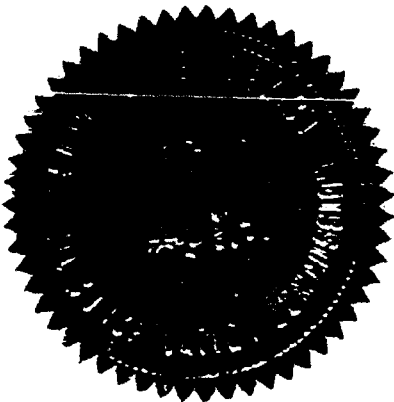
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughes*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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



ir/

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  
NL = Night Letter  
LT = International Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

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DAN NUTTER=

NEW MEXICO OIL CONSERVATION COMMISSION PHONE 37376

SANTA FE NMEX=

OUR DENVER OFFICE INFORMS US THAT VERBAL APPROVAL WAS GIVEN AT MARCH 11 EXAMINER HEARING FOR PRODUCING FULLERTON FIVE SECTION 15 TOWNSHIP 27 NORTH RANGE 11 WEST SAN JUAN COUNTY NEW MEXICO. SEE CASE 1613. GAS PURCHASER REQUIRES VERIFICATION BEFORE PUTTING WELL ON PRODUCTION. VERIFICATION BY COLLECT WESTERN UNION WOULD BE APPRECIATED=

BRITISH AMERICAN OIL PRODUCING CO N R STONE==

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1613

TRANSCRIPT OF HEARING

MARCH 11, 1959

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
MARCH 11, 1959

-----  
IN THE MATTER OF: :

CASE 1613: Application of British American Oil Pro- :  
ducing Company for an unorthodox gas well: :  
location. Applicant, in the above-styled: :  
cause, seeks an order authorizing an un- :  
orthodox gas well location in an undesig- :  
nated Dakota gas pool for its Fullerton :  
Well No. 5, located 660 feet from the :  
North line and 1980 feet from the East :  
line of Section 15, Township 27 North, :  
Range 11 West, San Juan County, New :  
Mexico. :  
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BEFORE:

Daniel S. Nutter, Examiner

T R A N S C R I P T     O F     P R O C E E D I N G S

MR. NUTTER: Take up Case 1613.

MR. PAYNE: Case 1613. Application of British  
American Oil Producing Company for an unorthodox gas well loca-  
tion.

MR. ERREBO: I am Burns Errebo with Modrall, Sey-  
mour, Sperling, Roehl & Harris, Albuquerque, appearing on behalf  
of British American Oil Producing Company. We have one witness.

(Witness sworn)

H. N. RHODES

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

follows:

DIRECT EXAMINATION

BY: MR. ERREBO:

Q State your name, by whom you are employed, and in what capacity.

A My name is H. N. Rhodes. I am employed by the British American Oil Producing Company in the capacity of staff petroleum engineer for the Northwestern District.

Q Approximately how long have you had experience as a petroleum engineer?

A I have six years of professional experience.

Q Are you a registered engineer in the State of New Mexico?

A I am.

Q I'll ask you to refer to a plat which was attached to the application and identified as Exhibit A, and ask you to identify the well and the location of the well which is the subject of this application?

A The well in question here is British American Oil Producing Company Fullerton No. 5, located 660 feet from the North line and 1,980 feet from the East line of Section 15, Township 27 North, Range 11 West, San Juan County, New Mexico.

Q Will you please give the formation in which this well is presently completed, the depth and the completion date, approximate completion date?



A The total depth on this well is 6,794 feet, from the Kelly Burk, the perforations are in the interval 6,627 to 6,640 feet according to the Schlumberger log, and the well is capable of producing gas in commercial quantities from the Dakota sandstone in an undesignated Dakota Pool.

Q And the completion date on that, would you give that?

A The well was perforated on January the 28th, 1959. The first potentials were taken on January the 30th, 1959.

Q Mr. Rhodes, are you familiar with the Commission's statewide Rule 104?

A Yes, sir, at the moment I am very familiar with it.

Q Is it your opinion that this well is presently classified as a wildcat well within the meaning and intent of those Rules?

A Under my interpretation of Rule 104, Section 1, subparagraph A, the last sentence, this well should be classified as a wildcat well.

Q Now, Mr. Rhodes, will you please explain the circumstances and the drilling of this well?

A This well was originally recommended for drilling in the location at which it was eventually started..

Q What was that location?

A That was in the northwest northeast of Section 15.

Q That's in the center of that quarter quarter section?

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A The original recommendation did not call for any footage location. We just merely wanted to drill it in the north-west northeast.

Q Now, in locating that well, what Rules did you refer to, Mr. Rhodes?

A The Rules which were available in the Denver office of the British American Oil Producing Company were dated January 1st, 1956. Now, along with this copy of the Rules and Regulations of the aforementioned date we had a complete file of Commission's orders which we received to amend those Rules. In August of 1956 the Commission entered Order R-855, which amended paragraphs A, B, D and F of Rule 104 as set out in our copy of the Rules and Regulations dated January 1st, 1956. Due to inadvertence and clerical error, this Order R-855 was not entered in our amendment file, and as a result it was not available to those personnel whose job it was to check the Rules and Regulations to make certain that the well was properly located.

Q In other words, then, this well was located from Rules which were no longer in effect --

A That's correct.

Q -- at the time the well was drilled. When did you first become aware that this well was drilled off location?

A We were notified by our Farmington Field office that the New Mexico Oil Conservation Commission could not approve our Form C-110. This notification came, oh, approximately the

15th of February, and receipt of this notification was the first indication that we had of an improper location.

Q Now, I think you previously stated that the El Paso Frontier No. 1 B Bolack is approximately 4100 feet from this well, is that correct?

A That is correct.

Q Are there any other wells completed in the Dakota on any offset leases, so far as you know?

A So far as I know, there are none.

Q Do you foresee any violation of correlative rights if the Commission grants this application for an extension to the Rules so far as the location of this well is concerned?

A No, I do not.

MR. ERREBO: I believe that's all I have, Mr. Examiner.

MR. NUTTER: Are there any questions of Mr. Rhodes?

#### CROSS EXAMINATION

BY: MR. NUTTER:

Q Mr. Rhodes, is the well currently shut in?

A The well is currently shut in.

Q What acreage will be dedicated to the well, Mr. Rhodes?

A As I understand, it will be necessary to dedicate 320 acres to that well, and in all probability, we will dedicate the entire east half of Section 15.

MR. NUTTER: Are there any further questions of Mr. Rhodes? If not, he may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1613? We will take the case under advisement.

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, J. A. TRUJILLO, 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 in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

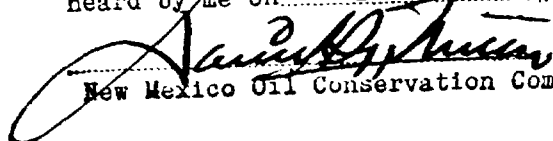
WITNESS my Hand and Seal this, the 17<sup>th</sup> day of February, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Notary Public

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1613 heard by me on 3-11, 1959.

 Examiner  
New Mexico Oil Conservation Commission

6800 16/18

LAW OFFICES OF  
**MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS**

J. R. MODRALL  
AUGUSTUS T. SEYMOUR  
JAMES E. SPERLING  
JOSEPH E. ROEHL  
GEORGE T. HARRIS  
DANIEL A. SISK  
DEAN P. KIMBALL  
LELAND S. SEDBERRY  
BURNS H. ERREBO  
ALLEN C. DEWEY

SIMMS BUILDING  
P. O. BOX 486  
**ALBUQUERQUE, NEW MEXICO**  
TELEPHONE CHAPEL 3-4514

JOHN F. SIMMS (1885-1954)

March 11, 1954

Oil Conservation Commission  
Mabry Hall  
State Capitol  
Santa Fe, New Mexico

Re: Application of The British-American Oil  
Producing Company for Approval of the  
Unorthodox Location of its Fullerton  
No. 5, completed as a Dakota gas well,  
San Juan County, New Mexico.

Gentlemen:

Enclosed is our Application for approval of an unorthodox  
well location for The British-American Oil Producing Company's  
Fullerton No. 5, which is a Dakota gas well located in an un-  
designated field in San Juan County, New Mexico.

We understand that this case will be set for hearing on  
the March 11 hearing docket.

Very truly yours,

MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS



Burns H. Errebo

BHE:mbsf  
Enclosure

Case 1613

LAW OFFICES OF  
**MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS**

SIMMS BUILDING  
P. O. BOX 466

**ALBUQUERQUE, NEW MEXICO**

TELEPHONE CHAPEL 3-4514

JOHN F. SIMMS (665-1954)

J. R. MODRALL  
AUGUSTUS T. SEYMOUR  
JAMES E. SPERLING  
JOSEPH E. ROEHL  
GEORGE T. HARRIS  
DANIEL A. SISK  
DEAN P. KIMBALL  
LELAND S. SEGBERRY  
BURNS H. ERREBO  
ALLEN C. DEWEY

February 20, 1959

Mr. Oliver Payne, Attorney  
New Mexico Oil Conservation Commission  
125 Mabry Hall  
Capitol Building  
Santa Fe, New Mexico

Dear Ollie:

Enclosed is The British-American Oil Producing Company's Application for an unorthodox well location for its Fullerton No. 5 located in San Juan County, New Mexico, which I talked to you about the other day.

In reading the rules I find no requirement that notice be given to offset operators other than that notice given through publication by the Commission. If actual notice is required to be given, however, I would appreciate your telephoning me at my expense.

Very truly yours,

MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

*Burns*

Burns H. Errebo

BH:mbf  
Enclosure

*checked mailed  
2-25-59  
B P*

DOCKET: EXAMINER HEARING MARCH 11, 1959

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

The following cases will be heard before Daniel S. Nutter, Examiner

CASE 1610: Application of Wood River Oil & Refining Company, Inc., for an order authorizing a pilot water flood project, for capacity allowables for wells in said project, and for approval of five unorthodox locations. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Rhodes Pool in Lea County, New Mexico. Applicant proposes to inject water into the Lower Yates formation through six wells located in Section 35, Township 26 South, Range 37 East. Applicant also seeks approval of unorthodox locations for five of its proposed injection wells. Applicant further seeks capacity allowables for wells within the project.

CASE 1611: Application of Texas Pacific Coal & Oil Company for three non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing the following non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico.

(1) A 320-acre non-standard gas proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 36 East, to be dedicated to applicant's State "A" a/c-1 Well No. 2 located in the NW/4 SW/4 of said Section 21;

(2) A 240-acre non-standard gas proration unit consisting of the W/2 NW/4 of said Section 21 and the NE/4 of said Section 20 to be dedicated to applicant's State "A" a/c-1 Well No. 3 located in the SW/4 NW/4 of said Section 21;

(3) An 80-acre non-standard gas proration unit consisting of the E/2 NW/4 of said Section 21 to be dedicated to applicant's State "A" a/c-1 Wells 4 and 6 located respectively in the NE/4 NW/4 and the SE/4 NW/4 of said Section 21.

CASE 1612: Application of Santiago Oil & Gas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State No. 1-30 Well located 660 feet from the North line and 1980 feet from the East line of Section 30, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Upper-Pennsylvanian oil pool and the production of gas from an undesignated Devonian gas pool through parallel string of 2" tubing.

CASE 1613: Application of British American Oil Producing Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in an undesignated Dakota gas pool for its Fullerton Well No. 5, located 660 feet from the North line and 1980 feet from the East line of Section 15, Township 27 North, Range 11 West, San Juan County, New Mexico.



CASE 1614: Application of Texas Consolidated Oils, Inc., for an order authorizing a pilot water flood project in the Square Lake Pool in Eddy County, New Mexico, and for capacity allowables for said project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Square Lake Pool in Eddy County, New Mexico. Applicant proposes to inject water into the Grayburg and San Andres formations through four wells located in Section 34, Township 16 South, Range 30 East. Applicant further seeks capacity allowables for nine wells in said Section 34.

CASE 1294: Application of Ambassador Oil Corporation for capacity allowables for three wells in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowables for the following described wells situated in the project area of its North Caprock Queen water flood project No. 2 in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.

Well No. 18-2, NE/4 SE/4, Section 12, Township 13 South, Range 31 East;

Well No. 19-1, SW/4 NW/4, Section 7, Township 13, South, Range 32 East;

Well No. 22-1, SW/4 SE/4, Section 12, Township 13 South, Range 31 East.

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date

3/11/59

CASE NO.

1613

HEARING DATE

3/11/59

DSN/DF @ 9am

My recommendations for an order in the above numbered case(s) are as follows:

Enter an order approving the unorthodox location of British American's Fullerton No. 5, a Dakota gas well, 660' FNL + 1980' from East line of 15-27N-11W, San Juan County.

Well was located on an ~~orthodox~~ unorthodox location for gas wells in the San Juan Basin through inadvertence.

Neither of the offsetting operators whose acreage the well is crowding voiced any objection to the unorthodox location.

San Juan  
Staff Member

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 12, 1959

Mr. Burns Errebo  
Modrall, Seymour, Sperling, Roehl & Harris  
P.O. Box 466  
Albuquerque, New Mexico

Dear Mr. Errebo:

On behalf of your client, British American Oil Producing Company, we enclose two copies of Order R-1351 issued March 11, 1959, by the Oil Conservation Commission in Case 1615, which was heard on March 11th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

FRONTIER

THREE STATES NATL GAS

et al



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El Paso - Frontier

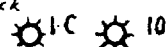


BOLACK

SCHLOSSER

U.S. - FULLERTON

El Paso  
Frontier  
Bolack



BRIT. - AMER.  
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ref.  
6627 - 6640

Caprock prod  
gas from Natk -  
ref. 1-28-59

SCHLOSSER

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P-855  
Aug 5th amended  
Rule 104

SCHWERDTFEGER

BOLACK

BOLACK



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EXHIBIT "A"



SCHWERDTFEGER

BOLACK

U.S. - SCOTT

FRONTIER

THREE STATES NATL GAS

et al

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EXHIBIT NO. 16  
CASE NO. 1613

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El Paso Frontier

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BOLACK

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U.S. - FULLERTON

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~~SECRET~~ "A"

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SCHWERDTFEGER

BOLACK

U.S. - SCOTT

MINERAL AND OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE  
BRITISH-AMERICAN OIL PRODUCING COMPANY  
FOR APPROVAL OF THE LOCATION OF A  
DAKOTA GAS WELL. SAJUN COUNTY, NEW  
MEXICO.

CASE NO. 1613

### APPLICATION

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF NEW  
MEXICO:

COMES NOW The British-American Oil Producing Company,  
Applicant herein, and respectfully alleges and states as follows:

1. That it is the owner and operator of an oil and gas  
lease covering among other lands the Northeast Quarter of Section  
Fifteen, Township Twenty-seven North, Range Eleven East, San Juan  
County, New Mexico.

2. That its Fullerton No. 3 Well has been drilled as a  
Dakota gas well located at a point on said lease 600 feet from  
the North line and 1900 feet from the East line of said Section  
Fifteen, as more particularly shown on the plat attached hereto,  
made a part hereof, and labeled Exhibit "A".

3. That said well was located in good faith by Applicant  
believing said well to be located in accordance with the existing  
rules and regulations of this Commission.

4. That Applicant had drilled said well to the Dakota  
Formation before discovering that said well was not located in  
accordance with the rules and regulations of this Commission as  
they now exist.

5. That the granting of this Application will not cause  
waste nor impair the correlative rights of any party concerned.

WHEREFORE, Applicant prays that this matter be set for  
hearing, that notice be given as required by law, and that upon  
the evidence adduced at said hearing this Commission issue an  
order approving the location of said Fullerton No. 3 Well at the  
location herein described.

ATTEST, SECRETARY, OIL CONSERVATION COMMISSION

*Burns H. Enebo*