

Case No.

1438

Application, Transcript,
Small Exhibits, Etc.

CASE 1438: Monsanto Chemical Co. appli-
cation for northern gas well location for
its Vicksburg Well #1-19-38N-13W.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMITTEE
Santa Fe, New Mexico
May 6, 1958

IN THE MATTER OF,

CASE 1438

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
3-6691 5-9546

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMITTEE
Santa Fe, New Mexico
May 6, 1958

IN THE MATTER OF: CASE 1438

Application of Monsanto Chemical Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location for its Viersen Well No. 1 at a point 660 feet from the North and East lines of Section 19, Township 30 North, Range 13, West, San Juan County, New Mexico.

BEFORE:

MR. DANIEL S. NUTTER.

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: The next case is Number 1438.

MR. PAYNE: Case 1438, application of Monsanto Chemical Company for an unorthodox gas well location.

MR. CHRISTIE: This is a very complicated case. We drill for oil and produce a gas well and now we are unorthodox.

We have one witness for the applicant to swear in.

W. H. BUNCH

a witness, of lawful age, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CHRISTIE:

Q Will you state your full name, address and occupation?

A W. H. Bunch. I am employed by Monsanto Chemical Company as District Engineer, Snyder, Texas.

MR. COOLEY: How do you spell your last name?

A B-U-N-C-H.

Q (By Mr. Christie) Have you ever testified before this body before?

A No, sir.

Q Would you please state briefly your qualifications as petroleum engineer, including your schooling?

A I graduated from the University of Oklahoma in 1950 with a B. S. degree in petroleum engineering. Since that time, I have been employed by the Lyons Oil Company and by Monsanto Chemical Company as Petroleum Engineer. Part of that time was in the staff office and the other as District Engineer.

Q Mr. Bunch, the lands involved in the application are situated in Township 30, North, Range 13 West, San Juan County, New Mexico, are those lands in the area where you are working for Monsanto?

A Yes, sir.

Q Does the Commission have any questions concerning the witness' qualifications as petroleum engineer?

MR. NUTTER: Mr. Bunch is qualified.

Q (By Mr. Christie) Would you state briefly what the application seeks in this case?

A Monsanto Chemical Company seeks an order authorizing an unorthodox gas well location for its Viersen Well No. 1 at a point

4

660 feet from the north and east lines of Section 19, Township 30 North, Range 13, West, San Juan County, New Mexico.

Q Is there any producing oil or gas well within one mile from the subject well?

A No, sir.

Q When was the well commenced, sir?

A The well was spudded October 31, 1957.

Q Were your forms filed with the Conservation Commission, your one twenty-eight, and so on?

A Form C-128 was filed on October 17, 1957.

Q Was it projected as an oil well or as a gas well at the time to this Commission?

A As an oil well.

Q What zone did you hope to get oil from?

A Possibly from the Dakota. There were several prospective zones. I believe the flat lands and point lookout and maybe even the Gallup are the possible zones in this area.

Q Were there showings of oil or gas encountered in the drilling operation and if so, where and at what depth?

A No oil showings were encountered. Gas showings were encountered in the point lookout formation at the approximate depth of the thirty-eight forty-one and thirty-nine thirteen and also gas showings were encountered in the Dakota at approximately a depth of six thousand feet.

Q Were any tests taken in the subject well in the formations?

A In the point lookout drill stem test number one was taken

DEARNLEY, MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW OFFICES
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

at intervals of thirty-eight forty-one to thirty-nine thirteen. On the Dakota formation there were several drill stem tests from fifty-nine fifty-seven to sixty twenty-one, and drill stem tests number seven, sixty thirty-three to sixty-one fifty-five, drill stem test number seven, fifty-seven seventy-five to sixty fifty-five and drill stem test number nine, sixty-one fifty-six to sixty-two forty.

Q On the date of application, did you know the potential on the subject well?

A This well--the casing was set on this well on December 6, 1957. On December 10, 1957, the well was perforated fifty-nine seventy-four to sixty seventy. The interval was treated with a thousand gallons of mud and sand. On December 13, 1957, the well was treated with eighty thousand gallons of base oil and seventy thousand pounds of sand. The first official test we have had since then is December 24, 1957. It tested at four million, nine hundred, five thousand cubic feet of gas.

At the time of the test, the well had recovered fifteen hundred thirty five barrels for a total load of twenty-one twenty-one barrels. The rate of recovery at the time of this was four and a half barrels per hour. Since that time, the well has shut in and we are awaiting the designation of a gas connection.

Q Is there a pipeline near this lease?

A El Paso Natural Gas has a line in the vicinity of this well.

Q Upon your completion, did you file form C-104 filed for the Commission?

A Those forms were filed on April 29, 1958.

Q What acreage do you have for this well as a gas unit?

A The hundred and sixty acres on the northeast quarter of Section 19, will be designated to this well.

Q Who is the owner of the lease on that land?

A Monsanto owns the lease.

MR. CHRISTIE: No further questions.

We would like to have this map marked as Exhibit One. I will have the witness identify it before I finish.

Q (By Mr. Christie) I hand you what has been marked Applicant's Exhibit One and if you will, please identify it.

A This is a map of the location of our Viersen Well Number One. It shows the well located six hundred sixty feet from the north and east limits of Section 19. It shows that the hundred and sixty acres in the northwest quarter of that section will be designated to this well.

MR. CHRISTIE: That is all I have.

MR. NUTTER: Any questions of the witness?

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Bunch, where did you complete this well?

A It was completed in the Dakota formation on perforations of fifty- nine seventy-four to sixty seven. The upper zone--I might elaborate here a little, at the time we set the casing on that well, the D. V. 2 was running the string and stems back of the pipe back of the point lookout.

Q When you drilled this well or spudded it, what was the nearest petroleum that you know of in the area?

A I couldn't give you that answer.

Q Do you know whether it was an oil or gas well?

A No sir, I don't.

Q It was probably gas, though, wasn't it?

A Well, I am sure that in the Dakota, there's gas wells, yes sir.

Q To locate me geographically, which direction and how far is this from the Gallup pool or any other known pool that you know of?

A Well, right offhand, I couldn't give you that answer. I don't have a bigger map to show the relationship of this well from any other well that we have in that area.

Q It is near the Gallup pool somewhere, isn't it?

A I think that is true.

Q Which direction is it from Farmington and how far?

A I am trying to see if one of these forms doesn't give a-- if I am not mistaken, this well is within about fifteen miles south and east of Farmington. I will verify that later if that is permissible.

Q South and east?

A Yes sir, I have seen the general overall map of operations in that area and I believe Farmington --

Q You stated that you had several potential zones, the Dakota being the one you completed in and point lookout being another. Can you tell me how far you were from the nearest point lookout well?

A No sir, I do not have that information available. The drilling location and everything was worked out by geologists and the actual drilling and completion of the well was handled by

our office.

Q Do you know where the nearest point lookout was or gas well?

A No, sir.

Q What do you know about the fruit wells?

A I don't know any thing on productive possibilities of any effect or nearby wells. There would be no offset or nearby wells.

Q I think that you will discover when you look that information up that the nearest well in any of these formations was a gas well. Now, I am wondering if you are aware of the fact that if you had moved this location a hundred and thirty feet it would have been an orthodox location for either oil or gas?

A In other words, you are saying you could move it --

A A hundred and thirty feet.

A Nine hundred and ninety from the north and east lines.

Q Seven ninety from the north and seven ninety from the east on the information filed here?

A That is right, according to the rules.

Q Is there any reason why you couldn't drill this well there?

A To my knowledge, there is not.

Q Is topographic --

A Is topographic.

Q In the future, don't you think it would be a good practice to do that in a questionable area?

A I certainly do.

Q It would save you a hearing, wouldn't it?

(No response).

MR. WITZ: That's all I have.

MR. NUTTER: If not, he may be excused.

MR. CHRISTIE: That's all the applicant has.

(Witness excused).

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1426?

(No response).

MR. NUTTER: The case will be taken under advisement.

C E R T I F I C A T E

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, JERRY MARTINEZ, 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 under my personal supervision, 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 26th day of May, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Jerry Martinez
Notary Public

My commission expires:
January 24, 1962

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examination of Case No. 1438
heard by me on 5-6, 1958
[Signature], Examiner
New Mexico Oil Conservation Commission

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. 1438
Order No. R-1174

APPLICATION OF MONSANTO CHEMICAL
COMPANY FOR APPROVAL OF AN UNORTHODOX
GAS WELL LOCATION IN AN UNDESIGNATED
DAKOTA GAS POOL IN SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1958, at Santa Fe, New Mexico, before Daniel S. Mutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of May, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Mutter, 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, Monsanto Chemical Company, is the owner and operator of the Viersen Well No. 1, which was drilled to and completed in the Dakota formation at a point 660 feet from the North line and 660 feet from the East line of Section 19, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That under the terms of Rule 104 (b) of the Commission Rules and Regulations, the location of the said Viersen Well No. 1 is orthodox for an oil well completion, but unorthodox for a gas well completion.

(4) That the applicant expected to discover oil in the Dakota formation underlying the NE/4 NE/4 of said Section 19 and that the said Viersen Well No. 1 was projected as an oil well.

(5) That upon completion the said Viersen Well No. 1 proved to be a gas well rather than an oil well.

-2-

Case No. 1438
Order No. R-1174

(6) That the applicant requests approval of the unorthodox gas well location for its said Viersen Well No. 1.

(7) That approval of the subject application will not cause waste nor impair the correlative rights of any other operator in the area.

(8) That unless the subject application is approved, applicant will be denied the opportunity to recover its just and equitable share of the gas in place in the Dakota formation underlying the NE/4 of said Section 19.

(9) That the subject application should be approved.

IT IS THEREFORE ORDERED:

That the unorthodox gas well location of the Monsanto Chemical Company Viersen Well No. 1 in an undesignated Dakota gas pool at a point 660 feet from the North line and 660 feet from the East line of Section 19, Township 30 North, Range 13 West, NEPM, 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

E. L. Mechem

EDWIN L. MECHEM, Chairman

Murray E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

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



ir/

U. M. HERVEY 1874-1953
HIRAM H. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
ROBERT C. BLEDSOE

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO

TELEPHONE MAIN 2-6510
POST OFFICE BOX 547

April 11, 1958

New Mexico Oil Conservation Commission
Santa Fe,
New Mexico

Gentlemen:

Monsanto Chemical Company hereby applies for an exception to Rule 104 of the Rules of the New Mexico Oil Conservation Commission. Monsanto Chemical Company's Viersen No. 1 is located 660 feet from the north and 660 feet from the east line of Section 19, T. 30 N., R. 13 W., N.M.P.M. Said well was approved as a wildcat well to be drilled to the Dakota formation, and the well was completed in the Dakota formation in the interval from 5,974 feet to 6,070 feet. The well tested 6,000 MCF per day.

In accordance with the provisions of Rule 104 Sec.(b)(2), application is hereby made for the production of gas from said well.

Monsanto Chemical Company will dedicate the NE $\frac{1}{4}$ of Section 19, T. 30 N., R. 13 W. to said gas well.

It is requested that this matter be set down for hearing before an Examiner on the May 6th Docket.

Very truly yours,

MONSANTO CHEMICAL COMPANY

By 
Hervey, Dow & Hinkle

HCB:db

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

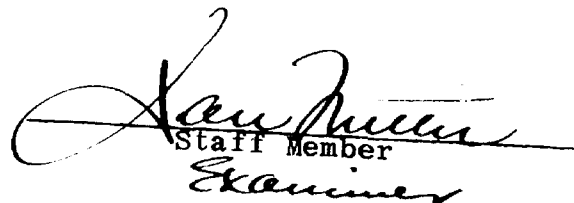
Date 5/9/58

CASE NO. 1438

HEARING DATE 9:00 A.M. May 6 -1958 DSN at SF

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

I recommend the approval of a non-standard gas well location requested by Monsanto Chemical Company in the subject case. While there is every reason to believe that applicant should have expected ~~the~~ gas well which he did encounter, it would inflict an undue hardship to deny the application. I would further recommend that an effort be made to tighten upon the approval of drilling notices when the well is staked on an oil well location but is projected to an obvious gas producing formation and vice versa.


Staff Member
Examiner

DOCKET: EXAMINER HEARING MAY 6, 1958

OIL CONSERVATION COMMISSION 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE, NM

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

- CASE 1425: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the E/2 E/2 of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Lockhart B-14 "A" Well No. 2, located 660 feet from the South and East lines of said Section 14.
- CASE 1426: Application of Neville G. Penrose for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Percy Hardy No. 1 Well, located 660 feet from the South line and 1980 feet from the West line of said Section 17.
- CASE 1427: Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's O. J. Gillully "A" No. 4 Well, located 660 feet from the North line and 1980 feet from the East line of said Section 24.
- CASE 1428: Application of E. G. Rodman for the approval of a communitization agreement and for a forced pooling order. Applicant, in the above-styled cause, seeks an order approving a communitization agreement embracing the NW/4 and the W/2 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons produced from said tract from the Eumont Gas Pool; and further, for an order force pooling the interests of all persons in the above-described tract who have not voluntarily subscribed to above-referenced communitization agreement.
- CASE 1429: Application of Standard Oil Company of Texas for a dual completion and for permission to commingle the production from two common sources of supply. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. L. Leavitt No. 2 Well, located 1650 feet from the North line and 2310 feet from the West line of Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Atoka-Grayburg Pool and oil from the Atoka (San Andres Pool through parallel strings of tubing; and further, for permission to commingle the production from the said V. L. Leavitt No. 2 Well from both of the above-described pools in common tankage

CASE 1429
Continued

after separately measuring the oil from each of said pools by means of volume type meters.

CASE 1430:

Application of El Paso Natural Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the W/2 of Partial Section 6 and the NW/4 of Partial Section 7, Township 30 North, Range C West, San Juan County, New Mexico, said unit to be dedicated to the applicant's Howell No. 2-G Well located 990 feet from the South and West lines of said Section 6.

CASE 1431:

Application of Skelly Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its P. L. Davis Well No. 1, located 990 feet from the North and East lines of Section 26, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and gas from an undesignated Dakota gas pool underlying the above-described area.

CASE 1432:

Application of King Oil Company for approval of three unorthodox gas well locations. Applicant, in the above-styled cause, seeks an order authorizing the unorthodox gas well locations for the following described wells:

Navajo A-1 Well, located 2310 feet from the South line and 2310 feet from the West line of Section 4, Township 30 North, Range 17 West;

Navajo A-2 Well, located 1650 feet from the North line and 330 feet from the East line of Section 4, Township 30 North, Range 17 West;

Navajo B-2 Well, located 660 feet from the South line and 660 feet from the East line of Section 34, Township 31 North, Range 17 West,

all in San Juan County, New Mexico.

- CASE 1433: Application of Graridge Corporation to expand a pilot water flood project in the Caprock Queen Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order permitting the expansion of the pilot water flood project authorized by Order No. R-972 in the North Caprock Queen Unit in the Caprock-Queen Pool, Lea County, New Mexico, to include eight additional water injection wells in Sections 30, 31, and 32 of Township 12 South, Range 32 East, Lea County, New Mexico.
- CASE 1434: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Coates "C" Well No. 11, located 1980 feet from the North line and 1650 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard formation adjacent to the Justis-Drinkard Pool and oil from the Justis-Fusselman Pool through parallel strings of tubing.
- CASE 1435: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 5 and the NE/4 of Section 8, all in Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Hawk A-8 No. 2 Well located 660 feet from the North line and 1980 feet from the East line of said Section 8.
- CASE 1436: Application of Amerada Petroleum Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool consisting of the SE/4 of Section 3 and the NE/4 of Section 10, all in Township 12 South, Range 33 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Amerada Mathers No. 2 Well located in the SE/4 SE/4 of said Section 3.
- CASE 1437: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 7, Township 23 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Stevens B-7 Unit Well No. 1 located 990 feet from the North and West lines of said Section 7.
- CASE 1438: Application of Monsanto Chemical Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location for its Viersen Well No. 1 at a point 660 feet from the North and East lines of Section 19, Township 30 North, Range 13 West, San Juan County, New Mexico.

APR 14 '58

NEW MEXICO
OIL CONSERVATION COMMISSION
P. O. Box 871
Santa Fe, New Mexico

Date April 19, 1958

Mr. Howard Bratton
Hervey, Dow & Hinkle
Box 547
Roswell, New Mexico

Gentlemen:

Your application ~~for~~ on behalf of Monsanto Chemical Company for an
unorthodox gas well location for its Viersen Well No. 1

dated April 11, 1958 has been received, and has been tentatively
scheduled for hearing before an examiner on
May 6, 1958

A copy of the docket will be forwarded to you as soon as the matter is
advertised.

Very truly yours,


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

ga

