

CASE 2018: Application of LA PLATA
REF. 2018-145 DUAL, to establish
non-standard unit and north. location

Case No.

2013

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. 2013
Order No. R-1722

APPLICATION OF LA PLATA GATHERING
SYSTEM, INC. FOR AN ORDER AUTHORIZING
A GAS-GAS DUAL COMPLETION IN THE
BLANCO-MESAVERDE POOL AND IN THE
DAKOTA PRODUCING INTERVAL, RIO
ARRIBA COUNTY, NEW MEXICO, FOR A
345.59-ACRE NON-STANDARD GAS UNIT
IN THE DAKOTA PRODUCING INTERVAL,
AND FOR AN UNORTHODOX GAS WELL
LOCATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 11, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, 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 21st day of July, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, La Plata Gathering System, Inc., is the owner and operator of partial Sections 30 and 31, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That said partial Sections 30 and 31 contain 174.41 acres and 171.18 acres respectively, together containing 345.59 acres.

(4) That the applicant proposes that the above-described partial Sections 30 and 31 be established as a non-standard gas unit in the Dakota Producing Interval.

(5) That the applicant further proposes to locate a gas

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well on an unorthodox location 990 feet from the North line and 713 feet from the East line of said Section 31, to which well the proposed 345.59-acre non-standard gas unit would be dedicated.

(6) That the proposed unorthodox location is necessitated by a variation in the U. S. Public Land Survey.

(7) That the above-described 345.59-acre tract can reasonably be presumed to be productive of gas from the Dakota Producing Interval.

(8) That in Order No. R-1714, duly promulgated by the Commission on July 7, 1960, an unorthodox gas well location and a 345.59-acre non-standard gas proration unit in the Blanco-Mesaverde Pool was authorized, which location and unit coincide with the location and unit proposed in the subject application pertaining to the Dakota Producing Interval.

(9) That the applicant further proposes the dual completion of the well to be drilled on the above-described non-standard location in such a manner as to permit the production of gas from the Blanco-Mesaverde Pool and the production of gas from the Dakota Producing Interval through parallel strings of 1-1/2 inch tubing.

(10) That the mechanics of the proposed dual completion are feasible and in accord with sound conservation practices, provided that each string of tubing should not be set higher than 250 feet above its respective producing formation.

(11) That establishment of the above-described non-standard gas unit and approval of the proposed unorthodox gas well location will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 345.59-acre non-standard gas unit in the Dakota Producing Interval consisting of partial Sections 30 and 31, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to a gas well located on an unorthodox location in the Dakota Producing Interval at a point 990 feet from the North line and 713 feet from the East line of Section 31, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, which location is hereby approved.

(2) That the applicant, La Plata Gathering System, Inc., be and the same is hereby authorized to dually complete the above-described well in such a manner as to permit the production of gas from the Blanco-Mesaverde Pool and the production of gas from the Dakota Producing Interval through parallel strings of 1-1/2 inch tubing.

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Order No. R-1722

PROVIDED HOWEVER, That each string of tubing shall not be set higher than 250 feet above its respective producing formation.

PROVIDED FURTHER, That the applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

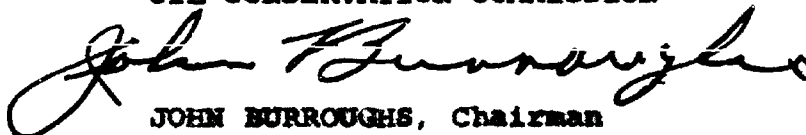
PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Blanco-Mesaverde Pool.

IT IS FURTHER ORDERED:


That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the applicant to comply with ~~any requirement of this order~~, the Commission may terminate the authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest of Conservation.

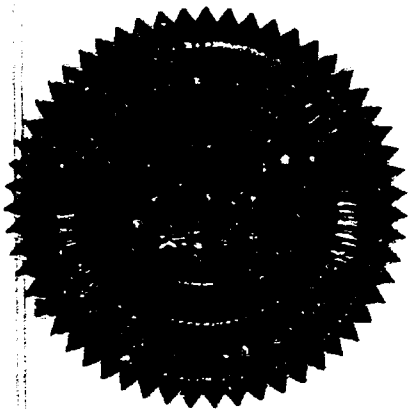
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



esr/

State of New Mexico
Oil Conservation Commission

July 21, 1960

La Plata Gathering System, Inc.

Other _____

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner hearing - Elvis A. UtzSanta Fe, NEW MEXICOREGISTERHEARING DATE July 11, 1960TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
<i>J. Utz</i>	<i>Self - New Mexico</i>	<i>D.C.</i>
<i>J. P. Morris</i>	<i>Lo. of Auto Lathery System</i>	<i>Dallas, Tex.</i>
<i>Ernest W. Selinger</i>	<i>Speedy Oil Co</i>	<i>Enid, Okla.</i>
<i>Chas. E. Smith</i>	<i>" "</i>	<i>Santa Fe, N.M.</i>
<i>Richard Banks</i>	<i>Pan American Petroleum</i>	<i>Farmington, N.M.</i>
<i>Frank Newman</i>	<i>H. Wood & Molan</i>	<i>Pocahontas</i>
<i>Leon H. Bell</i>	<i>Speedy Oil Co</i>	<i>Enid, Okla.</i>
<i>JOHN M. KITTLE JR</i>	<i>H.S. MOSS</i>	<i>DALLAS, TEXAS</i>
<i>Neil G. Owens</i>	<i>MIDWEST Oil Corp</i>	<i>MIDLAND, TEXAS</i>
<i>H. D. Penney</i>	<i>" "</i>	<i>" "</i>
<i>George V. White</i>	<i>" "</i>	<i>" "</i>
<i>Jerome J. O'Brien</i>	<i>Monterey Oil Co.</i>	<i>Midland, Tex.</i>
<i>Harvey Pickering</i>	<i>Marathon</i>	<i>Oklahoma City, Okla.</i>

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

EXAMINER HEARING

IN THE MATTER OF:)

)
)
) Application of La Plata Gathering System,)
) Inc., for a gas-gas dual completion, for)
) the establishment of a 345.59-acre non-)
) standard gas unit, and for an unorthodox)
) gas well location. Applicant, in the)
) above-styled cause, seeks an order author-)
) izing the dual completion of a well to be)
) drilled on an unorthodox location 990 feet)
) from the North line and 713 feet from the)
) East line of Section 31, Township 32 North,)
) Range 5 West, Rio Arriba County, New Mexi-)
) co, in such a manner as to permit the pro-)
) duction of gas from the Dakota producing)
) interval. Applicant also seeks the estab-)
) lishment of a 345.59-acre non-standard gas)
) unit in the Dakota Producing Interval, con-)
) sisting of all of partial Sections 30 and)
) 31, Township 32 North, Range 5 West, Rio)
) Arriba County, New Mexico, to be dedicated)
) to the above-described well located on an)
) unorthodox location.)

Case 2013

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order. The first case on the docket will be 2013.

MR. PAYNE: Application of La Plata Gathering System, Inc., for a gas-gas dual completion, for the establishment of a 345.59-acre non-standard gas unit, and for an unorthodox gas



well location.

MR. SETH: Oliver Seth of Seth, Montgomery, Federici & Andrews for the applicant. We have one witness, Mr. Jay Morris.

MR. UTZ: Any other appearances in this case?

(Witness sworn.)

J. P. MORRIS

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

DIRECT EXAMINATION

BY MR. SETH:

Q Will you state your name, please?

A J. P. Morris.

Q By whom are you employed, Mr. Morris?

A La Plata Gathering System, Inc.

Q Are you generally familiar with the application in Case 2013?

A Yes, sir.

Q Is La Plata the operator of a unit area in San Juan?

A San Juan 32, 5, yes.

Q Just generally, what is the unitized area both horizontally and vertically?

A It takes in the East boundary, it takes in the East side.

Q Do you have a map that shows that?

A Yes. Let me get it. Can't I just lay this out here?



MR. UTZ: Yes, sir. Do you have any exhibits to be marked?

MR. SETH: We have one and they have been marked.

Q Would you point out on this map generally the unit area?

A It includes all of Township 32 North, Range 5 West in Section 1 and two in 31 North, 5 West and sections in here. It's outlined in red in 32 North, 6 West.

Q This application covers lands within the unit area, is that right?

A Yes, sir.

Q Would you describe, please, for the Commission the proposed well location?

A The proposed well location will be Section 31, it will be 713 feet from the East or West lines and 990 feet from the North line of Section 31, Township 32 North, Range 5 West.

Q Have you prepared a plat showing the proposed location?

A Yes.

Q Does that appear as Exhibit 1?

A Yes.

Q Will you state, please, the width and size of the section?

A The Section 31 in which the well is located in the North end, it's 1428.9 feet from East to West; the South end, it's 1413.06 feet wide Southeast.

Q Would you state also the size of the lots that are



in this short section or both short sections, excuse me?

A Lot 1 is 43.11 acres.

Q Which section is that?

A That's in Section 31 in which the well is located. Lot 2 is 42.73. Lot 3 is 42.61 and Lot 4 is 42.73.

Q Now, the same in Section 30.

A Lot 1 is 44.22, 43.58 and Lot 3 is 43.30, Lot 4 is 43.30.

Q Now, this application is for a well to the Dakota, is that correct?

A That is correct.

Q The application of your company in 2004 was for a Blanco-Mesaverde well, is that right?

A Right.

Q This is one and the same hole?

A Right.

Q But in your previous application you did not include the Dakota formation?

A Right.

Q Are there other short sections in your unit area along this township line?

A Yes, there are three others to the North.

Q Four in all, or five?

A Five in all. These up here.

Q What is your plan as to the development of the other



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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

short sections, if you have any?

A If we establish production in this location in question now, we plan to drill a well in the North end of Section 19, we propose to drill one and dedicate the acreage in 18 and 19 to that well.

Q That's in Township 32?

A 32 North, Range 5 West.

Q But you'll wait to see whether the Dakota is productive in the well?

A Right.

Q Approximately what depth do you expect to encounter the Dakota?

A Approximately 8200 feet.

Q Where are the nearest Dakota wells? Will you point those out to the Commission, please?

A The Dakota well is the old ~~Amarada~~ Well, now the El Paso.

Q Would you give the description?

A It's in Township 32 North, Range 7 West, Section 24.

Q Now, this other Dakota well.

A There's one other, I gave you the wrong well. This is the nearest one here. It's in Township 32 North, Range 6 West and it's in Section 20. The other one is in Township 31 North, Range 6 West and it's in Section 11.

Q Does La Plata have a well they are completing in the



Dakota that's in this general area?

A We're attempting to complete one now in our Section 26, Township 32 North, Range 6 West, which is the No. 2-26.

Q Now, you had planned to dedicate both Sections 30 and 31 to this Dakota production?

A Yes.

Q Do you have reason to believe that both those short sections will be productive of gas in the Dakota?

A Yes, sir.

Q Why do you say that?

A Based on wells in the area, Mesaverde well in Section 32, Township 32 North, Range 5 West, there is an established Mesaverde production and Dakota gas was recovered on drill stem test in the old Stanolind well in Section 10, Township 32 North, Range 5 West, which I believe would make a Dakota well.

Q What about the geology in your well, in your 2-26 well in Section 26 of 32 North, 6 West?

A Based on electrolog interpretation and samples of gas analyzer, portable gas analysis indicate that gas production can be established in the Dakota in Section 22-6.

Q As far as offsetting acreage is concerned to the proposed location, the direct offset to the West is within the 32-5 unit area, is it not?

A Well, to say in the direct to the West, it belongs to



La Plata, it's an East-West unit.

Q Yes, that's my mistake.

A It's in Section 36, Township 32 North, Range 6 West.

Q That's owned by La Plata? A Yes.

Q But it's in the Mesaverde unit area?

A It's in the Mesaverde unit area.

Q The offsetting acreage to the West is in the 32-5 unit?

A Right.

Q Now, with regard to the portion of your application relating to the dual completion of this well, Blanco-Mesaverde and Dakota, the Blanco-Mesaverde was the subject of the hearing in 2004. You have asked here for a dual completion in the two formations. Would you describe the mechanical setup that you propose in the dual completion?

A We plan to cement 5½" casing to the Dakota, perforate the Dakota and water sand frack. We will run a set of Baker Model D cast-iron packers on one and a half inch tubing approximately 40 feet above the Dakota perforations.

MR. UTZ: One and a half inch tubing?

A Yes, sir.

Q How would you produce the Blanco-Mesaverde?

A We plan to perforate and frack the Mesaverde and we will run tubing in the Mesaverde, will be hanging free. This tubing is one and a half inch Tex tube integral joint tubing. At the surface



we plan to have a camera and dual 800 series tree with split tubing hanger, and recess body master gate valve.

Q Would you give the approximate pressures you expect to encounter in each formation?

A The Dakota is somewhere around 200 pounds and Mesaverde, I believe, around 15, in the neighborhood.

Q What's the cement procedure that you are going to follow?

A Cementing 5½" casing with two stager, with stage two below the Mesaverde-Dakota.

Q Will that, in your opinion, effectively seal or prevent any commingling between the two formations?

A Yes.

Q As far as getting back to the unorthodox location and the unorthodox non-standard unit, you believe those are necessary in order to permit La Plata and the unit operator, as unit operator, to develop a fair share of the unit oil and gas in place?

A Yes, I do.

Q And to prevent waste? A Yes.

Q Do you have any other statements you would like to make?

A No.

MR. SETH: That's all. We would like to offer Applicant's Exhibit No. 1.

MR. UTZ: Without objection, Exhibit No. 1 will be entered into the record.



MR. SETH: That's all the direct, Mr. Utz.

CROSS EXAMINATION

BY MR. UTZ:

Q What was your name again, please?

A J. P. Morris.

Q Mr. Morris, what do you intend to use for surface casing?

A What type of casing?

Q Yes, size, how much on the cementing program?

A We plan to cement around 600 feet, the type of casing I don't know, just standard.

Q Do you know the size? A I sure don't.

Q You going to have an intermediate string or run 5½?

A No, drill with mud.

Q So you'll just have the surface casing in the 5½" production string?

A Yes.

Q What was your well before we leave the surface casing?

A I believe it's 9-5/8, I can't be sure about it, but I believe that's what it is.

Q Did you say you were going to circulate surface casing?

A Yes, sir.

Q And set it at what you think is approximately 600 feet?

A Somewhere in that neighborhood, yes, sir.

Q Again, what was your cementing program on your 5½?



A Two stage it, set our staging plug below Mesaverde, and bring the cement up to approximately the top of the Gallup. And the second stage, we'll cement, bring the cement up to approximately 3,000 feet.

Q How deep is the Gallup in this area?

A Around 6800.

Q In other words, your first stage will be over the Dakota and up over the Mesaverde?

A Yes.

Q The second stage will be from about the top of the Gallup back to 3,000?

A Yes.

Q You were going to set $1\frac{1}{2}$ " to approximately the top of the Dakota through a Model D packer?

A Right.

Q It won't be any more than 250 feet above the top of the Dakota, will it?

A No, sir.

Q You didn't state the length of your Mesaverde string. Where will it be set?

A It will be set approximately the top of the Point Lookout.

Q It won't be more than 250 feet above the Mesaverde?

A No, sir.

Q Mr. Morris, if you should get production here you stated



that your next location will be in Lot 1 of Section 19, partial section, In the event you get production there, what do you propose to do with that small section, it would be Section 7, yes, Section 7. It will be kind of left out in the cold, won't it?

A Well, we can, I think, probably dedicate Sections 7 and 8 since 8 is, or parts of 8 is 7.

Q 8 is already greater than 320 acres, isn't it?

A Yes, it is.

Q I'm quite sure it is 400. You are going to have a dedication problem when you get up there, aren't you?

A Very definitely, yes, sir.

Q In the event you do get production in Section 19, what would you think of the possibilities of Dakota production further to the Northeast in this unit?

A I think it would be good, based on the drill stem test in the old Stanolind well in Section 10, 32 North, 5 West.

Q In the event you get production in Section 19, do you not think it would be the proper time to consider these partial sections and break them up into even Dakota units, do the rest of it all in one hearing?

A Yes, I think that might be --

MR. SETH: You mean along the North boundary, the short sections along the state line?

MR. UTZ: Yes.



BY MR. PAYNE:

Q Your unorthodox location which is 990 feet from the North line and 713 feet from the East line of Section 31, Township 32, North, Range 5 West, doesn't crowd anybody but yourself, so-to-speak, does it?

A No, sir.

MR. UTZ: Any other questions?

BY MR. PORTER:

Q What was the size of the Mesaverde tubing?

MR. UTZ: One and a half.

MR. PORTER: Dakota one and a half?

MR. UTZ: Yes.

A Yes, sir.

MR. UTZ: Any other questions?

MR. SETH: We have nothing further.

MR. UTZ: The witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements in the case? The case will be taken under advisement.

MR. SETH: Thank you.



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ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) : SS

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 14th day of July, 1960.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2013, heard by me on *July 6* 1960.
[Signature] Examiner
New Mexico Oil Conservation Commission



No. 19-60

DOCKET: EXAMINER HEARING JULY 11, 1960

Oil Conservation Commission - Room 109 - Mabry Hall, State Capitol, Santa Fe

The following case will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate Examiner:

CASE 2013:

Application of La Plata Gathering System, Inc., for a gas-gas dual completion, for the establishment of a 345.59-acre non-standard gas unit, and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of a well to be drilled on an unorthodox location 990 feet from the North line and 713 feet from the East line of Section 31, Township 32 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Blanco-Mesaverde Pool and the production of gas from the Dakota producing interval. Applicant also seeks the establishment of a 345.59-acre non-standard gas unit in the Dakota Producing Interval, consisting of all of partial Sections 30 and 31, Township 32 North, Range 5 West, Rio Arriba County, New Mexico, to be dedicated to the above-described well located on an unorthodox location.

Docket Mailed to

Wm. Webb

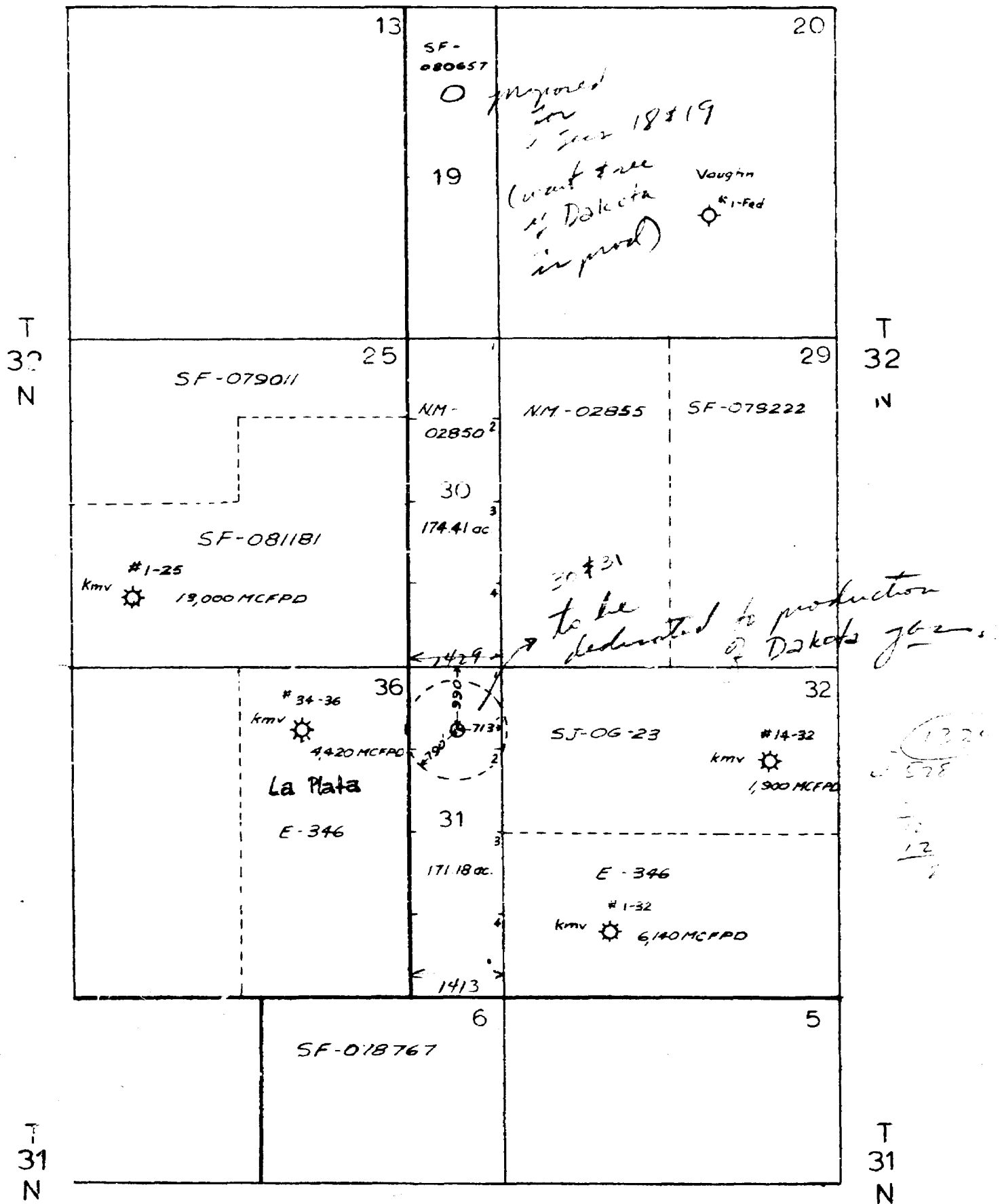
June 28, 1960

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EXHIBIT "A"

R 6 W

R 5 W



RIO ARRIBA COUNTY, NEW MEXICO

scale: 1"=2000'

*Applicant #1
Case 2013*