

**CASE 2126: Application of TIDAL OIL
CO. for an unorthodox gas well
location in undesignated PC pool.**

Case No.

2126

Application, Transcript,
Small Exhibits, Etc.

DRAFT

RSM/esr
December 1

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

RSM
12/2
ccP
12/2
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2126
Order No. R- 1829

APPLICATION OF TIDAL OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCA-
TION IN AN UNDESIGNATED PICTURED
CLIFFS POOL, 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
November 30, 1960, 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 _____ day of December, 1960, 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, Tidal Oil Company, is the owner and
operator of the S/2 of Section 21, Township 24 North, Range 1 West,
NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks approval for the unorthodox
location of a gas well in an undesignated Pictured Cliffs pool
at a point 1150 feet from the South line and 2040 feet from the
West line of said Section 21.

(4) That a gas well ^{has been} ~~was~~ drilled at the above-described unorthodox
location due to oversight and inadvertence on the part of the operator.

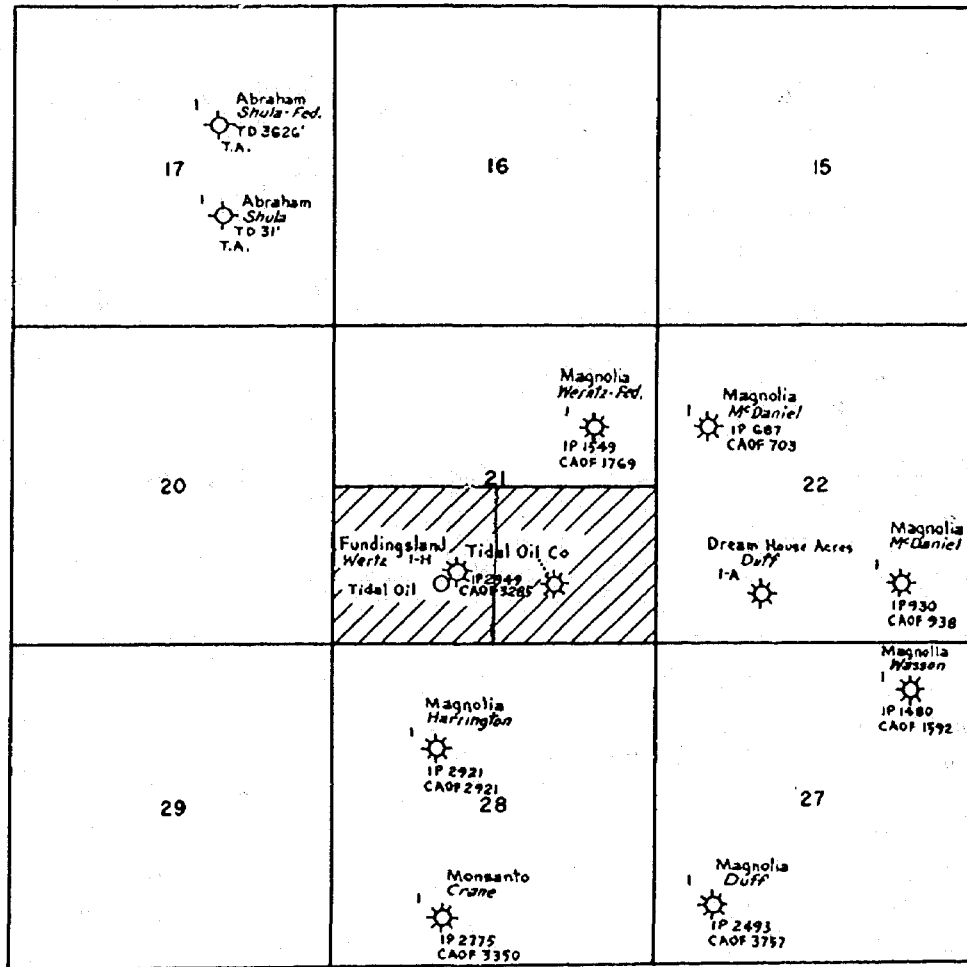
(5) That inasmuch as approval of the subject application
will not impair correlative rights nor cause waste and inasmuch
as denial of the subject application would ^{impose an} ~~cause~~ undue hardship ^{on the operator,} ~~the~~
same should be approved.

IT IS THEREFORE ORDERED:

That an unorthodox gas well location in an undesignated Pictured Cliffs pool at a point 1150 feet from the South line and 2040 feet from the West line of Section 21, Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico, be and the same is hereby approved.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

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BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. TIDAL
CASE NO. 2126

OIL COMPANY

EXHIBIT #1

RIO ARRIBA CO., NEW MEXICO

EXHIBIT NO. 3
NEW MEXICO OIL CONSERVATION COMMISSION
Well Location and Acreage Dedication Plat

SECTION A.

Date _____

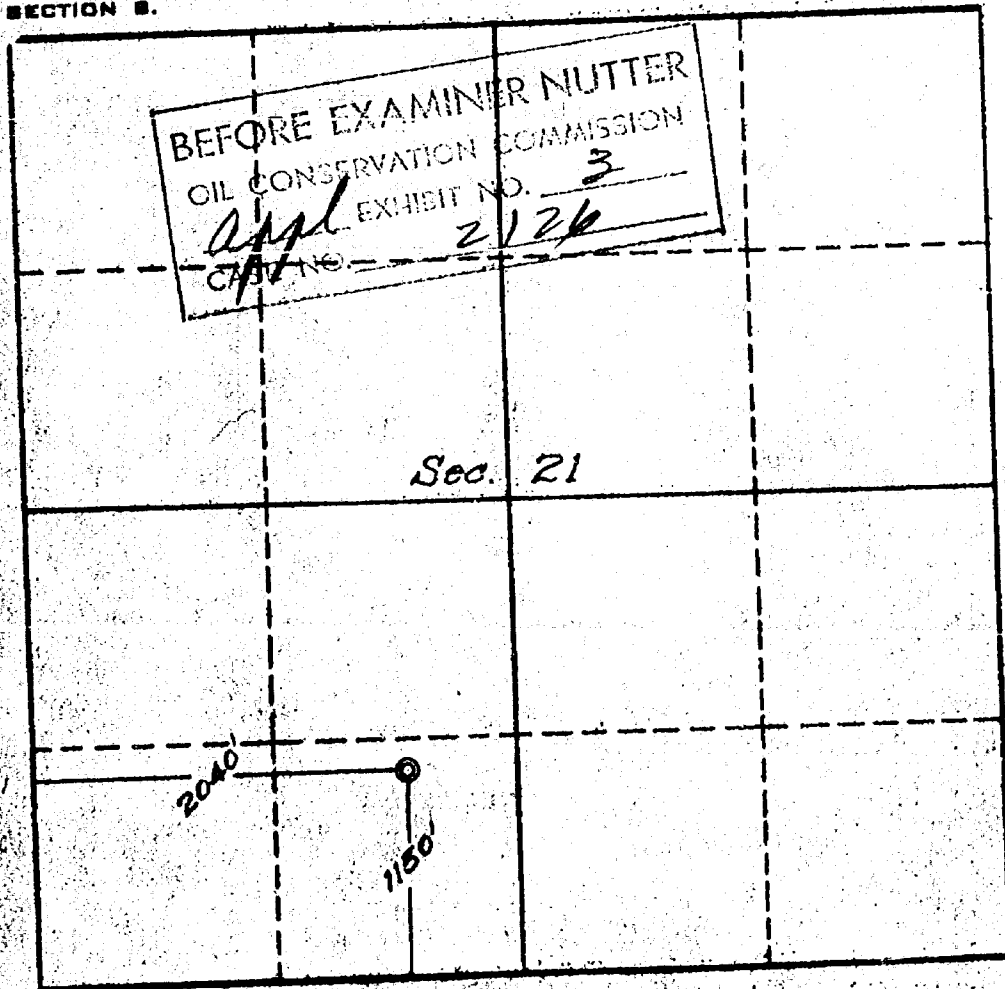
Operator Tidal Oil Company Lease _____
Well No. _____ Unit Letter H Section 21 Township 24 North Range 1 West NMPM
Located 1250 Feet From South Line, 2040 Feet From West Line
County Santa Fe G. L. Elevation _____ Dedicated Acreage _____ Acres
Name of Producing Formation _____ Pool _____

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below? Yes _____ No _____
2. If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____ If answer is "Yes," Type of Consolidation _____
3. If the answer to question Two is "No," list all the owners and their respective interests below:

OWNER

LAND DESCRIPTION

SECTION B.



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

(OPERATOR)

(REPRESENTATIVE)

(ADDRESS)

This is to certify that the well location shown on the plat in Section B was plotted from a note of actual survey made by me under my supervision and that the survey is true and correct to the best of my knowledge and belief.

Date Surveyed 10-22-65

Four States Engineering Co.
FARMINGTON, NEW MEXICO

Ernest H. Cook
REGISTERED ENGINEER OR
LAND SURVEYOR

Certificate No. 1545

EXHIBIT NO. 2

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-128
Revised 5/1/57Well Location and Acreage Dedication Plat

Section A.

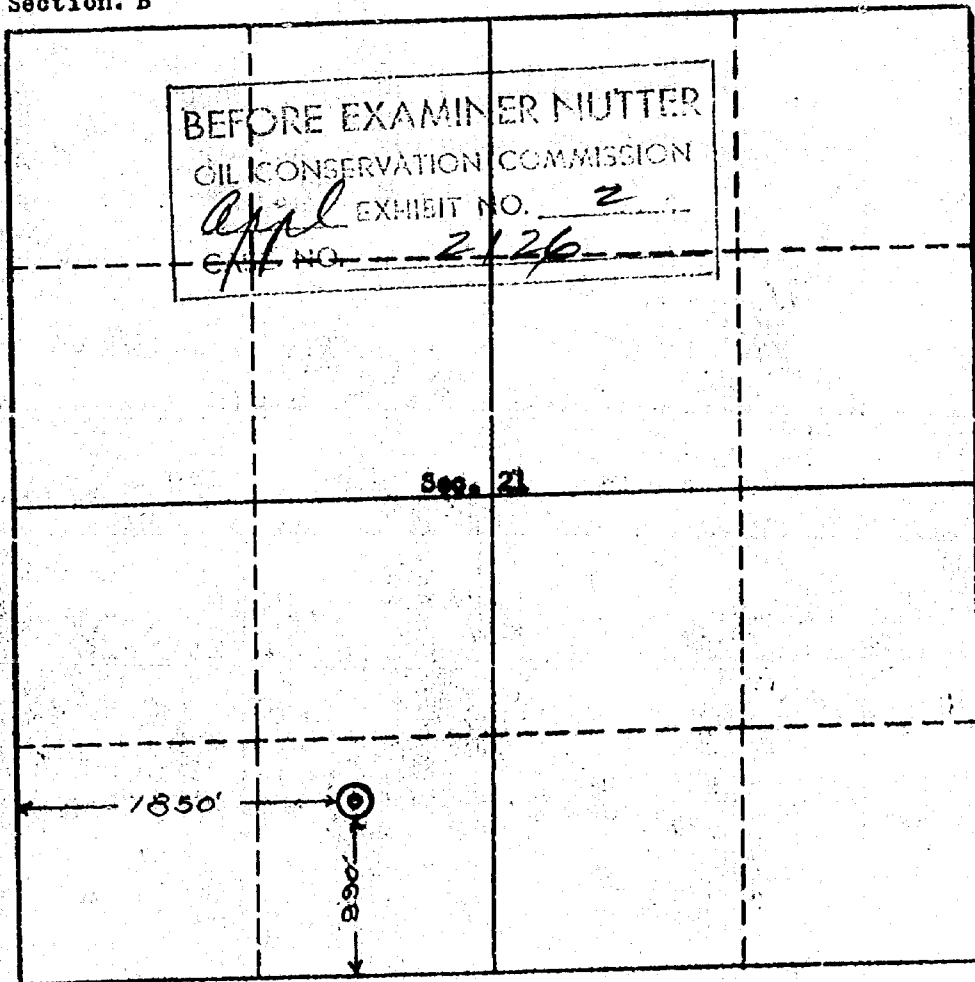
Date _____

Operator E.L. Funding Land Lease Title Marata
 Well No. 1 Unit Letter _____ Section 21 Township 21 North Range 1 West NMPN
 Located 970 Feet From South Line, 1850 Feet From West Line
 County Rio Arriba G. L. Elevation 7321 Dedicated Acreage _____ Acres
 Name of Producing Formation _____ Pool _____

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
 Yes _____ No _____
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes,"
 Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

OwnerLand Description

Section B



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

(Operator)

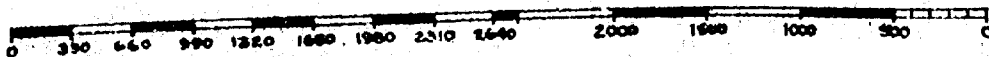
(Representative)

Address

This is to certify that the well location on the plat is as shown and is not from a previous survey. I am a duly qualified and licensed land surveyor under my state laws and I am the best qualified person to the best of my knowledge and belief.

Date Surveyed 5-18-1962

Ernest V. Eshchavk
 Ernest V. Eshchavk
 Registered Land Surveyor.

Certificate No. 1545

NO. 35-60

DOCKET: EXAMINER HEARING, WEDNESDAY, NOVEMBER 30, 1960

Oil Conservation Commission - 9 a.m., STATE LAND OFFICE BUILDING, Santa Fe, N.M.

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, attorney, as alternate examiner:

CASE 2125: Application of El Paso Natural Gas Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lusk Deep Unit Well No. 1, located in Unit A, Section 19, Township 19 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Bone Springs pool and the production of oil from an undesignated Pennsylvanian pool through parallel strings of tubing.

CASE 2126: Application of Tidal Oil Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in an undesignated Pictured Cliffs pool at a point 1150 feet from the South line and 2040 feet from the West line of Section 21, Township 24 North, Range 1 West, Rio Arriba County, New Mexico.

CASE 2127: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the production from the Dean Devonian and Dean Permo-Pennsylvanian Pools from all wells presently completed or hereafter drilled on its State Lea 396 Lease consisting of the NE/4, S/2 NW/4, and N/2 SW/4 of Section 35, Township 15 South, Range 36 East, Lea County, New Mexico, after separately metering only the production from the Dean Permo-Pennsylvanian Pool. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

CASE 2128: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the production from the Denton-Devonian and Denton-Wolfcamp Pools from all wells presently completed or hereafter drilled on its T. D. Pope Lease, consisting of the W/2 of Section 36, Township 14 South, Range 37 East, Lea County, New Mexico after separately metering only the Denton-Wolfcamp production. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

Docket No. 35-60

CASE 2129:

Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate pools from two separate leases and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle, after separate measurement, the production from the Denton-Devonian and Denton-Wolfcamp Pools from all wells presently completed or hereafter drilled on the following-described leases:

Whitman "A" Lease, NE/4 of Section 26
Whitman "B" Lease, E/2 of Section 23,

both in Township 14 South, Range 37 East, Lea County, New Mexico, and for permission to install an automatic custody transfer system to handle said commingled production.

CASE 2130:

Application of Redfern and Herd, Inc., for an order force-pooling a standard 320-acre gas proration unit in the Basin-Dakota Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Dakota Producing Interval in the W/2 of Section 29, Township 29 North, Range 11 West, Basin-Dakota Pool, San Juan County, New Mexico. The following are among the interested parties:

Aztec Oil & Gas Company, Summit Oil Company, Ruth Schrecht, Edwin A. Schrecht, Ella Blaise, and Sam Carson.

CASE 2131:

Application of Robinson Brothers Oil Producers for the creation of a new gas pool and for the promulgation of special rules and regulations therefor. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Pennsylvanian production consisting of the N/2 of Section 22, Township 11 South, Range 31 East, Chaves County, New Mexico. Applicant further seeks the promulgation of special rules and regulations governing said pool including a provision for 320-acre gas proration units.

CASE 2132:

Application of Humble Oil & Refining Company for permission to commingle the production from several pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the following pools underlying the State "V" Lease consisting of the SW/4, W/2 SE/4, and NE/4 SE/4 of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico: Blinebry Oil Pool, Brunson Pool, Drinkard Pool, Hare Pool, Tubb Oil Pool, Wantz Abo Pool, Blinebry Gas Pool and Tubb Gas Pool, with allocation to the various pools being based on monthly well tests except that separate metering and separation facilities would be used for oil well and gas well completions.

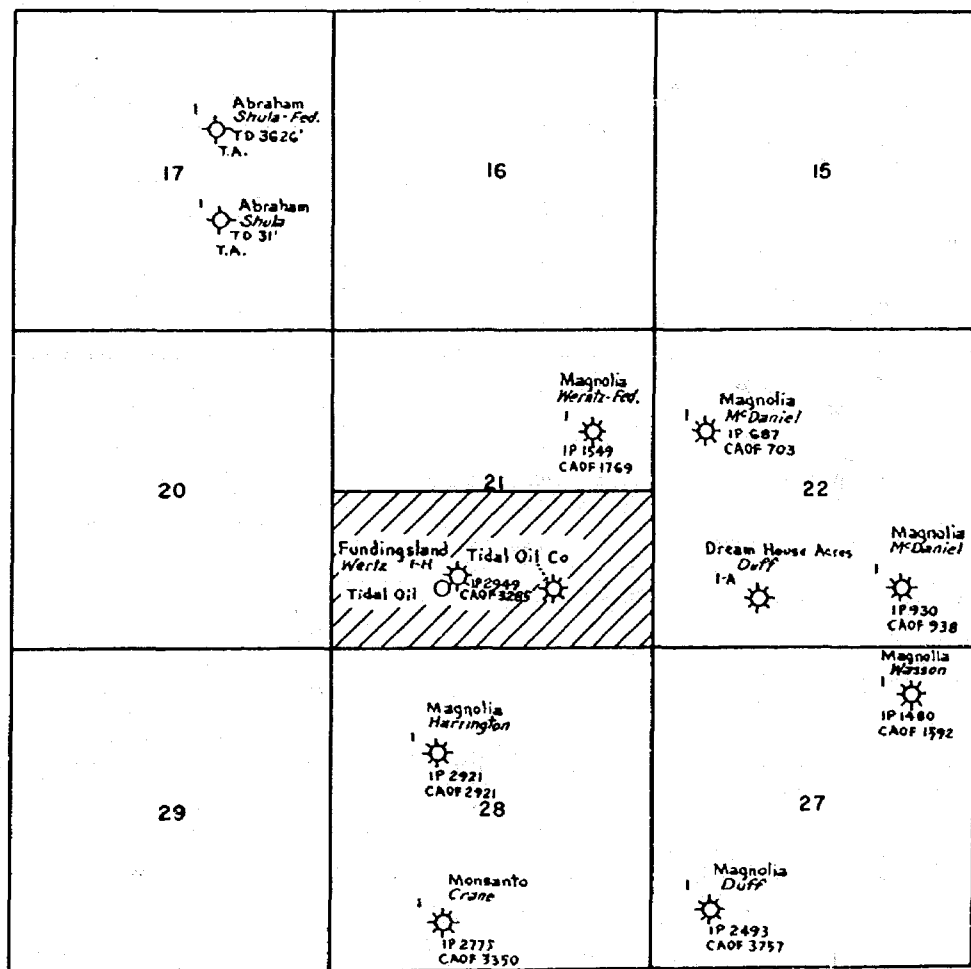
Docket No. 35-60

CASE 2132: Application of Humble Oil & Refining Company for an automatic custody transfer system and for an exception to Rule 309 (a). Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the Gallup production from an undesignated Gallup pool from all wells presently completed or hereafter drilled on its Navajo "L" Lease consisting of all or portions of Sections 25, 26, 35 and 36; Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2134: Application of Nearburg & Ingram for a dual completion, for permission to commingle the production from two separate pools, and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Midhurst Well No. 1, located in the NW/4 NW/4 of Section 35, Township 12 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Pennsylvanian Pool and the production of oil from the Southwest Gladiola-Devonian Pool through parallel strings of tubing. Applicant further seeks permission to commingle the production from said two common sources of supply from all wells on its Midhurst Lease consisting of the NW/4 of said Section 35 and for permission to install an automatic custody transfer system to handle said commingled production.

CASE 2135: Application of Nearburg & Ingram for an order creating a new oil pool and for the promulgation of temporary special rules and regulations therefor. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Pennsylvanian production consisting of the NW/4 of Section 35, Township 12 South, Range 37 East, Lea County, New Mexico. Applicant further seeks the promulgation of temporary special rules and regulations governing said pool including a provision for 80-acre proration units.

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TIDAL OIL COMPANY

EXHIBIT #1, 2126

RIO ARRIBA CO., NEW MEXICO

MORRIS B. JONES *Case 2124*

CONSULTING PETROLEUM ENGINEER

~~XXXXXXXXXX~~

~~XXXXXXXXXXXXXXXXXXXX~~

ALBUQUERQUE, NEW MEXICO

October 24, 1960

CLAIM OFFICE DEC

1960 OCT 25 AM 8:24

Mr. A. L. Porter, Jr.
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

On July 4, 1960 Tidal Oil Company whose address is 445 Petroleum Club Building, Denver, Colorado, completed a Pictured Cliffs well located 990 feet from the south line and 1850 feet from the west line in Sec. 21, Twn. 24N, Rge. 1W, Rio Arriba County, New Mexico, in an undesignated Pictured Cliffs pool. This well was resurveyed on October 22, 1960 and the location was found to be 1150 feet from the south line and 2040 feet from the west line of Sec. 21, Twn. 24N, Rge. 1W, Rio Arriba County, New Mexico. The line measurements make the location unorthodox. ?

As representative for Tidal Oil Company I'd like to request a hearing to have this unorthodox location accepted.

Please refer all correspondence regarding this hearing to:

Morris B. Jones
Room 15 - Law Building
Albuquerque, New Mexico.

Yours very truly,

Morris B. Jones
MORRIS B. JONES

MBJ/mp

CC: Tidal Oil Co.

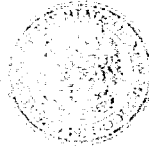
Mobil Oil Co. - Durango, Colo.

*Roberts
Mauls
11-17-60
R*

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



P. O. BOX 871
SANTA FE

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

December 8, 1960

Mr. Malcolm G. Colberg
First National Bank Building
Albuquerque, New Mexico

Re: Case No. 2126
Order No. B-1829
Applicant:

Tidal Oil Company

Dear Sir:

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

Very truly yours,

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

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC X

Other Morris B. Jones
Room 15 - LAW Building - Albuquerque, N.Mex.

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. 2126
Order No. R-1829

APPLICATION OF TIDAL OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCA-
TION IN AN UNDESIGNATED PICTURED
CLIFFS POOL, 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 November 30, 1960, 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 8th day of December, 1960, 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, Tidal Oil Company, is the owner and operator of the S/2 of Section 21, Township 24 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks approval for the unorthodox location of a gas well in an undesignated Pictured Cliffs pool at a point 1150 feet from the South line and 2040 feet from the West line of said Section 21.

(4) That a gas well has been drilled at the above-described unorthodox location due to oversight and inadvertence on the part of the operator.

(5) That inasmuch as approval of the subject application will not impair correlative rights nor cause waste and inasmuch as denial of the subject application would impose an undue hardship on the operator, the same should be approved.

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CASE No. 2126
Order No. R-1829

IT IS THEREFORE ORDERED:

That an unorthodox gas well location in an undesignated Pictured Cliffs pool at a point 1150 feet from the South line and 2040 feet from the West line of Section 21, Township 24 North, Range 1 West, NNPM, Rio Arriba County, New Mexico, be and the same is hereby approved.

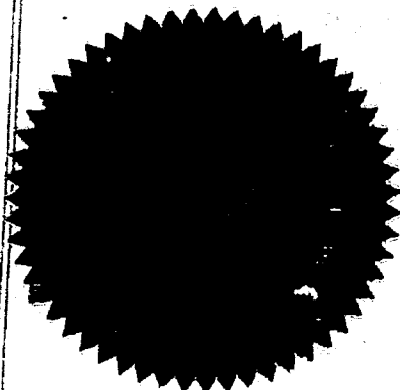
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



esr/

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE LAND OFFICE BLDG.
Santa Fe, New Mexico
November 30, 1960

IN THE MATTER OF:

APPLICATION OF TIDAL OIL COMPANY for an un-
orthodox gas well location. Applicant, in the
above-styled cause, seeks approval of an un-
orthodox gas well location in an undesignated
Pictured Cliffs pool at a point 1150 feet from the
South line and 2040 feet from the West line of
Section 21, Township 24 North, Range 1 West,
Rio Arriba County, New Mexico.

CASE

NO. 2126

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. MORRIS: Application of Tidal Oil Company for an un-
orthodox gas well location.

MR. COLBERG: Malcolm Colberg, First National Bank Bldg.,
Albuquerque, New Mexico, I am an attorney representing Tidal Oil Company.
We have one witness to testify in this case.

(Witness sworn.)

MORRIS B. JONES

a witness, called by and on behalf of the Applicant, having been duly sworn,
testified as follows:



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CM 3-6691

ALBUQUERQUE, NEW MEXICO

DIRECT EXAMINATION

BY MR. COLBERG:

Q Will you please state your name?

A Morris B. Jones.

Q By whom are you employed and in what capacity?

A Consulting Engineer and representing Tidal Oil Company in this case.

Q Have you previously testified before the Commission as a witness and were your qualifications accepted?

A Yes, sir, I have and they were accepted.

MR. COLBERG: Does the examiner accept the qualifications?

MR. NUTTER: Yes, sir.

Q (By Mr. Colberg) Would you explain what Tidal is seeking in this application?

A The present location of the well is unorthodox, the well has already been drilled and we would like to make this location legal.

Q Would you give your explanation of any exhibit you have to offer?

A Exhibit No. 1 shows the location in the Southwest Quarter of Section 21, Township 24 North, Range 1 West, Rio Arriba County, New Mexico. It shows the location where the well should have been drilled, that would be orthodox, and also shows where the well was drilled. Exhibit No. 2 shows the survey plat for the original plat which was an orthodox location and Exhibit No. 3 shows the actual location of the drilled well.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO

Q Mr. Jones, did you notify the adjoining landowners?

A To the best of my knowledge the surrounding landowners were sent a notice and/or a copy of the letter to the Commission by registered mail.

MR. COLBERG: Tidal Oil Company would like to offer Exhibits 1, 2 and 3 into evidence at this time.

MR. NUTTER: Exhibits 1 through 3 will be admitted.

Q (By Mr. Colberg) Would the approval of this unorthodox location be beneficial and prevent waste?

A I really don't know on that.

Q Well, if you had to drill another well, that certainly would be wasteful.

A Yes.

Q You don't know for sure if you can complete another well?

A Two hundred feet off of orthodox because of terrain features.

Q Certainly would protect correlative rights in this situation, in your opinion?

A Yes. Do you want me to explain what happened on this?

Q Yes.

A We, Tidal Oil Company, staked their No. 14 Wertz Tidal, which was drilled, and it was staked as shown on the exhibit 185' from the west line and 99' from the south line of Section 21 and staked by Ernest Echohawk, and plats were submitted to us. The well was drilled and to the best of Tidal Oil Company's knowledge, the well was draining that location when the No. 2 Wertz Tidal-4 was drilled in the Southeast Quarter of Section 21. It was brought



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

to our attention that the No. 1 well or the No. 2 well was not in the right location, so I had Echohawk, registered surveyor, land surveyor out of Farmington, resurvey the No. 1-4 well which had already been drilled and we found it was drilled at 2440 from the west line and 1150 from the south line of Section 21 and that was the first time we knew that the well hadn't been drilled at the original staked location.

MR. NUTTER: Was the well drilled on the original staked location?

A No, sir, it was drilled at this, as shown in Exhibit No. 3.

CROSS EXAMINATION

BY MR. NUTTER

Q In other words, Mr. Echohawk when he made his first survey, he had staked it as shown on Exhibit No. 2?

A Yes, sir.

Q When the rig was moved in, it wasn't moved in over the stake, it was moved in at the location shown on Exhibit No. 3?

A That seems to be correct, it was.

Q There is no explanation why the rig was placed where it was?

A We didn't know. Like I said, we didn't know at Tidal Oil that the well was drilled in that location till the No. 2 was staked. We assumed that the original stake was in the right place according to these measurements.

Q Does Magnolia or Mobil own the acreage all around this 160 acre tract?

A To the best of our knowledge, Mobil owns this surrounding



acreage in the 20 and 29.

Q Mobil Oil Company was sent copy of this application?

A By receipt of registered letter.

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

MR. COLBERG: That is all we have.

MR. NUTTER: Does anyone have any questions of Mr. Jones?

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Jones, is this well producing from the Pictured Cliffs or completed from the Pictured Cliffs?

A Its completed in the Pictured Cliffs, at the present time its not tied to the line.

Q How about this Magnolia Wertz Federal No. 1, I guess it is in Section 21, is that a Pictured well?

A All of the wells on Exhibit No. 1 are Pictured Cliffs' wells.

MR. PAYNE: Thank you.

MR. NUTTER: Any further questions of Mr. Jones?

(No response.)

MR. NUTTER: You may be excused. Do you have anything further for this case?

MR. COLBERG: No.

MR. NUTTER: Does anyone have anything more to offer for case 2126? We will take the case under advisement and call 2127.



I N D E XWITNESSPAGE

MORRIS B. JONES

Direct Examination by Mr. Colbery
 Cross Examination by Mr. Nutter
 Cross Examination by Mr. Payne

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EXHIBITS

<u>Number</u>	<u>Exhibit</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
No. 1	Plat	2	3	3
No. 2	Plat	2	3	3
No. 3	Plat	2	3	3

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, LEWELLYN F. NELSON, Court Reporter, 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 this *10 day of Dec 1960*, in the City of Albuquerque, County of Bernalillo, State of New Mexico

Lewellyn F. Nelson
Lewellyn F. Nelson, Court Reporter.

My commission expires
Jan 14, 1961

I do hereby certify that the foregoing is a complete record of the proceedings in the New Mexico Oil Conservation Commission, No. *2126*, heard by me on *11/30*, 19*60*.

Asst. Sec. 1, Examiner
New Mexico Oil Conservation Commission

