

CASE 2137: Application of CAULKINS
for a non-standard gas unit in the
Basin-Dakota Pool. (D-268 Well)

Case No.

2137

Application, Transcript,
Small Exhibits, Etc.

DRAFT

RSM/esr
December 13

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. 2137
Order No. R- 1845

12/16
12-16-60
APPLICATION OF CAULKINS OIL COMPANY
FOR A 320-ACRE NON-STANDARD GAS PRO-
RATION UNIT IN THE BASIN-DAKOTA POOL,
SAN JUAN AND RIO ARriba COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
December 12, 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 _____ day of December, 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, Caulkins Oil Company, is the owner
and operator of the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16,
Township 26 North, Range 6 West, NMPM, ^{Rio Arriba} ~~San Juan~~ County, New Mexico,
which applicant proposes be established as a 320-acre non-standard
gas proration unit in the Basin-Dakota Pool.

(3) That the applicant is the operator of ^{the} ~~its~~ D-268 Well
located in the SE/4 NE/4 of said Section 16, to which well the
proposed 320-acre non-standard gas proration unit would be
dedicated.

(4) That the proposed 320-acre proration unit can reasonably
be presumed to be productive of gas from the Basin-Dakota Pool.

(4) That the remainder of said Section 16 is a 320-
acre non-standard gas proration unit in the Basin-Dakota
Pool dedicated to the applicant's PD-233 Well.

(5) That establishment of the above-described non-standard gas proration unit will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(X) That a 320-acre non-standard gas proration unit in the Basin-Dakota Pool consisting of the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, NMPM, ~~Santa Fe~~ *Rio Arriba* County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to applicant's D-268 Well located in the SE/4 NE/4 of said Section 16.

(2) That the above-described gas well be and the same is hereby assigned an acreage factor for allowable purposes in the proportion that the acreage in the non-standard gas proration unit bears to the acreage in a standard gas proration unit in the Basin-Dakota Pool, subject to the provisions of the Special Rules and Regulations for said pool.

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

IT IS FURTHER ORDERED:

That the applicant shall file Form C-128 with the Commission before January 15, 1961, and that the effective date of this order shall be February 1, 1961.

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

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CAULKINS OIL COMPANY FOR APPRO-
VAL OF A NON-STANDARD PRORATION
UNIT CONSISTING OF THE S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$,
S $\frac{1}{2}$ SW $\frac{1}{4}$, SECTION 16, TOWNSHIP 26 NORTH,
RANGE 6 WEST, BASIN DAKOTA POOL.

Case 2137

A P P L I C A T I O N

Comes now Caulkins Oil Company and applies to the Oil Conservation Commission of New Mexico for approval of a non-standard proration unit consisting of the S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 16, Township 26 North, Range 6 West, N.M.P.M., to be dedicated to applicant's D-268 well in the Basin-Dakota Pool, and in support thereof would show:

1. The Caulkins Oil Company Well No. D-268 is located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 16, and is completed for the production of gas from the Dakota formation as defined by the Commission.
2. Well D-268 presently has dedicated to it a 160-acre unit consisting of the S $\frac{1}{2}$ NE $\frac{1}{4}$ and the N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 16, by approval of the Commission.
3. By provisions of Order No. R-1627 issued in Case No. 1901 applicant's well No. PD-233 has been dually completed for production from the South Blanco-Pictured Cliffs Gas Pool and the Basin-Dakota Gas Pool, and has dedicated to it for Dakota production the N $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, and N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 16.
4. Approval of this application will result in dedication of all of the acreage in said Section 16 for Dakota production, and is in the interests of conservation and the prevention of waste.

5. Attached hereto is a plat showing location of applicant's wells, lease ownership, and the proposed unit to be dedicated to Well No. D-268.

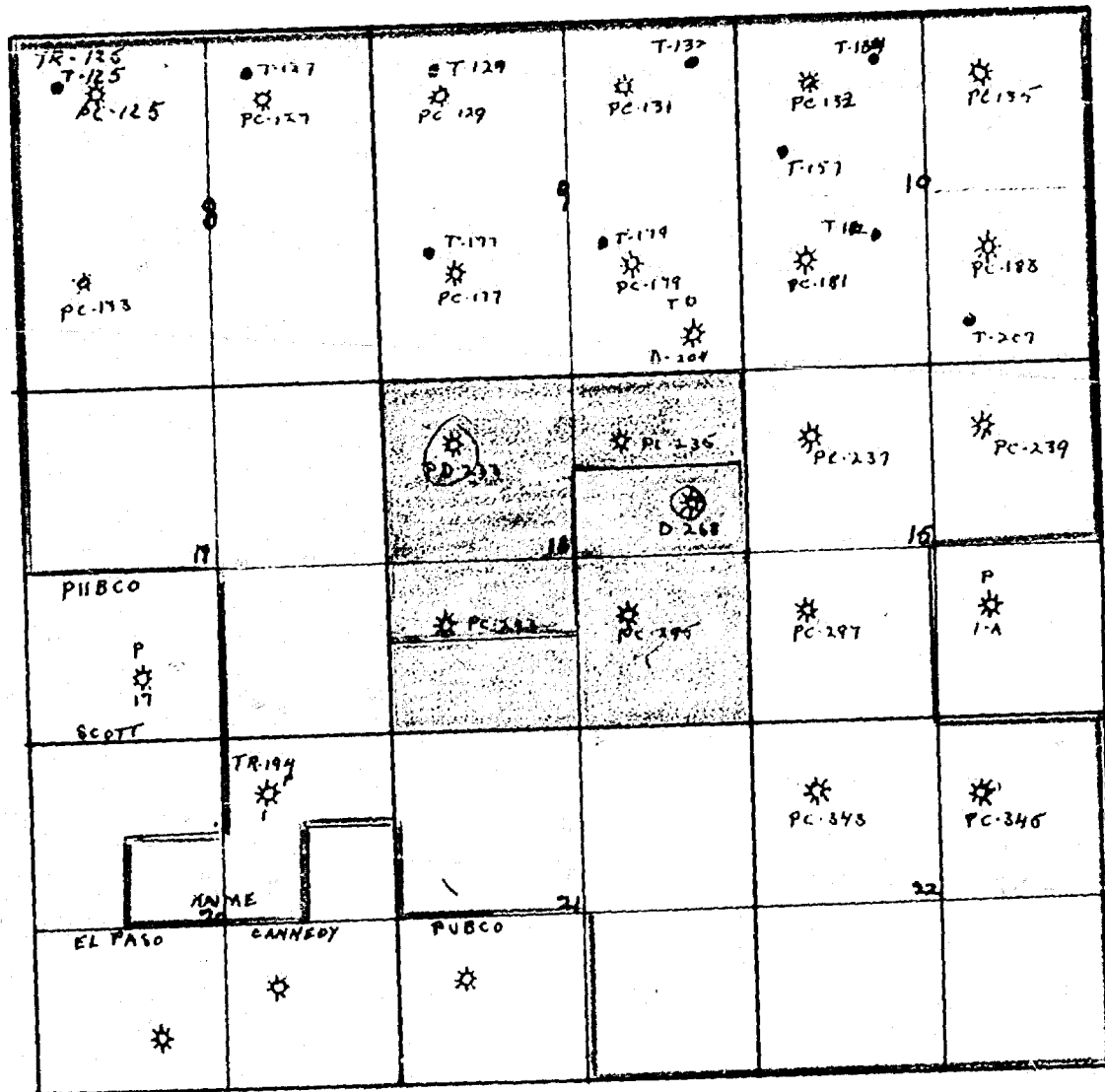
WHEREFORE, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as provided by law, the Commission enter its order approving the non-standard unit as applied for.




Respectfully submitted,

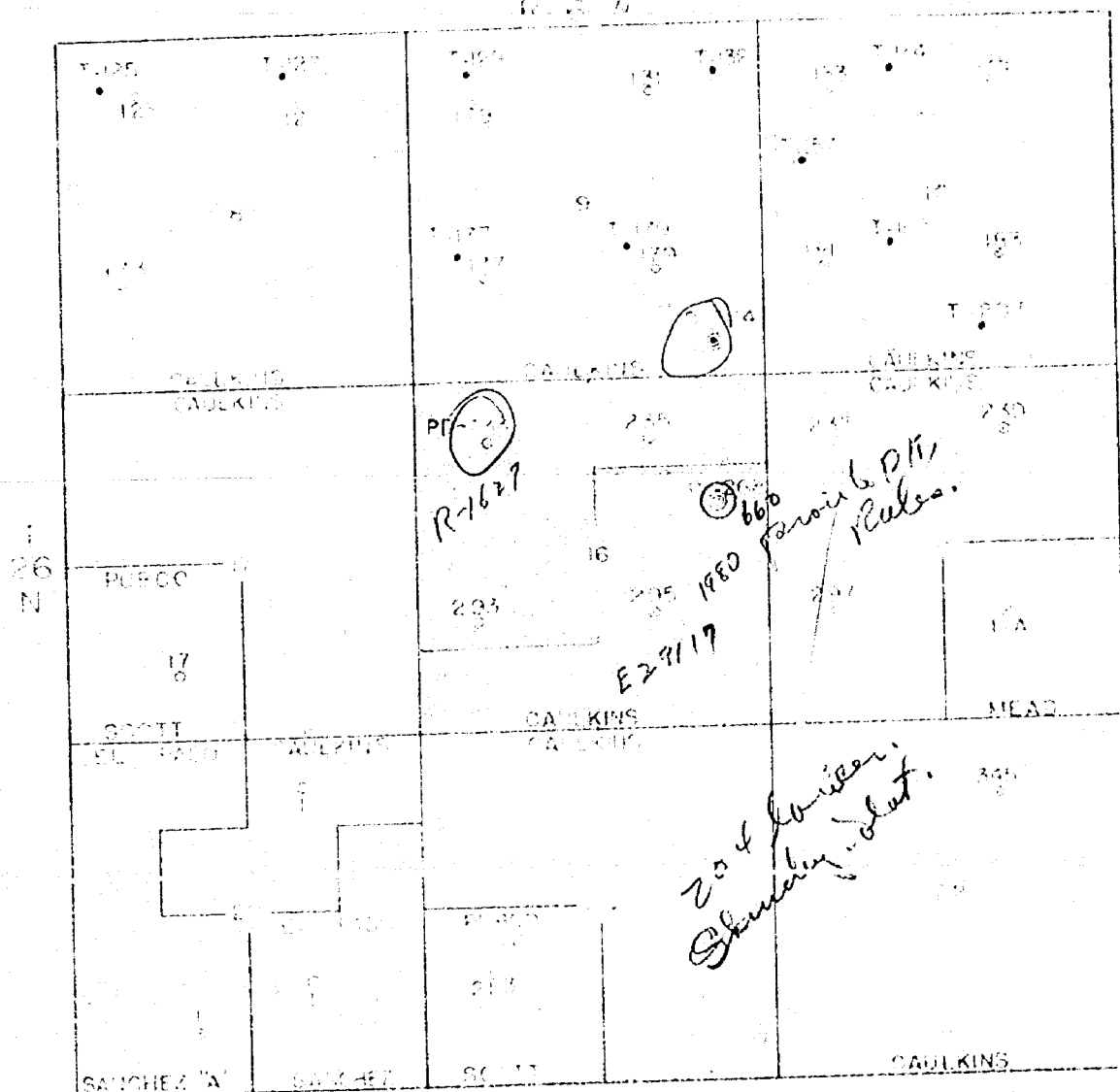
CAULKINS OIL COMPANY

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1713
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT



-  Proposed Unit
-  PD-233 Unit
-  Caulkins-Operated Acreage



Wells shown above with no prefix produce from the Pictured Cliffs formation only. D-204 is a dual Tocito and Dakota producer, and PD-233 is a dual Pictured Cliffs and Dakota producer. The prefix "P" indicates a Tocito well and "D" indicates a Dakota well.

AREA SURROUNDING CAULKINS OIL CO. STATE "A" NO. D-268, A DAKOTA PRODUCER LOCATED 1980' 1/N LINE AND 660' 1/E LINE, SEC 16 T26N R6W, RIO ARriba COUNTY, NEW MEXICO.

EXHIBIT # 1 CASE # 2137
Date _____

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
Appl. _____	EXHIBIT NO. <u>1</u>
CASE NO. <u>2137</u>	

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

YUCCA 3-9396
YUCCA 2-2991

November 17, 1960

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

Case 2137

Gentlemen:

I am enclosing application for a non-standard proration unit in the Basin Dakota Pool, for filing on behalf of Caulkins Oil Company.

It will be appreciated if this application can be set for the next examiner hearing.

Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

JWK:ss
cc: Art Holland
Frank Gray

Encl.

*Worked
Mailed
12-5-60
JR*

DOCKET: EXAMINER HEARING, MONDAY, DECEMBER 12, 1960

Oil Conservation Commission - 9 a.m., STATE LAND OFFICE BUILDING, SANTA FE, NM

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, attorney, as alternate examiner:

CASE 2136: Application of Byard Bennett for a non-standard gas proration unit and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 NW/4 of Section 24, Township 25 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Ascarte-Federal Well No. 1, located at an unorthodox location at a point 330 feet from the North line and 2310 feet from the West line of said Section 24.

CASE 2137: Application of Caulkins Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West. Said unit is to be dedicated to the D-268 well located in the SE/4 NE/4 of said Section 16.

CASE 2138: Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle without separately measuring the production from the Penrose Skelly and Drinkard Pools from all wells presently completed on its Baker "B" Lease consisting of the SW/4 and the W/2 SE/4 of Section 10, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 2139: Application of Cosden Petroleum Corporation for the promulgation of special rules and regulations governing the South Prairie-Pennsylvanian Pool, Roosevelt County, New Mexico, including a provision for 80-acre oil proration units.

CASE 2140: Application of Humble Oil & Refining Company for approval of the North Kirtland Unit Agreement. Applicant, in the above-styled cause, seeks approval of the North Kirtland Unit Agreement, which unit embraces 11,478 acres of Federal and State land in Township 30 North, Range 14 West, San Juan, New Mexico.

CASE 2141: Application of Honolulu Oil Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its McKittrick Canyon Unit Agreement, which unit is to embrace 6708 acres of Federal, State and fee lands in Township 22 South, Ranges 25 and 26 East, Eddy County, New Mexico.

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Docket No. 36--60

CASE 2145: Application of Oil Development Company of Texas for off-lease storage of oil. Applicant, in the above-styled cause, seeks an order authorizing it to store the East Crossroads-Devonian production from its Santa Fe Pacific Railroad Lease (S/2 SW/4 of Section 19, Township 9 South, Range 37 East) in a separate tank battery to be located on its Santa Fe Pacific Railroad Lease, Crossroads-Devonian Pool (NE/4 of Section 26, Township 9 South, Range 36 East) both in Lea County, New Mexico.

CASE 2146: Application of Humble Oil & Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its D. H. Crockett Well #1, located in Unit C, Section 21, Township 15 South, Range 36 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Caudill-Wolfcamp Pool and the production of oil from the Caudill-Devonian Pool through the annulus between strings of 5½-inch casing and 2½-inch tubing and through 2½-inch tubing, respectively.

Case 2137

Heard 12-12-60

Rec. 12-16-60

1. I recommend that Caulkins request for a 320 A.C. Hon. lld. unit for their State "A" # D-268, 1980/N 660/E lines of 16-26N-6W be approved.
2. Unit consists of:
26N-6W:
Sec 16. S/2 NE/4, SE/4, S/2 SW/4.
3. Effective date of change should be 2-1-61, provided a new C-128 is filed in the before 1-15-61.

James H. H. J.

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER

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

P. O. BOX 871
SANTA FE

December 21, 1960

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

Re: Case No. 2137
Order No. B-1845
Applicant:

Caulkins 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

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. 2137
Order No. R-1845

APPLICATION OF CAULKINS OIL COMPANY
FOR A 320-ACRE NON-STANDARD GAS PRO-
RATION UNIT IN THE BASIN-DAKOTA POOL,
SAN JUAN AND RIO ARriba COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 12, 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 December, 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, Caulkins Oil Company, is the owner and operator of the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, which applicant proposes be established as a 320-acre non-standard gas proration unit in the Basin-Dakota Pool.

(3) That the applicant is the operator of the D-268 Well located in the SE/4 NE/4 of said Section 16, to which well the proposed 320-acre non-standard gas proration unit would be dedicated.

(4) That the remainder of said Section 16 is a 320-acre non-standard gas proration unit in the Basin-Dakota Pool dedicated to the applicant's PD-233 Well.

(5) That the proposed 320-acre proration unit can reasonably be presumed to be productive of gas from the Basin-Dakota Pool.

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CASE No. 2137
Order No. R-1845

(6) That establishment of the above-described non-standard gas proration unit will neither cause waste nor impair correlative rights.

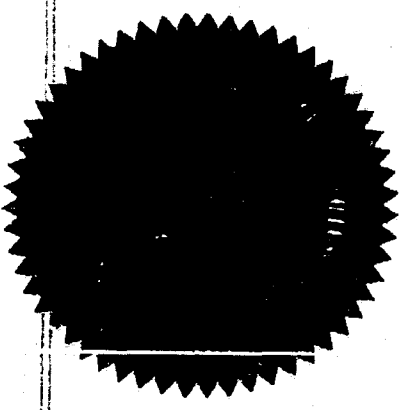
IT IS THEREFORE ORDERED:

That a 320-acre non-standard gas proration unit in the Basin-Dakota Pool consisting of the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to applicant's D-268 Well located in the SE/4 NE/4 of said Section 16.

That the applicant shall file Form C-128 with the Commission before January 15, 1961, and that the effective date of this order shall be February 1, 1961.

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
SANTA FE, NEW MEXICO
DECEMBER 12, 1960

IN THE MATTER OF:

CASE 2137 Application of Caulkins Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Basin-Lakota Pool, San Juan and Rio Arriba Counties, New Mexico, comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West. Said unit is to be dedicated to the D-268 well located in the SE/4 NE/4 of said Section 16.

BEFORE:

Elvis A. Utz, 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. UTZ: Case 2137.

MR. MORRIS: Case 2137. Application of Caulkins Oil Company for a non-standard gas proration unit.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, representing the applicant. We have one witness, Mr. Frank Gray.

(Witness sworn)

FRANK GRAY,

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

DIRECT EXAMINATION



BY MR. KELLAHIN:

Q Would you state your name, please?

A Frank Gray.

Q By whom are you employed and in what position?

A Production superintendent for Caulkins Oil Company.

Q Mr. Gray, have you testified before the Commission as an expert witness and have your qualifications been accepted?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir. Let me ask for appearances at this time in this case. If there are none, you may proceed.

Q (By Mr. Kellahin) Mr. Gray, are you familiar with the application in Case 2137?

A Yes, sir.

Q Would you state what is proposed in this case?

A It is proposed to dedicate the south half of the northeast quarter, the southeast quarter, and the south half of the southwest quarter of Section 16, to the Caulkins Oil Company's State "A" Well No. D-268.

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

Q Now, referring to what has been marked as Caulkins Exhibit No. 1, would you state what that Exhibit shows?

A Shows the area surrounding the Caulkins Oil Company's State "A" D-268 in Section 16, 26 North, 6 West. It shows the ownership

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of all of the acreage adjoining Section 16. Also, the acreage, as proposed to dedicate to this 268 is colored in pink, and the remainder of the Section, which has already been dedicated to another well, shown in blue.

Q To what well is the acreage shown in blue dedicated?

A Caulkins 233.

Q All of it is immediately operated by Caulkins Oil Company?

A Yes, all of it.

Q Now, with reference to Well D-268, would you discuss briefly the history of that well?

A The well was completed as a Dakota producer in April, 1951, and it is located 660 feet from the East line and 1990 feet from the North line of Section 16. Now, it has been producing from Dakota sand since that time, and the acreage dedicated to it at the present time is the south half of the northeast and north half of the southeast. The working interest ownership is common to all, all of the acreage we propose to dedicate for this well, and also the royalty interest. All of it was part of the State East-E291-17.

Q Now, in your opinion, is all of the acreage you propose to dedicate that to previously productive of gas from the Dakota formation?

A Yes; sir, it should be productive of the entire Section.

Q On what do you base that conclusion?

A Just on the fact that we have wells both higher and lower structurally that produce from the Dakota sand.



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Q In this area?

A In that area, yes, sir.

Q In your opinion, will the dedication of the acreage proposed impair correlative rights?

A No, I don't think correlative rights would be impaired nor would it cause any waste.

Q For what reason, Mr. Gray, do you not wish to dedicate a half section to each of the two wells involved in this Section?

A The ownership of the acreage we have is common through all the acreage. I think the ownership of the acreage we propose to dedicate to this well has the same working interest and royalty interest. There is a difference in working interest between the north half of the north half of this Section and the remainder of it. Now, then, the acreage we propose for this well is that portion of Section 16-26-6, remaining after the 320-acre unit was established for the Caulkins Oil Company State P D 233 Well by Commission Order R-1627, dated March 11, 1960.

Q Was Exhibit No. 1 prepared by you?

A Yes, sir.

MR. KELLAHIN: I would like to offer in evidence Exhibit No. 1. That is all the questions.

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

(Whereupon, Applicant's Exhibit No. 1 was received in evidence.)



MR. KELLAHIN: That is all the questions.

CROSS-EXAMINATION

BY MR. PAYNE:

Q If your application were approved, then Section 16 in its entirety will be two Dakota gas wells, is that right?

A Yes, sir.

Q What is the location of your D-268 lease, the footage location?

A 1980 from the North and 660 from the East.

Q Do you have an unorthodox location approved for this well inasmuch as it's 660 instead of 790?

MR. KELLAHIN: The well was drilled prior to the adoption of the spacing location.

MR. PAYNE: That is all.

BY MR. UTZ:

Q The 268 was a singularly completed well?

A Yes, sir.

Q The 233 is a picture Dakota?

A Dual picture Dakota.

Q The reason you want this type of location is to line up the ownership in the Section?

A Yes.

Q Are there any producing gas wells to the South of this area?

A Not in the Dakota, not in this immediate area.

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Q But you have a Dakota well to the North in Section 9?

A Yes, the D-204 B. A. Creek offset.

Q There is none to the West?

A None to the West, no.

Q None to the East, is that right?

A That is right.

Q None to the South?

A There is a well in Section 24, but that will be quite a ways to the East. The Caulkins Oil Company Sanchez No. 1 in the northwest of 24 is a Dakota producer now. That is to the East. Now, to the West, there is a Dakota well in Section 13. However, that is rather a long ways away. 13, 26, 7.

Q Do you have any contours of this area that would tend to show the productivity of the Dakota in the south part of this Section?

A No, I don't have one prepared at this time.

Q Except your statement that there is Dakota production higher and lower than this Section?

A That statement was on the information on the P M D 24 in Section 13 27-7, which is higher than the D-268 Well and the Caulkins Oil Company D-204 in Section 9 and the Caulkins Oil Company Sanchez No. 1 in Section 24. Now, the 204 Well is lower structurally and the Sanchez well is approximately flat with it, that is, it's approximately flat with the D-268 Well.

MR. UTZ: Any other questions? The witness may be excused.



(Witness excused)

MR. UTZ: Any other statements in this case?

(No response)

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

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

WITNESS my Hand and Seal this, the 6 day of Dec,
1960, in the City of Albuquerque, County of Bernalillo, State of
New Mexico.

NOTARY PUBLIC

June 14, 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearings of Case No. 2137, heard by me on Dec. 12, 1960.

Ernest W. [Signature], Examiner
New Mexico Oil Conservation Commission