

CASE 3582: Application of TENNECO
OIL CO. for two unorthodox gas
well locations, Rio Arriba County.

CASE No.
3582

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

June 6, 1967

Mr. Charles White
White, Gilbert, Koch & Kelly
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: Case No. 3582
Order No. R-3248
Applicant:
Tenneco 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

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC x

Other _____

WHITE, GILBERT, KOCH & KELLY
ATTORNEYS AT LAW
P. O. BOX 787
SANTA FE, NEW MEXICO

MAIN OFFICE
267 MAY 1 AM 8 22

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE
OF NEW MEXICO

APPLICATION OF TENNECO OIL
COMPANY FOR TWO UNORTHODOX GAS
WELL LOCATIONS RIO ARRIBA COUNTY
NEW MEXICO

No. 3582

A P P L I C A T I O N

Comes now Tenneco Oil Company and seeks approval of unorthodox gas
well locations in the Blanco Mesa Verde Gas Pool for its following described
wells:

Jicarilla C Well No. 6 located 1,780 feet from the
North line and 1,455 feet from the West line, Section
14, Township 26 North, Range 5 West, Rio Arriba County
New Mexico.

Jicarilla C Well No. 4 located 1,650 feet from the North
line and 1,650 feet from the West line, Section 24,
Township 26 North, Range 5 West, Rio Arriba County, New
Mexico.

In support of the said Application Tenneco shows the Commission that
the subject wells were originally projected for the Dakota formation and
were drilled at standard locations for the Basin Dakota Gas Pool.

That approval of this Application will result in the recovery of
otherwise unrecoverable gas as the geological condition in the area will not
justify single completion in the Blanco Mesa Verde Gas Pool.

The approval of the Application will allow Applicant the opportunity
to produce its just and equitable share of the gas in the Blanco Mesa Verde
Pool, and will prevent economic loss caused by the drilling of unnecessary
wells and otherwise prevent waste and protect correlative rights.

WHEREFORE Applicant asks that the Application be approved after public
hearing.

J. D. MOON
WHITE, GILBERT, KOCH & KELLY

By MB Kelly

DOCKET MAILED

Date 5-12-67

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. 3582
Order No. R-3248

APPLICATION OF TENNECO OIL COMPANY
FOR TWO UNORTHODOX GAS WELL LOCATIONS,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 24, 1967,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of June, 1967, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Tenneco Oil Company, seeks approval
of unorthodox gas well locations in the Blanco-Mesaverde Gas Pool
for its following-described wells:

Jicarilla "C" Well No. 6, located 1780 feet from
the North line and 1455 feet from the West line
of Section 14, Township 26 North, Range 5 West,
NMPM, Rio Arriba County, New Mexico, and

Jicarilla "C" Well No. 4, located 1650 feet from
the North line and 1650 feet from the West line
of Section 24, Township 26 North, Range 5 West,
NMPM, Rio Arriba County, New Mexico.

(3) That the subject wells were originally projected to the
Dakota formation and were drilled at standard locations for the
Basin-Dakota Gas Pool.

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CASE No. 3582

Order No. R-3248

(4) That approval of the subject application should result in the recovery of otherwise unrecoverable gas as the applicant proposes to dually complete the subject wells in the Basin-Dakota Gas Pool and the Blanco-Mesaverde Gas Pool, and the geological conditions in the area will not justify single completion in the Blanco-Mesaverde Gas Pool.

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco-Mesaverde Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

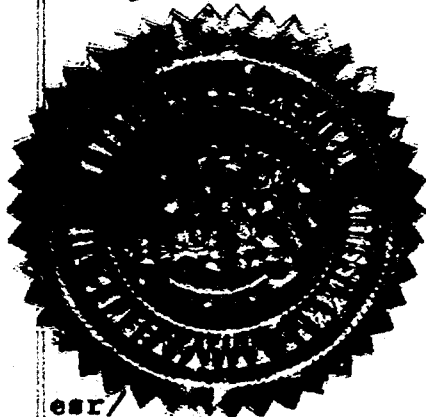
(1) That the applicant, Tenneco Oil Company, is hereby authorized unorthodox gas well locations in the Blanco-Mesaverde Gas Pool for its following-described wells:

Jicarilla "C" Well No. 6, located 1780 feet from the North line and 1455 feet from the West line of Section 14, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and

Jicarilla "C" Well No. 4, located 1650 feet from the North line and 1650 feet from the West line of Section 24, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David F. Cargo
DAVID F. CARGO, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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

esr/

Reaser 3582

Heard 5-24-67

Res. 5-26-67

1. Grant Tenneco's request for
2. NW 1/4 for their Jic. C #6
+ Jic. C #4. (Correct location attached
on application.) Blanco Mesas
completions.

2. These wells were drilled to the
Hakola & were dry. The M.V. was
unexpectedly productive and
are in the NW 1/4 when they
should be in the NE & SW.

Thos. J. [Signature]

Docket No. 16-67

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 24, 1967

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 3572: Application of Jones Exploration Company for a dual completion and for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State Well No. 1 located in Unit H of Section 35, Township 17 South, Range 35 East, Vacuum Field, Lea County, New Mexico, in such a manner as to permit the production of Abo Reef oil through the tubing and the disposal of produced salt water down the casing-tubing annulus into the Paddock formation in the perforated interval from 6955 to 6995 feet.
- CASE 3573: Application of Aztec Oil & Gas Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Corbin Strawn Oil Pool, including a provision for 160-acre proration units and the establishment of a 4000 to one gas-oil ratio limitation.
- CASE 3574: Application of Cima Capitan, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through one well located in Unit C of Section 3, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico.
- CASE 3575: Application of Harvey E. Yates for a triple completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion of his Stebbins Deep Federal Well No. 1 located in Unit H of Section 30, Township 20 South, Range 29 East, Eddy County, New Mexico, to produce oil from the Scanlon Delaware Oil Pool through one string of tubing and to selectively produce gas from an undesignated Strawn gas pool and from an undesignated Morrow gas pool through another string of tubing. Selective production of one of the two gas zones at a time would be accomplished by means of a sliding side door and tubing plug.
- CASE 3576: Application of Jomar Industries, Inc. for water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, has proposed to drill certain wells in the S/2 NW/4 SE/4 and the N/2 SW/4 SE/4 of Section 30, Township 18 South, Range 38 East, Lea County, New Mexico, for production of oil from the Ogallala formation. Applicant anticipates that fresh water will be produced from the Ogallala formation incidental to the production of said oil and now seeks authority to dispose of said water back into the Ogallala formation through an injection well or wells to be located no nearer than 330 feet to the outer boundaries of the above-described acreage.

CASE 3577: Application of El Paso Natural Gas Company for four non-standard units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following non-standard gas proration units in Township 29 North, Range 7 West, Basin-Dakota Gas Pool, Rio Arriba County, New Mexico:

A 327.78-acre non-standard unit comprising the W/2 of Section 6 and the NW/4 of Section 7, to be dedicated to the San Juan 29-7 Unit Well No. 100 located 790 feet from the South line and 950 feet from the West line of said Section 6;

A 345.19-acre non-standard unit comprising the SW/4 of Section 7 and the W/2 of Section 18;

A 361.64-acre non-standard unit comprising the W/2 of Section 19 and the NW/4 of Section 30;

A 375.28-acre non-standard unit comprising the SW/4 of Section 30 and the W/2 of Section 31.

Each of the latter three non-standard units will be dedicated to a well to be drilled at an as yet undetermined standard location on the respective unit.

CASE 3578: Application of Texas Pacific Oil Company for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 29 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

A 120-acre non-standard gas proration unit comprising the N/2 NE/4 and the SE/4 NE/4 of Section 7, to be dedicated to the State "A" A/c-2 Well No. 5, located in Unit A of said Section 7, and also to the State "A" A/c-2 Well No. 6 located in Unit B of said Section 7;

A 160-acre non-standard gas proration unit comprising the W/2 W/2 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 41, located in Unit M of said Section 5;

An 80-acre non-standard gas proration unit comprising the E/2 NW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 44, located in Unit F of said Section 5;

A 160-acre non-standard gas proration unit comprising the N/2 SE/4 and the E/2 SW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 28, located in Unit I of said Section 5;

(Case 3578 continued)

An 80-acre non-standard gas proration unit comprising the S/2 SE/4 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 27, located in Unit P of said Section 5;

A 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 54, located in Unit O of said Section 8;

A 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 56, located in Unit J of said Section 8;

An 80-acre non-standard gas proration unit comprising the S/2 NE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 43, located in Unit H of said Section 8;

An 80-acre non-standard gas proration unit comprising the N/2 NW/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 49, located in Unit C of said Section 8;

A 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 40, located in Unit A of said Section 9;

A 240-acre non-standard gas proration unit comprising the E/2 SE/4 Section 8, and the SW/4 Section 9, to be dedicated to the State "A" A/c-2 Well No. 38, located in Unit K of said Section 9;

A 160-acre non-standard gas proration unit comprising the N/2 NE/4 Section 8, and the W/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 29, located in Unit D of said Section 9.

CASE 3579: Application of Texas Pacific Oil Company for three dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "A" A/c-2 Wells Nos. 28, 54, and 29, located in Unit I of Section 5, Unit O of Section 8, and Unit D of Section 9, respectively, Township 22 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and oil from the South Eunice Oil Pool.

CASE 3580: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation through one well located in Unit C of Section 17, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 3581: Application of Sunray DX Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation from 4248 feet to 4286 feet in its Harris State Well No. 5 located in Unit I of Section 23, Township 10 South, Range 32 East, Mescalero-San Andres Pool, Lea County, New Mexico.

CASE 3582: Application of Tenneco Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Blanco-Mesaverde Gas Pool location of its Jicarilla C Well No. 6, located 1780 feet from the North line and 1455 feet from the West line of Section 14, and its Jicarilla C Well No. 4 located 1650 feet from the North and West lines of Section 24, all in Township 26 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 3583: Application of Stoltz & Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the North Bagley-Lower Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

CASE 3584: Application of Gulf Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Eddy "BD" State Well No. 1 at an unorthodox location 660 feet from the South line and 990 feet from the East line of Section 32, Township 20 South, Range 30 East, in an undesignated Strawn gas pool, Eddy County, New Mexico.

CASE 3585: Application of Gulf Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the force-pooling of all mineral interests in the North Bagley-Pennsylvanian Oil Field, SW/4 SE/4 and SE/4 SE/4 of Section 9, Township 11 South, Range 33 East, Lea County, New Mexico, to be dedicated to the Lea State "OE" Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line of said Section 9.

CASE 3586: Application of Morris R. Antweil for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Malaga Unit Area comprising 839 acres, more or less, of Federal and Fee lands in Sections 12 and 13, Township 24 South, Range 28 East, and Sections 7 and 18, Township 24 South, Range 29 East, Eddy County, New Mexico.

CASE 3587: Application of Morris R. Antweil for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware Sand through seven injection wells located in Sections 12 and 13, Township 24 South, Range 28 East, and Section 18, Township 24 South, Range 29 East, Malaga Pool, Eddy County, New Mexico.

-5- May 24, 1967 Examiner Hearing

Docket No. 16-67

- CASE 3588: Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location in an undesignated Morrow and/or Devonian gas pool for its Poker Lake Unit Federal Well No. 26 at a location 660 feet from the South and East lines of Section 28, Township 24 South, Range 31 East, Eddy County, New Mexico, to be dedicated to a standard unit comprising the S/2 of said Section 28.
- CASE 3589: Application of Claude C. Kennedy for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the Slick Rock-Dakota Oil Pool comprising the S/2 SE/4 of Section 36, Township 30 North, Range 17 West, including a provision for development on 2 1/2 acre spacing with the provision that each 40-acre tract be subject to the Northwest New Mexico normal unit allowable.
- CASE 3590: Application of Texaco Inc. for a pilot waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Pennsylvanian formation in the interval from 9650 feet to 9800 feet in its State BV Well No. 1 located in Unit E of Section 26, Township 13 South, Range 33 East, Lazy-J Pennsylvanian Pool, Lea County, New Mexico.
- CASE 3591: Application of Anadarko Production Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Langlie-Mattix Penrose Sand Unit Waterflood Project by the injection of water into the Penrose Sand through eight additional injection wells located in Sections 20, 28, 29, 32, and 33, all in Township 22 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

WHITE, GILBERT, KOCH & KELLY
(GILBERT, WHITE AND GILBERT)

ATTORNEYS AND COUNSELORS AT LAW

LINCOLN BUILDING

SANTA FE, NEW MEXICO 87501

CARL H. GILBERT (1891-1963)

L. C. WHITE

WILLIAM W. GILBERT

SUMNER S. KOCH

WILLIAM BOOKER KELLY

JOHN F. MCCARTHY, JR.

April 28, 1967

MAIN OFFICE

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TELEPHONE 982-4301
(AREA CODE 505)

Case 3582

Mr. A. L. Porter
Secretary-Director
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

Enclosed please find original and two copies of Tenneco's application for two unorthodox gas well locations, Rio Arriba County, New Mexico. Please set this down for hearing at the May 24th, 1967 hearing.

Very truly yours,

W. B. Kelly
W. B. KELLY

WHK:cc
Enclosures

DOCKET FILED

Date 5-12-67

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

May 24, 1967

Application of Tenneco Oil Company
for two unorthodox gas well
locations, Rio Arriba County,
New Mexico.

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 3582.

MR. HATCH: Application of Tenneco Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico.

MR. WHITE: Charles White of White, Gilbert, Koch and Kelly, appearing on behalf of Tenneco. We have one witness to be sworn.

(Witness sworn.)

JACK WILLOCK

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Willock, will you state your full name for the record, please?

A My name is Jack Willock, I am a petroleum engineer.

Q You are employed by Tenneco?

A Yes, sir. Durango, Colorado.

Q Have you previously testified before the Commission and had your qualifications as a petroleum engineer made a matter of record?

A Yes, sir.

Q Will you briefly state what Tenneco seeks with the subject application?

A Tenneco Oil Company is seeking approval to produce two unorthodox Mesaverde sand locations in the southeast corner of the San Juan Basin. These two wells being the Tenneco Jicarilla "C" No. 4 well located in the Northwest Quarter of Section 24, Township 26 North, Range 5 West, and Tenneco Oil Company's Jicarilla "C" No. 6 well located in the Northwest Quarter of Section 14, Township 26 North, Range 5 West.

Q In what respect are these two wells unorthodox locations?

A They're both located in the Northwest Quarter of their respective section whereas approved locations by the Mesaverde rules are the Northeast and the Southwest Quarters.

Q Will you state why these wells were drilled in these locations?

A They were drilled primarily as Mesaverde, pardon me, as Dakota locations. Our primary objective was for the Dakota. When we drilled the "C" 4 well we didn't anticipate Mesaverde production. The "C" 6 well was drilled after we drilled the "C" 4 and "C" 5 wells and was, we thought, a good Dakota location and as I'll discuss later, the "C" 4 and the "C" 5 weren't very good Mesaverde completions.

Q Is the Dakota the primary sand in this area?

A Yes, it is.

Q When the "C" 4 was drilled did you anticipate any Mesaverde production?

A No.

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

Q Will you refer to and explain Exhibit No. 1?

A Exhibit No. 1 is a Mesaverde sand deliverability map. We prepared this last fall in order to help our over-all development program in the San Juan Basin.

Q What was the source of information?

A The source of deliverability tests are from the New Mexico Oil and Gas Commission yearly production book.

Q What does this exhibit demonstrate?

A It shows the capability of all the wells in the Southeast Quarter portion, pardon me, of the San Juan Basin to produce the Mesaverde sand.

Q Does it show where the primary development is and if so, where?

A Yes, it does. This is the southeast corner, and if you will note, the two wells that we're discussing are located in the shaded area in the center portion of the section, in the center portion of Township 27 North, Range 5 West as is shown in the shaded area on Exhibit 1.

Q 26 North, is it not?

A 26 North, excuse me.

Q Does this exhibit demonstrate what effect these wells might have on any offset operators?

A We think they will have very little effect. The unorthodox locations will have very little effect on offset operators.

Q Does that conclude your testimony as to Exhibit No. 1?

A Yes, it does.

(Whereupon, Applicant's Exhibit No. 2 was marked for identification.)

Q Will you explain Exhibit No. 2?

A Exhibit No. 2 is an area plat of the entire Jicarilla area and shows the total development program that we have done to date. As a little background, I might tell you what each well symbol means. If you will notice, I have little quarter moons drawn in the one from 12:00 to 3:00 o'clock on well means Pictured Cliff completion. From 3:00 o'clock around to 6:00 o'clock means Mesaverde. From 6:00 to 9:00 means Gallup and from 9:00 to 12:00 is a Dakota. All of our wells that we have attempted completions in the Mesaverde sand, for effect we have shown circled in this irridescant red ink and we have outlined our unit, 320-acre units on the two unorthodox locations, the subject of the hearing, in red also.

Q That would be "C" 6 and "C" 4?

A Right, yes, sir. As I said previously, our development program in this area has been primarily two sands. The Dakota being the primary objective, if you will notice back on the western edge of the lease the Gallup sand. In fact, we drilled 14 wells on these Jicarilla leases before we made a Mesaverde completion.

Now we bought out a company in this area and they had attempted a completion in the Jicarilla No. 1 well on the western edge of our leases here, but it wasn't an economic success. Our first Mesaverde completion was Jicarilla "C" No. 4 well which has an original absolute open flow of 2308 MCF per day. Now we have done some testing on the well and now it is currently incapable of producing against delivery line pressure.

MR. UTZ: This is "C" 4?

A Yes. We may want to do some work in it there, we want to go ahead with the hearing. The "C" 5 well is incapable of producing. It's an unorthodox location but that's located in the Southeast Quarter, Southeast corner of Section 24. We don't intend to produce that well. "C" 8 well in Section 13, we have received Commission approval for an orthodox location. The "C" 7 is orthodox and the "B" 8 is in the proper quarter but we applied for administrative approval for

unorthodox location. We were turned down on that subject to the hearing the 6th of next month. The "C" 6 well is apparently going to be a pretty good well. Absolute open flow is 4863 MCF per day, it flowed 4266 MCF against 335 psi flowing line pressure.

(Whereupon, Applicant's Exhibit No. 3 was marked for identification.)

Q Will you now explain Exhibit 3, please?

A Exhibit No. 3 is a cross section showing IES logs on the two subject wells, the Jicarilla "C" No. 4 well, the "C" No. 6 well and another of our wells, the Flornece No. 37, which is located some 32 miles away in the main part of the San Juan Basin, the main part of the Mesaverde development of the San Juan Basin.

Q Why was this particular well, Florence No. 7, chosen?

A Well, we thought it was indicative of the Mesaverde sand development in a good portion of the San Juan Basin. It shows that that, in this instance, that all three sands, the Cliffhouse, the Menefee and the Point Lookout are productive. In fact, it is completed in all three sands. You'll notice that the two wells, the subject of this hearing, the "C" 4 and "C" 6 Jicarilla well, the only portion that by our interpretation that possibly is productive is the upper sand of the Cliffhouse. Therefore, it has only approximately

one-third of the net sand that these other wells in the good portion of the Basin have.

Q In your opinion are these, I think it's the "C" 4 and "C" 6, are those logs in your opinion indicative of the sands in that particular area?

A Yes.

Q In your opinion will the location of these wells prevent waste and protect correlative rights?

A Yes.

Q Were Exhibits 1 through 3 prepared by you or under your direction?

A Yes, sir.

MR. WHITE: At this time we offer Exhibits 1 through 3.

MR. UTZ: Without objection Exhibits 1 through 3 will be admitted into the record of this case.

(Whereupon, Applicant's Exhibits 1 through 3 were offered and admitted in evidence.)

MR. WHITE: That concludes our testimony on direct.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Willock, you were trying to drill a producing Dakota well when you drilled these two wells?

A Yes, sir, that is correct. We did make two good

Dakota completions in this well. They were over four million absolute.

Q Is there any particular reason why you drilled them over in this quarter for Dakota rather than the Northeast Quarter?

A Yes, there was a dry hole developed, or it had good sand developed in it, but it, for some reason the operator could never make it produce in Section 18 of Township 26 North, Range 4 West. We were trying to avoid that same sand condition as we developed over there.

Q That was the 4 "H"?

A It's this well, if you look on Exhibit 2, it's the one in the Northeast Quarter of the Section 18, 26 North, 5 West. That's the Southern Union well. I think it's a Pictured Cliff producer.

Q Was this a Dakota well drilled in 19?

A Not to my knowledge.

Q On your Exhibit 1, is that 4 "H" --

A I would presume that is a Pictured Cliff. I am not certain, though.

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

(Witness excused.)

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

I N D E X

<u>WITNESS</u>		<u>PAGE</u>
JACK WILLOCK		
Direct Examination by Mr. White		2
Cross Examination by Mr. Utz		8
<u>EXHIBITS</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Applicant's 1	4	8
Applicant's 2	5	8
Applicant's 3	7	8

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87101
1400 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

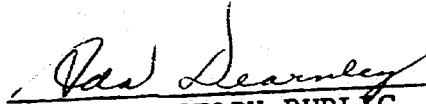
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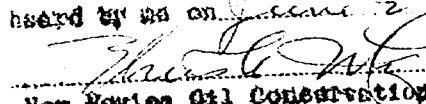
STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 28th day of June, 1967.


NOTARY PUBLIC

My Commission Expires:
June 19, 1971.

I do hereby certify that the foregoing is a complete record of the hearing of the Examiner hearing of 3584
heard by me on June 28 67

New Mexico Oil Conservation Commission