BEFORE THE

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

Transcript of Hearing

Case No. 320

October 23, 1951

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BEFORE THE

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

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IN THE MATTER OF: Stanolind Oil and Gas Company's application for approval of the Angels Peak Unit Area embracing 29,802.17 acres of land in Townships 27, 28 and 29 North, Ranges 10 and 11 West, San Juan County, New Mexico	)	Case No. 320

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(Mr. Kellahin reads the Notice of Publication.)

MR. OLIVER SETH: If the Commission please --

MR. SPURRIER: Let the record show the description was read.

MR. OLIVER SETH: We would like to call Mr. Jackson and Mr. Umbach.

ELMER J. JACKSON,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. OLIVER SETH:

Q Will you state your name please, Mr. Jackson?

A Elmer J. Jackson.

Q By whom are you employed, Mr. Jackson?

A The Unitization Section of the Stanolind Oil and Gas Company of Tulsa, Oklahoma.

Q Would you describe to the Commission, in general, the area covered covered by the proposed Angels Peak Unit?

A The area embraces generally Township 27 North, Range 10 West, and 28 North, 10 West, with a portion of 29 North, Ranges 10 and 11 West.

Q Would you state also the approximate total acreage in the proposed unit?

A The area embraces approximately 29,801.97 acres.

Q Would you also state the classifications of the lands within the proposed area, Federal, state and patented?

A Federal lands constitute 93 plus per cent of the Unit. State lands, 4 plus per cent. Patented lands, 2 plus per cent.

Q Are you familiar with the proposed Unit Agreement itself?

A I am, sir.

Q Does it follow the generally used and accepted form and contain the usual provisions for Unit agreements?

A It follows the standard Federal form.

Q Does it permit owners of acreage not originally committed at a later date --

A Both it and the operating agreement so provide.

Q And that opportunity will be offered from time to time?

A It will be.

Q Referring to the acreage again by classifications, would you state to the Commission the acreage committed in each classification, or percentagewise.

A At present we have approximately 98 per cent of the Federal lands committed. And of the state lands, we have approximately 19 per cent committed. And 25 per cent of the total state lands in the unit area are not leased at this time and could not be committed. 56 per cent of the state lands not committed, I would estimate that the majority of the working interest owners there have indicated they would join at a later date if production were obtained. On the patented lands we have approximately 91 per cent committed.

MR. OLIVER SETH: I believe that is all the direct testimony.

If the Commission please, when the petition and application was filed original copies of the Unit Agreement partially executed were filed with it for the information of the Commission. We would like permission to withdraw the executed copies and substitute instead non-executed copies as is the usual custom.

Do you have two non-excuted copies we may substitute?

A I do have and I might explain that the exhibit is marked in colors to indicate the interest presently committed or not committed on both of those.

MR. OLIVER SETH: You have testified to the percentage of lands committed. Do you have a schedule which we may introduce showing the percentage?

A I do have.

MR. SPURRIER: The substitution is agreeable to the Commission.

MR. OLIVER SETH: Thank you. I hand you Exhibit A and ask you if that is the statement of the percentage of lands committed by classification to which you have already testified?

A It is.

MR. OLIVER SETH: We would like to offer in evidence

Exhibit A.

MR. SPURRIER: It will be accepted.

MR. OLIVER SETH: That is all the direct questions from Mr. Jackson. If the Commission please, we would like to offer in evidence the maps and schedules which are attached to these non-executed copies, which will be substituted. The reason we would like to do that is that schedules to which Mr. Jackson has testified have been revised to date showing the percentage committed in each of the tracts as well as the total percentage.

MR. SPURRIER: Very well, does anyone have a further question of this witness.

MR. GRAHAM: Mr. Seth, you intend, of course, to file eventually fully executed copies?

MR. OLIVER SETH: Yes. They will be filed when they are returned. We offer Exhibits B and C in evidence.

MR. SPURRIER: They will be accepted.

MR. OLIVER SETH: That is all we have of Mr. Jackson.

MR. SPURRIER: The witness may be excused.

(Witness excused.)

PAUL H. UMBACH,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. OLIVER SETH:

Q Mr. Umbach, will you state your name?

A Paul Umbach, geologist for the Stanolind Oil and Gas Company.

Q Have you previously testified and qualified as an expert geologist on hearings before this Commission?

A I have.

Q Have you had occasion to examine and become familiar with the geology in the area covered by the proposed Angels Peak Unit Agreement?

A I have.

Q I hand you Exhibit D and ask you to state to the Commission what this represents.

A This is a strike and dip map made by K. M. Willson with Byrd-Frost. The map was made on May 26, 1946. Prior to the time of the development of the shallow gas in the Kutz Canyon Area. This stike and dip map outlines approximately the east and west boundaries of the present production in the shallow Pictured Cliff formation. The only other evidence we have to present for structure is the fact that the present well now being drilled in the area had a normal local pressure of 3100 pounds in the Morrison formation. It has been our experience in the San Juan Basin that stratigraphic field production does not have normal pressure. It is our belief that the normal pressure in the Morrison as shown in the present well now drilling is an indication of structure.

Q In your opinion, the indications of structure fall

within the proposed unit area, the Angels Peak Unit Area?

A As best we can tell at the present time.

Q Do you believe if the area as indicated is operated under a unit agreement it will permit conservation of oil and gas?

A We do.

Q You think it can be best and more properly operated as a unit?

A I do.

MR. OLIVER SETH: We would like to offer Exhibit D, if the Commission please.

MR. SPURRIER: It will be accepted.

MR. OLIVER SETH: That is all the direct questions of Mr. Umbach.

MR. SPURRIER: Does anyone have a question of this witness? If not, the witness may be excused.

(Witness excused.)

MR. OLIVER SETH: Thank you.

MR. SPURRIER: This case will be taken under advisement and we will proceed with Case No. 321.

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STATE OF NEW MEXICO)
: SS
COUNTY OF BERNALILLO)

I HEREBY CERTIFY, that the foregoing and attached Transcript of Hearing before the Oil Conservation Commission in Case No. 320, taken October 23, 1951, at Santa Fe, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 19 day of November, 1951.

E. E. Greer
REPORTER