

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
SANTA FE, NEW MEXICO  
FEBRUARY 21, 1952, 1:45 P. M.  
MABRY HALL

IN THE MATTER OF: )

In the matter of the application of )  
the Oil Conservation Commission upon )  
its own motion for an order for the )  
extension of existing pools, consoli- )  
dation of existing pools, or the cre- )  
ation of new pools in Lea County, New )  
Mexico, and in the San Juan Basin. )

CASE NO. 341

TRANSCRIPT OF HEARING

MR. SPURRIER: Case 341. Before we take testimony on this case, I would like to say that the Commission does not put all these pool recommendations out on its docket and that we intend to do that so that each and every one of you know what we intend to do before you come to the meeting. Of course, we advertised it officially. We feel where the Commission has a policy which it does have, having been established by practice, that a well outside a pool which should be reported by the company who drills the well, and completes it, by its policy of including those wells in the expansions, sometimes pools are extended a half a mile or quarter mile and sometimes in the case of these gas pools they are extended by miles, depending upon what part of the State they are located in.

We feel that is evidence in itself when we issue a call or a hearing of what we intend to do. We intend to include the wells which have been completed since the last hearing or since the last advertisement. However, in deference to some of you who would like to follow it more closely and with which we entirely sympathize, we will state exactly what we intend to do in the matter of extensions or creations or deletions on the docket. Mr. Blymm, will you come forward please.

R. S. BLYMM,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By Mr. White.

Q Will you state your full name and position for the record?

A R. S. Blymm. Engineer, Oil Conservation Commission.

Q In your capacity have you had an occasion to study the proposed extension of the East Caprock-Devonian Pool and, if so, will you give the results of your studies and the recommendations.

A The advertisement called for the inclusion into East Caprock-Devonian of all of Section 11, the S/2 of Section 2, Township 12 South, Range 32 East, Lea County, New Mexico. I have prepared a plat showing the East Caprock-Devonian Pool and the proposed extension and recommend that the extension be made as advertised and as shown on this plat. I would like to enter this plat as an exhibit in Section A of Case 341.

(Plat marked for identification as an exhibit.)

MR. SPURRIER: Without objection, it will be received.

Q Have you made a similar study as to the proposed extension on Corbin Pool in Lea County? If so, what are your recommendations?

A I have. I have prepared a plat showing the proposed extension as advertised which is the N/2 and the SW/4 of Section 33, Township 17 South, Range 33 East. I recommend that the Corbin Pool be extended to include that area as advertised and as shown on this plat, which I wish to enter as an exhibit in support of this recommendation.

(Plat marked for identification as an exhibit.)

MR. SPURRIER: Without objection, it will be received.

Q Have you made a similar study as to the proposed extension of the Maljamar Pool, if so, what are your recommendations?

A The proposed extension to Maljamar Pool was advertised as N/2 of Section 3 and the N/2 of Section 4, Township 18 South, Range 33 East. I recommend that the Maljamar Pool be extended to include this area as advertised and as shown on this plat. I would like to enter this plat as an exhibit in evidence, Section C, Case 341.

MR. SPURRIER: Let's introduce them all at once. Without objection, it will be received.

Q Did you make a similar study to include in the Drinkard Pool the S.2 Section 4, Township 21 South, Range 37 East, in Lea County?

A Yes. I recommend that the Drinkard Pool be extended to include this area as advertised and shown on the prepared plat.

Q Do you want to offer the plat?

A The Commissioner suggested we offer them later.

Q Did you make a similar study as to the proposed extension of the House-San Andres Pool to include the NW/4 Section 13 and the NE/4 Section 14, Township 20 South, Range 38 East? What are your recommendations as to that extension?

A I recommend the pool be extended to include the area as advertised and as shown on this prepared plat.

Q Did you make a similar study as to the proposed extension of the Teas Pool, to include all of Section 13, Township 20 South, Range 33 East?

A I did.

Q What are your recommendations?

A I recommend that the Teas Pool be extended to include this area as advertised and as shown on the plat.

Q Did you make a similar study as to the Langlie-Mattix Pool, Lea County, to include all of Section 27, Township 23 South, Range 33 East?

A I did.

Q What are your recommendations?

A I recommend that the Langlie-Mattix be extended to include all of Section 27 as advertised.

Q Did you make a study as to the proposed extension of the West Dollarhide Pool to include NW/4 of Section 4, Township 25 South,

Range 38 East, and the W/2 Section 33, Township 24 South, Range 38 East?

A I did.

Q What are your recommendations as to that extension?

A I recommend that the West Dollarhide Pool be extended to include this area as advertised.

Q Did you make a similar study as to the creation of a new pool in Lea County to be designated the Hightower-Pennsylvanian for Pennsylvanian production to include all of Sections 22, 23, 26 and 27, Township 12 South, Range 33 East?

A I did.

Q What are your recommendations as to the creation of the new pool?

A I recommend that the Section I of Case 341 be continued until March hearing.

Q Did you make a study as to the proposed creation of a new pool in Lea County to be designated East-Hobbs-Drinkard for Drinkard production to include the E/2 of Section 29 (which is composed of Lots 1, 2, 3 and 4), Township 18 South, Range 39 East?

A I did.

Q What do you recommend as to that?

A I recommend that this pool be created, that the Drinkard is probably a misnomer and Blineberry would be more applicable. I recommend that this pool be created to embrace this acreage as advertised but that the name of it be East Hobbs-Blineberry rather

than East Hobbs-Drinkard.

Q Should that be classified as an oil or gas pool?

A Oil pool.

Q In each of these extensions the land that would then be encompassed within the pool are they all within the same source of supply as the existing pools?

A They are, yes, sir.

MR. WHITE: Does anyone have any further questions? If not, I move that all the exhibits be admitted into evidence.

MR. SPURRIER: Without objection, the exhibits will be accepted. Any further comments on the Southern part of our nomenclature case? Now in the northwestern part of the State I will take up, you may be excused Mr. Blymm, excuse me. I will take up these paragraph by paragraph, so if anyone has objection they may do so, otherwise without objection the Commission will create the pools as advertised. Paragraph (k) to consolidate the West Kutz and South Kutz Pools and other lands with the Fulcher-Kutz (Pictured Cliffs) Pool, San Juan County.

MR. REED: Mr. Chairman.

MR. SPURRIER: Mr. Reed.

MR. REED: I represent Benson and Montin, who are the designated operators in the Gallegos Canyon Unit. We received just recently a letter from Benson and Montin, asking us to appear before the Commission on this matter and to recommend postponement of the hearings insofar as the call proposes to include any of the land

within the Gallegos Canyon Unit or the lands west of the Unit at this time.

MR. SPURRIER: Do you know what their reason is, Mr. Reed?

MR. REED: I have a vague idea what they have in mind on it. They were not able to determine clearly from the call just whether or not the proposed consolidation would include any of the Gallegos Canyon Unit, that their data on wells drilled at this time is incomplete and they are unable at this time to present evidence to the Commission concerning this, but they feel that there shouldn't be consolidation if it includes the land in this unit that has already been approved or the land immediately West. They have asked that we recommend to the Commission that this hearing be postponed insofar as the Gallegos Canyon Unit lands are concerned for at least three months so that their data can be made complete.

MR. SPURRIER: We could look it up, but we have no idea what lands you are talking about.

MR. GRAHAM: Do you have the description of the Gallegos Canyon there?

MR. REED: Yes, we do.

MR. MACEY: The only lands in the Gallegos Canyon Unit as we have it which are in the Fulcher-Kutz present boundary without any of this extension or consolidation is the S.2 of Section 25, and the NW/4 of that same section. I don't have the map available. I think it is in 13 North. If I had the description I could pick it up.

MR. REED: I have a plat here.

MR. MACEY: That was in the original Fulcher-Kutz Pool. The extension has no control. It is this area right here, being the S/2 and NW/4 of Section 25, 29 North, 12 West. The rest of this extension does not touch any part of this unit.

MR. REED: I suppose that was considered at the time the Gallegos Canyon Unit was a pool. However, I have no further information other than what I have stated. If the Commission would like to just, for safety's sake and in order to give our client a chance to present evidence should it be necessary, I might suggest that your order be limited to, I suggest, it to not include any of the lands in the Gallegos Canyon Unit.

MR. SPURRIER: My recommendation to the Commission is that you submit evidence to show why it shouldn't be included in the Kutz-Fulcher Pool. Whatever party it affects is something you can depend on as Mr. Macey has already stated. Otherwise we see no reason why it shouldn't be in that pool. If it is in that and the same formation and there is communication between the wells.

MR. REED: That would be the purpose of having a hearing and presenting evidence to determine whether that is so as to any of the land here. Would it be satisfactory to the Commission if we communicate with our client concerning this and they advise you of their desires as to whether they would like to request an opportunity to present evidence?

MR. SPURRIER: Certainly. I will read them hurriedly.

You understand that the lands are to be included in Fulcher-Kutz Pool (Pictured Cliffs), on the sheet attached.

T. 27 North, Range 10 West  
Sec. 7, W.2 of 17, 18, 19, W/2 of 20,  
23, 24, 29, 30 and 31

T. 27 North, Range 11 West  
Sec. 4 through 18;  
Sec. 20 through 28

T. 27 North, Range 12 West  
Sec. 11 through 14;  
NE/4 Sec. 23, N/2 Sec. 24

Paragraph (1): To extend the Blanco-Mesaverde Pool to include the following areas in San Juan and Rio Arriba Counties: (These extensions are necessitated by additional drilling in the area and additional production in the Mesaverde formation in this Blanco Pool area.)

T. 26 North, Range 7 West  
Secs. 4 through 9

T. 27 North, Range 7 West  
Secs. 17 through 20;  
Secs. 29 through 33

T. 27 North, Range 8 West  
Secs. 22 through 27

T. 29 North, Range 7 West  
Secs. 4 through 8;  
Secs. 17 through 20

T. 29 North, Range 10 West  
Secs. 6, 7 and 18, N/2 of 19

T. 29 North, Range 11 West  
Secs. 1, 2, 12, 13 and 24

T. 30 North, Range 6 West  
Secs. 7, 18 and 19

T. 30 North, Range 7 West  
Secs. 2, 3, 4; 8 through 24;  
27 through 33

T. 30 North, Range 8 West  
Secs. 3, 10, 13, 14, 15;  
22 through 27;  
34, 35 and 36

T. 30 North, Range 11 West  
Secs. 15, 22, 23, 26;  
E/2 of 34; all of 35 and 36

T. 30 North, Range 12 West  
N/2 Sec. 4; NE/4 Sec. 5

T. 31 North, Range 7 West  
Secs. 33, 34, 35

T. 31 North, Range 8 West  
Secs. 27, 28 and 29; 32, 33 and 34

Paragraph (m): To extend the Pettigrew-Tocito Pool for Tocito production to include the SW/4 Section 3 and the S/2 Section 4, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.

Any comments or objections to those proposals?

MR. GRAHAM: Mr. Greer asked me to make this statement, that he wished the pool named Doswell-Tocito as his personal recommendation before he left. That coincides with the statement of the U.S.G.S. official at the last hearing as to his recommendation, at which time we had only the U.S.G.S. statement. I don't know if that is an appropriate request, but that was made by Mr. Greer.

MR. SPURRIER: As Mr. Greer may know, and probably you do, too, that the Doswell case is in court at this time.

MR. GRAHAM: Mr. Greer might not know anything about that. I guess Mr. Doswell's ~~case~~ is not in court.

MR. SPURRIER: No, Mr. Doswell is not in court. Is there anything further, or any further comment on this case? Incidentally, I would like the record to show that Justin Reed's request for continuance on that particular question of the nomenclature in the Fulcher-Kutz consolidation, that I would recommend to the Commission that it be granted. If there is nothing further, we will proceed with the

last case, which is Case 342. Incidentally, 341, I will make the recommendations, I will recommend to the Commission that the recommendations have been presented here with the exception of the name Doswell. We will now proceed with case 342.

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing and attached Transcript of Hearing, in Case No. 341, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 21, 1952, is a true and correct record of the matters herein contained to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 26 day of Feb, 1952.

  
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COURT REPORTER

(Mr. Graham reads notice of publication.)

MR. KELLOUGH: My name is Booth Kellough. I represent Amerada Petroleum Corporation. I would like to make a little statement to the Commission in connection with this case 341. That case comes on for hearing upon the motion of the Commission to designate as an oil pool the Hightower-Devonian pool. Since the bringing in of the Amerada BTB No. 2 well as an oil well. I beg your pardon, I meant Hightower-Pennsylvanian. It was continued from the last hearing so that we could make a further study as to whether or not it was the same reservoir in which the gas wells of the Amerada and the Gulf were producing. It appears now, in the opinion of our engineers and geologists, it is the same reservoir. And Amerada is now producing, and also Gulf is now producing, each, a gas well as an exception to Rule 404 so as to use the gas for gas-lift to gas-lift oil wells in the Pennsylvanian and also Bagley pools. If this is designated as an oil pool, being the same one in which -- the same reservoir in which -- these gas wells are located, then Rule 506 would be applicable to limit the amount of gas, to the extent that we would be unable to maintain and continue our gas-lift program. So what we would like to request of the Commission is that in the order designating this Hightower-Pennsylvanian oil pool that it be made subject to the existing exceptions under Rule 404, which authorizes the gas to be used for gas-lift purposes, and further, it be made