



NEW MEXICO OIL CONSERVATION COMMISSION

Regular Hearing

9:00 a.m., August 20, 1953

Mr. REED: Justin Reed, appearing for the Respondents, Benson and Montin. Benson and Montin appear today with a motion to continue this hearing for thirty days to the regular September hearing.

The Commission may recall that when this case was originally set two months ago, we asked for a sixty day extension at that time stating to the Commission that the reason that it was necessary was that certain coring tests which were then being conducted in the area had not been finally completed and in addition, the approval of the United States Geological Survey and the Department of the Interior.

On the inclusion of certain wells and acreage to the south of the unit area within the unit, these had not been finally approved. Since that time, efforts have gone ahead to accomplish those two things but we are not in a position to present information to the Commission at this time; because of difficulties encountered in this coring program and because it has been impossible to get final action from Washington on the inclusion of this additional acreage, it is impossible now to present to the Commission the full picture which Benson and Montin had hoped to present.

In addition, there are other reasons at this time why we ask for the continuance. There have been a series of interference tests being conducted on certain wells within the area. Four of these interference tests are completed. A fifth one is now in process

of being completed and will be completed before the September hearing. We feel that the information which these tests will show is of vital importance to the Commission in determining this matter.

Another point for the postponement is that the state testing to determine deliverability will be conducted at the end of this month and the information acquired from that testing would certainly be relevant to this hearing and would be important to have before the Commission.

In addition, our client intends to file application for a permanent 320-acre spacing order as distinguished from this order to show cause and would like to have the hearing on that application consolidated with the hearing on this order to show cause, and this application will be filed in time to be published for the September hearing.

For these reasons, Benson and Montin feel that it is necessary that the hearing be postponed until September in order that the Commission can have full facts before it in determining the question.

MR. SPURRIER: Is there anyone else to be heard?

MR. KELLAHIN: Jason Kellahin speaking for the Brookhaven Oil Company of Albuquerque who have acreage within the unit.

We wish to oppose the motion for continuance on the following grounds: In the first place, the order setting up the temporary 320 acre spacing was adopted in July, 1952. It was a temporary order and I think it is fair to assume that it was granted by the Commission with the view of allowing sufficient time to gather the information which counsel has just referred to as being available next month.

There has been already a continuance of this case from the June hearing to the present and while he says that the coring tests have not been completed, it seems to us that there has been ample time to have completed those during the past year and sixty days.

with reference to the land to be included to the south, it does not seem to us as material to the issue involved which is the merit of the 320-acre spacing in a portion of a pool.

The interference tests again, it seems to us, could have been made sometime ago and the operator has apparently been derelict in completing those tests.

The application for a permanent order, referred to, in regard to 320-acre spacing again I think it is fair to assume that that was the purpose of the temporary order in the first place to allow them to gather that information and they should be prepared at this time to present it.

MR. SMITH: J. E. Smith, Stanolind Oil and Gas Company.

We would like to join with Benson and Montin's application for continuance for one month and I think that with just a month's time, it will probably afford the Commission an opportunity to acquire more information based upon the statement made by Mr. Reed.

MR. SPURRIER: Benson and Montin's motion in this case, 377, will be granted and the case will be heard at the regular September hearing.

MR. KELLAHIN: If the Commission please, I would like to suggest that Benson and Montin will by then have had sufficient time

present bottom hole pressures on these wells, - - - or at least representative bottom hole pressures.

MR. REED: If the Commission please, the information that can be furnished is the regular shut-in pressure that will be obtained in this August test that the state will be making. Isn't that correct, Mr. Macey? Won't that be furnished?

MR. MACEY: Yes.

MR. REED: That information will be available at the Commission office, I understand.

MR. SPURRIER: The next case on the docket is Case 391.