

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

In the matter of the application of Stanolind )  
Oil and Gas Company for the approval of a Unit )  
Agreement for the Thorn Unit Area, embracing )  
5,650.46 acres, more or less, located in Township )  
21 south, Range 14 east, N.M.P.M., Otero County, )  
New Mexico. )

CASE NO. 492

TRANSCRIPT OF HEARING  
HELD AT THE  
OFFICES OF THE OIL CONSERVATION COMMISSION  
FEBRUARY 24, 1953

P R O C E E D I N G S

SECRETARY SPURRIER: --we will proceed to Case No. 492. Mr. Seth--

excuse me, let the record show that the advertisement has been read.

MR. OLIVER SETH: Seth and Montgomery appearing in Case No. 492. We have two witnesses, Mr. Ingram and Mr. Blankenship.

(Mr. Tom L. Ingram and Mr. Wayne Blankenship are duly sworn by Secretary Spurrier.)

DIRECT EXAMINATION BY MR. SETH:

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

A. Tom L. Ingram.

Q. By whom are you employed, Mr. Ingram?

A. By Stanolind Oil and Gas Company.

Q. Have you previously testified as a geologist before this Commission?

A. I have.

Q. Are you familiar with the geology in the area covered by the proposed Thorn Unit which contains approximately fifty-four hundred (5,400) acres, located in Otero County?

A. I am.

Q. Would you describe briefly to the Commission the geology of this particular area?

A. The proposed Unit is located southwest of Pinon in T-21-S, R-14-E on the backslope of the southeast extension of the Sacramento Mountains. San Andres and Glorieta, two formations of the Permian Age, are present at the surface except where aluvium is covering it in the valleys. In accomplishing our surface geologic mapping, all readings were reduced

to a single datum, the top of a massive limestone member about a hundred and forty feet below the top of the San Andres, as is present here. The structural data that we obtained indicated north-south trending and defined as approximately four miles long and two miles wide, around which we have drawn the outline of this proposed unit. There are two smaller closures located along the crest. In order to test all of the potentially productive horizons which have indicated good porosity in other deep wells in this providence, we feel that a well should be drilled to a depth sufficient to test the Ellenberger formation. The approximate thickness, in descending order of the formations that we expect to encounter: About twenty-one hundred and fifty (2,150) feet of Permian, which will be broken down into San Andres, Glorieta, Yeso and Abo; seven hundred (700) feet of Pennsylvanian, which will be undifferentiated limestones; two hundred (200) feet of undifferentiated Mississippian limestone; three hundred (300) feet of Tusselman formation of the Silurian Age; two hundred feet (200) of Montoya; and six hundred and fifty (650) feet of Ellenberger. This would give us a depth of around a spread of forty-two hundred (4,200) feet; but due to the possible variation in thickness of Yeso and Abo, we think a depth of forty-five hundred (4,500) feet should be sufficient.

Q. In view of the geology of the area which you have described, do you believe that its development under the Unit Agreement proposed in this petition would be to the best interests of the State?

A. I do. It would lead toward drilling one well at a time, rather than having to step out to meet other offsets, or expiring leases, or things

of that nature.

Q. You believe the development will be more orderly under this Unit Agreement?

A. Yes, I do.

Q. And will it promote conservation and prevent waste?

A. I believe so, yes.

Q. And how about the utilization of reservoir energy?

A. Well, we will appraised.it. It should be appraised to the best advantage because we will be able to locate all of our tests on the structural information.

Q. And under the Unit Agreement of the development proposed, will the State of New Mexico receive its fair share of the recoverable oil and gas?

A. Yes, it will.

MR. SETH: That's all we have on this witness.

MR. SPURRIER: Are there any questions of the witness? (No response.)

If not, he may be excused.

(Next witness is called to the stand.)

DIRECT EXAMINATION BY MR. SETH:

Q. Will you state your name, please, sir?

A. Wayne A. Blankenship, Jr.

Q. By whom are you employed and in what capacity, Mr. Blankenship?

A. I am District Land Man for Stanolind Oil and Gas Company, in Roswell, New Mexico.

Q. Are you familiar with the proposed Thorn Unit Agreement, the subject of this hearing?

A. Yes, sir, I am.

Q. Do you have available a map showing the proposed Unit Area?

A. Yes, sir. There is a plat attached to the Unit Agreement, as Exhibit A, showing the proposed Unit Area, and it has colored in various colors the federal and state land involved.

Q. What is the percentage of ownership as between federal and state land in this proposed Unit?

A. The total acreage in the proposed unit is five thousand four hundred and ten point forty-six (5,410.46) acres, of which four thousand six twenty-four point thirty-eight (4,624.38) are federal lands; seven hundred and eighty-six, point o eight (786.08) are state lands; the federal lands making up eighty-five point forty-seven hundreds (85.47) per cent of the Unit Area, the state lands making up fourteen point fifty-three (14.53) per cent. There are no patented lands.

Q. The acreage that you have just mentioned, Mr. Blankenship, is that a smaller amount than is contained in the petition of the original plat?

A. Yes, sir, it is. The Unit Area proposed now covers Sections 2, 3, 10, 11, 14, 15, 22, and 23, all in T-21-S, R-14-E of Otero County, New Mexico.

Q. And would you describe to the Commission the lands which have been excluded from the original?

A. The  $E\frac{1}{2}$  of the  $SE\frac{1}{4}$  of Sec. 9, and the  $E\frac{1}{2}$  of the  $E\frac{1}{2}$  of Sec. 16 have been excluded.

Q. What percentage of the working interest has been committed?

A. We have one hundred per cent (100%) of the working interest committed on both the federal and state land. There is an overriding royalty

owner holding three per cent (3%) on Section 2, which is a state tract, who has verbally committed himself to join the Unit Agreement. However, we have not at this date received the ratification papers from him.

Q. And as far as the provisions of the Unit Agreement are concerned, are they similar to unit agreements which have been considered by this Commission and the Land Commissioner at previous hearings?

A. Yes, sir, they are. This particular Unit Agreement follows closely the Lakewood Unit Agreement which was previously considered and approved by the Commissioner and the Commission.

Q. Does this Unit Agreement contain any unusual provisions?

A. No, sir, it doesn't. The Unit Agreement provides that within six months from the effective date of the Unit that a forty-five hundred pre-Cambrian test must be commenced, and that if such well results in production, then within six months from completion a plan of development must be filed for approval by the Commissioner and the Commission and the Department of the Interior. Also, it provides that if the first well is found to be non-productive of unified substances, then a second well must be commenced within six months unless an extension of time is granted by the Commissioner, the Commission and the Department.

Q. Is there anything further about the Agreement that you would like to mention?

A. No, sir. Not that I know of, other than that, including those terms, it follows closely former units.

Q. Has application for approval been filed with the Commissioner of Public Lands?

A. Yes, sir, it has.

Q. Do you have a letter so indicating?

A. Yes, sir. I have a copy of the letter here. (Secretary Spurrier marks the copy of letter Exhibit 1, Case 492.)

MR. SETH: We would like to offer Exhibit 1, if the Commission please, and also the executed copy of the Unit Agreement with exhibits, and ask that the Commission give us permission to withdraw the original and substitute copies until final approval is had.

MR. SPURRIER: Without objection, the exhibits will be received, and the executed copy may be withdrawn.

MR. SETH: That's all we have on this Thorn Unit.

MR. SPURRIER: Are there any questions of the witness? (No response.) If not the witness may be excused.

WITNESS BLANKENSHIP: Thank you, sir.

MR. SPURRIER: If there are no further comments in the case, we will move on to Case No. 493.

#### C E R T I F I C A T E

I, Agnes Coombs, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission, State of New Mexico, in the matter of Case No. 492, Thorn Unit Area, taken at the Offices of the Oil Conservation Commission, Santa Fe, New Mexico, February 24, 1953, is a true and correct record of all said proceedings.

Dated at Santa Fe, New Mexico, this 26th day of February, 1953.

  
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Reporter

Ev # 1  
Case 992

February 19, 1953

Subject: Thorn Unit Agreement  
Application, Otero  
County, New Mexico  
and  
San Juan 32-5 Unit  
Agreement Application,  
San Juan and Rio Arriba  
Counties, New Mexico

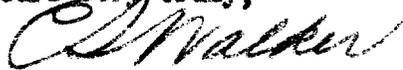
Stanolind Oil and Gas Company  
Oil and Gas Building  
Fort Worth, Texas

Attention: Mr. Oliver Seth

Gentlemen:

We are in receipt of applications requesting unitization of lands in the Thorn Unit Area in Otero County, New Mexico and the San Juan-32-5 Unit Area in San Juan and Rio Arriba Counties, New Mexico. The fees pertaining to these Unit Agreements have been submitted to this office on this date.

Yours very truly,



E. S. WALKER  
Commissioner of Public Lands

cc: U. S. Geological Survey  
Roswell, New Mexico (3)  
Oil Conservation Commission  
Santa Fe, New Mexico (1)

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