

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 957 & 963

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**  
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BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
October 14, 1955

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IN THE MATTER OF:

CASE 957

(Readvertisement) Southeastern New Mexico Nomenclature calling for the following creation of a pool:  
(f) Creation of a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production, designated as the Sanmal pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 33 EAST

Section 4: NE/4

&

CASE 963

Southeastern New Mexico nomenclature case calling for the following creations, deletion and extensions of pools:

(a) Creation of a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production, designated as the Sawyer-Devonian Pool, and described as:

TOWNSHIP 9 SOUTH, RANGE 38 EAST

Section 7: SW/4

(b) Creation of a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, designated as the York-Wolfcamp Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 34 EAST

Section 12: SW/4

Section 13: NW/4

(c) Creation of a new pool in Lea County, New Mexico, classified as a gas pool for Pennsylvanian production, designated as the Shoe-Bar Pennsylvanian Gas Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 35 EAST

Section 34: E/2

(d) Creation of a new pool in Lea County, New Mexico, classified as a gas pool for Pennsylvanian production, designated as the Bagley Pennsylvanian Gas Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 33 EAST

Section 33: SE/4

(e) Extension of the Arrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST

Section 31: NW/4

Section 30: N/2

- (f) Extension of the Blinebry Gas Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 22 SOUTH, RANGE 38 EAST  
 Section 32: All
- (g) Extension of the E-K Queen Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 18 SOUTH, RANGE 33 EAST  
 Section 24: S/2  
 Section 25: NE/4  
TOWNSHIP 18 SOUTH, RANGE 34 EAST  
 Section 18: W/2 SE/4
- (h) Delete the following area from the North Wilson-Yates-Seven Rivers Oil Pool:  
TOWNSHIP 20 SOUTH, RANGE 36 EAST  
 Section 29: N/2  
 Section 30: All
- (i) Extension of the Eumont Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 20 SOUTH, RANGE 36 EAST  
 Section 20: All  
 Section 29: N/2  
 Section 30: NE/4
- (j) Extension of the Monument-Blinebry Pool In Lea County, New Mexico, to include therein:  
TOWNSHIP 20 SOUTH, RANGE 37 EAST  
 Section 7: N/2 SE/4
- (k) Extension of the Townsend-Wolfcamp Pool in Lea County, New Mexico, to include therein:  
TOWNSHIP 16 SOUTH, RANGE 35 EAST  
 Section 8: E/2 SE/4  
 Section 17: NE/4 NE/4

BEFORE: Mr. E. S. (Johnny) Walker  
 Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The meeting will come to order, please. Elvis, you might as well stand and be sworn for 964. For the purpose of the record, let's consolidate 957 and 963.

RANDALL MONTGOMERY

called as a witness, having been first duly swom, testified as follows:

DIRECT EXAMINATION

BY MR. KITTS:

Q Will you please state your name and position?

A Randall Montgomery, Geologist for the New Mexico Oil Conservation Commission.

Q Mr. Montgomery, you are familiar with cases 957 and 963, are you not?

A Yes, sir, I am.

Q In case 957, which is a readvertisement of Section F, you recommend there a creation of a new pool in Lea County, classified as an oil pool for Grayburg production; will you tell the Commission the basis for that and what you recommend?

A The advertisement reads incorrectly; it should have been for San Andres instead of Grayburg. I recommend a creation of Sanmal-San Andres Oil Pool to include the area NE/4 S4, T17S,R33E. Discovery well in this field was Cactus Drilling Company Western State No. 1-H in Section 4, T17 R33, completed in San Andres on 7/22/55. Depth of casing shoe was 4,564

Q Is that all?

A Yes.

Q Mr. Montgomery, do you know if that was originally advertised as Grayburg?

A Yes, sir, it was.

Q And for the occasion of the hearing last month?

A Yes, sir, it was.

MR. KITTS: Off the record.

(Discussion off the record.)

MR. MACEY: I don't think there is anything wrong.

Q Mr. Montgomery, do you have an exhibit which you have prepared in connection with Case 957?

A Yes, sir, marked Exhibit No. 1, Case 957.

Q What does that show?

A That shows the area, outlined in red, of the proposed pool

creation.

Q And location of well? A Yes.

Q Passing on to Case 963, Mr. Montgomery, in Section (a) you recommend, I believe, creation of a new pool in Lea County, classified as an oil pool for Devonian production; will you tell the Commission what your recommendations are and the basis for them?

A I recommend the pool be created as advertised, it being in the SW/4 Section 7, T9S R38E; discovery well was the Warren Petroleum Corporation's Federal Simmons No. 1-L in Section 7, T9S R38E completed in Devonian Formation on 8/13/55, top of perforation 11,618 feet.

Q Do you have an exhibit that you have prepared in connection with this? A Yes, sir.

Q That, again, contains the location of the well and the proposed outline of the new pool, is that correct?

A Yes, sir, that is correct.

Q Passing on to Section (b), you recommend there a creation of another new pool in Lea County for Wolfcamp production; will you state your recommendation and basis?

A I recommend this pool not be created as advertised, that we just dismiss the case. The reason for that being the Cities Service Oil Company's York No. 1-N, Section 12, T16S R34E, completed in Wolfcamp 8/23/55, with top of perforation 10,599 feet, they have definitely a new zone in the area which is Wolfcamp production, but due to the proximity of two others, Edison and Townsend, I would recommend that we not create the field because there is a possibility that the same pay is present in these two fields. I have correlated logs in the area and I have come to the conclusion that the same pay is probably productive in the other areas, and, due to the low recovery

on the Permeo-Pennsylvanian in New Mexico, I think it would be far more attractive to the operators to be able to come back up and re-complete in these zones. As they complete each zone, they could be designated instead of naming new fields for them. Therefore, I recommend that the pool not be created.

MR. MACEY: Pardon me. Do you think, in that connection, that we ought to extend --

A Not at this date.

Q You want to leave it undesignated?

A For the time being. I think by next month Humble will have their well down.

MR. MACEY: Okay.

Q You have prepared Exhibit No. 2 to show the location of what you had proposed, but now recommend not be approved?

A Yes, sir, that is right. Now, I would also like to point out that we have the Edison designated as being Pennsylvanian production although it is a lower zone. There is no controversy whatever that this is Wolfcamp, but the lower pay which is present in the Edison and Townsend, there is considerable controversy there which we plan on settling in the near future. We just let it ride for the designation for the time being.

Q All right. Mr. Montgomery, in Paragraph (c) you recommend the creation of a new pool in Lea County; state that recommendation and the basis for it.

A That the Shoe-Bar Pennsylvanian Gas Pool be created as advertised, the E/2 of Section 34, T16S, R35E; discovery well in this field was Western Natural Gas Company State Grambling No. 1-A in Section 34, T16S R35E, gas distillate well completed in Pennsylvanian

1/22/54, top of perforation 12,310 feet.

Q You have prepared an exhibit to show the same material relative to this recommendation? A Yes, sir.

Q Exhibit three? A Yes, sir.

Q Passing on to Paragraph (d), will you state what your recommendations are to that and the basis of it?

A I recommend that the Pool, Bagley-Pennsylvanian, be created as advertised, being the SE/4 of Section 33, T11S R33E; discovery well in this field was Amerada Petroleum Corporation's Shell-Amerada State "A" in Unit P, called the Unit No. 1 well in the Unit P as gas distillate well completed in Pennsylvanian on 10/23/51, with top of perforation 9,805 feet.

Q You have prepared Exhibit 4 which shows the location of the pool and the location of the well in the pool?

A Yes, sir.

MR. MACEY: This well was completed in the zone deeper than the Bagley-Wolfcamp?

A That's right.

MR. MACEY: Is the zone productive; do you know the Bagley area Devonian?

A No, but presently there is a well off-setting this that is drilling to this horizon.

MR. MACEY: What are they doing to the gas, El Paso West Coast Line?

A Yes.

MR. MACEY: Going into that compressor station of Amerada's there?

A Yes, sir.

Q In Paragraph (e) there is a recommendation for the extension of the Arrow Gas Pool in Lea County; will you state what your recommendation is and the basis for it?

A I recommend that the extension be created as advertised and I would like to add in the SW/4 of Section 30, T21S, R37E, which is unadvertised. The cause is the completion of the Texas Company's V. M. Henderson No. 4, Unit C of Section 30, 21 37, completed as a gas well in the Queen on 8/22/55, depth to casing shoe 3,480 feet. In order to make the boundary a little more orderly in this outline, I recommend the inclusion of the SW/4 of Section 30.

Q Is that contiguous with the present acreage?

A Yes, sir, that is correct.

Q You have prepared an exhibit containing your recommendations?

A Yes, sir, Exhibit No. 5.

Q Passing on to Paragraph (f) you recommend the extension of the Blinebry Gas Pool in Lea County; will you state what your recommendation is and the basis for it?

A I recommend the extension as advertised, being all of Section 32, T22S R38E; this was caused by the completion of the Gulf Oil Corporation's T. R. Andrews No. 2 Unit G, completed as gas-gas dual in Blinebry and Tubb on 4/16/55, with top of perforation 5,580 feet.

Q You have prepared Exhibit 6 incorporating your recommendations?

A Yes, sir.

Q All right. In Paragraph (g) you recommend an extension of the E - K Queen Pool in Lea County; will you state what your recommendation is and the basis for it?

A I recommend that the E - K Queen Pool be extended in the Ne/4 Section 25, T18S R33E, and the S/2 of Section 24, T18S R33E. I have

prepared two exhibits marked 7 and 8.

Q In connection with this one recommendation, is that correct?

MR. MACEY: You have a little additional --

MR. KITTS: Oh, I see.

A And then, in Section 18, Township 18 South, Range 34 East, the W/2 of SE/4 of that section.

Q All right. Paragraph (h) you recommend the deletion of certain areas from the North Wilson-Yates-Seven Rivers Pool?

A Yes, sir.

Q State what that recommendation is and the basis for it.

A That we delete the advertised area in the North Wilson-Yates-Seven Rivers Pool because of the recent completion of two gas wells and oil well which apparently are connected to the Eumont Gas Field; in order that we may issue proration units to these gas wells, it is necessary that we delete this area from the North Wilson-Yates-Seven Rivers Pool. I have marked Exhibit No. 9.

Q That shows the location of the area involved?

A Yes, sir.

Q In Paragraph (i), your recommendation is the extension of the Eumont Pool; state what the basis is for that, please.

A That portion which is advertised, being all of Section 20, N/2 Section 29, NE/4 of Section 30, due to recent completion of oil and gas wells in this particular area; portions of this area is being deleted from the North Wilson Pool with reason being as stated earlier in section (h); the unadvertised portions we want to extend into Eumont Field is the SE/4, Section 11, T19S R36E, this is occasioned by the recent completion of three oil wells by Gulf Oil Corporation in the SE/4 Section 11, also the W/2 of Section 2, T21S R35E; this

is occasioned by the completion of two wells by the Sinclair Oil and Gas Company. I have prepared three Exhibits, marked Exhibits 10, 11 and 12.

Q Now, this unadvertised acreage, this is presently contiguous to the limits of the Eumont Boundaries? A Yes, it is.

Q All right. In Paragraph (j), you recommend the extension of the Monument-Blinebry Pool in Lea County; state in detail what that recommendation is and the reason for it.

A I recommend that the pool be extended as advertised, that being the N/2 of the SE/4 Section 7, T20S R37E; this extension is necessary for the completion of the Anderson Prichard Oil Corporation's Britt Federal 13 in Unit J completed in Blinebry on 9/3/55 with top of perforation 5,650 feet.

Q You have prepared an exhibit showing the location of the pool and well?

A Yes, sir, which is marked as Exhibit 13.

Q All right. In Paragraph (k), you recommend the extension of the Townsend-Wolfcamp Pool in Lea County; state what that recommendation is and the reason for it..

A That they be extended as advertised in the NE/4 NE/4 of Section 17, T16S R35E, and the E/2 of the SE/4 Section 8 T16S R35E. This extension is made necessary due to recent completion by Pure Oil Company and Shell Oil Company. I have prepared exhibits showing the wells and proposed outline, marked Exhibit No. 14.

MR. KITTS: We offer in evidence Commission's Exhibit 1 in Case 957 and Exhibits 1 thru 14 in Case 963.

MR. MACEY: Without objection they will be received. Any further questions of the witness?

MR. NUTTER: I have my usual ones.

CROSS EXAMINATION

BY MR. NUTTER:

Q In 957, Randall, it is the area advertised, but the names have been changed to Sanmal-San Andres? A That is correct.

Q And the depth of casing shoe 4,564? A That is correct.

Q And in 963, the first is exactly as advertised, and top of perforation 11,618? A In which pool?

Q That is the Sawyer-Devonian, Section (a), 963.

A 11,618.

Q Yes. Section (b) dismissed completely?

A That is correct.

Q Section (c) exactly as advertised, and top was 12,310?

A That's right.

Q (d), exactly as advertised, and perforation, 9805?

A That's correct.

Q (e), as advertised, plus the SW/4 Section 30 - 21 - 37?

A That's right.

Q (f), exactly as advertised? A That's right.

Q (g), exactly as advertised? A That's right.

Q (h), exactly as advertised? A That's right.

Q (i), as advertised, plus the SE/4 Section 11, 19S 36E and the W/2 of 2 21S 35E? A That's right.

Q (j), exactly as advertised? A That's right.

Q (k), exactly as advertised? A That's right.

MR. NUTTER: Okay.

MR. MACEY: Any other questions of the witness? If not, the witness may be excused. We will take the case under advisement.

