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BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1018

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
February 15, 1956

IN THE MATTER OF:

CASE NO: 1018: Southeastern New Mexico nomenclature case
calling for the creation of new pools and
the extension of existing pools in Lea, Chaves and Eddy
Counties, New Mexico:

- (a) Creation of a new oil pool for Yates Production, design-
ated as the South Barber-Yates Pool, and described as:

TOWNSHIP 20 SOUTH, RANGE 30 EAST
Section 33: All

- (b) Creation of a new oil pool for Devonian production,
designated as the Cline-Devonian Pool, and described
as:

TOWNSHIP 23 SOUTH, RANGE 37 EAST
Section 14: E/2 SW/4

- (c) Creation of a new oil pool for San Andres Production,
designated as the Dexter-San Andres Pool, and described
as:

TOWNSHIP 12 SOUTH, RANGE 36 EAST
Section 26: NE/4

- (d) Creation of a new oil pool for Wolfcamp production,
designated as the Lane-Wolfcamp Pool, and described
as:

TOWNSHIP 10 SOUTH, RANGE 33 EAST
Section 1: NW/4

- (e) Creation of a new oil pool for Pennsylvanian produc-
tion, designated as the North Townsend-Pennsylvanian
Pool, and described as:

TOWNSHIP 15 SOUTH, RANGE 34 EAST
Section 36: SW/4

- (f) Extension of the Fowler-Blinbry Pool to include:

TOWNSHIP 24 SOUTH, RANGE 37 EAST
Section 22: E/2
Section 23: SW/4

(g) Extension of the Eidson-Pennsylvanian Pool to include:

TOWNSHIP 16 SOUTH, RANGE 34 EAST
Section 12: S/2

(h) Extension of the Eumont Pool to include:

TOWNSHIP 18 SOUTH, RANGE 37 EAST
Section 29: SW/4

TOWNSHIP 19 SOUTH, RANGE 37 EAST
Section 3: W/2
Section 4: E/2
Section 9: E/2

TOWNSHIP 21 SOUTH, RANGE 35 EAST
Section 3: Lots 1, 2, 7 and 8.

(i) Extension of the High-Lonesome Pool to include:

TOWNSHIP 16 SOUTH, RANGE 29 EAST
Section 15: W/2

(j) Extension of the Jalmat Pool to include:

TOWNSHIP 22 SOUTH, RANGE 35 EAST
Section 14: SE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST
Section 16: E/2

(k) Extension of the Sanmal-San Andres Pool to include:

TOWNSHIP 16 SOUTH, RANGE 33 EAST
Section 33: SE/4

(l) Extension of the Vacuum Pool to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST
Section 25: SE/4

BEFORE:

Mr. E. S. (Johnny) Walker,
Mr. William B. Macey.

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is 1018.

R. F. MONTGOMERY

called as a witness, having been first duly sworn on oath, testified

as follows:

DIRECT EXAMINATION

BY MR. KITTS:

Q State your name and position, please.

A R. F. Montgomery, Geologist, New Mexico Oil Conservation Commission.

Q Mr. Montgomery, you are familiar with Case 1018, are you not?

A Yes, sir, I am.

Q Mr. Montgomery, in Case 1018, there are contained paragraphs (a) through (1), certain recommendations as to creations and extensions of pools, is that correct?

A That's correct.

Q Mr. Montgomery, in each instance, I will ask you pertaining to each paragraph, we will take them one by one, and I will ask you whether you are making the recommendation as advertised, without repeating the Township, Range and Section. Turning, first, to paragraph (a), you recommend the creation as advertised?

A No, sir, I do not.

Q What is the variation?

A The original advertisement was for South Barber-Yates Pool. Oil production discovered by the Hudson on Hudson Federal No. 1 in Unit F, Section 33, Township 20 South, Range 30 East; it is completed with top of pay 1,631 feet in the Yates formation, completed on 7-1-55. I received a letter from the operators, Hudson, and they prefer to name it, a name known as the Dos Hermanos, and I don't see any particular objection to calling it that, so I would like to enter as an Exhibit No. 1, the letter from Hudson & Hudson, signed by Mr. Edward A. Hudson, and, essentially, it states what I have stated, they would like to call it the Dos Hermanos Pool.

Q What is the basis for the creation of the pool?

A Completion of the well I have just mentioned.

Q All right. Do you recommend same as advertised on (b)?

A Yes, I do.

Q (c)?

A Yes, sir, I do.

Q (d)?

A I recommend we continue this until next month.

Q Why?

A Do you really want to know why? (Laughter) Continue it

for the purpose of further study.

Q (e)?

A Same as advertised.

Q Your basis for each of these following extensions is the same as in the exhibits, (f) through (l)?

A Yes, sir.

Q Now, that is for (f)?

A Yes, sir.

Q (g)?

A Yes, sir.

Q (h)?

A Yes, sir.

Q (i)?

A Yes, sir.

Q (j)?

A Yes, sir.

Q (k)?

A Yes, sir.

Q (l)?

A Yes, sir.

Q Now, have you prepared exhibits A through L, embodying the recommended changes and the basis for them? A Yes, sir, I have.

Q Those were prepared by you?

A Under my supervision.

MR. KITTS: We offer in evidence Exhibits 1, and Exhibits A through L.

MR. MACEY: Without objection they will be received.

MR. CARLIN: R. G. Carlin. I'm sorry, but I hadn't become cognizant of the fact, but this Item b, calling for creation of Cline-

Devonian Pool. I suggest that (b) be dismissed until such time as the well record has been submitted. We have already plugged that particular zone.

MR. MACEY: Mr. Carlin, I think you will find that the sole purpose in creating that pool -- we recognize the fact that the well has been recompleted, but we have got to charge that against some pool.

MR. CARLIN: There won't be any more.

MR. MACEY: We realize that, but it has already produced some oil.

WITNESS MONTGOMERY: That is correct, we would like to create a new pool for any new discovery so that we don't have some four or five hundred through the year --

MR. CARLIN: Create a new pool for non-~~controversial~~^{Commercial} discoveries?

MR. MACEY: Yes, sir. We have to charge it into some pool, because if we don't, we have several wells at the end of the year that don't have any pool assigned to them; even though we know the pool is abandoned right at the present time. I realize it sounds kind of silly, but we have to keep our records in some form or shape, the production from each zone. That is why we do it; at least that is the way I understand it.

WITNESS MONTGOMERY: It is just a means to -- in our work, to have a means where we can go to find a record without having to dig through a number of unclassified wells.

MR. CARLIN: The well, when completed, will be completed at a higher field than this Devonian. Two pools for the same well?

MR. MACEY: We have some that are completed four times.

MR. CARLIN: I retract, then.

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
March 14, 1956

IN THE MATTER OF:

CASE NO. 1018

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 14, 1956

IN THE MATTER OF:

Southeastern New Mexico nomenclature case
calling for the following creation:

- (e) Creation of a new oil pool for Pennsylvanian production, designated as the North Townsend-Pennsylvanian Pool, and described as:

Case No. 1018

TOWNSHIP 15 SOUTH, RANGE 34 EAST
Section 36: SW/4

BEFORE:

Honorable John F. Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 1018.

D A N N U T T E R

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

DIRECT EXAMINATION

By MR. KITTS:

Q You are the same Dan Nutter that testified in Case 1036?

A Yes, sir.

Q Do you have a statement you wish to make in this case?

A I recommend that the advertisement of Paragraph (e), 1018, which was continued from the February 15th hearing be dismissed. The basis for this dismissal is as follows: The acreage in question, in Paragraph (e), Case 1018 has been included in the extension of the Townsend-Wolfcamp Pool in Case 1036 just completed.

(Marked Commission Staff's Exhibit No. 1, for identification).

Also, I have Exhibit Number 1, from the Humble Oil and Refining Company, in which they are agreeable to the dismissal in this case, inasmuch as the acreage has been included in the extension of the Townsend Wolfcamp Pool.

Q That is a very short letter, would you read it for the Commission?

A "Humble Oil and Refining Company, Houston 1, Texas, March 2, 1956, directed to the New Mexico Oil Conservation Commission, Santa Fe, New Mexico. Attention: Mr. W. B. Macey. Dear Mr. Macey: Humble Oil and Refining Company is agreeable to the dismissal of Case 1018 set for hearing in Santa Fe March 14, 1956 by extension of the Townsend-Wolfcamp Field, the production from the southwest quarter, 15 South, Range 34 East, could be placed in a prorated oil field. Yours very truly, J. W. House, By R. F. Dewey."

MR. KITTS: We offer in evidence, Exhibit 1.

MR. MACEY: Without objection it will be received.

Q Your recommendation is that this be dismissed?

A Yes, sir.

MR. KITTS: We move for dismissal.

MR. MACEY: Is there any objection to dismissal of Case 1018?

MR. NESTOR: I thought I would inquire, I may have misunderstood. I see this advertisement is for the southwest quarter, Section 36, and it seemed to me in testifying in Paragraph (j) of Case 1036, you stated the south half of the south half of Section 36.

A Yes, sir. The well is located in Unit M, which is in the south half of the south half.

MR. NESTOR: I just wanted to be sure you didn't feel you were including the same acreage. Your testimony was that it was being included in the other paragraph, but actually you didn't give this.

A Actually there is 80 acres of the advertisement in Case 1018, for 160 acres in the southwest quarter has not been included, but the south half of the southwest quarter is included in the extension.

MR. NESTOR: Thank you.

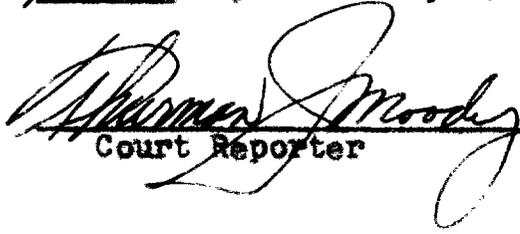
MR. MACEY: Does anyone else have a question? If there is no objection we will dismiss 1018.

(Witness excused.)

STATE OF NEW MEXICO)
) SS.
COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission of the State of New Mexico is a true and correct record to the best of my knowledge, skill and ability.

WITNESS MY HAND, this, the 26th day of March, A. D., 1956



Court Reporter