

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 6, 1958

IN THE MATTER OF: Case No. 1430

TRANSCRIPT OF PROCEEDINGS

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EXAMINER HEARING
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IN THE MATTER OF:)

Application of El Paso Natural Gas Company for)
a non-standard gas proration unit. Applicant,)
in the above-styled cause, seeks an order)
establishing a 331-acre non-standard gas pro-) Case 1430
ration unit in the Blanco Mesaverde Gas Pool)
consisting of the W/2 of Partial Section 6)
and the NW/4 of Partial Section 7, Township 30)
North, Range 8 West, San Juan County, New Mexico,)
said unit to be dedicated to the applicant's)
Howell No. 2-G Well located 990 feet from the)
South and West lines of said Section 6.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: We will take next Case 1430.

MR. PAYNE: Case 1430: Application of El Paso Natural
Gas Company for a non-standard gas proration unit.

MR. WHITWORTH: For the record, Garrett Whitworth, repre-
senting El Paso Natural Gas Company, and I have one witness, Mr.
D. N. Canfield.

(Witness sworn.)

D. N. CANFIELD

called as a witness, having been first duly sworn on oath, testi-
fied as follows:

DIRECT EXAMINATION

By MR. WHITWORTH:

Q State your full name.

A Darrell Canfield.

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

A By El Paso Natural Gas Company as division landman for the San Juan Division.

Q Where do you reside?

A In Farmington, New Mexico.

Q Have you qualified as an expert witness before this Commission?

A I have not.

Q How long have you been a landman?

A For about eight years.

Q Has all that experience been with El Paso Natural Gas?

A It has not. The first four were with the Phillips Petroleum Company, and about three years with the Pacific Northwest Pipe Line, and approximately the last year with El Paso.

Q Do your duties as a landman require that you know the locations of the wells of El Paso Natural Gas Company?

A It does.

Q Spacing requirements?

A Yes, sir.

Q And the interests of various owners?

A Yes.

MR. WHITWORTH: In this case, we ask Mr. Canfield to be accepted as an expert.

MR. NUTTER: Mr. Canfield is accepted.

Q Are you familiar with the application in this case, Mr. Canfield?

A I am.

Q Are you familiar with the location of the Howell No. 2-G Well which is the subject matter of this hearing?

A Yes.

Q Have you prepared a plat showing the exact location of this well?

A I have prepared such a plat.

(El Paso's Exhibit No. "A" marked for identification.)

MR. WHITWORTH: I would like to introduce this plat as El Paso Natural Gas Company's Exhibit "A".

Q How was this well completed?

A It was completed as a Mesaverde formation well.

Q Is it capable of production of gas in paying quantities?

A It is.

Q It was drilled to the Mesaverde?

A Yes.

Q Was it drilled on a single Governmental section?

A No.

Q How many Governmental sections?

A Well, it involves the West Half of Section 6 and the Northwest Quarter of Section 7, which are fractional half-sections.

Q Has it a proposed proration unit?

A Yes.

Q Is this area communitized?

A It is communitized with Delhi-Taylor.

Q What is the size of this proposed proration unit?

A 331.05 acres.

Q Now, according to your plat, El Paso Exhibit "A", where is the well located?

A The well is located 990 feet from the South and the West lines of Section 6, Township 30 North, Range 8 West.

Q Is it situated on contiguous quarter-quarter sections or not?

A Yes.

Q Would you say that this proposed proration unit is standard or non-standard?

A It is non-standard.

Q Why is that?

A Because it is in excess of 324 acres.

Q Do you know the names of the operators owning interest in the two sections involved here?

A Yes. El Paso and Delhi Oil, Company.

Q Do you know the names of offsetting operators?

A Yes, Delhi, Pubco Petroleum Corporation, Anderson-Pritchard

Texas Natural, V. A. Johnson, Ralph Johnson, Orville C. Rogers, and Veva Jean Gibbard.

Q Do you know of any objections from anyone to the granting of this application?

A I do not.

Q Have you contacted all those people with respect to it?

A Yes.

Q What has been your response?

A Everyone has been favorable and so advised by wire.

Q You have the telegrams to that effect?

A Yes.

Q In your opinion would the granting of this application protect the correlative rights and prevent undue hardship?

A Yes.

Q Would such granting result in waste?

A No, it would not.

Q Was El Paso Natural Gas Exhibit "A" prepared by you or under your supervision?

A It was.

MR. WHITWORTH: We ask that Exhibit "A" be received in evidence.

MR. NUTTER: Is there objection to the introduction of El Paso's Exhibit "A" in this case? If not, it will be received.

MR. WHITWORTH: We submit the telegrams that the witness mentioned through the Examiner.

MR. NUTTER: Do you want to submit them as an exhibit?

MR. WHITWORTH: Just submit them for the information.

MR. NUTTER: Yes, sir.

MR. WHITWORTH: That's all I have.

MR. NUTTER: Anyone have any questions of the witness?

CROSS EXAMINATION

By MR. PAYNE:

Q Mr. Canfield, you said that this was communitized with Delhi, is that right?

A That is correct.

Q Have all the interests, royalty and working interests been communitized?

A Yes, to my knowledge it has been.

MR. PAYNE: Thank you.

By MR. NUTTER:

Q Mr. Canfield, if this well were assigned a unit comprising the West Half of Section 6 only, what amount of acreage would be dedicated to the well?

A 219.75 acres.

Q The granting of this application, then, for a 331-acre unit, would provide a unit more closely meeting the 320-acre units established for the Mesaverde than a unit consisting only of Section 6, would it not?

A That's right.

MR. NUTTER: Does anyone have anything further from Mr.

Canfield? Mr. Canfield, do you want to submit these replying telegrams from the offset operators as part of the evidence in this case, did you not?

A That's right.

MR. NUTTER: Any further questions? Mr. Stamets.

By MR. STAMETS:

Q Do you know if there is a well planned for the Southwest Quarter of Section 7?

A We have drilled the Howell 4-G in the Southwest of Section 18, 30 North, and 8 West, which has been communitized on the West Half of 18 and the Southwest of 7. We have not applied for the hearing but are in process of doing that.

MR. STAMETS: That's all.

By MR. UTZ:

Q Do you have any more acreage along that corrected line there?

A Yes, we do, all up and down that correction line.

Q Is there any way that you can do this and get them all together and come in at one time?

A Well, of couse, we do it as we communitize it and prepare for the development of the acreage, but we could give some thought to that coming in.

MR. UTZ: That's all I have.

MR. NUTTER: Any further questions of Mr. Canfield? If not, he may be excused.

(Witness excused.)

