

Case No 2096

Q. What exactly is the purpose of this case?

A. To establish orderly development of the Dakota producing interval along the tier of partial sections caused by the seventh Standard Parallel North.

Q. Does this case seek to establish individual drill blocks or proration units?

A. Yes.

Q. Are these drill blocks standard units under the Dakota spacing order, R-1287?

A. No. These are all non-standard units. The size varies from 312.28 acres to 378.28 acres each. The average size drill block using this arrangement is 337.53 acres.

Q. Have you prepared an exhibit showing these proposed units?

A. Yes.

Q. Explain your exhibit and identify the use of numbers and colors.

A. The exhibit represents the north tier of sections in Township 28 North, Ranges 8, 9, 10, 11, 12, and 13 West. The range numbers appear at the top. The next line of numbers indicates the number of acres in the proration unit immediately below the number. The acreage of each lot or sub-division of the section is shown inside the ruled area. The section numbers are shown immediately below each section. The lowest line of numbers reflects the total acreage of each section.

The alternating colors and are used to identify the areal extent of each proposed proration unit. The colored area is the drill block omitted in the advertisement of this case. It is the result of a prior hearing. The colored strip through the section numbers indicates that area within the Gallegos Canyon Unit.

Q. For the record, identify the specific area contained in each of the proposed proration units.

A. Beginning in Range 13 West the first proration unit would consist of all of section 7 and lot 4 plus the S/2 SW/4 of Section 8. It contains 362 acres. The next proration unit contains 378.28 acres being lots 1, 2, and 3 and S/2 SE/4 of Section 8 and W/2 E/2 of Section 9. The next proration unit contains 344.42 acres and consists of the E/2 E/2 of Section 9 and all of Section 10.

(Etc.)

Q. If unitized areas have been considered in the arrangement of proration units, explain their situations.

A. The Gallegos Canyon Unit area is identified on the exhibit. The proration unit just west of the unit contains 344.42 acres and offsets a proration unit within the Gallegos Canyon Unit which has 344.28 acres. The proration unit sizes are almost identical. A like situation exists at the east boundary of the Gallegos Canyon Unit.

The San Juan 2nd-7 Unit is adjacent to the east end of the exhibit. Unitized areas and non-unitized areas do not appear in any one proration unit.

Q. How many wells would have to be drilled if one well were drilled in each of these partial sections?

A. Thirty-six with an average acreage of approximately 272 acres.

Q. How many proration units do you propose?

A. Only 29.

Q. Are there similar partial sections east or west of those shown on your exhibit?

A. Yes. There are 24 sections to the east but they are all contained in unitized areas.

The area to the west may have similar sections, but there has been no General Land Office survey. We do not know the area of those sections at this time.

Q. Do you believe that this case will ease the administrative burden of the operators?

A. Yes. Each operator will know the size and shape of his proration unit and that of his offsets.

Q. Have you considered lease ownership in the arrangement of these proration units?

A. No. The only ownership consideration was unitized and non-unitized areas.

Q. How will this arrangement aid in orderly development?

A. It will prevent the establishment of proration units which would interfere with an orderly system. One proration unit could be established in such a position as to cause extra large and/or extra small ones to be formed in this area.

Q. Do you think correlative rights will be protected by this design?

A. Yes. This will prevent an operator from being forced to drill on an extra small proration unit, as just mentioned.

Q. Do you believe waste will be caused by this system?

A. No. Application of the theory of drainage and counter drainage will show efficient drainage of the reservoir.

DOCKET: REGULAR HEARING, THURSDAY, OCTOBER 13, 1960

OIL CONSERVATION COMMISSION - 9 A.M. - ELKS CLUB - 801 MUNICIPAL DRIVE

FARMINGTON, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for November, 1960.
- (2) Consideration of the allowable production of gas for November, 1960, from six prorated pools in Lea County, New Mexico, also consideration of the allowable production of gas from seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for November, 1960.
- CASE 2095: Application of the Oil Conservation Commission on its own motion to consider prorating the gas production from the Dakota Producing Interval, San Juan and Rio Arriba Counties, New Mexico.
- CASE 2096: Application of the Oil Conservation Commission on its own motion to consider establishing non-standard proration units and/or drilling units in the Dakota Producing Interval in fractional Sections 7 through 12 of each of the following townships: Township 28 North, Ranges 8 through 13 West, San Juan County, New Mexico with the exception of the unit created by Order No. R-1628-A.
- CASE 2097: Southeastern New Mexico nomenclature case calling for an order creating new pools and extending existing pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico:
- (a) Create a new pool for Grayburg production, designated as the West Bitter Lake-Grayburg Pool, and described as:
- TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM
Section 17: SE/4
- (b) Create a new pool for Abo production, designated as the Loco Hills-Abo Pool, and described as:
- TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 21: SW/4
- (c) Extend the Blinebry Oil Pool, to include:
- TOWNSHIP 23 SOUTH, RANGE 38 EAST, NMPM
Section 5: NW/4
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- (d) Extend the Bluit-Pennsylvanian Pool, to include:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM

Section 18: E/2 SW/4

Section 30: E/2 NE/4

- (e) Extend the Crossroads-Mississippian Pool, to include:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 34: S/2

- (f) Extend the Dog Canyon-Grayburg Pool to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 27: SE/4

- (g) Extend the Empire-Abo Pool, to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 32: NW/4

- (h) Extend the Hume-Queen Pool, to include:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 7: SW/4

- (i) Extend the Justis-Blinebry Pool, to include:

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM

Section 31: NW/4

- (j) Extend the Justis-Paddock Pool, to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 13: NE/4

- (k) Extend the Little Lucky Lake-Devonian Pool, to include:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM

Section 17: S/2

Section 20: E/2

- (l) Extend the Reeves-Devonian Pool, to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 14: SE/4 SE/4

Section 23: NE/4 NE/4