

BEFORE THE OIL CONSERVATION COMMISSION

OF

THE STATE OF NEW MEXICO

SOUTHEASTERN NEW MEXICO NOMENCLATURE
CASE CALLING FOR AN ORDER CREATING
NEW POOLS AND EXTENDING EXISTING POOLS
IN CHAVES, EDDY, LEA AND ROOSEVELT
COUNTIES, NEW MEXICO, AND FOR AN ORDER
DEFINING THE VERTICAL LIMITS OF A CER-
TAIN POOL.

Case No. 2244

ENTRY OF APPEARANCE

Come now Kellahin & Fox, P. O. Box 1713, Santa Fe, New
Mexico, and enter their appearance in the above captioned case
on behalf of Amerada Petroleum Corporation in association with
Mr. H. D. Bushnell, a member of the Oklahoma Bar.

By Jason W. Kellahin
Jason W. Kellahin

BEFORE THE
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
APRIL 13, 1961

IN THE MATTER OF

CASE 2244 Southeastern New Mexico nomenclature case
calling for an order creating new pools
and extending existing pools in Chaves,
Eddy, Lea and Roosevelt Counties, New
Mexico, and for an order defining the
vertical limits of a certain Pool:

BEFORE:

A. L. Porter

T R A N S C R I P T O F P R O C E E D I N G S

MR. PORTER: The next case to be considered will be
2244, and due to the fact that there is some difference of opinion
in concerning paragraph S of that particular case, we will call
that paragraph first; and I'd like to call for appearances con-
cerning paragraph S of Case 2244.

MR. BUSHNELL: H. D. Bushnell appearing on behalf of
Amerada in association with Mr. Kohlhaen.

MR. ROSE: U. M. Rose, Hobbs, New Mexico.

MR. WATSON: Dewey Watson, Denver, Colorado, General
Petroleum Corporation.

MR. PAYNE: Oliver Payne and Dick Morris for the staff.

MR. PORTER: I will recognize you at this time, Mr.

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Bushnell.

MR. BUSHNELL: Amerada is opposed to this hearing today because of the nature of the publication of notice. If you will look to the notice, you will see that it reads: "Definition of vertical limits of Justis-Blinebry Pool, Lea, New Mexico, to be from a point at - -" and there is designated a footage, and then picks up " - - to a point - -" and then it says to a designated subsea footage.

Although we understand that the attorney for the Commission is not objecting to any testimony that Amerada might want to put on in opposition or at variance with these points, it is my opinion that the Commission would not have authority to issue a valid order defining this pool at some point different than set out in the notice. For that reason I would like to move that this case be dismissed with the understanding that a new notice be published for next month if possible and that such notice read in substance, "For the purpose of defining vertical limits of Justis-Blinebry Pool at points to be picked in the well as otherwise designated in this notice."

MR. PORTER: As I understand your motion, Mr. Bushnell, it is that the Commission dismiss the paragraph 5 of Case 2244 at this time to be re-noticed for a regular meeting.

MR. BUSHNELL: Yes, sir.

MR. PORTER: Are there any comments concerning Mr. Bushnell's motion?

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MR. ROSE: If it please the Commission, I do not propose to tell the Commission how to determine the meaning of its publication, but I do not interpret it to have the same effect that Mr. Bushnell does. It appears to me that this proposal to pick the top and bottom is merely courtesy in advising operators of what the Commission staff proposal is. It's merely an accomodation. I would object to a continuance at this time on behalf of Westates Petroleum Corporation. It has an engineer from Denver here at this time and he will testify that Westates is delayed in the commencement of the drilling of a well until what the disposition by the Commission of this matter is going to be. I know one other operator who is delayed in the drilling of a well until it knows what the disposition is and the other operator is paying compensatory royalties at this time. Assuming the legality, it appears to me that this is a matter in the public interest that needs to be disposed of.

MR. PAYNE: The staff has no strong feeling on this one way or another. It would be our thinking, however, that if the Commission does decide to dismiss this case and readvertise it for its May regular hearing that the provision relative to allowables as proposed by the staff be changed from 18 months to 17 months.

MR. PORTER: Does anyone else have anything to offer on the motion?

MR. ALLAN: Ray Allan, Atlantic Electronics, Roswell. Atlantic Electronics would recommend to the Commission that the



case be heard as scheduled today.

MR. PORTER: Anyone else to comment on the motion?

MR. BUSHNELL: My comment previously made isn't a matter of interpretation; it was something I read out of the order. If Amerada did not oppose the setting of this Blinebry Pool at the point shown in the order then we would have no reason to object because our interests would not be adversely affected if the Commission did issue an order setting the limit at some other place, but if the Commission likes the Amerada evidence, which we are all prepared to put on today, and then issued an order supporting our - - what we believe to be the evidence, we still are doubtful that Amerada has a valid order; therefore, I feel that because of that fact that any argument of behalf of operators who might agree with this marking is not in the same position as we are.

MR. PAYNE: We have received a communication from the Union Texas Natural Gas Corporation who joins Amerada in requesting that this case be continued or dismissed.

MR. PORTER: Inasmuch as there is some doubt concerning whether or not the notice was broad enough, the Commission has decided to dismiss paragraph S of Case 2244 and readvertise it as a separate case for the regular May docket.

At this time we will call the witnesses to proceed with the balance of 2244 with the exception of paragraph S.

ERICH ENGBRECHT

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

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follows:

DIRECT EXAMINATION

BY MR. MORRIS:

Q Will the witness state his name and occupation.

A Erich Engbrecht, District Engineer, New Mexico Oil Conservation Commission.

Q Mr. Engbrecht, in your official capacity with the Commission have you made a study of the necessity of creating new pools and extending existing pools in Chavez, Eddy, Lea and Roosevelt Counties, New Mexico?

A I have.

Q In that regard, have you prepared an exhibit?

A I have. Exhibit 1 which is designated as the Allison-Abo and so forth.

Q What is your recommendation concerning the creation of a new oil pool for Abo?

A It is recommended that a pool be created designated as the Allison-Abo pool, the vertical limits to be the Abo formation. As shown on paragraph A Exhibit 1. The discovery well was Gulf Oil Corporations. Federal Mills No. 1, located in unit C of section 11, township 9 south, range 36 east and was completed on February 1, 1961. The top of perforations 8970.

Q What is your recommendation concerning the creation of a new oil pool in the Pennsylvanian?

A It is recommended that a new pool be created

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designated as the East Allison Pennsylvanian with the vertical limits to be the Pennsylvanian formation and the horizon should be as shown on paragraph B, Exhibit 1. The discovery well was Great Western Drilling Company; Federal Mills Well No. 1, located in unit B, section 8, township 9 south, range 37 east and was completed on February 8, 1961; top of perforations 9671 feet.

Q What is your recommendation concerning the creation of a new oil pool in the Abo Reef formation?

A It is recommended that the proposed creation of the south Lovington pool located in the north quarter of section 20, township 17 south, range 36 east, should be dismissed pending further study.

Q What is your recommendation concerning creation of a new oil pool at or near the Abo Reef formation?

A It is recommended that a new oil pool be created designated as the east vacuum-Abo pool, the vertical limits to be the Abo Reef formation and as shown in paragraph D of Exhibit 1. The discovery well was Amerada Petroleum Corporation State V C No. 1 in unit L, section 36, township 17 south, range 35 east. It was completed in Abo on January 29, 1961. Top of perforations at 8890 feet.

Q What is your recommendation concerning the extension of the Arrowhead pool?

A It is recommended that this pool boundary shown in paragraph E, Exhibit 1 be extended on the basis of 1 well completed



therein.

Q What is your recommendation concerning the extension of the Atoka-Grayburg pool?

A It is recommended it be extended as shown in paragraph F, Exhibit 1 on the basis of one well completed therein.

Q What is your- - wait a minute here, I think we are off a little bit here. I know we are off on Bluit-Pennsylvanian, subparagraph D.

Sir, what is your recommendation concerning the extension of the Bluit-Pennsylvanian pool?

A It is recommended that this pool boundary be extended as shown in paragraph D, Exhibit 1 on the basis of four wells completed therein.

Q What is your recommendation concerning extension of the Brushy Draw-Delaware pool?

A Extended as shown on paragraph H, Exhibit 1 on the basis of one well completed therein.

Q What is your recommendation concerning the extension of the east E K-Queen pool?

A It is recommended that this pool boundary be extended as shown on paragraph I, Exhibit 1 on the basis of one well completed therein.

Q What is your recommendation concerning the extension of the southwest Gladiola-Pennsylvanian pool?

A It is recommended that it be extended as shown on

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paragraph J of Exhibit 1 on the basis of one well completed therein.

Q What is your recommendation concerning the extension of the Lazy J-Pennsylvanian pool?

A It is recommended that it be extended as shown on paragraph K, Exhibit 1 on the basis of one well completed therein.

Q What is your recommendation concerning the extension of the Leamex-Wolfcamp pool.

A It is recommended that this pool boundary be extended as shown on paragraph L, Exhibit 1 on the basis of one well completed therein.

Q What is your recommendation concerning the extension of the Loco Hills Abo pool?

A It is recommended that it be extended as shown on paragraph M, Exhibit 1 on the basis of one well completed therein.

Q What is your recommendation concerning extension of the Paduca-Delaware pool?

A It is recommended that it be extended as shown on paragraph N, Exhibit 1 on the basis of seven wells completed therein.

Q What is your recommendation concerning the extension of the Pearl-Queen pool?

A It is recommended that this be extended as shown on paragraph O, Exhibit 1 on the basis of one well completed therein.

Q What is your recommendation concerning the ex-



tention of the south Prairie-Pennsylvania pool?

A It is recommended that it be extended as shown on paragraph P, Exhibit 1 on the basis of four wells completed therein.

Q What is your recommendation concerning the extension of the Tubb Gas pool?

A It is recommended that it be extended as shown on paragraph Q, Exhibit 1 on the basis of one well complete therein.

Q What is your recommendation concerning the extension of the Vacuum-Abo pool?

A That it be extended as shown on paragraph R, Exhibit 1, on the basis of five wells completed therein.

Q Do you have any further recommendations to present to the Commission at this time?

A No, sir, other than paragraph S should be dismissed.

Q Did you prepare Exhibit No. 1 in Case 2244?

A Yes, sir.

MR. MORRIS: At this time, Mr. Commissioner, I would like to offer Exhibit 1 in this case.

MR. PORTER: Without objection, the exhibit will be admitted.

MR. PAYNE: I move that paragraph S be dismissed.

Didn't you recommend that it be dismissed?

THE WITNESS: Yes, sir.

MR. PAYNE: I am so moving at this time.

MR. PORTER: The motion is granted and we will take the

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case under advisement.

