

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 993-3971

ALBUQUERQUE, N. M.  
PHONE 243 6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 6, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Company for cancellation of a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks cancellation of a non-standard gas proration unit comprising the SW/4 of Section 23 and the NW/4 of Section 26, Township 31 North, Range 7 West, Blanco-Mesa-verde Gas Pool, San Juan County, New Mexico, said unit having been established and designated Block "N" by Order No. R-1066. Case No. 2747

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call now Case 2747.

MR. DURRETT: Application of El Paso Natural Gas Company for cancellation of a non-standard gas proration unit, San Juan County, New Mexico.

If the Examiner please, the Commission has received a letter from Mr. Garrett Whitworth concerning this case and I would like to read it at this time.

"In accordance with your telephone conversation with Dave Rainey of the Proration Department, El Paso Natural Gas Company, on the afternoon of February 1, 1963, we hereby requested that Case



Number 2747 on the Examiner Hearing docket for Wednesday, February 6, 1963, be continued to an Examiner Hearing in the latter part of February. Yours very truly, Garrett C. Whitworth."

MR. NUTTER: Case 2747 will be continued to the Examiner Hearing at 9:00 o'clock A. M., February 21, 1963, at the same place.

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 20th day of February, 1963.

*Ada Dearnley*  
Notary Public - Court Reporter

My Commission Expires:  
June 19, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2747, heard by me on 2/6, 1963.

*[Signature]*, Examiner  
New Mexico Oil Conservation Commission

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JERRY A. HICKSON

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

DIRECT EXAMINATIONBY MR. WHITWORTH:

Q Mr. Hickson, will you please state your full name for the record, by whom and in what capacity you are employed?

A Jerry A. Hickson, proration engineer for the El Paso Natural Gas Company.

Q Have you previously testified before this Commission as an expert witness?

A Yes, sir.

Q And your qualifications have been made a matter of record?

A That's correct.

Q Mr. Hickson, at the outset, would you like to correct a typographical error that has been made in the application and has subsequently been published in other instruments?

A Yes, I will. This non-standard proration unit comprising the Southwest of Section 23 in the Northwest of 26 is in Township 32 instead of 31 as advertised on the Examiner docket, Range 7 West, Blanco-Mesaverde Pool.

Q We have referred to Block "N" of Order No. R-1066,



and the correct description is given in Block "N", is it not?

A That's correct.

Q What does El Paso seek to do by this application?

A We are seeking for the cancellation of this non-standard gas proration unit which is designated as Block "N" by Order 1066, for the reason that El Paso is now the operator of both units and the necessity of this non-standard proration unit is no longer needed. Pacific Northwest originally filed this application as they were the operators of the 32, 7 unit and were the operators of the Allison Unit, so there was some conflict of interest at that time.

Q In other words, El Paso is trying to get from the abnormal back to normal?

A That is correct.

Q Do you have a plat or an exhibit depicting the exact area involved?

(Whereupon, Applicant's Exhibit No. 1 was marked for identification.)

A Yes, I have one plat, which shows the boundaries of the 32, 7 Unit and the Allison Unit. The area outlined in blue, the non-standard unit as set out in Order R-1066, and, of course, the red area would be the standard unit which would take in the West Half of Section 23, 32, 7. Now, if you'll notice on this

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plat, if the non-standard is left as is the Northwest Quarter of Section 23 there will be no well to dedicate this acreage to. 11-X, which is in the Northeast Quarter of Section 23, the acreage dedicated to it is the East Half of 23.

Q And you feel by cancellation of this non-standard gas proration unit and getting a standard gas proration unit, correlative rights will be protected and waste will be prevented?

A Yes, sir, that's correct. There will be no difficulty in crossing the boundary lines of the two units. Accounting procedure is the only problem and that has already been taken care of.

Q Was the plat, which we will designate as El Paso Exhibit No. 1, prepared by you or under your direct supervision?

A Yes, sir, it was.

MR. WHITWORTH: We ask that this exhibit be entered into evidence.

MR. UTZ: Without objection, Exhibit 1 will be admitted into evidence.

(Whereupon, Applicant's Exhibit No. 1 was admitted into evidence.)

Q (By Mr. Whitworth) Do you have anything further you would like to add to your testimony?

A No, sir.



CROSS EXAMINATION

BY MR. UTZ:

Q There is not a well in the West Half of Section 23 at the present time?

A No. There is a location to be drilled in the Southwest Quarter. Just a location that's for future development.

Q That will be a unit well?

A Yes, sir.

Q There's not a well in the West Half of Section 26 either?

A No.

Q Actually the only reason that you would have to have approval of the West Half of 23 would be because it crosses the unit boundary lines, is that true?

A Approval of what, Mr. Utz?

Q Well, the West Half of Section 23 as a proration unit?

A That's right. That would be a standard proration unit. At the present time, though, the Southwest Quarter of Section 23 and the Northwest Quarter of Section 26 has already been set up as a proration unit.

MR. WHITWORTH: Non-standard?

A Yes, non-standard.

Q Both of which are inside 32, 7 Unit?

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A That's correct.

Q The one that you now propose would cross the 32, 7 Unit boundary?

A That's correct, into the Allison Unit. It would be 160 acres dedicated from both units.

Q Then all you are asking for is to Block "N", 1066?

A That's correct.

MR. WHITWORTH: We no longer need the exception.

MR. UTZ: Are there any other questions of the witness?

The witness may be excused.

(Witness excused.)

MR. UTZ: The case will be taken under advisement.

We'll have a fifteen-minute recess.



