

Case Number  
4602

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
EXAMINER HEARING  
September 29, 1971

IN THE MATTER OF

Application of Tenneco Oil  
Company for an unorthodox  
oil well location, San Juan,  
County, New Mexico.

Case No. 4602

BEFORE: ELVIS A. UTZ, EXAMINER

Transcript of Hearing

1 MR. UTZ: Case 4602

2 MR. HATCH: Case 4602. Application of Tenneco Oil  
3 Company for an unorthodox oil well location, San Juan County,  
4 New Mexico.

5 MR. BATEMAN: Mr. Examiner, I am Ken Bateman of  
6 White, Gilbert, Koch, Kelly and McCarthy representing the  
7 applicants. I have one witness and ask that he be sworn.

8 MR. UTZ: Are there other appearances?

9 (Witness sworn)

10 DEAN RIAL

11 having been first duly sworn, testified as follows?

12 DIRECT EXAMINATION

13 BY MR. BATEMAN:

14 Q Mr. Rial, would you state your full name and place of  
15 employment?

16 A My name is Dean Rial, Denver, Colorado, and I work for  
17 Tenneco Oil Company.

18 Q What is your responsibility with Tenneco?

19 A My title is District Geological Engineer.

20 Q Are you familiar with the area in question and the application  
21 in Case 4602?

22 A Yes, I am.

23 Q Have you previously testified before the Commission?

24 A Yes I have.

25 Q And have you made your qualifications a matter of record?

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1 A Yes, I have.

2 MR. BATEMAN: Is the witness qualified?

3 MR. UTZ: Yes, he is.

4 Q (Mr. Bateman) Mr. Rial, would you refer to Exhibit One which  
5 is a well location and acreage dedication plat and state  
6 what Tenneco seeks by its application?

7 A Tenneco seeks by its application the granting of an  
8 unorthodox location for the Number One Pah Well which was  
9 drilled in the Northwest of the Southwest quarter of Section  
10 3, Township 25 North and 11 West in San Juan County, New  
11 Mexico. Shown here on Exhibit One is the certified plat  
12 that Tennaco Oil Company filed with its intent to drill  
13 a number one Pah.

14 On May the 12th, 1971, this well was drilled as a Wild-Cat  
15 Well. As shown, the dedication was 160 acres in  
16 anticipation of gas production.

17 The well was subsequently drilled to a total depth of 11,490  
18 feet and it was completed as an oil well on August the 27th,  
19 1971 in this paradox formation or lower Pennsylvanian  
20 acreage from perforation 10,956 to '58.

21 Q All right. Then your testimony is that the original well  
22 locations related to initial geology and you suspected  
23 gas production; is that correct?

24 A Yes, it was. Based on the best knowledge that we had at the  
25 time prior to drilling that we expected to encounter gas

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1 the location is a legal location for gas.

2 However, the exact location is 990 feet from the West line  
3 and 1500 feet from the South line.

4 This is an irregular location for oil spacing in that it is  
5 280 feet from the South line of the Northwest of the South-  
6 west of Section 3 and the regulations call for the well to  
7 be located 330 feet from the quarter-quarter line.

8 Q Mr. Rial, would you continue with Exhibit Number Two which  
9 is a land ownership map?

10 A This Exhibit Number Two is a land ownership map showing the  
11 ownership within a 2-mile radius of the Pah Number One, and  
12 it shows the location of all existing wells in that area.

13 There are no wells in this 2-mile radius or even in the  
14 general area that are producing from this formation.

15 As noted, Tenneco Oil Company is the Leasehold owner of all  
16 adjacent acreage. We have presently an option. It will  
17 expire sometime in November on a Shell acreage, and located  
18 in the Southwest of Section 4 in the East half of -- West  
19 half, excuse me, of Section 9 and all of Section 8 of  
20 Township 25 North and 11 West.

21 Q All right. The Tenneco acreage is indicated in yellow; is  
22 that correct?

23 A Yes, it is. And Tenneco in the red acreage is -- Tenneco  
24 owns half interest in that acreage.

25 Q And what is the nature of the lease ownership?

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1 A All the acreage in the --  
2 Q Or ownership?  
3 A All the ownership in adjacence to the Pah Well is in allotted  
4 acreage.  
5 Q If your application is granted, will correlative rights be  
6 protected?  
7 A Yes, it will.  
8 Q Were Exhibits One and Two prepared by you or under your  
9 direction?  
10 A Yes, they were.  
11 MR. BATEMAN: Mr. Examiner, I move the admission of  
12 Applicant's Exhibits One and Two at this time.  
13 MR. UTZ: Without objection, Exhibits One and Two  
14 will be entered in the record of this case.  
15 MR. HATCH: Mr. Examiner, I have one question to bring  
16 out. This case was advertised as 990 feet from the East line  
17 of that Section 3, and it really is 990 feet from the West line.  
18 THE WITNESS: Yes, that's correct.  
19 MR. HATCH: As to three, which means that it was  
20 incorrectly listed.  
21 MR. BATEMAN: I don't think we will run into any  
22 serious problem here unless there are any objections, but I mean  
23 I certainly hope not.  
24 MR. HATCH: But we may need to hold up and readvertise.  
25 We will have to consider.

1 MR. BATEMAN: You will take that under advisement,  
2 will you, at this time?

3 MR. HATCH: Yes.

4 Q (Mr. Bateman) Do you have anything further to add?

5 A No, I do not.

6 MR. UTZ: Is this location surrounded by your acreage?

7 THE WITNESS: Yes, it is.

8 MR. HATCH: You may wish to amend the application  
9 at this time or something to make it the West line because I  
10 believe the application does say from the East line.

11 MR. BATEMAN: Very well.

12 MR. UTZ: We will be glad to entertain a motion.

13 MR. BATEMAN: Very well. I move that the application  
14 be amended. Strike the word East and add West to indicate it is  
15 990 feet from the West line of Section 3, Township 25 North,  
16 Range 11 West, San Juan County, New Mexico.

17 CROSS EXAMINATION

18 BY MR. UTZ:

19 Q Mr. Rial, have you released a potential on this well yet?

20 A Yes, we have released the potential of the well to P.I.

21 Q Nobody else?

22 A No one else has asked us for it.

23 Q Well, I am asking you for it now.

24 A Oh. The well was potentialized for 192 barrels of oil and  
25 116 mcf of gas a day with a gas/oil ratio of 614 flowing.

1 Q You might open up some acreage?

2 A Yes, sir.

3 NINA DUHAIME: Is that on choke?

4 THE WITNESS: Yes. Choke size was 21 six-fourths  
5 on 24-hour test.

6 MR. UTZ: Okay. Any further questions of the witness?

7 You may be excused.

8 (Witness excused)

9 MR. UTZ: Statements? Case will be taken under  
10 advisement.

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I N D E X

WITNESS:

PAGE

DEAN RIAL

Direct Examination by Mr. Bateman

2

Cross Examination by Mr. Utz

6

EXHIBITS

MARKED

OFFERED AND  
ADMITTED

Applicant's Exhibits

5

One and Two

1 STATE OF NEW MEXICO )  
2 )  
3 COUNTY OF BERNALILLO)

4 I, LINDA MALONE, a Court Reporter, in and for the  
5 County of Bernalillo, State of New Mexico do hereby certify  
6 that the foregoing and attached Transcript of Hearing before  
7 the New Mexico Oil Conservation Commission was reported by  
8 me; and that the same is a true and correct record of the  
9 said proceedings to the best of my knowledge, skill and  
10 ability.

11 Linda Malone  
12 Court Reporter  
13  
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21

22 I do hereby certify that the foregoing is  
23 a complete record of the proceedings in  
24 the hearing of Case No. 46602,  
25 heard by me on April 29, 1971.  
New Mexico Oil Conservation Commission



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 4602  
Order No. R-4204

APPLICATION OF TENNECO OIL  
COMPANY FOR AN UNORTHODOX OIL  
WELL LOCATION, SAN JUAN COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of October, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Tenneco Oil Company, seeks approval of an unorthodox oil well location for its Pah Well No. 1, located 1500 feet from the South line and 990 feet from the West line of Section 3, Township 25 North, Range 11 West, NMPN, undesignated Pennsylvanian Pool, San Juan County, New Mexico.
- (3) That the subject well was projected as a wildcat gas well in the Pennsylvanian formation at a standard location but was productive of oil in said formation.
- (4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

-2-

CASE NO. 4602

Order No. R-4204

IT IS THEREFORE ORDERED:

(1) That the applicant, Tenneco Oil Company, is hereby authorized an unorthodox oil well location for its Pah Well No. 1, located 1500 feet from the South line and 990 feet from the West line of Section 3, Township 25 North, Range 11 West, NMPM, undesignated Pennsylvanian Pool, San Juan County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*Bruce King*  
BRUCE KING, Chairman

*Alex J. Armijo*  
ALEX J. ARMILLO, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

4163  
Use R-~~4173~~  
as a guide

undesignated  
Remedyman Pool

Case 4602

Heard 9-29-71

Rec. 10-1-71

Tenneco Drilled this well as  
an gas well location 990/W, 1500/S.  
3-25-11. They completed a Penn  
oil well which would be for oil.  
Approve the location as requested.

Thurs 10/1/71

CASE 4602: Application of Tenneco Oil Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 B II, approval of an unorthodox Pennsylvanian oil well location for its Pah Well No. 1 located ~~1500~~ 1500 feet from the South line and 990 feet from the East line of Section 3, Township 25 North, Range 11 West, San Juan County, New Mexico.

CASE 4603: Application of Tenneco Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sand Springs Unit Area comprising 2999 acres, more or less, of State lands in Townships 10 and 11 South, Ranges 34 and 35 East, Lea County, New Mexico.

CASE 4563: Continued from the August 11, 1971 Examiner Hearing  
Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.

CASE 4592: Continued from the September 15, 1971 Examiner Hearing  
Application of Gulf Oil Corporation for amendment of order permitting commingling of production, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079, which order authorized the applicant to commingle production from the Hobbs (Grayburg-San Andres) and Hobbs-Blinbry Pools on its W. D. Grimes NCT-B Lease and to commingle production from said lease with the Hobbs (Grayburg-San Andres) Pool on its W. D. Grimes NCT-A lease, located in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico. Applicant seeks to allocate production to each lease and pool on the basis of by-monthly tests rather than monthly tests.



Docket No. 21-71

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1971

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE  
LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner,  
or Daniel S. Nutter, Alternate Examiner:

- CASE 4604: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the consolidation of the Eunice and Monument areas of the Eunice Monument Pool (Grayburg-San Andres), Lea County, New Mexico, and the ascertainment of a common efficient gas-oil ratio limitation for the consolidated area.
- CASE 4598: Application of Continental Oil Company for an exception to Order No. R-2408, and for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Meyer B-4 Well No. 28 in Unit R of Section 4, Township 21 South, Range 36 East, as the second well on an 80-acre proration unit in the Oil Center-Blinebry Pool and to complete said well as a dual completion (conventional) to produce oil from said Oil Center-Blinebry Pool and the Eunice Grayburg-San Andres Pool through parallel strings of tubing.
- CASE 4599: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SEMU Well No. 61 located in Unit P of Section 15, Township 20 South, Range 37 East, as a dual completion to produce gas from the Weir-Drinkard Pool through tubing and gas from the Weir-Blinebry Pool through the casing-tubing annulus.
- CASE 4600: Application of El Paso Natural Gas Company for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the NW/4, N/2 SW/4, SW/4 SW/4, and NW/4 NE/4 of Section 22, Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to its Leonard State "Com" Well No. 1 located in Unit E of said section.
- CASE 4601: Application of Humble Oil & Refining Company for the re-dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3700, to permit the simultaneous dedication of the standard 640-acre Eumont gas proration unit authorized therein to its New Mexico "G" State Wells 2 and 6 located in Units P and M respectively of Section 26, Township 21 South, Range 36 East, Lea County, New Mexico rather than Wells 2 and 4 as at present.

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACERAGE DEDICATION PLAT**

All distances must be from the outer boundaries of the Section

Operator <b>TENNECO OIL COMPANY</b>			Lease <b>PAH</b>		Well No. <b>1</b>
Unit Letter <b>L</b>	Section <b>3</b>	Township <b>25 NORTH</b>	Range <b>11 WEST</b>	County <b>SAN JUAN</b>	
Actual Footage Location of Well: <b>1500</b> feet from the <b>SOUTH</b> line and <b>990</b> feet from the <b>WEST</b> line					
Ground Level Elev. <b>6321.0</b>	Producing Formation <b>Wildcat</b>	Pool <b>Wildcat</b>	Dedicated Acreage <b>160</b>		Acres <input checked="" type="checkbox"/>

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

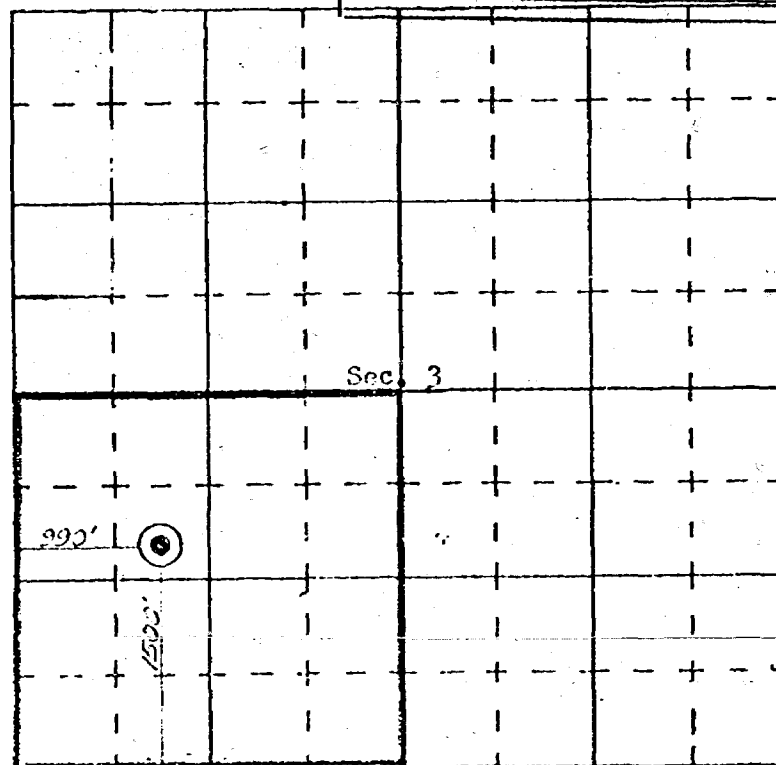
( ) Yes ( ) No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.

**BEFORE EXAMINER UTZ**

OIL CONSERVATION COMMISSION  
*Applint* EXHIBIT NO. 1  
CASE NO. 4602



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name G. A. Ford

Position \_\_\_\_\_

**Sr. Production Clerk**

Date **Tenneco Oil Company**

**5/12/71**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

22 May 1971  
Date Surveyed

*James P. Leese*  
Registered Professional Engineer

and Licensed Surveyor

**JAMES P. LEESE**

**1/68**

Certificate No. \_\_\_\_\_

WHITE, GILBERT, KOCH &  
(GILBERT, WHITE AND GILBERT)

ATTORNEYS AND COUNSELORS AT LAW

LINCOLN BUILDING

SANTA FE, NEW MEXICO 87501

September 8, 1971

CARL H. GILBERT (1891-1963)

L. C. WHITE

WILLIAM W. GILBERT

SUMNER S. KOCH

WILLIAM BOOKER KELLY

JOHN F. MCCARTHY, JR.

KENNETH BATEMAN

BENJAMIN PHILLIPS

RECEIVED

SEP 8-1971

POST OFFICE BOX 787

TELEPHONE 982-4301  
(AREA CODE 505)

*Case 4602*

Mr. A. L. Porter  
Secretary-Director  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Porter:

By this letter Tenneco Oil Company makes application to the Oil Conservation Commission for an unorthodox location of an oil well described as Pah No. 1 located 990 feet from the ~~East~~ line and 1500 feet from the ~~South~~ line Section 3, Township 25 North, Range 11 West, San Juan County, New Mexico. The well was completed in the Akah formation a zone of the Paradox. W

This well was planned as a gas well, but has been completed as an oil well with the NW 1/4 of the SW 1/4 being dedicated to it.

Tenneco requests that this case be set down for public hearing on the September 29th docket.

Very truly yours,

*W. B. Kelly*  
W. B. KELLY

WBK:cc

cc: Mr. Dean Ryals  
District Geological Engineer  
Tenneco Oil Company  
Post Office Box 2410  
Denver, Colorado 80201

DOCKET MARKED

Date 9-17-71

DRAFT

GMH/dr

(JW)

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

JMS

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4602

Order No. R-4204

APPLICATION OF TENNECO OIL  
COMPANY FOR AN UNORTHODOX OIL  
WELL LOCATION, SAN JUAN COUNTY,  
NEW MEXICO.

*[Handwritten signatures and initials]*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of October, 1971, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Tenneco Oil Company, seeks approval  
of an unorthodox <sup>for its Pak well No. 1</sup> ~~oil~~ well location, ~~a wildcat well, to be~~ located  
1500 feet from the South line and 990 feet from the West line  
of Section 3, Township 25 North, Range 11 West, NMPM, undesignated  
Pennsylvanian Pool, San Juan County, New Mexico.

-2-

CASE NO. 4602

Order No. R-

(3) That the subject well was projected as <sup>a wildcat gas well</sup> ~~an oil well~~ at <sup>in the Permian formation at</sup> ~~a standard location in an undesignated Pennsylvanian Pool~~ but was productive of <sup>oil</sup> ~~gas~~ in said ~~pool~~ <sup>formation</sup>.

(4) That approval of the subject application will prevent the drilling of unnecessary wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tenneco Oil Company, is hereby authorized an unorthodox <sup>oil</sup> ~~gas~~ well location for its <sup>Pak well No. 1</sup> ~~Wildcat well~~, located 1500 feet from the South line and 990 feet from the West line of Section 3, Township 25 North, Range 11 West, NMPM, undesignated Pennsylvanian Pool, San Juan County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.