ase Number 1 SSE

Application
Transcripts.

Small Exhibits

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	6	IN THE MATTER OF:))
nic	7	Application of El Paso Natural) Case No. 4883
TO:		Gas Company for non-standard gas spacing units, San Juan County,)
ည	8	New Mexico.))
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. <u>ĕ</u> .	10	BEFORE: Elvis A. Utz, Examiner.	
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MR. UTZ: Case 4883: Application of El Paso
Natural Gas Company for non-standard gas spacing units, San
Juan County, New Mexico.

MR. MORRIS: Mr. Examiner, I am Dick Morris, of the firm of Montgomery, Federici, Hannahs, Andrews and Morris, Santa Fe, appearing on behalf of the Applicant. We have two witnesses, Mr. Higgins and Mr. Brown. I ask that they stand and be sworn.

MR. UTZ: Let me ask for other appearances at this time.

(No response)

MR. UTZ: There appear to be none.

CHARLES HIGGINS,

was called as a witness, and after being duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

- Q Will you state your name and where you reside, please?
- A Charles Higgins, and I reside at 1804 Chouctau Avenue, Farmington, New Mexico.
- Q By whom are you employed, and in what capacity?
- A Regional land manager for El Paso Natural Gas Company for the Northwest region.
- Q Would you briefly state your education, and experience in the petroleum industry?

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Yes. I have a bachelor of science degree in business
administration, and also a law degree from the
University of South Dakota. I graduated in 1957, and
I have been employed by El Paso Natural Gas Company
since that time in their land department. I have been
in my present position of regional land planner for
a year and a half. Prior to that time, I supervised
land planning for approximately six years in the home
office in El Paso. Prior to that, I was district land
planner in Marrietta, Ohio, and I was area coordinator
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for that area.

- Q Are you familiar with El Paso Natural Gas Company's application in Case 4883?
- A Yes, sir.
- Q Referring to Exhibit Number One in this case, Mr.

 Higgins, will you explain what that plat shows and what
 El Paso is seeking by this application?
 - Yes, sir. Due to variations of legal subdivisions of public land surveys, the quarter sections along the western boundary of Township 31 North, 9 West are irregular in size. As you will note from the plat, these quarter sections vary in size between approximately 96 and 104 acres. I think the average is approximately 100 acres. Because of this irregularity, we are unable to form standard 160-acre gas proration units

for the drilling of the Blanco-Pictured Cliffs wells in this area. For that reason, we are asking the Commission to approve four non-standard gas proration units as depicted on the plat. These vary in size from 145.64 acres, and increase in size to 152.63 acres.

By the formation of these units, we can at least approximate the standard 160-acre proration unit for the area for Pictured Cliffs drilling.

- Is the exact legal description of all of these units the same as set forth on the docket in this case?
- A Yes, sir.
- Q What is the nearest designated Pictured Cliffs pool?
- The Blanco-Pictured Cliffs would be the nearest.
- Mr. Brown will testify in more detail concerning this, but Mr. Higgins, just generally what is El Paso's proposal for the development of these non-standard units?

At the present time, we have a well scheduled for the Southwest quarter of Section 31, which will be in Tract 1. This is the only actual location, or well, on these non-standard sites. We also have a well scheduled for the Southeast of Section 31, and likewise for the Northwest of Section 36. These are scheduled for our 1973 drilling program. In addition, within the next ten days, we will commence a well in the

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Southwest of Section 6, 31, 10.

MR. UTZ: That's the location shown on Exhibit One? THE WITNESS: Yes, the one in the Southwest shows 1972, and then you will note that in the Northeast, we show 1973. Then also the two wells in Section 31 are designated as 1973 wells.

- (By Mr. Morris) Will the drilling of these wells bring this acreage into the Blanco-Pictured Cliffs Pool just as a matter of the regular extension of that pool?
- It certainly would bring some in, I don't know how far north it would go, but it certainly would bring in the non-standard gas proration units.
- You are not asking that the Commission, at this time, re-designate this acreage by nomenclature?
- No, sir.
- The acreage that you have asked be designated as non-standard units comprises what would amount to the West half of each of these sections, or together, all four non-standard units would be in the West half of Sections 19, 30 and 31; is that correct?
- Yes, sir.
- Now, is the East half of these sections regular?
- Yes, they are standard.
 - Has this acreage previously been-- let me start my question again. Have non-standard units in other pools

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been established in the same area that you were
asking these non-standard units be established for
the Pictured Cliffs production?
Yes. For example, Tracte 1 and 2 and combined

- Yes. For example, Tracts 1 and 2 are combined, and have been under Order R-35, which was entered on December 1st, 1950. Likewise, Tracts 3 and 4 are included in Mesaverde proration units.
- Q Would you review the ownership in these units?
- Yes, sir. In Tract 1, El Paso owns 75 percent, and Claude Lamb owns 25 percent of that tract. In Tract 2, El Paso owns 91.7 percent, and Claude Lamb owns 8.3 percent. In Unit Number 3, El Paso owns 92.48 percent, and Forrest Miller, Mabel Miller, and Michael Van's estate owns 7.6 percent. El Paso owns all of Tract 4.
- Now, the percentages that you have just given vary somewhat from the information shown on the plan. Would you explain that?
- Because of the Mesaverde communitization encompassing both Tracts 1 and 2. Under this communitization for those tracts, all formations from the surface to the base of the Mesaverde were communitized. Because of that, Mr. Lamb will share ownership in Tracts 1 and 2, and El Paso will have the remaining share of the wells drilled on either one of those two tracts.

witness?

(No response)

PAGE 7
Q Mr. Higgins, will approval of this application serve
in the best interest of conservation and the protection
of correlative rights?
A Yes, it will.
O Was Exhibit One prepared by you, or under your direction
A Yes, sir.
MR. MORRIS: At this time, we offer Exhibit One
into evidence.
MR. UTZ: Exhibit One will be entered into the
record of this case.
MR. MORRIS: That's all we have on direct
examination.
* * * * * * * * * * * * * * * * * * *
CROSS EXAMINATION
BY MR. KENDRICK:
Q Mr. Higgins, the acreage you requested be formed
encompasses all acreage all of the acreage is in the
West half of Section 19, Section 30, and Section 31?
A Yes, sir.
Q It does not leave out any tracts in the area?
A No, it encompasses all of the area.
MR. KENDRICK: I have no further questions.
MR. UTZ: Are there any other questions of the

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MR. UTZ: If not, the witness may be excused.

(Witness excused.)

CHARLES BROWN,

was called as a witness, and having been already duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

- Q Will you please state your name and where you reside?
- A Charles F. Brown, I reside at 1413 Camino, Farmington,
- Q By whom are you employed?
- A I am employed as a senior geologist by El Paso Natural Gas Company.
- Q Would you briefly recite your education and experience in the industry?
- I was graduated from Texas Western College, now known as the University of Texas at El Paso, in 1951, with a degree— a bachelor of science degree in geology.

 I then went to work for Rotary Engineering Company in Texas in 1951. I worked for them until 1952, and then in January, 1953, I went to work for El Paso in Midland.

 I was transferred to Farmington a year later, where
 I have been working for them since in the development section of their geology department, primarily concerning

dearnley, meier & mc cormick repairing serv

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<u>හි</u>	3	CHARLES HIGGINS	
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9	5	Cross Examination by Mr. Kendrick	,
dearnley, meier & mc cormick reno ling Service astantional bank bloc. EAST-ALBUQUERQUE, new MEXICO 37103	6	CHARLES BROWN	
mic	7	Direct Examination by Mr. Morris	8
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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501 LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY – DIRECTOR

GOVERNOR BRUCE KING

CHAIRMAN

January 9, 1973

		Case No	4883	
Morris		Order No.	R-4463	
Mr. Richard S. Morris Montgomery, Federici, Andrews		Applicant:	100 mm mm m m m m m m m m m m m m m m m	
Hannahs & Morris Attorneys at Law Post Office Box 2307 Santa Fe, New Mexico		El Paso Na	tural Gas	Company
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Dear Sir: Enclosed herewith are two concerning order recently en				
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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. 4883 Order No. R-4463

APPLICATION OF EL PASO NATURAL GAS COMPANY FOR NON-STANDARD GAS SPACING UNITS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, 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, El Paso Natural Gas Company, seeks the establishment of the following non-standard gas proration units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico:
 - (a) A 145.64-acre unit comprising Lots 9 and 10 and 15 through 18 of Section 31;
 - (b) A 153.46-acre unit comprising Lots 14 through 17 of Section 30 and Lots 7 and 8 of Section 31;
 - (c) A 156.49-acre unit comprising Lots 17 and 18 of Section 19 and Lots 6 through 9 of Section 30;
 - (d) A 152.63-acre unit comprising Lots 7 through 10 and 15 and 16 of Section 19.
- (3) That each of the proposed non-standard gas proration units is productive of gas.

Case No. 4883 Order No. R-4463

- (4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well to which it is to be dedicated.
- (5) That approval of the proposed non-standard gas proration units will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the following-described non-standard gas proration units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico, are hereby created:
 - (a) A 145.64-acre unit comprising Lots 9 and 10 and 15 through 18 of Section 31;
 - (b) A 153.46-acre unit comprising Lots 14 through 17 of Section 30 and Lots 7 and 8 of Section 31;
 - (c) A 156.49-acre unit comprising Lots 17 and 18 of Section 19 and Lots 6 through 9 of Section 30;
 - (d) A 152.63-acre unit comprising Lots 7 through 10 and 15 and 16 of Section 19.
- (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

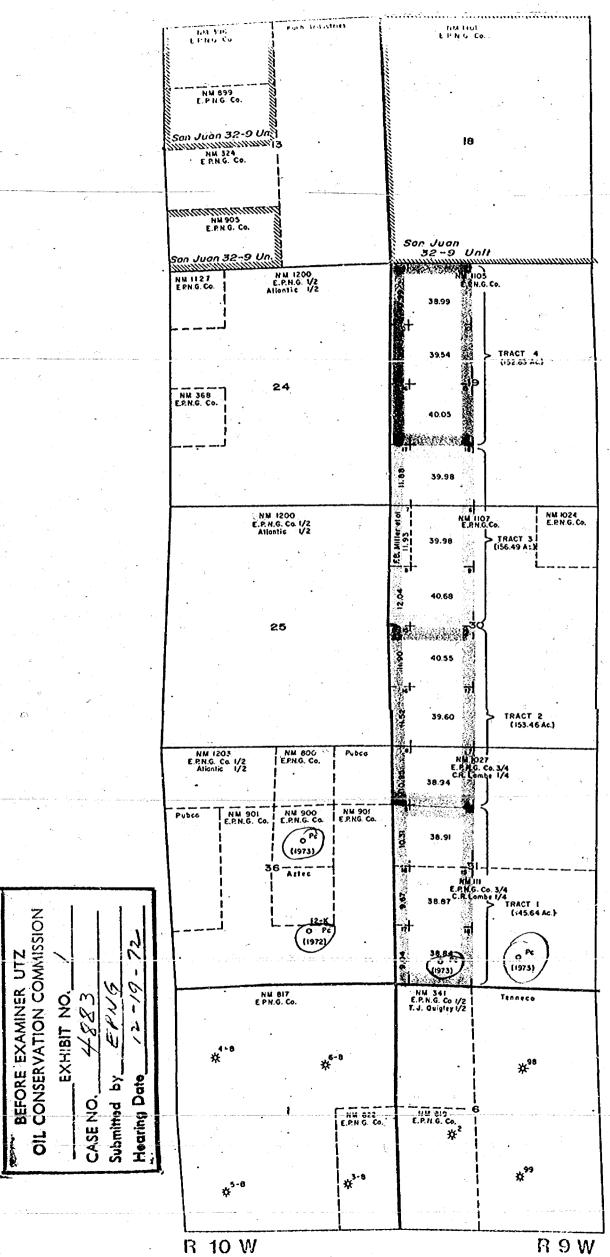
BRUCE KING, Chairman

MEX J. ARMXJO Member

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

SEAL

Cose 4883 Heard. 12-19-72 (Coc) 12-20-22 for 3 NS Ps be cause Thee Teoretions as follows: Collin 31/N-9W. Lot 1: Stei31, Sots 9,10,15,16,17,18. 145.64 ac. Diat E, Ler. 31 Loto 7,8, Sec. 30 Tota. 1-4,15, 16,17, 153.46 Oca Du 13- Lee. 30 - Loto 6, 7, 8,9, lec, 19, Lots. 17, 18. 156, 49 Drut. 4, Lec. 19, 7,8,9,10, 15,16, 152.63 Qc Ulfor Bleenco. D.C.



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Note: NM Numbers refer to El Paso Natural Gas Company's filing system.

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-Present limits of Blanco Pictured Cliffs Pool

📦 - Wells drilled on 1972 program

Proposed locations for 1973

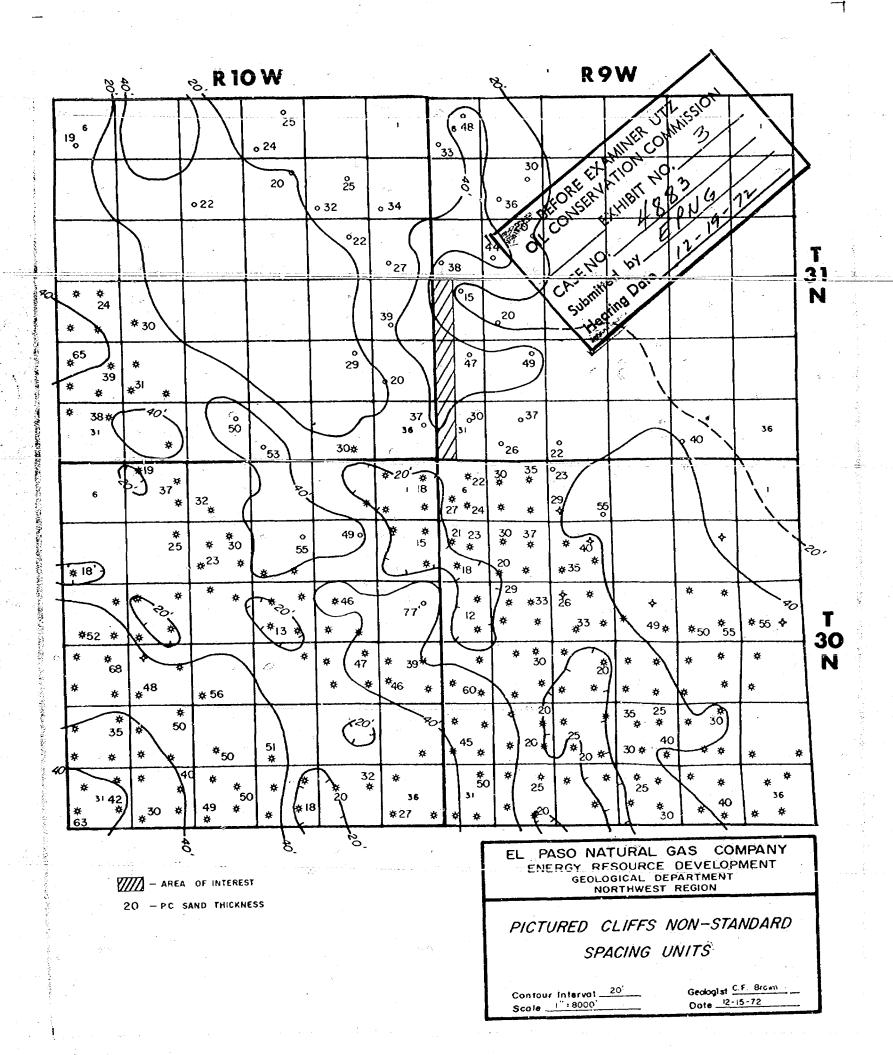
-Area of Interest

EL PASO NATURAL GAS COMPANY ENERGY RESOURCE DEVELOPMENT GEOLOGICAL DEPARTMENT NORTHWEST REGION

PICTURED CLIFFS NON-STANDARD
SPACING UNITS

Scale 1" = 8000'

Geologist C.F. Brown
Date 12-15-72



Dec. 19 -

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & MORRIS

J. O. SETH-(1993-1963)

OWEN M. LOPEZ JEFFREY R. BRANNEN JOHN BENNETT POUND

ATTORNEYS AND COUNSELORS AT LAW Á. K. MONTGOMERY WM. R. FEDERICI 350 EAST PALACE AVENUE WM. R. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
RICHARD S. MORRIS
SUMNER G. BUELL
SETH D. MONTGOMERY
FRANK ANDREWS III Santa Fe, New Mexico 87501

POST OFFICE BOX 2307 AREA CODE 505 TELEPHONE 982-3876

November 15, 1972

New Mexico Oil Conservation Commission State Land Office Building Santa Fe, New Mexico 87501

Dische Mag CONSERVATION COMMA

June 4883

Gentlemen:

Enclosed for filing is the original and two copies of El Paso Natural Gas Company Application for Four Nonstandard Gas Spacing Units for Pictured Cliffs production in San Juan County, New Mexico. We would appreciate your setting this Application for hearing before an Examiner and advising us of the hearing date.

filliant S. Mouri

RSM:F Encl. 5086-72-21

cc: Mr. J. C. Considine Office of General Counsel El Paso Natural Gas Co. P.O. Box 1492 El Paso, Texas 79999

> DOCKET MAILED Date 12-6-12

BEFORE THE

NEW MEXICO OIL CONSERVATION COMMISSION

OIL CONSERVATION,
Souto Fo

APPLICATION OF EL PASO NATURAL GAS)
COMPANY FOR THE ESTABLISHMENT OF)
FOUR NONSTANDARD GAS SPACING UNITS,)
SAN JUAN COUNTY, NEW MEXICO)

Case No. 1883

APPLICATION

Comes now El Paso Natural Gas Company, by its attorneys, and applies to the New Mexico Oil Conservation Commission for the establishment of four nonstandard gas spacing units, San Juan County, New Mexico, and in support of its Application states:

1. El Paso Natural Gas Company proposes the establishment of the following nonstandard gas spacing units for Pictured Cliffs production, all of said lands being located in Township 31 North, Range 9 West, San Juan County, New Mexico:

TRACT 1, comprising Lots 9, 10, 15, 16, 17 and 18 of Section 31, comprising 145.64 acres.

TRACT 2, consisting of Lots 14, 15, 16 and 17 in Section 30 and Lots 7 and 8 in Section 31, comprising 153.46 acres.

TRACT 3, consisting of Lots 17 and 18 in Section 19, and Lots 6, 7, 8 and 9 in Section 30, comprising 156.49 acres.

TRACT 4, consisting of Lots 7, 8, 9, 10, 15 and 16 in Section 19, comprising 152.63 acres.

2. Applicant is the owner and operator of the acreage contained in the aforesaid units with the following exceptions:

C. R. Lambe is the owner of a 16.5% working interest in Tracts 1 and 2 as described above.

Forrest B. Miller, M. M. Miller and Catherine B. McElvain are the owners of Lot 7 in Section 30, comprising a portion of Tract No. 3 as described above.

Applicant will seek to obtain voluntary commitment of these interests to the aforesaid units upon their being approved by the Commission.

- 3. The aforesaid nonstandard gas spacing units were previously approved and established as nonstandard units for purposes of Mesaverde production.
- 4. The lands contained in the aforesaid units are not located within the boundaries of any Pictured Cliffs pool as presently designated by the Commission. The Blanco Pictured Cliffs pool lies South of Tract 1 as herein described and is the closest Pictured Cliffs pool to the subject lands.
- 5. Approval of this Application will neither cause waste nor impair correlative rights.

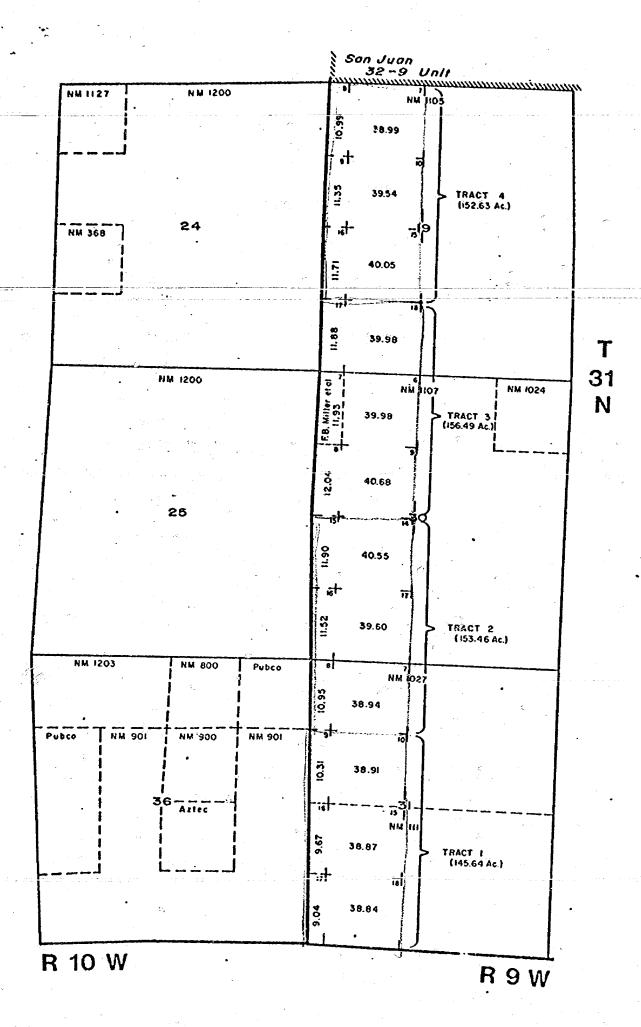
wherefore, the Applicant requests that this Application be set for hearing before the Commission or one of its Examiners and that the Commission enter its Order approving this Application.

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & MORRIS

P.O. Box 2307

Santa Fe, N.M. 87501

Attorneys for El Paso Natural Gas Company.



dr/



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. 4883

Order No. R-4463

APPLICATION OF EL PASO NATURAL GAS COMPANY FOR NON-STANDARD GAS SPACING UNITS, SAN JUAN COUNTY, NEW MEXICO.

RX

PA

Jan 1-2-73

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 19⁷² at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NOW, on this day of December , 1972, 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, El Paso Natural Gas Company, seeks the establishment of the following non-standard gas proration units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico:

- (a) A 145. A acre unit comprising Lots 9 and 10 and 15 through 18 of Section 31;
- (b) A 153.3-acre unit comprising Lots 14 through 17 of Section 30 and Lots 7 and 8 of Section 31;
- (c) A 156.5-acre unit comprising Lots 17 and 18 of
 Section 19 and Lots 6 through 9 of Section 30;
- (d) A 152.4-acre unit comprising Lots 7 through 10 and 15 and 16 of Section 19.
- (3) That each of the proposed non-standard gas proration units is productive of gas.
- (4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well to which it is to be dedicated.
- (5) That approval of the proposed non-standard gas proration units will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the following-described non-standard gas proration units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico, are hereby created:
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 - (b) A 153.5-acre unit comprising Lots 14 through 17 of Section 30 and Lots 7 and 8 of Section 31;
 - (c) A 156.5-acre unit comprising Lots 17 and 18 of Section 19 and Lots 6 through 9 of Section 30;
 - (d) A 152.6-acre unit comprising Lots 7 through 10 and 15 and 16 of Section 19.

-3-Case No. 4883 Order No. R-

(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 herein-above designated.

CASE 4084: Appli. of COLORADO PLATEAU FOR AN EXTENSION OF ORDER NO. R-4227, MOKINLEY COUNTY.