

Case No.

1100

Application, Transcript,
Small Exhibits, Etc.

CASE 1100: John J. Redfern, Jr., Application
for 201.22 acre non-standard gas proration
unit for H. L. Gentile Well No. 2

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1100
Order No. R-849

THE APPLICATION OF JOHN J. REDFERN,
JR., FOR AN ORDER GRANTING AN
EXCEPTION TO RULES 2, 3 AND 6 (A)
OF THE SPECIAL RULES AND REGULATIONS
FOR THE FULCHER KUTZ-PICTURED CLIFFS
GAS POOL AS SET FORTH IN ORDER R-565-C
IN ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT OF 201.22 CONTIGUOUS ACRES
CONSISTING OF LOT 4 AND THE SW/4 SW/4 OF
SECTION 9, LOTS 1 & 2 AND THE S/2 SE/4 OF
SECTION 8, ALL IN TOWNSHIP 28 NORTH, RANGE
11 WEST, NMPM, SAN JUAN COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on July 11, 1956 at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", in accordance with Rule 1214 of the Commission's Rules and Regulations.

NOW, on this 15th day of August 1956, the Commission, a quorum being present, having considered said application, the evidence adduced and the recommendations of the Examiner, Warren W. Mankin, 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, John J. Redfern, Jr., is the operator of federal oil and gas leases on the following lands in San Juan County, New Mexico, consisting in part of:

Township 28 North, Range 11 West, NMPM
Lots 1 & 2 and the S/2 SE/4 of Section 8
Lot 4 and the SW/4 SW/4 of Section 9

containing 201.22 acres, more or less.

3. That the royalty in the above described leaseholds is of common interest, being that of the United States of America; and that all working interest and overriding royalty interests in the said leases were, at the time of this hearing, in the process of being communitized.

4. That applicant, John J. Redfern Jr., has a gas well on the above described leases which is known as the Hazel L. Gentle No. 2 Well located 890 feet from the North line and 1100 feet from the West line of said Section 9.

5. That the creation of a proration unit of the aforesaid acreage and the pooling of all interests therein will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of John J. Redfern, Jr., for approval of a non-standard gas proration unit consisting of the following described acreage in the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico:

Township 28 North, Range 11 West, NMPM
Lots 1 & 2 and the S/2 SE/4 of Section 8
Lot 4 and the SW/4 SW/4 of Section 9

consisting of 201.22 acres, more or less, be and the same is hereby approved and created.

(2) That applicant's Hazel L. Gentle Well No. 2, located 890 feet from the North line and 1100 feet from the West line of said Section 9 be and the same is hereby granted an allowable in the proportion that the above described 201.22 acres bears to the standard proration unit of the Fulcher Kutz-Pictured Cliffs Gas Pool, all contingent upon receipt by the Commission of an executed counterpart of a communitization agreement between all persons owning either a portion of the working interest or an overriding royalty in the above described leasehold estates.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


A. E. PORTER, JR., Member & Secretary



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 1, 1956

C
O
P
Y

Mr. Paul Cooter
Atwood & Malone
Petroleum Building
Roswell, New Mexico

Dear Sir:

In behalf of your client, John J. Redfern, Jr., we enclose two copies of Orders R-848 and R-849 issued August 1, 1956, by the Oil Conservation Commission in Cases 1099 and 1100, respectively. These cases were heard on July 11th at Hobbs.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

brp
Encls.

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
July 11, 1956

IN THE MATTER OF:

CASE NO. 1099 & 1100 (consolidated)

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
JULY 11, 1956

IN THE MATTER OF:

CASE NO. 1099: Application of John J. Redfern, Jr. for :
an order granting an exception to Rules :
2, 3 and 6 (a) of the Special Rules and :
Regulations for the Fulcher Kutz-Pic- :
tured Cliffs Gas Pool, as set forth in :
Order R-565-C to permit the establish- :
ment of a non-standard gas proration :
unit in said pool, San Juan County, New :
Mexico. Applicant, in the above-styled :
cause seeks an order establishing a :
197.96 acre non-standard gas proration :
unit comprising Lots 1, 2 & 3, S/2 SE/4 :
and SE/4 SW/4 Section 9, Township 28 :
North, Range 11 West, San Juan County, :
New Mexico; said unit to be dedicated to :
applicant's H. L. Gentle Well No. 1 lo- :
cated 1100 feet from the South line and :
1520 feet from the East line of said :
section. :

CASE NO. 1100: Application of John J. Redfern, Jr. for :
an order granting an exception to Rules :
2, 3 & 6 (a) of the Special Rules and :
Regulations of the Fulcher Kutz-Pictured :
Cliffs Gas Pool as set forth in Order :
R-565-C in establishment of a non-stand- :
ard gas proration unit in said pool, San :
Juan County, New Mexico. Applicant, in :
the above-styled cause, seeks an order :
establishing a 201.22 acre non-standard :
gas proration unit comprising Lot 4 and :
SW/4 SW/4 Section 9, Lots 1 & 2 and S/2 :
SE/4 Section 8, all in Township 28 North, :
Range 11 West, San Juan County, New :
Mexico; said unit to be dedicated to :
applicant's H. L. Gentle Well No. 2 lo- :
cated 890 feet from the North line and :
1100 feet from the West line of said :
Section 9. :

BEFORE:

Warren W. Mankin, Examiner.

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

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

MR. HANKIN: Next case is 1099 and 1100.

MR. COOTER: Paul Cooter, Atwood and Malone, Roswell, New Mexico, appearing for the applicant, John J. Redfern, Jr. We have one witness, Mr. Hurd.

(Witness sworn.)

J. H. HURD,

called as a witness on behalf of the applicant, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. COOTER:

Q Will you state your name, sir? A J. H. Hurd.

Q Where do you live, Mr. Hurd? A Midland, Texas.

Q Are you an interested party in Cases 1099 and 1100?

A I am.

Q The applicant, in both cases, is John J. Redfern, Jr. What connection do you have with Mr. Redfern?

A Mr. Redfern and I are associated in the oil business together.

Q Do you appear at this hearing as his agent?

A I do.

Q Are you familiar with the application of Mr. Redfern in both cases?

A I am.

Q First, Mr. Hurd, what is sought by the application in Case 1099?

A Case 1099, the applicant seeks to obtain an order establishing a --

MR. HANKIN: Before we go any further, Mr. Cooter, do you wish to request at this time, that these two cases be considered together

as far as testimony is concerned?

MR. COOTER: For the purpose of taking evidence at this hearing.

MR. MANKIN: Is there any objection to hearing Cases 1099 and 1100 together for the purpose of evidence? If not, they will be so consolidated for the purpose of testimony.

A Case 1099, the applicant seeks to have an order establishing a 197.96 acre non-standard gas proration unit, comprising Lots 1, 2 & 3, S/2 SE/4 and SE/4 SW/4 Section 9, Township 28 North, Range 11 West, San Juan County, New Mexico, wells to be applicant's No. 1 Gentle.

Q What is sought by the application in Case 1100?

A Case 1100, the applicant seeks to establish a non-standard gas proration unit comprising 201.22 acres, being Lot 4 and SW/4 SW/4 Section 9, Lots 1 & 2 and S/2 SE/4 Section 8, all in Township 28 North, Range 11 West, San Juan County, New Mexico. The wells to be assigned or dedicated to that unit will be applicant's No. 2 Gentle.

Q In most instances, does not the applicant seek an exception to Rules 2, 3 & 6 (a) of Order No. R-565-C pertaining to the Fulcher Kutz-Pictured Cliffs Gas unit?

A That is correct.

Q Would you give the location?

MR. MANKIN: Mr. Cooter, before you proceed further, I believe Mr. Hurd is a technical witness, is he not?

MR. COOTER: No, we haven't qualified him as that, Mr. Examiner, for the reason that the two units, the two exceptions to the rules are such as so closely pertaining to the field rules for the

area, that we did not bring a geologist over with us. If you would like expert testimony in this regard, after a short recess, we would be able to produce such.

MR. MANKIN: It wouldn't -- I just wanted to make certain what his position was, technical witness, or as an interested party in the case. I think you will find by a previous nomenclature case of the Commission's own staff that this pool was extended for geological and pool purposes to indicate the productivity of the area, so that won't be necessary to indicate the productivity of the acreage.

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

Q Mr. Hurd, I show you --

MR. GURLEY: Which case is this for?

MR. COOTER: Both.

Q I hand you herewith a copy of a platt designated as Exhibit No. 1. Was this prepared under your direction?

A It was.

Q Will you please explain this platt, specific reference being given to the units which are the subject matter of the two cases, one outlined in red and one in green?

A Yes, sir. I believe the one in red -- outlined in red, proposed unit, Case 1099, comprising a total of 197.96 acres, and the John J. Redfern, Jr., No. 1 H. L. Gentle Well, located 300 feet from the South line and 125 feet from the East line of Section 9; in case 1100, the proposed unit comprising a total of 201.22 acres, containing Well No. 2, same operator, same name, that location was

890 feet from the North line, 1100 feet from the West line of Section 9.

Q I notice from the platt that the two sections, Sections 8 and 9 which are now involved are fractional sections, is that right?

A That is right, Section 8, according to our tabulation, contains a total of 267.32 acres; Section 9, 264.19 acres.

Q Mr. Hurd, will you give the drilling and completion data on the Gentle No. 1 Well?

A Yes, sir. John J. Redfern, Jr., Gentle No. 1 Well, started August 30, 1955, drilling was completed September 5, 1955, the well was drilled to a total depth of 1525 feet, being bottomed and completed in the Pictured Cliffs sand horizon, that well was completed for a gas well in that horizon with a potential of 3,668,800 feet of gas per day.

Q Do you have the pressure data on that?

A Yes, sir. The rock pressure on that well was 380 pounds.

Q Would you give the same data with reference to the Gentle No. 2 Well?

A Redfern No. 2 Gentle, commenced drilling the 15th of November, 1955 -- I would like to correct that, 29th of October, 1955, and completed November 6, 1955, completed at the depth of 1558 feet, Pictured Cliffs formation, initial potential 577,000 cubic feet per day, rock pressure, 405 pounds, both wells were completed with a frack stem, properly cased and all the forms required have been filed with the State and U.S.G.S.

Q Mr. Hurd, do you have any information indicating whether or not all of the acreage included in the two proposed non-standard

units can reasonably be, and assumed to be, productive of gas?

A Yes, sir, we believe that all the acreage in both units can reasonably be assumed to be productive of gas. Exhibit A, which has been submitted, contains a -- shows a gas well approximately three-quarters of a mile northeast of the proposed unit for Gentle No. 2; there is gas production in Section 32, slightly over a mile from both units, and also gas production to the northeast within a three-quarter mile range, and since filing these applications, the same operator has completed a gas well in Section 16, being immediately south of Gentle No. 1 gas well.

Q Same operator, and you refer to Mr. Redfern?

A That is correct.

Q By whom is the oil and gas leasehold estate in the proposed unit owned?

A Leasehold estate owned by John J. Redfern, Jr.

MR. MANKIN: By whom is the basic royalty owned?

A United States of America.

Q Are there any overriding royalties in existence?

A Yes, sir, there are.

Q Could you give us approximately the amount of those overriding royalties?

A Approximately the overriding royalty on both wells are 31%.

Q While the basic royalty is owned by the United States of America, are there different federal leases involved on more than one -- or more than one lease involved? A Yes, sir.

Q Has a communitization agreement been executed, filed and approved?

A Communitization agreements are now being circulated for signature. It has not been completely executed yet, but is being done so now.

MR. COOTER: Could I state at this time, that when the agreement has been executed by all interested parties including the working interests and overriding royalty interest owners and filed and approved, by the Government, that either a copy or a certified copy will be filed with the Commission.

Q To what pipeline have these wells been connected, Mr. Hurd?

A El Paso Natural Gas.

Q And they are connected at the present time?

A They are.

Q The wells are shut in?

A That's right.

Q In your opinion, Mr. Hurd, will the approval of the non-standard units prevent waste and protect correlative rights?

A Yes.

MR. COOTER: We would now like to offer Exhibit No. 1 in evidence.

A I would like to make one addition here on the Exhibit, Section 17, 29 North, 11 West, is underleased to the applicant John J. Redfern, Jr., and there are leases of record pertaining to a majority of the acreage immediately north of the units, being Sections 31 and 32, which are probably not shown on the plat because we didn't have a great access to the records at the time of the preparation.

MR. MANKIN: You say you have those at this time, ownership?

A Sir, I have it as taken from a map. We were not able to check

the records for Sections 32 and 31, to the north, but -- so I wouldn't want to swear it is exactly true, but I have evidence on ownership maps that it is under lease.

Q There has been no development except as shown on your plat?

A To the best of my knowledge, all the development is shown on the plat.

MR. MANKIN: Is there any objection to the introduction of Exhibit 1 in this case? If not, it will be so received.

(Whereupon, Applicant's Exhibit No. 1 was received in evidence.)

BY MR. MANKIN:

Q Mr. Hurd, does John J. Redfern, Jr., now have all of the leases, the Federal leases under these two proposed units?

A Yes, sir.

Q There was a time, however, until just recently, that he did not have all the leases, there were a portion of these units --

A Best of my knowledge, they were all --

Q So you are not aware until recently that Mr. Redfern purchased a portion of these leases by sale and just got approval of them recently?

A Since the wells were completed?

Q In that period of time, that they were completed.

A No, sir, I am not aware of that.

Q In other words, Mr. Redfern, at the time he started drilling these wells, did not have completely all the acreage herein claimed today?

A Beg your pardon. I beg your pardon. You are correct.

Q But at the present time those leases have been consummated and Mr. Redfern now has complete leases on all acreage herein claimed?

A Yes, sir.

Q You mentioned the tests on those two wells, Gentle No. 1 and No. 2, and on the Gentle No. 1 I believe you indicated it was about a three million well?

A It was about a three million well.

Q You indicated rock pressure of something around three or four hundred pounds?

A Yes.

Q Do you have a seven-day shutin pressure on that?

A Not at this time.

Q That has not been taken?

A No, sir.

Q So you are not aware of what the shutin pressure, what the required seven-day shutin pressure is?

A No, sir.

Q Just a rock pressure, and that is true on both wells?

A Yes, sir.

Q Was this test that was taken, was that a three-hour test or what kind of test was it?

A It does not show that the test on No. 1 was witnessed, but it doesn't give any length of test. It looks like No. 1 Gentle, note here indicates a three-hour test with pressures taken at alternate periods of time during the period of test, so I assume that three-hour test would be correct with No. 1. I do not have that information on No. 2.

Q Would that be furnished to the Commission?

A Yes, sir.

Q We would like to know what length of tests those two tests

were, and if possible, any length of time for pressure buildup.

A All right, sir.

MR. MANKIN: Is there any further questions of the witness in this case? If not, the witness may be excused.

(Witness excused.)

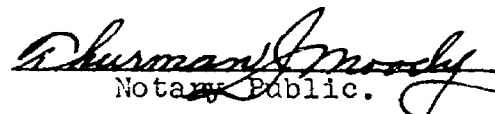
MR. MANKIN: Is there any statements to be made in this case? If not, we will take the two cases under advisement, and the hearing is adjourned.

C E R T I F I C A T E

STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 10th day of July, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public.

My Commission Expires:
April 3, 1960.

Case 1100

This case was consolidated with 1099
and the transcript may be found in that
file.

BEFORE THE OIL CONSERVATION COMMISSION,
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF JOHN J. KEDFERN, JR. FOR AN
ORDER GRANTING APPROVAL OF AN EX-
CEPTION TO RULES 2, 3 AND 6(A) OF
THE SPECIAL RULES AND REGULATIONS
APPLICABLE TO THE FULCHER KUTZ-
PICTURED CLIFFS GAS POOL AS SET
FORTH IN ORDER NO. R-565-C TO PER-
MIT THE ESTABLISHMENT OF A NON-
STANDARD GAS PRORATION UNIT OF
201.22 CONTIGUOUS ACRES CONSISTING
OF LOT 4 AND SW $\frac{1}{4}$ OF SW $\frac{1}{4}$ OF
SECTION 9, LOTS 1 AND 2 AND THE S $\frac{1}{2}$
OF SE $\frac{1}{4}$ OF SECTION 8, ALL IN TOWN-
SHIP 28 NORTH, RANGE 11 WEST,
N.M.P.M., SAN JUAN COUNTY, NEW
MEXICO.

CASE NO. 1100

*Sent Copy to
Docket
to Paul Carter
on 6/11/8*

APPLICATION

COMES NOW John J. Kedfern, Jr., by his attorneys
Atwood & Malone, and applies to the Oil Conservation Commission
of the State of New Mexico, for an exception to Rules 2, 3 and
6(A) of the Special Rules and Regulations applicable to the
Fulcher Kutz-Pictured Cliffs gas pool, and for the approval of
a non-standard gas proration unit consisting of 201.22 con-
tiguous acres described as follows:

Lot 4 and the SW $\frac{1}{4}$ of SW $\frac{1}{4}$ of
Section 9,
Lots 1 and 2 and the S $\frac{1}{2}$ of
SE $\frac{1}{4}$ of Section 8, all in
Township 28 North, Range 11
West, N.M.P.M., San Juan County,
New Mexico,

and in support of said application states:

1. The above described acreage is owned in fee by the
United States of America and is covered by Federal Leases Nos.
NM-010063 (formerly SF-078780) and SF-047019B.

2. Applicant is the operator of the leasehold estate
in the above described acreage and all parties owning either a

working interest or an overriding royalty interest therein are now in the process of executing a communitization agreement pooling their respective interests for the purpose of developing and producing dry gas and associated liquid hydrocarbons from the Pictured Cliffs formation underlying such acreage.

3. Applicant has completed a well on the above described acreage known as the Hazle L. Gentle No. 2 Well located on the South line of Lot 4 and the North line of the $SW\frac{1}{4}$ of the $SW\frac{1}{4}$, 890 feet from the North line and 1100 feet from the West line, of Section 9, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico.

4. Applicant will be deprived of the opportunity to recover his just and equitable share of the natural gas in the Fulcher Kutz-Pictured Cliffs Pool unless a non-standard proration unit consisting of the above described acreage is permitted.

5. The creation of the non-standard proration unit consisting of the above described acreage will prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that the Commission give due notice of the filing of this Application, that a hearing be had hereon, and that contingent upon completion of the execution of the aforementioned Communitization Agreement that the Commission grant the necessary exceptions to the provisions of Order No. R-565-C, and approve a non-standard proration unit in the Fulcher Kutz-Pictured Cliffs Pool consisting of

Lot 4 and the $SW\frac{1}{4}$ of $SW\frac{1}{4}$ of
Section 9,
Lots 1 and 2 and the $S\frac{1}{2}$ of
 $SE\frac{1}{4}$ of Section 8, all in
Township 28 North, Range 11
West, N.M.P.M., San Juan County,
New Mexico,

and grant the Hazle L. Gentle No. 2 Well located on the South line of Lot 4 and the North line of the SW₄ of the SW₄, 890 feet from the North line and 1100 feet from the West line, of Section 9, Township 28 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, an allowable in the proportion that the above described 201.22 acre unit bears to the standard proration unit.

Respectfully submitted,

JOHN J. REDFERN, JR.

By 

of ATWOOD & MALONE
Roswell Petroleum Building
Roswell, New Mexico