

CASE 1901: Application of CAULKINS
OIL COMPANY for a gas-gas dual and
establishment of 320-acre non-stand.

Case No.

1901

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 3-1-60

CASE

1901

Hearing Date

2-25-60

My recommendations for an order in the above numbered cases are as follows:

1. Grant Caulkins request for a S. Blanco P.C. and S. Blanco Dkt. Deal, using 2 strings of tubing, for their PC # 233 well located 1145/N, 980/W lines sec. 16.- 26 N-6 W.
2. Model "D" packer to be set at 7100 ft.
3. Packer tests on completion and on ^{S. Blanco.} ~~anniversary~~ date of P.C. det. tests.
4. ~~approx. 320 Ac.~~ unit consisting of N/2 NE/4, NW/4, N/2 SW/4 sec. 16-26 N-6 W. to be dedicated to the operators of Well # PC-233.
5. The overriding royalty is being communitized in the unit.

Thos. A. [Signature]

Staff Member

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 11, 1960

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Caulkins Oil Company, we
enclose two copies of Order No. R-1627 in Case 1901
issued by the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Encls. (2)

CCC
Aytec
Gabe

C
O
P
Y

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1960 FEB 25
(R 11-34)

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=Long Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA163 DA470

D LLK274 LONG PD=FAX DALLAS TEX 25 520PMC=
NEW MEXICO OIL CONSERVATION COMM, MABRY HALL (REPORT DELY)=
SANIA FE NMEX=

RE: CASE 1901 = CAULKINS OIL CO. ATTENTION: MR.
ELVIS UTZ REQUEST FOR 320 AC. NON-STANDARD BAKOTA GAS
UNIT

WE OVERLOOKED THE FACT THAT THE ABOVE HEARING WAS TO
BE HELD TODAY.

WE ARE AN INTEREST OWNER IN THE OFFSETTING ACREAGE
TO THE NORTH AND WEST OF THE PROPOSED LOCATION. WE STRONGLY
FAVOR A LOCATION ON THIS SECTION BEING IN THE SW/4 OF THE
SECTION RATHER THAN THE NW/4, WHICH WOULD BE A STANDARD
UNIT.

WE THINK THE INTERESTS OF CONSERVATION CAN BEST BE
SERVED BY A BETTER SPACING PATTERN THAN THIS WELL WOULD
AFFECT.

WE REQUEST THAT A DECISION BE WITHHELD UNTIL WE CAN
CONFER WITH THE VARIOUS INTEREST OWNERS IN AN ATTEMPT TO
WORK OUT A BETTER SPACING PROGRAM.

INTERNATIONAL OIL CORP BY E E FOGELSON=

=1901 UTZ 320 AC SW/4 NW/4-EX

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Case
1901

BEFORE THE OIL CONSERVATION COMMISSION OF NEW MEXICO

A P P L I C A T I O N

Come now Caulkins Oil Company and applies to the Commission for approval of a non-standard unit for the production of gas from the Dakota Formation, said unit to consist of the $S\frac{1}{2}NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$, $N\frac{1}{2}N\frac{1}{2}$ of Section 16, Township 26 North, Range 6 West; and for approval of the dual completion of Caulkins Oil Company's well No. PC-233 located in the $NW\frac{1}{4}NW\frac{1}{4}$ of said Section 16 for the production of gas from the Pictured Cliffs Formation and the Dakota Formation.

Applicant states that said dual completion will be in accordance with practices heretofore approved by this Commission for dual completions and will submit a schematic diagram of the proposed completion.

Attached hereto is a plat showing the proposed non-standard unit to be dedicated to the applicant's well PC-233 together with off-setting units for Dakota production and lease ownership.

It is requested that this application be set for hearing before the Commission or the Commission's duly appointed examiner at as early a date as may be convenient.

Respectfully submitted,

KELLAHIN & FOX

By Jason W. Kellahin

B. O. Box 1713
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX.
ATTORNEYS AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

TELEPHONES
YUCCA 3-9396
YUCCA 2-2991

January 25, 1960

Feb. 25

Case 1901

Mr. A. L. Porter
Oil Conservation Commission of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Dear Pete:

Enclosed is an application of Caulkins Oil Company for a non-standard unit for production of gas from the Dakota and for dual completion of applicant's well No. PC233.

In accordance with our telephone conversation this morning, I will file with the Commission the schematic diagram of the proposed completion as soon as I have received from Mr. Art Holland.

We would appreciate having this case set up for hearing as soon as possible.

Very truly yours,

Jason W. Kellahin

JASON W. KELLAHIN

JWK:mas
enclosure
cc: Mr. Keith Brown

DOCKET: EXAMINER HEARING FEBRUARY 25, 1960

Oil Conservation Commission - 9 a.m., State Corporation Commission Hearing Room, Basement, Capitol Building, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Uitz, Examiner, or A. L. Porter, Jr., Secretary-Director:

CONTINUED CASES

- CASE 1868: Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1879: Application of Amerada Petroleum Corporation for a gas-oil dual completion and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State EM "A" Well No. 2, located 660 feet from the South and West lines of Section 22, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eumont Gas Pool through the casing-tubing annulus and the tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of said Section 22 to be dedicated to the said State EM "A" Well No. 2.
- CASE 1888: Application of C. W. Trainer for off-lease storage of oil production. Applicant, in the above-styled cause, seeks permission to store the Pearl-Queen Oil Pool production from his Rushing lease, consisting of the W/2 NE/4 of Section 22, Township 19 South, Range 35 East, Lea County, New Mexico, in a tank battery located on his Signal State lease, consisting of the E/2 NW/4 of said Section 22.
- CASE 1894: (Continued)
Application of Robert N. Enfield for designation of a unit area. Applicant, in the above-styled cause, seeks a designation of the following-described 560 acres as the Southwest Mescalero Unit Area: Section 32, E/2 NE/4; Section 33, S/2 and NW/4, Township 10 South, Range 32 East, Lea County, New Mexico.

NEW CASES

CASE 1901

Application of Caulkins Oil Company for a gas-gas dual completion and for establishment of a 320-acre non-standard Dakota gas unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its PC-233 Well, located in Unit D, Section 16, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval. Applicant further seeks the establishment of a 320-acre non-standard gas unit in the Dakota Producing Interval consisting of the N/2 N/2 and S/2 NW/4 and N/2 SW/4 of said Section 16 to be dedicated to said PC-233 Well.

CASE 1902:

Application of Kenneth Murchison & Company for permission to commingle the production from two separate non-contiguous leases. Applicant, in the above-styled cause, seeks permission to commingle the Bisti-Lower Gallup Oil Pool production from the Federal lease NM-036255-A, consisting of the S/2 SE/4 of Section 3 and the Federal Lease NM-036255-B, consisting of the S/2 NE/4 of said Section 3, Township 25 North, Range 12 West, San Juan County, New Mexico.

CASE 1903:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the liquid hydrocarbon production from the Moore-Pennsylvanian Pool and the Moore-Wolfcamp Gas Pool from all wells on its State "BN" (NCT-1) lease consisting of the SW/4 of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico.

CASE 1904:

Application of Sunray Mid-Continent Oil Company for an amendment of Order R-1414, as amended by R-1414-A and R-1414-B. Applicant, in the above-styled cause, seeks an order amending the provisions of Order R-1414 which relate to assignment and transfer of allowables in the Central Bisti LPG-Gas-Water Injection Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

CASE 1905:

Application of Humble Oil & Refining Company for an oil-oil dual completion utilizing parallel strings of small diameter casing cemented in a common well bore. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State M-20 Well, located 1930 feet from the North line and 1980 feet from

the West line of Section 29, Township 22 South, Range 37 East, Lea County, in such a manner as to permit the production of oil from the Langlie-Mattix Pool and the production of oil from the Drinkard Pool through 2 7/8-inch casing and 4 1/2-inch casing respectively with said casing being cemented in a common well bore.

CASE 1906:

Application of El Paso Natural Gas Products Company for permission to produce more than sixteen wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing the production into a common tank battery of all Horseshoe-Gallup Oil Pool wells presently drilled or hereafter completed on its Horseshoe Ute lease, comprising portions of Sections 27, 28, 33 and 34, Township 31 North, Range 16 West, San Juan County, New Mexico.

CASE 1907:

Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its J. N. Carson (NCT-A) Well No. 11, located in Unit K of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Wantz-Abo Pool and the production of oil from the Paddock Pool through parallel strings of 2 3/8-inch tubing.

CASE 1908:

Application of Val R. Reese & Associates, Inc. for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Sperling Well No. 1-30, located in Unit I, Section 30, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation adjacent to the Escrito-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 3/8-inch tubing.

CASE 1909:

Application of Pan American Petroleum Corporation for a 386-acre non-standard gas unit in the Dakota Producing Interval. Applicant, in the above-styled cause, seeks the establishment of a 386-acre non-standard gas unit in the Dakota Producing Interval consisting of all of partial Section 7 and the W/2 of partial Section 8, Township 28 North, Range 10 West, San Juan County, New Mexico, said unit to be dedicated to the J. F. Day "F" Well No. 1, to be located in the E/2 of said partial Section 7.

CASE 1910:

Application of Roy H. Smith Drilling Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Maljamar-Yates Pool and the Pearsall Pool from all wells on its Walker "A" lease in Section 5, Township 18 South, Range 32 East, and to commingle the production from the Baish Pool and the Maljamar Pool from wells on its Gulf State lease in Section 16, Township 17 South, Range 32 East, all in Lea County, New Mexico.

CASE 1911:

Application of Johnston and Shear for a multiple zone slim hole completion. Applicant, in the above-styled cause, seeks an order authorizing the multiple completion of its Jicarilla Well No. 1-4, located 985 feet from the North line and 805 feet from the West line of Section 4, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to produce gas from the South Blanco-Pictured Cliffs Pool (or Otero Chacra), gas from the Dakota Producing Interval, and oil from the Gallup formation adjacent to the Otero-Gallup Pool, each to be produced through 2 7/8-inch tubing which tubing is to be cemented in a common well bore.

CASE 1912:

Application of Southern Union Gas Company for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Jicarilla 1-F, Unit L, Section 27, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Blanco Mesaverde Pool, and the production of oil from the Dakota producing interval through parallel strings of 2 3/8-inch tubing.

CASE 1913:

Application of Continental Oil Company for a non-standard oil well location. Applicant, in the above-styled cause, seeks a non-standard oil well location for its Wm. Mitchell "A" Well No. 20, to be located 1320 feet from the North line and 1520 feet from the West line of Section 20, Township 17 South, Range 32 East, Maljamar Paddock Pool, Lea County, New Mexico.

ig/

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO
Feb. 5, 1960

TELEPHONES
YUCCA 3-9396
YUCCA 2-2266

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application of Caulkins Oil Co.
for dual completion of Caulkins'
Well No. PC-233 and assignment of
a non-standard unit for Dakota
production.

Gentlemen:

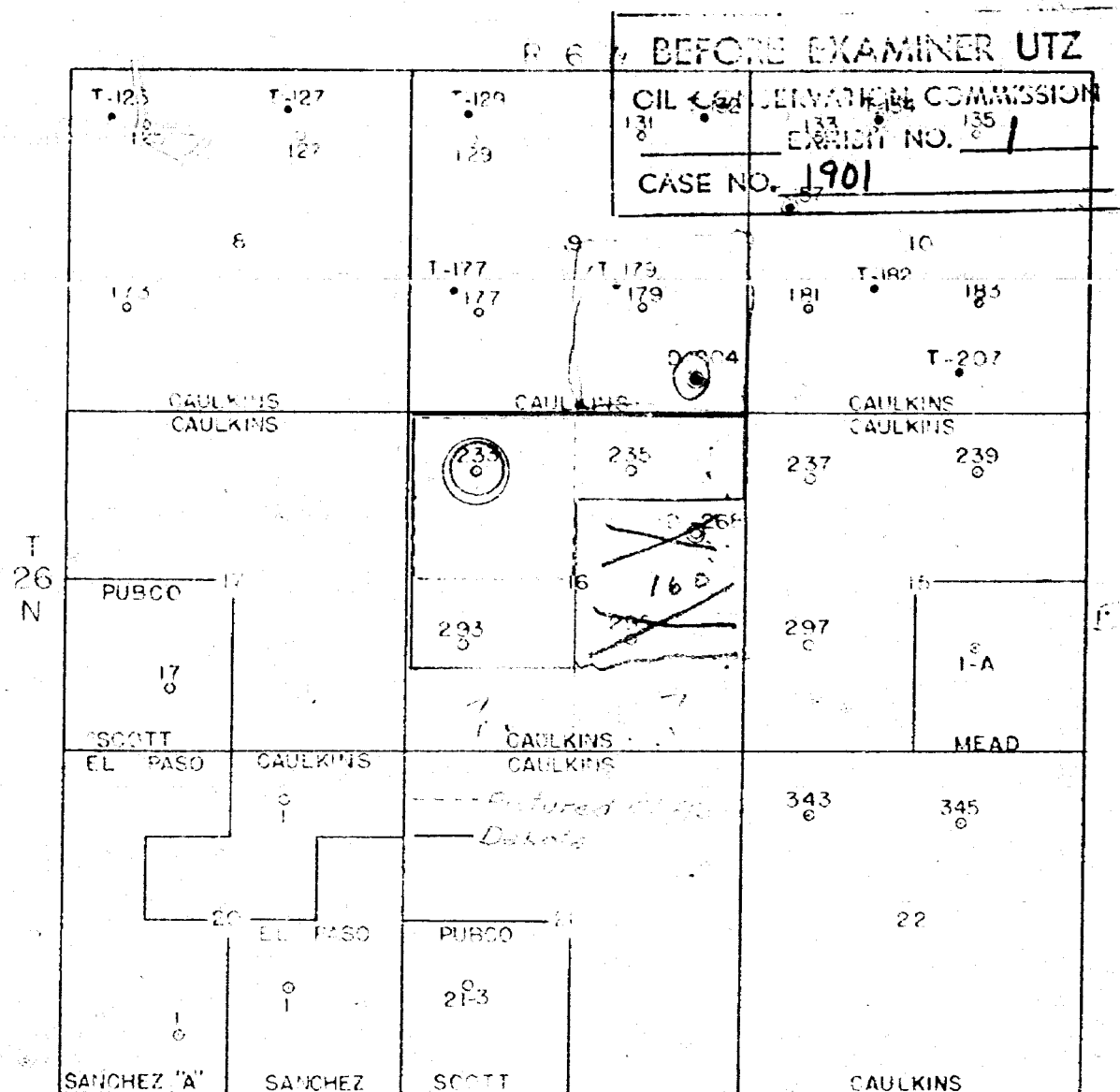
I am enclosing three copies of a schematic diagram
of proposed dual completion, and three copies of a plat
showing lease ownership and proposed non-standard unit
to be filed with the above application. The applica-
tion was filed on January 25 without these exhibits.

Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

JWK:ss
Encl. (6)

*Robert
Mailed
2-15-60
JR*



All wells shown above produce from Pictured Cliffs formation only except Caulkins Oil Company T-125, T-127, T-129, T-132, T-134, T-157, T-177, T-179, T-182, T-207, D-204, and D-268. T-134 and T-157 are water injection wells. D-204 is a dual completion in the Tocito and Dakota formations. The prefix "T" indicates Tocito well and "D" Dakota well.

ADDRESSES OF OPERATORS SHOWN ABOVE:

El Paso Natural Gas Company, P.O. Box 997, Farmington, New Mexico
 Pubco Petroleum Company, P.O. Box 1419, Albuquerque, New Mexico
 Caulkins Oil Company, 1130 First National Bank Building,
 Denver 2, Colorado

AREA SURROUNDING CAULKINS OIL CO. P.C. D. DUAL COMPLETION (PROPOSED)
 WELL NO. 20-233 LOCATED 1145' F/N & 980' F/W SEC 16 T26N R6W
 RIO ARriba COUNTY, NEW MEXICO.

SCALE: 2" = 1 MILE

CAULKINS OIL COMPANY

PC - 233

Elevation: 6697 feet - Ground Level
6704 feet - Derrick Floor

Location: 1145 feet from North Line, and 980 feet from West Line of
Section 16, Township 26 North, Range 6 West,
Rio Arriba County, New Mexico

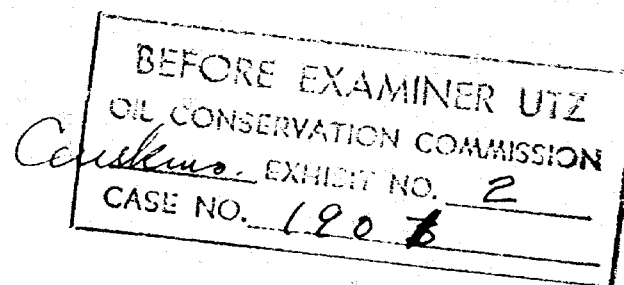
Date Drilling Commenced: January 4, 1952

Date Drilling Completed: January 25, 1952

Total Depth: 3125 feet

Casing: 10-3/4" O.D., 40.5#, H-40, 8-R Thd,
set at 540 feet with 250 sacks cement
7" O.D., 20.0#, J.-55, 8-R Thd,
set at 3038 feet with 200 sacks cement

Present Producing Zone: Pictured Cliffs Formation
3035 feet - 3125 feet



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. 1901
Order No. R-1627

APPLICATION OF CAULKINS OIL COMPANY
FOR A GAS-GAS DUAL COMPLETION IN THE
SOUTH BLANCO-PICTURED CLIFFS POOL
AND THE DAKOTA PRODUCING INTERVAL
AND FOR ESTABLISHMENT OF A 320-ACRE
NON-STANDARD DAKOTA GAS UNIT IN RIO
ARRIBA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 25, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, 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 Rules and Regulations.

NOW, on this 11th day of March, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 is the operator of Section 16, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant is the owner and operator of the PC-233 Well, located 1145 feet from the North line and 980 feet from the West line of said Section 16.

(4) That the applicant proposes to dually complete the said PC-233 Well in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 1-inch and 2-inch tubing respectively.

(5) That the applicant further proposes the establishment

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Case No. 1901
Order No. R-1627

of a 320-acre non-standard gas unit in the Dakota Producing Interval consisting of the N/2 NE/4, NW/4, and the N/2 SW/4 of said Section 16, to be dedicated to said PC-233 Well.

(6) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to dually complete its PC-233 Well, located 1145 feet from the North line and 980 feet from the West line of Section 16, Township 26 North, Range 6 West, MNPM, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 1-inch and 2-inch tubing respectively.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A, as amended by Order R-1214.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the South Blanco-Pictured Cliffs Pool.

PROVIDED FURTHER, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

(2) That a 320-acre non-standard gas unit in the Dakota Producing Interval be and the same is hereby established consisting of the N/2 NE/4, NW/4 and N/2 SW/4 of said Section 16, to be dedicated to said PC-233 Well.

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Case No. 1901
Order No. R-1627

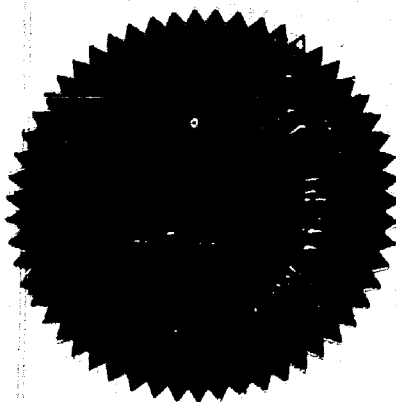
DONE At Santa Fe, New Mexico on the day and year here-
inabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



esr/

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1901: Application of Caulkins Oil Company for a gas-gas dual completion and for establishment of a 320-acre non-standard Dakota gas unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its PC-233 Well, located in Unit D, Section 16, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval. Applicant further seeks the establishment of a 320-acre non-standard gas unit in the Dakota Producing Interval consisting of the N/2 N/2 and S/2 NW/4 and N/2 SW/4 of said Section 16 to be dedicated to said PC-233 Well.

State Corporation Commission
Hearing Room
Capitol Building
Santa Fe, New Mexico
February 25, 1960

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 1901. The appearances in this case.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, New Mexico, representing the Applicant. We will have one

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ALBUQUERQUE, NEW MEXICO

PHONE CH 3-669



witness in the case.

MR. UTZ: Any other appearances?

(Witness sworn.)

A. F. HOLLAND

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A My name is A. F. Holland.

Q By whom are you employed, and in what position, Mr. Holland?

A I'm employed by Caulkins Oil Company, and I'm in charge of the production department.

Q Mr. Holland, have you previously testified before this Commission as a petroleum engineer and had your qualifications accepted?

A Yes, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q (By Mr. Kellahin) Mr. Holland, are you familiar with the application, Case 1901?

A Yes, I am.

Q Will you state briefly what is proposed in this application?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6651

ALBUQUERQUE, NEW MEXICO

A The application proposes, number 1, to form an unorthodox 320 acre unit for the production of gas from the Dakota formation, and, number two, to duly complete the presently producing Pictured Cliffs well on this unit in the Dakota formation and the Pictured Cliffs formation.

Q Now, referring to what has been marked as Exhibit 1, will you state what that shows?

A Exhibit 1 is a brief resume of the completion--

Q I believe, Mr. Holland, Exhibit 1 is the plat.

A Exhibit 1 is a plat showing in red outline the proposed unorthodox 320 acre unit which is located in Section 16, Township 26 North, Range 6 West, Rio Arriba County, New Mexico. Shows the proposed well to be duly completed PC 233, and shows the producing wells in the vicinity of the area, and the operators of those wells.

Q Now, the present unit dedicated to the Pictured Cliffs well is outlined with a dotted line; is that correct?

A That's right, Northwest quarter of Section 16.

Q Your proposed Dakota unit is outlined with a solid red line?

A That is correct.

Q What is the reason for the shape and size of that unit for Dakota production, Mr. Holland?

A The reason that it became necessary to form an unorthodox unit is that there is a--there is presently a producing



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Dakota well in Section 16 designated as D-268, and located in the Southeast quarter of the Northeast quarter which has ascribed to it the hundred and sixty proration unit, acre proration unit consisting of the South half of the Northeast quarter of Section 16, and the North half of the Southwest quarter of Section 16.

Q East quarter, you mean, do you not? You said, "Southwest quarter".

A Yes, Southeast quarter, that is correct.

Q Now, has that unit been approved by this Commission?

A Yes, that unit has been approved.

Q Would you give me that again? Was that a Dakota unit we are speaking of?

A Yes.

Q Would you give me that unit again?

A It is the South half of the Northeast quarter of Section 16, and the North half of the Southeast quarter, and that unit was formed by order number R-896, dated October 10, 1956.

Q Now, is the ownership common throughout in the proposed Dakota unit?

A There is a difference in working interest ownership. The North half, North half of Section 16, has a working interest ownership different than the remainder of the acreage ascribed to the unit.

Q Has the acreage been communitized?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A It has been communitized. Caulkins Oil Company is the operator, and George P. Caulkins, Jr., is the owner of record and has communitized it for purposes of Dakota development.

Q Is there a difference in the royalty ownership?

A Yes, sir.

Q And that is being communitized?

A That is presently being communitized. It has a difference of overriding royalty interest.

Q Basically royalty. Who is the owner of that?

A The State of New Mexico.

Q And, it is, of course, common throughout the unit?

A It is common.

Q Now, referring to what has been marked as Exhibit Number 2, Mr. Holland, will you discuss the status of the Well 223?

A PC-233 is presently a well producing from the Pictured Cliffs formation. The Exhibit Number 2 sets out the pertinent ~~completion~~ information on this well.

Q Now, referring to what has been marked as Exhibit Number 3, would you discuss what is proposed to be done in the way of a dual completion on this well?

A The proposed plan is to deepen the well from the Pictured Cliffs formation to the Dakota formation which will occur at a total depth of about seventy-six hundred fifty feet. A four and a half inch O.D. liner will be set and cemented from



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

the base of the Dakota formation up through the Pictured Cliffs formation and into the seven inch case inset at the top of the Pictured Cliffs zone.

Q Now, production will be through parallel strings of tubing; that is correct?

A It is planned to use two inch tubing for the production from the Dakota zone, and one inch tubing for production from the Pictured Cliffs zone.

Q And what type of packer will you use in the well?

A The packer to be used will be a Baker Model D production packer.

Q Now, in your opinion, Mr. Holland, will that achieve complete separation of the two producing horizons involved in this well?

A Yes, in my opinion, it will.

Q Will this type of completion enable you to make any necessary remedial work or the tests as required by this Commission on packer leakage?

A Oh, yes. The two zones will be separated, and packer leakage tests can easily be conducted.

Q Is it the same type of completion that has been approved by this Commission in other wells?

A A great number of times, yes.

Q Were Exhibits 1, 2 and 3 prepared by you, or under your direction and supervision?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6611

ALBUQUERQUE, NEW MEXICO

A Yes, they were.

MR. KELLAHIN: At this time, we would like to offer into evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, they will be accepted into the record.

MR. KELLAHIN: That's all we have.

MR. UTZ: Mr. Holland, how far will the four inch liner come up into the seven inch?

A About all that will be necessary, fifty to a hundred feet, enough to tie it in.

MR. UTZ: And, what will be the top of the cement?

A The top, the cement will be brought all the way back.

MR. UTZ: All the way back to the top of the liner?

A It is planned to cover the Pictured Cliffs formation with cement.

MR. UTZ: Is the South half, South half of 16 dedicated to any Dakota well?

A None, no.

MR. UTZ: Do you think that ~~average~~ is productive from the Dakota?

A I think so, yes.

MR. UTZ: Why are you not dedicating the South half of the Southwest quarter rather than the North half of the Northeast quarter?



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A In order to dedicate all of the North half, it becomes necessary to form a unit this size. We could do it the other way, but then we would leave the North half of the Northeast quarter undedicated.

MR. UTZ: Well, you only have one hundred sixty acres dedicated to the number 268, don't you?

A Yes, that's right.

MR. UTZ: Well, do you have any plans of expanding that unit?

A We have no objection. If we do expand it, in order to maintain a common working interest ownership, we prefer to dedicate the South half of the Southwest quarter to it.

MR. UTZ: Then, what's going to happen to the South half of the Southwest?

A That's the eighty that we would have no objection to dedicating to that well.

MR. UTZ: Well, how about the South half of the Southeast? Then, what are you going to do with that?

A Well, we'd need both of those eighties to form--

MR. UTZ: What you meant to say was the South half of the South half of Section 16?

A Yes, we would have no objection.

MR. UTZ: Do you have objection to dedicating your South half of the Southwest quarter than the North half of the Northeast because of ownership?



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A Yes. At the time the hundred and sixty acre unit was formed for D-268, the working interest ownership in the North half of the North half of the Section did not elect to participate in that well. It was an expensive well, a very expensive well, and a very marginal Dakota producer. So that working interest ownership elected not to participate, so that's the reason that the unorthodox one hundred sixty acres unit was formed.

MR. UTZ: Do you have a Dakota unit in the South half of Section 9?

A There is a hundred and sixty acre Dakota unit comprising the Southeast quarter of Section 9.

MR. UTZ: Southeast?

A Southeast, yes.

MR. UTZ: That's the only one in Section 9?

A That's the only one in Section 9.

MR. UTZ: And no Dakota wells in 17?

A No Dakota wells in 17, that's right.

MR. UTZ: And 20?

A None in 20.

MR. UTZ: None in 21?

A None in 21.

MR. UTZ: 22?

A None in 22.

MR. UTZ: How about 15?



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A None.

MR. UTZ: None in 10?

A None in 10.

MR. UTZ: Any other questions of the witness?

CROSS-EXAMINATION

BY MR. FLINT:

Q Mr. Holland, do you feel that in view of the location of your PC-233--

A Yes.

Q --as it is presently designated, do you feel that the unit which you have proposed will be adequately drained by this well, and also, that drainage across lease lines between 9 and 16 will be equal?

A I believe so, yes.

Q The well, as it is located, it will be closer to that Northeast, the North half of the Northeast than it would be to the South half of the Southwest. It is more centrally located to the unit as you propose it than it would be if you just dedicated the West half of 16 to this well?

A Well, I believe the remote points would be equal. It would be the same.

MR. UTZ: Any other questions of the witness?

If not, the witness may be excused.

(Witness excused.)

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



C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, 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 15th day of March, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My commission expires:
 October 5, 1960.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner's Report of Case No. 1901,
 heard by me on Feb. 25, 1960.
Paul H. [Signature] Examiner
 New Mexico Oil Conservation Commission

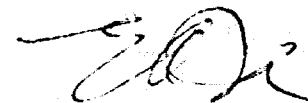
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INTERNATIONAL OIL CORPORATION
REPUBLIC BANK BUILDING
DALLAS 1, TEXAS



H. T. BAXTER
VICE PRESIDENT

April 5, 1960

New Mexico Oil Conservation Commission Re: Case 1901 - Caulkins Oil Co.
Mabry Hall Request for 320 Acres Non-
Santa Fe, New Mexico Standard Dakota Gas Unit

Attention: Mr. Elvis Utz

Dear Mr. Utz:

Although we prefer the location mentioned in our telegram of February 25, 1960, in preference to the one requested by Caulkins Oil Company, we do not wish to protest the location requested by Caulkins in Case 1901.

Yours very truly,

INTERNATIONAL OIL CORP.

By


H. T. Baxter

HTB/jb