

CASE 3271: Application of SHAR-  
ALAN OIL CO. for creation of new  
pool - Rio Arriba County, N.M.

Continue to  
last examiner hearing  
in August -  
see letter.

✓

Case 15 Aug 25

Dismissed

CASE NO.  
3211

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

dearnley-meier reporting service, inc.

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

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STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 4th day of September, 1965.

*Ada Dearnley*  
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 3271,  
heard by me on 8/25, 1965.

*[Signature]* Examiner  
New Mexico Oil Conservation Commission

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reduced. He did state that it would not be economic in his opinion to drill additional wells in this area, but he would not be able to sustain the position previously taken that it would be uneconomic to complete this well as a dual completion in accordance with the Commission's rules.

I have, therefore, been authorized to advise the Commission that the well will be completed as a dual within thirty days from this date. I would also like to say that there has been no production from this well, it being some four miles from the nearest pipeline connection, and it does not appear that within the foreseeable future there will be a pipeline connection unless there is considerable additional drilling in the area. The well will be shut-in but the rules of the Commission will be complied with within the thirty days stated.

MR. NUTTER: Thank you, Mr. Sperling. In view of the motion, we will dismiss Case 3271.

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MR. NUTTER: We will call next Case 3271.

MR. DURRETT: Application of Shar-Alan Oil Company for the creation of a new pool, Rio Arriba County, New Mexico.

MR. SPERLING: Jim Sperling, appearing on behalf of the applicant. I would like to move, Mr. Examiner, that this case be dismissed and accompany that motion with a statement, if I might.

MR. NUTTER: Yes, sir.

MR. SPERLING: This application was filed by Mr. Pasternak, Irving Pasternak, who does business as Shar-Alan Oil Company. His staff--Mr. Pasternak has been away from his office for some time and has now returned. In the course of preparing for the hearing I interviewed Mr. F. H. Stevens, Junior, who is a consulting geologist in Albuquerque, and he gave me a good deal of geological information. However, he was not able to help me insofar as the economics of the completion as a dual of this well was concerned and referred me to the petroleum engineer who had drilled the well, and also supervised its completion, this being Mr. Floyd Ray of Rayco Drilling Company in Farmington.

I finally contacted Mr. Ray and he advised me that since this well had been drilled and perforated in both the Gallup and the Mesaverde and that the zones had been treated, that the cost of completing as a dual would be substantially

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EXAMINER                      HEARING

IN THE MATTER OF:

Application of Shar-Alan Oil Company  
for the creation of a new pool,  
Rio Arriba County, New Mexico.

Case No. 3271

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

dearnley-meier reporting service, inc.

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

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PAGE 2

MR. NUTTER: Case 3271.

MR. DURRETT: Application of Shar-Alan Oil Company for the creation of a new pool, Rio Arriba County, New Mexico. If the Examiner please, we have received a letter from Mr. James Sperling the attorney, for Shar-Alan Oil Company requesting that this case be continued to the last Examiner's Hearing in August.

MR. NUTTER: Case Number 3271 will be continued to 9:00 A.M., August 28, 1965 at this same place. We will call 3270.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I, Denny Watts, 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, 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 8th day of July, 1965.

Denny Watts  
DENNY WATTS

My Commission Expires:  
April 9, 1969.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3271 heard by me on 6/30, 1965.

Examiner  
New Mexico Oil Conservation Commission

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

June 30, 1965

EXAMINER HEARING

IN THE MATTER OF:  
Application of Shar-Alan Oil Company for  
the creation of a new pool, Rio Arriba  
County, New Mexico

Case No. 3271

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

SANTA FE, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691



**SHAR-ALAN OIL COMPANY**

1402 DENVER U. S. NATIONAL CENTER

**DENVER 2, COLORADO**

June 8, 1965

JUN 18 1965

*Page 3271*

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

RE: Rosa Unit No. 49  
SW/4 Section 27 - 31N - 4W  
Rio Arriba County, New Mexico

Gentlemen:

Shar-Alan Oil Company hereby requests that a hearing be set to create a new pool to be known as the Rosa Gallup-Mesaverde Field. This request is made based upon the completion of the Rosa Unit No. 49 well.

The Rosa Unit No. 49 was perforated in the Gallup formation from 6895' to 7025' and in the Mesaverde from 6115' to 6275'. The area perforated in both zones are of extremely low permeability resulting in a well of very marginal value as a gas producer. Due to this low permeability in these zones we can show that there is no communication between this well and the Blanco Pool. Also there is no Gallup production within thirty miles of this well.

In the event the Commission should reject this request, it would be necessary to plug this well because of the economics involved thereby leaving gas in the ground which could not be produced.

Please advise when this hearing can be set up.

Very truly yours,

SHAR-ALAN OIL COMPANY

*H. F. Gumz*

H. F. Gumz  
Manager of Lands and Explorations

HFG/so

CC: New Mexico Oil and Gas Commission  
Attention: Mr. Emery Arnold

CC: Mr. F. H. Stevens, Jr.

DOCKET MAILED

Date \_\_\_\_\_

DOCKET MAILED

Date 6-16-65

LAW OFFICES OF  
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

SIMMS BUILDING  
P. O. BOX 466  
ALBUQUERQUE, NEW MEXICO 87103

AREA CODE 505  
TELEPHONE 243-4511

JOHN F. SIMMS (885-1954)

J. R. MODRALL  
AUGUSTUS T. SEYMOUR  
JAMES E. SPERLING  
JOSEPH E. ROEHL  
GEORGE T. HARRIS, JR.  
DANIEL A. SISK  
LELAND B. SEDBERRY, JR.  
ALLEN C. DEWEY, JR.  
FRANK H. ALLEN, JR.  
JAMES P. SAUNDERS, JR.  
JAMES A. PARKER  
HENRY G. COORS

June 22, 1965

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

Re: Application of Shar-Alan Oil Company, Case No.  
3271, Set for Examiner Hearing June 30, 1965

Dear Mr. Porter:

On behalf of Shar-Alan Oil Company, applicant in the  
captioned matter, it is requested that this case be  
continued until the last examiner hearing in August,  
1965.

Very truly yours,

*James E. Sperling*  
James E. Sperling

JES/sd

cc: Mr. H. F. Gumz  
Shar-Alan Oil Company

DOCKET MAILED

Date 8/12/65

AUGUST 25, 1965 EXAMINER HEARING

CASE 3299: Application of Sinclair Oil & Gas Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2268-A which authorized the expansion of applicant's Keel-West Waterflood Project, Township 17 South, Range 31 East, Grayburg Jackson Pool, Eddy County, New Mexico, in four stages; applicant seeks said amendment to permit the commencement of Stage IV prior to the completion of Stage III.

CASE 3269 (Continued from the June 30th Examiner Hearing):

Application of Shell Oil Company for an amendment to Order R-2182, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to the special pool rules for the Henshaw-Wolfcamp Pool, Eddy County, New Mexico, as promulgated by Order R-2182 and Order R-2182-B, to include a provision for a gas-oil ratio limitation of 6,000 to 1.

CASE 3271 (Continued from the June 30th Examiner Hearing):

Application of Shar-Alan Oil Company for the creation of a new pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a Gallup-Mesaverde Gas Pool for its Rosa Unit Well No. 49 located in Unit M of Section 27, Township 31 North, Range 4 West, Rio Arriba County, New Mexico, which well is perforated in the Gallup formation from 6895 feet to 7025 feet, and the Mesaverde formation from 6115 feet to 6275 feet.

Docket No. 24-65

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 25, 1965

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

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

- CASE 3294: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Harold J. Sechler, dba S. & S. Oil Producers, and all other interested parties to show cause why the Bond Well No. 1 located in the SW/4 NE/4 of Section 17, Township 9 North, Range 14 West, Valencia County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 3295: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. C. Powers and J. E. Marshall, dba Powers Marshall Company, and all other interested parties to show cause why the W. Perry Smith Well No. 1 located in the NW/4 SE/4 of Section 34, Township 21 South, Range 30 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 3296: Application of Pan American Petroleum Corporation for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in its Horton Well No. 31 located in Unit M of Section 29, Township 8 South, Range 35 East, Milnesand-San Andres Pool, Roosevelt County, New Mexico.
- CASE 3297: Application of Southland Royalty Company for a dual completion and salt water disposal authority, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion of its J. D. Guye Well No. 5 located in Unit N of Section 12, Township 11 South, Range 33 East, Lea County, New Mexico, to produce oil from the Inbe-Pennsylvanian Pool through 2 7/8 inch tubing set in 5 1/2 inch casing and to dispose of produced salt water into the San Andres formation through the intermediate casing annulus.
- CASE 3298: Application of Sunray DX Oil Company for the creation of an oil and gas pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the Todd-San Andres Oil and Gas Pool in Sections 22 through 28 and Sections 34 through 36, Township 7 South, Range 35 East, and Sections 30 and 31, Township 7 South, Range 36 East, Roosevelt County, New Mexico. Applicant further seeks the promulgation of temporary special pool rules, including a provision for 80-acre oil proration units and 320-acre gas proration units; applicant also requests a provision for limiting withdrawals from gas cap wells to the volumetric equivalent of wells in the oil portion of the reservoir. Applicant further requests an administrative procedure to permit the transfer of allowables among wells on the same lease while conducting pressure interference tests.

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# WESTERN UNION

## TELEGRAM

W. P. MARSHALL, President

1201 (4-50)

**SYMBOLS**

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LT = International Letter Telegram

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HAVE NO OBJECTION TO SUCH COMMINGLING WHEN AUTHORIZED  
ON AN INDIVIDUAL WELL BASIS.

CC MR DICK MORRIS, ATTORNEY AT LAW,  
SETH, MONTGOMERY, FEDERICI AND ANDREWS,  
350 EAST PALACE AVENUE,  
SANTA FE, NEW MEXICO  
GARRETT C WHITWORTH, ATTORNEY EL PASO NATURAL  
GAS CO.

3271 49 350

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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# WESTERN UNION TELEGRAM

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W. F. MARSHALL, President

1201 (4-40)

APPLICATION GRANTING THE REQUEST OF APPLICANT WOULD BE VIOLATIVE OF NEW MEXICO LAW AND THE RULES AND REGULATIONS OF THIS COMMISSION, WHICH, IN DEFINING "POOL" STATE EACH ZONE OF A GENERAL STRUCTURE, WHICH ZONE IS COMPLETELY SEPARATE FROM ANY OTHER ZONE IN THIS STRUCTURE IS COVERED BY THE WORD "POOL" AS USED HEREIN.

SHOULD IT BE DESIRED TO COMMINGLE PRODUCTION FROM THE TWO POOLS BECAUSE OF ECONOMIC CONDITIONS CONCERNING THE PARTICULAR WELL IN QUESTION, AND THE EVIDENCE SHOWS THAT TO DO SO WOULD PREVENT THE WITHOUT VIOLATING CORRELATED RIGHTS. EL PASO WOULD

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE  
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# WESTERN UNION TELEGRAM

W. F. MARSHALL, President

1201 (4-40)

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JIM DURRETT, JR GENERAL COUNSEL= 65 AUG 25 AM 3

NEW MEXICO OIL CONSERVATION COMMISSION

STATE LAND OFFICE BLDG SANTA FE NMEX=

IN RE- CASE NO. 3271, STATEMENT OF EL PASO NATURAL GAS  
COMPANY, EL PASO NATURAL GAS COMPANY IS OPPOSED TO  
THE GRANTING OF THE APPLICATION OF SHAR- ALAN OIL  
COMPANY FOR THE CREATION OF A GALLUP-MESAVERDE GAS POOL  
FOR ITS ROSA UNIT WELL NO. 49. THE GALLUP FORMATION  
AND THE MESAVERDE FORMATION HAVE BEEN RECOGNIZED AND  
ESTABLISHED AS COMPLETELY SEPARATE ZONES AND DESIGNATED  
AS SEPARATE POOLS IN THE AREA DESCRIBED IN THE

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

State of New Mexico  
Oil Conservation Commission



STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

**September 1, 1965**

Re: Case No. 3271  
Order No. R-2959  
Applicant:

Shar-Alan Oil Company

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.  
Secretary-Director

carbon copy of order also sent to:

OTHER \_\_\_\_\_

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. 3271  
Order No. R-2959

APPLICATION OF SEAR-ALAN OIL COMPANY  
FOR THE CREATION OF A NEW POOL, 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 August  
25, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Watter.

NOW, on this 1st day of September, 1965, the Commission,  
a quorum being present, having considered the record and the recom-  
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be  
granted.

IT IS THEREFORE ORDERED:

That Case No. 3271 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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

S E A L

CSR/