

CASE 3697:

NORTHWESTERN NEW MEXICO
NOMENCLATURE

Case No.

3697

Application, Transcript,
Small Exhibits, Etc.

DOCKET: REGULAR HEARING - FRIDAY - DECEMBER 15, 1967

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

ALLOWABLE: (1) Consideration of the oil allowable for January, 1968:

(2) Consideration of the allowable production of gas for January, 1968, from thirteen prorated pools in Lea, Eddy, and Roosevelt Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for January, 1968, also consideration of purchaser's nominations for the six-month period beginning February 1, 1968, for that area.

CASE 3696: Southeastern New Mexico nomenclature case calling for an order for the creation of one pool and the assignment of an oil discovery allowable therein, for extensions, contraction and redefinitions of certain other pools in Lea, Chaves and Roosevelt Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for McKee production and designated as the East Brunson-McKee Pool comprising the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 23: SE/4 SE/4

Further, for the assignment of approximately 36,730 barrels of oil discovery allowable to the discovery well, Union Texas Petroleum Corporation's Lee Well No. 2 located in Unit P of said Section 23.

(b) Contract the Inbe Permo-Pennsylvanian Pool in Lea County, New Mexico, by deletion of the following described acreage:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
SECTION 23: NW/4 N/2 SW/4

(c) Extend the Middle Lane-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
SECTION 11: SE/4
SECTION 23: NW/4 N/2 SW/4

(d) Redefine the vertical limits of the Moore-Pennsylvanian Pool in Lea County, New Mexico, as being from the shale break at 8297 feet to the top of the Mississippian at 9974 feet as in Amerada Petroleum Corporation, State "MA" No. 1, located in Unit M of Section 24, Township 11 South, Range 32 East, NMPM, and re-designate said pool as Moore-Permo Pennsylvanian Pool.

December 15, 1967, Regular Hearing

(e) Redefine the vertical limits of the Moore-Wolfcamp Gas Pool in Lea County, New Mexico, as being from the top of the Wolfcamp at 8042 feet to the shale break at 8297 feet as in Amerada Petroleum Corporation, State "MA" No. 1, located in Unit M of Section 24, Township 11 South, Range 32 East, NMPM.

(f) Extend the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM

SECTION 28: S/2

SECTION 33: NE/4

(g) Extend the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM

SECTION 36: SW/4

(h) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

SECTION 16: W/2

(i) Extend the South Flying "M"-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM

SECTION 24: SE/4

(j) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

SECTION 33: N/2

(k) Extend the East Hightower-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

SECTION 25: SW/4

(l) Extend the Inbe-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

SECTION 25: N/2 NE/4

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

SECTION 5: Lots 3 and 4

SECTION 19: SW/4

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December 15, 1967, Regular Hearing

(m) Extend the South McCormack-Silurian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 16: NW/4

(n) Extend the Pearl-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 25: NE/4

(o) Extend the Teague-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
SECTION 21: SW/4

(p) Extend the North Vacuum-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
SECTION 34: E/2 SW/4

CASE 3697: Northwestern New Mexico nomenclature case calling for an order for the creation of one pool and the assignment of an oil discovery allowable therein:

(a) Create a new pool in San Juan County, New Mexico, classified as an oil pool for the Devonian production and designated as the Akah Nez-Devonian Oil Pool comprising the following described acreage:

TOWNSHIP 23 NORTH, RANGE 20 WEST, NMPM
SECTION 23: ~~NW/4~~ NE/4

Further, for the assignment of approximately 19,910 barrels of oil discovery allowable to the discovery well Kerr-McGee Corporation's Navajo "J" Well No. 1 located in Unit A of said Section 23.

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. 3697
Order No. R-3354

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING A NEW POOL IN SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 15, 1967, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 19th day of December, 1967, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Akah Nez-Devonian Oil Pool. Further, that the discovery well for said pool, Kerr-McGee Corporation's Navajo "J" Well No. 1, located in Unit A of Section 23, Township 23 North, Range 20 West, NMPM, is entitled to and should receive a bonus discovery oil allowable in the amount of 19,910 barrels to be assigned over a two-year period. The top of the perforations in said well is 3,982 feet.

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CASE No. 3697

Order No. R-3354

IT IS THEREFORE ORDERED:

(a) That a new pool in San Juan County, New Mexico, classified as an oil pool for Devonian production, is hereby created and designated as the Akah Nez-Devonian Oil Pool, consisting of the following-described area:

TOWNSHIP 23 NORTH, RANGE 20 WEST, NMPM
Section 23: NE/4

That the discovery well for said pool, Kerr-McGee Corporation's Navajo "J" Well No. 1, located in Unit A of Section 23, Township 23 North, Range 20 West, NMPM, is hereby authorized an oil discovery allowable of 19,910 barrels to be assigned to said well at the rate of 28 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.


IT IS FURTHER ORDERED:


That the effective date of this order and the creation included herein shall be January 1, 1968.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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


esr/

dearnley-meier reporting service, inc.

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

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 15, 1967

REGULAR HEARING

IN THE MATTER OF:

Northwestern New Mexico nomenclature
case calling for an order for the
creation of one pool and the assignment
of an oil discovery allowable therein.

Case 3697

BEFORE: A. L. Porter, Jr.

TRANSCRIPT OF HEARING

MR. PORTER: Let the record reflect that Mr. Nutter is still under oath from the previous case, Case 3696.

MR. HATCH: Case 3697, Northwestern New Mexico nomenclature case calling for an order for the creation of one pool and the assignment of an oil discovery allowable therein.

DANIEL NUTTER

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

DIRECT EXAMINATION

BY MR. HATCH:

Q Mr. Nutter, are you prepared to make recommendations to the Commission concerning the creation of a new oil pool in San Juan County, New Mexico, and the assignment of an oil discovery allowable to the Kerr-McGee Corporation's Navajo "J" Well No. 1?

A Yes, sir, I am. Kerr-McGee Corporation has evidently made a discovery of a new pool. The pool in the well is producing from the McCracken to the Devonian Formation. The discovery well is the Navajo "J" Well No. 1, located in the Northeast Quarter, Northeast Quarter of Section 23, Township 23 North, Range 20 West, San Juan County, New Mexico.

I would recommend that this pool be created,

comprising the Northeast Quarter of Section 23. I might point out that the docket is in error here, that this should read: Northeast Quarter, rather than Northwest Quarter as is shown.

MR. PORTER: But correctly advertised?

A The advertisement of the case was. I would further recommend that the pool be designated as the Akah Ncz, which means, my understanding of Navajo, Tall Oil or Oil in the Mountains. This is due to the surface of the well, which is in the Chuska Mountains on the Navajo Reservation.

The surface location is 9,100 feet; the top of the perforations in this well is at 3,982 feet. I would, therefore, recommend that a bonus oil discovery allowable for the well in the amount of 19,910 barrels be assigned for the depth of the well from the surface to the top of the perforations.

Q Mr. Nutter, do you have an exhibit that will reflect your testimony?

A Yes, sir. This exhibit will be designated as Exhibit Number 1 in Case Number 3697.

(Whereupon, Exhibit Number 1
was marked for identification.)

Q Was it prepared by you or done under your supervision?

A This was prepared by Kerr-McGee Oil Corporation, and the Commission staff has examined this exhibit and is in accordance with the data shown thereon.

MR. KAPTEINA: Question. What's the name of the pool, Mr. Nutter, please?

A Akah Nez.

MR. KAPTEINA: The full name.

A Akah Nez-Devonian. The name was suggested by a representative of the Navajo Tribe.

MR. HATCH: I'd like to move the introduction of Exhibit 1 in evidence, Mr. Porter.

MR. PORTER: Without objection, the exhibit will be admitted.

(Whereupon, Exhibit No. 1 was admitted into evidence.)

MR. PORTER: Mr. Nutter, is this the first Devonian production we've had from the San Juan Basin?

A Yes, sir, as far as I know, it is.

MR. PORTER: And did you say approximately how far this well is from any known production -- from any other zones? Do you know?

A This well is approximately twenty miles southwest of the Tocito Dome-Pennsylvanian "D" Pool in New Mexico. And as I recall, it's approximately eighteen miles southeast of the Kerr-McGee Pool at Dine bi Keyah, or whatever pool that is over in Arizona. The pool, that's producing from the igneous sill. This is approximately eighteen miles southeast of it. It's

the same general structure as the well in Arizona. However, it may not be producing from the same formation because this is Devonian-McCracken sand here and that is igneous sill at the northwest structure.

MR. PORTER: And probably you would say that the probability for this being a common pool would not be too good.

A There is no evidence that it's producing from a common pool.

MR. PORTER: And you have to obtain oil to determine that?

A Yes, sir.

MR. PORTER: Also, what are the tops of the perforations. You gave this, I believe.

A 3,982, I believe.

MR. PORTER: How high is this above sea level?

A 9100 feet.

MR. PORTER: I mean the surface elevation to this would put it better than five thousand feet above sea level.

A The bottom is five thousand feet above sea level, yes, sir.

MR. PORTER: So this is the highest production we have in this area --

A I believe it is, yes, sir.

MR. PORTER: -- as related to sea level. Right.

Any further questions?

MR. W. A. CRUTCHER: Were there any logs or maps or anything being introduced by Kerr-McGee?

MR. NUTTER: Yes, sir. We do have logs and maps that are part of the exhibit in this case.

MR. PORTER: Would you like to see those after the hearing?

MR. CRUTCHER: Yes, I would.

MR. PORTER: You may examine the case file any time. Does anyone have any further questions or anything to offer in the case?

The witness may be excused.

The Commission will take the case under advisement and the hearing is adjourned.

* * *

I N D E X

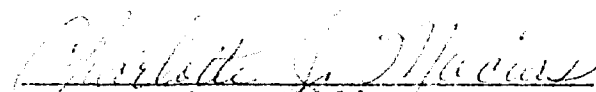
<u>WITNESS</u>		<u>PAGE</u>
DANIEL NUTTER		
Direct Examination by Mr. Hatch		2
Examination by Mr. Porter		4

<u>EXHIBIT</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Commission Exhibit No. 1	3	4

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, CHARLOTTE J. MACIAS, 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 18th day of December, 1967.


Notary Public

My Commission Expires:

February 10, 1971.



KERR-MCGEE CORPORATION

KERR-MCGEE BUILDING • OKLAHOMA CITY, OKLAHOMA 73102

215 Petroleum Center Building
Farmington, New Mexico 87401

November 20, 1967

Ex #1
Ca 3697
Case 3697
Akah Nez - Devonian Oil Pool
67 Nov 21 11:10 AM

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

New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: Navajo "J" Well No. 1
NENE Sec. 23, T23N, R20W
San Juan County, New Mexico

Gentlemen:

19910
In accordance with Commission Order No. R-3105, Kerr-McGee respectfully requests approval from the Commission for its application for the discovery allowable and creation of a new pool, as a result of the drilling and completion of the Navajo "J" Well No. 1.

Enclosed please find:

- (1) Form C-109.
- (2) A map depicting all wells within a two-mile radius of the discovery well.
- (3) An electric log of the subject well with the formation marked.

The suggested pool name is Akah Nez, which means "Tall Oil" or "Oil in the Mountains". The Navajo "J" No. 1 is located in the Chuska Mountains of the Navajo Reservation, at an elevation in excess of 9100'. This pool name has been suggested by the Minerals Supervisor of the Navajo Tribe.

If additional information is required, please advise.

Very truly yours,

C. D. Williams
C. D. Williams
Production Superintendent

DOCKET MAILED

Date 11-30-67

CDW:la

Enclosures

CC: USGS
Nav. Tribe

Anadarko Production Company
P. O. Box 9317, Fort Worth, Texas

**NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL**

Form C-109
Adopted 9-1-66

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.
If discovery is claimed for more than one zone, separate forms must be filed for each.

03697

Operator KERR-MCGEE CORPORATION		Address 215 PETROLEUM CENTER BLDG.-FARMINGTON, NEW MEXICO 87401	
Lease Name NAVAJO "J"		Well No. 1	County San Juan County
Well Location Unit Letter A ; 790 Feet from The North Line and 790 Feet From the East Line of Section 23 , Township 23N , Range 20W , NMPM			
Suggested Pool Names (List in order of preference) 1. AKAH NEZ 2. CHUSKA 3. TOADLENA			
Name of Producing Formation MCCRACKEN		Perforations 4028'-4018', 4008'-3982'	Date of Filing Form C-104
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? NO		If Yes, Give Date of Filing "	Date Well was Spudded 9-27-67
Total Depth 4300'		Plugged Back Depth 4233'	Date Compl. Ready to Prod. 11-15-67
Depth Casing Shoe 4300'		Tubing Depth 4035'	Elevation (Gr., DF, RKB, RT, etc.) 9127' GR
Oil Well Potential (Test to be taken only after all load oil has been recovered) 160 Bbls, Oil Per Day Based On 160 Bbls In 24 Hours; 61.7 Bbls Water Per Day Based On 61.7 Bbls In 24 Hours; Gas Production During Test: 17.4 MCF; Gas-Oil Ratio: 109 ft 3/bbl Method Of Producing: Pumping Chk. Size None.			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name TOCITO DOME	Name of Producing Formation PENN D	Top of Pay N/A	Bottom of Pay N/A	Currently Producing? YES
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 20 miles northeast		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool None		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name NONE	Top of Pay	Bottom of Pay	Currently Producing?
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 199 ft 3/bbl 39820			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No.	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County 3482'
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Is the Subject Well Multiple Completion? No.	Is Discovery Allowable Requested for other Zone(s)? No.	If Yes, Name all such Formations 19910
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LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
ANADARKO PRODUCTION COMPANY	P.O. BOX 9317, Fort Worth, Texas 76107
NE 1/4 Sec 23	

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks: Suggested Pool Name No. 1 is the name requested by the representative of the Navajo Tribe and means "Tall Oil" or oil in the mountains.

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

[Signature]
Signature

Production Supt.

Position

11-20-67

Date