

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

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TRANSCRIPTION OF HEARING

CASE NO. 283

24 July 1951

(DATE)

Original

BEFORE THE  
OIL CONSERVATION COMMISSION  
July 24, 1951

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CASE NO. 283: (Continued from June 21st hearing). In regard to Blanco Gas Company's application for an order granting exception to Section 4-A of Order 799 regarding casing requirements in San Juan County, New Mexico.

MR. SHEPARD: We will now take up Case No. 283.

(Mr. Graham reads the Notice of Publication.)

MR. GRAHAM: This case was continued from the June hearing, Case 283.

MR. McLANE: I would like to state for the record my name is A. E. McLane of Dallas, Texas, and representing Delhi Oil Corporation. This application was filed by Blanco Gas Company and on April 1951, Blanco Gas Company was merged into the Delhi Oil Corporation, so that Delhi is now the owner of all the rights of Blanco Gas Company.

I have witnesses I would like to have sworn.

J. B. HOWELL,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. McLANE:

Q Will you state your name please?

A J. B. Howell.

Q Where do you live, Mr. Howell?

A Farmington, New Mexico.

Q By whom are you employed, Mr. Howell?

A Delhi Oil Corporation.

Q In what capacity?

A Field Superintendent.

Q And in that capacity, is it your duty to supervise the drilling of oil, oil and gas wells that Delhi drills in the San Juan Basin?

A It is.

Q Is it also your duty to supervise all water wells that company drills in the Basin?

A It is.

Q Nearly all of your work pertains there to the San Juan Basin, is that right?

A That is correct.

Q You are familiar with the oil and gas wells that have been drilled in the Blanco-LaPlata field are you not?

A I am.

Q I believe Delhi has drilled some 7 water wells in that area, has it not?

A That is correct.

Q And you supervised the drilling of all those wells?

A Yes.

Q Did you encounter any water in the drilling of those wells above the distance of approximately 300 feet?

A No.

Q Have you made any tests in the drilling of any of your gas wells in that area to see whether there was any water in

any formation at a shallow depth?

A We tested two such wells.

Q Which wells were those?

A They are known as Delhi Florance 15 and No. 16.

Q What was the result of that test?

A There was no evidence of water in the hole at the depth that the hole was drilled to set surface pipe.

Q I believe that the present requirements are for a minimum of 250 feet of surface pipe in those wells.

A That is correct.

Q And in your opinion what would be the minimum depth that should be required for setting surface pipe in those wells?

A 100 feet.

Q Do you know what the minimum amount of surface pipe was used for similar wells in the Kutz-Canyon field is?

A Well, I don't know what is a requirement. There is the practice and the custom to set approximately a hundred feet.

Q Well, in your opinion are there conditions similar in those two fields or are the conditions different?

A The conditions are similar.

Q Do you know any reason why the requirements of the Blanco field should be greater than the Kutz-Canyon field?

A I know of no reason.

Q In your opinion would a minimum of 100 feet of surface pipe be sufficient for protection against water in the Blanco field?

A I believe that would do it.

Q Have you talked this problem over with other operators in that area?

A I have.

Q Have you discussed it with El Paso Natural Gas Company?

A I have.

Q And what was their reaction?

A They are of the same opinion as myself and Delhi.

Q Here is an instrument marked Exhibit 1 in Case 283.

Did El Paso Natural Gas Company deliver that to you for the purpose of filing in this case with the Commission?

A Yes.

MR. McLANE: We would like to file that.

MR. SPURRIER: Without objection, it will be received.

Q Have you discussed the matter with the San Juan Basin operators?

A I have.

Q And what was their reaction to this proposed change in the rules?

A They were of the same opinion as the Delhi and they were to prepare a statement to the Commission--to be presented today--but for some reason it wasn't delivered.

MR. McLANE: I believe the Commission already has such a statement.

MR. SPURRIER: Yes, I have a letter addressed to me

dated July 23. "This is to advise you that the Executive Committee of the San Juan Basin operators Committee, had its meeting in Farmington on July the 23rd, 1951, and adopted a resolution to recommend that a minimum of 100 feet of surface casing be permitted for Pictured Cliff and Mesaverde wells. Very truly yours, Scott R. Brown, Secretary-Treasurer."

Without objection, that will be made ~~part~~ of the record.

Q Mr. Howell, when you stated in your opinion a minimum of 100 feet of surface pipe should be set, were you intending to say in some situations you might want to set more but you think that should be the minimum?

A That is correct.

Q Of course, if the situation would be such in a particular well you thought more pipe than that should be set, you would set it wouldn't you?

A That is correct.

Q Most of your wells in that area are on Federal land are they not?

A Yes.

Q And under the jurisdiction of the United States Geological Survey, is that right?

A Yes.

Q And, of course, if in a particular well they should determine on Federal lands more surface pipe should be set you would set more on that particular well, is that right?

A Yes.

MR. McLANE: I believe that is all.

MR. SHEPARD: Any questions?

MR. GRAHAM: Mr. Howell, have you had considerable **experience** in the San Juan, particularly the Blanco field?

A Two and a half years

Q: To your knowledge are there any areas in there where the water situation is likely to require more than the minimum?

A We haven't yet drilled in any area that **did** have that.

MR. GRAHAM: That is all.

MR. SHEPARD: Any other questions? Mr. Morrell?

MR. MORRELL: I would like to make a statement later.

MR. GRAHAM: With reference to the letter that was read here, that relates to the Blanco pool as it now exists?

MR. SPURRIER: No, sir, it relates to no place in particular except the Pictured Cliff and Mesaverde wells.

MR. GRAHAM: The intention of that, Mr. Howell-- do you have any information on it?

A Yes, it is intended for this particular area in general.

MR. McLANE: Do you know whether the San Juan Basin operators intended by that letter to confine their

statement to the Blanco-La Plata-Largo area?

A I believe that was their intent.

MR. SHEPARD: Any other questions? If not, you will be excused.

(Witness excused.)

MR. MORRELL: Mr. Commissioner, I would like to enter into this record that the Geological Survey concurs in the recommendation by Delhi Oil Corporation, formerly the Blanco Gas Company. I have a suggested wording for a modification for your consideration of modifying Section 4-A. I do believe we would have two minimums. One, the minimum of 100 feet as suggested by the proponents, and in addition for water, potable water-bearing formations are present that the minimum should also include those waters. I suggest for your consideration modifying the first sentence of 4-A to read as follows:

"The surface pipe ~~should~~ be set to a minimum depth of 100 feet, and where shallow potable water-bearing beds are present, the surface pipe shall be set to such shallow potable water-bearing beds and a sufficient amount of cement shall be used to circulate the cement behind the pipe to the bottom of the cellar."

That is the end of the revision of that first sentence. The determination of the existence of shallow water beds can be determined by the respective representatives of the Oil Conservation Commission and the Survey for their respective lands at the time the notices are approved for



each well.

I will also suggest for the consideration of the Commission a consideration of modifying Order 799 to cover the entire field as may be redefined hereafter at your hearing of August 7th. Since the order now merely mentions the Blanco gas pool.

Diverting from this particular case, although it is directly related, I think that the information that Mr. Barnes presented here a few minutes ago is very pertinent, particularly with the steel situation. I would like to clarify for the Commission and also the operators present in the San Juan Basin the purpose of my recent directive concerning pool names for ~~reports~~ to the Geological Survey for wells drilled on Federal lands. I recognize, as the Commission does, that nomenclature must be on an orderly procedure. The necessity for offset wells to justify extension of pools has been recognized by previous nomenclature committees making recommendation to the Commission. There is a distinct difference between nomenclature<sup>of</sup> ~~oil~~ and those of gas pools. And as has recently been presented to this commission, area designation for these pools is now before you for consideration in southeastern New Mexico. On that same basis the Geological Survey has requested operators to submit to the Survey for its records reports on an area-defined pool. Based on structural information which is sufficient to justify a conclusion that any wells

hereafter completed to the Mesaverde formation within that area will be from the same common reservoir.

The Geological Survey will be glad to cooperate and work with the Commission in establishing a satisfactory definition for the Commission's purpose of operation and to cover the matter of steel before your August 7 hearing.

MR. GRAHAM: Will you yield to a question, Mr. Morrell?

MR. MORRELL: Yes, sir.

MR. GRAHAM: With reference to the water situation, you use the term, "potable water". Now, with reference to underground comingling with water do you make any particular term "potable water"?

MR. MORRELL: I was using the term potable as is now in the order, which I understand it is that can be used by the surface owners or land owners for their purpose.

MR. GRAHAM: As a matter of underground waste, the water doesn't necessarily have to be potable, is that right?

MR. MORRELL: We are essentially protecting the potable as the main possible water-bearing formation in the shallow depths, though they may not be potable in one area if the existence of them indicates the possibility of a continuous zone of water which might be potable also.

MR. GRAHAM: Your idea is to protect the use of those waters rather than any underground waste by comingling.

MR. MORRELL: It is a combination of prevention of waste by protecting the water.

MR. GRAHAM: No more questions.

MR. SHEPARD: Any further questions? Any further statements. If not, it will be taken under advisement. If there is nothing else to come before the Commission, we will stand adjourned.

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

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings before the Oil Conservation Commission in Case No. 283, held on July 24, 1951, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 4<sup>th</sup> day of August, 1951.

G. E. Gallison  
REPORTER

My Commission expires: 8-1-52