

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
April 20, 1955

IN THE MATTER OF:

CASE NO. 809 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

*Rule 2 d 57A)
R-610*

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1955

IN THE MATTER OF:)
)
)

(Readvertised) Application of Makin Drill-)
ing Company for approval of a non-standard)
gas proration unit adjacent to the Blinbry)
Gas Pool: S/2 SE/4 Section 18 and N/2 NE/4)
Section 19, Township 21 South, Range 37)
East; and for approval of an unorthodox)
location for a proposed well to be assigned)
to said unit, 990' FNL and 330' FEL of said)
Section 19.)

Case No. 809

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: I have a letter in Case 809 from W. D. Girand,
addressed to the Commission. "Makin Drilling Company requests that
Case 809 be removed from the docket of the Commission until further
notice from the applicant. An agreement to unitize the land is
now being circulated among the owners of interests therein.


Until an agreement is signed by all parties, we prefer to
pass the case. Signed W. D. Girand, for Makin Drilling Company."

Without objection we will remove Case 809 from the docket,
pending notice from Makin Drilling Company.

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

I, ADA DEARNLEY, Court Reporter, do hereby
 certify that the foregoing and attached transcript of proceedings
 before the New Mexico Oil Conservation Commission at Santa Fe,
 New Mexico, is a true and correct record to the best of my
 knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial
 seal this 28th day of April, 1955.


 Notary Public, Court Reporter

My Commission Expires:

June 19, 1955

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 809

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 17, 1955

IN THE MATTER OF:)
)
)

Case 309: (Readvertised) Application)
of Makin Drilling Company for approval)
of a non-standard gas proration unit)
for production of gas from the Queen)
and Blinebry gas zones, to be operated)
under applicable pool rules and to con-)
sist of the following acreage: S/2)
SE/4 Section 18 and N/2 NE/4 of Section)
19, in Township 21 South, Range 37 East.)

MR. MACEY: Next case on the docket is Case 309. I have a telegram from Neal and Girand addressed to me. "In regard to Case 309, request is hereby made for continuance of 309 to March 16 hearing date." I might say for the record that the Ohio Oil Company, who are also interested in this case, likewise requested continuance. Is there objection to the continuation of Case 309? If not, the case will be continued to the March 16 hearing.

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 21st day of February, 1955.


NOTARY PUBLIC, Court Reporter

My Commission Expires:
June 19, 1955.

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
January 13, 1955

IN THE MATTER OF:

CASE NO. 809 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 13, 1955

IN THE MATTER OF:

Application of Makin Drilling Company for
approval of a non-standard gas proration
unit (adjacent to the Blinbry Gas Pool)
consisting of S/2 SE/4 of Section 18 and
N/2 NE/4 of Section 19, in Township 21
South, Range 37 East, Lea County, New
Mexico.

Case No. 809

BEFORE:

Honorable John Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 809.

MR. GIRAND: W. D. Girand, representing Makin Drilling
Company. We would like to continue Case 809 until the February
hearing.

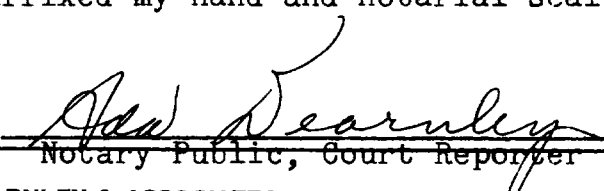
MR. MACEY: Is there objection to continuation of Case 809
until the February hearing? If not we will continue the case
until February the 16th.

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the
foregoing and attached transcript of proceedings before the New
Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a
true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal
this 17th day of January, 1955.

My Commission Expires:
June 19, 1955


Notary Public, Court Reporter

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

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 809

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

March 16, 1955

Application of Makin Drilling Company for approval of a non-standard gas proration unit for production of gas from the Queen Blinbry gas zones, to be operated under applicable pool rules and to consist of the following acreage: S/2 SE/4 of Section 18 and N/2 NE/4 of Section 19, in Township 21 South, Range 37 East.

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

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
July 18, 1956

IN THE MATTER OF:

CASE NO. 809 (Readvertisement)

TRANSCRIPT OF PROCEEDINGS

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

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 19, 1956

IN THE MATTER OF:

(Readvertisement) Application of Makin Drilling
Company for approval of an unorthodox location
and establishment of a 160 acre non-standard gas
proration unit in the Blinebry Gas Pool in except- : Case
ion to Rules 2 and 5 (a) of the Special Rules and : 809
Regulations of the Blinebry Gas Pool as set forth :
in Order R-610. :

BEFORE:

Honorable John F. Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. A. L. Porter, Jr.

TRANSCRIPT OF HEARING

MR. ADAMS: I am John Adams, representing Makin Drilling Com-
pany of Hobbs, New Mexico. I have a statement to make about this
case.

MR. PORTER: You may proceed, Mr. Adams.

MR. ADAMS: Thank you. I have handed you a plat which has
been removed from the Commission's files. It was an exhibit in
Case No. 982 and it involved similar acreage, exactly the same
acreage for a shallower well for the Eumont Pool. Using this, it
seems there is no change whatsoever in the ownership for this
application. For a brief history of what has happened in this
situation, in 1950 Kutz and Jackson built or located 990 feet from
the north line and 330 feet from the east line of Section 19, Town-
ship 21 South, Range 37 East. This well was plugged and abandoned

and then in 1954 Makin Drilling Company acquired this lease, along with other leases, for the purpose of getting 160 acres on which to re-enter this well for a gas well in the Blinebry formation. This well was re-entered and a gas well completed in the Blinebry section in December of 1954. Now at that time we, according to the rules and regulations, asked that a hearing be held in front of the Oil Conservation Commission in Santa Fe for the reasons that we are today requesting it. Also at that time Mr. Macey, who was with the Commission at the time, suggested that for two reasons he would suggest that a continuance be made in this case. The first reason was that since it was rather a complicated acreage situation and we did not have at that time all the overriding royalty owners and leaseholders communitized, it was his opinion that we should do that well, we would be granted a temporary allowable. The second reason was at that time that this acreage was not in the Blinebry Gas Pool, so that until those two conditions were met, Mr. Macey, in a letter dated January 13, 1955, to the El Paso Natural Gas Company made reference to this particular well and directed El Paso Natural Gas Company to take a hundred and sixty acre allowable, the same as it did from a hundred and sixty acre Blinebry gas pool well. Subsequent to this, temporary allowable Makin Drilling Company has circulated communitization agreements and has an executed agreement in its files from almost fifty interested parties including working interests, overriding royalty interests and royalty interests. We feel that since the temporary allowable was granted in 1955 and has been producing since that time, that the Commission should grant us a regular allowable based on its rules and regulations as set forth for the Blinebry gas pool. All applicable forms have been sent out

and filed with the Commission, which includes the gas well plat and the affidavit of communitization, and of course, we do have here an assignment of allowable dated February 21, 1955, signed by S. J. Stanley, which acknowledges the issuance of the letter from Mr. Macey.

MR. PORTER: Is that all you have, Mr. Adams?

MR. ADAMS: That is all I have.

J O H N W. A D A M S,

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

DIRECT EXAMINATION

BY MR. GURLEY:

Q Is it my understanding that the well has already been drilled, and you are asking approval of the Warlick-Blinebry Well No. 1, is that correct?

A That is correct. When Makin Drilling Company acquired ownership of the acreage in question, the well had already been drilled four years previously, and we re-entered the well.

Q You were assigned a temporary allowable, is that correct, by Mr. Macey?

A That is correct.

Q And you are asking for approval of the unit and a permanent allowable assignment?

A That is correct. We felt that this well had been producing under a temporary allowable and that according to existing rules and regulations of the Commission, we were on a temporary basis and should clear the matter up to the satisfaction of everyone.

Q Is it your testimony at this time, then, that you have a communitization agreement in the making of all the property owners herein?

A The agreement is completed.

Q According to your application it was not so stated.

A There's only one overriding royalty owner who has not signed.

Q Have all the working interests signed?

A Yes, and all the royalties, one overriding royalty has not. However, he has been accepting the checks, the payment checks, and so we consider that our problem has been solved by his accepting the money, however, I am not an attorney.

Q Have you an executed affidavit to the effect that the communitization agreement has been signed?

A Yes, we have, and it was filed with the Commission dated the 26th of May, 1956.

BY MR. MANKIN:

Q What is the nearest Blinebry gas production to the well in question in this case?

A I believe the nearest producing Blinebry well is over a mile from this location. There has been a well tested and I believe completed in the Blinebry gas section in Section 20, but it's not connected to a transmission line, it is not producing.

Q Are you speaking of the Amerada No. 1-A which is not on the proration schedule?

A That is correct. I believe that Amerada has never made application for placing it on the schedule. It is not producing.

Q Then, actually, there had been very little Blinebry gas

production in the area of the well in question?

A That is correct; there has been a very small amount of gas withdrawn in that area.

Q There are no wells to the west?

A No wells to the west.

Q None to the north?

A There are some to the northeast.

Q And one to the southeast?

A Yes.

Q Most of the Blinebry gas production is predominately to the east?

A That is correct.

Q What is the potential of the well?

A At the present time the well is a marginal well and will not make the assigned top allowable.

Q Do you have recent tests on that.

A Not recent tests, except the production tests.

BY MR. GURLEY:

Q Mr. Adams, in your application signed by Mr. John King of the firm of Easley, King & South, there were several erros which do not conform with the testimony you have given here today. Would you at this time wish to move the application be amended to conform with the testimony you have offered?

A I wish to do that. I intended to make the statement. I notice the name of the well is misspelled and the number of the rule is not correct, which you did correct in your docket however.

Q That's right. Do you wish to make that motion at this time?

A Yes, I would make the motion that the letter dated May 22, 1956 addressed to the New Mexico Oil Conservation Commission regarding this hearing and signed by John King of the firm of Easley, Quinn & Stout, be amended to conform with this testimony.

MR. WALKER: Any objection to that motion? If not, the motion will so show in the record.

MR. PORTER: Does anyone else have a question? Is there anything further in this case? If not, the case is taken under advisement and the hearing is adjourned.

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Dorothy B. Myers, a Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission for the State of New Mexico, was reported by me in shorthand and reduced to typewritten matter by me, or under my supervision, and that the same is a true and complete record of said proceedings, to the best of my knowledge, skill and ability;

WITNESS my hand and seal this 16th day of August, 1956.

Dorothy B. Myers
COURT REPORTER