

BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO

March 16, 1955

IN THE MATTER OF:

CASE NO. 859 - 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
March 16, 1955

IN THE MATTER OF:

The application of the Oil Conservation
upon its own motion for an order amending pro-
visions of Rule 6(B) of the Fulcher Kutz-
Pictured Cliffs Gas Pool Rules; Rule 6(B) of
the Aztec Pictured Cliffs Gas Pool Rules; and
Rule 6(B) of the South Blanco-Pictured Cliffs
Gas Pool Rules; all as contained in Order
R-565.

Case

No. 859

Applicant, in the above-styled cause,
will consider proposals to amend Rule 6(B) of
the Fulcher Kuta-Pictured Cliffs Gas Pool
Rules; Rule 6(B) of the Aztec-Pictured Cliffs
Gas Pool Rules; and Rule 6(B) of the South
Blanco-Pictured Cliffs Gas Pool Rules, as set
forth in Order R-565, to allow the admini-
strative approval of all non-standard gas
proration units provided proper notice is
given to offset operators and no objection is
filed thereto.

BEFORE:

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

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket will be Case 859.

C H A R L E S M. R E I D E R ,

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

DIRECT EXAMINATION

By MR. KITTS:

Q State your name and position, please.

A Charles M. Reider, Engineer with the Oil Conservation Commission.

Q Are you familiar with Case 859, which pertains to a proposed amendment to the provisions of Rule 6(B) of the various Pool rules contained in the Order R-565?

A Yes, sir, I am.

Q I believe that pertains to revisions in regard to administrative approval of non-standard gas proration units?

A Yes, sir, it does. I might suggest that I believe we placed our proposed revision on the table after everyone came in. It might be possible to take a short recess for everybody to get it.

(Marked Exhibit No. 1, for identification.)

Q Have you prepared an exhibit in connection with your study of this matter?

A Yes, sir, I have.

Q Is that Exhibit 1?

A Yes, sir.

Q Will you state what that is?

A Exhibit 1 is the proposed revisions in Rule 6(B) of the various Special Rules and Regulations for the various Pictured Cliffs Gas Pools, as contained in Order R-565.

Q State your reason for the revisions.

A The purpose for the revisions is to increase the number of non-standard proration units which it will be possible to approve administratively. It will relieve the Commission of a very heavy hearing load. It will be necessary for the majority of these units to be approved by May 1st, so as to be placed upon the

proration schedule for the northwest. The present rule would limit the proration units that can be approved to the point where we would have roughly 62 cases to be heard in the next two hearings. We feel that by the adoption of these new revised rules for the application of non-standard units, that in no way will any of the operators or the State of New Mexico, be damaged, or endangered by lessening the restrictions for non-standard units. I would like, if possible, to read this into the record, now.

MR. MACEY: You are going to read the rule? Why don't you introduce it? Does everyone have a copy of the rule?

A We have changed it slightly to the version that you have. That is, Rule 1: "The proposed non-standard proration unit consists of less than 160 acres except where the unorthodox size or shape of the tract is due to a variation in legal subdivision of the U. S. Public Land Surveys." With that addition, the copy that you gentlemen have is complete.

MR. GREINER: A maximum 160?

A Yes.

Q You mean a maximum of 160, 160 or less?

A Yes.

MR. GREINER: May I ask a question there, maybe I am getting in the middle of things. We had one that we filed 163.6 acres.

A Yes, sir, was that not due to the variation in the legal subdivision?

MR. GREINER: It was due to a variation in the legal subdivision. It was a slightly longer quarter-quarter.

A We have taken care of that by the exception, where it is due to variation in the legal subdivision by Public Land Surveys.

MR. GRIENER: That would take care of something of that sort?

A Yes, 160 acres can be approved, but only where such unit is a variation in a legal quarter section.

MR. MACEY: Do you want to proceed, Mr. Kitts?

Q (By Mr. Kitts) Do you have anything further, Mr. Reider?

A Nothing.

MR. KITTS: We offer in evidence, Exhibit 1, Commission's Exhibit No. 1.

MR. MACEY: Without objection it will be received. In order that you understand exactly what Mr. Reider said, they added to the duplicated copy which was distributed, a different paragraph 1, which he read to you. If there is any question, if you will stand up he will read it again.

Also, Mr. Reider, will you get the copy of the thing. You have a mistake in here, I want you to correct it. You have, Paragraph 6 you say: " In lieu of paragraph 4--" You mean in lieu of paragraph 5.

A Yes.

MR. MACEY: Anyone have any questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. MACEY: Anyone have anything further in this case? We will take the case under advisement.

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 March, 1955.

Ada Dearnley
 Notary Public, Court Reporter

My Commission Expires:

June 19, 1955