

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
March 17, 1955

IN THE MATTER OF:

CASE NO. 863

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 17, 1955

Southeastern New Mexico nomenclature case,
calling for the following creations, deletions
and extensions:

(a) Creation of the Williams-Pennsylvanian Pool
in Lea County for production of oil from the
Pennsylvanian described as:

TOWNSHIP 13 SOUTH, RANGE 32 EAST
SE/4 Section 19; SW/4 Section 20;
NW/4 Section 29; NE/4 Section 30

No. 863

(b) Creation of the Magruder-Yates Pool in Eddy
County for production of oil from the Yates,
described as:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
SW/4 NW/4 Section 14;
W/2 SW/4 Section 14;
SE/4 Section 15

(c) Extend the Jalmat Gas Pool to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST
NE/4 Section 24

TOWNSHIP 24 SOUTH, RANGE 37 EAST
S/2 Section 4

(d) Abolish the D-K Abo Pool by combining its present
horizontal limits, defined as:

TOWNSHIP 20 SOUTH, RANGE 39 EAST
All of Section 30

with the area of the Warren-Abo Pool, extending same
to include:

TOWNSHIP 20 SOUTH, RANGE 39 EAST
All of Section 30

(e) Extend the Warren-Abo Pool to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST
SE/4 Section 25; NE/4 Section 36

(f) Abolish the Eighty-Four Draw Pool by combining its present horizontal limits, defined as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST
All Section 8; NW/4 Section 9

with the area of the Littman-San Andres Pool,
extending same to include:

TOWNSHIP 21 SOUTH, RANGE 38 EAST
All Section 8; NW/4 Section 9

(g) Extend the Littman-San Andres Pool to include therein:

TOWNSHIP 21 SOUTH, RANGE 38 EAST
NE/4 Section 17

(h) Extend the North Caprock-Queen Pool to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST
All Section 15

(i) Extend the Townsend-Wolfeamp Pool to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST
NW/4 Section 32

(k) Extend the Artesia Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST
NW/4 Section 35

TOWNSHIP 18 SOUTH, RANGE 27 EAST
NW/4 Section 23;
E/2 W/2 and SE/4 Section 35

(l) Extend the Caprock Pool boundary to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST
S/2 Section 19; N/2 Section 30

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 No. 863.

S. J. S T A N L E Y,

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

DIRECT EXAMINATION

By: MR. KITTS:

Q Will you state your name and position, please.

A S. J. Stanley, Engineer for the Oil Conservation Commission.

Q Now Mr. Stanley, in connection with this case 863, pertaining to nomenclature, Southeastern New Mexico, you have made certain recommendations which are delineated in paragraphs A through L, will you state first of all the recommendation that you have made in paragraph A as appearing on the docket sheet, what the basis for that recommendation is?

A Is the creation of the Williams-Pennsylvanian Pool in Lea County occasioned by the completion of the Superior Oil Company's State 335, No. 1-335, a Pennsylvanian producer completed on January 20 of 1955, with the top of the perforation at 11,097 feet. The well is located in Unit J of Section 19, Township 13 south, Range 32 East.

Q Passing on to paragraph B --

MR. MACEY: Mr. Stanley, was the well an oil well or a gas well, is the Williams-Pennsylvanian an oil pool or --

A (Interrupting) Williams-Pennsylvanian gas pool.

MR. MACEY: What is it advertised as, what did it produce on potential?

A Well, it is questionable whether it is oil or gas, depending on the definition of distillate but I think that down the road that we can define it as either an oil well or a gas

pool on future development.

MR. MACEY: Well, it means quite a bit to Superior, we create an oil pool they can flare the gas, create a gas pool they have got to shoot it awaiting a market.

MR. PORTER: Mr. Macey, I believe that well is currently listed on the oil proration schedule as an oil well, located in Unit J of 19-13-32.

WITNESS: Yes.

MR. PORTER: It is classified currently as an oil well.

A It's got an oil allowable. Well, under the circumstances, I recommend that paragraph A of Case 863 be postponed until further study. I think there is a difference of opinion about its classification, whether it be oil or gas.

MR. MACEY: Well, it is very important to Superior. I wonder what they recommended and what they came up with, do you have any idea?

MR. PORTER: I don't recall on their C-123 whether they specified oil or gas, it might be well at this time to take a look at the 104.

MR. MACEY: Why don't we defer that matter and let someone get the well record and let's just take a look at it and go on to the other.

MR. KITTS: Mr. Stanley, you have made a further recommendation on paragraph B, would you please state the basis for that recommendation.

A It is the creation of a new pool called the Magruder-Yates Pool occasioned by the completion of a well by R. S.

Magruder State No. 1 in Unit P of Section 15, Township 21 South, Range 27 East, a Yates producer, completed January 20, 1953, with the top of the pay 550 feet and also includes the Burgett and Brininstool State No. 1, Unit J, in Section 15, Township 21 South, Range 27 East.

Q Moving on to paragraph C, Mr. Stanley, what is the basis of that recommendation?

A It is the extension of an existing pool, the Jalmat Gas Pool, to extend the pool for the inclusion of the Carper Drilling Company, Carper-Randel No. 1-A in Unit A of Section 24, Township 22 South, Range 35 East, a Yates producer, with the top of the perforation at 3,622 feet.

Q Passing on to paragraph D, will you explain that, please, Mr. Stanley.

A We wish to abolish in paragraph D the D K Abo Pool and include this area into the Warren-Abo Pool. The purpose is to add this area formerly designated as the D. K. Abo to the Warren-Abo, the proposed extension includes all of Section 30, and Section 25, Township 20 South, Range 38 East.

Q You say Section 25 as well?

A Section 25, is the abolishment of the D. K. Abo.

MR. MACEY: I don't follow it, what do you mean?

A I believe that the D. K. Abo does include Section 30, I am sorry, of Township 20 South, Range 38 East.

MR. KITTS: Well, is Section 25 presently in the Warren-Abo?

A Well, we wish to at this particular time abolish the D. K. Abo, its incorporated area as created by the Commission and

includes that area into the Warren-Abo and I believe that the D. K. Abo includes Section 30 of Township 20 South, Range 39 East, is that correct?

MR. MACEY: I think I understand what you are getting at now. You are abolishing the D. K. Abo and taking the area of the D. K. Abo which is Section 30 of 20-39?

A Yes, sir.

MR. KITTS: And putting it into the Warren-Abo?

A Yes, sir.

Q And you are extending the Warren-Abo to close the gap between the two pools?

A Yes, sir.

Q In connection with that you have to extend the Warren-Abo in paragraph E, is that correct?

A That is correct.

Q All right, go ahead and read the extension under paragraph E and then if you will read the complete description of the Warren-Abo Pool?

A Yes, sir. Well, in Case 863, paragraph F through J, we wish to abolish the Eighty-Four Draw Pool and include the area into the Littman San Andres Pool. We wish to extend the Littman San Andres to include the area formerly designated as the Eighty-Four Draw and also to include a well occasioned by Neville G. Penrose completion, the Ohio Federal No. 1 in Unit A of Section 17, Township 21 South, Range 38 East, a San Andres producer, completed January 14, 1955, with the casing shoe at 4,341 feet.

In paragraph H of Case 863, we wish to extend the pool to

include the Great Western Drilling Company, Magnolia-Speed No. 1 in Unit P of Section 15, Township 12 South, Range 32 East, completed January 21, 1955, a Queens producer with the depth of the casing shoe at 3,005.

In this particular extension the north Caprock Pool has been advertised as Township 12, South, Range 32 East, all of Section 15. We wish to include or recommend incorporating all of Section 14, to include the Superior Oil Company, W. C. Speed No. 1 in Unit M of Section 14, Township 12 South, Range 32 East, completed February 25, 1955, with the depth of the casing shoe at 2,999 feet.

Q So that would be an inclusion of both sections 14 and 15?

A That is correct.

Q But it was only advertised to include Section 15, is that correct?

A That is correct.

MR. KITTS: I would recommend that we continue this one, paragraph H.

A It is contiguous and we advertised the case to include any contiguous territory.

MR. KITTS: That is right. Is that all the comment that you have on paragraph H, Mr. Stanley?

A Yes, sir.

Q Will you proceed to I.

A Yes, sir. In paragraph I of Case 863 we wish to extend the Townsend-Wolfcamp Pool to include Township 16 South, Range 35 East, the north half of Section 3, and I'd like to explain what we mean by north half of Section 3, since this is a long section.

We wish to include by explaining the north half of Section 3, lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16, and in addition we wish to include the entire section or the west half of Section 2, more specifically described as lots 3 and 4, 11 and 12, 13, 14, and also the southwest quarter of Section 2.

MR. MACEY: What happened to Lots 5 and 6?

A Well, excuse me, 3, 4, 5, 6, 11, 12, 13, 14, and the southwest quarter Section 2. This was occasioned by the Shell Oil Company, R. E. Hilburn No. 3 in Unit U of Section 2, Township 16 south, Range 35 East, completed February 28, 1955, with the top of the perforation at 10,498 feet and in Section 3 to include M. A. Machris State No. 32-3 in Unit G of Section 3, Township 16. South, Range 35 East, completed January 22, 1955, a Wolfcamp producer with the top of the perforation at 10,430 feet.

MR. MUTZ: Mr. Stanley, that is an extension in the Townsend-Wolfcamp in the north half of Section 3 and all of the west half of Section 2, is that correct?

A That is correct.

MR. KITTS: Paragraph J, Mr. Stanley, you made a further recommendation, will you explain that.

A Extension of the existing pool, the Warren-McKee Pool, purpose to extend the pool to include the Gulf Oil Corporation, Lea State "BU" No. 1 in Unit C of Section 32, Township 20 South, Range 38 East, a McKee producer completed January 20, 1955, with the top of the perforations at 9,034 feet.

Q Paragraph K, you recommend an extension of the Artesia Pool, will you explain that.

A To extend the Artesia Pool to include the northwest quarter of Section 35, Township 17 South, Range 28 East, a Grayburg and San Andres producer with the top of the perforation at 2,262 feet to include the W. C. Welch Sunray State No. 1, completed October 30, 1954.

Q And paragraph --

A And also in the Artesia pool --

Q Oh, you haven't finished that?

A To include the northwest quarter of Section 23, Township 18, Range 27 East, occasioned by the completion of the Miller and Smith MRY State No. 1 in Unit F of Section 23, Township 18 South, Range 27 East, and also in Section 35 occasioned by the completion of the W. N. Price Pure-State No. 1 in Unit F of Section 35, Township 18 South, Range 27 East, completed January 18, 1955, with the top of the perforation at 1,880 feet.

Q Paragraph L, Mr. Stanley, you recommend a further extension, will you state what that is and the basis for it.

A Extension of an existing pool to include the Caprock Pool to include the south half of Section 19 and the north half of Section 30, Township 13 South, Range 32 East, occasioned by the Completion of the Superior Oil Company, State "340", No. 1-340 in Unit C of Section 30, Township 13 South, Range 32 East, a Queen producer with the depth of the casing shoe at 3,053 feet and also to include the Amerada Petroleum Corporation, State Caprock "A" No. 1-N of Section 19, Township 13 South, Range 32 East, completed March 9, 1955, with the depth of the casing shoe at 3,048 feet.

Q Mr. Stanley, you have prepared certain exhibits incorporated

in these recommendations, have you not?

A Yes, sir, I have.

Q And you have them marked for the reporter, do you?

A Yes, sir, I have.

Q They are A through L?

A Yes, sir, they are.

MR. KITTS: We offer in evidence Commission Staff's Exhibits A through L, inclusive.

MR. MACEY: Without objection they will be received.

MR. PORTER: Mr. Stanley, would you please review your recommendation in paragraph C having to do with an extension of the Jalmat Pool?

A Paragraph C concerning the extension of the Jalmat Pool -- we wish to incorporate the northeast quarter of Section 24, Township 22 South, Range 35 East.

MR. MACEY: They have another provision in 24-37, would you give it.

A Let's see if I have an exhibit here. Also, in the Jalmat case we wish to include the south half of Section 4, Township 24 South, Range 37 East, purpose to include the Stanolind Oil and Gas Company, C. Myers "B" No. 2, a gas recompletion in Unit M of Section 4, Township 24, Range 37 East, top of the perforation is 3,188 feet, a well completed within the vertical limits of the Jalmat Pool.

MR. MACEY: Any questions of the witness?

MR. HANSON: Mr. Stanley, did I understand under paragraph K in the Artesia Pool, in Township 18 South, Range 27 East, Section 35, I don't believe I understood you to give the portion

of the section of 35 which is to be included in the pool.

A In paragraph A?

MR. KITTS: K.

MR. HANSON: Paragraph K, under Township 18 South, Range 27 East, I only understood you to mention Section 35.

A Well, we also included in that case the northwest quarter of Section 23, Township 18 South, Range 27 East.

MR. HANSON: Yes, I understood that and then you mentioned Section 35.

A And in Section 35 we are to include the east half of the northwest quarter of the southeast quarter of Section 35 and the east half of the southwest quarter of Section 35.

MR. KITTS: Will you repeat that again.

A It is the east half of the west half of Section 35, that is occasioned by the completion of Unit F of Section 35, Township 18 south, Range 27 East.

MR. MACEY: Going back to paragraph A, investigation of well file doesn't tell us very much. Mr. Kitts, do you think it would be in order if we, rather than continue the case, allow Mr. Stanley to submit us some data on what he thinks it ought to be an oil pool or a gas pool, in the next week or so and if it is a gas pool we will defer action and if it is an oil pool why we will go along as advertised.

MR. KITTS: It is advertised as a --

MR. MACEY: As an oil pool.

WITNESS: I think that would be very proper.

MR. KITTS: If it is a gas pool we will defer action. It is

questionable whether it is oil or a gas pool.

MR. MACEY: No further questions of the witness? Take the case under advisement.

(Witness excused.)

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STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } SS.

I, MARGARET McCOSKEY, 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 6th day of April, 1955.

Margaret McCoskey
Notary Public-Court Reporter

My commission expires
August 15, 1956.