

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
September 15, 1955

IN THE MATTER OF:

CASE NO. 952

TRANSCRIPT OF PROCEEDINGS

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

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 15, 1955

IN THE MATTER OF:

Application of Southern Union Gas Company for
approval of an exception to Rule 6(a) of the
Special Rules and Regulations of the Aztec
Pictured Cliffs Pool Rules contained in Order
R-565, in establishment of a non-standard
drilling and gas proration unit of 193.75
contiguous acres consisting of the E/2 E/2 of
fractional Section 9 and W/2 of fractional
Section 10, Township 28 North, Range 10 West,
San Juan County, New Mexico, to be dedicated
to applicant's Zachry Well No. 11 located 990
feet from the south line and 990 feet from
the West line of Section 10, Township 28 North
Range 10 West.

} Case No. 952
}

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 is Case 952.

MR. GRIENER: A. S. Griener, appearing for Southern Union
Gas. We have one witness.

A. M. W I E D E R K E H R ,

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

DIRECT EXAMINATION

By MR. GRIENER:

Q State your name please, for the record.

A A. M. Wiederkehr.

Q What is your present employment?

A Southern Union Gas Company.

Q In what capacity?

A Manager of the Exploration Department.

Q Have you previously testified and qualified before this Commission as an expert witness?

A I have.

MR. GRIENER: Are the witness's qualifications acceptable to the Commission?

MR. MACEY: They are.

Q Referring now to the present case, Number 952, Mr. Wiederkehr, will you please state briefly what is proposed in the Southern Union Gas application here?

A In Southern Union Gas application 952, we propose to form an unorthodox unit around our Number 11 Zachry Well located in Section 10, Township 28 North, Range 10 West, San Juan County, New Mexico, to be comprised of the west half of fractional Section 10, and the east half of the east half of fractional Section 9, containing approximately 193.75 acres.

Q You say the Zachry Number 11 Well is presently located on this proposed unit?

A Yes, in the approximate center of the proposed unit, being 990 feet from the south and west lines of Section 10.

Q Have you prepared a plat or had prepared under your supervision a plat to indicate the location of this well and the proposed unit?

A Yes, sir, I have.

MR. GRIENER: We would like to have this plat marked for identification as Southern Union Gas Company's Exhibit Number 1.

(Marked Southern Union Gas Company's
Exhibit No. 1, for identification.)

Q Referring to Exhibit No. 1, Mr. Wiederkehr, what is the red outline there?

A The area which we propose to be unitized and to be attributed to our Zachry Number 11 Well is outlined in red.

Q When was the Zachry Number 11 Well completed?

A July 13, 1955.

Q Were any initial tests made on the well?

A Yes, the well was initially tested for 3,283,000 cubic feet of gas.

Q Initial potential?

A Yes.

Q Has the well been connected to a pipeline yet?

A The last I heard it had not been connected.

Q Is it expected to be shortly?

A Yes, we expect to connect the wells in this area sometime within the next 60 days.

Q Why is the unorthodox unit proposed in this case?

A Across the top of Township 28 North, the sections are irregular, actually the Section 10 in which this well is located, half of that section would only contain some 130 acres; half a section would only contain about 130 acres. In previous cases we have asked that rather than use one half of the fractional section, that three-quarters on a fractional section be attributed to each drill site. In order to do this we end up with about 190 plus acres per drilling unit, thereby limiting the number of wells which we have to drill, and if we are not allowed this additional acreage,

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instead of having the normal unit allowable of 160 acres, we would have some 130 acres, or 13/16 of a normal unit. We believe the well is capable of draining the entire area and that drilling of additional wells would be a waste of money.

Q In your opinion is the entire area of the proposed unit productive of oil and gas in commercial quantities?

A We believe so. The sand thickness, as taken from the electric log on the well, would indicate that in all probability the entire area is gas productive. We don't know of any of the sands pinching out rapidly enough to pinch out before it got out beyond the boundary of the proposed unit.

Q That is in the Aztec Pictured Cliffs Pool?

A That is correct.

Q In your opinion, would the drilling of half again as many wells, which would be the effect of cutting down from 190 to 130, would the drilling of half as many wells be economically justified?

A No, I think we will get the same amount of gas with the expenditure of a lot less money by putting them on larger units.

Q You refer to the fact that we had asked for similar units on previous occasions in this area. What is the physical relationship of those units that have previously been considered by the Commission to the one now under consideration?

A They are due east, actually bordering on the east boundary of this unit and going some six locations due east.

Q Have those proposals been passed upon by the Commission?

A Yes, they have.

Q Was that in Case 904 and Order 658?

A That is correct.

Q All of those six units were approved in that order?

A That is correct.

Q What is the character of the lease ownership in the area surrounding the presently proposed unit?

A Southern Union Gas is the owner of acreage to the west, to the north and to the east. Aztec Oil and Gas owns the acreage to the south.

Q Has Aztec Oil and Gas Company been advised of the filing in that matter?

A They have.

Q Have they indicated their assent to the proposed unit?

A Yes, they have.

MR. GRIENER: I would like to have marked for identification as Southern Union's Exhibit Number 2, a letter dated July 18, 1955 to Southern Union Gas Company, from Aztec Oil and Gas Company, but request leave to withdraw the original from our files.

MR. MACEY: That is quite all right.

(Marked Southern Union Gas Company's
Exhibit Number 2, for identification.)

Q Referring to this Exhibit Number 2, in this letter Aztec, the only offset operator, state they have no objection to the proposed unit, is that correct?

A That is correct.

MR. GRIENER: We have nothing further except to ask that the two exhibits be admitted in evidence.

MR. MACEY: Without objection the exhibits will be received. Any questions of the witness?

MR. UTZ: I have one question.

CROSS EXAMINATION

By MR. UTZ:

Q Does Southern Union have any plans of drilling a well in Section 9?

A We don't have any definite well set up at the present time, although I am sure that in due time this will be drilled, due to the fact that we made an above average Pictured Cliff well in this location. There is no reason to believe the sand will not be present in Section 9. I think in due time the well will be drilled.

Q You are of the opinion that all parts of Section 9 is productive of gas?

A I think all the area between here and the Fulcher Kutz Field is productive of gas.

MR. MACEY: Anyone else have a question of the witness? Mr. Wiederkehr, is this a common lease ownership, does Southern Union own the working interest?

A All of it, yes.

Q MR. MACEY: Same royalty?

A Same Federal lease.

MR. MACEY: Anyone else? If nothing further we will take the case under advisement and the witness will be excused.

(Witness excused.)

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 4th day of October, 1955.

My Commission Expires:
June 19, 1959

Ada Dearnley
Notary Public, Court Reporter
ADA DEARNLEY & ASSOCIATES
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