

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 10, 1958

IN THE MATTER OF: Case No. 1416

TRANSCRIPT OF PROCEEDINGS

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DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 10, 1958

IN THE MATTER OF:

Application of Aztec Oil and Gas Company for a
non-standard location. Applicant, in the above-
styled cause, seeks an order authorizing a non-
standard gas well location for its Culpepper-
Martin Well No. 9, to be located 1850 feet from
the North line and 1950 feet from the West line
of Section 30, Township 32 North, Range 12 West,
Blanco Mesaverde Pool, San Juan County, New
Mexico.

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BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case will be 1416.

MR. PAYNE: Case 1416: Application of Aztec Oil and Gas
Company for a non-standard location.

MR. MANKIN: Warren Mankin, chief engineer, Aztec Oil and
Gas Company, is the only witness appearing in behalf of Aztec.

(Witness sworn.)

WARREN MANKIN

called as a witness, having been first duly sworn on oath, testi-
fied as follows:

DIRECT EXAMINATION

By MR. PAYNE:

Q Mr. Mankin, have you previously testified before this

Commission as an expert witness?

A I have testified before this Commission as an expert petroleum engineer.

Q You may proceed.

A Aztec Oil and Gas made application for a non-standard location for a gas well in the Blanco Mesaverde Gas Pool in the Northwest Quarter. This was occasioned by the drilling in October, 1951, of a well in the Southeast Quarter of Section 30, Township 32 North, Range 12 West. That was the discovery well for the West Blanco-Dakota Pool. That well was completed in the West Blanco-Dakota pool and incidentally is the only well drilled in that particular area to that pool, and recompleted as a Mesaverde well on September 27, 1956. Therefore, Aztec found itself in a peculiar position on the recompletion of that well, in that the well was off pattern to begin with for this Culpepper-Martin No. 2, and therefore with any further development we would either further have to aggravate that situation or ask for an exception, which we are doing here today.

I wish to present Aztec's Exhibit 1, which was our application dated March 21, 1958, requesting this hearing. The main reason I am putting this in again, because it explains just what I have said, what occasioned this non-standard location. So as a result of this problem we found ourselves in as to the Culpepper-Martin No. 2, we now find that we have to develop this lease and we desire to drill our Culpepper-Martin No. 9; and to keep on

staggered alternate patterns, we desire to drill the well in the Northwest Quarter.

In this particular application it was pointed out that all offsets were notified; the three offsets are El Paso Natural, Anderson-Prichard, and Southern Union Gas, by registered mail they were notified, and waivers were presented from all three which I will present later as exhibits.

In that particular application it was pointed out that presently the East Half of Section 30 is dedicated to Well No. 2, and therefore it would be presumed that the West Half would be dedicated to the new proposed well, Culpepper-Martin No. 9; so in view of that, on April 2nd I notified those same three offset operators and the Commission that to form two standard units we desired now to rededicate the South Half of Section 2 to Culpepper-Martin No. 2 and the North Half to the Culpepper-Martin No. 9 so we would have two standard units instead of one standard unit and one non-standard unit because of the range correction line having short sections. So as Exhibit 1-A, that is the amended letter I spoke of on the rededication as we proposed at some future date.

As Exhibit 2, I would like to present the well location plat that was submitted with the application, as Exhibit 2. The only difference in what was put in with the application is that the Culpepper-Martin No. 2 on this Exhibit 2 is placed upon this exhibit to show why it is necessary now to have a well in the Northwest Quarter. This particular Exhibit No. 2 indicates that the well is

desired to be located 1850 feet from the North line and 1950 feet from the West line, and the reason that that is necessary is that there is a deep wash and gulch as shown on Exhibit No. 2.

To further substantiate this rough terrain that we found ourselves in, I have photostated the west three-quarters of the Government survey plat in Township 32 North, 12 West, which shows the range corrections, the lots and the rough terrain that Aztec finds itself in. Therefore the tolerance is necessarily greater than the 790 from the quarter boundary of the outer section to 990. That is the Government survey plat that was approved on June 19 of 1955 that shows the rough terrain and the gulches and the lots along the west side of Township 32 North, Range 12 West, the resurvey. This Exhibit 3 is a photostat of the west three-quarters of that Township.

As Exhibit 4 I have prepared a plat showing the gas wells in the Mesaverde formation in the vicinity of this proposed well, and the ownership. It will be noted from this Exhibit 4 that Aztec owns the bigger part of the acreage surrounding this particular well known as its Culpepper-Martin lease, and which is outlined in yellow on this particular Exhibit 4. It will be noted from this exhibit that Southern Union offsets the acreage to the west and El Paso offsets the acreage to the north, and Anderson-Prichard offsets the acreage to the south. In this particular proration unit for the Culpepper-Martin No. 9, Aztec owns the entire North Half of the section which is to be dedicated to it, except Lot 1,

which is shown in white on that particular plat, which is owned by El Paso; and El Paso has, we have communitized that acreage with El Paso already and therefore it is a fee lease. This entire Culpepper-Martin lease of Aztec is a fee lease and has been communitized and so is El Paso's acreage a fee lease. At the present time it will be noted on Exhibit 4 that Aztec shows a location for a Culpepper-Martin No. 8 in Section 19, directly north of the proposed well. That well is presently drilling and should be practically on top of the pay at this time. It is drilled through the Pictured Cliff and should be penetrating the Mesaverde today.

I have attempted to put the proration units on this Exhibit 4 as is best known to me, and the offset acreage. I have also attempted to put the field limits of the Blanco-Mesaverde Gas Pool in blue, which really is the northwestern boundary of the Blanco-Mesaverde Pool. In other words, the Blanco-Mesaverde Pool moves to the east and to the south from this particular area and this is the westernmost limit. I have also placed on here the latest information that I have received in blue indicating some new locations that have been started or have been reported within the last week, after this plat was made up.

I indicated previously on our application we had notified by registered mail the three offset operators, El Paso, Southern Union, and Anderson-Prichard, those three companies which have granted to us waivers as to the non-standard location, as in most cases it doesn't adversely affect any of their acreage. It is

crowding our acreage only. However, the well is in the wrong quarter section, according to Blanco-Mesaverde gas rules.

That is Exhibit 5-A, which is the waiver from El Paso Natural Gas Company. Exhibit 5-B is from Anderson-Prichard Oil Corporation, a waiver for the same thing, which they are the offset to the south. Exhibit No. 5-C is a waiver from Southern Union Gas Company indicating their consent. All three offset operators have indicated their consent to this location.

It might be pointed out in looking back on Exhibit 4, there is another well in the area that is drilled off pattern in Section 31 of Township 32 North, 12 West, which is the Culpepper-Martin of Anderson-Prichard similar to our Culpepper-Martin No. 2 which was previously recompleted from a Dakota well. At this time, as I have indicated, we are drilling our Culpepper-Martin No. 8. We have made our location for the Culpepper-Martin No. 9, and as noted from the survey plat, we had to move more than the two hundred foot tolerance because of the topography as shown by the survey plats and the Government plats which indicated the rough terrain we found ourselves in. At the present time we have made the location for the proposed well. We desire, if it is approved, to grade this location and move the rig from the Culpepper-Martin No. 8 to this location.

We urge that if favorable permission is granted, that we receive it as soon as possible by collect telegram so we can start our operations and not hinder them any more than necessary.

I would like to offer in evidence Aztec's Exhibits 1 through 4, and 5-A, 5-B, and 5-C, into evidence.

MR. UTZ: Without objection the exhibits will be accepted. Is that all you have?

A That's all I have.

CROSS EXAMINATION

By MR. UTZ:

Q Mr. Mankin, can you tell me what the distance would be from the east line of the unit which consists of the West Half of Section 30 to the well? The distance from that unit line to the well? If that's an irregular section, it might be important.

A No, the only thing I could go on, apparently the shortage is, by the top on Exhibit 2 it shows the distance to the quarter-quarter section line of 1294 versus 1320, which would normally be the distance, so that would be a shortage in that particular place of 26 feet. I assume, on the assumption of that, that there is a shortage of 26 feet from the west line of Section 30 to the center line through the center of Section 30. Therefore in taking the distance of 2640 feet and subtracting 1950 from it, that would be 690 feet, I believe, according to my arithmetic, 690 feet from the line, north-south line through the center of Section 30.

Q And they had a shortage of how many feet?

A Apparently 1294, it's 26 feet shortage, so it would be 26 feet from that, so that would be 664 feet actually. I said 690 before, but it would be 664 due to the shortage along the west

line. It's normal distances north and south directions, but east and west there is a shortage in Lot 1 and 2, which would be in this proposed proration unit, of 26 feet.

Q Is this well drilled?

A No, sir. The location has been staked, but the location has not even been cleared as yet. We are waiting for favorable approval on our application. As I said, we are drilling our No. 8 which was a standard location north of it, and El Paso has joined us in their acreage in that particular unit.

Q What would be the possibility of drilling on the other side of the wash?

A Of course, again we attempted to drill on our acreage until the communitization was in full effect. That was the primary reason for drilling in the location which we proposed. Again in that particular place we would be crowding Southern Union if we went out to that point, some if we went across the wash.

By MR. NUTTER:

Q Which direction is this proration unit going to lie?

A The north half of the section.

Q You won't be crowding any east boundary of the proration unit?

A No, sir. I mentioned if we moved to the west past the wash we would move over into Lot 2. That would be crowding Southern Union, whereas we are only crowding ourselves in this particular aspect.

By MR. UTZ:

Q There are no wells in Sections 29 and 32?

A No, sir, we have not drilled -- that is our acreage, we have not drilled that up as yet. We anticipate there will be some drilling in there this year. There is quite a few wells going in the area. El Paso is drilling several wells, and we will be drilling several wells in the area, and so is Colorado Western drilling several wells in the area.

MR. UTZ: Any further questions? Mr. Nutter.

By MR. NUTTER:

Q Mr. Mankin, this No. 2 Culpepper-Martin was originally completed as a West Blanco-Dakota well?

A Yes, it was a discovery well in the West Blanco-Dakota Pool on 160-acre spacing.

Q How much gas was produced from the gas well prior to the time it was depleted?

A I don't have the information with me. I have it in the office. I can make that available as soon as I get back to Dallas.

Q By what authority was the Culpepper-Martin No. 2 recompleted in the Mesaverde Pool?

A It was recompleted by a Form C-101 submitted on September 21, 1956, submitted by Aztec Oil and Gas in behalf of Josie Simonds, submitted the application for Aztec, and approved on September 26, 1956, by Mr. A. R. Kendrick.

Q Has the non-standard location of that well in the Mesaverde

Pool been approved?

A No, it has not been requested. It has not up to this time been requested, but it does occur, it was put in on a 101 at that time and it was apparently not realized that there should be a separate hearing for that. It was approved by the Commission for a plugback to the Mesaverde and successfully completed, as previously indicated.

Q In the event that Aztec decides to drill a Mesaverde well in Section 29, would it be drilled in the Southwest Quarter of the section?

A It would be my recommendation to the company that such a well be drilled on pattern, but what we would possibly do would be to keep away from the Culpepper-Martin No. 2, to keep as far to the east as possible.

Q But the well would be drilled in the Southwest quarter rather than the Southeast?

A Yes.

Q And the well on the East Half would be drilled in the Northeast Quarter?

A Yes, that would be my recommendation similarly in Section 32, the same way.

Q The communitization has been effected between El Paso and Aztec for the North Half of Section 30?

A It was in El Paso for approval by El Paso Natural Gas when I left. I don't know that we have received back the approval

for it, for both communitization of Culpepper-Martin 8, now drilling, and 9. There are verbal agreements for communitization. I don't know that we have the actual documents back in the office yet. Prior to the completion of the well, and before the proration plat is put in on either well 8 or on 9, that will be effective and so certified to in the gas proration plat.

MR. NUTTER: That's all. Thank you.

MR. UTZ: Any other questions? You have offered the exhibits, haven't you? You may be excused.

(Witness excused.)

MR. UTZ: Are there any statements in this case? If no statements, the case will be taken under advisement.

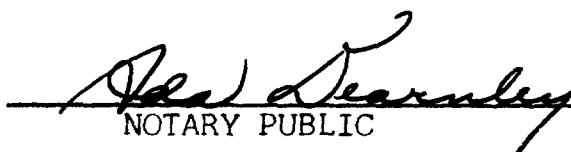
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C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 3rd day of May, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


 NOTARY PUBLIC

My commission expires:

June 19, 1959.

I do hereby certify that the foregoing is
 a correct record of the proceedings in
 the hearing of Case No. 1410,
 heard by me on April 9, 1958.
Santa Fe, N.M., Examiner
 New Mexico Oil Conservation Commission