

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
July 24, 1958

EXAMINER HEARING

TRANSCRIPT OF HEARING

Case 1482

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

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
July 24, 1958

EXAMINER HEARING

IN THE MATTER OF: :

Application of Aztec Oil and Gas Company for an :
unorthodox gas well location. Applicant, in the :
above-styled cause, seeks an order authorizing :
an unorthodox gas well location in the Blanco : Case
Mesaverde Gas Pool for its Culpepper-Martin No. : 1482
2 Well, 990 feet from the South and East lines :
of Section 30, Township 32 North, Range 12 West, :
San Juan County, New Mexico. :

BEFORE: Mr. Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case on the docket is Case 1482.

MR. PAYNE: Case 1482. Application of Aztec Oil and Gas
Company for an unorthodox gas well location.

MR. MANKIN: I will be the only witness.

(Witness sworn.)

WARREN MANKIN

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

DIRECT EXAMINATION

By MR. PAYNE:

Q Would you please state your name and position?

A ~~Warren Mankin, Chief Engineer, Aztec Oil and Gas Company,~~

Dallas, Texas.

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

A Yes, I have.

MR. PAYNE: Mr. Examiner, are the witness's qualifications acceptable?

MR. UTZ: Yes, they are.

A Aztec Oil and Gas is today applying for an exception to Rule 104-D, and also exception from Order R-110, for a well location in the Blanco Mesaverde Gas Pool, for the well in a Southeast Quarter of the section rather than in the Northeast or Southwest Quarter of a section. This particular well is the Aztec Oil and Gas Company's Culpepper-Martin Well No. 2. It is a fee lease.

This particular well was drilled in 1950, which is prior to the Order R-110 being instituted. Order R-110 being instituted in November, 1951.

I would like to present as Aztec's Exhibit No. 1, the original intention to drill on this well, which was Form C-101 to be marked as Exhibit No. 1. This Form C-101 indicates that the well was to be drilled in its present location 990 feet from the East line and 990 feet from the South line of Section 30, Township 32 North, Range 12 West, San Juan County, New Mexico.

It was to be drilled to the Blanco Mesaverde Gas Pool. At that time it was indicated as a wildcat which, however, later being the La Plata Area. The application to drill was dated April 10,

1950, and approved by Al Greer for the Oil Commission on April 14, 1950. The well was spudded on April 20, 1950, and completed as a small Mesaverde gas well May 30, 1950, and then was deepened in July of 1951 to the Dakota.

This particular well was the only well in the Dakota Pool and was designated as the West Blanco Dakota Gas Pool and depleted in that pool, being the only well ever drilled in that particular pool.

Also I would like to present as Exhibit 2 the surveyor's plat of that particular location, the surveyor being Mr. Miller, back in January 12, 1950, showing that particular location. In 1956 this well was plugged back to the Mesaverde Formation upon the depletion of the Dakota Formation, and that particular well was plugged back on, recompleted September 27, 1956 in the Blanco Mesaverde Gas Pool in its present non-standard location.

Initially the East half of Section 30 was dedicated to this well; since that time I have submitted new plats dedicating the South half of the section so that it will become a standard unit for two wells in this section. We have since drilled our Culpepper-Martin No. 9 in the Northwest Quarter of the section, which was a, the subject of a prior hearing on April 8, 1958. It was occasioned by this non-standard location.

I would like to present as Exhibit 3, Form C-128, which is the new acreage dedication plat for the South half of Section 30

5
for this well which supercedes the plat dated March 4, 1954 dedicating the East half of the Section, it is indicated as 316 acres, which becomes a standard unit.

I would like to present as Exhibit 4 a plat showing all the gas wells and Mesaverde proration units in the vicinity of the Culpepper-Martin No. 2. I have shown on this particular plat the unit surrounding this Culpepper-Martin No. 2, being the South half of Section 30 in solid yellow, and have shown the other Aztec acreage outlined in yellow which surrounds this particular unit. I have also shown with a yellow crosshash the boundaries as presently delineated by the Oil Conservation Commission for the Blanco Mesaverde Gas Pool being everything, approximately three-fourths of the area shown on this particular plat as being in the Blanco Mesaverde Pool extending to the East and to the Colorado line.

As is shown, there is wells all around this particular well that have been drilled since this well was drilled as a wildcat well initially in 1950. This well has been on production in the Blanco Mesaverde Gas Pool continuously since September, 1956, and has been producing either to the gathering system of Southern Union Gas Company or in 1958 to the Southern Union Gathering Company, and presently it is carried as such on the Commission's schedule for the San Juan Basin, having a deliverability of 580 at the present time.

At this time we request that this non-standard location of the

well that was drilled prior to any rules for this particular pool and has been producing both initially from the Mesaverde and later from the Dakota Formation and recompleted in the Mesaverde Formation in 1956, be granted as a non-standard location.

MR. UTZ: Do you want to submit your exhibits?

MR. MANKIN: I would ask that Exhibits 1 through 4 be submitted in evidence in this case.

MR. UTZ: Without objection they will be received. Any questions of the witness?

MR. COOLEY: Yes.

MR. UTZ: Mr. Cooley.

CROSS EXAMINATION

By MR. COOLEY:

Q Will the approval of the unorthodox location here requested result in any additional unorthodox locations in the Blanco Mesaverde Pool? It wouldn't have a rippling effect?

A No, sir. As I mentioned before, on April 9, 1958 in Case 1416, we requested an unorthodox location for Culpepper No. 9; since that time the well has been drilled. That is the only rippling effect that was occasioned by this application, and that has since been taken care of, it was completed and is on stream at the present time.

Q You think it would be feasible in Section 29 to the East to develop on standard locations?

A Yes. Of course, we would like to get away from the particular No. 2 Well according to the rules, to keep from any undue drainage. Incidentally, in Case 1416, Anderson-Prichard, who is the owner of the acreage in Section 31, had given their approval for the non-standard location of the No. 9 well which would be farther away from their region. They approved such a location, certainly they would be in favor of the No. 2 if they didn't object to the No. 9. Of course, they had the same situation which has never been authorized. Their Culpepper-Martin No. 1 in the Southeast being, wells being drilled prior to Order R-110.

MR. COOLEY: Thank you, Mr. Mankin. That's all.

By MR. UTZ:

Q Mr. Mankin, if this is not approved, what would be the effect on Aztec, the disposition of this well?

A Well, it would be a great economic loss to plug the well and put it in another quarter section, either the Northeast or the Southwest quarter section and another well has already been drilled, the No. 9, which would further aggravate the situation.

Q Do you have any other producing formation that are known in this well?

A There is some Pictured Cliff, possible Pictured Cliff production, but it's a very small quantity. It is practically water-bearing in this particular area and has not been developed. The only thing is what little Dakota might be there, but it wasn't

considered, ~~Commercial~~, when plugged back, practically no Pictured Cliff, it's water bearing.

Q Do you know who owns the West half of Section 31?

A That is Anderson-Prichard. By that I have shown they have the East half as a non-standard, whereas they also have the West half as well. It was originally drilled by Ralph Johnson and later taken over by Anderson-Prichard.

Q This would almost force them to ask for a non-standard location in the Northwest quarter of Section 31, would it not?

A Possibly would, yes.

MR. UTZ: Are there any other questions of the witness? If not, the witness may be excused. We will take the case under advisement and take up next 1484.

(Witness excused.)

C E R T I F I C A T E

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 *July*, 1958.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:
June 19, 1959.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Board of Review of Case No. 1952,
heard by me on *July 29*, 1958.

John D. [Signature]
Examiner
New Mexico Oil Conservation Commission

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Board of Review of Case No. 1952,
heard by me on *July 29*, 1958.

John D. [Signature]
Examiner
New Mexico Oil Conservation Commission