

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1613

TRANSCRIPT OF HEARING

MARCH 11, 1959

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
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OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
MARCH 11, 1959

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: IN THE MATTER OF: :  
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: :  
CASE 1613: Application of British American Oil Pro- :  
: ducing Company for an unorthodox gas well: :  
: location. Applicant, in the above-styled: :  
: cause, seeks an order authorizing an un- :  
: orthodox gas well location in an undesig-: :  
: nated Dakota gas pool for its Fullerton :  
: Well No. 5, located 660 feet from the :  
: North line and 1980 feet from the East :  
: line of Section 15, Township 27 North, :  
: Range 11 West, San Juan County, New :  
: Mexico. :  
: :  
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BEFORE:

Daniel S. Nutter, Examiner

T R A N S C R I P T    O F    P R O C E E D I N G S

MR. NUTTER: Take up Case 1613.

MR. PAYNE: Case 1613. Application of British  
American Oil Producing Company for an unorthodox gas well loca-  
tion.

MR. ERREBO: I am Burns Errebo with Modrall, Sey-  
mour, Sperling, Roehl & Harris, Albuquerque, appearing on behalf  
of British American Oil Producing Company. We have one witness.

(Witness sworn)

H. N. RHODES

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

follows:

DIRECT EXAMINATION

BY: MR. ERREBO:

Q State your name, by whom you are employed, and in what capacity.

A My name is H. N. Rhodes. I am employed by the British American Oil Producing Company in the capacity of staff petroleum engineer for the Northwestern District.

Q Approximately how long have you had experience as a petroleum engineer?

A I have six years of professional experience.

Q Are you a registered engineer in the State of New Mexico?

A I am.

Q I'll ask you to refer to a plat which was attached to the application and identified as Exhibit A, and ask you to identify the well and the location of the well which is the subject of this application?

A The well in question here is British American Oil Producing Company Fullerton No. 5, located 660 feet from the North line and 1,980 feet from the East line of Section 15, Township 27 North, Range 11 West, San Juan County, New Mexico.

Q Will you please give the formation in which this well is presently completed, the depth and the completion date, approximate completion date?

A The total depth on this well is 6,794 feet, from the Kelly Burk, the perforations are in the interval 6,627 to 6,640 feet according to the Schlumberger log, and the well is capable of producing gas in commercial quantities from the Dakota sandstone in an undesignated Dakota Pool.

Q And the completion date on that, would you give that?

A The well was perforated on January the 28th, 1959. The first potentials were taken on January the 30th, 1959.

Q Mr. Rhodes, are you familiar with the Commission's statewide Rule 104?

A Yes, sir, at the moment I am very familiar with it.

Q Is it your opinion that this well is presently classified as a wildcat well within the meaning and intent of those Rules?

A Under my interpretation of Rule 104, Section 1, subparagraph A, the last sentence, this well should be classified as a wildcat well.

Q Now, Mr. Rhodes, will you please explain the circumstances and the drilling of this well?

A This well was originally recommended for drilling in the location at which it was eventually started..

Q What was that location?

A That was in the northwest northeast of Section 15.

Q That's in the center of that quarter quarter section?

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A The original recommendation did not call for any footage location. We just merely wanted to drill it in the north-west northeast.

Q Now, in locating that well, what Rules did you refer to, Mr. Rhodes?

A The Rules which were available in the Denver office of the British American Oil Producing Company were dated January 1st, 1956. Now, along with this copy of the Rules and Regulations of the aforementioned date we had a complete file of Commission's orders which we received to amend those Rules. In August of 1956 the Commission entered Order R-855, which amended paragraphs A, B, D and F of Rule 104 as set out in our copy of the Rules and Regulations dated January 1st, 1956. Due to inadvertence and clerical error, this Order R-855 was not entered in our amendment file, and as a result it was not available to those personnel whose job it was to check the Rules and Regulations to make certain that the well was properly located.

Q In other words, then, this well was located from Rules which were no longer in effect --

A That's correct.

Q -- at the time the well was drilled. When did you first become aware that this well was drilled off location?

A We were notified by our Farmington Field office that the New Mexico Oil Conservation Commission could not approve our Form C-110. This notification came, oh, approximately the

15th of February, and receipt of this notification was the first indication that we had of an improper location.

Q Now, I think you previously stated that the El Paso Frontier No. 1 B Bolack is approximately 4100 feet from this well, is that correct?

A That is correct.

Q Are there any other wells completed in the Dakota on any offset leases, so far as you know?

A So far as I know, there are none.

Q Do you foresee any violation of correlative rights if the Commission grants this application for an extension to the Rules so far as the location of this well is concerned?

A No, I do not.

MR. ERREBO: I believe that's all I have, Mr. Examiner.

MR. NUTTER: Are there any questions of Mr. Rhodes?

#### CROSS EXAMINATION

BY: MR. NUTTER:

Q Mr. Rhodes, is the well currently shut in?

A The well is currently shut in.

Q What acreage will be dedicated to the well, Mr. Rhodes?

A As I understand, it will be necessary to dedicate 320 acres to that well, and in all probability, we will dedicate the entire east half of Section 15.

MR. NUTTER: Are there any further questions of Mr. Rhodes? If not, he may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1613? We will take the case under advisement.

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, J. A. TRUJILLO, 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 by me, 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, the 17<sup>th</sup> day of March, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Joseph A. Trujillo*  
Notary Public

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1613 heard by me on 3-11, 1959.

*Sanchez* Examiner  
New Mexico Oil Conservation Commission