

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 11, 1959

Mr. Jason Kellahin  
P. O. Box 1713  
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Amerada Petroleum Corporation, we enclose two copies of Order No. R-1464 in Case 1726 issued by the Oil Conservation Commission on August 11, 1959.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Enclosures

*Copies sent to  
Coyler & Hobbs*

GOVERNOR

JOHN BURROUGHS  
CHAIRMAN

MAIN OFFICE OCC

1959 AUG 3 3 PM 8:30  
State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
MURRAY E. MORGAN  
MEMBER



STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY DIRECTOR

1000 RIO BRAZOS ROAD  
AZTEC

July 31, 1959

Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Attn: Mr. Elvis Utz

Dear Elvis:

Following is our recommendation in Case 1726, which you recently requested. Please let me know if you need anything further.

The application should be denied for the following reasons:

(1) The producing zone referred to by the applicant as "Lower Mancos" is within a division of the Mancos Shale generally referred to as "Niobrara" within which all producing sands have been classified as "Gallup Sandstone". The vertical limits of the Bisti Lower Gallup Pool include all of the Lower Gallup Formation. The "Lower Mancos" division has been customarily placed at the base of the "Sanastee" zone, which is approximately 200' deeper than the original producing zones in the applicant's well.

(2) If all the oil produced from the lower zone actually originated in this zone then it would appear that this zone is commercial on its own merits.

(3) Insufficient evidence is on file that communication between the zone in question and the Lower Gallup Reservoir does not exist. Communication could exist from faulty cement job on original completion or from fractures created during fracture treatment on lower zone.

(4) The applicant did not advise the Commission that this well was to be used as an injection well in the Central Bisti Lower Gallup Sand Unit.

(5) An 80-acre Bisti Lower Gallup allowable was assigned to this well after the establishment of 80-acre spacing in the Bisti Pool and while this well was producing from the lower zone only. If the operator felt that the pool classification was in error the Commission should have been advised.

Alternative Measures:

(1) The vertical limits of the Central Bisti Sand Unit could be redefined to include all sands within the Lower Gallup Formation in the Unit.

(2) If the application is denied it appears that it would be unwise to allow the use of this well as an injection well in the Bisti Lower Gallup Unit, as this is the only well which has evidenced significant production from this zone.

(3) The well could be used as a transfer well with both zones producing and if Sunray and Amerada felt that the lower zone production is separate, A reserve estimate could be made and Amerada's interest in the Central Bisti Unit adjusted accordingly. This, of course, would be their problem, not ours.

Yours very truly

Emery C. Arnold  
Supervisor, District #3

ECA:ks