

BEFORE THE
OIL CONSERVATION COMMISSION
in the
STATE CORPORATION COMMISSION
HEARING ROOM, BASEMENT
CAPITOL BUILDING
Santa Fe, New Mexico
July 6, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of La Plata Gathering System, Inc., for the establishment of a 345.59 acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool, Rio Arriba County, New Mexico, and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks the establishment of a 345.59 acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool, consisting of all of partial Sections 30 and 31, Township 32 North, Range 5 West, Rio Arriba County, New Mexico. Applicant proposes to dedicate said unit to a well to be drilled on an unorthodox location 990 feet from the North line and 713 feet from the East line of said Section 31.

Case 2004

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

Mr. UTZ: Case 2004.

Mr. PAYNE: Application of La Plata Gathering System, Inc., for the establishment of a 345.59 acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool, Rio Arriba County, New Mexico, and for an unorthodox gas well location.

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MR. SETH: I am Oliver Seth, and I am appearing for the Applicant, and Mr. Webb, who will also appear, will put on the case. We have one witness, Mr. J. P. Morris.

(Witness sworn.)

MR. UTZ: Mr. Webb, do you have Exhibits in this case?

MR. WEBB: Yes, sir, one.

MR. UTZ: I wonder if you will mark that Exhibit now.

MR. WEBB: Yes.

MR. UTZ: You may proceed.

J. P. MORRIS

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

DIRECT EXAMINATION

BY MR. WEBB:

Q By whom are you employed?

A La Plata Gathering System, of Dallas.

Q In what capacity?

A As geologist.

Q Have you ever testified before this Commission before?

A No, sir, I haven't.

Q What is your professional background, beginning first with your educational background?

A I graduated in 1951 from Mississippi State University with a B. S. Degree in Petroleum Geology.

Q By whom were you employed subsequent to that time?



A Standard Oil Company of Texas, from 1951 to 1959. July of 1959, at which time I was employed by Woodward, Woodward, Turner and Webb, and then I was employed by La Plata Gathering System.

Q What capacity, during those periods?

A Geologist, exploration geologist and production geologist.

Q Are you generally familiar with the geological area or the geology of the San Juan Basin of New Mexico?

A Yes.

MR. WEBB: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q (BY MR. WEBB) Mr. Morris, would you tell the Commission what has been proposed by the La Plata Gathering System in this case?

A Well, we propose to put together Sections 31 and 30 in Township 32 North, Range 5 West, as a drilling unit. To drill the Mesaverde Well to the base of the Point Lookout.

Q Are those two Sections presently unitized or communitized?

A Yes, sir, they're in the San Juan 32-5 unit.

Q What is, if you can describe to the Commission, the area extent of those two Sections?

A Exhibit A, there, is Section 30 and it consists of 174.41 acres, and Section 31 consists of 171.18 acres, a total of 345.59 acres, which is a non-standard gas prorated unit.

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Q Would there be any other manner in which the gas would not be in the Mesaverde formation that might be referred by communitization, unitizing this association with any other adjacent acreage?

A No.

Q Your application also calls for non-standard or an unorthodox location and the well would be only 713 feet from the East Line of Section 31. Why must that well be 713 feet from the East Line rather than 790?

A Because the distance from the East Line to the West Line of that narrow section of 31 is 1400, and the North end of Section 31 is 1428.9 feet, and to the South end it's 1413.06 feet.

Q It would be impossible to drill a well in Section 31 and have it 790 feet from the boundary line?

A That is right.

Q In your opinion, Mr. Morris, will the drilling of this well prevent waste and protect correlative rights to parties involved?

A Yes, sir, it would.

MR. WEBB: That is all.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Morris, are you familiar with the surrounding units to the Mesaverde units?

A Yes, sir.



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Q And, in Section 32, how is that dedicated, North 1/2 and South 1/2?

A Yes.

Q In Section 36?

A That is East 1/2 and West 1/2.

Q In Section 25?

A I believe, I am not sure about that one. I believe it is East 1/2 and West 1/2.

Q Was there a well on the East 1/2?

A Of 25?

Q Yes, sir.

A No.

Q Well, then it probably isn't dedicated, is it?

A No, sir.

Q In Section 29?

A No wells on Section 29.

Q Is that a standard Section, 640 acre Section?

A I assume it is, I don't know if it is or not. I think all of these Sections in that Township Range are standard except the ones along the West edge, 19, 30 and 31.

Q It's inside the Section, so chances are it's standard?

A Yes, sir.

Q And, Section 20 has no wells except the dry hole of No. 1 Federal, what was that dry in?

A In the Pictured Cliff.



Q How many more of these Sections do you have between this area and the State line?

A Four more, three more counting--well, there are six in all that whole line.

Q Does your 32-5 go to the Colorado line?

A Yes.

Q Have you given any thought to how you are going to divide those particular Sections up?

A No.

Q What is the southern-most boundary of your 32-5 unit?

A This dark heavy line, Section South 1/2 of Township 32 North, Range 5 West, over to Section 35, then it drops down and takes in Section 1 and 2 and 31 North and 5 West.

Q In this immediate area, however, the southern boundary is the South edge of 32?

A Yes, sir.

Q Do you think the Mesaverde will be productive all the way to the Colorado line?

A No, sir.

Q Would that be why you weren't concerned about these other units? In other words, the point I am trying to make, if it is going to be productive it would seem to me we should get all these units in one hearing so as not to divide them up.

A The one well in the North in Section 10, 32 N., 5 W. They did get some gas out of the Mesaverde, it's shedding out in



that area right there.

Q How much acreage is included in Lot 1 of Section 30?

A Lot 1, Section 30, I can give it to you approximately. It's approximately 42 acres. In Lots 1, 2 and 3 and 4 in 31 they range from 43 to 47.

Q Does Section 25 in the 32-5 unit?

A Yes, sir.

Q La Plata is the operator of the unit?

A Yes.

Q Does La Plata have any intention of drilling a hole in the N. E. 1/4?

A Yes, sir.

Q In the near future?

A We have a location staked in the area now.

MR. UTZ: Any other questions of the witness?

Q (BY MR. PAYNE) Mr. Morris, you say there is six of these partial Sections going up to the Colorado line?

A Yes.

Q So that if the Mesaverde is productive you can dedicate to these partial Sections to each of three wells?

A Yes.

Q The same thing in the Dakota, if you subsequently drill on the Dakota?

A That is right.

Q Now, your location is not crowding anybody, is it?



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A I don't believe it is.

Q You are the operator of all the surrounding acreage?

A Yes.

MR. PAYNE: Thank you.

Q (BY MR. UTZ) Are there any other partial Sections, such as this, in your 32-5 unit?

A The only ones are in 31 North, the North end of the Sections to the north. They're a small 640. In Section 1 and 2 and 31 North, 5 West, a short section there also.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Any statements in this case? If there are none, the case will be taken under advisement.



I N D E XWITNESS:PAGE:

J. P. MORRIS

Direct examination by Mr. Webb

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Cross examination by Mr. Utz

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E X H I B I T S

<u>Number</u>	<u>Exhibit</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
Appl 1		2		

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STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO) ss

I, LEWELLYN NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 7 of July, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn J. Nelson

 NOTARY PUBLIC

My Commission Expires:

June 14, 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2004 heard by me on July 6, 1960.

[Signature]

 Examiner
 New Mexico Oil Conservation Commission

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