

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 16, 1960

IN THE MATTER OF:

SOUTHEASTERN NEW MEXICO NOMENCLATURE case
calling for an order creating new pools and
extending existing pools in Chaves, Eddy,
Lea and Roosevelt Counties, New Mexico:

- (a) Create a new oil pool for San Andres
production, designated as the West
Bitter Lake-San Andres Pool, and des-
cribed as:

Township 10 South, Range 25 East, NMPM
Section 17: SE/4

- (b) Create a new gas pool for Pennsylvanian
production, designated as the Black
River-Pennsylvanian Gas Pool, and des-
cribed as:

Township 24 South, Range 26 East, NMPM
Section 12: SE/4

- (c) Create a new gas pool for Ellenburger
production, designated as the Custer-Ellen-
burger Gas Pool, and described as:

Township 24 South, Range 36 East, NMPM
Section 36: NW/4

- (d) Create a new oil pool for Pennsylvanian
production, designated as the South Prairie-
Pennsylvanian Pool, and described as:

Township 8 South, Range 36 East, NMPM
Section 20: NE/4

- (e) Delete certain portions of the Middle Lynch-
Yates Pool, described as:

Township 20 South, Range 34 East, NMPM
Section 15: W/2 SW/4
Section 16: SE/4
Section 21: E/2 NW/4, S/2 NE/4, and SE/4
Section 22: W/2 NW/4, W/2 SE/4, and SW/4

CASE
NO. 2120

DEARNLEY-MEIER REPORTING SERVICE, Inc.

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ALBUQUERQUE, NEW MEXICO



- (f) Extend the Allison-Pennsylvanian Pool,
to include:

Township 8 South, Range 36 East, NMPPM
Section 36: SE/4

- (g) Extend the South Bitter Lake-San Andres
Pool, to include:

Township 10 South, Range 25 East, NMPPM
Section 22: S/2 SW/4 and SW/4 SE/4

- (h) Extend the Canrock-Queen Pool, to include:

Township 12 South, Range 31 East, NMPPM
Section 35: SE/4 SE/4

- (i) Extend the Caudill-Wolfcamp Pool, to include:

Township 15 South, Range 36 East, NMPPM
Section 21: NW/4

- (j) Extend the Cedar Lake-Abo Pool, to include:

Township 17 South, Range 31 East, NMPPM
Section 20: S/2 SE/4
Section 29: N/2 NE/4

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(Cont'd.)

- (k) Extend the Eagle Creek-San Andres Pool, to
include:

Township 17 South, Range 25 East, NMPPM
Section 14: SW/4

- (l) Extend the East E.K-Queen Pool, to include:

Township 18 South, Range 34 East, NMPPM
Section 22: NW/4 SE/4

- (m) Extend the Southwest Gladiola-Devonian Pool,
to include:

Township 12 South, Range 37 East, NMPPM
Section 35: N/2 NW/4

- (n) Extend the Langlie Mattix Pool to include:

Township 22 South, Range 37 East, NMPPM
Section 29: N/2 NW/4 and SW/4 NW/4



(o) Extend the Lynch-Yates Pool to include:)

Township 20 South, Range 34 East, NMPM)

Section 22: S/2 S/2)

Section 26: SE/4 and W/2 NE/4)

Section 27: N/2)

Section 28: E/2 SW/4)

(p) Extend the Mescalero-Devonian Pool to include:)

Township 10 South, Range 32 East, NMPM)

Section 27: NW/4)

(q) Extend the Pearl-Queen Pool to include:)

Township 20 South, Range 35 East, NMPM)

Section 3: W/2 W/2)

Section 4: E/2 NE/4 and SE/4)

(r) Extend the North Square Lake-Grayburg Pool to include:)

Township 16 South, Range 31 East, NMPM)

Section 9: SE/4 NE/4)

(s) Extend the Tubb Gas Pool to include:)

Township 22 South, Range 38 East, NMPM)

Section 18: SE/4)

CASE

NO. 2120

(Cont'd.)

BEFORE:

Hon. John W. Burroughs

Mr. A. L. Porter, Examiner

Mr. Murray Morgan, Commissioner

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: We are going to take next the Southeastern Nomenclature Case, Number 2120.

MR. MORRIS: Case Number 2120. Southeastern New Mexico Nomenclature case calling for an order creating new pools and



extending existing pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico.

(Witness sworn.)

E R I C E N G B R E C H T, a witness, called by the New Mexico Oil Conservation Commission, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. PAYNE:

Q Will the witness state his name and position?

A Eric Engbrecht, Engineer District Number 1, Hobbs, New Mexico.

Q Mr. Engbrecht, in connection with your position, have you made a study concerning the creating of new pools and extending existing pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico?

A I have.

Q What are your recommendations concerning the creation of a new pool for San Andres production?

A I recommend -- It is recommended that a new oil pool be created and designated as the West Bitter Lake-San Andres Pool; vertical limits to be the San Andres formation, and the horizontal formation should be as follows: SE/4 of Section 17, Township 10 South, Range 25 East. Discovery well was Allen & Wagner - Cannon Well Number 1, located in Unit P of Section 17-T10S-R25E, and was com-

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pleted on July 4th, 1960; top of perforation is 766 feet.

Q What are the recommendations on the creation of new gas pool for Pennsylvanian production?

A It is recommended that a new gas pool be created and designated as Black River-Pennsylvanian Gas Pool; vertical limits to be the vertical Pennsylvanian formation, and horizontal limits should be as follows: SE/4 of Section 12, T24S, R26E. Discovery Well was J. I. O'Neill, Junior, Federal D Number 2, located in Unit P, Section 12, T24S, R26E, and was completed on September 1st, 1958; top of perforation is at 11,566 feet.

Q What are your recommendations concerning the creation of a new gas pool for the Ellenburger production?

A It is recommended that a new gas pool be created, and be designated as the Custer-Ellenburger Gas Pool; vertical limits to be the Ellenburger formation; horizontal limits should be as follows: NW/4 of Section 36, T24S-R36E. Discovery well was Shell Oil Company State B Number 36-1, located in Unit C of Section 36, T24S-R36E, and was completed on July 5th, 1960; top of perforations is 12,730 feet.

Q What are your recommendations concerning the creation of a new oil pool for Pennsylvanian Production?

A It is recommended that a new oil pool be created, to be designated as the South Prairie-Pennsylvanian Oil Pool, vertical limits to be the Bough "C" Pennsylvanian formation, and the horizontal limits should be as follows: NE/4 of Section 20, T8S, R36E.

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Discovery Well was Cosden Petroleum Corporation's Federal C Number 1, located in Unit G of Section 20, T8S, R36E, and was completed on September 19, 1960. Top of perforation is at 9,653 feet.

Q Do you have any recommendations concerning deletion of certain portions of the Middle Lynch-Yates Oil Pool?

A It is recommended that the Middle Lynch-Yates Pool boundary be corrected and deletions as shown in Paragraph "e" of Exhibit 1, on the basis of non-productive acreage in certain wells not geologically capable of producing from this pool.

Q What are your recommendations concerning extension of the Allison-Pennsylvanian Pool?

A It is recommended that the Allison-Pennsylvanian Pool boundary be extended as shown in Paragraph "f" of Exhibit 1, on the basis of one well completed therein.

Q What are your recommendations concerning extension of South Bitter Lake-San Andres Pool?

A It is recommended that the South Bitter Lake-San Andres Pool boundary be as shown in Paragraph "g" of Exhibit 1, on the basis of two wells completed therein.

Q What are your recommendations concerning the extension of the Caprock-Queen Pool?

A It is recommended that the Caprock-Queen Pool be extended as shown in Paragraph "h", Exhibit 1, on the basis of one well completed therein.

Q What are your recommendations concerning the extension



of the Caudill-Wolfcamp Pool?

A It is recommended that the Caudill-Wolfcamp Pool be extended as shown in Paragraph "i" of Exhibit 1, on the basis of two wells completed therein.

Q What are your recommendations concerning extension of the Cedar Lake-Abo Pool?

A It is recommended that the Cedar Lake-Abo Pool be extended as shown in Paragraph "j" of Exhibit 1, on the basis of two wells shown completed therein.

Q What are your recommendations for the extension of the Eagle Creek-San Andres Pool?

A It is recommended that the Eagle Creek-San Andres Pool be extended as shown in Paragraph "k" of Exhibit 1, on the basis of one well completed therein.

Q What are your recommendations concerning the extension of the East E.K.-Queen Pool?

A It is recommended that the Eagle Creek-San Andres Pool be extended as shown in Paragraph "l" of Exhibit 1, on the basis of two wells completed therein.

Q What are your recommendations concerning extension of the Southwest Gladiola-Devonian Pool?

A It is recommended that the Southwest Gladiola-Devonian Pool be extended as shown in Paragraph "m" of Exhibit 1, on the basis of one well completed therein.

Q What are your recommendations concerning extension of



the Langlie Mattix Pool?

A It is recommended that the Langlie Mattix Pool boundary be extended as shown in Paragraph "n" of Exhibit 1, on the basis of four wells completed therein.

Q Do you have any recommendations to make in regard to extending the Lynch-Yates Pool?

A It is recommended that the Lynch-Yates Pool boundary be extended as shown in Paragraph "o" of Exhibit 1, on the basis of five wells completed therein.

MR. PAYNE: Do you have anything on this to present?

MR. BLACKMAN: I don't have any evidence; I just want to make a statement.

MR. PORTER: Suppose we go ahead and finish with all of the exhibits, because the recommendations of Mr. Engbrecht do not correspond to the exhibits in Paragraph "e", so we will straighten all that out next time.

Q (By Mr. Payne) What are your recommendations concerning extension of Mescalero-Devonian Pool?

A It is recommended that the Mescalero-Devonian boundary be extended as shown in Paragraph "p" of Exhibit 1, on the basis of one well completed therein.

Q What are your recommendations concerning extension of the Pearl-Queen Pool?

A It is recommended that the Pearl-Queen boundary be extended as shown in Paragraph "q" of Exhibit 1, on the basis of



two wells completed therein.

Q What are your recommendations concerning extension of the North Square Lake-Grayburg Pool?

A It is recommended that the North Square Lake-Grayburg Pool boundary be extended as shown in Paragraph "r" of Exhibit 1, on the basis of one well completed therein.

Q What are your recommendations concerning the extension of the Tubb Gas Pool?

A It is recommended that the Tubb Gas Pool boundary be extended as shown in Paragraph "s" of Exhibit 1, on the basis of one well completed therein.

Q Now, you prepared an exhibit substantiating these recommendations?

A Yes, I have.

Q It is designated as Exhibit Number 1?

A Designated Exhibit Number 1, Letters "a" through "s".

MR. PAYNE: At this time, we will move for the introduction of Exhibit 1, in Case #2120.

MR. PORTER: Before I act on that motion, Mr. Payne, suppose we clarify Paragraph "e", which refers to deletion of certain wells, that being the Middle Lynch-Yates. Now, in response to your question, I believe Mr. Engbrecht said that he recommended that the deletion be made in accordance with Paragraph "e"?

MR. PAYNE: Yes.

MR. PORTER: And the Exhibits show only a deletion be



made in Section 22, whereas, the Docket shows deletions to be made in Sections 15, 16, and 21 also. So I believe it might be well, Mr. Engbrecht, for you to take your exhibit and give us the description of the area which it is recommended to be deleted from this.

A The area that is recommended to be deleted in "e", of the Middle Lynch-Yates Pool, is as follows: Section 22, the W/2 of the SE/4, the E/2 of the SW/4, the SW/4 of the SW/4, as advertised, or was in the Order of Nomenclature; it is much smaller than it was originally set out.

Q (By Mr. Payne) That is the only deletion you recommend?

A Yes, it is the only deletion.

MR. PORTER: I don't believe that area was advertised; I think it was just listed on the docket.

A It was advertised on the Pool basis, sir.

MR. PORTER: Mr. Blackman, did you have some question concerning this Paragraph "e"?

MR. BLACKMAN: No, sir, I did not; not in respect to Paragraph "e".

MR. PORTER: Is there any objection to the admission of the exhibit?

(No response.)

MR. PORTER: The Exhibit 1 will be admitted to the record.

Mr. Blackman, did you have something?



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MR. BLACKMAN: My Name is R. H. Blackman. I am counsel for Potash Company of America. Potash Company of America owns potash leases on land which is involved in Paragraph "o", which appears on Page 3 of Docket 33-60, in Case Number 2120. Paragraph "o" is, concerns the extension of the Lynch-Yates Pool to include certain land as set forth in the Docket. Potash Company of America objects to the extension of the pool insofar as it extends into land west of the center of Sections 22 and 27, T22S -- Correction T20S, R34E, for the following reasons:

The highest reserves in Lea County, New Mexico, within the boundaries of the Potash-Oil area, as defined in Order R-111-A, and the exception in Paragraph "o", is addressed to an exception to the order set forth -- to the drilling regulations set forth in R-111-A. These potash reserves constitute, so far as is presently known, the remaining undeveloped potash reserves in New Mexico; that is, these lands and certain other lands in Lea County, constitute those undeveloped reserves. The other known reserves for development of potash in North America are in Canada and the State of Utah. These reserves in Canada and Utah are known to be of considerably lesser quality than the undeveloped reserves in the State of New Mexico.

The New Mexico undeveloped reserves are marginal in character. Each time a well is drilled into the potash zone, into the potash deposit, a substantial amount of potash is lost, and a further substantial amount is considerably further reduced in value. The



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possibility of development of these reserves is rendered less likely by further exploration activity by way of drilling wells into this potash area.

We believe that all possible measures should be taken to prevent the drilling and reducing the value of the potash, and deny the extension, because it includes exceptions to the drilling requirements of regulation R-111-A.

MR. PORTER: You mean you think the pool rules include exceptions to R-111-A?

MR. BLACKMAN: They do include a different casing program, as I understand it.

MR. PORTER: In the Lea Pool, I don't believe that is true in the Lea Pool. I think in the middle Lea we have a special pool, that could be checked out.

MR. BLACKMAN: If that does not happen to be true, I would still like my objection to stand as part of the record, Mr. Porter.

MR. PORTER: I would like for you to repeat specifically, which of the extensions you would object to. Now, the pool, it is recommended that the pool be extended in three directions here, East, West, and North.

MR. BLACKMAN: My objection is addressed to extending the pool to include the NW/4 of Section 27 --

MR. PORTER: NW/4 of Section 27?

MR. BLACKMAN: Right. -- the S/2 of the SW/4 of Section



22, the NW/4 of 27, and the S/2 of the SW/4 of 22, and the E/2 of the SW/4 of 28.

MR. PORTER: Well, Mr. Blackman, we understand that these recommendations are being made to include wells which have already been drilled?

MR. BLACKMAN: Yes, I understand that.

MR. PORTER: Does anybody have a question of Mr. Engbrecht?

(No response.)

MR. PORTER: If not, the witness may be excused.

(Witness excused.)

MR. PORTER: If there is nothing further to be offered in this case, we will take the case under advisement.

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STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, a 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 in stenotype, and reduced to typewritten transcript, 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 10th day of December, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ida Dearnley
 NOTARY PUBLIC.

My Commission Expires:

June 19, 1963.

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I N D E XWITNESSPAGE

ERIC ENGBRECHT
Direct Examination by Mr. Payne

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NUMBERIDENTIFIEDOFFEREDADMITTED

Ex. #1

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