

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 25, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Val R. Reese & Associates,  
Inc., for an unorthodox gas well location  
and a non-standard gas unit, Rio Arriba  
County, New Mexico. Applicant, in the  
above-styled cause, seeks permission to  
locate its Benn Well No. 1-9 at an un-  
orthodox gas well location in an undesig-  
nated Gallup pool, 2210 feet from the  
North line and 330 feet from the East  
line of Section 9, Township 23 North,  
Range 7 West, Rio Arriba County, New  
Mexico, said well to be dedicated to a  
152.02-acre non-standard gas unit com-  
prising the NE/4 of said Section 9.

CASE NO.  
2412

BEFORE: Dan S. Nutter, Examiner.

TRANSCRIPT OF HEARING

EXAMINER NUTTER: We'll call Case No. 2412.

MR. ERREBO: Burns H. Errebo, Modrall, Seymour, Sperling,  
Harris & Roehl, appearing on behalf of the Applicant.

We have one witness.

MORRIS JONES

called as a witness by and on behalf of the Applicant, having been  
first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. ERREBO:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

Q State your name, occupation and where you live.

A Morris Jones, consulting petroleum engineer, Albuquerque, New Mexico.

Q Mr. Jones, have you previously testified before this Commission as an enginner and were your qualifications as such accepted?

A Yes, I have. They were accepted.

Q Are you familiar with the lease Benn Well No. 1 which is the subject of this application?

A Yes, I am.

Q Have you prepared or caused to be prepared a plat showing the location of this well and the acreage which you propose to assign to it?

A Yes, this is our Exhibit No. 1.

Q Will you refer to the Exhibit and state what that shows.

A This is a location plat, a general plat showing the location of the Benn, Val R. Reese Associates' Benn No. 1-9 Well and the acreage proposed to be dedicated to it designated as a gas well. It also shows the surrounding wells that were drilled prior to the Benn Well in this undesignated Gallup area.

Q Are those all oil wells?

A Yes, all of these wells are oil wells, completed in the Gallup zone.

Q What does it show with regard to the Escrito-Devil's Fork area?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

A Actually this well is about three miles - - three or four miles south of the west boundary of the Escrito and Devil's Fork pool.

Q Did you say south and west?

A Yes.

Q I notice you have 150.2 acres. It appears to represent a quarter section. Is that an odd section at that point?

A Yes. The survey in that area gives sections that are not full 40-acre sections and the unorthodox area is the basis of a legal survey.

Q This well, then, was drilled at a regular oil location under rule 104B-1 of the Commission's rules and regulations, is that correct?

A That's correct. It had standard spacing for oil well in an undesignated area.

Q Is that reflected by your Exhibit 2?

A Yes, sir. Exhibits 2 and 2A are copies of a notice of intention to drill and the survey plat showing this location.

Q Is that form C-128 of this Commission?

A Yes.

Q The well is not completed as a well in the Gallup formation?

A That's correct.

Q And is shown as a gas well on your plat?

A Yes, that is correct.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

Q On what basis do you label it as a gas well?

A The production from this well is primarily gas and the gas well designation is based upon a GOR test filed on C-116 with the State on August 25. That gives us a GOR of 72,920 cubic feet per barrel.

Q Is this Exhibit No. 3?

A Yes.

Q Was that the initial GOR or a subsequent GOR?

A That was the initial GOR taken on the well.

Q Have you had occasion to take the GOR for any reason since this report was filed?

A It has not been produced since this GOR was filed.

Q How much oil was produced during these tests?

A 13.7 barrels during the twenty-four hour test.

Q Have you made a determination as to what the production of oil and gas would be from this well?

A On an undesignated area, with 160 acres and a penalty ratio of 2,000, it would be approximately two barrels per day of oil to stay within the penalty ratio of gas.

Q Do you feel this well should be classified and treated as a gas well?

A Yes, because of the high ratio GOR ratio on this well.

Q Do you feel the ratio will go up or down?

A Of course, most Gallup wells have a tendency to increase their GOR over the life of the well.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

Q What has been the nature of your experience with Gallup production in the San Juan Basin?

A Several completions in the Devil's Fork and the Escrito undesignated areas and Gallup completions in the Jicarilla Reservation.

Q You make your living working on wells and working as a petroleum engineer in the San Juan Basin?

A Yes.

Q This well as presently located does not come within the rules for gas wells in an undesignated area?

A That's correct.

Q The spacing on standard oil well locations are 330 in the rule for gas wells in an undesignated area. I believe that yours are 660 or 7590, but you say falls short of the gas well location. Actually, it's no closer than 790 feet according to the rules for a gas well? That is, to the unit line?

A Yes.

Q Do you have anything further to add at this time, Mr. Jones?

A Well, Exhibit 4 is a survey plat that was submitted, a copy of form C-128 that was submitted to the State on August 30th with the designated acreage for the gas well shown with each quarter of the quarter section, with the acreage shown on it to determine whether there was 152.02 acres and how that was arrived at.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243 6691

Q Do you have anything further?

A No.

MR. ERREBO: That's all we have, Mr. Examiner.

EXAMINER NUTTER: Are there any questions of Mr. Jones?

EXAMINATION

BY MR. MORRIS:

Q Mr. Jones, the Commission took the liberty of noticing this case for a non-standard unit even though you could have obtained administrative approval for it. The unorthodoxness of the unit is due to deviation in the public land survey, is it not?

A Yes, that's correct.

MR. MORRIS: That's all I have; thank you.

EXAMINATION

BY EXAMINER NUTTER:

Q This well was drilled at a standard location for an oil well?

A Yes.

EXAMINER NUTTER: Are there any other questions of Mr. Jones?

REDIRECT EXAMINATION

BY MR. ERREBO:

Q I believe you testified previously did you not, Mr. Jones, that there were no other gas wells in the vicinity of this well as shown on the map at the time you located and drilled the



**DEARNLEY-MEIER REPORTING SERVICE, Inc.**

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

well?

A That's correct.

MR. ERREBO: That's all.

EXAMINER NUTTER: Are there any other questions of Mr. Jones?

If not, he may be excused.

Do you have anything further in this case?

MR. ERREGO: You prepared these Exhibits, did you not or they were prepared under your supervision?

THE WITNESS: Yes.

MR. ERREBO: We offer Exhibits 1 through 4 in evidence.

EXAMINER NUTTER: Exhibits 1 through 4 will be admitted in evidence.

Is there anything further to offer in this case?

If not, the case will be taken under advisement.

(Witness excused.)

EXAMINER NUTTER: We will recess the hearing.

(Hearing recessed.)




## DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182ALBUQUERQUE, N. M.  
PHONE 243-6691

STATE OF NEW MEXICO )  
                                   )    ss  
 COUNTY OF SAN JUAN    )

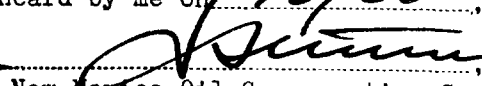
I, THOMAS F. HORNE, Court Reporter, in and for the County of San Juan, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

  
 Notary Public

My Commission expires:

October 2, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2412 heard by me on 10/25, 1961.

  
 Examiner  
 New Mexico Oil Conservation Commission

