

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 19, 1961

EXAMINER HEARING

IN THE MATTER OF:)

Application of Southwest Production Com-)
pany for a non-standard oil proration)
unit and for an unorthodox oil well lo-)
cation. Applicant, in the above-styled)
cause, seeks the establishment of a)
71.3-acre non-standard oil proration)
unit in the Cha Cha-Gallup Oil Pool com-)
prising that portion of the SW/4 of)
Section 16, Township 29 North, Range 14)
West, San Juan County, New Mexico, lying)
North of the mid-channel of the San Juan)
River. Applicant further seeks approval)
for an unorthodox oil well location in)
said pool at a point 1850 feet from the)
South line and 330 feet from the West)
line of said Section 16, to serve as the)
unit well.)

Case 2259

BEFORE: Mr. A. L. "Pete" Porter,
Secretary-Director, Alternate Examiner.

TRANSCRIPT OF HEARING

MR. PORTER: The hearing will come to order, please.

We will take up Case No. 2259.

MR. MORRIS: "Application of Southwest Production Com-
pany for a non-standard proration unit and for an unorthodox oil
well location."

MR. VERITY: George L. Verity for the Applicant. I

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



have one witness in the case.

(Witness sworn.)

MR. VERITY: By way of a preliminary statement, I would like to point out to the Commission that this is an application for a non-standard proration unit for an orthodox oil well location. If I might, without further identification, I'd like to introduce in evidence Applicant's Exhibit No. 1 which is an order of the Commission in Case No. 2165 (r)-1867. This is an order affixing the same 160 acres which this application lies within, the Southwest quarter of Section 16, TWP 29 North, Range 14 West, San Juan County, New Mexico. It is bisected slightly on the north of the middle of the 160 acres by the San Juan River, which makes it impractical to divide the 160 acres into two 80-acre units. In accord with this, Pan Am asked for a non-standard proration unit for all of the land south of the river and the Commission granted this, giving them an 88.07 acre unit.

The applicant has the lease on all of the land north of the center of the river and we are asking that it be placed in a non-standard proration unit and that we be given an off-pattern location so that we can get out of the swamp and away from a power line.

DIRECT EXAMINATION

BY MR. VERITY:

Q Will you please state your name?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A V. L. Whitaker.

Q What is your educational background?

A I have a B. S. degree in physics from Texas A & I.

Q Since that time have you been employed in the oil engineering field?

A I have worked some eight years for service companies working with logs, in the last five years with oil companies as a consultant production foreman and engineer-geologist.

Q Who are you employed by?

A Southwest Production Company.

Q Are you familiar with the Cha Cha-Gallup Oil Pool, and particularly with the nature of the Gallup production underlying the Southwest quarter of Section 16, TWP 29 North, Range 14 West in San Juan County?

A Yes, I am.

Q I hand you, Mr. Whitaker, what the reporter has marked Applicant's Exhibit 2. Will you please tell us what it is?

A This is a plat of Section 16, TWP 29 North, Range 14 West, covering acreage that we would propose to put in an unorthodox non-standard drilling unit, which is the area north of the San Juan River and in the Southwest quarter of Section 16.

Q Does the company own all of the acreage north of the center of the San Juan River and lying within the Southwest quarter of Section 16?



A That is correct.

Q Do you know whether or not the royalty interest underlying that same unit is all common?

A It is state land with common royalties.

Q How much acreage lies within that portion of the Southwest quarter north of the center of the river?

A Approximately 71.3 acres which is the remainder of this quarter section that -- well, the remainder that Pan Am did not claim under their non-standard unit. They claimed 88.7 acres and we claimed the remaining 71.3 acres to it.

Q These two together make up the full 160 acres. Are you familiar with the geology underlying this proposed unit?

A I have done Isopach work on this area and expect this entire 71.3 acres to be productive in this Cha Cha-Gallup zone.

Q Have you inspected the land and the nature of the topography in this proposed unit?

A Yes, I have.

Q Will you please describe it?

A Cutting across where the unorthodox location would follow, there's a 69,000-volt transmission line which we propose to stay away from. Beyond it lies a marshy river, overflow country that we would find pretty difficult to operate in.

Q In light of these factors, have you made a proposed location for the Gallup well on this unit?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A We have a location which is flagged on this Exhibit 2.

Q Will you please state where that is with regard to the south and west edge?

A It is 330 feet from the west line, 1850 feet from the south line of Section 16.

MR. VERITY: I believe that's all we have.

MR. PORTER: Any questions of the witness?

CROSS EXAMINATION

BY MR. MORRIS:

Q I was assuming when we advertised this case -- I didn't know whether you owned to the mid-channel of the river or not, but you do, is that correct?

A Pan Am claims to mid-channel on the south side and we claim on the north side.

Q In one of the cases that came out recently, there was testimony to the effect that half of the mid-channel in some instances was going to be left without ownership. I think that was when there was some Federal lands on one side and un-owned land on the other side. It's your understanding that you do own the whole 71%?

A That is correct.

MR. MORRIS: Thank you.

BY MR. NUTTER:

Q In your exhibit here where you showed 60 acres, now



that's just in the north half of the southwest quarter?

A That is estimated, if you'll notice. Those figures are written there with est behind them. Checking in the Commission office in Aztec -- this thing is broken up into lots and the total of these -- well, I don't have them on this map, but the total acreage they showed amounted to some 60 -- well, something less than 70 acres. Add to that the river bottom country which Pan Am also added some 12 acres to their designated acreage on these plats, we looked in the office in Aztec and they added some 11 acres, something like that, to the river bottom country, to give them a total of 88.7 acres. We are following that same pattern.

MR. VERITY: I don't believe there is a controversy about the ownership. We make no claim about Pan Am, and by the same token, claim the same reciprocal acreage.

Q (By Mr. Nutter) On this exhibit, I think it is labeled "Pubco Petroleum Company"; is this actually an exhibit of Southwest Petroleum Company?

A We acquired the land from them.

Q Do you wish the exhibit to carry your name?

A Yes.

MR. VERITY: It was a Pubco farmout; they prepared it, actually.

Q (By Mr. Nutter) How many volts did you say that



line carried?

A I have looked into that. I have questioned, I have talked with the Janis Power Company and they said it was 69,000 volts.

MR. NUTTER: That's all.

THE WITNESS: It's marked on this plat as 70,000 volts. I'll give a thousand volts.

MR. VERITY: We offer Exhibits 1 and 2 in evidence.

MR. PORTER: Without objection, the exhibits will be admitted.

I believe these marshy conditions are peculiar to this particular section of the state. We don't run into that in the southeast.

Take the case under advisement.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
 : SS
 COUNTY OF BERNALILLO)

I, TOM HORNE, Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

T. Horne
 Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2259, heard by me on April 19, 19 61.
A. L. Porter, Jr., Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

