

CASE 1178: Application of Gulf Oil
Corporation for 320-acre non-standard
gas proration unit.

Case No.

1178

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 31, 1956

C
O
P
Y

Mr. Ross Malone
Petroleum Building
Roswell, New Mexico

Dear Sir:

On behalf of your client, Gulf Oil Corporation, we
enclose Order R-937 issued on December 28, 1956, in Case 1178,
which was heard on November 28, 1956, at Hobbs, New Mexico.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

jh
encls.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1178
Order No. R-937

THE APPLICATION OF GULF OIL
CORPORATION FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION TO RULE
5 (a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE KUMONT GAS
POOL AS SET FORTH IN ORDER NO. K-520
IN ESTABLISHMENT OF A NON-STANDARD
GAS PRODUCTION UNIT OF 320 CONTIGUOUS
ACRES CONSISTING OF E/2 SECTION 22,
TOWNSHIP 21 SOUTH, RANGE 36 EAST,
NMPM, KUMONT GAS POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on
November 28, 1956, at Hobbs, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the New Mexico Oil Conservation Com-
mission, hereinafter referred to as the "Commission," in accord-
ance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 28th day of December, 1956, the Commission,
a quorum being present, having considered the application, the
evidence adduced and the recommendations of the Examiner, Daniel S.
Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this case and the subject
matter thereof.

(2) That applicant, Gulf Oil Corporation is the owner
of a state oil and gas lease in Lea County, New Mexico, the land
consisting of other than a legal section, a portion of which is
described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 22: E/2

containing 320 acres, more or less.

(3) That applicant, Gulf Oil Corporation, has a producing well on the aforesaid lease known as its Harry Leonard "A" Well No. 3, located 660 feet from the North line and 1980 feet from the East line of Section 22, Township 21 South, Range 36 East, NMPM.

(4) That the aforesaid well was recompleted and in production prior to the effective date of Order No. R-520, and is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool; said well has at present a 160 unit gas allowable assigned to it.

(5) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 320 acres.

(6) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(7) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation for approval of a non-standard gas proration unit consisting of the following described acreage in the Eumont Gas Pool, Lea County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 22: E/2

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Harry Leonard "A" No. 3, located 660 feet from the North line and 1980 feet from the East line of said Section 22, shall be granted an allowable in the proportion that the above-described 320-acre unit bears to the standard proration unit in accordance with Rule 8 of the pool rules, all until further order of the Commission.

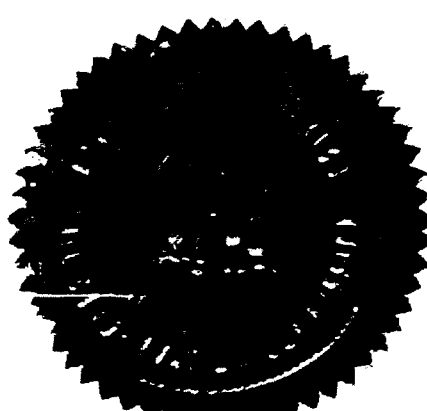
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



STANOLIND OIL AND GAS COMPANY

Roswell, New Mexico
December 28, 1956

File: B-46-986.510

Subject: Nomenclature Cast 1189
Abolishment of Hardy Pool,
Lea County, New Mexico

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

Case 1189 was continued at the December 13, 1956, Regular Hearing when the possibility was raised that some of the wells to be included in the Eumont Field might be completed in the Grayburg Formation. In accordance with the discussion following the hearing between Messrs. Warren Mankin and R. F. Montgomery of the Commission Staff and Messrs. J. K. Smith and J. W. Brown with Stanolind, we have made a thorough investigation of the completion intervals in Stanolind wells in the Hardy Pool. From our study it is concluded that all Stanolind wells presently included in the Hardy Pool are completed only in the Queen Formation. Therefore, we are in agreement with the proposed abolishment of the Hardy Field and incorporating Hardy Field wells producing from the Queen Formation into the Eumont Field.

Yours very truly,

STANOLIND OIL AND GAS COMPANY


C. L. Kelley

District Superintendent

JWB/ms

cc: Mr. R. F. Montgomery
New Mexico Oil Conservation Commission
Hobbs, New Mexico

DOCKET: EXAMINER HEARING NOVEMBER 28, 1955

New Mexico Oil Conservation Commission 10:00 a.m., Hobbs, New Mexico.

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico.

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 1177: Application of Stanolind Oil and Gas Company for approval of a non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 481-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 E/2 of Section 13, Township 26 South, Range 36 East, and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 26 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's Farnsworth "A" Well No. 4, located 1980 feet from the North line and 660 feet from the West line of said Section 18.

CASE 1178: Application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 of Section 22, Township 21 South, Range 36 East, Lea County, New Mexico; said unit to be dedicated to applicant's Leonard "A" Well No. 3, located 860 feet from the North line and 1980 feet from the East line of said Section 22.

CASE 1179: Application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 227-acre non-standard gas proration unit in the Jalmat Gas Pool comprising Lots 5, 6, and 7, and the SE/4 NW/4, and the E/2 SW/4 of Section 6, Township 22 South, Range 36 East, Lea County, New Mexico; said unit to be dedicated to applicant's J. H. Day Well No. 3, located 330 feet from the South line and 2310 feet from the West line of said Section 6.

CASE 1180: Application of John M. Kelly for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 200-acre non-standard gas proration unit in the Eumont Gas Pool comprising the E/2 SW/4, NW/4 SE/4, and W/2 NE/4 of Section 16, Township 19 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's Fiddle Stone Well No. 1, located 1980 feet from the South and West lines of said Section 16.

CASE 1181: Application of Continental Oil Company for a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool. Applicant, in the above-styled cause, seeks an order establishing a 360-acre non-standard gas proration unit in the Eumont Gas Pool consisting of Lots 2, 7, 10, 11, 12, 13, 14, 15, and 16 of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico; said unit to be dedicated to applicant's State F-1 Well No. 5, located 3300 feet from the North line and 1980 feet from the West line of said Section 1.

CASE 1182: Application of Continental Oil Company for a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the S/2 of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico; said unit to be dedicated to applicant's State F-1 Well No. 1, located 660 feet from the South and West lines of said Section 1.

CASE 1183: Application of Amerada Petroleum Corporation for an order authorizing a salt water disposal well in the Bagley-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the conversion to a salt water disposal well of its Amerada State BT "D" Well No. 4, located in the SE/4 SW/4 of Section 2, Township 12 South, Range 33 East, Lea County, New Mexico; the proposed zone of injection is from 9,045 to 9,230 in the Bagley-Pennsylvanian Pool.

CASE 1184: Application of Harold Kersey, dba Kersey and Company, for approval of the proposed Red Lake Premier Sand Unit in Eddy County, New Mexico, in accordance with Rule 507 of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order approving the proposed Red Lake Premier Sand Unit comprising the following acreage in Eddy County, New Mexico:

<u>Township 17 South, Range 28 East</u>	
Section 19:	SE/4
Section 20:	NE/4 NW/4, S/2 NW/4, NE/4, S/2
Section 21:	SW/4 NW/4, SW/4, W/2 SE/4
Section 28:	NW/4, NW/4 NE/4, NW/4 SW/4
Section 29:	N/2
Section 30:	NE/4

said unit consists of State and Federal Acreage.

ir/

OK 18
approve &
increase as per
Rule 8? pool 12/17/56
Futter

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date December 15, 1956

CASE

1178

Hearing Date

November 28, 1956

My recommendations for an order in the above numbered cases are as follows:

I recommend that the Commission enter an order in this case approving the 320 acre NSP in the Emmont Gas Pool as requested in this case.

The unit is to consist of the E/2 of Sec 22, T 21S, R 36 E and be dedicated to Gulf's Harry Leonard "A" well No. 3, located 660' FNL and 1980' FEL of said Sec 22.

There are no other wells on the unit producing from the Emmont Pool.

San Futter
Staff Member



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P.O. DRAWER 1290 FORT WORTH 1, TEXAS

B. E. THOMPSON
DIVISION PRODUCTION MANAGER

FORT WORTH
PRODUCTION DIVISION

November 5, 1956

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Application for 320-Acre Eumont Non-Standard
Gas Proration Unit Assigned to Gulf's Harry
Leonard "A" Well No. 3

*Send copy
to Don
Walker
on 11/14/56*

Gentlemen:

On the application of Gulf Oil Corporation, New Mexico Oil Conservation Commission Case No. 919 was heard on July 14, 1955, which concerned Gulf's request for a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 of Section 22, T-21-S, R-36-E, Lea County, New Mexico. Gulf's application in Case 919 was denied; however, as there are now other Eumont gas wells producing south and east of the area to be included in the proposed 320-acre unit, Gulf Oil Corporation respectfully submits this new application for an exception to NMOCOC Order No. R-520 in the formation of the 320-acre non-standard unit described above. It is requested that this matter be set for examiner hearing at an early date.

The following facts are offered in support of this application:

- (1) The above described 320 acres comprise a portion of the Gulf owned and operated 480-acre Harry Leonard "A" State Lease, which consists of the E/2 and SW/4 of Section 22, T-21-S, R-36-E, as shown on the attached plat.
- (2) The proposed unit well, Gulf's Harry Leonard "A" Well No. 3, located 660 feet from the north line and 1980 feet from the east line of Section 22, T-21-S, R-36-E, was recompleted October 1, 1951, at a plugged back depth of 3708 feet in the Queen Zone of the Eumont Gas Pool. This well, which is now assigned a 160-acre gas allowable, is producing through 5-1/2-inch casing perforations from 3495 to 3695 feet. The 5-1/2-inch casing was cemented at 3760 feet with 175 sacks.
- (3) By copy of this letter of application, all operators owning interests in the section in which the proposed unit well is located and all operators within

*IP 2040 130
plus 3805 - 5875
PB 3708
Don Walker
11/14/56*

November 5, 1956

1500 feet of the unit well are notified of the intent of Gulf Oil Corporation to form the proposed 320-acre non-standard gas proration unit.

Respectfully submitted

GULF OIL CORPORATION

By: B. E. Thompson
Division Production Manager

cc: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

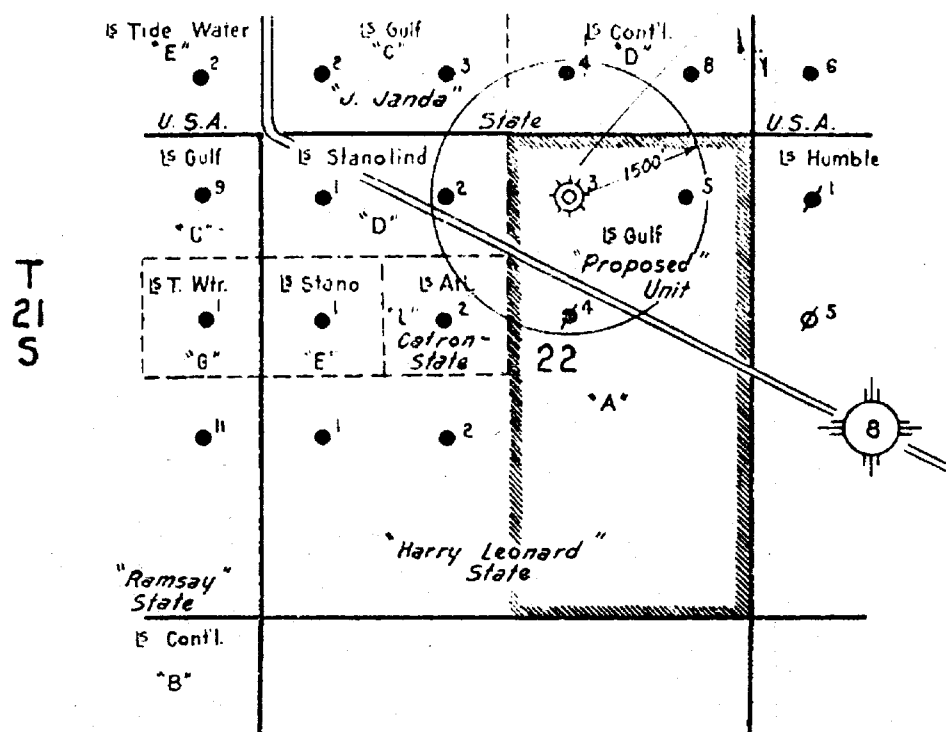
Atlantic Refining Company
P. O. Box 871
Midland, Texas

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas

Stanolind Oil & Gas Company
P. O. Box 899
Roswell, New Mexico

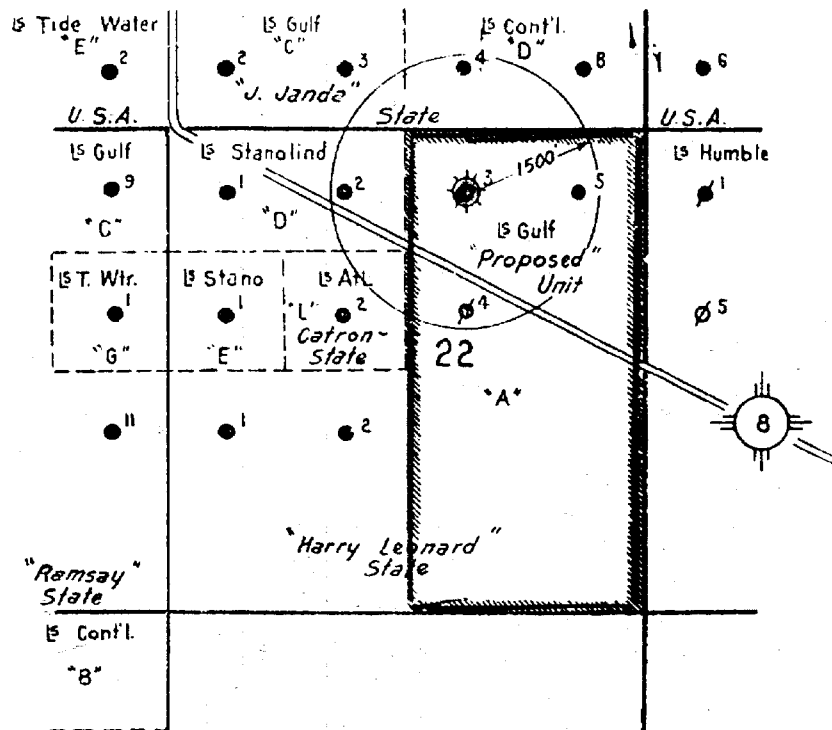
~~660-1980~~



Gulf - Harry Leonard "A" Lease

R-36-E

T
21
S



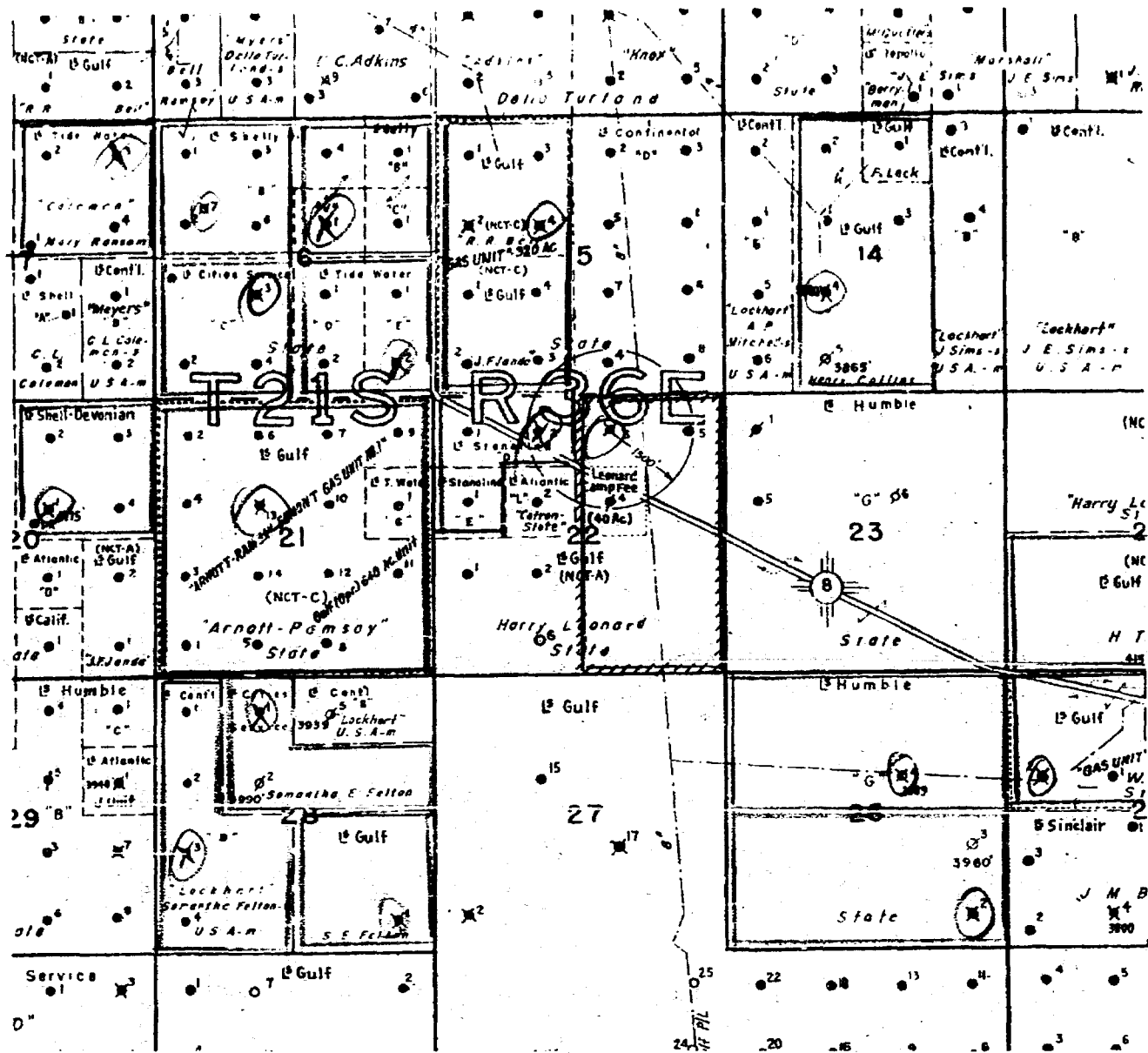
GULF OIL CORPORATION
FORT WORTH PRODUCTION DIVISION
Scale 1" = 2,000'

Plat Accompanying Application for
320-Acre Non-Standard Gas Unit

Gulf - Harry Leonard "A" Lease

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gulf EXHIBIT No. 1
CASE 1178



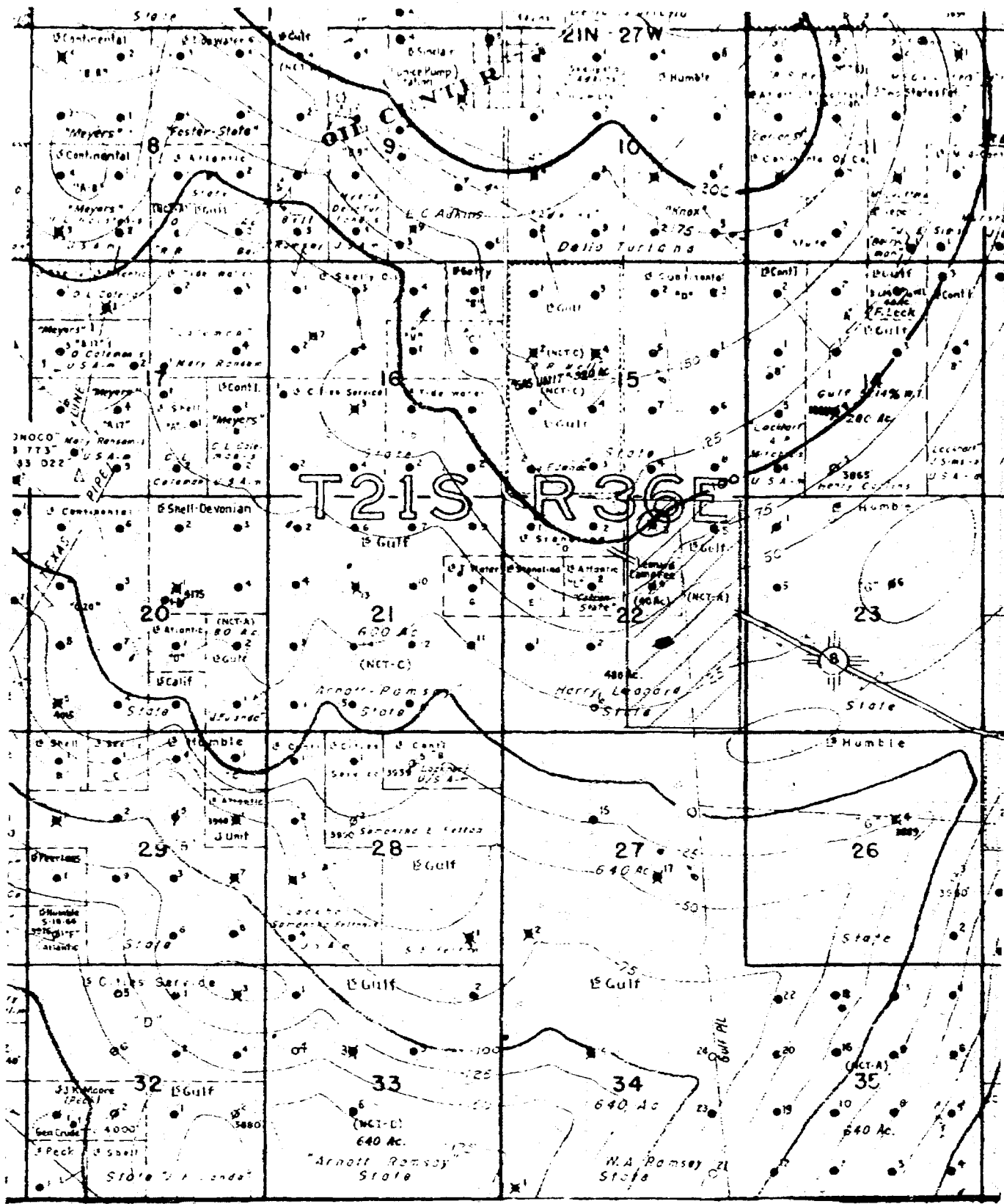
BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gulf EXHIBIT No. 2
CASE 1178

Gulf Oil Corporation
Fort Worth Production Division

Proposed 320-Acre Non-Standard
Eumont Gas Proration Unit
Assigned to Gulf's Harry Leonard "A" Well No. 3

Scale 1" = 3000'



Ex 3-1178

Contour Map on Top of Queen Formation

Case No. 1178 Exhibit No. _____

Gulf Oil Corporation November 28, 1956

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
NOVEMBER 28, 1956

TRANSCRIPT OF HEARING

Case No. 1178

DEARNLEY-NEED AND ASSOCIATES

CERTIFIED REPORTERS

605 SIMMS BUILDING

TELEPHONE 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
NOVEMBER 28, 1956

IN THE MATTER OF:

Application of Gulf Oil Corporation for approval of a :
non-standard gas proration unit in the Eumont Gas :
Pool in exception to Rule 5 (a) of the Special Rules :
and Regulations for the Eumont Gas Pool as set forth :
in Order R-520. Applicant, in the above-styled cause, : Case
seeks an order authorizing a 320-acre non-standard : No.
gas proration unit in the Eumont Gas Pool comprising : 1178
the E/2 of Section 22, Township 21 South, Range 36 :
East, Lea County, New Mexico; said unit to be dedi- :
cated to applicant's Leonard "A" Well No. 3, located :
660 feet from the North line and 1980 feet from the :
East line of said Section 22. :

BEFORE:

Mr. Daniel S. Nutter

TRANSCRIPT OF HEARING

MR. NUTTER: The next case is Case No. 1178.

MR. COOLEY: Case 1178, application of Gulf Oil Corporation
for approval of a non-standard gas proration unit in the Eumont
Gas Pool in exception to Rule 5 (a) of the Special Rules and Reg-
ulations for the Eumont Gas Pool as set forth in Order R-520.

MR. MALONE: Ross Malone from Roswell, appearing for Gulf
Oil Corporation. We have one witness, Mr. Don Walker, and we would
like that he be sworn in Cases 1178 and 1179.

(Witness sworn.)

MR. NUTTER: Let the record show that Mr. Walker has been sworn in Cases 1178 and 1179.

DON WALKER

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

DIRECT EXAMINATION

By MR. MALONE:

Q Will you state your name, please?

A Don Walker.

Q You are employed by Gulf Oil Corporation?

A Yes, sir.

Q In what capacity?

A I am Division Proration Engineer.

Q You reside at Fort Worth, Texas?

A Yes, sir.

Q And you have previously testified before the Commission as an expert, have you not?

A Many a time.

MR. MALONE: Are the witness' qualifications satisfactory?

MR. NUTTER: Yes.

Q Are you familiar with Gulf's application in Case No. 1178, Mr. Walker?

A Yes, sir.

Q What is sought by that application?

A Gulf seeks the approval of a non-standard gas proration unit in the Eumont Gas Pool, to consist, which should consist of the East Half of Section 22, Township 21 South, Range 36 East.

Q To what well would that unit be dedicated if the application is approved?

A Gulf Oil Harmlin Well No. 3.

Q Can you give us the location of that well?

A 660 feet from the north line and 1980 feet from the east line of said Section 22, Township 21 South, 36 East.

Q Do you have available a plat showing the proposed unit and the unit well?

A Yes, I do.

Q May I ask that it be identified as Gulf's Exhibit 1.

(Marked Gulf's Exhibit No. 1,
for identification.)

Q Referring to the plat which has been identified as Gulf's Exhibit 1, is that a plat of the proposed unit showing the Harry Leonard A Well No. B-3?

A Yes, sir, it is.

Q And the area within the unit is lineated in cross hatching in red?

A That's right, sir.

Q Could you give us a brief history of the proposed unit well?

A Gulf's Well, Leonard No. 3 was originally completed on November the 6th, 1936 as an oil well in the upper San Andres pay of the Eunice Oil Field. The initial potential of this well was 2,040 barrels of oil, which was produced through open hole from 3805 to total depth of 3895. Five and a half inch casing was cemented 3760 feet with 175 sacks. On October 1st, 1951 this well was plugged back from the total depth of 3895 to 3708 feet and it is now producing from the Queen Zone of the Eumont Gas Pool through five and a half inches casing perforation from 3495 to 3695 feet, which is within the vertical limits of the Eumont Gas Pool.

Q Is this well producing any fluid, Mr. Walker?

A No, sir, it does not.

Q I notice in Gulf's Exhibit No. 1 that another oil well indicated as No. 5 is shown within the unit. From what formation is that producing?

A This is Gulf's Harry Leonard A No. 5 which is producing from the Grayburg formation of the Eunice-Monument Pool. There are two other wells on this, it is a 480 acre lease, 320 acres of which is to be dedicated to this well. There are two other wells also, wells No. 1 and 2, located in the southwest quarter of Section 22, which also produce from the Grayburg.

Q But the proposed unit well is the only well that is producing from the Eumont Gas Pool on the unit?

A That's right, sir.

Q Can you give us some information as to the apparent deliverability of the well?

A This, this well, now, is assigned a 160 acre unit allowable, and for the month of November has an allowable of approximately 390 MCF's per day. If the 320 acre unit is assigned as proposed, the allowable will be approximately double that or 780 MCF's per day, estimated deliverability rate at 600 pounds pressure, would be between two and two and a half million. The last open flow potential was at, in June of this year, was 304,000 cubic feet per day.

Q Based on this information, would you state whether or not in your opinion the increased allowable requested would be produced without waste?

A Yes, sir, it could.

Q Gulf has made a prior application for a unit at this location, has it not, Mr. Walker?

A Yes, sir. We did have a hearing and application of, I believe the application was dated March the 4th, 1955, and we had a hearing a little bit later then, and by Order R-686 in Case 919 dated the 15th of September, our application was denied.

Q Has there been any substantial change in the development site in this area since that hearing?

A Yes, sir. At the time of the hearing, prior to the September 15th order --

Q (Interrupting) If I may interrupt you, do you have an exhibit which shows the present state of development and the units which have been approved in the immediate area?

A Yes, sir, it is reasonably accurate.

MR. MALONE: We ask that it be marked Gulf's Exhibit 2.

(Marked Gulf's Exhibit No. 2,
for identification.)

A I was unable to determine all wells that were producing from the gas pool in this area, but I believe I've covered the major part of them.

Q Will you state briefly what is shown by Gulf's Exhibit 2?

A All right sir. Let me go back just a second. You asked if the site had changed any since the original hearing which we were denied our application. At that time the southern, the proven limits of the Eumont Gas Pool to the south was limited in our well No. 3, Harry Lenoard A No. 3 was one of the southernmost wells producing from the Eumont Gas Pool, and since that time numerous units have been approved to the south, southeast and southwest of our Well No. 3 and this plat indicates then proration units which have been approved offsetting our Harry Leonard, our proposed Harry Leonard A unit in nearly all directions.

Q And these are all producing from the Eumont Gas Pool, are they?

A Yes, sir.

Q Will you state whether or not in your opinion on the basis of the form which is now variable, all over the acreage in the proposed unit can be reasonably presumed to be productive of gas of the Eumont Gas Pool?

A Yes, sir, they certainly can.

Q And would you outline again, please, the individual wells on which you base that testimony, particularly with relation to the movement of the southern boundary of the pool?

A Humble's State G No. 4 has assigned to it, that's down in Section 26 of Township 21 South, Range 36 East, 320 acres, Eumont Gas unit assigned to it.

Q That well has been completed since the former hearing hasn't it, Mr. Walker?

A Yes, sir, as does their State G Well No. 2, the south half of the Section 26 in 21, 36, and Gulf's S. E. Felton No. 1 over to the southwest in Section 28 is now producing gas from the Eumont Gas Pool; as is Continental Lockhart B No. B-3 and Cities Service No. 1 Felton both to the southwest of our proposed unit.

We -- Gulf has completed a well in Section 27 directly south of the proposed unit, but it is not yet connected.

Q How is that well designated on Exhibit 2?

A It is shown as Well No. 17, and it is --

Q Directly south of the proposed unit?

A Yes, sir.

Q Is it not true there that there is production from the Eumont Gas Pool on all directions of the Eumont Gas Pool?

A That's right, directly east I don't believe that has been developed by Humble yet, but we anticipate it is just a matter of time as far as that is concerned.

Q And to the northeast and southeast there are producing wells, are there not?

A That's right.

Q You prepared a contour on the top of the Queen Formation?

A We have an exhibit here which we would like to present, showing the contours, I believe that's on top of the Queen.

Q Is Gulf's Exhibit 3 the contour to which you referred?

A That's right, sir. This map is contoured on top of the Queen, twenty-five foot contour intervals.

Q Have you taken into consideration the information shown by that plat in forming your opinion as to the reasonable prospect of production through the unit?

A Yes, sir, there is no doubt in our mind but that the 320 acres is producable of gas.

Q Do you have available a radioactivity log of the proposed unit well?

A Yes, sir, I sure have, and on this we show the top of the Yates, Seven Rivers and Queen formation. The Queen shows the Knight

and the Penrose breakdown as well as the perforated interval in our well.

Q I hand you an Exhibit which has been marked Exhibit 4 and ask you to state whether or not that is a radioactivity log to which you testified?

A That's right, sir.

Q Mr. Walker, in your opinion, if the proposed unit is approved and Gulf's application is granted, will correlative rights be protected?

A Yes, sir, they will.

Q Would any waste result from the approval of the application, in your opinion?

A No, sir.

Q With reference to Gulf's Exhibits 1, 2, 3 and 4, were they prepared at your direction and under your supervision?

A That's right, sir.

MR. MALONE: We offer in evidence Gulf's Exhibits 1, 2, 3 and 4.

MR. NUTTER: Without objection those exhibits will be received in evidence.

Q Is there any further information you can give the Commission, Mr. Walker? I believe I should inquire as to the ownership of the leasehold estate of the acreage within the unit.

A The state of New Mexico has the royalty ownership.

Q And is the leasehold ownership common?

A That's right, sir.

MR. NUTTER: Is there any further information you would like to give the Commission?

A This well, as I stated a moment ago, does have a 180 acre unit allowable at this time and is connected to Gulf's unit. It is called the Eunice high-pressure system, and of course, all the gas then goes through our -- in lifting the oil, it is distributed to low pressure systems and goes to the gasoline plant, and there is no waste taking place.

MR. MALONE: That's all.

MR. NUTTER: Does anyone have any questions of the witness?

CROSS EXAMINATION

BY: MR. COOLEY:

Q Is this one single lease, one single State of New Mexico lease or does it involve more than one?

A No, it is one single lease.

MR. COOLEY: That's all.

A Actually it is a part of a single lease, this is 320 of a 480. I might say here that we are now drilling Well No. 6 which I believe may not be shown in your plat. There it is shown on the plat showing the units..

MR. MALONE: Exhibit No. 2..

A There on the southeast quarter of Section 26 it is 660 from the south line and I believe probably 1980 from the west line, and we propose to dually complete that well, and it will be producing gas from the Queen formation also, and we will assign the other 160 acres of that lease to that well.

MR. MALONE: As a separate unit?

A As a separate unit, yes, sir.

MR. NUTTER: Mr. Walker, here on Exhibit 2 and some of the other exhibits, this little four acre tract on the northeast is marked as a Leonard camp site, what is the status of that place?

A Well, partly that is just a camp site as has nothing to do with royalty ownership.

MR. NUTTER: Working interest and royalty is the same through the 320?

A Yes, sir.

MR. NUTTER: Does anyone else have any further questions of the witness?

Mr. Walker, which of these units to the south of this unit were approved subsequent to the date that your previous application was denied?

A Both of Humbles 320 acre units.

MR. MALONE: That's on Section 26?

A In Section 26, yes, sir, and I can't give you the dates

of our Felton lease or Continental Lockhart unit approvals. I am not real sure about those dates, but the one I am particularly concerned about is the ones to the southeast of our 320 acre unit.

MR. NUTTER: Any further questions? If not the witness may be excused.

(Witness excused.)

MR. NUTTER: Does anyone else have any further statement they wish to make in this case? If not we will take the case under advisement and take Case No. 1179.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, J. A. Trujillo, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner, at Hobbs, New Mexico, is a true and correct record to the best of my ability, skill, and knowledge.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of December, 1956.

J. A. Trujillo
NOTARY PUBLIC, COURT REPORTER

My Commission Expires:

October 5, 1960

DEARNLEY, MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6621 2-2211

NEW MEXICO OIL CONSERVATION COMMISSION

Oil Conservation Commission AuditoriumHobbs, NEW MEXICOREGISTERHEARING DATE November 28, 1956TIME: 10:00 a.m.

NAME:	REPRESENTING:	LOCATION:
J.W. Meek	Monarch	Roswell
CL Kelley	"	"
JK Smith	"	"
Ross Malone	Gulf	"
W.G. Abbott	Amerada	Monument
D.C. Capps	—	—
CH Hunsy	Cities Service	Hobbs
V.T. Lyon	Continental Oil Co	Roswell
C.R. Smith	" " "	EVNICE
L.D. M. Peters	John M Kelly	Hobbs,
John A Frost	USGS	Antonito
R.L. Ross	Gulf	Roswell
R.H. ...	State Land Office	... Fe
Ted ...	"	"
... Rhon	"	"
... Hays	"	"
W.J. Wheeler	Conoco	Evie N.M.