

CASE 3177: Application of SINCLAIR  
for an amendment of ORDER NO. R-  
1148, LEA COUNTY, NEW MEXICO.

CASE NO.

3177

Application,

TRANSCRIPTS,

SMALL Exhibits

ETC.

State of New Mexico  
Oil Conservation Commission



STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

SINCLAIR OIL & GAS CO.

**A. L. PORTER, Jr.**  
**Secretary-Director**

**OTHER** \_\_\_\_\_

**BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO**

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

**CASE No. 3177  
Order No. R-2854**

**APPLICATION OF SINCLAIR OIL & GAS  
COMPANY FOR AN AMENDMENT OF ORDER  
NO. R-1148, LEA COUNTY, NEW MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on December 15, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of December, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 cause and the subject matter thereof.

(2) That the applicant, Sinclair Oil & Gas Company, seeks amendment of Order No. R-1148 to establish a 160-acre non-standard gas proration unit in the Tubb Gas Pool comprising the W/2 SW/4, SE/4 SW/4, and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to its J. R. Cone "A" Well No. 2 located in Unit L of said Section 26.

(3) That Order No. R-1148 established the above-described 160-acre non-standard gas proration unit to be dedicated to the J. R. Cone "A" Well No. 1 located 660 feet from the South line and 660 feet from the West line of said Section 26; that Order No. R-1149 established a non-standard gas proration unit in the

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CASE No. 3177

Order No. R-2854

Blinebry Gas Pool comprising the above-described acreage to be dedicated to the J. R. Cone "A" Well No. 2; that the J. R. Cone "A" Well No. 1 has been recompleted as a Blinebry oil well; and that the J. R. Cone "A" Well No. 2 has been recompleted as a Tubb gas well.

(4) That the 160-acre non-standard gas proration unit in the Tubb Gas Pool, established by Order No. R-1148, can be efficiently and economically drained and developed by the J. R. Cone "A" Well No. 2.

(5) That approval of the subject application will afford the applicant an opportunity to produce its just and equitable share of the gas in the Tubb Gas Pool and will otherwise prevent waste and protect correlative rights.

(6) That Order No. R-1149 should be superseded, and that the allowable accrued to the J. R. Cone "A" Well No. 1 should be assigned to the J. R. Cone "A" Well No. 2.

IT IS THEREFORE ORDERED:

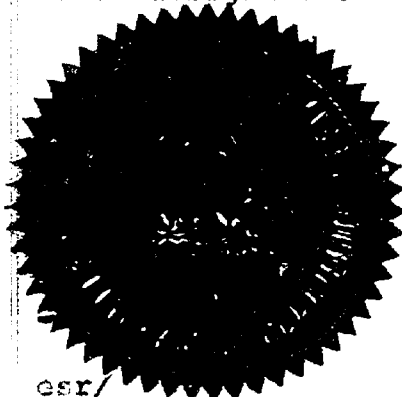
(1) That Order No. R-1148 is hereby amended to establish a 160-acre non-standard gas proration unit in the Tubb Gas Pool comprising the W/2 SW/4, SE/4 SW/4, and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to the J. R. Cone "A" Well No. 2 located in Unit L of said Section 26.

(2) That the allowable accrued to the J. R. Cone "A" Well No. 1 located in Unit M of said Section 26 shall be assigned to the J. R. Cone "A" Well No. 2 located in Unit L of said Section 26.

(3) That Order No. R-1149 is hereby superseded.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

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

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

CSR/

Case 3177

Filed 12-15-64

Rec. 12-17-64

1. Grant Lindan an NSP for their  
J.R. Case 'A' #2 unit B L 26-21S-37E.  
Subt Gas Pool consisting of:

21-S-37E,

sec. 26, W/2 SW/4, SE/4 SW/4, SW/4 SE/4.

2. Unit status accrued to the J.R. Case  
'A' #1 well shall remain with the unit  
+ be charged to the #2 well.

E. D. [Signature]

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. 1398  
Order No. R-1148

APPLICATION OF SINCLAIR OIL & GAS  
COMPANY FOR APPROVAL OF A NON-STANDARD  
GAS PRORATION UNIT IN THE TUBB GAS POOL,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 19, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd. day of April, 1958, 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 cause and the subject matter thereof.

(2) That the applicant, Sinclair Oil & Gas Company, is the co-owner and operator of the W/2 SW/4, SE/4 SW/4, and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to establish a 160-acre non-standard gas proration unit consisting of the above-described acreage, said unit to be dedicated to the applicant's J. R. Cone "A" Well No. 1, located 660 feet from the South line and 660 feet from the West line of said Section 26.

(4) That all interests, including the royalty interests, under the proposed non-standard proration unit have been unitized.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That the subject application should be approved.

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Case No. 1398

Order No. R-1148

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the Tubb Gas Pool, consisting of the W/2 SW/4, SE/4 SW/4, and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established, said unit to be dedicated to the applicant's J. R. Cone "A" Well No. 1, located 660 feet from the South line and 660 feet from the West line of said Section 26.

(2) That the aforementioned J. R. Cone "A" Well No. 1 be granted an allowable in the proportion that the acreage dedicated to the well bears to a standard gas proration unit for the Tubb Gas Pool, subject to the Special Rules and Regulations for the Tubb Gas Pool as set forth in Order No. R-586 as amended.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

LEGAL DIVISION  
PHONE 827-2741

November 19, 1964

Sinclair Oil & Gas Company  
P. O. Box 1920  
Hobbs, New Mexico

DOCKET MAILED

Date 12-4-64

Attention: Mr. Fred Burns

Re: J. R. Cone "A" Well No. 2, Non-  
Standard Tubb Gas Proration Unit

Gentlemen:

Your application of November 9, 1964, requesting dedication of the 160-acre Tubb gas proration unit created by Order No. R-1148 is not eligible for administrative approval under the provisions of Rule 5(C) of the General Rules and Regulations Governing Prorated Gas Pools in Southeastern New Mexico as the length of the proposed unit exceeds 2640 feet. We therefore have placed your application on the December 15, 1964, Examiner Hearing Docket which is the next hearing to be advertised by the Commission.

Please advise us if this date is not satisfactory to you.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/esr

cc: Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico

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Y

File 3177

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Belamine*



SINCLAIR OIL & GAS COMPANY

P. O. Box 1920  
Hobbs, New Mexico  
November 9, 1964

MAIN OFFICE OCC

'64 Nov 10 PM 1 12

*See 3177*

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Acreage dedication to Sinclair Oil & Gas Company's J. R. Cone "A" Well No. 2,  
Tubbs Gas Pool.

Dear Sir:

New Mexico Oil Conservation Commission's Orders No. R-1148 and No. R-1149 approved non-standard gas proration units in the Tubbs Gas Pool for J. R. Cone "A" Well No. 1 (R-1148) and in the Blinebry Gas Pool for J. R. Cone "A" No. 2 (R-1149). Both of the non-standard units consisted of the W/2 SW/4, ~~SE/4~~ SE/4 SW/4 and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

Sinclair Oil & Gas Company has recently recompleted the J. R. Cone "A" Well No. 1 in the Blinebry Oil Zone abandoning the Tubb Gas Zone on Well No. 1. Also, we have abandoned the Blinebry Gas Zone on Well No. 2 and are in the process of recompleting the Well No. 2 in the Tubb Gas Zone.

We respectfully request administrative approval to have the non-standard acreage dedicated and the allowable that has accrued for the 160-acre Tubbs Gas Unit, since abandonment of Well No. 1 in the Tubbs Gas Pool, assigned to the J. R. Cone "A" Well No. 2 in the Tubb Gas Pool.

Very truly yours,

SINCLAIR OIL & GAS COMPANY

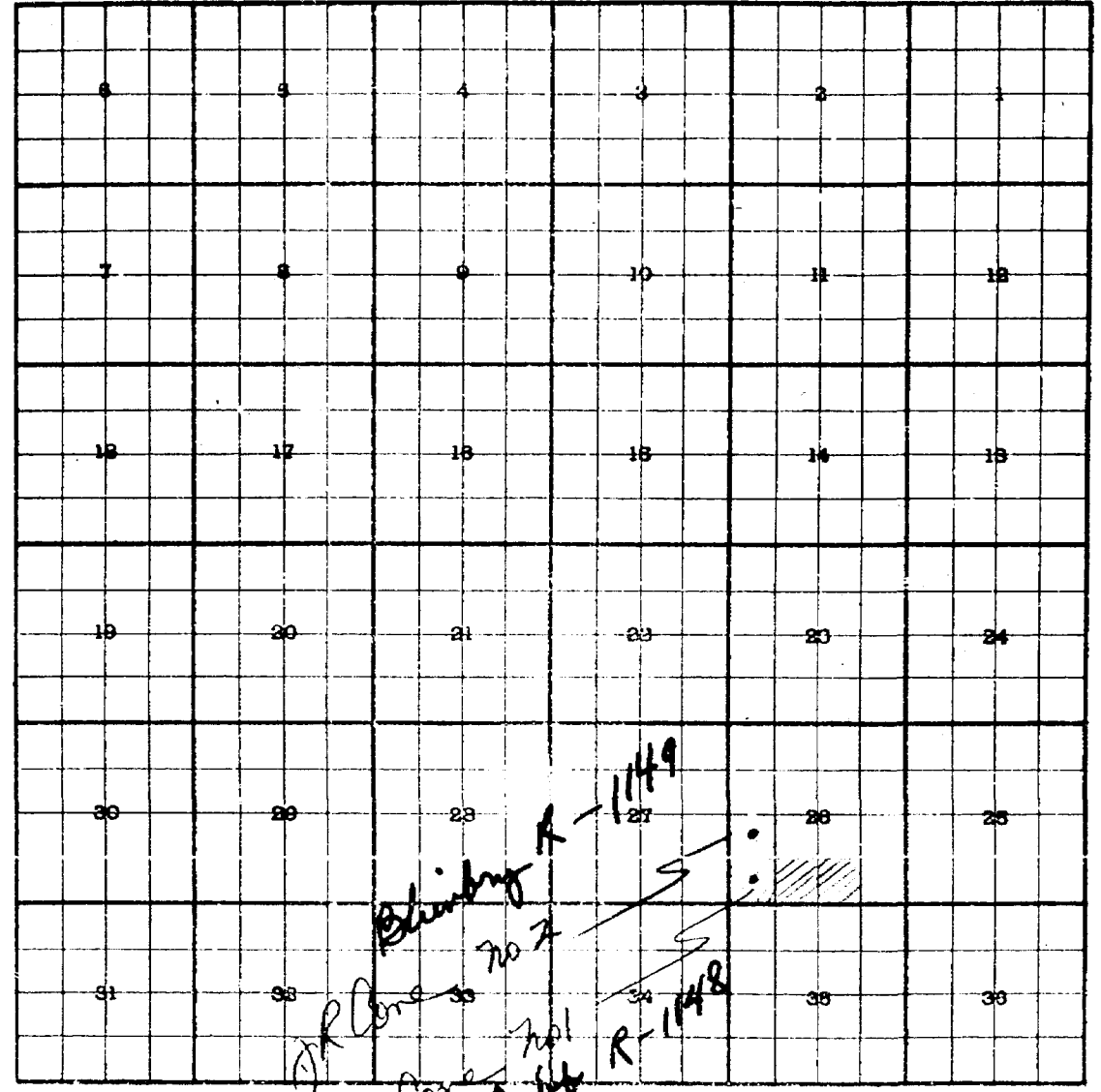
*[Signature]*  
Fred Burns,  
District Superintendent

DA/bw

3177

County \_\_\_\_\_ Pool \_\_\_\_\_

TOWNSHIP \_\_\_\_\_ South, RANGE \_\_\_\_\_ East, NEW MEXICO PRINCIPAL MERIDIAN



What is it unit assigned to JK Cone well No 2

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. 1399  
Order No. R-1149

APPLICATION OF SINCLAIR OIL & GAS  
COMPANY FOR APPROVAL OF A NON-STANDARD  
GAS PRORATION UNIT IN THE BLINEBRY GAS  
POOL, IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 19, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd. day of April, 1958, 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 cause and the subject matter thereof.
- (2) That the applicant, Sinclair Oil & Gas Company, is the co-owner and operator of the W/2 SW/4, SE/4 SW/4, and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to establish a 160-acre non-standard gas proration unit consisting of the above-described acreage, said unit to be dedicated to the applicant's J. R. Cone "A" Well No. 2, located 1980 feet from the South line and 660 feet from the West line of said Section 26.
- (4) That all interests, including the royalty interests, under the proposed non-standard proration unit have been unitized.
- (5) That approval of the subject application will not cause waste nor impair correlative rights.
- (6) That the subject application should be approved.

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Case No. 1399  
Order No. R-1149

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the Blinebry Gas Pool, consisting of the W/2 SW/4, SE/4 SW/4, and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established, said unit to be dedicated to the applicant's J. R. Cone "A" Well No. 2, located 1980 feet from the South line and 660 feet from the West line of said Section 26.

(2) That the aforementioned J. R. Cone "A" Well No. 2 be granted an allowable in the proportion that the acreage dedicated to the well bears to a standard gas proration unit for the Blinebry Gas Pool, subject to the Special Rules and Regulations for the Blinebry Gas Pool as set forth in Order No. R-610.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
December 15, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Sinclair Oil & Gas Company  
for an amendment of Order No. R-1148, Lea  
County, New Mexico. Applicant, in the above-  
styled cause, seeks an amendment of Order No.  
R-1148, which order authorized a 160-acre  
non-standard Tubb gas pool proration unit  
comprising the W/2 SW/4, SE/4 SW/4, and SW/4  
SE/4 of Section 26, Township 21 South, Range  
37 East, Lea County, N.M., to be dedicated  
to its J.R. Cone Well No. 1 located in Unit M  
of said Section 26. Application seeks the  
rededication of said unit and the allowable  
accrued thereto to its J.R. Cone Well No. 2  
located in Unit L of said Section 26.

Case No. 3177

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING



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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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PAGE 1-a

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
December 15, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Sinclair Oil & Gas  
Company for an amendment of Order No. R-1148,  
Lea County, New Mexico. Applicant, in the  
above-styled cause, seeks an amendment of  
Order No. R-1148, which order authorized a  
160-acre non-standard Tubb gas pool proration  
unit comprising the W/2 SW/4, SE/4 SW/4, and  
SW/4 SE/4 of Section 26, Township 21 South,  
Range 37 East, Lea County, New Mexico, to be  
dedicated to its J.R. Cone Well No. 1 located  
in Unit M of said Section 26. Application  
seeks the rededication of said unit and the  
allowable accrued thereto to its J.R. Cone  
Well No. 2 located in Unit L of said Section  
26.

Case No. 3177

BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING

MR. UTZ: Call Case 3177. The case of Sinclair Oil  
and Gas Company for an amendment of Order No. R-1148.

MR. SMITH: If the Examiner please, Charles Smith

appearing for Sinclair. We have one witness to be sworn.

MR. UTZ: Are there other appearances in this case?

(Witness sworn)

DOUGLAS W. CUNNINGHAM

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. SMITH:

Q Will you state your name for the record, please?

A My name is Douglas W. Cunningham.

Q By whom are you employed, and in what capacity?

A I'm employed by Sinclair Gas and Oil Company in Midland, Texas, as petroleum engineer.

Q Have you previously testified before the Commission as a petroleum engineer and have your qualifications been accepted?

A Yes, sir, I have and they have.

Q What does Sinclair seek by this application?

A Sinclair is seeking the assignment of 160 acre nonstandard nonproratio unit in the Tubb Gas Pool. We are seeking this assignment for our J.R. Cone gas unit well number 2. This nonstandard gas unit was approved for our J.R. Cone gas unit number 1.



Q Is that Order R-1148?

A Yes, sir. We are also seeking the rededication of the said unit and the allowable accrued thereto to our J.R. Cone well number 2.

Q Now, will you refer to Applicant's Exhibit Number 1 and tell us what that is?

A Exhibit Number 1 is merely a map of the area under discussion. Sinclair's interests in the area are colored in yellow. Approximately in the center of the map is a red dashed line which encompasses the 160 acres, this is the 160 acre unit which is the subject of this application. The wells with the red circles are Tubb gas wells and the red squares surrounding most of these wells and red rectangles in some are the area that is dedicated to these gas Tubb wells. Circles in red within the 160 acre area nonstandard unit that we're making this application for is our number 2 well which currently is completed in the Tubb, but of course, does not have any gas unit assigned to it as yet.

Q Would you give us the history of the J.R. Cone Well number 1 subsequent to the entry of Order Number R-1148 of May 19, 1958?

A Yes, sir, after we were granted the 160 acre area nonstandard unit we completed well number 1 as a dual completion in the Tubb Gas Pool and in the Drinkard Oil Pool and after we

had that completion we assigned the 160 acre nonstandard unit to that well. Recently we re-entered that well and made that dual completion in the Blinebry Oil Pool and the Drinkard Oil Pool we shut off by squeezing cement through the Tubb Oil in that well number 1.

Q What is the present status of the well, did you say?

A It's dually completed in the Blinebry Oil Pool and Drinkard Oil Pool.

Q Now, will you describe the J.R. Cone Well number 2?

A Yes, sir, the statement that I made that the 160 acre standard unit was granted to our J.R. Cone number 1, a 160 nonstandard Blinebry gas unit was also granted to well number 2, subsequent to that time we completed well number 2 in the Blinebry and the Drinkard Oil and we dedicated the 160 acre area nonstandard unit in the Blinebry to well number 2. We produced that well in this manner until recently when we made an application for triple completion and we have gone in and squeezed off the Blinebry gas and have triply completed the well in the Tubb gas and in the Blinebry oil and the Drinkard oil.

Q Are the working interests and royalty interests common in both the Blinebry and the Tubb?

A Yes, within this nonstandard 160 acre area that we are applying for the Blinebry interests and the Tubb interests are

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COMMON.

Q Now, when was the J.R. Cone well number 1 taken off production?

A It was taken off production in September of 1964.

Q Was it underproducing at that time and if so, how much?

A Yes, sir, it was underproducing at that time by 58,723 MCF's of gas.

Q Why was it taken off production at that time?

A It was taken off production in order that we might dually complete it in the Blinebry Oil and the Drinkard Oil.

Q In your opinion is it reasonable to presume that the entire area is productive in the Tubb Gas Zone?

A Yes, sir. The productivity of the subject 160 acre area nonstandard unit was proven at the hearing on March the 19th, 1958, and it's proven -- as a matter of fact, now, it's completely surrounded by other Tubb Gas Wells.

MR. SMITH: If the Examiner please, as to the productivity of the subject gas zone we ask that the records in Case Number 1398 be incorporated by reference.

MR. UTZ: Which case, 1398?

THE WITNESS: That was our application for a nonstandard unit which covered the identical areas that we're asking for now and we are asking for the 160 nonstandard unit to be applied

to well number 1.

MR. UTZ: That would be Order R-1148?

THE WITNESS: That was the outcome, yes, sir.

Q (By Mr. Smith) You are asking the Commission to allow you to make up the underproduction of 58,723 MCF's, is that right?

A Yes, sir.

Q You're not asking to make up any production for the months of September, October and November when the well was taken off production?

A Yes, sir.

Q Now, was Exhibit 1 prepared by you or under your direction?

A Yes, sir, it was.

MR. SMITH: At this time we would offer Exhibit 1 into evidence and that concludes our direct examination.

MR. UTZ: Without objection, Exhibit Number 1 will be entered into the record.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Cunningham, what was this request that you just stated about the underproduction?

A When our well number 1, which was the Tubb Gas production, was taken off of production the first of September,

it had 8,723 MCF of underproduction.

Q That's September of '64?

A Yes, sir.

Q The number 2 is not now producing?

A No, sir, it does not have an allowable as of yet.

Q And it probably cannot be able to produce much by December?

A No, sir, if we weren't allowed an exception, then we would lose the underage.

Q In other words, what you're asking for then, I believe, is a stay of the cancellation rules?

A Yes, sir, in fact, that's what we'd been asking for. In other words, this well wouldn't be producing from the Tubb for a couple of days yet and I don't believe that we can make up the underproduction of 58,723 in December.

Q I don't have the advertisement here, but I didn't think this case was advertised for that particular point, was it? All I see is that a nonstandard unit and a change in well dedication.

MR. SMITH: The rededication and the allowable accrued thereto to the J.R. Cone well number 2.

MR. UTZ: Well, sure, that's regular. That is, the underage or the status stays with the unit any time you change wells but that's a much different proposition in cancellation of

allowables.

THE WITNESS: In other words, if we had made the Tubb completion in time to have produced the 58,723 MFC's it would have been automatically granted for us to go ahead and produce, but since we haven't, then in fact, we might have to have another hearing?

MR. UTZ: Let's go off the record a minute.

(Discussion off the record.)

(Back on the record.)

MR. SMITH: As far as the transfer of the status from one well to the other it's automatic.

MR. UTZ: But that doesn't mean that when you do that that you automatically call for a stay of the cancellation procedures and the rules.

MR. SMITH: Could we -- if it's not covered by the advertised publication, could we readvertise and if there's no objection at the next hearing, that this hearing here could suffice?

MR. UTZ: I don't know, I really think that the advertisement ought to be written a little more plainly than it was in regard to that particular point, because I didn't interpret this request as being for that particular thing at all.

MR. PORTER: I believe Charlie's request would be that we have the testimony in the record now that they would

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readvertise it maybe for the next year or two.

MR. UTZ: State the advertisement differently?

MR. PORTER: State it differently and if no one appeared and objected, his request would be granted and an order written, I don't know.

MR. UTZ: Well, I don't know either, but in my opinion if that's what you want, that's about the only way you can handle it.

(Discussion off the record.)

(Back on the record.)

MR. UTZ: We can go back on the record now.

What was it, Mr. Cunningham, that you decided, to rework this well at this particular time?

THE WITNESS: Well, Mr. Examiner, I don't know why they picked this particular time. Of course, there had been several Blinebry oil completions out there and we have gone in on both of our J.R. Cone leases and the J.R. Cone "b" and on the J.R. Cone "a" and we have recompleted in the Blinebry Oil all of those wells that are on these two leases and they were just proceeding as they saw fit, I suppose.

MR. PORTER: Mr. Cunningham, has this not been a common practice on this pool?

THE WITNESS: The recompletion of the Blinebry Oil?

MR. PORTER: Yes.

THE WITNESS: Yes, sir, and I would suppose that the Blinebry Oil well is worth more in current income than a gas well of any sort. They did not close the number 1 well completion because that well has 5½ inch casing and it's too small. They have taken the Blinebry gas off production and we no longer have a Blinebry gas well anywhere on the 160 acres.

MR. UTZ: And number 2, that was a "b" work? It was an old well?

THE WITNESS: It was an old well, only it was a single completion, I think in 1955 it was completed in the Drinkard Oil and then in 1958 we dually completed it in the dual oil Blinebry gas and in September of this year we started work to triply complete it in the Blinebry Oil, in the Drinkard Oil and the Tubb gas.

MR. UTZ: What size casing?

THE WITNESS: That is 7 inch.

MR. UTZ: That's the reason you chose to move the Tubb completion up there from the number 1?

THE WITNESS: Yes, sir.

MR. UTZ: Which well was completed first?

THE WITNESS: I'm not absolutely certain, I believe number 1 was completed before number 2 and at that time they were both Drinkard Oil wells, this was in '55 and '56.

MR. UTZ: Perhaps my question is misleading, what I



meant to ask was which well was reworked first.

THE WITNESS: Well, the workover on both wells was started in September. Work began on the J.R. Cone number 1 September 2nd and work began on the Cone number 2 September the 30th.

MR. UTZ: So this reworked well, when was it completed?

THE WITNESS: Both the oil zones may be potential in the Cone number 1, I'm not absolutely certain of that, they are in the process right now of making packer leakage tests on the Cone number 2 and they haven't potentialized the production of the Tubb gas as yet.

MR. UTZ: For all practical purposes, it isn't completed?

THE WITNESS: It isn't completed, no, sir.

MR. UTZ: Now, you have been a little more practical as far as producing your gas allowable to complete the number 2 and then complete the number 1?

THE WITNESS: Until they had number 2 completed.

MR. UTZ: Is your company aware that we have a balancing procedure December 31?

THE WITNESS: Yes, sir, I'm sure that they are. Now, we wrote the Commission in August before they recompleted either well and gave our intent and I don't know whether they considered

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that they had the Commission's approval of such a procedure or not. At any rate, they wrote a letter and I don't know that they received an answer, but they did state in this letter that they would like to have the allowable assigned to number 1 and then assigned to number 2, and this underage that we were talking about awhile ago is what they had in mind. I wouldn't attempt to say how clear it was.

MR. UTZ: The 58,723 underproduction was as of September?

THE WITNESS: That was as of the end of August, the well was off production all of September.

MR. UTZ: That was 1964?

THE WITNESS: Yes, it had its September allowable removed.

MR. UTZ: Do you know what the underage status was if it was underproduced the first of July?

THE WITNESS: I should be able to find it here, I have some schedules. At the end of July it was 52,831 MCF's underproduced.

MR. UTZ: That was at the end of July?

THE WITNESS: Yes.

MR. UTZ: Do you have a June --

THE WITNESS: It was 47,464 underproduced.

MR. UTZ: And the well did not overproduce at any

time during this period?

THE WITNESS: No, sir.

MR. UTZ: So, you actually have 47,000 subject to cancellation?

THE WITNESS: Yes, sir.

MR. UTZ: Would there be any possibility of speedily approval of this application of producing, overproducing, in the month of December?

THE WITNESS: I just don't know, Mr. Utz, whether it would or not. We have had a couple of tests of short duration which the well showed a capability of about 1,600,000 MCF's, and we have written the Commission for an allowable while that test was going on, and I believe by letter of about December the 11th or 12th they granted that permission, so just as soon as the packer leakage test is complete, it should either be today or tomorrow, they would be ready to test the well, but right at the present time I'm unsure what its deliverability would be, but it could be possible.

MR. UTZ: The well is not physically connected at this time?

THE WITNESS: No.

MR. UTZ: Do they have a line to the well?

THE WITNESS: I don't know how close the line is, of course they have a line, it's only about a half a mile to get it

up there, but it's there almost ready to go.

MR. UTZ: In your opinion, could number 2 well drain this unit in the size and shape that it's in now?

THE WITNESS: Yes, sir, I think they possibly could, I believe that it would probably drain in the neighborhood of the 160 acres.

MR. UTZ: Actually, then, we're going back to Order R-1148, is that correct?

THE WITNESS: The same unit and the same well. Order Number R-1148 approved a standard unit for the Blinebry, I believe, and 1148 approved a nonstandard unit for the Tubb but for well number 1.

MR. UTZ: You don't have any Blinebry production on this unit?

THE WITNESS: No, sir, no Blinebry gas production.

MR. UTZ: Any other questions of the witness?

MR. SMITH: I have one other question.

REDIRECT EXAMINATION

BY MR. SMITH:

Q Mr. Cunningham, if your J.R. Cone well number 1 had not been reworked and taken off of production, in your opinion would this underproduction be made up within the balance of the period?

A Yes, sir, I believe it would.

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MR. SMITH: That's all.

MR. UTZ: Any other questions? The witness may be excused. Any statements in this case? The case will be taken under advisement.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, JOHN ORFANIDES, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

John Orfanides  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3122, heard by me on Dec. 15, 1964.  
Charles L. [Signature], Examiner  
New Mexico Oil Conservation Commission

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WITNESS

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Direct Examination by Mr. Smith

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Cross Examination by Mr. Utz

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Redirect Examination by Mr. Smith

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Exhibit 1

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