

CASE NO. 21.

BEFORE THE OIL CONSERVATION COMMISSION
FOR THE STATE OF NEW MEXICO

RECESSED HEARING RELATIVE TO
ADOPTING A FINAL ORDER GOVERNING
GAS-OIL RATIOS IN THE VARIOUS PRO-
DUCING FIELDS IN NEW MEXICO

THE CAPITOL, SANTA FE, NEW MEXICO
AUGUST 12, 1940.

Pursuant to recess taken on July 29, 1940, hearing in the above entitled matter was resumed in the Governor's Office, Capitol Building, Santa Fe, New Mexico, at the hour of ten o'clock A. M. of August 12, 1940, the Commission sitting as follows:

Hon. John E. Miles, Governor, Chairman of Commission
Hon. Frank Worden, Commissioner of Public Lands, Secretary
Hon. A. Andreas, State Geologist, Member
Hon. Carl B. Livingston, Attorney for Commission.

APPEARANCES:

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Glenn Staley	Lea County Operators	Hobbs, New Mexico
H. L. Johnston	Continental Oil Co.	" " "
Ed Keeler	" " "	" " "
R. G. Schuehle	Shell Oil Co.	Midland, Texas
J. O. Seth	Stanolind	Santa Fe, New Mexico

The hearing was called to order by Governor Miles, who announced that the Commission was ready to hear from those present.

BY MR. SETH: I think, if the Commission please, there has been some request for a postponement, and I think the only thing before the Commission is to agree on a satisfactory date.

Whereupon, after discussion, it was agreed that this hearing be recessed until the 29th day of August, 1940

BY MR. WORDEN: What about the El Paso Natural Gas?

BY MR. STALEY: They are getting along pretty well with their work, and were gathering a bunch of engineering data.

BY MR. WORDEN: Another thing,- what position is Eddy County going to be in? Are they going to have to make a bottom hole pressure survey?

BY MR. JOHNSTON: I don't want to speak for Eddy County operators, but I am a little doubtful if they will have the information

they feel they will need to make their recommendations at that time. I do know the Eddy County operators are very much concerned as to the order that will be issued regulating the ratios for that County; and just how soon they will be able to submit recommendations -- they may be able on the 29th to submit recommendations so far as wells in Eddy County are concerned. The Continental Oil Company has very few wells. On our wells we do have the bottom hole pressure survey made, along with the gas-oil ratio tests. I think they do feel they should go a head and get the feeling of the operators on a regular routine basis.

BY MR. SETH: There is no reason for holding up the Lea County order.

BY MR. JOHNSTON: We have no objection to having the order issued as recommended for Lea County.

BY MR. LIVINGSTON: As to Eddy County, the whole matter could be continued to one date, and if Eddy County needs more time, it could be continued again when the Commission meets.

BY MR. JOHNSTON: I believe that if the pipe line situation is cleared up in Eddy County where we have adequate gathering systems, I believe it will be possible to operate all wells on a routine basis, and that matter may be cleared up by the 29th, but we do not know whether the pipe line company will be able to relieve the situation. The pipe line company has, I understand, indicated a willingness to revamp their gathering system and setup in such a way that the operators will not be handicapped.

BY MR. ANDREAS: I understand they agreed to do that.

BY MR. JOHNSTON: They have indicated their willingness. We hope they will. That is something that has to be done before you can make a good accurate survey on that territory.

BY GOVERNOR MILES: If there is any doubt about this going to be enough time --

BY MR. SETH: I think Lea County can be disposed no, and there is no serious waste of gas in Eddy County.

BY MR. JOHNSTON: Eddy County does have some problems peculiar to that county, and would have to have consideration from the

standpoint of the pool or field, definitely apart from Lea County.

BY GOVERNOR MILES: Where does the Natural Gas get their gas?

BY MR. SETH: Lea, except the gas furnished to Roswell -- those are gas wells.

BY MR. ANDREAS: If they have some individual problems, we could accept or reject the recommendations to make it apply to Lea County only, rather than the whole state. That would clear up the Lea County situation, and give Eddy County plenty of time to present their suggestions.

BY MR. JOHNSTON: I think that is alright.

Whereupon, there being no further business to come before the Commission, this hearing was recessed until ten o'clock A. M. of August 29, 1940.

C E R T I F I C A T E

I hereby certify that the foregoing and attached two and one-half pages of typewritten matter are a true, correct and complete transcript of the shorthand notes made by me on the 12th day of August, 1940, at the recessed hearing before the Oil Conservation Commission in Case No. 21, and by me extended into typewriting.

Witness my hand this 14th day of August, 1940.

Esther Barton