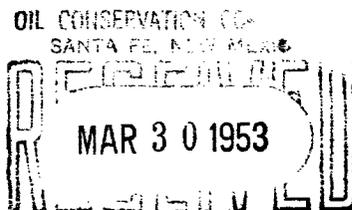


BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

TRANSCRIPT OF HEARING

CASE NO. 499



E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

Commission?

A I have.

MR. CAMPBELL: Are the qualifications acceptable to the Commission, Mr. Spurrier?

MR. SPURRIER: They are.

Q Are you acquainted with the application of the Texas Pacific Coal and Oil Company in Case No. 499 for the approval of a Unit Agreement, to be known as the Southeast Caprock Unit Agreement?

A I am.

Q How many acres are involved in the proposed unit?

A Approximately 2,240 acres are involved.

Q Is that State land or Federal Lands, or fee land?

A State land.

Q I hand you what has been marked Exhibit No. 1, Case 499 and ask you to state what that is?

A This is an application for a unit agreement for the development of what we call the Southeast Caprock^{Unit} which is located in the south half of Section 15, east half of Section 21, all of Section 22, all of Section 27 and the east half of 28 in Township 13, Range 32 East, Lea County.

Q Referring to Exhibit A attached to that Unit Agreement, will you state for the record what Exhibit A is?

A Exhibit A is a plat showing the lease ownership of the proposed Southeast Caprock Unit.

Q With regard to that lease ownership, will you state how much of the acreage, within the limits of the unit area as shown on Exhibit A have been committed to this Unit Agreement?

A All have been committed but 160 acres.

Q Does the Unit Agreement provide that, in the event uncommitted acreage subsequently decides to join the unit, that the unit will be open for that acreage?

A That is correct, such provision is made.

Q Referring now to Exhibit C, to the Unit Agreement, will you state for the Commission what that is?

A Exhibit C is a plat exhibit showing the lowest, approximate lowest closing contour in the vicinity of the lower pay horizon at a subsea of 6,200.

Q By what geophysical method was that obtained?

A By seismic methods.

Q In your opinion, based upon the information available to your company, and in your capacity as a geologist for the company, do you consider that interpretation to be a reasonable one?

A I do.

MR. CAMPBELL: I would like to offer Exhibit 1, which is a proposed Unit Agreement, in evidence.

MR. SPURRIER: Without objection it will be received.

Q I now hand you what has been marked as Exhibit 2 and ask you to state what that is?

A This is an operating agreement for the proposed Southeast Caprock Unit.

Q Mr. Bailey, does the unit agreement - Who is the unit operator?

A Texas Pacific Coal and Oil Company.

Q Do the Unit Agreement and the Operating Agreement provide

for the commencement of a well in the unit area?

A They do.

Q Within what period of time?

A Within sixty days of the acceptance of the unit by the State Commission.

Q The effective date of the unit?

A Effective date, that is right.

MR. CAMPBELL: I believe that is all. We would like to offer into evidence Exhibit No. 2.

MR. SPURRIER: Without objection it will be received. Any questions of the witness? If not the witness may be excused. Any further comments? We will take the case under advisement and move to Case 500.

(Witness excused.)

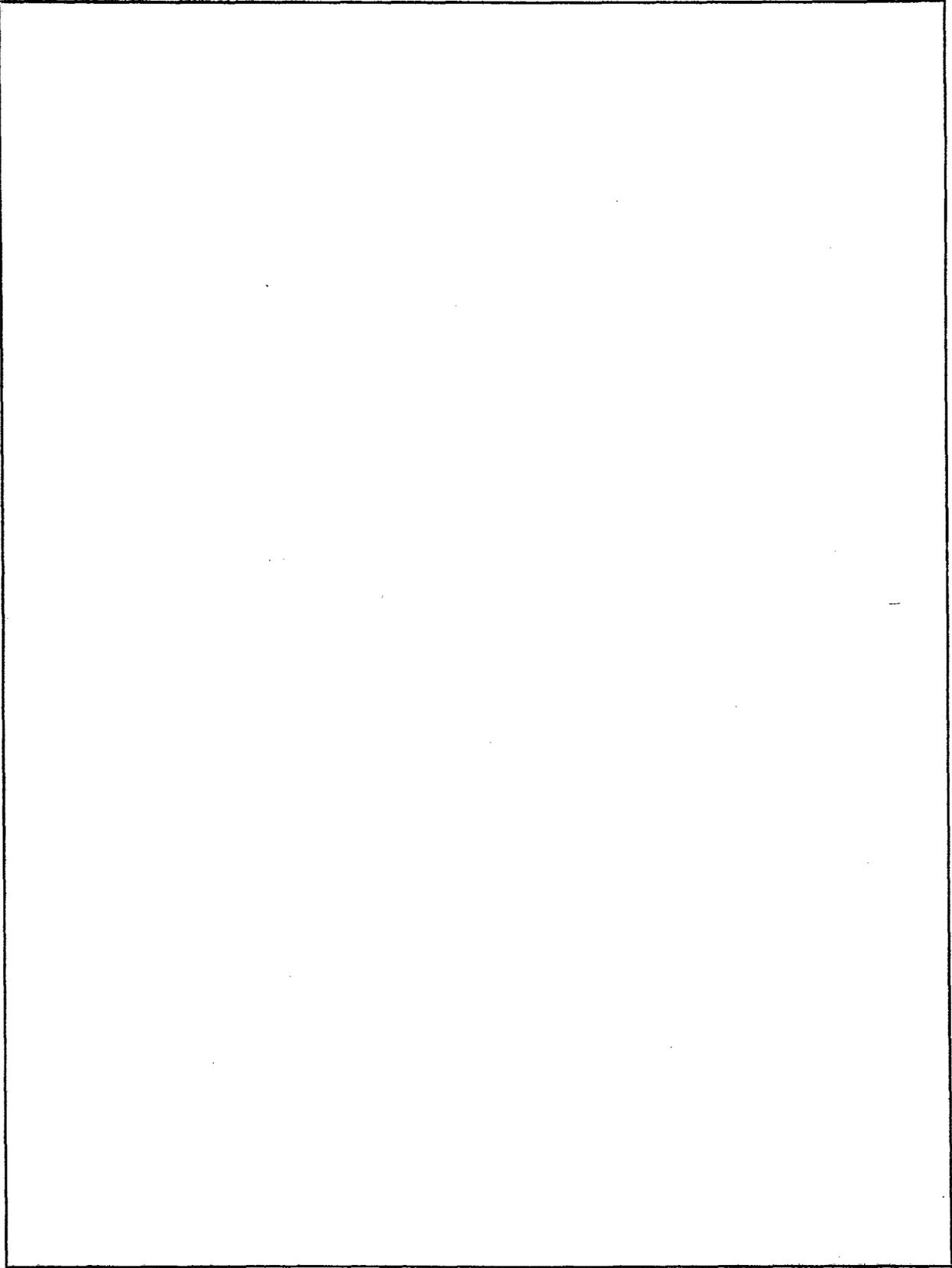
STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, hereby certify that the above and foregoing transcript of proceedings in Case No. 499, taken before the Oil Conservation Commission on March 17, 1953, at Santa Fe, New Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 24th day of March, 1953.


Notary Public

My Commission Expires:
June 19, 1955.



**E. E. GREESON
ADA DEARNLEY
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