

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
August 15, 1956

IN THE MATTER OF:

CASE NO. 792 (Readvertisement)

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
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ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 15, 1956

IN THE MATTER OF:

Application of the New Mexico Oil Conservation Commission on its own motion for the establishment of an oil allowable for the North Mason-Delaware Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing an oil allowable for the North Mason-Delaware Pool described as:

) Case 792
) (Readvertisement)

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
All of Sections 25, 26 35 & 36

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
SW/4 Section 19
NW/4 Section 30

The common source of supply for said pool lies in both the State of Texas and the State of New Mexico.

BEFORE: Honorable John F. Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. A. L. Porter, Jr.

TRANSCRIPT OF HEARING

MR. PORTER: We will take up next Case 792, a readvertisement.

(Mr. Jack Gurley, attorney for the Oil Conservation Commission read the title of the within case.)

(The witness, Dan Nutter, was sworn by Mr. Walker.)

D A N N U T T E R,

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

DIRECT EXAMINATION

By MR. GURLEY:

Q Will you state your name and position, please?

A Dan, Nutter, engineer for the Oil Conservation Commission.

Q Are you the same Dan Nutter who has testified before the Commission on numerous occasions?

A Yes, sir.

Q. Mr. Nutter, have you had an opportunity in your official capacity to study the proposed application for the establishment of an oil allowable for the North Mason-Delaware Pool in Eddy County, New Mexico?

A Yes sir, I have.

Q Would you state the results of that study and your recommendations thereon?

A Case 792 was first heard by the Commission at 9 o'clock on November 17, 1954. As a result of that hearing the Commission's Order R-571 was entered on January 13, 1955, establishing a temporary rate of production for a normal 40 acre proration unit in the North Mason-Delaware Pool, said allowable to consist of 48 barrels per day commencing at 7 o'clock A.M., February 1, 1955, to run until 7 o'clock A.M. Mountain Standard Time, February 1, 1956. Due to an oversight this was allowed to expire and we wish to have a new allowable set up for this pool. I have made a study, the crux of the problem here is that one-half of the pool is in Texas and one-half of it is in New Mexico and the rate of production according to the Texas allowable on this chart which I will enter as an exhibit, for the last 20 months the average allowable in the Texas portion of the field has been at the rate of 49.3 barrels per day. The pool was prorated in Texas on the 37 Amended Yardstick and the number of productive days times the Yardstick gives 49.3 as an

average. The New Mexico allowable for the same period for a well of equal depth has only been 39.7 barrels per day. This 48 special allowable came closer to approximating the Texas rate, but it is still 1 barrel and .3 short. Therefore, I recommend a temporary allowable be established for the North Mason-Delaware pool, I suppose retro-active from February 1956, and to run for six months from the date of this order.

Q You want it to run including the first of February?

A I would say establish a temporary allowable from February 1, 1956, to February 1, 1957, and negotiate with the Texas Railroad Commission to establish the pool allowable on both sides of the State line down there.

MR. PORTER: Mr. Nutter, to your knowledge, has development extended to the State line in both directions?

A As far as I know, there is development on both sides, yes, sir.

Q Have you anything further to offer, Mr. Nutter?

A No, sir. I offer the tabulation as Exhibit 1.

MR. GURLEY: I move the Commission that Exhibit 1 be entered into evidence. First I would like to ask the witness if the exhibit was prepared by you?

A Yes, sir.

MR. GURLEY: I would like to move the admittance of that exhibit.

MR. PORTER: Without exception, it will be admitted. Just one second--do you recommend 49 barrels?

A Yes, sir.

MR. PORTER: Mr. Bailey, do you have a question?

MR. BAILEY: No, I just didn't understand how many he was recommending.

CROSS EXAMINATION

By MR. MANKIN:

Q I take it that you suggest this go back to February 1st, that 1 barrel per day increase, and to be from that time, six months from the date of the order?

A I think 49 barrels a month may be better, but have two portions in the order, 48 barrels retroactive from February 1, 1956 until September 1, 1956, and from that point on until February 1, 1957, it should be 49 barrels.

MR. PORTER: Is that all, Mr. Mankin?

(Mr. Mankin indicated that was all he had.)

MR. PORTER: Mr. Malone, do you have a question?

MR. MALONE: Ross Malone, appearing for the Ohio Oil Company, we are perfectly satisfied with the testimony.

MR. PORTER: Does anyone else have anything to say? If not, Mr. Nutter will be excused and we will take the case under advisement.

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STATE OF NEW MEXICO)
COUNTY OF SANTA FE) : SS

I, Dorothy B. Myers, Court Reporter, do hereby certify the foregoing and attached transcript of proceedings before the Oil Conservation Commission for the State of New Mexico was reported by me in shorthand and reduced to typewritten transcript by me and/or under my personal supervision, and that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and seal this 12th day of September, 1956.

Dorothy B. Myers
Court Reporter