

BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO
November 17, 1954

IN THE MATTER OF:

CASE NO. 795 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 17, 1954

IN THE MATTER OF:

Application of Continental Oil Company for approval of the Williams Ranch Unit Agreement embracing 1920 acres of land, more or less, comprising all of Sections 26 and 27, N/2 Section 34 and N/2 Section 35 in Township 16 South, Range 32 East, NMPM, Lea County, New Mexico.

Case No. 795

BEFORE:

Honorable Edwin L. Mechem
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 795.

MR. HINKLE: If the Commission please, Clarence Hinkle, representing Continental Oil Company. This is the application of the Continental Oil Company for approval of the Williams Ranch Unit Agreement which embraces 1920 acres in Lea County, Township 16 South, Range 32 East. We have two witnesses.

J. H. GALNY,

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

DIRECT EXAMINATION

By MR. HINKLE:

Q State your name, please.

A J. H. Galny.

Q Are you employed by the Continental Oil Company?

A Yes, sir, I am.

Q Have you ever testified before the Commission?

A No, sir, I have not.

Q Are you a graduate geologist?

A Yes, sir, University of Texas, Bachelor of Science in geology in 1948.

Q Are you employed by the Continental Oil Company?

A Yes, sir.

Q How long have you been employed by the Continental Oil Company?

A Six years.

Q What is your official position with the Continental?

A Division Geologist, Roswell Division.

Q Are you familiar with the proposed area to be known as the Williams Ranch Unit Area?

A Yes, sir.

Q Have you had occasion to make a geological study and survey of this area?

A Yes, sir, I have.

Q Have you prepared a geological report covering this area?

A Yes, sir.

(Marked Exhibit No. 1, for identification.)

Q I hand you Exhibit 1 and ask you to explain to the Commission what that shows.

A It is a geophysical survey which was conducted the early part of this year, under the direction of Mr. Swenumson, an anomaly on the Devonian horizon was detected, and encompasses the entire Sections

26 and 27, North half of 34 and 35, of Township 16 South, Range 32 East. The unit encloses the area of the lower-most closed contour on the Devonian horizon.

Q As shown by the plat which is attached to the report?

A Yes, sir.

Q How is that plat prepared, from what information?

A From seismic data.

Q Was the seismograph survey made under your direction or under the direction of the Continental?

A Yes, sir, it was, under Continental.

Q Are you familiar with the application which has been filed by the Continental for approval of this unit?

A Yes, sir, I am.

Q Describe to the Commission the land which the proposed unit covers.

A All of Sections 26 and 27, and the north half of 34 and 35 of Township 16 South, Range 32 East.

Q Are all of these lands State lands?

A Yes, sir, they are, 100 percent.

Q All under oil and gas leases?

A Yes, sir.

Q Do you know whether or not all of the operators or owners of the leases have committed their leases to this proposed unit agreement?

A Yes, sir, they have, all of them.

Q They have all executed the form which has been filed with this application?

A Yes, sir.

Q Do you know whether or not the form is substantially the same form as the Anderson Ranch Unit approved by the Commission?

A Yes, sir, substantially the same. However, it does include a segregation clause.

Q In the form provided by the Commissioner of Public Lands?

A Yes.

Q Does the Unit Agreement provide for the drilling of a test well?

A Yes, sir, it does.

Q When is that to be commenced?

A Within 60 days after approval.

Q What depth is it to be drilled?

A 13,500.

Q In your opinion, is that sufficient to test the Devonian formation?

A Yes, sir, it is.

Q In the event this agreement is approved and production is obtained, state whether or not, in your opinion, this agreement would be in the interest of conservation and prevention of waste?

A Yes, sir it is.

MR. HINKLE: That is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

H. H. SWENUMSON,

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

DIRECT EXAMINATION

By MR. HINKLE:

Q State your name, please.

A H. H. Swenumson.

Q Have you, heretofore, testified before this Commission?

A Yes, I have.

MR. HINKLE: Mr. Swenumson has told me that in his former testimony there was an error in the transcript as to the school which he graduated from. I would like to correct that.

Q Mr. Swenumson, what school are you a graduate of?

A From Ohio Wesleyan University,

Q Are you employed by the Continental Oil Company?

A Yes, I am.

Q What capacity?

A Division geophysicist for Roswell.

Q You are in charge of the geophysical work in Southeastern New Mexico for Continental?

A Yes, sir.

Q Have you had occasion to have a survey, or cause a survey to be made under your direction, of the area in the proposed Williams Ranch Unit?

A Yes, sir.

Q There is attached to the geological report which has been introduced as Exhibit 1, a plat which is described as Exhibit "A", which I would like for you to refer to and explain to the Commission what that shows.

A This plat shows a geophysical structure map as was revealed by the geophysical survey in this area and the immediately

surrounding area.

Q What do the contours represent? Do they represent, what particular zone?

A They represent a horizon in the Devonian formation.

Q Would you care to state to the Commission the manner in which this survey was made, the character of the survey with respect to the closeness of your shot hole, or anything of that kind?

A This is the result of a detailed seismic survey, rather close control and utilizes the data immediately around the unit area and on the unit area.

Q The plat does reflect the result of your geophysical study?

A That is right.

Q Does the proposed unit area cover all, or substantially all of the geophysical anomaly?

A Yes, it does.

MR. HINKLE: That is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. HINKLE: I would like to have the Exhibit, as marked, introduced in evidence. I would like to state to the Commission, this unit has been fully signed by all of the operators. It is 100 percent, all of the operators have committed their interest to the unit. The Continental would like to commence operations immediately on this well. For that reason we would appreciate the Commission taking early consideration of this matter so that the order may be entered as quickly as possible.

MR. MACEY: Is there objection to the introduction of

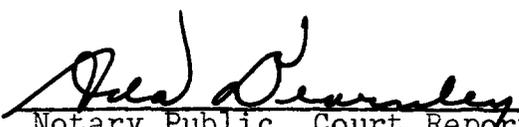
Continental Exhibit Number 1 in Case 795? If not the Exhibit will be received. Does anyone have anything further in this case? If not we will take the case under advisement and take a short recess.

(Recess.)

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of November, 1954.



Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
November 17, 1954

IN THE MATTER OF:

CASE NO. 795 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

Q Are you employed by the Continental Oil Company?

A Yes, sir, I am.

Q Have you ever testified before the Commission?

A No, sir, I have not.

Q Are you a graduate geologist?

A Yes, sir, University of Texas, Bachelor of Science in geology in 1948.

Q Are you employed by the Continental Oil Company?

A Yes, sir.

Q How long have you been employed by the Continental Oil Company?

A Six years.

Q What is your official position with the Continental?

A Division Geologist, Roswell Division.

Q Are you familiar with the proposed area to be known as the Williams Ranch Unit Area?

A Yes, sir.

Q Have you had occasion to make a geological study and survey of this area?

A Yes, sir, I have.

Q Have you prepared a geological report covering this area?

A Yes, sir.

(Marked Exhibit No. 1, for identification.)

Q I hand you Exhibit 1 and ask you to explain to the Commission what that shows.

A It is a geophysical survey which was conducted the early part of this year, under the direction of Mr. Swenumson, an anomaly on the Devonian horizon was detected, and encompasses the entire Sections

26 and 27, North half of 34 and 35, of Township 16 South, Range 32 East. The unit encloses the area of the lower-most closed contour on the Devonian horizon.

Q As shown by the plat which is attached to the report?

A Yes, sir.

Q How is that plat prepared, from what information?

A From seismic data.

Q Was the seismograph survey made under your direction or under the direction of the Continental?

A Yes, sir, it was, under Continental.

Q Are you familiar with the application which has been filed by the Continental for approval of this unit?

A Yes, sir, I am.

Q Describe to the Commission the land which the proposed unit covers.

A All of Sections 26 and 27, and the north half of 34 and 35 of Township 16 South, Range 32 East.

Q Are all of these lands State lands?

A Yes, sir, they are, 100 percent.

Q All under oil and gas leases?

A Yes, sir.

Q Do you know whether or not all of the operators or owners of the leases have committed their leases to this proposed unit agreement?

A Yes, sir, they have, all of them.

Q They have all executed the form which has been filed with this application?

A Yes, sir.

Q Do you know whether or not the form is substantially the same form as the Anderson Ranch Unit approved by the Commission?

A Yes, sir, substantially the same. However, it does include a segregation clause.

Q In the form provided by the Commissioner of Public Lands?

A Yes.

Q Does the Unit Agreement provide for the drilling of a test well?

A Yes, sir, it does.

Q When is that to be commenced?

A Within 60 days after approval.

Q What depth is it to be drilled?

A 13,500.

Q In your opinion, is that sufficient to test the Devonian formation?

A Yes, sir, it is.

Q In the event this agreement is approved and production is obtained, state whether or not, in your opinion, this agreement would be in the interest of conservation and prevention of waste?

A Yes, sir it is.

MR. HINKLE: That is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

H. H. SWENUMSON,

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

DIRECT EXAMINATION

By MR. HINKLE:

Q State your name, please.

A H. H. Swenumson.

Q Have you, heretofore, testified before this Commission?

A Yes, I have.

MR. HINKLE: Mr. Swenumson has told me that in his former testimony there was an error in the transcript as to the school which he graduated from. I would like to correct that.

Q Mr. Swenumson, what school are you a graduate of?

A From Ohio Wesleyan University.

Q Are you employed by the Continental Oil Company?

A Yes, I am.

Q What capacity?

A Division geophysicist for Roswell.

Q You are in charge of the geophysical work in Southeastern New Mexico for Continental?

A Yes, sir.

Q Have you had occasion to have a survey, or cause a survey to be made under your direction, of the area in the proposed Williams Ranch Unit?

A Yes, sir.

Q There is attached to the geological report which has been introduced as Exhibit 1, a plat which is described as Exhibit "A", which I would like for you to refer to and explain to the Commission what that shows.

A This plat shows a geophysical structure map as was revealed by the geophysical survey in this area and the immediately

surrounding area.

Q What do the contours represent? Do they represent, what particular zone?

A They represent a horizon in the Devonian formation.

Q Would you care to state to the Commission the manner in which this survey was made, the character of the survey with respect to the closeness of your shot hole, or anything of that kind?

A This is the result of a detailed seismic survey, rather close control and utilizes the data immediately around the unit area and on the unit area.

Q The plat does reflect the result of your geophysical study?

A That is right.

Q Does the proposed unit area cover all, or substantially all of the geophysical anomaly?

A Yes, it does.

MR. HINKLE: That is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. HINKLE: I would like to have the Exhibit, as marked, introduced in evidence. I would like to state to the Commission, this unit has been fully signed by all of the operators. It is 100 percent, all of the operators have committed their interest to the unit. The Continental would like to commence operations immediately on this well. For that reason we would appreciate the Commission taking early consideration of this matter so that the order may be entered as quickly as possible.

MR. MACEY: Is there objection to the introduction of

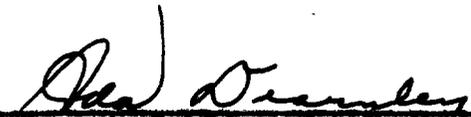
Continental Exhibit Number 1 in Case 795? If not the Exhibit will be received. Does anyone have anything further in this case? If not we will take the case under advisement and take a short recess.

(Recess.)

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of November, 1954.



Notary Public, Court Reporter

My Commission Expires:
June 19, 1955