

BEFORE THE
Oil Conservation Commission

SANTA FE, NEW MEXICO
April 20, 1955

IN THE MATTER OF:

CASE NO. 873 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1955

IN THE MATTER OF:

Application of N. B. Hunt for approval of a
240-acre non-standard gas proration unit in the
Eumont Gas Pool: NW/4 and W/2 NE/4 of Section
21, Township 21 South, Range 37 East, Lea
County, New Mexico, to be assigned to applicant's
Mittie N. Weatherly Well No. 1, center of SW/4
NW/4 of said Section 21.

Case No. 873

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 873.

MR. KELLAHIN: If the Commission please, Jason Kellahin,
appearing for applicant, N. B. Hunt. We will have one witness,
Mr. Rohe.

G O R D O N R O H E ,

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

DIRECT EXAMINATION

By MR. KELLAHIN:

State your name please.

A My name is Gordon Rohe.

Q By whom are you employed?

A Employed by the Hunt Oil Company, Dallas, Texas.

Q What position?

A Petroleum Engineer.

Q Have you testified before this Commission previously?

A No, I have not.

Q What educational background do you have?

A Petroleum Engineer graduate, University of Texas, 1948. I was employed by the California Company of New Orleans from '48 to '51; by Hunt Oil Company from '52 to the present.

Q In what capacity are you employed by the Hunt Oil Company?

A For both companies, I work partly as a field petroleum engineer and part time reservoir engineer.

Q Have you had any other field experience aside from that?

A That about covers it all.

MR. KELLAHIN: Are the witness's qualifications acceptable to the Commission?

MR. MACEY: Yes, sir, they are.

MR. KELLAHIN: Mr. Rohe, are you familiar with the application in this case, 873?

A Yes, sir, I am.

Q Did you assist in preparing the application here?

A No, sir, I did not.

(Marked Hunt Oil Company Exhibits No. 1, 2 and 3, for identification.)

Q Mr. Rohe, I hand you what has been marked as Applicant Hunt Exhibit No. 1 and ask you to state what this is.

A This is application of N. B. Hunt for non-standard gas production unit in regards to the northwest quarter and the west half of the northeast quarter, which is in Section 21, Township 21 South, Range 37 East, of Lea County, New Mexico, Mittie N. Weatherly Well

No. 1, located in the center of the southwest quarter of the northwest quarter of Section 21.

Q Does it outline the acreage that Hunt seeks for approval?

A Yes, it outlines the acreage of the Weatherly Lease which consists of the northwest quarter of the section and the west half of the northeast, 240 acres.

Q Who are the working interest owners and the lessors under this proposed lease?

A The working interest owners are N. B. Hunt, W. H. Hunt and Lamar Hunt, and the lease owners are W. W. Weatherly and wife, Mittie N. Weatherly.

Q What is the location of the Mittie N. Weatherly No. 1?

A The Weatherly No. 1 is 1980 feet from the north line and 660 feet from the west line of Section 21.

Q Do you know when that well was completed?

A This well was completed in January of 1939.

Q In what formation was it completed?

A The Weatherly No. 1 was completed in the Queens Formation.

Q Was it productive of oil at that time?

A Yes, sir, it was an oil producer.

Q In other words, Mr. Rohe, this well was not completed to any production early?

A That is correct.

Q How has the well been classified from the time of its completion up to the present time, do you know?

A This well has been carried on the production schedule of the Penrose-Skelly Pool, producing from the Queen formation.

Q It has been appearing then on the oil schedule?

A That is correct.

Q I hand you what has been marked as Hunt's Exhibit No. 2 and ask you to state what that shows.

A That is a letter dated March 7, 1955, from the Engineer of District 1, Oil Conservation Commission, to N. B. Hunt concerning the Weatherly No. 1 in Penrose-Skelly Pool. The District Engineer points out that the ratio of this well is in excess of 100,000 to 1, indicates this well should be reclassified as a gas well in the Eumont Pool, and requests; further, that N. B. Hunt request an application for non-standard unit for this well.

Q Is the information that it is a high gas-oil ratio well correct?

A Yes.

Q What is the ratio?

A In excess of 100,000 to 1.

Q Is the proposed unit within the limits of the Eumont Gas Pool, as presently defined?

A Yes, sir, it is.

Q Are you sure? Isn't there a case coming up in that connection?

A The Weatherly is not in the Eumont Pool as presently defined. I believe it is the Case 884 which pertains to the extension of the Eumont Pool to cover Section 21 of Township 21 South, Range 37 East.

Q The Hunt application for unorthodox unit within the Eumont Pool would be conditioned on the boundary of the Eumont Pool to include the boundaries of the Eumont?

A Yes.

Q In other words, you are making a conditional application at this time?

A Yes.

Q At the time that the Mittie Weatherly Well was drilled, did it conform to the requirements of the Commission as to spacing and well location?

A Yes, sir, it did.

Q In the Queens Formation?

A Yes, sir.

Q I hand you what has been marked as N. B. Hunt's Exhibit 3 and ask you to state what that shows.

A This is a plat showing Section 21 and the Mittie N. Weatherly Lease, consisting of 240 acres for which the non-standard proration unit is requested. This plat shows the location of the Weatherly No. 1 Well from the boundary lines and for the convenience of the Commission, we have plotted on here to scale, a radius of influence equivalent to 3,735 feet. From a study of this plat can be seen that all of the acres in the Mittie N. Weatherly Lease are included within the radius of influence.

Q That would include all but a very small fraction in the corner?

A That is correct. There is a fraction of an acre in the northeast corner of the lease that would not be covered within the radius of influence.

Q You based your 3,735 feet -- Did you base that on the statement which was made by the Commission Staff in considering the radius of influence?

A That was based on a letter which I had in my office. I don't remember the author of it, but it concerned a further interpretation of R-520.

Q Does the proposed non-standard unit consist of contiguous quarter quarter sections?

A Yes.

Q Does it lie entirely within Section 21, Township 21 South, Range 37 East?

A Yes.

Q May all the acreage be presumed to be productive of gas?

A Yes, sir.

Q Are there some other wells located within the vicinity completed as gas producers?

A To my knowledge there are no other wells completed in the Queen Formation within the radius of influence, or within 1,500 feet of the boundary lines of this lease.

Q There is some acreage lying to the south to which this well will be located 660 feet from the boundary?

A The leases to the south are leases also owned by N. B. Hunt, have two wells on it, the M. E. Wantz No. 1 and the Wantz No. 2.

Q In what formation are those?

A Those two wells are also completed in the Queen formation.

Q They are both productive of gas from the Queen?

A They are, like the Weatherly, presently carried on the oil proration schedule for the Penrose-Skelly Pool, and also have been reclassified as gas wells, contingent upon case 884.

Q Does the length of this proposed unit exceed 5,280 feet?

A No.

Q The offset operators, would you name who they are?

A The offset operators are Sinclair, Pacific Western, Tidewater, Sunray, S. E. Cone.

Q Were all of these operators notified of the application filed by N. B. Hunt in this case?

A Yes, all of the offset operators were notified by registered mail on March 24, 1955.

Q Were any objections received from any of the operators?

A To my knowledge there is no objection to this request.

Q In your opinion, would it be economically feasible to drill an additional well on the proposed unit?

A No, sir, it would not.

Q Would such a well be contrary to good field practice in the oil and gas industry?

A Yes, sir, it would.

Q Why do you say that, Mr. Rohe?

A The cost of the well to the Queen Formation, and based upon the probable allowable recovery we would receive for a Queen Formation well in the Eumont would make the payout of such a well excessive.

Q Are you familiar with the standard proration unit for a gas well completed in the Eumont Pool?

A I believe the standard proration unit as described in R-520 in the Eumont Pool was 640 contiguous acres.

Q If this proposed proration unit is not approved, what effect would that have on the applicant and the applicant's lessors?

A If this is not approved, then we will be deprived of our fair share of the hydrocarbons underneath the lease.

Q In your opinion, would approval of the proration unit, consisting of the northwest quarter and west half of the northeast quarter of Section 21, Township 21 South, Range 37 East, Lea County New Mexico, prevent waste and protect correlative rights and serve the best interest of conservation?

A Yes, I believe it would.

MR. KELLAHIN: I move the admission in evidence of the applicant Hunt's Exhibits 1, 2 and 3.

MR. MACEY: Without objection they will be received.

MR. KELLAHIN: That is all.

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

(Witness excused.)

MR. MACEY: Do you have anything further?

MR. KELLAHIN: That is all.

MR. MACEY: We will take the case under advisement.

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 3rd day of May, 1955.

Ada Dearnley

Notary Public, Court Reporter

My Commission Expires: June 19, 1955

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