

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
June 28, 1955

IN THE MATTER OF:

CASE NO. 917

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
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TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 28, 1955

IN THE MATTER OF:

Application of Gulf Oil Corporation for approval
of a 240-acre non-standard gas proration unit
in the Eumont Gas Pool, Lea County, New Mexico,
to consist of the SE/4 of Section 17 and the
W/2 SW/4 of Section 16, Township 19 South,
Range 37 East, to be dedicated to applicant's
Graham State "G" Well No. 1, SW/4 SE/4 of
Section 17.

Case No. 917

BEFORE:

Honorable John F. Simms
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 917.

G U Y S I N C L A I R, J R . .

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

DIRECT EXAMINATION

By MR. MALONE:

Q Will you state your name?

A Guy Sinclair, Jr.

Q Where do you live, Mr. Sinclair?

A Fort Worth, Texas.

Q By whom employed?

A Gulf Oil Corporation.

Q In what capacity?

A As petroleum engineer.

Q How long have you been employed by Gulf as an engineer?

A For five years.

Q You have testified before the New Mexico Commission on prior occasions, have you not?

A Yes, sir, I have.

MR. MALONE: Are the witness's qualifications acceptable?

MR. MACEY: They are.

Q Are you familiar with the application filed by Gulf Oil Corporation in Case No. 917?

A Yes, sir, I am.

Q What is the purpose of that application?

A This is a request for a 240-acre non-standard gas proration unit comprising the Graham State "G" Lease, which covers the southeast quarter of Section 17, Township 19 South, Range 37 East. That portion of the lease stated is lease covering the west half of the southwest quarter of Section 16, Township 19 South, Range 37 East, Lea County, New Mexico.

(Marked Gulf Oil Corporation's Exhibits Nos. 1, 2, 3 and 4, for identification.)

Q I hand you an instrument that has been identified as Gulf's Exhibit 1, and ask you to state what that is.

A That is a plat which shows the acreage enclosed by the proposed unit, and the offsetting wells in the area, and also ownership in the general vicinity.

Q I hand you an instrument identified as Gulf's Exhibit No. 2 and ask you to state what that is.

A That is a plat which shows, in addition to ownership and wells drilled in the vicinity, all other approved gas proration units in the area.

Q I hand you an instrument which has been identified as Gulf's Exhibit 3 and ask you to state what that is.

A Gulf's Exhibit 3 is a structure map contoured on top of the Yates Horizon, using contour intervals of 25 feet.

Q I hand you an instrument which has been identified as Gulf's Exhibit 4 and ask you to state what that is.

A It is a gamma ray neutron log of the Graham State "G" Well No. 1.

Q Were these exhibits prepared by you, or at your direction?

A Yes, sir, they were.

Q I believe you testified, Mr. Sinclair, that there was acreage included in two State Leases in this proposed unit?

A Yes, sir, that is correct.

Q The State of New Mexico is the only royalty owner then in the unit?

A Yes, sir.

Q Who is the owner of the operating rights on all the proposed acreage in the unit?

A Gulf Oil Corporation.

Q What well is it proposed to assign the unit acreage to?

A Gulf's Graham State "G" Well No. 1.

Q Where is that located?

A That well is located 660 feet from the south line and 1980 feet from the east line of Section 17, Township 19 South, Range 37

East.

Q Can you give me a brief history of the completion of that well?

A This well was completed originally on January 13, 1937. It is producing as an oil well from the open hole interval from 3,808 feet to 3,995 feet in the Monument Oil Pool. The well was dually completed on May 2, 1955 in the Eumont Gas Pool. It is producing through five and a half inch casing, perforated from 3,995 to 3,668 feet, which is within the vertical limits of the Eumont Gas Pool, as defined by the Oil Conservation Commission Order No. R-520.

Q I notice on Gulf's Exhibit No. 1 that two oil wells are shown within the exterior boundaries of the proposed unit. From what pool are they producing?

A From the Monument Oil Pool.

Q Is the gas well, the Graham State "G" Well No. 1 producing any fluid?

A No, sir, this well produces no fluid.

Q Do you have any information as to the present ability of the well to produce the increased allowable which is proposed?

A This well is presently assigned an allowable of 426 MCF per day. That is on the 160-acre basis. If the 240-acre unit is assigned as proposed, the well may be assigned an allowable of approximately 639 MCF per day. The Graham State "G" No. 1 has a deliverability of 3,100 MCF per day at 600 PSIG. The calculated openflow potential is 4,600 MCF per day.

Q Have you studied the information which Gulf has available as to the possible productivity of the acreage included in the proposed unit?

A Yes, sir, I have.

Q In your opinion, could all of the acreage included in the proposed unit reasonably be presumed to be productive of gas?

A In my opinion the entire 240 acres, which would be contained within this unit, can reasonably be assumed to be productive of gas.

Q What do you base that opinion on?

A This opinion is based on the fact that as shown on Gulf's Exhibit No. 2, our proposed unit is completely surrounded by other wells producing from the Eumont Gas Pool. My opinion is based on that fact, in conjunction with the contour map, Gulf's Exhibit No. 3.

Q Do you have any other information which you would like to give the Commission in connection with this application?

A No, sir, I believe not.

Q In your opinion, would the approval of this application prevent waste and protect correlative rights?

A Yes, sir, it would.

MR. MALONE: We offer in evidence, Gulf's Exhibits 1, 2, 3 and 4.

MR. MACEY: Without objection they will be received in evidence.

MR. MALONE: That is all.

MR. MACEY: Any questions of the witness? Mr. Mankin?

CROSS EXAMINATION

By MR. MANKIN:

Q Mr. Sinclair, you indicated that this well was completed within the vertical limits of the Eumont, which would be Yates,

Seven Rivers or Queen. What actual producing interval?

A Yes, it is the Queen.

MR. MANKIN: That is all.

MR. MACEY: Anyone else have a question of the witness? If not the witness may be excused.

(Witness excused.)

MR. MACEY: Do you have anything further?

MR. MALONE: That concludes our evidence in Case 917.

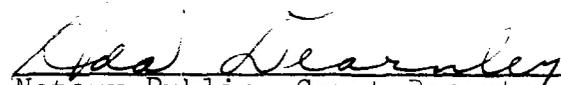
MR. MACEY: Does anyone have anything further in Case 917?

If not 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 6th day of July, 1955.


 Notary Public, Court Reporter

My Commission Expires:
 June 19, 1959