

BEFORE THE  
**Oil Conservation Commission**  
SANTA FE, NEW MEXICO  
September 15, 1955

IN THE MATTER OF:

CASE NO. 947

**TRANSCRIPT OF PROCEEDINGS**

**ADA DEARNLEY AND ASSOCIATES**  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 15, 1955

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IN THE MATTER OF:

Application of Sinclair Oil and Gas Company  
for approval of 160 acre non-standard gas  
proration units in the Tubb and Blinebry Gas  
Pools, Lea County, New Mexico, to consist of  
the N/2 SW/4, SW/4 SW/4 and the NW/4 SE/4 of  
Section 36, Township 21 South, Range 37 East,  
to be dedicated to applicant's State 367  
No. 3 Well located NE/4 NW/4 of said Section  
36.

Case No. 947

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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 947.

MR. HARBIN: My name is Nat J. Harbin, attorney for Sinclair  
Oil and Gas Company, Fort Worth, Texas. If the Commission please,  
this is an application for Sinclair Oil and Gas Company for approval  
of 160-acre non-standard gas proration unit in the Tubb and Blinebry  
Gas Pools.

R I C H A R D M. A N D E R S O N ,

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

DIRECT EXAMINATION

By MR. HARBIN:

Q What is your name, please?

A Richard M. Anderson.

Q Where do you reside, Mr. Anderson?

A Fort Worth, Texas.

Q By whom are you employed, and in what capacity?

A Sinclair Oil and Gas Company as a Senior Petroleum Engineer.

Q You are acquainted with the application which is being heard by the Commission?

A I am.

Q Are you acquainted with the area of the subject proposed unit?

A Yes, sir.

(Marked Sinclair Oil and Gas Company's Exhibit No. 1, for identification.)

Q I hand you a plat, Mr. Anderson. I ask you whether or not you prepared that plat?

A I did.

Q Just tell us briefly what is shown on the plat?

A This is a plat showing the Tubb and Blinebry Gas proration units as reported in the August, 1955 gas proration schedule, in the vicinity of Section 36, Township 21 South, Range 37 East, Lea County, New Mexico.

MR. HARBIN: I offer in evidence, Exhibit No. 1, the plat which Mr. Anderson just referred to.

MR. MACEY: Without objection it will be received.

Q Mr. Anderson, would you tell the Commission the location of the subject gas well?

A Sinclair has a gas well dually completed in the Tubb and Blinebry Gas Pools, located in the center of the northeast quarter of the southwest quarter of Section 36, Township 21 South, Range

37 East, Lea County, New Mexico.

Q Was that gas well dually completed pursuant to permission and authorization given by this Conservation Commission?

A Yes, sir, it was. It was dually completed as per Commission Order C-195, on or about June 18, 1955. The well was originally drilled and produced as a Drinkard Oil Well, completed November 11, 1947, at a total depth of 6,589 feet. After completion, after the completion as a gas well in both the Tubb and Blinebry zones, the well was awarded 120-acre non-standard proration unit in both the Tubb and Blinebry Gas Pools by Commission Order NSP-164 and NSP-151.

Q Is that well located on State of New Mexico No. 367 Lease Well No. 3?

A Yes, sir, that is the well.

Q Will you explain the tests that have been made in connection with this well?

A On August 10th, a four point back pressure test was run on the casing completion which is in the Blinebry Gas Pool, and the test indicated an openflow capacity of 3,200,000 cubic feet per day. The following day, August 11th, the four point back pressure test was run on the Tubb completion which produces from the Tubb Gas Pool, and we had an indicated openflow capacity of 1,460,000 cubic feet per day from that zone.

Q Will you state whether or not the royalty interest under the land now dedicated to the well and the additional land which you proposed to dedicate is common?

A Yes, sir, the royalty interests are common.

Q Will you state the additional which you propose to dedicate

to this well, where is it located, describe it.

A On Exhibit 1, the proposed 160-acre unit is outlined in red and the lease itself is colored in yellow. The 120-acre assignment that the well now has consists of the west half and northeast quarter of the southwest quarter. We propose to add the northwest quarter of the southeast quarter which is an adjacent 40-acre tract offsetting the 40-acre tract that the well itself is on.

Q What is the distance from the well to the west line of the 40-acres which you propose to add?

A 660 feet.

Q In your opinion, Mr. Anderson, is the 40 acres which you propose to add productive of gas?

A Yes, sir, it is my opinion that the proposed 40-acre addition is productive of gas in both the Tubb and Blinebry Gas Pools, and it is my opinion that Sinclair's State 367 Well No. 3 can effectively drain the gas that will be found under that proposed 40-acre addition. It also is apparent from the Exhibit 1, that the 40-acre addition lies wholly within the horizontal limit of the Tubb and Blinebry Gas Pools, as defined by the Commission.

Q In your opinion, would the dedication of the 160-acres to the present well protect correlative rights and prevent waste?

A In my opinion it would.

Q By the way, I forgot to ask you, are you a registered engineer in the State of New Mexico?

A I am.

Q Have you heretofore qualified and testified as an expert witness before this Commission?

A I have.

MR. HARBIN: That is all.

MR. MACEY: Any questions of the witness?

CROSS EXAMINATION

By MR. GURLEY:

Q Is Sinclair the only owner of all the leases of lands proposed for dedication?

A Yes, the leasehold interests are common, as well as the royalty interest under the proposed unit.

Q And is owned by Sinclair?

A Yes.

MR. MACEY: Anyone else? Mr. Mankin?

By MR. MANKIN:

Q Sinclair has state oil and gas leases on the dedicated acreage?

A Yes, sir, Mr. Mankin, that is correct.

Q I note that your particular unit is a little out of the ordinary from the normal Blinebry-Tubb unit, where they are all in the regular quarter section. Tidewater apparently has a State oil and gas lease from the southeast quarter of the southwest quarter of just adjoining your lease, is that correct?

A That is correct.

Q Have any attempts been made to communitize the State acreage and form a normal 160-acre unit instead of going across the Section lines?

A Tidewater has not approached Sinclair with any proposals to develop their undeveloped acreage by pooling or unitizing. Sinclair has taken such proposals very favorably in the past, and we would consider any such proposal, should Tidewater be interested in offer-

ing them.

Q Have you asked Tidewater in regard to forming a normal 160-acre unit within the quarter section?

A No, sir, I did not. Due to the shape of Sinclair's property it appeared that the most effective way, and most economical way to develop the proposed 40-acre addition would be through assignment. And, I might add, to my way of thinking, would be the most logical way to develop the proposed 40-acre addition, would be by assignment to Sinclair's well, as the royalty interest and the leasehold interest are common.

Q Then you feel in the future that Tidewater and Sinclair and Stanolind, individually, could each develop and complete additional wells, and develop them properly without any misplacement of units? There is undeveloped acreage within the pool, within the same section, of Stanolind, Sinclair and Tidewater. You feel there would be no misplacement--

A (Interrupting) I believe --

Q (Continuing) -- by the formation of these units?

A I believe that as development continues to prove the productivity of the undeveloped acreage in that section, I see no reason why some kind of proration units or pooling agreements with Stanolind, Sinclair and Tidewater, why they could not be affected.

MR. MANKIN: That is all.

By MR. KITTS:

Q This portion marked in yellow on your Exhibit 1, that is the same State lease, is that right?

A Yes, sir.

MR. MACEY: Anyone else? If no further questions the

witness may be excused.

(Witness excused.)

MR. HARBIN: 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.

DATED at Albuquerque, New Mexico, this 26th day of September, 1955.

  
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Court Reporter