

BEFORE THE
OIL CONSERVATION COMMISSION
NOVEMBER 19, 1958

IN THE MATTER OF:

APPLICATION OF TIDEWATER OIL COMPANY, CASE 1549

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
NOVEMBER 19, 1958

IN THE MATTER OF:)

Application of Tidewater Oil Company for)
two non-standard gas proration units.)
Applicant, in the above-styled cause, seeks)
an order establishing a 120-acre non-standard)
gas proration unit, in both the Tubb Gas)
Pool and the Blinebry Gas Pool, each to com-)
prise the S/2 SE/4 and SE/4 SW/4 of Section)
36, Township 21 South, Range 37 East, Lea)
County, New Mexico, and to be dedicated to)
applicant's State "Q" Well Number 1, located)
in the SE/4 SW/4 of said Section 36, which)
well is dually completed in the aforesaid pools.)

) Case 1549

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Next case on the Docket will be case 1549.

MR. PAYNE: Case 1549, Application of Tidewater Oil
Company for two non-standard gas proration units.

MR. SETH: Oliver Seth, Santa Fe, New Mexico, for Tide-
water. If the Commission please, this is an application by
Tidewater to establish two non-standard gas proration units, one
in the Tubb Gas Pool and one on the Blinebry, being the same 120-acre
tract for both pools, the 120 south half of the southeast quarter
of the southeast quarter southwest quarter of Section 36, Township
21 South, Range 37 East. We have Mr. Miller as our witness.

ROBERT N. MILLER

the witness, having been first duly sworn, testified as follows?

DIRECT EXAMINATION

BY MR. SETH:

Q State your full name for the record and your position with Tidewater.

A Robert N. Miller, Area Petroleum Engineer, Hobbs.

Q Are you familiar with the application of Tidewater in Case 1549?

A Yes, sir.

Q Have you testified previously before the Commission as an engineer?

A Yes, sir.

MR. SETH: May he so testify at this hearing?

MR. UTZ: Yes.

Q (By Mr. Seth) Have you prepared a plat showing the location of the proposed non-standard unit?

A Yes, sir, I have.

MR. SETH: Would you mark that, please, number one.

(Marked Tidewater Exhibit
Number One for identification.)

Q (By Mr. Seth) Referring to Exhibit One, the proposed area, how is it indicated?

A It is indicated in red, Tidewater State "Q" Lease.

Q What well is located on this lease?

A Well Number One, being in Unit N, 36, 21, 37.

Q Has this well been dually completed?

A It was originally a Drinkard well; it is plugged back a dual.

Q By this application do you propose to dedicate the two units to the dually completed well?

A Yes, sir, 120-acre State "Q" Lease for Blinebry and same 120 acres for the Tubbs.

Q Consider first the Blinebry portion of the application. Would you state, please, where the well is perforated, the Tidewater State "Q" Number One?

A Yes, sir, it is perforated in the Blinebry section from 5520 to 5560, which is a minus 2143 to a minus 2183.

Q Now, would you describe the adjoining wells, the offset wells to this Tidewater State "Q" Number One?

A The north offset, Sinclair State 367 well Number 3 is presently a top allowable Blinebry gas well which will produce in excess of one million cubic feet of gas per day. The diagonal offset, the Gulf's Penrose Well Number Five -- I'd like to point out at this time there is one error in these plats. The east half of Section 21, 22 South, 37 East is shown as N. G. Penrose - George Simms lease. That should be Gulf's Paddock Lease.

Q This is Gulf's Paddock Number Five?

A Yes, sir, perforated in the Blinebry from a minus 2150 to a minus 2461 intermittently sand and oil treated. The well was originally completed as an oil well with a GOR of 13,000 to one and a liquid gravity of 38 degrees API. Recent tests indicated

that the GOR of this well has been increased to 53,118 cubic feet per barrel, which is sufficient for gas well classification under the Blinebry Field rules or R - 16. Gulf hasn't at this time I don't believe filed for a standard gas proration unit covering the northeast quarter of Section 1.

Q Now, would you compare the perforations in the Gulf Paddock Number Five and the Tidewater State "Q" Number One?

A The Gulf Paddock Number Five was perforated 278 feet lower on the lowermost perforations, comparing the Tidewater State "Q" One and the Paddock Number Five.

Q That applies to the Blinebry?

A Yes, that is the Blinebry.

Q Make a similar comparison with the Sinclair 367.

A Sinclair is perforated in the Blinebry minus 2135 to a minus 2201, which would be 18 feet lower on the lowermost perforation to the Tidewater State "Q" Number One.

Q Considering the adjoining gas units there, are there other units within those units as low or lower?

A There are in that immediate vicinity no Blinebry gas wells producing below the lowermost part of that 120 acres. However, there is dedicated acreage to gas wells which is as low or lower. One instance being the standard gas proration unit of Pan American's State "C" 13 well Number Five in the Northwest quarter of the Section 36, 21 South 37 East.

Q Is that a portion of the Gulf Paddock Unit; how would that

compare?

A Gulf has, to my knowledge, Gulf has not filed for a standard Blinebry gas unit.

Q Have you prepared a contour map showing the top of the Blinebry?

A Yes, sir, I have.

Q This is Exhibit Number Two, is that correct?

A Yes, sir, that is correct.

Q Would you state, please, what this exhibit shows? Describe the contour.

A There is a contour map at 20-foot intervals on the top of the Blinebry. It is encountered in the Tidewater State "Q" Number One minus 2140. The lowermost part on the proposed 120-acre non-standard unit is approximately minus 2210 to 20.

Q What is the source of the data for the preparation of Exhibit Two?

A Logs on file at the Hobbs District Office of the New Mexico Oil Conservation Commission.

Q From the available data, in your opinion, is the entire 120-acre tract reasonable completion production?

A Yes, it is within the horizontal limits of the Blinebry as set forth in R - 16.

Q Do you have any other comments relative to Exhibit Number Two?

A No, sir.

Q Considering the Tubb Gas Pool portion of the application, would you describe, please, the perforations in Tidewater "Q" Number One, the Tubb?

A The Tubb perforations in the Tidewater State "Q" Number One are 6140 to 6175 or a minus of 2770 to a minus 2805.

Q Would you compare those with the offset wells on adjoining acreage?

A I don't have the exact perforations in the Tubb perforations or the Gulf Paddock Five or State Sinclair 367. However, there is a well in the southeast southeast of Section 1, 22 South, 37 East that is a marginal Tubbs well. That is, the Tubbs marker is approximately 2780, which is lower than the Tubbs marker on the proposed 120-acre non-standard gas proration unit for the Tubbs.

Q You are referring to Gulf Paddock Number 3 well?

A Yes, sir.

Q Do you have any data from the production of the well?

A January 1, 1958 that well had produced approximately 13 MCFPD. Of these a balance of, commencing in August of 1958 the well produced 20 million cubic feet of gas.

Q Have you prepared a contour map on the Tubbs?

A I have.

Q Is that Exhibit Number Three?

A Yes, sir.

Q Would you describe, please, what that shows?

A This is contoured on 50 foot intervals and contoured on

the top of the Tubbs marker. The source of data was logs filed at the Hobbs District Office of the Oil Conservation Commission. This exhibit, likewise, shows the horizontal limit of the Tubbs Pool set out in Order R-16.

Q From the available data and from this exhibit, what is your opinion as to the productivity of this 120-acre tract?

A I believe that the contour map shows there are producing Tubbs wells lower than the lowermost part of this proposed non-standard gas proration unit; and, therefore, it can be reasonably assumed that the entire 120-acres is productive of Tubbs gas.

Q In your opinion, is the creation of these units necessary to protect correlative rights and prevent drainage?

A Yes, sir. I have Exhibit Four, existing gas proration units.

Q Do you have an exhibit showing the status of present units surrounding it?

A Yes, sir. Exhibit Four shows gas proration units in a section area on the Tidewater State "Q" 120-acre lease. All of these units are Tubbs Blinebry units with the exception of the Cities Service on the, in the southeast of Section 35, 21, 37.

Q How is that colored?

A Outlined in blue and blue diagonal markings. The Gulf Paddock Lease in the northeast of Section 1, 22 South, 37 East is shown in green cross hatching. The Gulf Paddock in the southeast of Section 1, 22, 37 is shown in yellow; and the Penrose Hinton in

the southeast of Section 12, 22, 37 is shown in purple. These four are Tubbs gas units.

Q With the exception of those four, all the other units indicated on the Exhibit Number 4 are combination Tubb and Blinebry units?

A That is correct.

Q And those four are just single pool units?

A Yes, sir, they are all Tubbs gas units.

Q And what does that exhibit show? How would you summarize it?

A It shows there are gas units on the south and the north of Tidewater State "Q" Lease; therefore, it is necessary that we have a gas well in order to protect our lease from draining and protect correlative rights.

Q And you are pretty much surrounded by approved existing units, is that correct?

A Yes, sir.

Q There is not much other way for you to go?

A No.

Q Is there anything further you'd like to mention concerning this exhibit?

A No, sir, I believe not.

MR. SETH: We'd like to offer the Exhibits One through Four.

MR. UTZ: Without objection they will be received.

MR. SETH: Is there anything further on the application, Mr. Miller, you'd like to mention?

A No, sir.

MR. SETH: That's all.

MR. UTZ: Are there questions of the witness?

EXAMINATION BY MR. FISCHER:

Q Mr. Miller, could you tell me the operator of this north-east quarter of the southeast quarter of Section 36, 21, 37?

A That belongs to Sinclair. It is a part of State 367.

Q Did you try to communitize that with your 120 acres?

A Not at the present time we haven't.

MR. FISCHER: That's all.

EXAMINATION BY MR. UTZ:

Q This unit is within the defined limits of both the Blinebry and Tubb Gas Pools, is it not?

A Yes, sir, it is.

MR. UTZ: Are there any other questions of the witness?

Q (By Mr. Fischer) Mr. Miller, these hatched lines on your exhibit, the ones that contour on top of the Blinebry marker, the one that goes there next to that Paddock 3 to the east of Paddock 3, what does that signify?

A Lack of data. That is the easternmost well drilled in that. This is the northeast part of the Tubb Pool and is the most easterly well drilled.

MR. FISCHER: That's all.

