

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1574

TRANSCRIPT OF HEARING

January 7, 1959

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

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF: |

Case 1574 Application of the Texas Company for a non- |
standard gas proration unit. Applicant, in |
the above-styled cause, seeks an order es- |
tablishing a 160-acre non-standard proration |
unit in the Tubb Gas Pool consisting of the |
W/2 NW/4, NE/4 NW/4, NW/4 NE/4 of Section |
31, Township 22 South, Range 38 East, Lea |
County, New Mexico, said unit to be dedi- |
cated to applicant's A. H. Blinbry NCT-3 |
Well No. 1 located 660 feet from the North |
and West lines of said Section 31.

Mabry Hall
Santa Fe, New Mexico
January 7, 1959

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be 1574.

MR. PAYNE: Case 1574, "Application of the Texas Company
for a non-standard gas proration unit."

(Whereupon, the documents were marked for identification as
Applicant's Exhibits One and Two).

MR. WHITE: Charles White of Gilbert, White and Gilbert,
Santa Fe, New Mexico, appearing on behalf of the applicant. We
have one witness, Mr. Wade.

(Witness sworn in).

MR. UTZ: Are there other appearance to be made in this

case?

If not, you may proceed.

H. N. WADE

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Wade, would you state your full name, please?

A H. N. Wade.

Q By whom are you employed and in what capacity?

A I am employed by the Texas Company as a Division Proration Engineer located in Fort Worth.

Q Are you familiar with the applicant's application in Case Number 1574?

A I am.

Q Have you previously testified before this Commission?

A Yes, sir.

MR. WHITE: Are the witness' qualifications acceptable?

MR. UTZ: The witness has previously qualified.

Q (By Mr. White) Mr. Wade, referring to the application, do you have an ownership map covering the subject area?

A Yes sir, I have.

Q Is that Exhibit One?

A Yes, sir.

Q Would you refer to Exhibit One and explain it, if you

please?

A Yes sir, Exhibit One was prepared to show the lease in question, the Texas Company's A. H. Blinebry NCT-3, upon which is shown Well Number 1, the subject well of this application.

Q Where is it located?

A That well is located 660 feet from the north and west lines of Section 31, Township 22 South, Range 38 East. The lease in question comprises the west half of the northwest quarter, the northeast quarter of the northwest quarter, and the northwest quarter of the northeast quarter of Section 31.

Q Does it also show the names of the offset operators?

A Yes sir, it does, and it also has in legend form the producing horizons of the various wells shown on the plat.

Q In regard to this 160 acres, is it your opinion that it is underlying with the productive gas from the Tubb gas pool?

A Yes sir, it is.

Q Is there continuity of sand, in your opinion?

A So far as I have been able to determine, there is continuity of sand. This is best illustrated by the fact that there are Tubb producing wells producing from gas to the north, to the west and to the southeast of the well in question.

Q And is the porosity good, in your opinion?

A Our tests on the Tubb formation in this well indicate that the porosity and permeability is as would be expected, and it's reasonably good, yes sir.

Q Has this well been dually completed?

A It was dually--will be completed, dually completed in the Blinebry oil and the Tubb gas.

MR. WHITE: We'll ask that the Commission take administrative notice of its Order 670, DC670, which was issued October 9 of last year, permitting a dual completion.

Q (By Mr. White) Mr. Wade, will you give some completion data on the well?

A Yes sir, I'll refer to the Tubb completion since it's the subject of the hearing, if that's all right. The perforations of--the Tubb zone has been perforated from 6,022 to 62 feet. On a 24-hour test, the well produced 2,950 MCF per day with 38 barrels of 62.5 gravity distillate and 11 barrels of BS and water. The well is not completely cleaned up as yet and we feel there is still BS and water to dissipate. This test was made through a 25/64 inch choke and the tubing pressure during the test was 1225 PSI.

Q Will you refer to Exhibit Two and explain what that is, please?

A Exhibit Two is a radio activity log which was run on this well at its completion, and it merely outlines in red the producing interval, the perforated interval in the Tubb. It is a fairly characteristic log, I would say, of the Tubb formation.

Q Were these exhibits prepared by you or under your direction?

A Yes sir, they were.

MR. WHITE: At this time, we move for the admission of Exhibits One and Two.

MR. UTZ: Without objection, Exhibits One and Two will be accepted.

Q (By Mr. White) Mr. Wade, have you made any attempt to unitize this acreage with adjoining acreage?

A Not to my knowledge, Mr. White. We found that it would not be practical to do so.

Q Why not, Mr. Wade?

A The Gulf Oil Corporation's Scarborough State Well Number 2, which is located in the southeast quarter of the northeast quarter of Section 31, is a dually completed well which has assigned to it in the Tubb formation the east half of the northeast quarter, the southwest quarter of the northeast quarter and the northeast quarter of the southeast quarter of Section 31. The resulting proration unit makes it quite difficult to arrange assignments in the form of squares in the section, and if such arrangements were made, assuming that the Gulf proration unit remained the same, then it would be almost impossible for the Texas Company's--the portion of the Texas Company's lease, which falls in the northwest quarter of the northeast quarter, to be assigned for production of Tubb gas. For that reason, we have not attempted to try to communitize these.

Q Would it be possible to communitize across sectional lines?

A That is also not possible in this instance because all of the acreage across section lines to the west, to the northwest and to the north of our Well Number 1 is all assigned in 160-acre proration units to existing Tubb wells.

Q Do you know whether or not similar non-standard proration units have been approved by the Commission in this same pool?

A Yes, sir. In fact, there are several involving the same general type drainage situation in the immediate vicinity, particularly to the southeast of the proposed unit.

Q In your opinion, would the granting of this application impair any correlative rights?

A None whatsoever.

Q In the event the application is refused, in your opinion, would you be deprived of the opportunity to recover your just and equitable share of gas from the gas pool?

A Yes, I think we would.

MR. WHITE: That's all the questions we have.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Wade, generally what is the direction of the contours on the Tubb formation across this area? In other words, how do they run, particularly in relation to the well in the southeast northeast of Section 31 and the western oil field Well Number 1 northeast of 36?

A Mr. Utz, I have forgotten exactly how it was. I mean, I don't recall the tops of pay on those two wells. It is my recollection that the stripe or general direction of the contour lines would be from a northwest to a southeast direction.

Q Would that be your reason for believing that the southwest is productive?

A Actually, there are Tubb wells producing gas to the southeast, as I mentioned before, which are not shown here.

Q I see. Where are those wells?

A In Section 32, 22, 38.

Q Section 32?

A Yes, 22, 38.

Q Up here?

A Yes sir, Cities Service State "P" Well Number 1 is producing gas from the Tubb formation.

Q What is the location of that well?

A It's in Unit "F," and Pan American State "S" Gas Unit Well Number 3 is also in 32, 22, 38.

Q The location of that?

A It's in Unit "E." There are other wells producing in that section, as I recall, from looking at the map, but I cannot recall whose wells they were.

Q Part of my questioning is to show the productivity of the southwest northwest.

A Yes, sir.

Q There are no wells further south than these two you mentioned?

A The two, Pan American and Cities Service?

Q Yes.

A It was my impression from recollection of the map that there are some further south in Section 32, but I can't recall the names of the wells or whose they are.

Q But there are none directly south of here?

A No sir, we have no information that would definitely show that there is production in the southwest of the northwest, but likewise we have no information that would indicate that there is not since there has not been development to the south in this particular section.

Q The test that you made on this well was 290 MCF, 62 barrels of distillate per day through a 25/64 choke, was it?

A No sir, it was 2,950 MCF per day.

Q 950?

A And it had 38 barrels of distillate.

Q 38?

A Yes, sir.

Q The tubing pressure was 1225?

A Yes sir, that's correct.

Q That indicates the well's ability to produce on a one hundred and sixty acre allowable?

A Yes, sir.

Q The Blinebry part of this well is an oil well, is that correct?

A Yes sir, that's correct.

Q It has forty acres, northwest and northwest dedicated to it?

A That's correct.

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

If there are no other questions, the witness may be excused.

(Witness excused).

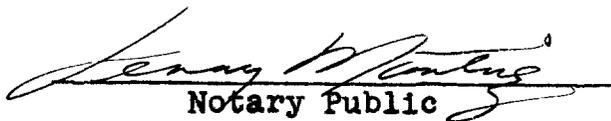
MR. UTZ: Any other statements to be made in this case?

If there are none, the case will be taken under advisement.

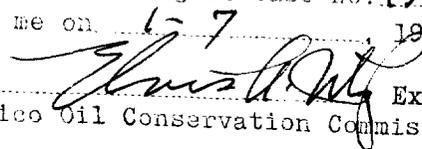
STATE OF NEW MEXICO)
 : ss
 COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype and that the same was reduced to typewritten transcript by me and contains a true and correct record of said hearing, to the best of my knowledge, skill and ability.

DATED this 8th day of January, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


 Notary Public

My Commission Expires:
 January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1574, heard by me on 6-7-1959.

 Examiner
 New Mexico Oil Conservation Commission