

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 6, 1961

EXAMINER HEARING

Case 2332

TRANSCRIPT OF HEARING

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IN THE MATTER OF:)

Application of Wolfson Oil Company for a)
non-standard oil proration unit, Lea)
County, New Mexico. Applicant, in the)
above-styled cause, seeks the establish-)
ment of a 160-acre non-standard gas prora-)
tion unit adjacent to the North Skaggs-)
Drinkard Gas Pool consisting of the S/2)
SW/4 of Section 5 and the N/2 NW/4 of)
Section 8, all in Township 20 South,)
Range 38 East, Lea County, New Mexico.)

) Case
) 2332

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case Number 2332.

MR. MORRIS: Application of Wolfson Oil Company for a
non-standard oil proration unit, Lea County, New Mexico.

MR. FOX: Robert Fox, Kellahin and Fox, Santa Fe. I
have one witness, Mr. Hal Freedman.

(Witness sworn.)

H A L F R E E D M A N, called as a witness, having been first
duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. FOX:

Q State your name, please.

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A Hal Freedman.

Q You are employed by Wolfson Oil Company.

A Yes, sir.

Q In what capacity?

A As a Petroleum Engineer.

Q Have you appeared before the New Mexico Oil Conservation Commission previously, Mr. Freedman?

A No, sir, I have not had the pleasure.

Q Would you state your educational background briefly and your training in the oil business?

A I have a B. S. degree in Engineering from Texas A. & M. granted in 1947. I worked for Continental Oil in various capacities until 1959 when I joined Wolfson Oil Company.

Q Your capacity with Wolfson is a petroleum engineer?

A That's correct.

MR. FOX: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir. Please proceed.

Q (By Mr. Fox) Are you familiar with the application in Case Number 2332 of Wolfson Oil Company?

A Yes, sir.

Q What does this application propose?

A It is a request for a non-standard proration 160 acre gas unit utilizing the south half of the southwest quarter of Section 5 and the north half of the northwest quarter of Section 8 offsetting a similar non-standard proration gas unit.



Q Have you prepared an Exhibit showing the acreage in question here?

A Yes, sir.

Q With reference to Exhibit Number 1, does this show the acreage, Mr. Freedman?

A Yes, sir. The acreage is outlined in red that we are requesting.

Q The acreage which is shown immediately to the west of the red delineated acreage, what is that?

A The Turner unit. We purchased these properties from Signal Oil and Gas and previous to our purchase, they requested and received a non-standard proration gas unit.

Q Now, will you tell the Examiner why it is not practical to form a standard proration unit?

A 160 -- we own the lease and it's offset by a similar non-standard proration gas unit.

Q Is the ownership in this unit the same?

A Yes, sir.

Q And what about the royalty ownership, is it the same?

A Fee royalty, all the same.

Q Have you made a study of the structures with respect to this acreage involved here?

A Yes, sir.

Q Would you say that the acreage in question might reasonably be presumed to be productive?

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A Yes, I believe it is all productive of gas.

Q Now, the Exhibit in question shows a dry hole. I believe it is southwest of Section 5?

A Yes, sir.

Q Explain that, please.

A It is a dry hole producing in the Skaggs -- the North Skaggs-Drinkard Gas Pool at the approximate depth of 7000 feet. This well did not penetrate it.

Q Do you feel a well in the proposed non-standard unit is necessary to offset the production in the Turner well referred to by you previously?

A Yes, sir.

Q Have you made any effort to -- in regard to the formation of a standard unit in regard to this acreage?

A We have attempted to form 320 acre gas unit and we have not been successful as yet. This would include the north 320 acres, but it would still constitute a non-standard unit because of the north half of the southwest quarter.

Q This is fee land, is it not?

A Yes, sir.

MR. FOX: That's all I have.

MR. NUTTER: Are there any questions of Mr. Freedman?

MR. MORRIS: Yes, sir.



CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Freedman, 160 unit is standard, would be standard for this pool, would it not?

A There is only one producing well in the pool and the Commission has granted 160. In the event there are more, we hope to request a 320.

Q A 320 proration unit which you stated you had attempted to form -- that would be premature, before the Commission established that size unit in its pool, would it not?

A We have a 320 acre unit formed east of there. However, the Commission granted 160 pending further drilling.

Q Mr. Freedman, has any attempt been made to join the north half of the southwest quarter of Section 5 with the south half of that quarter section?

A Yes, sir.

Q To form a standard 160 acre unit?

A Yes. We have contacted the royalty owners and also we are negotiating with Hannagan, and it is possible. However, it does not appear likely that we can. We have been unsuccessful over the last year.

Q Do you feel that the north half of Section 5 is productive in this pool?

A Well, there isn't really special information to the north to determine that, but it is my belief that it is.

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Q In Section 8, has any attempt been made to join the south half of the northwest quarter of Section 8 with the north half of that quarter section to form a standard 160 acre unit?

A We have not attempted to do that. We have attempted to purchase the property, but have also been unsuccessful.

Q Is that acreage in Section 8 as being the south half of the northwest quarter, is that dedicated to any well in the Skaggs Pool at this time?

A The south half of the northwest quarter?

Q Right.

A No, sir. I don't believe so. There is the McKee Well 2 G and the DeKalb. I am not familiar if they have dedicated to that or not.

MR. NUTTER: 1 G is in the south half of the northwest quarter.

Q (By Mr. Morris) Were you referring to Number 1 G?

A No, sir, 2 G. 1 G is a Grayburg well and has 40 acres dedicated to it.

MR. MORRIS: That's all; thank you.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Freedman, at the present time there is only one well in the Skaggs-Drinkard Pool, is that correct?

A No, the North Skaggs.

Q Your Turner unit?



A In the North Skaggs-Drinkard unit.

Q Has your well there in the southwest of Section 5 been completed in the pool?

A No, sir. We hope to deepen in it.

Q Is the ownership of the south half of the southwest quarter of Section 5 identical with the ownership of the north half of the northwest quarter of Section 8?

A Yes, sir.

Q No communitization is necessary?

A No, sir.

MR. NUTTER: Are there any further questions of Mr. Freedman?

MR. PORTER: Yes.

CROSS EXAMINATION

BY MR. PORTER:

Q Does the well in this pool produce any liquid?

A Some distillate, yes, sir.

Q Do you know about what the gravity is?

A About forty-four.

MR. PORTER: Thank you.

MR. NUTTER: Are there any further questions of the witness?

The witness may be excused.

(Witness excused.)

MR. FOX: I would like to offer Exhibit 1 into evidence.



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MR. NUTTER: Exhibit 1 will be entered into evidence.

Are there any other questions in Case 2332?

The case will be taken under advisement.

We will take a fifteen minute recess.

(Recess taken.)



