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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 8, 1967

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil
Corporation for an
amendment of Order Number
R-3290, Lea County, New
Mexico.

Case No. 3685

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS



MR. NUTTER: We will call Case 3685.

MR. KASTLER: Mr. Hoover will be our witness again.

MR. NUTTER: The record will show that Mr. Hoover is still under oath.

MR. HATCH: Case 3685, application of Gulf Oil Corporation for an amendment of Order Number R-3290, Lea County, New Mexico.

MR. KASTLER: We have one exhibit.

(Whereupon, Applicant's Exhibit 1 was marked for identification.)

JOHN H. HOOVER, called as a witness on behalf of the Applicant, having previously been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KASTLER:

Q Mr. Hoover, please explain what Gulf is seeking in this application.

A We are asking for an amendment of Order R-3290 in Case Number 3627 to substitute the Drinkard Pool for the undesignated Silurian and Montoya oil pools for the R. E. Cole NCT-A Well Number 9.

MR. KASTLER: Mr. Examiner, we would like to make as a part of this case the testimony and the exhibits presented

in Case Number 3627, and ask that the Commission take administrative notice and consider that as part of this case.

MR. NUTTER: The record in Case Number 3627 will be incorporated in the record of this case.

Q (By Mr. Kastler) Mr. Hoover, is it correct that Case 3627 established the necessity for an unorthodox location?

A Yes, it did.

Q Explain what is shown on Exhibit Number 1.

A Exhibit Number 1 is a plat of the R. E. Cole NCT-A lease. This lease is outlined in red and it is described as all of Section 16, Township 22 South, Range 37 East, Lea County, New Mexico. Well Number 9 is colored in red and is located 1075 feet from the south line and 2395 feet from the west line of this Section 16.

Q When Case 3627 was heard, Gulf had not yet drilled, is that correct?

A That's correct.

Q But now Gulf has drilled?

A Yes.

Q And has drilled to the proposed zones there?

A Yes, that's correct.

Q What is the reason for requesting the substitution

of the Drinkard Pool for the undesignated Silurian and Montoya Pools?

A In our original request for the nonstandard location, which was in Case Number 3627, the anticipated production was to be the Silurian and Montoya. However, on actual completion of these zones it proved to be dry. The well was drilled to a total depth of 7335 feet, but was plugged back to 7188 feet. The casing was perforated in the interval 6770 feet to 6887 feet and a marginal producer was obtained.

The well produces approximately eleven barrels of oil per day and it is my understanding that the Commission will include this well in the Drinkard Pool for proration, and we have no objections to this.

Q Do you have anything further to add in this case?

A No, I don't.

MR. KASTLER: We would like to enter Exhibit Number 1 into evidence.

MR. NUTTER: Gulf's Exhibit 1 will be admitted in evidence.

(Whereupon, Applicant's Exhibit 1 was admitted in evidence.)

MR. KASTLER: This concludes our testimony in this case.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Hoover, how many Silurian and Montoya wells do you have in the area?

A Our Number 8 Well, which is in the northeast quarter, southwest quarter of Section 16, is in the Montoya and Silurian. The Number 10 Well, which is in the southwest quarter, northwest quarter of 16 is in the Silurian only. So we have two Silurian and one Montoya.

Q And both zones were dry in this well?

A Yes.

Q And the Drinkard almost was?

A The Montoya was also dry in the Number 10. We only wound up with the Silurian there. And in the Number 8, we are doing some work on that well now; the production on those zones is way down from what we will wind up with when we get through working on it.

MR. NUTTER: Any other questions of the witness?

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Kastler?

MR. KASTLER: Nothing further --

REDIRECT EXAMINATION

BY MR. KASTLER:

Q Would this prevent waste might be asked.

A Yes.

Q How?

A Well, it is a salvage operation to come back up to the Drinkard. Eleven barrels a day won't near pay the well out, but it would help, so it is in the interest of waste that we recover eleven barrels a day.

Q Well, it is in the interest of producing oil that would otherwise have to be abandoned, is that correct?

A Yes, that is correct.

MR. KASTLER: Thank you.

MR. NUTTER: If there is nothing further, we will take the case under advisement, the witness is excused and the hearing is adjourned.

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO) ss.

I, JERRY M. POTTS, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner 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 5th day of December, 1967.

Jerry Potts

Notary Public - Court Reporter

My Commission Expires:

July 10, 1970

I hereby certify that the foregoing is a true and correct transcript of the proceedings as it was heard at the hearing of case No. 3685 caused by me on 11/8, 1967.
Jerry Potts

Secretary
New Mexico Oil Conservation Commission

Gulf Oil Corporation

EXPLORATION AND PRODUCTION DEPARTMENT—U. S. OPERATIONS
ROSWELL DISTRICT

W. B. Hopkins
DISTRICT MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
H. A. Rankin
DISTRICT SERVICES MANAGER

October 19, 1967

P. O. Drawer 1938
Roswell, New Mexico 88201

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation for Approval of a
Non-Standard Location, Drinkard Pool, Lea County, New Mexico

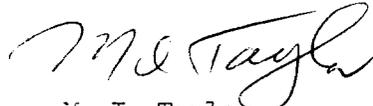
Gentlemen:

Gulf Oil Corporation respectfully requests an amendment of Order No. R-3290 in Case No. 3627 to substitute the Drinkard Pool for the Silurian and Montoya Undesignated Pools.

In support of this application, the following facts are submitted:

- (1) Applicant's R. E. Cole (NCT-A) Well No. 9 was drilled at a non-standard location of 1075 feet from the south line and 2395 feet from the west line of Section 16, T-22-S, R-37-E, Lea County, New Mexico, in Undesignated Silurian and Montoya Oil Pools. This location was necessary because of topographical conditions.
- (2) Order No. R-3290 in Case No. 3627 dated August 1, 1967 approved the non-standard location.
- (3) The well was dry in the Silurian and Montoya and was plugged back and completed in the perforated interval 6770 to 6887 feet.
- (4) Applicant understands the Commission will place this well in the Drinkard Pool for proration purposes.

Respectfully submitted,
GULF OIL CORPORATION


M. I. Taylor

JHH:ers

cc: New Mexico Oil Conservation Commission
Post Office Box 1980
Hobbs, New Mexico 88240



DOCKET MAILED

Date 10-25-67