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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q Will you state your name, address, occupation?

A Edwin Bullard, Jr.

Q And you're a geologist?

A A geologist in Midland, Texas.

Q Would you give the Commission a very brief resume' of your educational and professional background, Mr. Bullard?

A I graduated from the Texas Collage of Mines as a metallurgist and was in El Paso in 1949 and I have been working previously as a geologist since then for several companies, Kerr Magee, Texas Gulf Producing Company, Ambassador Oil Corporation and Ralph Lowe.

Q In the immediate past you have been employed for 4 years by Ambassador and Midland and since Southeast now?

A I worked Southeast New Mexico for Ambassador.

Q And now you are employed by Ralph Lowe and are continuing your work in Southeast New Mexico?

A That is true.

Q You are familiar with the Northeast Maljamar unit area?

A Yes, I am.

Q Which is the subject of this hearing?

A Yes.

Q You have made a geological study of that area?

A I have.

MR. BRATTON: Are the witnesses qualifications acceptable?



MR. NUTTER: Yes, sir.

MR. BRATTON: Referring to Exhibit No. 1 which is the unit agreement for the development of the Northeast Maljamer Unit area, Mr. Bullard, is that a standard state form of the unit agreement?

A Yes, this is a standard state form.

Q And attached to that unit agreement is Exhibit A and is a map of the area showing the land in the proposed unit.

A That is right.

Q The ownership of the leases in the unit area.

A That is correct.

Q Will you recite that area for the record.

A Yes. In Section 31 of 16-33, it's the Southeast quarter and the Southeast quarter of Section 32-16-33. 16 South 33 East and 17 South, 33 East. It is the Northeast quarter of 6 and the north half of the Southeast quarter. In Section 5 it's the Northwest quarter and the north half of the Southwest quarter.

Q The unit contains 800.12 acres more or less.

A More or less.

Q Shown as Exhibit B is the same information in tabular form as to the ownership of the working interests and the leaser's interest.

A Yes, sir it is.

Q The unit agreement is what has been shown as a state

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fully participating form of the agreement.

A Yes, sir it is.

Q It is on a form approved by the Commissioner of Public Lands.

A Yes, sir.

Q This unit has been submitted to the Commissioner of Public Lands for his approval as to form and contents?

A It has.

Q And he has indicated his approval?

A He has.

Q What is the drilling obligation called for in the unit agreement?

A The drilling obligation calls for a test of the Pennsylvanian formation or not to exceed 10,800 feet.

Q Are all of the working interests operators agreeable to the unit, have all of them indicated they will join?

A They have indicated so.

Q I now refer you to your Exhibit No. 2, Mr. Bullard, and explain what that is and what it shows.

A Exhibit No. 2 includes the unit area marked in yellow, including the Kemnitz Field to the northeast, approximately 5 miles to the northeast. This geological map is contoured on the pay, the Wolf pay, to the top of the reef in the Kemnitz Field. It is interpreted on top of the unit area to show the seismic picture

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that we might have the overall unit area. There is no control for the contoured top, or the top of the pay in this area sub-surface wise, so we'd have to have an interpretation from seismic.

Q Shown on here is your proposed location for your initial test.

A The proposed 660 north and west quarter of Section 5.

Q This is a small unit but in your estimation it is a small tract.

A It is a small tract according to our seismic prospect.

Q Is there anything else you care to state with relation to this general area on the geological map?

A To the northwest there is due to the deep seated stratigraphic as indicated on Exhibit 2, that is what accounts for the extreme steep dip in the Pennsylvanian or lower Wolf-Camp.

Q I refer you to your Exhibit No. 3.

A Exhibit No. 3 is a seismic picture as interpreted by our seismic department, it might be noted that there is a difference between the Datums of the seismic and the sub-surface, the sub-surface is on top of the Kemnitz pay. The seismic picture is on the base of it or the top of the Pennsylvanian. There is approximately 100 foot difference or if you want to say we are estimating it, maybe there is 100 foot of reef.

Q This seismic work was done by the geophysical department?

A The geophysical department of Ralph Lowe. There is an



interpretation of it, yes.

Q Based together with your geological correlation with the Kemnitz area, this unit agreement has been worked up.

A Yes, sir we feel this is a structural situation in the proposed location, whereas the Kermnitz is.

Q Do you think the operation of this area under the proposed unit agreement will be in the interests of the prevention of waste and will it protect correlative rights.

A I think so, yes, sir.

Q In your opinion and in effect you have a structure so that you can more properly develop and operate the structure.

A Yes, sir that is true.

Q Is there anything further you care to state with relation to this application?

A Not that I know of, no, sir.

Q Were Exhibits 2 and 3 prepared by you or under your supervision?

A Yes, sir they were.

Q And Exhibit No. 1 is a copy of the proposed unit agreement?

A That is correct.

MR. BRATTON: We offer Exhibits 1, 2, 3, in evidence.

MR. NUTTER: Ralph Lowe's Exhibits 1 through 3 will be entered. Do you have anything further, Mr. Bratton?

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MR. BRATTON: If the Commission, please, I will offer as Exhibit No. 4, it's a photostatic copy it does not show the signatures, it's a copy of the letter from the Commissioner of Public Lands indicating tentative approval of the unit agreement subject to approval by the Oil Conservation Commission.

MR. NUTTER: Exhibit No. 4 will be entered in evidence. Does anyone have any questions of Mr. Bullard?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Bullard, is this all state land?

A Yes, sir it is.

Q And the Commissioner of Public Lands has given his tentative approval?

A Yes, sir he certainly has.

Q What percent of the working interests ownership is committed?

A 100 percent.

MR. NUTTER: Any further questions?

(No response.)

MR. NUTTER: Mr. Bullard, you may be excused. We will take the case under advisement. We will take case 2040.



I N D E XWITNESSESPAGE

EDWIN BULLARD

Direct Examination by Mr. Bratton

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Cross Examination by Mr. Nutter

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E X H I B I T S

<u>Number</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
1	1	6	6
2	1	6	6
3	1	6	6
4		7	7

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