

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
April 25, 1962

IN THE MATTER OF:

Application of Perry R. Bass for a unit
agreement, Lea County, New Mexico.
Applicant, in the above-styled cause
seeks approval of the Plains Unit
Agreement embracing 7,198.01 acres
more or less, of federal lands in
Township 19 South, Range 32 East,
Lea County, New Mexico.

CASE

2544

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2544.

MR. MORRIS: Application of Perry R. Bass for a
unit agreement, Lea County, New Mexico.

MR. BRATTON: Howard Bratton on behalf of the
applicant.

(Witness sworn)

(Whereupon, Applicant's
Exhibits 1 and 2 marked for
identification.)

MR. UTZ: Are there any other appearances in this
case? You may proceed.



FLOYD ACKLIN, called as a witness, having been first duly sworn, was examined and testified as follows.

DIRECT EXAMINATION

BY MR. BRATTON:

Q Will you state your name, by whom you are employed, and in what capacity?

A Floyd Acklin, A-c-k-l-i-n. Employed by Perry R. Bass, chief geologist.

Q Have you previously testified before this Commission?

A I have not.

Q Will you state briefly your educational and professional background?

A I received a B. A. Degree in geology from Texas Christian University in 1950. I have been employed by the Richardson and Bass interests since that time.

Q In the capacity of geologist?

A Yes.

Q Are you familiar with the proposed Plains Unit area?

A Yes.

Q And the application under consideration here?

A Yes.

MR. BRATTON: Are the witness's qualifications acceptable?

MR. UTZ: Yes, sir, they are.

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Q Mr. Acklin, are you familiar with the proposed Plains Unit Agreement, the terms thereof?

A Yes, sir.

Q That has been marked as Applicant's Exhibit Number 1. I will ask you, Mr. Acklin, is the area covered by it shown as Exhibit A to the unit agreement?

A Yes.

Q That's the area within the dark blue outline on the Exhibit A?

A That is correct.

Q How many acres does that total?

A 7,198.01.

Q Is all that acreage federal acreage?

A That is correct.

Q As to the unit itself, Mr. Acklin, is it a standard federal form of unit agreement?

A It is.

Q Has it been submitted to the United States Geological Survey for approval as to the form and area?

A Yes.

Q Has it been so approved?

A It has been approved.

Q What does it call for in the way of a well test?

A It calls for a well to test the Mississippian lime



but not to exceed 13,000 feet.

Q That's within six months after the approval of the unit?

A That is correct.

Q What is the status of commitment to the unit, first as to your working interest?

A All of the working interest has been committed with the exception of a Mobil tract which , I forget the number.

Q Is that tract Number 7?

A Tract Number 7 containing approximately 600 acres. They have advised that they may join at a later date, but not at this time. And the Sharon Tract, composed of 320 acres, they have been noncommittal.

Q What percentage of commitment to the unit does that give you?

A Approximately 88 percent.

Q How about your overriding royalty interest, what's the percentage of commitment?

A At the present time practically all of it has been approved and, of course, we expect one hundred percent by the time of final approval.

Q You have not been turned down on any override?

A No.

Q The Unit Agreement has the standard provisions for

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subsequent joinder?

A Right.

Q And non-joinder?

A Yes.

Q Refer to your Exhibit Number 2, Mr. Acklin, and explain what that is, please.

A This is a seismic map made on approximately the top of the Mississippian showing the depth contours, the proposed location site along with the proposed unit outline as shown in red.

Q What type of structure formation does this indicate?

A It indicated an anticline between fault blocks, faulted anticline type of structure.

Q This was done on the basis of seismic work done for the participants in the unit?

A Yes, that's correct.

Q In your opinion, Mr. Acklin, does this seismic structure map indicate that the unit outlines correspond to the formation?

A Yes, it does in my opinion.

Q That it includes the formation and nothing more or nothing less?

A Right.

Q In your opinion, Mr. Acklin, will operations under



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the proposed unit be in the interest of conservation and the protection of correlative rights?

A Yes.

Q Do you feel that the percentage of commitment gives you effective control to run a satisfactory unit operation?

A Very definitely.

Q I won't ask you if you prepared the unit agreement. Are you familiar with the Unit Agreement and also with the seismic map?

A Yes.

Q Those are presented on behalf of the Unit?

A Right.

Q Mr. Perry Bass will be the operator of the Unit?

A That is correct.

MR. BRATTON: We will offer in evidence Exhibits No. 1 and 2.

MR. UTZ: Without objection Exhibits 1 and 2 will be entered into the record in this case. Are there questions of the witness?

MR. MORRIS: No questions.

CROSS EXAMINATION

BY MR. UTZ:

Q I can't let you off without asking you one question. I was wondering if the section lines on this Unit on the west



side have anything to do with the location of that fault?

A I'd have to say no to that.

MR. UTZ: Are there any other questions? The witness may be excused.

(Witness excused)

MR. UTZ: Are there any statements in this case?

MR. BRATTON: I would state that sometimes it does appear that those surveyors cause quite a disturbance when they go down the section line.

MR. UTZ: The case will be taken under advisement. Let's take a ten-minute brake.

(Whereupon, a short recess was taken.)

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