

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico

October 17, 1957

TRANSCRIPT OF HEARING

Case 1325

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico

October 17, 1957

----- :
IN THE MATTER OF: :

Application of Amerada Petroleum Corporation for :
an order amending Order R-991 insofar as said :
order pertains to the Bagley-Upper Pennsylvanian :
Gas Pool in Lea County, New Mexico, to extend :
the horizontal limits of said pool, and to pro- :
vide for standard drilling units of 320 acres. :
Applicant, in the above-styled cause, seeks an :
order extending the Bagley-Upper Pennsylvanian : Case
Gas Pool to include the W/2 SW/4 of Section 2; : 1325
N/2, SE/4 and N/2 SW/4 of Section 3; N/2 and N/2 :
SE/4 of Section 4, all in Township 12 South, :
Range 33 East; the S/2 and S/2 N/2 of Section :
33; S/2 and S/2 N/2 of Section 34, all in Town- :
ship 11 South, Range 33 East, Lea County, New :
Mexico. Applicant further requests the estab- :
lishment of 320-acre spacing and drilling units :
in the Bagley-Upper Pennsylvanian Gas Pool and :
such other rules and regulations as the Commis- :
sion may deem necessary for the purposes herein :
stated. :
----- :

BEFORE: Honorable Edwin L. Mechem
Mr. Murray Morgan
Mr. A. L. Porter

TRANSCRIPT OF HEARING

MR. PORTER: The meeting will come to order. I would like
to announce at this time that the normal unit allowable for
November will be 37 barrels. We will take up next Case 1325.

MR. COOLEY: Application of Amerada Petroleum Corporation
for an order amending Order R-991 insofar as said order pertains

to the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, to extend the horizontal limits of said pool, and to provide for standard drilling units of 320 acres.

MR. BUSHNELL: H. D. Bushnell appearing for Amerada, attorney for Amerada, and also appearing on behalf of the applicant is Mr. Jason Kellahin, attorney, Santa Fe. I have one witness to be sworn in, but before doing so I would like to just make an opening comment, statement.

To refresh the recollection of the minds of the Commissioners, as you will recall, Order R No. 991 was issued out of Cause 1220 heard in March, at which time the Commission defined the horizontal and vertical limits of two separate zones in the Bagley Pool and designated those as the Bagley-Upper and the Bagley-Lower gas zones. That two months ago, or perhaps I should say in August, this Commission issued an order providing for standard proration units of 320 acres in the lower formation or zone. This is Amerada's application for amendment R-991, insofar as it pertains to the upper zone, for the purpose of authorizing standard drilling units of 320 acres.

I have one witness to be sworn in, Mr. Cooley.

(Witness sworn.)

O. C. McBRYDE, JR.

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

DIRECT EXAMINATION

By MR. BUSHNELL:

Q Would you state your name and the company for which you are employed?

A I am O. C. McBryde, Jr., employed by Amerada Petroleum Corporation.

Q In what capacity?

A As Petroleum Engineer.

Q Have you ever testified before this Commission at a prior hearing?

A No, sir.

Q What degree or degrees have you earned?

A I earned a Bachelor of Science in Petroleum Engineering from the University of Texas in 1951.

Q Have you been working as a petroleum engineer ever since that date?

A Yes, sir.

Q During that six-year period have you been working for Amerada as a petroleum engineer?

A Yes, sir.

Q Are you acquainted with, and have you made a study of the Bagley Pool and more specifically the Bagley, upper zone of the Bagley Field?

A Yes, I have.

MR. BUSHNELL: Are his qualifications acceptable?

MR. PORTER: They are.

(Marked Amerada's Exhibit No. 1,
for identification.)

Q I hand you what is marked as Amerada's Exhibit No. 1.
Will you identify this exhibit, please?

A Exhibit 1 is a map of the Bagley Field; shown on the map are contours at the base of the Upper Pennsylvanian gas zone.

Q Are you familiar with the data and information used to draw these contour lines on this exhibit? A Yes, sir.

Q And in your opinion does this exhibit reflect that information and data correctly? A Yes, it does.

Q Now, there are five wells circled in red pencil. Would you state what these symbols represent?

A The wells circled in red represent wells that are now completed in the Bagley-Upper Pennsylvanian gas zone, or wells that are presently in the process of completion or drilling to the Upper Pennsylvanian gas zone.

Q Now, referring to the specific five wells in particular, would you identify, describe their location and state the status of these respective five wells?

A The Amerada Mathers B No. 1, located in the southeast of the northwest of Section 33, Township 11 South, Range 33 East, is now completed in the Bagley-Upper Pennsylvanian gas zone. However, it is being produced as an oil well. The Texas Pacific well located in the northeast of the northeast of Section 4, Township 12 South, is in the process of being completed in the Bagley-Upper Pennsylvanian gas zone, I understand. The Amerada Caudle No. 7 located in the northeast of the northwest of Section 3, Township 12 South, is presently dually completed in the upper and lower Pennsylvanian

gas zones, the lower zone has been producing since completion.

However, the upper zone has been shut in since completion last December. The Amerada State BTO No. 1 located in the southwest of the southeast of Section 4, Township 11 South --

Q (Interrupting) You mean Section 34?

A Excuse me, that's right. (Continuing) -- is presently drilling. We anticipate drilling to the Lower Pennsylvanian gas zone and attempting to dually complete the well in the upper and lower gas zone. The Amerada Mathers No. 2 located down in the southeast of the southeast of Section 3, Township 12 South, has been completed in the Bagley-Upper Pennsylvanian zone since April of 1951. It was produced as an oil well until a couple of months ago when it was reclassified as a gas well, and it is now shut in.

Q So that the only well that has been producing for any period of time is the Mathers No. 2, located in the southeast of the southeast of Section 3. The only exception being that the well located in the southeast of the northwest of 33 has been put on production just recently, and is classified an oil well, is that correct?

A That's right.

Q The only well currently as a gas well then, is the Mathers No. 2 well?

A It is not now producing. It is shut in.

Q But has been commercially produced until just a recent date, is that correct?

A Yes, sir.

Q Now, what do the solid red lines represent on this exhibit?

A The solid red line represents the present boundary of the Bagley-Upper Pennsylvanian Gas Pool as set out in Order R-991.

Q And what do the dashed red lines represent?

A They represent the area that we propose to include under this application.

Q In your opinion does the Bagley-Upper Pennsylvanian Pool underlie all or a substantial portion of this area outlined by the dashed red lines?

A Yes, sir.

Q In setting out these dashed red lines, do you include, or in your opinion, do these necessarily set out the limits of the pool?

A No, I don't think so. I think there might be other acreage that would be productive that we haven't included.

Q You have drawn this line as the most reasonable line based on the information now available, is that correct?

A Yes, sir.

Q Do the contour lines on this exhibit reasonably reflect the structure of this particular zone?

A Yes, I think they do.

(Marked Amerada's Exhibit No. 2,
for identification.)

Q Now, I hand you what is marked Exhibit No. 2. Would you please identify this exhibit?

A Exhibit 2 is an east-west electric log cross section of the

~~Bagley Field with the Bagley-Upper Pennsylvanian gas zone shown.~~

Q Now, the line of eight wells shown on this cross section has been referred to and cross referenced on Exhibit No. 1 as Line A and A₁, is that correct?

A That's right.

Q Such line being made for reference purposes for the convenience of showing where this cross section is located?

A Yes, sir.

Q Are all the wells on this cross section located within the area which we propose to extend by this application?

A No, the three wells on the far right-hand side of the cross section are outside the proposed boundaries. They are the Amerada State BTI No. 1, the Amerada State BTC No. 1, and the Amerada State LTD No. 3.

Q The logs reflected on here are electric logs, is that correct?

A That's right.

Q However, there is data correlated on each of these logs taken from micrologs which purport to show the area of porosity found in each well, is that correct?

A That's right. That is the little black marks opposite the pay in the zone.

Q This map or exhibit also shows that the Upper Bagley-Pennsylvanian zone is continuous throughout the area covered by this exhibit, is that correct?

A That's right.

Q What, in your opinion, is the average thickness of the net

pay of the Upper Bagley zone?

A About 15 feet.

Q And what do you estimate is the average net porosity?

A About 6%.

Q What do you estimate is the percent of connate water in the reservoir?

A About 20%.

Q What was the initial reservoir pressure in this pool?

A The initial reservoir pressure was 2931 pounds.

Q What have you used as a basis for this figure?

A I have used the average of six buildup pressures that we measured on drill stem tests of this zone.

(Marked Amerada's Exhibit No. 3,
for identification.)

Q Now, I hand you what is marked Exhibit No. 3. Would you please identify and tell us what that purports to show?

A It is a tabulation of the drill stem tests that Amerada has run in the Bagley-Upper Pennsylvanian gas zone.

Q Do you have knowledge of the facts set out on this exhibit?

A Yes, sir.

Q In your opinion does this exhibit reflect these facts accurately?

A Yes, sir.

Q What do the red lines under the figures on this exhibit represent?

A I have underlined those six wells on the exhibit that I used in arriving at the average initial reservoir pressure of 2931 pounds.

Q It is the average of these figures then from which you conclude that initial reservoir pressure was 2931, is that correct?

A That's right.

Q Have you taken some recent bottomhole pressure tests from wells in this pool?

A Yes, sir. Within the past thirty days we have run bottomhole pressures on the Mathers No. 2 and the Caudle No. 7.

Q What do you find as a result of those tests?

A On October 1st, 1957, we measured a pressure in the Caudle 7 of 2675 pounds. On October the 7th, 1957 in the Mathers No. 2 we measured a bottomhole pressure of 2333 pounds.

Q How much of a drop is this below the initial reservoir pressure insofar as the Caudle No. 7 well showed?

A 256 pounds.

Q What do you attribute to this drop in the Caudle No. 7?

A Since the Caudle No. 7 has been shut in since completion in this zone last December has not produced commercially since then, the only other well that has been producing in the pool since April of 1951 is Mathers No. 2, and I think that the production from the Mathers No. 2 has caused this 256 pound drop in Caudle No. 7.

Q How far away is the Mathers No. 2 from the Caudle No. 7?

A It's about 4650 feet.

Q What do you calculate would be the size of area drained if this 4650 feet were the radius of a circle?

A It would be about 1550 acres.

Q In connection with your testimony as to the bottomhole pressure test taken in the Caudle No. 7, Mr. McBryde, isn't it true that on February, 1957, you also took a bottomhole pressure test in that same well?

A Yes, sir.

Q What results did you get as a result of that test?

A The bottomhole pressure was 2931 pounds. Excuse me, it was 2692 pounds.

Q The test taken on Caudle No. 7 in February of 1957 was 2692?

A That's right.

MR. BUSHNELL: I would like to correct the record in Cause 1220, the witness testified that this particular test showed 2665 pounds. That figure must have been made inadvertently, it was incorrect and inadvertently made and as Mr. McBryde, you now testify that that test actually was 2692 pounds, is that correct?

A Yes, sir.

Q Now, I hand you what is marked Exhibit No. 4.

(Marked Amerada's Exhibit No. 4,
for identification.)

Q Would you please identify and describe what that purports to show?

A Exhibit 4 is a tabulation of the production history on Amerada Mathers No. 2 from date of completion in April of 1951 through August of 1957. This well has produced continuously since

1951, and is the only well that has produced from this zone until Amerada's Mathers B No. 1 was completed in April of this year.

Q Was this exhibit prepared by you or one under your supervision?

A Yes, sir.

Q Does it show the total production, total cumulative production from the Mathers 2?

A Yes, sir, down at the bottom there the cumulative gas is 1,406,908 MCF. The cumulative oil is 51,319 barrels.

Q Now, Mr. McBryde, considering the pressure drop in the Caudle No. 7 in relation to the production figures of the Mathers No. 2 as shown on this exhibit, in your opinion, has the Mathers No. 2 well drained an area of more than 320 acres?

A Yes, I would say it has drained far in excess of 320 acres.

Q What is your estimated cost for drilling and completing a well to the Bagley-Upper Pennsylvanian Gas Pool?

A We would estimate it would cost about \$125,000 to drill and complete such a well.

Q In your opinion would it be economical to drill and complete a well in this zone of 15 feet net thickness on the basis of 160 acre units?

A No, sir.

Q On the basis of the facts and testimony here, you give, is it your opinion that one well can efficiently, effectively and economically drain a minimum of 320 acres?

A Yes, sir.

Q As a matter of fact, your testimony here is that the one well, Mathers No. 2, has in fact done so, is that right?

A That's right.

MR. BUSHNELL: I would like to offer Exhibits 1, through 4 as Amerada's exhibits into this record.

MR. PORTER: Are there any objections to the admission of these exhibits? They will be admitted.

MR. BUSHNELL: I have no further questions of the witness as this time.

MR. PORTER: Does anyone have a question of Mr. McBryde? Mr. Utz.

CROSS EXAMINATION

By MR. UTZ:

Q Mr. McBryde, did I understand you to say that your Mathers B-1 was an oil well?

A Yes, sir, it is producing as an oil well with an oil allowable. However, it is completed in this zone.

Q Well, if it is an oil well, why are you asking for it to be put to the gas pool?

A Well, it's completed within the vertical limits of the gas pool and we anticipate that it will do what the Mathers 2 did, and that is go to gas shortly. The gas-oil ratio is increasing at a rather rapid rate right now.

~~Q When it did become a gas well it could be included in the~~

gas pool at that time, couldn't it? A I think so.

Q How much acreage do you plan to dedicate to that well?

A Well, we would hope to dedicate 320 acres.

Q As an oil well? A No, as a gas well.

Q When it becomes a gas well? A Yes, sir.

Q Did I understand you to also say that your BTO No. 1 is now drilling? A Yes, sir.

Q Yet you are asking for the portion of Section 34 to be put in a gas pool on the basis of a drilling well?

A Yes, sir. We have other information, however, drill stem tests, and of course, the logs to indicate that that would be productive.

Q You have drilled into the Upper Pennsylvania gas zone far enough to have drill stem tests?

A Well, let me check here. If you will look on Exhibit No. 1 at our State BTK No. 1 in the southeast of the southwest of Section 34 and on Exhibit 3 down at the bottom of the page, we have that drill stem test. You will note that on drill stem test we produced at the rate of 5,420 MCF per day --

Q (Interrupting) Just a minute, let me get these wells straight here.

A Okay.

Q Which well were you referring to on your Exhibit No. 1?

A To Amerada State BTK No. 1, located in the southeast of the southwest of Section 34.

Q All right.

A Now, on Exhibit No. 3, the last well listed there is the State BTK No. 1.

Q Yes.

A And on four-hour drill stem test we flowed gas at the rate of 5,420 MCF per day, and during that four hours we made 35.92 barrels of distillate.

Q That drill stem test was in the present vertical limits of the Upper Pennsylvanian Gas Pool? A Yes, sir.

Q Then that is the well that you are basing your extension on, is it not? A Yes, sir.

MR. UTZ: That's all I have.

MR. PORTER: Mr. Cooley.

By MR. COOLEY:

Q Mr. McBryde, what is the present GOR on the Mathers B No. 1 well?

A On test October 4th, 1957, the Mathers B No. 1 had a gas-oil ratio of 5,275 to 1.

Q Then that, by all practical standards, in your opinion can be classified as an oil well with that ratio?

A At the present time I would say yes.

Q Now, at what point ~~as~~ this gas-oil ratio increases, as you expect it to do, at what point do you think this well, will become a gas well? What is your definition of a gas well in this area?

A I can't answer that.

Q Do you feel there is a necessity for such a definition?

A I can't answer that either.

Q How are you going to know whether it is a gas well or oil well?

A I can't tell you at what ratio we will act. On the Mathers No. 2 I think the ratio was 20 to 25,000.

Q Is your ratio 20,000 to 1 as a gas ratio?

A As I understand it, New Mexico has no definition of a gas well.

Q That is what I'm getting at, we may need one in this area. We may very well need one all over the state. I would like to draw you out a little more on what you think the proper definition would be on this area.

A Would you like to have an exact answer, ratio?

Q Approximation.

A Well, it would be merely my opinion, and I --

MR. BUSHNELL: (Interrupting) You are not asking with reference to this particular well, you are asking his opinion?

MR. COOLEY: For the pool.

MR. BUSHNELL: For this particular pool or for the benefit of the Commission on the statewide basis?

MR. COOLEY: No, I would rather confine it to the Upper Bagley-Pennsylvanian Gas Pool.

Q We have a defined gas pool, and they are all overlying each other in this Bagley area.

A Could I bring something else into the record on the Mathers No. 2, the gravity of the distillate went up at the same time the gas-oil ratio did. In the Mathers B No. 1, at the present time the gravity is 45.8 corrected. I would anticipate that the gravity here would go up also, and when it got up 55 or above, the ratio would probably be such that we would want to change it to a gas well then.

Q This change in the No. 2 well came about strictly as a result of the passage of time and not as a result of any workover operation?

A We didn't, or have never, worked over Mathers No. 2. Now, we haven't had a market for gas in this area for high pressure gas until just recently. That's one factor that we considered in changing this from an oil to a gas well.

Q My question was, however, that the Mathers No. 2 well, the change in the producing characteristics of the well came about merely through the passage of time and through production of the well?

A That's right.

Q And through no physical efforts on the part of Amerada?

A That's right.

Q You expect that the No. 1 well will react similarly?

A You are speaking of the Mathers B No. 1?

Q B No. 1.

A Yes, sir, I think that it will.

Q Now, you started to give me an approximation awhile ago of what you thought the gas-oil definition should be in this area. Would you proceed?

A I don't believe I can give you an answer on that. I would be glad to give it to you later. I haven't studied that enough to give you an answer.

Q You stated that the No. 2 well, Mathers No. 2 well is about 20 to 25,000 to 1 when you considered it a gas well?

A That is right.

Q Then it must lie somewhere between 5,275 and 20,000?

A Well, that's the way it was for Mathers No. 2.

Q You think that the definition should also be tied to the gravity?

A I'm not prepared to answer that either. I'll be glad to try to give you an answer later.

Q What acreage is dedicated to the Mathers B No. 1 well at the present time?

A Well, it is carried on the oil proration schedule and has a standard oil unit, 80 acre, I think. Excuse me, it's 40.

MR. COOLEY: That's all.

MR. PORTER: Mr. McBryde, has this Mathers No. 2 been re-classified as a gas well?

A Yes, sir. We have an administrative order on that. I don't know the number on that, but we got it recently within a month or so back.

Q I notice it still appears on the oil schedule.

A I think that's right. It's still on the schedule, but we haven't taken it off yet, or it hasn't been taken off yet.

MR. PORTER: Anyone else have a question? Mr. Utz.

By MR. UTZ:

Q I would like to inquire, Mr. McBryde, if you are in a position to recommend the type of units that you would dedicate to each of these wells?

A You mean the exact area that we would dedicate to each well?

Q That's right, yes, sir.

A I don't believe I could give it exact. I could show you in a general way I believe.

Q Well, let's take Mathers B No. 1 which is now an oil well, when and if it becomes a gas well, can you say what size unit and what the unit would be for that well?

A I don't believe I can answer it on that particular well.

Q Can you answer the question for any of your wells?

A I think on the Amerada Caudle No. 7, we would dedicate the north half of Section 3. On the Amerada State BTO, we would probably dedicate the south half of Section 34. I don't believe we have decided on the Mathers No. 2 yet.

Q I don't suppose that you could speak for Texas and Pacific Coal and Oil Company about what they want to dedicate to their well?

A No, sir, I don't think so.

Q That would leave the south half of the north half of Section 34 not dedicated to any well, but still within the horizontal limits of the pool, would it not? A That's right.

Q Could you supply this information to us in the next few days?

A I think we could. For each of our wells that we have?

Q Yes, sir.

A I think we could do that.

MR. UTZ: I would like very much to have it. That's all I have.

MR. PORTER: Let's go off the record for just a moment.

(Discussion off the record.)

MR. PORTER: Let's go back on the record at this point. The witness may be excused at this point.

(Witness excused.)

MR. NUTTER: I have a couple of questions.

MR. KELLAHIN: We would like to have the testimony completed today and then we will move for the continuance on the other phase.

MR. PORTER: Go ahead, Mr. Nutter.

Further Cross Examination
Mr. O. C. McBryde

By MR. NUTTER:

Q You stated that you had several means of determining where the probable limits of this pool should be. What do those means include now?

A Well, we have used drill stem test information and also information obtained from logs.

Q Now, by this information obtained from logs, do you mean to establish these contour lines and draw the limits of the pool in accordance with the location of certain contours?

A No, sir, we did not use the contour lines to establish this area. Contour lines are used merely to show the structure of the pool and they have no bearing on the presence of porosity of commercial porosity.

Q In other words, the horizontal limits of the pool would have no bearing on the structural shaping of the formation?

A Very little bearing except there is a structure there.

Q Are drill stem tests in the Upper Pennsylvanian available on all wells which are included within the dashed red line on your Exhibit No. 1?

A No, sir, we did not test every well. We have on Exhibit No. 3, I think it is, all of the drill stem tests that we have run in this zone.

Q And some of these wells are outside of the proposed pool boundaries?

A That's right.

Q Was the drill stem test available in the Upper Pennsylvanian zone on your BTM No. 1 up in the southeast of the northeast of Section 34?

A I don't think so. It is not on Exhibit No. 3.

Q Was the drill stem test taken in the Upper Pennsylvanian, taken on Gulf's BTM No. 1 in the Southeast of the southeast of 34?

A You mean Amerada's well?

Q No, Gulf's well in the southeast of the southeast.

A Oh, the BTM, I'm sorry. I have no knowledge of one.

Q What is the basis for including the northwest quarter of Section 4 in the proposed pool?

A Well, I think the fact that our Mathers B No. 1 was productive and it's similarly located on the structure would be the only basis we had there.

Q What's the control that you have for drawing those structure lines in the southwest side of that structure?

A Well, we have no control down in that area. The control is up in the field proper.

Q Over on the east side of the field in particular, is that right?

A Yes, sir. Well, there's some in the middle there in Section 3, and north of there in Section 34.

Q What is the name of your well or the two wells in the west half of the southwest quarter of Section 2?

A Section 2?

Q Yes.

A Those are not our wells, those are Texas and Pacific.

Q What are the lease names of those wells?

A I don't know.

Q Do they appear on this Exhibit No. 3 as having had drill stem tests run on them?

A No, sir. These tests on Exhibit No. 3 are Amerada's tests only.

Q Is it possible that some of these other companies have taken drill stem tests?

A I would say it would be possible.

Q What is the basis of including the west half of the southwest quarter of Section 2 in the pool?

A Our Mathers No. 2 is productive in the pool and our Simmons No. 1 had a moderately successful drill stem test, I would say, the Simmons No. 1 is immediately south of those two wells.

MR. NUTTER: I believe that's all. Thank you.

MR. PORTER: Are there any other questions? Mr. McBryde, you may be excused.

(Witness excused.)

MR. COOLEY: Mr. Bushnell, in view of Mr. McBryde's testimony concerning the existence of oil wells in the Bagley-Upper Pennsylvanian Gas Pool, do you have a witness present who could

testify as to what a proper definition for a gas well or an oil well would be?

MR. BUSHNELL: No, we do not at this time.

MR. COOLEY: Would you then, Mr. Bushnell, be willing to continue this case until the regular hearing in November until such time as such evidence could be presented?

MR. BUSHNELL: We would agree to that.

MR. ADAIR: Eugene Adair, representing Texas and Pacific Coal and Oil Company of Fort Worth. Might we have it understood that the case is continued for all purposes? We would like to furnish some of the information that Mr. Nutter and Mr. Utz asked for in connection with drill stem tests on some of the other wells, and some other data obviously that the case presented is incomplete, we would like to try to complete it one way or another.

MR. PORTER: Did you put this matter of continuance in the form of a motion?

MR. COOLEY: I think it should more properly be moved by the applicant.

MR. ADAIR: If there is no motion before the Commission to continue the case, I so move, based on two reasons: One, for with respect to completing the testimony with respect to the two units and with respect to having the testimony for the definition of oil and gas wells in this matter, and any other matters that may come before this Commission for this hearing.

MR. PORTER: Is there any objection to Mr. Adair's motion for continuance of the case in all of its aspects?

MR. BUSHNELL: It is my understanding that the Commission wants the case to be continued for the taking of additional testimony pertaining to the matter of what will be a basis of classifying a gas well to an oil well in this particular pool.

MR. COOLEY: At the outset of the discussion of the continuance of the case that was my inquiry to you. Yes, sir. However, I feel that if there is any information as a result of drilling operations by other companies, it should come before the Commission. The more information we can have --

MR. BUSHNELL: (Interrupting) We agree to that. I thought the continuance was for only the limited purpose we have mentioned here, that is to present testimony for perhaps putting it in the order that will be issued on the basis of classifying one well from an oil well and the other well a gas well. We still have notice of the case, and the case has been presented for hearing so far as the merits of the case is concerned, for the purpose of amending R-991 in this Upper Bagley Pool. For that reason I would object to the motion that the representative of Texas and Pacific has filed here. I would hope that he would amend that motion to provide that this case, insofar as the merits of the case is concerned and so far as the notice of the case is concerned, the purpose of that notice, that this case is complete, that the continuance is

only for the purpose of furnishing to the Commission this additional information as a basis for classifying the wells, and perhaps putting it in an order to that extent.

MR. COOLEY: If Texas Pacific Coal and Oil Company have additional information concerning this pool --

MR. BUSHNELL: (Interrupting) We would hope that they would put on today.

MR. COOLEY: Could you present that testimony today, Mr. Adair?

MR. ADAIR: I don't think we have it all. I think I can show the need of it if you want to put the witness back on the stand. For example, I don't have the bottomhole pressure in the 8600 zone on our well in the northeast corner of Section 4. I think that pressure -- do you have that pressure, Mr. McBryde?

MR. McBRYDE: No, sir.

MR. ADAIR: Have you made any effort to get it?

MR. McBRYDE: Just for the record?

MR. PORTER: Yes.

MR. McBRYDE: I called your engineer in Hobbs and got some information from him two or three days ago and he did not give me a pressure.

MR. ADAIR: Did you ask him for the pressure?

MR. McBRYDE: Not specifically.

MR. BUSHNELL: My point is everyone has had notice of the

hearing, and if Texas and Pacific had information or data they wanted to present, it would seem to me that today is the day that they would want to present it.

MR. PORTER: The Commission has ruled that the case will be continued in all its aspects in order that the Commission will have all the information that we can get before making a final determination in this case. This case will be continued until the regular hearing in November.

C E R T I F I C A T E

STATE OF NEW MEXICO)
: SS
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission 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 25th day of October, 1957.

Ada Dearnley

Notary Public-Court Reporter

My commission expires:

June 19, 1959.