

CASE NO. 57

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

IN THE MATTER of the application of Stanolind Oil and Gas Company for approval of Southeast Vacuum Unit Agreement dated October 17, 1944, subscribed by the applicant and the Pure Oil Company, pertaining to lands within sections 8, 9, 16 and 17, Township 18S Range 36E, N.M.P.M., in the SE Vacuum Area, Lea County, New Mexico.

Pursuant to notice by the Commission, duly made and published, setting January 8, 1945, at ten o'clock a.m., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the Coronado Room of the La Fonda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN J. DEMPSEY, Governor.  
HON. JOHN M. KELLEY, State Geologist, Secretary.  
HON. JOHN N. MILES, Member.  
HON. CARL B. LIVINGSTON, Chief Clerk and Legal Advisor.

R E G I S T E R

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Glenn Staley	Lea County Operators	Hobbs, N. M.
E. J. Gallagher	Gulf Oil Corporation	Hobbs, N. M.
J. N. Dunlevy	Shelly Oil Company	Hobbs, N. M.
D. R. McKeithan	Phillips Petroleum Company	Barterville, Okla.
G. A. Daniels	Phillips Petroleum Company	Oklahoma City, Okla.
H. E. Lamb	Continental Oil Company	Hobbs, N. M.
S. V. McCollum	Continental Oil Company	Midland, Texas
F. D. Baker	Mewanee Oil Company	Tulsa, Okla.
W. J. Wright	Maljemar Coop. Agent	Artesia, N. M.
Wilton E. Scott	Buffalo Oil Company	Artesia, N. M.
D. D. Bodie	Cities Service Oil Co.	Hobbs, N. M.
J. E. Regent	Sun Oil Company	Midland, Texas
J. W. House	Humble Oil Company	Midland, Texas
Ken Regan	McIlvain-Regan	Midland, Texas
Earl Griffin	Phillips Petroleum Company	Amarillo, Texas
G. H. Gray	Repollo Oil Company	Midland, Texas
D. R. Dickson	Repollo Oil Company	Midland, Texas
Roy Yarbrough	Oil Conservation Commission	Hobbs, N. M.
Clarence Hinkle	Attorney	Roswell, N. M.
W. E. Davis	El Paso Natural Gas Company	Jal, N. M.
L. F. Peterson	Stanolind Oil & Gas Company	Ft. Worth, Texas
W. T. Hoey	Stanolind Oil & Gas Company	Midland, Texas
W. M. Elias	Stanolind Oil & Gas Company	Tulsa, Oklahoma
J. O. Seth (Att'y)	Stanolind Oil & Gas Company	Santa Fe, N. M.
Ray McGlothlin	Petroleum Products Refining and Producing Company	Frewitt, N. M.
C. G. Cragin	El Paso Nat'l Gas Company	El Paso, Texas
J. E. Lew	Amerada Petroleum Corp.	Midland, Texas
Chuck Aston	Consultant	Artesia, N. M.
Foster Morrell	U.S. Geological Survey	Roswell, N. M.
H. M. Dew	Hervey, Don, Hill & Hinkle	Roswell, N. M.

"NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

The Oil Conservation Commission as provided by law hereby gives notice of the following hearing to be held at Santa Fe, New Mexico at 10 A.M., January 8, 1945:

CASE NO. 57. In the matter of the application of Stanolind Oil and Gas Company for approval of the Southeast Vacuum Unit Agreement dated October 17, 1944, subscribed by the applicant and the Pure Oil Company, pertaining to lands within sections 8, 9, 16 and 17, Township 188, Range 36E, N.M.P.M., in the SE Vacuum Area, Lea County, New Mexico.

Given under the seal of said Commission at Santa Fe, New Mexico, on December 26, 1944.

OIL CONSERVATION COMMISSION

By (Sgd.) JOHN M. KELLY  
SECRETARY

S E A L"

PROCEEDINGS

After being sworn to tell the truth, the whole truth and nothing but the truth, the witness testified as follows:

By JUDGE SETH - Representing the Stanolind Oil & Gas Company.

Please state your name.

MR. HOEY: William F. Hoey.

JUDGE SETH: What is your profession?

MR. HOEY: Petroleum geologist.

JUDGE SETH: State in brief your training and experience.

MR. HOEY: 20 years experience in geological work with major oil companies.

JUDGE SETH: Graduate of what college?

MR. HOEY: Missouri School of Mines.

JUDGE SETH: By whom are you now employed?

MR. HOEY: Stanolind Oil and Gas Company.

JUDGE SETH: How long?

MR. HOEY: One year.

JUDGE SETH: Are you familiar with this area included in this unit agreement?

MR. HOEY: Yes sir, I am.

JUDGE SETH: (Presenting map) Does the heavy area on this map indicate the outside boundary of the proposed unit area?

MR. HOEY: Yes sir.

JUDGE SETH: The yellow?

MR. HOEY: The acreage owned by the Stanolind Oil and Gas Company.

JUDGE SETH: The black?

MR. HOEY: Pure Oil Company.

JUDGE SETH: The Pure Oil Company and Stanolind Oil and Gas Company joined?

MR. HOEY: Yes sir.

JUDGE SETH: 80 acres Gulf, 160 Magnolia, have they signed the unit agreement?

MR. HOEY: No, they haven't.

JUDGE SETH: It provides they can cease in doesn't it?

MR. HOEY: Yes sir.

JUDGE SETH: Where is the proposed well to be drilled to test this unit?

MR. HOEY: NE corner of Section 17.

GOVERNOR DEMISEY: Just taking four sections here?

JUDGE SETH: Yes, the heavy marks around them.

GOVERNOR DEMISEY: The yellow also owned by Stanolind?

MR. HOEY: Yes sir.

JUDGE SETH: The contour lines on that map, on what are they based?

MR. HOEY: Contour on top of the tinsel formation.

JUDGE SETH: What general geological formation is that?

MR. HOEY: Permanent age.

JUDGE SETH: How far below the surface?

MR. HOEY: 23 or 24 hundred feet.

JUDGE SETH: On what is that contour line based?

MR. HOEY: The dry holes and the control we have in the areas.

JUDGE SETH: The contour lines represent the best geological information?

MR. HOEY: Yes sir.

JUDGE SETH: Do you believe this is a geological unit?

MR. HOEY: I certainly do.

JUDGE SETH: One that should be properly developed as a unit?

MR. HOEY: I do.

JUDGE SETH: All the land in the proposed unit owned by the State?

MR. HOEY: Yes sir.

JUDGE SETH: All state leases, no federal or private?

MR. HOEY: No sir.

JUDGE SETH: Do you believe the development of that area as a unit will increase the production and conserve reservoir energy?

MR. HOEY: Yes sir.

JUDGE SETH: A conservation measure?

MR. HOEY: Yes sir.

JUDGE SETH: Has an agreement been signed between the Stanolind and Pure Oil Companies?

MR. HOEY: Yes sir.

JUDGE SETH: Do you have a photostatic copy of it?

MR. HOEY: We do.

JUDGE SETH: Present photostatic copy of agreement in evidence (Exhibit No. 2)

(Mr. Livingston called my attention to the fact that in referring to laws, reference is made pensions for employees of the state insane asylum and state prison and should be Oil Conservation Commission Act, Chapter 75, Laws of 1935.)

Do you know whether the Gulf and Magnolia were given an opportunity to sign?

MR. HOEY: Yes sir.

JUDGE SETH: The agreement provides they may later join?

MR. HOEY: Yes sir.

JUDGE SETH: Whole area of four sections the entire participating area under the unit plan?

MR. HOEY: Yes sir.

JUDGE SETH: No other area other than that?

MR. HOEY: That is all.

JUDGE SETH: Have you any further statements you care to make with regard to the advisability of this?

MR. HOEY: Only that we intend drilling this well to a depth deep enough to test.

JUDGE SETH: The agreement provides you drill 5500 feet, is that a proper test in your opinion?

MR. HOEY: It is.

JUDGE SETH: If after a test it indicates that the unit area should be enlarged, the contract provides for that?

MR. HOEY: That is right.

GOVERNOR DEMPSEY: Did the Gulf and Magnolia indicate they would not sign the agreement?

MR. HOEY: The acreage owned in the unit is owned by Stanolind and Pure. That owned by Magnolia is in another unit and held by production at this time.

JUDGE SETH: They prefer to await the outcome of this well?

MR. HOEY: Yes sir.

GOVERNOR DEMPSEY: What about the Gulf?

MR. HOEY: They are in another unit.

MR. KELLY: No other unit, you mean another well?

MR. HOEY: Yes sir.

MR. KELLY: Your map shows your contours that embrace this unit- you have another  $1\frac{1}{2}$  sections of land, why wasn't it included in this unit?

MR. HOEY: We wanted to start on a small unit.

MR. KELLY: Isn't the theory of unitization to try to unitize the structure if you can. Would the Stanolind have any opposition if that  $1\frac{1}{2}$  sections was included.

MR. HOEY: I wouldn't think they would.

MR. KELLY: That is all.

GOVERNOR MILES: In the yellow area - what is that?

GOVERNOR DEMPSEY: The Stanolind and Pure own these sections in it.

JUDGE SEITH: I might state the matter was submitted to Governor Miles, and we were advised they approved it as to form, but wanted to await the outcome of satisfaction by the Oil Commission before the Land Commission approved it.

GOVERNOR DEMPSEY: We will take the matter under advisement and inform the interested parties at a later date.