

CASE NO. 64

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

In the matter of the application of the Continental Oil Company for an order of approval of the Alston Unit Agreement, Roosevelt County, New Mexico, embracing as the Unit Area:

"In Township 7 South, Range 35 East
All of Sections 7, 8, 16, 17, 18, 19,
20, 21, 22, 27, 28, 29 and 30
Section 9 - S/2
Section 15 - S/2 N/2 and S/2

Embracing 9069.52 acres".

Pursuant to notice by the Commission, duly made and published setting May 14, 1945 at 10 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, Chairman
HON. JOHN E. MILES, State Land Commissioner, Member
HON. CARL B. LIVINGSTON, Chief Clerk & Legal Adviser

R E G I S T E R

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Hugh L. Sawyers	New Mexico Oil & Gas Ass'n.	Roswell, N. M.
J. L. Griffith	Humble Oil Company	Midland, Texas
Leo R. Manning	Barney Cockburn	Maljamar
R. J. Heard	Grayburg Oil Company	Loco Hills
Glenn Staley	Lea County Operators	Hobbs, N. M.
Barney Cockburn	Cockburn Oil Company	Artesia, N. M.
W. R. Bollinger	Shell Oil Company, Inc.	Hobbs, N. M.
Chas. C. Roripaugh	Shell Oil Company, Inc.	Midland, Texas
H. K. McKinnon	Shell Oil Company, Inc.	Midland, Texas
J. C. Gordon	Byrd Frost, Inc., and Plains Products Company	Dallas, Texas
W. E. Scott	Buffalo Oil Company	Artesia, N. M.
Robert L. Bates	State Bureau of Mines & Mineral Resources	Socorro, N. M.
John M. Kelly	G. P. Livemore, Inc.	Lubbock, Texas
Harry Leonard	Leonard Oil Company	Roswell, N. M.
D. A. Powell	Drilling & Exploration Co.	Hobbs, N. M.
Chas Schmitz	Sole Owner	San Francisco, Cal.
Joe Dexter	Grayburg Oil Company of N.M.	Artesia, N. M.
T. J. Dorsey	Atlantic Refining Company	Dallas, Texas
G. H. Gray	Repollo Oil Company	Midland, Texas
Harve H. Mayfield	Magnolia Petroleum Company	Kermit, Texas
D. D. Christner	Continental Oil Company	Ft. Worth, Texas

REGISTER (cont'd)

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
W. C. Stout	Continental Oil Company	Ft. Worth, Texas
John R. Moran	Continental Oil Company	Houston, Texas
George M. Sellinger	Skelly Oil Company	Tulsa, Okla.
J. N. Dunlavey	Skelly Oil Company	Hobbs, N. M.
H. B. Hurley	c/o Continental Oil Company	Ft. Worth, Texas
M. H. Dubrow	Continental Oil Company	Ft. Worth, Texas
S. V. McCollum	Continental Oil Company	Ft. Worth, Texas
L. F. Shiplet	The Texas Company	Midland, Texas
A. E. Willig	The Texas Company	Ft. Worth, Texas
C. B. Williams	The Texas Company	Ft. Worth, Texas
W. E. Hubbard	Humble Oil Company	Houston, Texas
Neville G. Penrose	Neville G. Penrose, Inc.	Ft. Worth, Texas
Weldon Brigance	Rowan Drilling Company	Ft. Worth, Texas
J. W. House	Humble Oil Company	Midland, Texas
Roy O. Yarbrough	Oil Conservation Commission	Hobbs, N. M.
Foster Morrell	U. S. Geological Survey	Hobbs, N. M.
A. K. Montgomery	Stanolind Oil & Gas Company	Santa Fe, N. M.
W. T. Hoey	Stanolind Oil & Gas Company	Midland, Texas
Jas. M. Murray Sr.	Me-Tex	Hobbs, N. M.
L. F. Peterson	Stanolind Oil & Gas Company	Ft. Worth, Texas
S. G. Sanderson	Gulf Oil Corporation	Tulsa, Oklahoma
J. D. Atwood, Atty.	Gulf Oil Corporation	Roswell, N. M.
Lloyd L. Gray	Gulf Oil Corporation	Tulsa, Oklahoma
E. J. Gallagher	Gulf Oil Corporation	Hobbs, N. M.
A. D. Hahn	N.M. Bureau of Mines & Mineral Resources	Socorro, N. M.

"NOTICE FOR 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., May 14, 1945:

CASE NO. 64

In the matter of the application of Continental Oil Company for an order of approval of the Alston Unit Agreement, Roosevelt County, New Mexico, embracing as the Unit Area:

"In Township 7 South, Range 35 East
All of sections 7, 8, 16, 17, 18, 19,
20, 21, 22, 27, 28, 29 and 30
Section 9 - S/2
Section 15 - S/2 N/2 and S/2

Embracing 9069.52 acres".

Given under the seal of said Commission at Santa Fe, New Mexico, on April 13th, 1945.

OIL CONSERVATION COMMISSION

BY (SGD)

JOHN J. DEMPSEY
CHAIRMAN

JOHN E. MILES
MEMBER

SEAL"

P R O C E E D I N G S

By MR. JOHN MORAN, Attorney:

The Continental Oil Company is presenting its application for formal approval of the Alston Unit Agreement which affects approximately 9120 acres of land in Roosevelt County, New Mexico. The application is filed pursuant to Chapter 72 Session Laws New Mexico 1935. We have present Mr. W. C. Stout and Mr. D. D. Christner to testify in regard to this matter.

(After being duly sworn to tell the truth the whole truth and nothing but the truth, Mr. W. C. Stout testified as follows)

MR. MORAN: Mr. Stout you are connected with the Continental Oil Company?

MR. STOUT: That is right.

MR. MORAN: How long have you been employed by this company?

MR. STOUT: Six years.

MR. MORAN: You are familiar with the agreement which is generally referred to as the Alston Unit Agreement?

MR. STOUT: I am.

MR. MORAN: Give the Commission a general statement of the preliminary statements leading up to the drafting and purchasing.

MR. STOUT: This particular area was the first area that was presented to the Commission for unitization of the State and Federal lands. After the State passed its regulations to unitize, the first meeting we held here was in September of 1943. I wanted to bring out this was the original application.

MR. MORAN: You are familiar with the unit agreement are you not, and a copy of the agreement has been submitted to the various Departments, including the Oil Conservation Commission, Land Commission and U. S. Geological Survey?

MR. STOUT: That is right.

MR. MORAN: You have ten executed copies of the agreement?

MR. STOUT: I do.

MR. MORAN: We are not offering them at this time, the agreements have been executed by the interested parties, it is our desire to offer the exhibit attached to the application with the understanding a filed agreement will be presented signed for the Secretary of the Interior and Land Commissioner. Mr. Stout in our application it is stated the Alston Agreement affects 9,120 acres of land lying in Roosevelt County New Mexico, 4,160 Federal and 4,640 State land?

MR. STOUT: Let me correct you on the State. This unit is on the west side of the Township 7S, Range 35 East, and contains 9,069.52 acres. 4,160 acres Federal, 4,589.52 State and 320 acres privately owned.

MR. MORAN: Have all the parties in interest executed this agreement at this time?

MR. STOUT: They have not, the Continental Oil Company, and the Cooperative Refinery Company of Kansas City who own a number of acres have executed, the The Sun Company owns 37.15 acres, on account of their small acreage did not want to sign. J. H. Peck, P. H. Greer and Whaley Inc., all have been approached, did not want to sign the unit.

MR. MORAN: The opportunity has been given them?

MR. STOUT: They have all been informed they can come in at anytime.

MR. MORAN: None of the parties indicated any objection?

MR. STOUT: They have not.

MR. MORAN: If the Commission sees fit to approve this agreement, do you believe it will be to the best interest to the State of New Mexico to develop and operate this area as a unit?

MR. STOUT: It should promote development.

MR. MORAN: A plan of further development will be submitted in accordance with the agreement?

MR. STOUT: Yes sir.

MR. MORAN: Has this been approved by the U. S. Geological Survey, State Land Commissioner and Oil Conservation Commission?

MR. STOUT: That is correct.

MR. MORAN: Does the Commission care to ask any questions?

GOVERNOR DEMPSEY: No questions.

(After being duly sworn to tell the truth the whole truth and nothing but the truth, Mr. D. D. Christner testified as follows)

MR. MORAN: Mr. Christner you are employed by the Continental Oil Company?

MR. CHRISTNER: Yes sir.

MR. MORAN: What position?

MR. CHRISTNER: Geologist.

MR. MORAN: How long have you held this position?

MR. CHRISTNER: 21 years.

MR. MORAN: Where is your residence?

MR. CHRISTNER: Ft. Worth, Texas.

MR. MORAN: Are you familiar with the area referred as the Alston Unit Area?

MR. CHRISTNER: Yes sir.

MR. MORAN: Are you also familiar with the agreement?

MR. CHRISTNER: Yes sir.

MR. MORAN: Have you done some geological work in the area?

MR. CHRISTNER: Yes sir.

MR. MORAN: Could you briefly describe to the Commission the work done in that area?

MR. CHRISTNER: Three of the wells on this block in the shallow area - 1900 to 2300 feet deep, have in my opinion certain structure that follows the exact outline of the area.

MR. MORAN: Have you prepared a geological map of the area?

MR. CHRISTNER: Yes sir.

MR. MORAN: Do you have the map?

MR. CHRISTNER: Yes sir.

MR. MORAN: In your opinion does the outline of the proposed Alston Unit area cover substantially all the petitioners' productive acreage within the structure indicated on your map?

MR. CHRISTNER: Yes sir.

MR. MORAN: How far is the nearest production from the Alston Unit Area?

MR. CHRISTNER: Approximately 40 to 50 miles southwest in the Caprock field.

MR. MORAN: Has there been any development in the vicinity of the Alston Unit Area?

MR. CHRISTNER: Two wells drilled, one of them in the Southeast corner of this area by the Shell.

MR. MORAN: That well drilled about when?

MR. CHRISTNER: I think it was approximately in 1939 or 1940, don't remember the exact date.

MR. MORAN: Are you familiar with the log of the well drilled by Shell?

MR. CHRISTNER: Yes sir.

MR. MORAN: That well was drilled to approximately what depth?

MR. CHRISTNER: Approximately 2300 feet.

MR. MORAN: Was there anything in the well to show oil producing well in that area?

MR. CHRISTNER: Had the same that produces most of the oil in New Mexico.

MR. MORAN: In the Alston Unit Agreement, it is proposed the test well be drilled by the Continental at approximately 5200 feet? Would this test the structure indicated on your geological map?

MR. CHRISTNER: Yes sir, in all the formations that showed some promise in the Shell well.

MR. MORAN: The log in the Shell well does not indicate anything below 5200 feet having any oil content?

MR. CHRISTNER: No sir.

MR. MORAN: Drilling to a greater depth than 5200 feet would not appear to be warranted at this time?

MR. CHRISTNER: No sir.

MR. MORAN: If additional drilling might be indicated, it is the intention to drill the well to a greater depth?

MR. CHRISTNER: Yes sir.

MR. MORAN: Is this improvement or purely wildcat?

MR. CHRISTNER: Purely wildcat.

MR. MORAN: Is the development an operation of the Alston Unit Area a sound economic undertaking?

MR. CHRISTNER: Yes sir.

MR. MORAN: Could you state reasons for saying so?

MR. CHRISTNER: The orderly development of the field would be made much easier and simpler under the unit plan than by competitive drilling, and at a later date when conditions justify any re-pressuring, that would also be much easier than through competitive drilling.

MR. MORAN: That is all.

GOVERNOR DEMPSEY: Any objection to the suggested unit agreement in connection with this area?

(No objections)

64

C E R T I F I C A T E

I, Vastie Fowler, Reporter for the Oil Conservation Commission, hereby certify that I took down the statements made at the hearing held before the Commission on May 14, 1945, in the Matter of the application of the Continental Oil Company for an order of approval of the Alston Unit Agreement, Roosevelt County, New Mexico, and that the foregoing transcript constitutes, to the best of my knowledge and belief, a true and correct copy of all the oral statements and exhibits presented before the Commission.

Vastie Fowler
Vastie Fowler, Reporter