

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

JUNE 19, 1952

In the Matter of:

This is concerned with request for permission to produce the T. O. May No. 5 well, 1310' from N and E lines, 34-22S-37E, Penrose-Skelly Pool; formerly operated by C. E. Willingham, now by Gulf Coast Western Oil Company.

Case No. 354

(Notice of Publication read by Mr. Graham.)

MR. SELLINGER: For the record Skelly Oil Company is present.

MR. DOW: Humble Oil and Refining Company is present, represented by Hervey, Dow & Hinkle, by Mr. H. M. Dow and Howard C. Bratton.

MR. SPURRIER: Will Gulf Coast Western please come forward? You want to proceed with your case?

MR. FORD: My name is Lee Ford, with the Gulf Coast Western Oil Company. I have tried to go over the case the best I could and I want to say in the beginning that the Gulf Coast

Western Oil Company is not here to take sides with the Commission or the major oil companies in anything that has preceded the hearing today.

As I understand it, just briefly, the first hearing No. 297 August 7, the order No. R-103, October 15, gave the Aurora Gasoline Company of Tulsa, Oklahoma, permission to drill at this unorthodox location, carrying the further proviso that if said well proved that it was not feasible as a secondary proposition, by water flooding, that if it was productive of oil and gas it might be so termed subject to any further order of the Commission.

Now, the Aurora Gasoline Company, as I understand it and I believe the records will verify that, made an agreement with Doctor C. E. Willingham whereby they would purchase the properties if secondary recovery was feasible by water flooding. They want to drill the well and if it was not proving feasible then the well - - then the property was to be turned back to Doctor Willingham and he was to pay the cost of the casing. All that happened before we acquired the property.

Now, quite a bit has been said about the unorthodox location. I am quite sure that the Honorable Commission weighed all evidence at the time they issued the order No. R 103 and I am

quite sure that they weighed the evidence with regard to whether or not this well should be produced if it was proven that it could not, was not feasible as a secondary recovery proposition.

Then, I understand that C. E. Willingham went ahead and completed the well as a producer. Then on March 7, I believe they made application for an allowable and on March the 15th a temporary allowable was given by this Commission of 15 barrels per day. Then the hearing came. On hearing of May 20, which was postponed, we acquired the property May 1st, we had no notice of any hearing up to that time. That is, the Gulf Coast Western Oil Company did not have, and then the hearing was postponed from May 20th.

I would like to say much has been said about the temporary allowable of 15 barrels. I would like to give a few figures on what the wells have done on it:

In March, 1952, with temporary allowable effective as of March 10th, the 5 wells averaged 5.25 barrels.

In April, 1952, the 5 wells averaged 4.67 barrels.

In May, No. 5 well produced only 22 days. The temporary allowable was rescinded, effective as of May 25. However, the well was shut in May 22, because of lack of storage but for the first 22 days of May the well produced, No. 5, 9.27 barrels per

day.

Now, No. 1, 2, 3 & 4 averaged 4.10 barrels. So it is established beyond a question of a doubt that No. 5 has not materially effected either one of the other wells on the location. These are stripper wells, as we know. It is a stripper proposition and I am sure that our opponent would like for us to go ahead although we had nothing to do with the previous arrangements or agreements, and try secondary recovery. I don't think that an individual company, like we are, could be asked by this Commission or by any commission to go in there and do that by ourselves.

We acquired this property basing considerable faith upon the proceedings up to the time that we acquired it. That is order No. R 103, the temporary allowable that followed and the proceedings up to that time.

Naturally, we expended money in acquiring property based upon the 5 wells. I feel that it is only fair that Gulf Coast Western Oil Company, if a precedent was set as has been stated, it was by the Honorable Commission and I know they didn't do it without first weighing the evidence they had. I am quite sure that I know as an individual, I would dislike to see anyone come before the Commission at this time and ask for a 5

well spacing. I don't think any major company would agree to a 5 well spacing but I do think under the circumstances our company should be entitled to produce the 5 wells on this 160 acres.

I believe that is all.

MR. SPURRIER: Anyone have a question of this witness?

MR. SELLINGER: Yes, I do.

L E E F O R D,

having been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SELLINGER:

MR. SELLINGER: My name is Sellinger. I am with Skelly Oil Company. From what you say you apparently appear to be an innocent third party purchaser but I would like to ask you, when did Gulf Coast Western acquire that property?

A The Gulf Coast Western acquired the property on April 23, accepted and assumed active operations on May 1st. In other words all division orders, so forth and so on were effective as of May 1st.

Q At that time, Mr. Ford, you knew that the matter of

whether or not this well should be permitted to produce was the subject matter of a hearing set on April 15, and May 20, you knew that, did you?

A I would say naturally we do know but - -

Q (Interrupting) Naturally you didn't know?

A We did know.

Q You did know?

A But having received the proceedings up to that time and what had gone on before we had considerable faith in the outcome of producing the 5th well.

Q You knew, did you not, that the permit for this unorthodox location was specifically granted on the basis of a water pilot injection program, did you not?

A According to your records, yes, sir.

Q You knew that, did you not?

A Yes, sir.

Q That the permit was granted on that basis?

A It was asked for on that basis but with the further proviso in the order - -

Q (Interrupting) That the well could not be permitted to produce until a further hearing, isn't that true?

A No, I said I believe if I am correct, subject to

any further order of the Commission.

Q Let us look and see.

A It is on the second paragraph.

MR. MACY: Would you like for me to read it, Mr. Sellinger?

Q The order says that "if the well proves to be capable of producing oil or gas in paying quantities subject to the further order of the Commission or allocating allowable, therefore after a regular hearing held for such purposes". That is Order 297, is that true, Mr. Macy?

MR. MACY: That is Order No. 103. You didn't read it exactly as I have it.

MR. SELLINGER: You can read the whole paragraph.

MR. MACY: It says "the application is therefore ordered - - that the application of the Aurora Gasoline Company, for the drilling of a test well at an unorthodox location, 1310 feet south of the north line and 1310 feet west of the east line of Section 34, Township 22 south, Range 37 east in New Mexico Penrose Skelly Pool situated in Lea County be and the same is hereby approved upon the conditions that the said well be drilled as an experimental well for the purpose of determining the feasibility of carrying on a secondary recovery program for

the purpose of obtaining the greatest possible ultimate recovery of oil or gas from the Queen or Grayberg formations in the Penrose Skelly Pool and in the event said secondary recovery program should not prove to be applicable or feasible and said well is completed as a well capable of producing oil or gas from said formation that the same may be completed as a producing well subject to such allowable as may hereafter be assigned or allocated thereto by the Commission after a regular hearing thereon".

Q So the order did provide for a hearing before the allowable could be assigned the well?

A We were well acquainted with the fact that they made application for allowable on March 7 and March 15, the temporary allowable was granted.

Q Now, Mr. Ford, the first supplement assigning on allowable was issued on March 10th.

A That is correct.

Q That is prior to the time that any hearing was held for allowable purposes on the well?

A They made the application I understand on March 7.

Q The hearing was set when, April 15th?

A According to records of the proceedings.

Q So the first supplemental allowable issued was before any hearing for allowable was held?

A That your records will bear out.

Q The second supplemental allowable was issued on March 26, which was prior to any hearing.

A I understand that at intervals of 15 days the temporary allowable was extended.

Q Most of which was extended before any hearing held for allowable purposes on the well?

A Well, the order was rescinded as of May 25, you had a hearing on May 20 and you had one on April 15th.

Q Now the Commission did notify you on or about the 22 or 23 day of May that this well was to be shut down until a hearing was held for allowable purposes.

A Yes.

Q You received that letter?

A Yes.

Q Are you prepared at this time now to testify with respect to the feasibility of water flooding in this well?

A No, sir, because from the hearings and the investigation we made that matter had been conclusive as far as this

Commission is concerned and if we are now to present, for instance, the core analysis was made by Erlacher Engineering Company, one of the best engineers we have who was Gary Simonds was present at all times and they recommended that it was not feasible and I don't think now that we want to bring in that proposition. If you do, then I suggest and I must request that we have permission to ask for further hearing and bring to this Commission the engineer with Erlacher and Gary Simonds.

Q I will hand you what has been marked as an Exhibit by your predecessors, in title and ask you to state to the Commission where that report says that this well is not feasible for water flooding.

A I want to state first that I am not an engineer. I am merely basing what I have had to say upon the records of the hearings to date. It merely states that because of the low permeability and porosity that I believe they do not believe secondary recoveries is feasible through water flooding.

Q Where does it say that, read the language.

A Should I read the Exhibit?

Q Show me where it says in that the feasibility and practicability of water input is not possible. Where does it

say that on that Exhibit?

A I don't think you could use the letter alone. If I was an engineer and I could analyze the entire report I might be able to say so.

MR. SELLINGER: We're prepared to testify from an engineering standpoint that a report on the contrary - - we have never had an opportunity, if the Commission pleases, of presenting any testimony as to practicability and feasibility of this well. In line with my promise to you gentlemen at the May 20th hearing, we notified the Gulf Coast Western Company and told them that we would be prepared at this hearing to present such testimony. As a matter of fact the last sentence on the record ends up by saying that it is possible that water injections would be adviseable.

A Doesn't it say also after all possible recovery has been made by primary methods?

MR. SELLINGER: If the Commission pleases Humble and Skelly are prepared to go ahead with the testimony. This matter has been hanging fire since April. I understood Mr. Ford wishes to have the advice of technical witness. If he desires to have another hearing we will leave that up to the

Commission.

MR. SPURRIER: Would you like to present your testimony now or would you rather wait?

MR. SELLINGER: That was the difficulty last time. These people, his predecessors, made certain statements and gave testimony which was not subject to cross examination which we believe was entirely erroneous. We never had an opportunity of cross examination. We don't wish to take advantage of Mr. Ford in the absence of technical advise.

MR. SPURRIER: The answer to the question is, then, that you would like to put the testimony on at a later hearing when this Erlacher and Mr. Simonds are present for cross examination?

MR. SELLINGER: Mr. Simonds is not with Erlacher. He is a consultant and was present at the May 20 hearing but didn't testify because he was absent a client at the time. He was present at the May 20th hearing.

MR. SPURRIER: I think that Skelly and Humble are here with their witnesses and should not be asked to continue to a later hearing. However, the Commission should state now to you, Mr. Ford, that the hearing will be continued to July 15,

and you will have your witnesses here?

A Yes.

MR. SPURRIER: Or else you will be in default.

MR. SELLINGER: Is it understood that the order issued by the Commission on the May 20th hearing will be in effect until such a time as a hearing is had for allowable purposes? You issued an order from the bench at the hearing.

MR. SPURRIER: Yes, there will be no oil from the well in question until the hearing is completed and an order is issued.

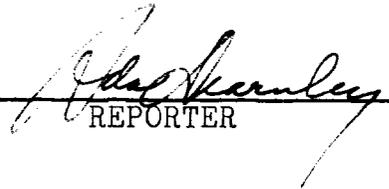
MR. SELLINGER: What I wanted to get clear was whether the Commission expected us to go ahead at this time. It seems if we did go ahead with our evidence at this time then Mr. Ford's people would have the claim that they were not present to cross examine. I doubt if anything could be gained by going ahead at this time although we are ready and prepared.

MR. SPURRIER: I don't think you should. However, if you want to you have that opportunity. It is agreed that the case will be continued to the July hearing which is July 15th.

STATE OF NEW MEXICO)
 :
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 354 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on June 19, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 24th day of June, 1952.



REPORTER

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

October 15, 1952

In the Matter of:

Gulf Coast Western Oil Co. (as successor to C. E. Willingham) in case requesting permission to produce T. O. May Well No. 5, NE NE 34-22S-37E, Penrose-Skelly Pool, Lea County. Order R-179 dated August 1, provided for October 15 re-hearing for determination of future allowable.)

Case: 354 -
Continued

TRANSCRIPT OF HEARING

MR. SPURRIER: Case 354, which has been continued from a previous meeting.

(Mr. Graham reads notice of publication.)

MR. SPURRIER: We have two letters, one from Gulf Coast Western and one from Skelly, both of which came in at the first of this month, in which Gulf Coast Western asks that the case be continued and Skelly agrees with that request. Without objection I will recommend to the Commission that the case be continued over to the regular November 20th hearing. Is there any comment on this case?

MR. DEWEY: Humble concurs in putting it off until November.

MR. SPURRIER: Also, should bring out the fact that we have a 90 day order which will expire October 31st. Without objection - That order, incidentally, is to allow the wells in question to be produced until such time as we can complete the hearing and issue an order, and without objection I will also recommend to the Commission that the 90 day order be extended.

MR. DEWEY: Humble concurs in that.

MR. SPURRIER: Any other comment? The next case on the Docket is Case 407.

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, do hereby certify that the above and foregoing transcript of proceedings in Case No. 354, taken before the Oil Conservation Commission on October 15, 1952, at Santa Fe, New Mexico, is a true and correct record.

Dated at Albuquerque, New Mexico, this 22nd day of October, 1952.



Notary Public

My Commission Expires:
June 19, 1955.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

NOVEMBER 20, 1952

In the Matter of:

Gulf Coast Western Oil Company (as
successor to C. E. Willingham) in case
requesting permission to produce T. O. May
No. 5, NE NE 34-22S-37E, Penrose-Skelly
Pool.

Case No. 354

(Notice of Publication read by Mr. Graham.)

MR. SELINGER: In case 354 I am very happy to announce
that all parties are here finally in this matter. The applicant
is here and the Humble and Skelly representatives also are here.
There seems to be some question with respect to whether or not
we should go ahead with the presentation of the complete testimony.
I would like to announce to the Commission that all parties are
here and present and prepared to go along with the presentation
of this testimony.

MR. SPURRIER: The question is, Mr. Selinger, whether the
case has been properly advertised I believe.

MR. SELINGER: Well, in my opinion I believe that it has.
The notice of Case 297 which was included with Case 354 and the
notice of 354 all dealt with the main objective of the practica-
bility or feasibility of water flooding. I might suggest if

there is any doubt in the Commission Attorney's minds of insufficiency of the notice the parties are entirely willing for the Commission to give still a third new case number and re-advertise again and have it set for the December 16 hearing, but we would like the privilege of presenting all this testimony now because all the matters in Case 297, all the matters in Case 354, will be included with the new case number so that it could all be decided at one time. I might say that the area involved is still the same area.

MR. GRAHAM: It is your wish to put on your testimony now and have it considered in a future case?

MR. WHITE: We have no objection to it.

MR. SELINGER: There are no other parties involved because the proposed pilot water injection is in the center of the area owned by the three specific companies.

MR. SPURRIER: Let's proceed, Mr. Selinger.

MR. SELINGER: We have one witness.

MR. SHAFFER: Mr. Shaffer, representing Humble Oil and Refining Company. We have one witness we would like to enter too. Mr. Dewey.

J. D. COOPER

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SELINGER:

Q State your name.

A J. D. Cooper.

Q You're associated with what company?

A Skelly Oil Company.

Q In what capacity?

A Petroleum Engineer.

Q Mr. Cooper, are you a graduate Petroleum Engineer of an accredited school?

A Yes, sir.

Q Have you practiced your profession since such graduation with the exception of the time served in the armed forces?

A I graduated after I got out of the Navy.

Q You practiced your profession?

A Since then I have, yes.

Q Have you made a general study of the area involving around Section and including Section 34, Township 22 South, Range 37 East, Lea County, New Mexico, which is a part of the Penrose-Skelly area?

A Of that Section, a general study, yes.

MR. SPURRIER: Speak up.

A Of that Section a general study I have made.

Q Have you on the^{part}/of Skelly Oil Company carried on negotiations with the other operators owning acreage in Section 34?

A I have.

Q Who are the other operators so involved?

A Humble Oil and Refining Company and Gulf Coast and Western Oil Company.

Q Have you had occasion to have a map made which we would

like to have marked as Skelly's Exhibit No. 1.?

(Map referred to above marked Skelly's Exhibit No. 1, for Identification.)

A Yes.

Q Will you kindly explain in very brief terms the purport of that Exhibit?

A The area shaded in pencil on the Exhibit represents the acreage of the three companies involved in the area. The five wells circled with red are proposed water injection wells in Section 34.

Q I will ask you, Mr. Cooper, whether or not the properties upon which there are presently producing wells are owned by the parties involved in this application, namely Gulf Coast Western, Humble and Skelly, the surrounding producing properties?

A Yes.

Q Where do you propose to inject/^{the water}for a pilot water flooding project?

A Into the Queen Sand in the Penrose-Skelly field.

Q Is that horizon productive of oil in the Penrose-Skelly field?

A Yes.

(Skelly's Exhibit No. 2, marked for Identification.)

Q I will hand you what has been marked and designated by the Commission as Skelly's Exhibit No. 2, and ask you to state what that is.

A That is a section from the electric log of the Skelly H. O. Sims No. 16. That is the deep test drilled in the area and it is in the southwest southwest of 34. It shows on the plat as a dry hole. This is merely a type log of the Queen Sand section which we expect to inject water into.

Q It shows the generalized section typical of that immediate area as to the top of the Queen Sand and the proposed injection with respect to the top of the Queen?

A It is the only log that was available to me in the area and it is fairly old Schlumberger and actually except to show that the Queen is not a clean sand has no value.

Q In other words this is an old field in its salvaged stage which averages less than four barrels per well per day?

A Yes, I believe that is so.

Q It is a cooperative effort in an attempt to increase the production of recoverable oil from the producing horizon, the Penrose-Skelly, by such secondary method?

A Yes.

Q Have you had occasion to look the situation over with respect to the possible success of such a project?

A Yes.

(Skelly's Exhibit No. 3,
Marked for Identification.)

Q I will hand you what has been designated by the Commission as Skelly's Exhibit No. 3 and as a preliminary question to your explanation. I will ask you whether or not that is a part of an Exhibit heretofore introduced in Case 297 and Case 354?

A Yes.

Q Will you explain the Exhibit to the Commission?

A This is a summary sheet from the core analysis made on the T. O. May No. 5 Well, in approximately the center of the northeast quarter of Section 34. The well was drilled by Aurora Gasoline Company to evaluate the possibilities of water flooding in this area. The analysis made by Earlougher Engineering Company in Tulsa. His analysis shows that the oil saturation is sufficient or the residual oil saturation is sufficient to make water flooding profitable provided other considerations such as the lenticularity of the sand and lack of good engineering information, even though we have one core analysis, prevent you from making complete and exact studies. You can still only form an opinion that you can successfully flood this sand.

Q In addition to your studies, with respect to the immediate area, have you not drawn on the experience generally of the oil business, with respect to the permeability of formations to take secondary recovery measures?

A Yes.

(Skelly's Exhibit No. 4,
Marked for Identification.)

Q I will hand you what has been marked by the Commission as Skelly's Exhibit No. 4, and I will ask you to state what that Exhibit shows?

A This Exhibit is a composite of a single well in the Burbank Sand area of northeast Oklahoma. The Exhibit shows on the left side the self potential of the log and in the center where

the casing was set and on the right the permeability of the core analysis that was made on this well. This is an edge well in that area and has permeability averages much less than the average of the T.O. May No. 5. Anyway the T.O. May No. 5 had 33.8 net feet of oil sand, range of 0 to 26, millidarcy permeability average 4.3. This well on Exhibit Four had a range of from 0 to 4.2 millidarcies and I don't have the average. On an input test, injectivity test, the well shown on Exhibit No. 4 accepted 1104 barrels of water in 24 hours by gravity. The dotted line to the right is a radioactive input profile of the water injected into this well. The actual test was made by inputting a radioactive water soluble salt into the water injected into the well for a period of time and measuring the radioactivity or residual radioactivity of the formation where the salt dissolved into the water had gone into the formation. The scale down here shows the barrels per day per foot going into this sand and most of the water you will note is going into a section with a permeability less than three millidarcies.

Q Then as I gather your testimony in comparing Skelly's Exhibits Three and Four you feel that the data indicated on Exhibit Three in comparison to the data in Exhibit Four would indicate to you that the factors on Exhibit Three would be successful for a pilot water injection program?

A It indicates to me that the low permeability in the core analysis of the T.O. May No. 5 is not the criteria to decide whether this can be successfully pilot water flooded. It actually

takes a test.

Q Do you know whether or not such actual water input has taken place in Section 34?

A To my knowledge there has been no water injected into the Queen Sand in that section.

Q Applicant's proposal of the three companies, are desirous of being given permission to so inject water on a pilot program?

A Yes.

Q Now, with respect to the unanimity of the parties involved, has there been a cooperative contract circulated and signed?

A There has been a cooperative agreement circulated. It has been executed by Skelly and Gulf Coast Western and I understand is in the process of being executed by Humble. It provides for the conversion of these five wells to water injection wells and conducting the pilot flood operation.

Q With respect to the possible source of water is there such source available for the institution of a pilot water flooding program?

A Yes, do you want elaboration?

Q If the Commission approved the pilot water injection program in Section 34, Township 22 South, Range 37 East, on the part of not only Gulf Coast Western but Skelly and Humble would the parties be willing to continuously furnish data to the Commission upon request or otherwise?

A Yes.

MR. WHITE: We would like to offer into evidence Skelly's Exhibits No. 1 through 4 inclusive.

MR. SPURRIER: Without objection they will be recieved.

MR. SELINGER: That is all we have of this witness.

MR. SPURRIER: Are there any questions of this witness? Don Walker, with Gulf.

MR. WALKER: I didn't catch the five wells, will you list them again?

MR. COOPER: Yes, I will read them off to you.

MR. WHITE: I have it here, he handed me a map.

MR. SPURRIER: Bill, will you read them into the record?

MR. SELINGER: All right, I will. T. O. May No. 1, in the northwest of the northeast of Section 34; the Gulf Coast Western Humble State No. 1, in the northwest of the southeast of Section 34; the Humble State - -

MR. SPURRIER: (Interrupting) You said that in reverse, excuse me.

MR. SELINGER: (Continuing) - - the Humble State H No. 5, in the southeast of the northwest of 34, and Skelly H.O. Sims No. 9, in the northwest of the southwest and Skelly H.O. Sims No. 8, in the southeast of the southwest of Section 34.

MR. SPURRIER: Are there anymore questions of this witness? If not the witness may be excused. Mr. Shaffer.

MR. SHAFFER: Charles Shaffer, representing Humble Oil and Refining Company. We are in general accord with Mr. Cooper's testimony and we concur in his recommendations. We have Mr. Dewey

here if the Commission would like to ask him any questions about the thing but I believe it has been fully covered by Mr. Cooper's testimony, so we won't offer Mr. Dewey unless you would like to ask him some questions or someone else here.

MR. SPURRIER: Are there any questions of Mr. Dewey as a witness?

MR. GRAHAM: I would like to ask a few questions.

Q Where is this water coming from?

A We have what you might call two sources. Skelly has developed a source of water in the R. R. Sims No. 7 which on the plat is in Section 3, 23 south. It is the northeast of the southwest quarter. That was a deep well and prior to abandonment we perforated the Clear Forks Horizon to test for the water for this pilot flood and we have water available there for three of the five wells. The other two wells will use fresh water from shallow water sands.

Q What approximate volume will be required?

A We hope or we would like to start with about 250 barrels to 300 barrels per day per well. It will depend on the ability of the well to accept the water.

MR. SPURRIER: Any further questions? The witness may be excused.

(Witness excused.)

MR. SPURRIER: If no questions of Mr. Dewey are there any further comments in the case?

MR. SELINGER: I might add that Mr. Hanson, with the Gulf Coast Western, is present. He was sworn in as a witness and he would be willing to answer any questions that the Commission or anyone else might have.

MR. WHITE: I suggest that anyone interested in this case should enter their appearance off record.

MR. SHAVER: He did by a general statement. We will at this time make an appearance for Humble.

A VOICE: We will enter F. R. Hanson, President of the company. We are in accord with the project as the witness has testified to here today. We want to make our appearance for the Gulf Coast Western.

MR. SPURRIER: Any further questions? If not the case will be taken under advisement and we will proceed to Case 362.

STATE OF NEW MEXICO)
 :
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 354 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on November 20, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 29th day of November, 1952.

Ada Dearnley
REPORTER

MR. SPURRIER: The next case on the docket is case No. 354 which is a readvertisement.

(Mr. Graham reads the notice of publication.)

MR. SELINGER: My name is George W. Selinger for the applicant. We have one witness, Mr. Cooper, whom we would like to have sworn.

As a preliminary statement I would like to offer in evidence by reference the transcript in Case No. 299 of August 7, 1951; the transcript of the hearing here in Case 354 on April 15, 1952; Case No. 354 on May 20, 1952; June 19, 1952; July 15, 1952; October 15, 1952 and November 20, 1952.

J. D. COOPER,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. SELINGER:

Q State your name.

A J. D. Cooper.

Q Mr. Cooper, are you the same witness that testified at the November 20th hearing in this matter?

A Yes.

Q At that time you testified on behalf of Gulf Coast Western, Humble and Skelly for a cooperative pilot water flood program in Section 34, Township 22S, Range 37E,

Penrose-Skelly Pool, Lea County.

A That's right.

Q Now, in the November the 20th hearing there were four exhibits introduced by the applicant. Have you had occasion to look over those exhibits and read the transcript, and those exhibits are true and correct to your best knowledge; is that correct?

A That's correct.

Q Now, the five input wells that have been referred to -- Mark this Applicant's Exhibit 1, please, sir. -- the five input wells testified to at the November 20th hearing, will you again give the description and location of those five wells?

A Gulf Coast Western, T. O. May No. 1 in the northwest of the southeast of 34. And Gulf Coast Western, Humble State No. 1 in the northwest of the southeast of 34. Humble State H No. 5 in the southeast of the northwest of 34. Skelly H. O. Sims No. 9 in the northwest of the southwest of 34. And Skelly H. O. Sims No. 8 in the southeast of the southwest of 38.

Q All in Township 22S, Range 37E?

A Yes.

Q That is the same wells indicated on Applicant's Exhibit 1 in this case?

A That's right.

Q Now, Mr. Cooper, from the study you have made, does it indicate a pilot input program should be undertaken to determine its feasibility for flooding the entire pool if such pilot program is found successful?

A Yes.

Q Is there a sufficient source of supply of water to carry on such a program?

A Yes, sir, there is sufficient water to carry out the pilot.

Q And how much water do you plan on using initially?

A Two hundred and fifty to three hundred barrels per well per day.

Q Now, Mr. Cooper, this has been a cooperative program instituted by the three companies and a contract has been drawn up. Is that correct?

A That's correct.

MR. SELINGER: Will you mark that Applicant's Exhibit 2? We would like to offer in evidence Applicant's Exhibits 1 and 2. And I believe that is all we have.

MR. SPURRIER: Without objection they will be received. Does anyone have a question of this witness? If not, the witness may be excused. Do you have anyone else?

MR. SELINGER: That's all.

MR. SPURRIER: Does Humble have a witness?

MR. SHAVER: No, we have nothing to present, Mr.

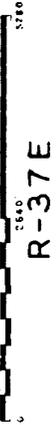
Chairman.

MR. SPURRIER: Is there any other comment in
the case?

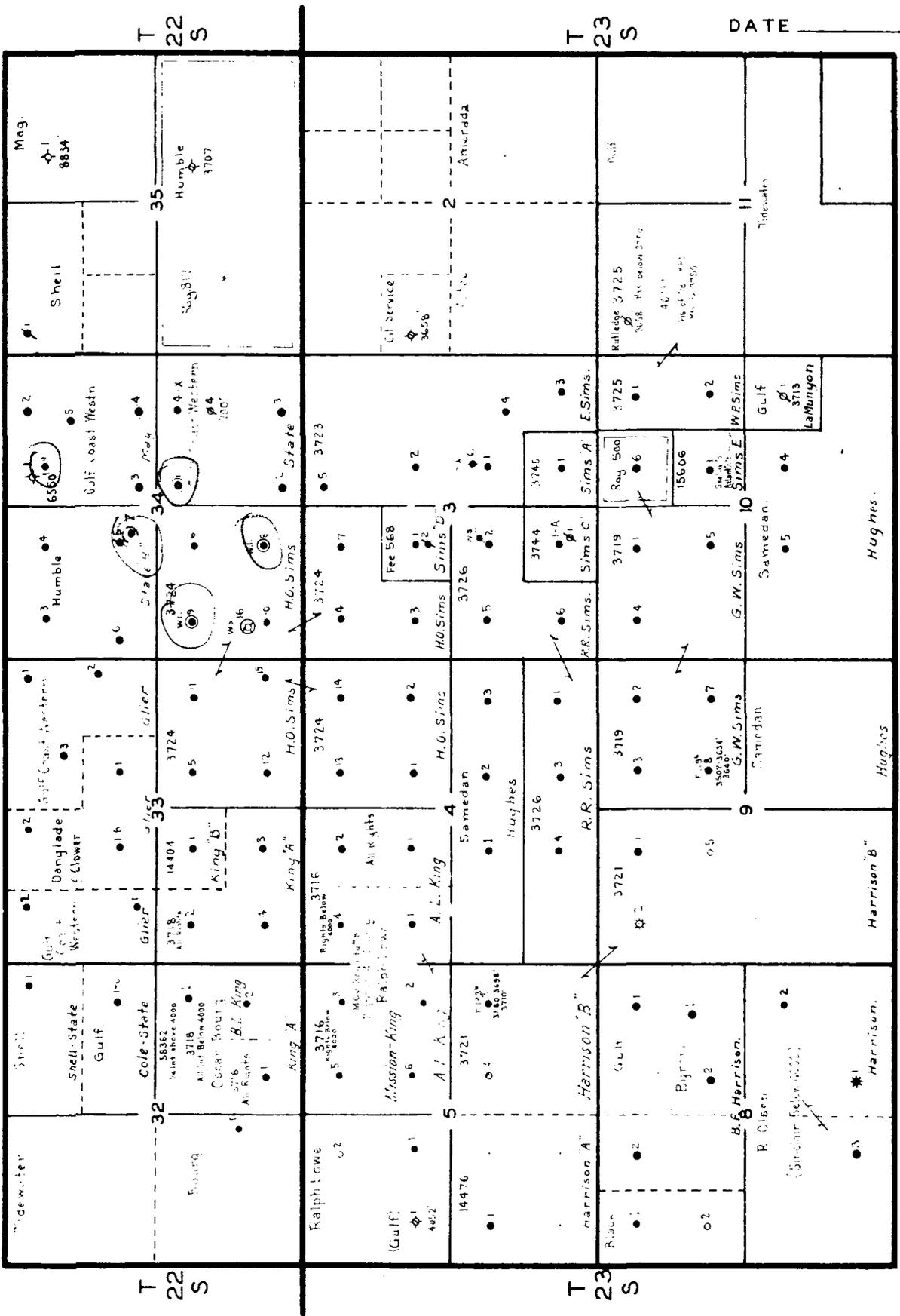
The case will be taken under advisement and we
will move on to Case 407.

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LEA COUNTY NEW MEXICO SIMS AREA



Water Injection Wells
 Water Supply Wells



R-37E

DATE _____