

BEFORE THE
OIL CONSERVATION COMMISSION
Case 660

February 17, 1954

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

February 17, 1954

IN THE MATTER OF:

In the matter of the application of Warren Petroleum Corporation for an exception to Rule 7(a) of Order No. R-370-A to permit the establishment of an unorthodox gas proration unit of 315.24 acres; namely, Lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico, in the Eumont Gas Pool.) Case No. 660

MR. OLDHAM: This Case, 660 involves the same similiar fact situation to the one we have just heard. We would have asked that it be consolidated except for the fact that we do have on the north eastern portion of this one, we are on the edge of the Eumont Gas Pool and a portion of it is not actually within the Eumont Gas Pool but is covered by the Order which prorates it because it is within a mile.

R. C. S E A R S

the witness, having been previously sworn, testified as follows:

DIRECT EXAMINATION

By: MR. OLDHAM:

Q State your name, please? A R. C. Sears.

Q You are the same R. C. Sears that just testified in Case Number 659 before this Commission? A I am.

Q Are you familiar with the application of Warren Petroleum Corporation for the approval of an unorthodox gas unit embracing 315.24 acres in the Eumont Gas Pool in Lea County, Case Number 660?

A I am.

Q What area is covered by the proposed unit? What is the

description of the land involved?

A It is lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico.

Q That roughly corresponds to the north east 300, it is the northerly 315 acres of that Section? A It is.

Q That section being a larger than normal section being on a correction line? A Yes.

Q Where is the--is there presently a producing gas well on that acreage? A Yes.

Q What is the location of that well?

A 3800 feet from the north, 1320 feet from the east boundaries of Section 3.

Q And that location complies with the Commission's Orders insofar as the distance from the boundary lines of the lease and of section lines are concerned? A It does.

Q When was that well drilled? A October, last year.

Q And has it been connected to a pipeline? A It has.

Q Has it been assigned an allowable by the Commission?

A Yes.

Q That allowable is on the basis of a 160 acre gas proration unit? A Yes.

Q The application here is to expand that unit into 315.24 acres in order to prevent economic waste in drilling an additional well on the acreage? A That is right.

Q In your opinion will correlative rights be adversely effected by the granting of the application? A No.

Q Who is the royalty owner under the acreage in question?

A State of New Mexico.

Q And who owns the royalty under the acreage immediately adjoining on the east? A State of New Mexico.

Q Are there any other gas wells presently located in Section 3?

A Yes, there are several.

Q Who owns the lease adjoining the acreage in question on the south?

A The Sun Oil Company.

Q How many gas wells are there located on that acreage?

A Two.

Q Do you know whether those wells, do you know what formations they are producing from?

A Yes, their Number 1 R L Akins is producing from the Yates, Seven Rivers and Queens formation, Number 6 Akins is producing from the Queens.

Q The Number 6 is located immediately adjoining the 315.24 acre tract?

A That is right.

Q Along the north. What is the cost of drilling a well in the Eumont Gas Field if the well is completed in the Yates, Seven Rivers and Queens formations?

A \$45,000.00.

Q Is the Warren well on the 315.24 acres completed in all of those formations?

A Yes.

Q In your opinion will one well in the Eumont Pool capable of effectively recovering the gas from more than 160 acre regular proration unit?

A It is.

Q What would you say the minimum acreage would be that one well would drain?

A 640 acres.

MR. OLDHAM: I believe that is all.

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

MR. BALLOU: I would like to ask a question. My name is Ballou with Sun Oil Company.

By: MR. BALLOU:

Q Are there any gas wells located north of your well there that would indicate your entire unit there is productive?

A Yes, up in Sections 35, 34 and 27, Township 20 South, Range 37 East, the Antweil Hooper, the Antweil Crawford and the Stanolind Gilhooley wells have been completed in the Queens formation which indicate that the reservoir extends to the north and east.

MR. BALLOU: Thank you.

A In addition, there is a well located in Section 1, 21, 36 in the north west extreme corner which is also completed in the Queens formation.

MR. BALLOU: Thank you.

MR. SPURRIER: Anyone else?

MR. GIRAND: W. D. Girand, Hobbs, New Mexico, on behalf of Me-Tex Supply Company.

By: MR. GIRAND:

Q In what lot is the well located?

A Well, it is in the center of lots 9, 10, 15 and 16 the square formed by those lots.

Q Was a permit obtained from the Commission to drill a well at that location?

A Yes.

Q You had a hearing on that?

A No.

Q That is drilled on a boundary line of a subdivision of a quarter section?

A No, it is in the center of 160.

Q But on a 40 acre line, is it not of the lots?

A No, I imagine not. The well is located 3800 feet from the north and 1320 from the east so that would probably put it to one side of the lines there, I believe.

MR. GIRAND: I see.

Q You are familiar with Rule 104 of the Commission, are you not as to well spacing and particularly to Section D?

A Yes.

Q Was that well drilled in compliance with that rule?

MR. PHILLIPS: I don't know whether--- That well was drilled prior to January 1st and I am not certain that that Rule was in effect at that time.

MR. GIRAND: I understood the witness testified it was drilled last year.

MR. PHILLIPS: That is right.

MR. GIRAND: That is all.

MR. GIRAND: I would like to renew the same objection that I made in Case Number 659. In regard to the renewing of my objection that was made in Case 521 and in Case 584, also my remarks in regard to allowing more than one allowable from one bore hole.

MR. SPURRIER: Anyone else have a question of the witness?

MR. SELINGER: George W. Selinger representing Skelley Oil Company, before I ask this witness a question, we have an interest in a unit operated by Sun to the south west diagonal.

By: MR. SELINGER:

Q Mr. Witness, will you tell the Commission how many gas wells there are now in Section 3?

A The best of my knowledge--

Q (Interrupting) Including the north portion in Section 3, how many gas wells do you have indicated from your records?

A To the best of my knowledge, there are two there.

Q Does Sun have a gas well in the south east quarter of Section 3?

A I don't have it indicated, no.

Q Does the Sun have a gas well in the south west quarter of Section 3?

A South west of 3, wait a moment, yes. The answer to your first question is yes. The south east of 3 is Number 6.

Q Does the Sun have a gas well on the south west of 3?

A Yes.

Q And your well is in the north east of 3? Your gas well is in the north east of 3?

A That is right. The south half of the north east of 3.

Q Does Me-Tex have a gas well in the north west quarter of 3 including the correction acreage up north. Do they have a gas well in there?

A They have two gas wells there.

Q So, that this particular section already has at least four gas wells, is that correct?

A That is correct.

MR. SELINGER: That is all.

By: MR. GIRAND:

Q The particular section has approximately 960 acres in it, does it not?

A I don't know that.

Q Does your platt show that? A No.

Q Do you have any records in your file that you could refer to to determine whether it does or not? A I don't.

MR. GIRAND: I think the Commission can take judicial notice of the State map.

MR. SELINGER: The only point I wish to make to the Commission is that there already now exists four gas wells in Section

3 including the correction acreage up above. There now already existing at least four gas wells.

MR. SPURRIER: Are there any other questions of this witness? If not the witness may be excused.

(Witness excused.)

MR. SPURRIER: Counsel if that footage is correct, we are trying to find the well file, you have an unorthodox location and you should apply for one. I don't know whether that footage is correct on there or not. I can tell you in just a minute. The footage is 1319 so, it is okay. Does anyone have anything further in this Case? If not, we will take a short recess.

C E R T I F I C A T E

I hereby certify that the above and foregoing transcript in Case 660 taken before the Oil Conservation Commission at Santa Fe on February 17, is a true and correct copy to the best of my knowledge, skill and ability.

Dated at Albuquerque this 23rd day of February, 1954.


Reporter