

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

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TRANSCRIPT OF PROCEEDINGS

CASE NO. 690

Regular Hearing

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 15, 1954

IN THE MATTER OF:)

Application of Texas Pacific Coal & Oil Company)
for approval of the South Crossroads Unit Agreement) Case No.
consisting of all of Section 10, Township 10 South,) 690
Range 36 East, NMPM, Lea County, New Mexico.)

BEFORE:

Honorable Edwin L. Mechem, Chairman
Mr. E. S. (Johnny) Walker, Member
Mr. E. R. Spurrier, Secretary & Director.

TRANSCRIPT OF HEARING

MR. CAMPBELL: Jack Campbell of Roswell, representing Texas Pacific Coal and Oil Company. I would like to request that Case 690 be continued to the May 19th hearing. There have been some complications arise with reference to the actual completion of the well before the unit is submitted for approval.

MR. SPURRIER: Is there objection to Mr. Campbell's motion? If not the case will be continued to May 19th.

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CASE NO. 690
Regular Hearing

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
May 19, 1954

IN THE MATTER OF:)

Application of Texas Pacific Coal and Oil
Company for approval of the South Cross-
roads Unit Agreement consisting of all of
Section 10, Township 10 South, Range 36
East, NMPM, Lea County, New Mexico)

Case No. 690)

TRANSCRIPT OF PROCEEDINGS

MR. CAMPBELL: We are ready to proceed in that case.

J. E. BAGWELL

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

DIRECT EXAMINATION

By: MR. CAMPBELL:

Q Will you state your name, please?

A J. E. Bagwell.

Q By whom are you employed, Mr. Bagwell?

A Texas Pacific Coal and Oil Company.

Q In what capacity? A Geologist.

Q Where is your office? A Midland, Texas.

Q Have you testified before this Commission on previous
occasions? A Yes, I have.

MR. CAMPBELL: Are the witness's qualifications as a petroleum
geologist acceptable to the Commission?

MR. SPURRIER: They are.

Q Mr. Bagwell, are you acquainted with the application of
Texas Pacific Coal and Oil Company in Case No. 690 before the Oil

Conservation Commission for approval of the South Crossroads Unit Agreement?

A Yes, I am.

Q Do you have a copy of that proposed Unit Agreement before you?

A Yes, sir.

Q Mr. Bagwell, referring to the Unit Agreement, will you state to the Commission, what acreage is proposed to be covered by the Unit and the ownership of that acreage?

A That is all of Section 10, Township 10 South, Range 36 East. In that Unit, Texas Pacific Coal and Oil Company has a 75 percent interest, Union Oil Company of California has a 25 percent interest.

Q Who is the owner of the land of the royalty?

A It is all State land.

Q How many State leases are involved?

A There are three.

Q Has Texas Pacific Coal and Oil Company done geological work in this area?

A Yes, they have.

Q Referring again to the agreement and the Exhibit attached thereto, will you state to the Commission whether or not, in your opinion, Section 10, Township 10 South, Range 36 East, or part of it maybe a common source of supply of oil or gas?

A Yes, sir, I believe it is.

Q Referring to Exhibit C, attached to the proposed unit agreement, will you state what that is?

A Exhibit C is a plat showing the approximate closing contour on the Mississippian horizon which is based on the results by geological work.

Q In your opinion, would the approval of this Unit Agreement encourage the development in that area for oil or gas?

A Yes, sir, I believe it would.

Q Does the Unit Agreement provide for the commencement of a well in this Section?

A Yes, sir, on or before July 1, 1954.

Q In your opinion, would the approval of this Unit Agreement result in the Conservation of oil or gas and protect the correlative rights of the owners under the Section?

A Yes, sir, it would.

Q In your opinion, would the State of New Mexico under this Unit operation recover its fair share of the oil, if there is oil or gas in this Section?

A Yes, sir.

MR. CAMPBELL: If the Commission please, the Unit Agreement and the operating agreement have been executed. I have executed copies, however, I would like, if it is agreeable with the Commission to submit unexecuted copies with the statement in the record that they are true copies of the ones which have been executed by the parties. That is all of the parties except the State of New Mexico which, of course, approves these subject only to an order of the Oil Conservation Commission. If that is agreeable with the Commission, I would like to offer in evidence true copies of the proposed Unit Agreement and the proposed operating agreement for the South Crossroads Unit.

MR. SPURRIER: Is there objection? If not the Exhibit will be admitted, as you have stated.

MR. CAMPBELL: That is all.

MR. SPURRIER: Anyone have a question of the witness? If there are no further questions, the witness may be excused. (Witness excused.)

MR. SPURRIER: We will take a short recess.

