

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

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TRANSCRIPT OF PROCEEDINGS

CASE NO. 722

Regular Hearing

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 16, 1954

IN THE MATTER OF:

Application of Shell Oil Company for 160-
acre unorthodox gas proration unit in the
Blinebry Gas Pool: Lots 13 and 14 of Sec-
tion 3, and Lots 9 and 16 of Section 4,
Township 21 South, Range 37 East, NMPM,
Lea County, New Mexico.

Case No. 722

BEFORE:

Honorable Edwin L. Mechem
Mr. E. S. (Johnny) Walker
Mr. R. R. Spurrier

TRANSCRIPT OF HEARING

MR. HUGHSTON: It will not be necessary to qualify the
witness every time. He is an employee of Shell and acquainted
with all the facts.

MR. SPURRIER: He is reminded that he is sworn in all
these cases.

M. J. EDWARDS ON

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

DIRECT EXAMINATION

By MR. HUGHSTON:

Q Do you have a plat that you have prepared in connection
with Case 722?

A Yes, sir.

Q May I have it, please?....It was prepared under your direction?

A Yes, sir.

Q And is a true and correct reflection of the location and shape of the unit?

A That is correct.

Q And of the other matters appearing on the legend on the plat?

A Yes, sir.

(Marked Shell's Exhibit No. 1,
for identification.)

MR. HUGHSTON: We offer the plat in evidence as Shell's Exhibit Number 1.

MR. SPURRIER: Without objection it will be admitted.

Q Now, Mr. Edwardson, will you state the basis for the application for the unorthodox unit in this case?

A This plat shows 160-acre gas proration unit proposed by Shell Oil Company for its Livingston 8 Well in the Blinebry Gas Pool. This proration unit shall consist of the south half of the northwest fourth, or Lots 13 and 14 of Section 3, and the east half, northeast fourth, or Lots 9 and 16 of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, as outlined in red. Other wells in this vicinity in the Blinebry Gas Pool are also shown in red. Shell Livingston 8 was originally completed September 25, 1952

as a Drinkard Oil Well. Permission to dually complete this well in the Blinebry Gas Pool and the Drinkard Oil Pool was granted by the Oil Conservation Commission in Order R-225, dated December 12, 1952.

This well was recompleted as a Blinebry Gas-Drinkard Oil dual well April 20, 1953 for a gas potential of 1.8 million cubic feet per day. As evidence to show that the western portion of the tract under consideration is productive from the Blinebry, I would like to read some data on a drill-stem test in Shell Livingston 10, which is now a producer, located in Lot 16, Section 4, Township 21 South, Range 37 East. This well tested the Blinebry interval at 5602 to 5850. Gas flowed at a stabilized rate at one million cubic feet per day on this drillstem test.

Q The Stanolind A-5 in Section 4 and which offsets the Shell Livingston 10 is also a producer from the Blinebry Gas, is it not?

A ~~That~~ is correct.

Q And an unorthodox unit was granted to Stanolind in Section 4 of the northwest of the southeast of the east half of the southeast, the southwest of the southeast and the southeast of the southwest, is that correct?

A Yes, sir.

Q Will you give us the order number on which that action was taken?

A That was Order Number R-476.

Q In what case?

A Case 698.

MR. HUGHSTON: I will make a statement to the Commission to

this effect. We have before recommended to the Commission that it not cross section lines with reference to unorthodox units.

We are asking here that it be done. We are only asking in the event that the Commission adopts that practice. We are not urging that the practice be adopted, but we wish to be situated to take advantage of it if the Commission does adopt it. I am not sure that you have entered any orders as yet that crosses sections. If you do not adopt it we are perfectly willing for you to overrule our application on this.

That is all we have on this case.

MR. SPURRIER: Anyone have a question of the witness in this Case 722?

MR. MACEY: Mr. Hughston, if the Commission were to decide not to allow crossing section lines, you would ask for a 80-acre unorthodox?

MR. HUGHSTON: Yes, we would have to ask for 80-acres.

MR. MACEY: One or two?

MR. HUGHSTON: We only have one well, we could only ask for one at this time. Later on we would be up against what we would have to do in Section 4.

MR. SPURRIER: If no questions of the witness he may be excused.

(Witness excused.)

MR. SPURRIER: Does anyone else have a comment in the case? If not we will take the case under advisement and move on to Case 723.

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