

BEFORE THE

**Oil Conservation Commission**

SANTA FE, NEW MEXICO

November 17, 1954

IN THE MATTER OF:

CASE NO. 794 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

**ADA DEARNLEY AND ASSOCIATES**

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 17, 1954

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IN THE MATTER OF:

Application of Sunray Oil Corporation for approval of the East Bagley Unit Agreement embracing 1280 acres of land, comprising S/2 Section 4, E/2 Section 8 and all Section 9 in Township 12 South, Range 34 East, Lea County, New Mexico.

Case No. 794

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BEFORE:

Honorable Edwin L. Mechem  
Mr. E. S. (Johnny) Walker  
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 794.

MR. HINKLE: If the Commission please, Clarence Hinkle, representing the Sunray Oil Corporation. Case Number 794 is the application of the Sunray Oil Corporation for the approval of the East Bagley Unit Agreement which embraces 1280 acres of State land in Township 12 South, Range 34 East, Lea County. We have one witness to have sworn.

C L A R E N C E S Y M E S ,

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

DIRECT EXAMINATION

By MR. HINKLE:

Q State your name.

A Clarence Symes, Junior.

Q Have you ever testified before the Commission before, Mr. Symes?

A No, sir.

Q Are you a graduate geologist?

A Yes, sir, I received my Bachelor of Science Degrees in Petroleum Engineering, Geology at Texas Technological College in 1941.

Q By whom are you employed?

A Employed by Sunray Oil Corporation.

Q In what capacity?

A As District Geologist, located in Roswell, New Mexico.

Q Do you have under your jurisdiction Lea County, New Mexico?

A Yes, sir.

Q Are you familiar with the application which has been made by the Sunray Oil Corporation for approval of the East Bagley Unit Agreement?

A Yes, sir.

Q State to the Commission, or give the description of the lands which the proposed unit covers.

A The proposed unit will cover the south half of Section 4, and the East half of Section 8, and all of Section 9 in Township 12 South, Range 34 East, Lea County, New Mexico.

Q Are all of those lands State land?

A Yes, sir.

Q Do you know whether or not they are under oil and gas leases?

A Yes, sir.

Q Does the Sunray own all of the leases?

A No, sir.

Q Are they owned by several companies?

A Yes, sir.

Q Have you had occasion to make a geological investigation of this particular area?

A Yes, sir.

Q Have you prepared a geological report covering this area?

A Yes, sir.

(Marked Exhibit No. 1, for identification.)

Q I hand you Exhibit No. 1 and ask you to explain to the Commission what that is.

A Exhibit No. 1 is a geological report on the proposed East Bagley Unit which more or less states that this particular area was worked with seismograph, and that it was recommended that a well be drilled in the southeast quarter of the northwest quarter of Section 9, Township 12 South, Range 34 East, be drilled to a depth of about 13,500 feet, and tested to the Devonian. Along with that is a plat showing the seismograph interpretation on the Devonian formation which is closed within the unit, the anomaly which is closed within the unit.

Q Was this report prepared by you or in conjunction with someone else?

A It is in conjunction with Seaboard Oil Company, yes.

Q Was the geophysical survey made by Sunray and Seaboard?

A Yes, sir, together.

Q State whether or not the proposed unit area covers all, or

substantially all of the geophysical history as shown by the geophysical map attached to the report?

A Yes, sir, it does cover the anomaly based on this Devonian reflection.

Q Are you familiar with the form of unit agreement which has been filed with the Commission in connection with this application?

A Yes, sir.

Q Do you know whether or not that is substantially the same form as the Anderson Ranch Unit and the West Anderson Ranch that has heretofore been approved by the Commission?

A Yes.

Q Under the terms of the form of unit agreement, is the Sunray Oil Corporation made the operator?

A Yes.

Q Under the terms of the unit is the operator required to drill a test well?

A Yes, sir.

Q When is the well to be commenced?

A The well is to be commenced within 60 days after approval.

Q To what depth is the well to be drilled under the terms of the agreement?

A 13,550.

Q Is that depth sufficient in your opinion, to test the Devonian formation?

A Yes, sir.

Q Mr. Symes, in the event this unit agreement is approved and production is obtained, state whether or not, in your opinion, this agreement would be in the interest of conservation and the

prevention of waste?

A Yes, sir, in my opinion it would.

MR. HINKLE: That is all.

MR. MACEY: Any questions of the witness? Is all the acreage committed to the unit, all the State land within the unit area is committed?

MR. HINKLE: None of it has been committed yet, actually, but the Sunray has contacted all of the lease owners in the area and they have verbally agreed to come in. We wanted to get the form approved and the order entered, and then that is just the matter of formality of getting it signed and approved and filed with the Commission.

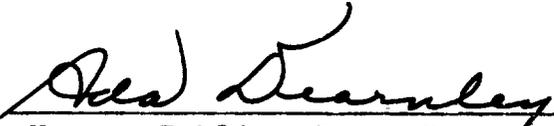
MR. MACEY: Any questions of the witness? If not the witness may be excused. We will take the case under advisement.

(Witness excused.)

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of November, 1954.

  
Notary Public, Court Reporter

My Commission Expires:

June 19, 1955