

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
January 13, 1955

IN THE MATTER OF:

CASE NO. 807 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

A W. G. Sinclair, Junior.

Q By whom employed and in what capacity?

A I am employed by the Gulf Oil as Petroleum Engineer.

Q How long have you been employed by the Gulf Company, Mr. Sinclair?

A Approximately five years.

Q You have never testified before this Commission before, have you?

A No, sir, I have not.

Q What are your educational qualifications?

A I have a Bachelor of Science Degree in Geological Engineering, Bachelor of Science Degree in Petroleum Engineering from Texas A & M College, graduated in 1950.

MR. UPCHURCH: Are the witnesses qualifications acceptable?

MR. MACEY: They are.

Q Mr. Sinclair, in this application of Gulf for an exception to Rule 309, in Case 708, for utilization of a single tank battery for production from a maximum of 12 wells drilled to the Blinbry formation on its Harry Leonard F Lease, will you state what property is covered by this lease?

A This lease is composed of Lots 1, 2, 7, 8, 9, 10, 15 and 6 in the northeast quarter of Section 2, Township 21 South, Range 37 East, Lea County, New Mexico.

Q Who is the leasor of this lease? Isn't this true this is a State of New Mexico lease?

A Yes, that is true.

Q The State of New Mexico owns all the royalty?

A That is correct.

Q At the present time, Mr. Sinclair, how many wells are drilled and producing from the Terry-Blinebry formation?

A At the present time there are nine wells drilled to and completed in the Terry-Blinebry Pool, and also at the present time there is one additional well drilling.

Q At the present time, are all nine of these wells being produced in a single battery?

A Yes, sir, they are.

Q That is under a temporary order of the Commission, is that correct?

A That is correct.

Q Do you have a plat showing the description of that property?

A Yes, sir, I have.

MR. UPCHURCH: We would like to introduce this as Gulf's Exhibit 1.

(Marked Gulf's Exhibit 1, for identification.)

Q Mr. Sinclair, how many possible additional locations could be made into this formation under present spacing rules?

A There are two possible additional locations.

Q Which would make the maximum 12 wells?

A Yes, sir, that is correct.

Q Is the present battery of such capacity to take care of all the production from 12 wells?

A At the present time there are four 500 barrel stock tanks in this battery, and Gulf plans to add one 500 barrel tank to the existing tank battery in the event this request is granted.

Q That would be sufficient to handle how many days of production

on the present allowable from all wells?

A From the possible maximum of 12 wells?

Q Yes.

A That would be approximately four days storage.

Q What disposition is being made of casinghead gas produced by this oil?

A The casinghead gas is being taken by Skelly.

Q After the addition of the proposed tanks, should this application be granted, would there be adequate facilities for this battery to permit taking all required tests?

A Yes, sir.

Q Would this result in substantial savings, both in steel and money, and reduce the cost of operation and maintenance, prevent waste and protect correlative rights?

A It would.

MR. UPCHURCH: I believe that is all.

MR. MACEY: Any questions of the witness? Mr. Rieder?

CROSS EXAMINATION

By MR. RIEDER:

Q I wonder if you would give a little idea how you plan to test these wells?

A In the same manner which is requested as now, Mr. Rieder. We have adequate facilities, I believe, as far as storage is concerned in isolating tanks into which wells are to be tested, and also adequate separator facilities for separate separation of individual wells being tested.

Q You split your tank battery then?

A Yes, sir, that is correct.

MR. MACEY: Any other questions? Mr. Sinclair, do you have separate flow lines from all the wells to the tank battery?

A Yes, sir, we do.

MR. MACEY: Is that all you have in the case?

MR. UPCHURCH: On this case.

MR. MACEY: If no further questions we will take Case 807 under advisement and move on to Case 808.

(Witness excused.)

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

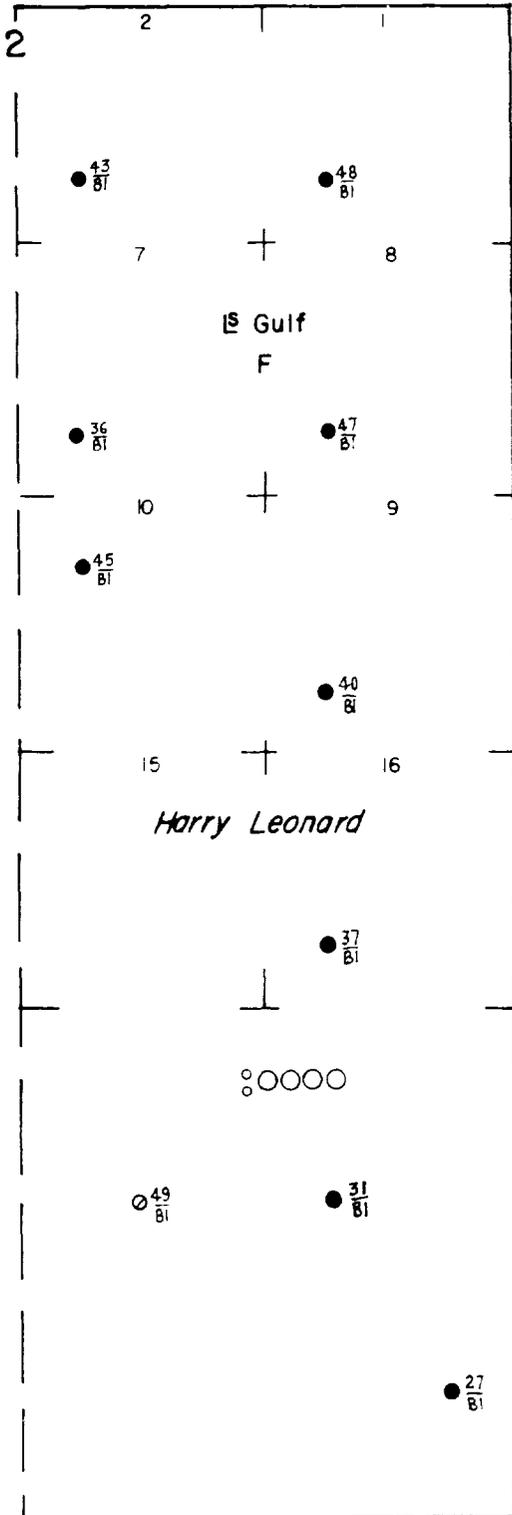
I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 16th day of January, 1955.



Notary Public, Court Reporter

My Commission Expires:
June 19, 1955



PROPOSED EXCEPTION TO RULE 309
FOR TANK BATTERY INSTALLATION

HARRY LEONARD F LEASE
TERRY-BLINEBRY OIL POOL

LOCATION-SECTION 2, T-21-S, R-37-E
SOUTHEASTERN LEA COUNTY, NEW MEXICO

GULF OIL CORP.
FT. WORTH, TEX.

CASE NO. 807
JAN. 13, 1955

SCALE 1"=1000'

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 1
CASE 807