

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
February 17, 1955

IN THE MATTER OF:

CASE NO. 826

TRANSCRIPT OF PROCEEDINGS

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

1. Prevent Waste
2. Protect Correlative Rights
3. Serve the Best Interests of Conservation

For an application to receive consideration for administrative approval, the unit for which the exception is requested must in all respects meet the requirements of Rule 5 (a) paragraph 3 and Rule 5 (b) of the various pool rules contained in Order R-520. Any application which does not meet these requirements for administrative approval must be heard after notice at a hearing of the Commission at which time the merits of the application can be considered.

Further, the Commission Staff feels that Order R-520 clearly implies the radius of influence for one well in the various South-east gas pools, covered by Order R-520, to be 3735'--that is, the radius of a circle which will totally enclose a 640-acre section. And that such radius should be applied to all applications for exception to the provisions of Order R-520. Quite naturally, this radius of influence cannot be the only consideration and factors of economics, offset counter-drainage, and good operating practice must be considered. The Commission Staff is aware that each request for approval of a non-standard gas proration unit must stand on its own merits, and be treated individually--and we take note of this fact.

We have briefly outlined our position in an effort to assist the operators in making application for and securing non-standard proration units, and with the hope that the operators can assist the Commission Staff by keeping their units within the limits as set out in this statement, in so far as economics and good operating

practice will permit.

We are certain that we can count on the full support of all of the operators.

MR. MCGOWAN: That is the Sinclair Case where we have had an administrative order approving a non-standard unit on 240 acres. I request that the application and various notices attached thereto be made a part of the record. We again have a map of the area.

C. D. G A I N E S

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

DIRECT EXAMINATION

By MR. MCGOWAN:

Q Mr. Gaines, I call your attention to a map in front of you.

MR. MCGOWAN: First, I qualified this gentleman as an expert in a previous case. Are his qualifications acceptable?

MR. MACEY: Yes.

Q I call your attention to the map in front of you and ask if you prepared this or had it prepared under your supervision?

A Yes, I did.

Q Would you advise the Commission what you intended to show and what this map represents?

A The portion of the map covered in yellow are Sinclair leases in the area. The portion of the yellow that is cross-hatched around the border is the 240 acres of the W. P. Bird lease; the tracts which are bordered in red are gas units in the vicinity with the gas wells indicated by a single orange circle.

Q This acreage is all owned by Sinclair, the lease hold portion of it?

A The W. P. Bird lease, yes, sir.

Q And the royalty owner is common under the 240 acres being the northwest quarter and the north half of the southwest quarter of Section 11?

A Yes, sir, it is.

Q Do we have a gas well on the acreage?

A Yes, sir, we do.

Q Where is it located?

A It is located 990 feet from the north line and 660 feet from the east lines of the lease.

Q When was that well completed?

A It was completed March 4th, 1954, as a gas well.

Q It was completed then prior to the issuance of order No. R-520?

A Yes, it was.

Q Therefore we are entitled to the 330 foot tolerance. In your opinion is the entire 240 acres productive of gas?

A Yes, sir, in my opinion it is.

Q And the entire acreage lies within the Eumont Gas Pool?

A Yes, sir, it does, the limits of the Eumont Gas Pool as set up are approximately one mile west of this location.

MR. MCGOWAN: I think that is all the questions.

MR. MACEY: Any questions of the witness, Mr. Reider?

CROSS EXAMINATION

By MR. REIDER:

Q Mr. Gaines, on your other wells located on that lease, I would like to know where they are completed?

A Where they are completed?

Q Yes, sir.

A We don't have the well records with us. I am quite sure they are all Grayburg wells.

Q Your No. 7 well there, does that show any oil?

A Not to my knowledge.

Q I wonder would it be possible for you to furnish to the Commission information on the other wells in that tract?

A Yes, sir, it sure would.

MR. McGOWAN: What information would you particularly like?

MR. REIDER: I would like to know the perforated or open hole interval. I would like to know what your correlation of the formation is.

A All right.

MR. REIDER: We feel there might be a possibility of that well again going to oil.

MR. MACEY: Is there anything else?

MR. McGOWAN: On this case I would like to point out to the Commission that as the evidence shows we are in a position here of having a well that is further from the boundary lines than is required for 160 acres, but not sufficiently far to automatically give us 320.

We do have the common ownership of 240 and we are right in between the 160 and 320 and we think it is a logical nonconforming 200 acre unit. In that connection we own the 180 acres that it would appear should be put into it. The ownership is not common. We are trying to work out lease amendments which would enable us to put that into a regular 330 unit where the well would be ideally located, whether we would be able to succeed is problematical.

By MR. RHODES:

Q Was that well producing during 1954?

A Yes, sir.

Q Did it make its allowable?

A I can't say all the way through. It has not made its allowable the last -- well, I will say it did not make its allowable in November and December.

Q But it had made it up to that time?

A I am not certain about that part.

Q Well, you feel that we should give you an increased acreage in view of the fact that we don't know if the well can make the allowable?

A Well, of course, the allowable right now is a little bit higher than it will be next July.

Q You think it would average out over the year?

A Well, for the month of November it produced approximately 44 million, I believe for the --

Q A little over a million a day?

A That is correct. And we ran some figures on about the average production for 160 acre unit wells in the Eumont Pool in 1954 and it came out approximately 22 million. For 320 wells with 320 acres dedicated, it came out approximately 44 so this would fall in between there. It would be slightly over a million a day or about 33 million a month for 240 acre unit.

Q For your information the 160 in the Eumont, the daily average allowable is 839,991.

A How much?

Q Daily average 839,991 cubic feet, through 1954.

A Daily average, yes.

MR. RHODES: That is all.

MR. MACEY: Did anyone have any further questions of the witness?

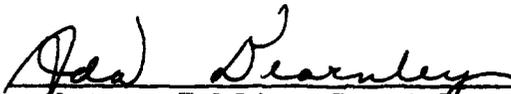
MR. CHRISTIE: I don't have any questions. Sinclair asked for waivers on this particular application. It was withheld pending the hearing. We see no objection in granting this application.

MR. MACEY: Anyone else? If not, we will take the case under advisement.

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 4th day of March, 1955.


Notary Public, Court Reporter

My commission expires:
June 15, 1955



THE WESTERN COMPANY

GAMMATRON

Simultaneous Radioactivity Log

LOCATION	COMPANY: SINGLAP OIL & GAS CO.	WELL: BYRD # 7	FIELD: MONUMENT	COUNTY: LEA STATE: N.M.	LOCATION: 990' PNL-660' PEL OF NW/4 SEC. 11-20-36	WELL: BYRD # 7	FIELD: MONUMENT	COUNTY: LEA	STATE: N.M.
	FILE NO.								
LOG MEAS FROM: GROUND LEVEL	ELEV: 3578								
ORIG. MEAS FROM: GROUND LEVEL	ELEV.								
PERM. DATUM:	ELEV.								

RUN NO.	CNE	CNE
TYPE OF LOG	G/R	NEUTRON
DATE	3-10-54	3-10-54
TOTAL DEPTH (OPERATOR)	3650	3650
EFFECTIVE DEPTH (OPERATOR)	3617	3617
EFFECTIVE DEPTH (WESTERN)	3617	3617
TOP OF LOGGED INTERVAL	SURF.	SURF.
BOTTOM OF LOGGED INTERVAL	3606	3615
TYPE OF FLUID IN HOLE	MUD	MUD
FLUID LEVEL		
NEUTRON SOURCE TYPE		600N
SOURCE SPACING IN.		3.75
LENGTH OF DETECTOR IN.	30	9.1
O.D. OF INSTRUMENT IN.	3 5/8	3 5/8
TIME CONSTANT SEC.	3	2.5
LOGGING SPEED FT./MIN.	20-40	20-40
STATISTICAL VARIATION IN.		
SENSITIVITY REFERENCE	274	275
RECORDED BY	SAM BAYLESS	
WITNESSED BY	BILL FARBERS	

CASING RECORD

RUN NO.	BIT SIZE	CASING	WT.-LB.	INTERVAL	
				FROM WELL RECORD	FROM RA LOG
CNE	5 1/2"			SURF. TO 3650	TO
				TO	TO
				TO	TO
				TO	TO
				TO	TO

REMARKS

INSTR. NO. 4063-1111

