

BEFORE THE
Oil Conservation Commission

SANTA FE, NEW MEXICO

June 28, 1955

IN THE MATTER OF:

CASE NO. 920

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

605 SIMMS BUILDING

TELEPHONE 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 28, 1955

IN THE MATTER OF:)

Application of Gulf Oil Corporation for approval)
of a 320-acre non-standard gas proration unit)
in the Jalmat Gas Pool, Lea County, New Mexico,)
to consist of the W/2 of Section 32, Township)
25 South, Range 37 East, to be dedicated to)
applicant's Arnott Ramsay "B" Well No. 1 located)
990' FSL and 330' FWL of Section 32.)

Case No. 920

BEFORE:

Honorable John F. Simms
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MALONE: We will proceed with the testimony in Case 920.

G U Y S I N C L A I R, J R.,

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

DIRECT EXAMINATION

By MR. MALONE:

Q Your name is Guy Sinclair, Jr.?

A Yes, sir.

Q You testified in Case 917 and were sworn in both cases at
that time?

A That is correct.

Q Are you familiar with Gulf's application in Case No. 920,
Mr. Sinclair?

A Yes, sir, I am.

Q What is the purpose of that application?

A This is a request for a 320-acre non-standard gas proration unit comprising that portion of the Arnott Ramsay "B" Lease, which covers the west half of Section 32, Township 25 South, Range 37 East, Lea County, New Mexico.

Q From what well is it proposed to produce the unit allowable?

A From Gulf's Arnott Ramsay "B" Well No. 1.

(Marked Gulf's Exhibits No. 1, 2, 3 and 4, for identification.)

Q I hand you an instrument which has been identified as Gulf's Exhibit 1 and ask you to state what that is.

A Gulf's Exhibit No. 1 is a plat showing the acreage enclosed by the proposed proration unit.

Q I hand you Gulf's Exhibit 2 and ask you to state what that is.

A Gulf's Exhibit No. 2 is a plat indicating the ownership of all wells drilled in the acreage enclosed in our proposed unit.

Q I hand you Gulf's Exhibit No. 3 and ask you to state what that is.

A Gulf's Exhibit 3 is a structure map contoured on top of the Yates Horizon, using a contour interval of 25 feet.

Q Examine Gulf's Exhibit 4 and state what it is.

A Gulf's Exhibit No. 4 is a sample log of the Arnott Ramsay "B" Well, No. 1.

Q Were these exhibits prepared by you or under your direction?

A Yes, sir, they were.

Q Will you give the Commission the information which you have

as to the drilling and completion of the Arnott Ramsay "B" Well No. 1?

A This well was completed on August 2, 1953 at a depth of 3,240 feet; plugged back from 3,400 feet. As a gas well in the Jalmat Gas Pool, it is producing through five and a half inch casing, perforated from 2,815 feet to 3,150 feet, which is from within the vertical limits of the Jalmat Gas Pool, as defined by the Oil Conservation Commission Order No. R-520.

Q Does the well produce any fluid of any kind?

A No, sir, it does not produce any fluid.

Q Is there any oil well included within the exterior boundaries of the proposed unit?

A No, sir, there are not.

Q What is the present disposition being made of the gas from this well?

A The gas is being connected at the present time, to El Paso Natural Gas Company's system. It has been, up to the present time, connected to Permian Basin.

Q Do you have any pressure data on the well?

A We have a shut-in wellhead pressure at the time of completion, which was 576 PSIG.

Q What other information do you have bearing on the ability of the well to produce the increased allowable, if granted?

A The well is presently assigned on the basis of 160 acres, an allowable of 181 MCF per day. If the 320-acre unit is assigned, as proposed, this well may be assigned an allowable of approximately 1,326 MCF per day. The well has a deliverability of 1,447 MCF per day

at 480 PSI. The calculated openflow potential is 3,880 MCF per day.

Q Do you have an opinion as to whether or not all of the acreage included in the proposed unit can reasonably be presumed to be productive of gas?

A Yes, sir, I do.

Q What is your opinion.

A In my opinion, the entire 320 acres being included in this proposed non-standard unit can reasonably be presumed to be productive of gas.

Q On what do you base that opinion?

A The opinion is based on the fact as shown on Gulf's Exhibit No. 2, this unit is completely surrounded by other wells completed in and producing from the Jalmat Gas Pool, in conjunction with Gulf's Exhibit No. 3, which is the structure map on top of the Yates.

Q Is Gulf the owner of all the operating rights and the acreage included in the proposed unit?

A Yes, sir, they are.

Q Who is the owner of the royalty?

A State of New Mexico.

Q In your opinion, would the approval of the proposed unit prevent waste and protect correlative rights?

A Yes, sir, it would.

Q Is there anything further to which you wish to testify?

A I don't believe I have anything further.

MR. MALONE: We offer Gulf's Exhibits 1, 2, 3 and 4.

MR. MACEY: Without objection they will be received. Anything further?

MR. MALONE: Nothing further.

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

CROSS EXAMINATION

By MR. RIEDER:

Q This area adjoins the Rhodes storage area, does it not?

A Yes, sir, that is correct.

Q Have you contacted the El Paso?

A No, sir, we have not contacted El Paso in this matter at all.

MR. RIEDER: That is all.

MR. MACEY: The area actually borders the Rhodes unit area, but the storage area is considerably further south, is it not?

A That may be correct, Mr. Macey. I knew it was the unit area, whether or not it is an actual storage area or not, I am not familiar enough with that unit to know. I do know that the unit area does go along the south edge of Section 32.

RE-DIRECT EXAMINATION

By MR. MALONE:

Q What is your information as to the testimony that was given at the time that unit area was approved for storage purposes, with reference to the geology here?

A This is strictly an understanding, but it is my understanding that at that time there was some evidence which was presented in conjunction with this unit which seemed to indicate the possibility of perhaps a local porosity or permeability, lack of porosity or permeability development, which seemed to almost parallel that section line.

MR. MACEY: Does anyone else have anything further in this

case? Any further questions of the witness? If not the witness may be excused.

MR. MALONE: That is all.

(Witness excused.)

MR. MACEY: Anyone have anything further in this case? 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 7th day of July, 1955.



Notary Public, Court Reporter

My Commission Expires:
June 19, 1959