

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

IN THE MATTER OF:

CASE NO. 931

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

IN THE MATTER OF:)

Application of El Paso Natural Gas Company)
for approval of a 440-acre non-standard)
gas proration unit in the Jalmat Gas Pool,)
Lea County, New Mexico, to consist of S/2,)
S/2 NW/4, NW/4 NW/4 of Section 33, Town-)
ship 25 South, Range 37 East, and to be)
dedicated to applicant's Gregory Federal)
No. 1 Well located in the NW/4 SE/4 of)
said Section 33.)

Case No. 931

BEFORE:

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

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 931.

MR. HOWELL: We have two witnesses to be sworn.

(Witnesses sworn.)

J. J. B O W D E N ,

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

DIRECT EXAMINATION

By MR. HOWELL:

Q Will you please state your name?

A J. J. Bowden.

Q What position, if any, do you have with El Paso Natural Gas Company?

A Area Landman with the Lease Department.

Q Are you familiar with the ownership of oil and gas leasehold

rights in Section 33 of Township 25 South, Range 37 East, in Lea County, New Mexico?

A Yes, I am.

MR. HOWELL: A plat covering all of Section 33 and some adjoining wells has been prepared. Will you mark that plat as El Paso's Exhibit No. 1?

(Marked El Paso Natural Gas Company's Exhibit 1, for identification.)

Q With reference to El Paso's Exhibit Number 1, will you state to the Commission the ownership of the oil and gas leasehold rights on those portions of Section 33 which are included within this application, which are outlined on the plat by a slashed line?

A The area covered by the slashed line as to the gas rights, the El Paso Natural Gas Company is the owner to all depths. All of the south half of Section 33, except the east half of the southeast quarter, is owned by the Anderson-Pritchard Oil Corporation. The southeast --

Q (Interrupting) As to the what rights?

A As to the oil rights. R. Olsen Oil Company owns the oil rights in the remaining portion of Section 33 covered by the slashed line.

Q All right now, in the northwest what is the ownership?

A In the northeast of the northwest it is our understanding that Stanolind Oil and Gas Company owns the oil and gas rights; in the northeast quarter, it is our understanding that the northwest of the northeast oil and gas rights are held by Gulf, and the remaining acreage in the northeast quarter of Section 33 is held by J. M. Kelly.

Q As to the remaining portion of the northwest quarter, what is

the ownership of the oil rights?

A It is our understanding that R. Olsen Oil Company has the remaining portion.

Q Was notice of this hearing given to Stanolind Oil and Gas Company, Gulf, and to J. M. Kelly?

A Yes, sir.

Q They were not requested to furnish a waiver, however?

A No, sir, they were not requested to furnish a waiver.

MR. HOWELL: Will you please mark as Exhibit No. 2 a telegram from R. Olsen, which reads: "I hereby consent to your application to form non-standard gas proration unit in Jalmat Pool, Lea County, New Mexico, as applied for in Case 931 set for hearing July 14, 1955, for your Gregory Federal No. 1 Well. Letter follows. Signed: R. Olsen."

(Marked El Paso Natural Gas Company's Exhibit No. 2, for identification.)

Q Was that telegram received pursuant to the notice given to Mr. Olsen?

A That is my understanding.

MR. HOWELL: I think that is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

M A R I O N E. S P I T L E R ,

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

DIRECT EXAMINATION

By MR. HOWELL:

Q State your name, please.

A Marion E. Spitler.

Q Have you testified before the Commission as a Geologist before?

A No, I have not.

Q Will you state your training, professional training and the nature of the work that you have done?

A I graduated in 1953 from Texas Western College, with a Bachelor of Science Degree in Geology, with a minor in Chemistry, and since that time I have been working for El Paso, at Jal, New Mexico, as an exploration and production geologist, working primarily in Southeast New Mexico.

Q What is your present status with El Paso Natural Gas Company, what position do you hold?

A At this time I am a geologist.

Q Have you prepared and supervised the preparation of certain studies and data with reference to this Section 33, Township 25 South, Range 37 East?

A Yes, sir.

Q Will you state to the Commission what wells are presently located on the Section 33, within the area covered by this application?

A Yes, sir, if you will let me have that data sheet, please.

(Marked El Paso Natural Gas Company's Exhibit No. 3, for identification.)

A There are nine wells located on that 440-acre unit. One is the Anderson-Pritchard Gregory Federal No. 1; the El Paso Natural Gas Gregory Federal No. 1; the R. Olsen Company Gregory No. 2, Gregory No. 3, Gregory No. 4, Gregory A-5, Gregory A-6 and the R.

Olsen, personal, Gregory 1 and 2.

Q Have you prepared a schedule showing each well, the pool in which it is classified, if so classified; the formation in which the well is completed; the producing interval; the type of completion; completion date; initial potential; the allowables; gas-oil ratios for August 1955 as to oil wells, and for June 1955 as to gas wells; the bottom hole pressure where available; the cumulative production of gas from wells into El Paso Natural Gas Company's system?

A Yes, sir.

Q Is that data accumulated in the schedule on El Paso's Exhibit No. 3?

A Yes, sir.

Q What pools are the other wells located within this 440 acres covered by this application, located and completed at the present time?

A All of the other wells completed in this proposed unit are from the Langlie-Mattix Pool.

Q Is that an oil pool?

A Yes, sir.

Q This El Paso Natural Gas Gregory Federal No. 1 is completed in what formation?

A It is completed entirely in the Yates Formation within the limits of the Jalmat Gas Pool.

Q Is that located within the horizontal limits of the Jalmat Gas Pool?

A Yes, sir, it is.

Q Within the vertical limits of the Jalmat Gas Pool?

A Yes, sir.

Q Has the R. Olsen Gregory No. 1, which is located apparently in the northwest quarter of the southwest quarter of Section 33 -- Let me correct that. Has the R. Olsen Gregory No. 2 been classified at the present time?

A No, it has not.

Q Do you have available as to the formation in which it is completed?

A Yes, sir.

Q In what interval is it completed?

A It is completed from 2970 to 3110 and through perforation.

Q Have you made any studies to determine whether or not the entire 440 acres covered by the application can reasonably be expected to be productive of gas?

A Yes, sir, I have prepared a cross section here which outlines the vertical limits of the Jalmat pay. It also shows the tops of the various formations and illustrates the continuity of the Yates sand throughout that 440-acre unit.

MR. HOWELL: We will mark this cross section as El Paso Natural Gas Company's Exhibit No. 4.

(Marked El Paso Natural Gas Company's Exhibit No. 4, for identification.)

Q What accesses did you take for your cross section to cover the tract that is within this application.

A The two cross sections are labeled AA Prime, BB Prime.

Q What wells does AA Prime cover?

A AA Prime starts in the northwest quarter of the section, that is the R. Olsen Oil Company Gregory No. 3 and goes on through the Gregory No. 4, southeast to the El Paso Gregory Federal No. 1; and

then the R. Olsen Oil Company Gregory A No. 6. The second section, BB Prime, which is approximately east incorporates the R. Olsen, personal, Gregory No. 2 and that Gregory Federal No. 1; the El Paso Natural Gas Gregory Federal No. 1 and the R. Olsen Gregory A No. 6.

Q Is it No. 6 or No. 5?

A No. 5, I beg your pardon.

Q What was the basis of the cross section, as to logs? Did you obtain logs of each of these wells?

A Yes. These are gamma ray Neutron logs which I have correlated to the best of my knowledge, in picking each top in the Jalmat and Langlie-Mattix pays.

Q Have you shown the correlation by drawing lines which are roughly, horizontal, across the various logs?

A Yes, sir.

Q And connected the various pays?

A Yes, sir.

Q What formations are shown to be penetrated by each of these wells?

A Well, the Tansil, Yates, Seven Rivers and Queen.

Q Is the Yates Formation the one from which the El Paso Natural Gas Company Gregory Federal No. 1 is producing?

A That is correct.

Q Do you find the Yates Formation present, and correlated in the other wells located throughout the 440-acre tract?

A Yes.

Q In your opinion, is the entire 440 acres reasonably productive of gas from the Yates Formation?

A Yes, sir, I believe it is.

Q What is the initial potential of the El Paso Natural Gas Company Gregory Federal No. 1?

A It had an absolute openflow of 19,000,000.

Q When was it completed?

A April the 26th, 1955.

Q It hasn't been given an allowable up to the present time, or do you know?

A No, sir, it has not.

Q In your opinion, can this well make an allowable that would be incident to a proration unit of 440 acres?

A I believe it will.

Q In your opinion, will this well adequately drain the 440 acres covered by this application?

A Yes, sir.

Q In your opinion, would the granting of this application and our proration unit of 440 acres for this well conserve the oil and gas resources and protect correlative rights?

A Yes.

MR. HOWELL: We would like to offer in evidence the four exhibits, El Paso Natural Gas Company's Exhibits 1 through 4, inclusive.

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

MR. HOWELL: That is all from this witness.

MR. MACEY: Anyone have a question of the witness?

CROSS EXAMINATION

By MR. NUTTER:

Q I believe that the subject well in this case is the Gregory

Federal No. 1, El Paso Natural's Gregory Federal No. 1 completed in the Yates?

A Yes.

Q That will be in the Jalmat Pool?

A Yes, sir.

Q What about this R. Olsen No. 4 which is in the southwest quarter of the northwest quarter, what pool is that completed in?

A That well is classified in the Langlie-Mattix.

Q There is an interval there that is in the Middle Seven Rivers that is open, however?

A Yes, sir, to the best of my knowledge that is correct.

Q Which is also in the Jalmat?

A Yes.

Q Now, the R. Olsen, Personal, Gregory No. 2, I guess it is, which is in the northwest quarter of the southwest quarter is also open in the Middle Seven Rivers, is it not?

A Well, yes. The well hasn't been classified and the pay has not been established as yet. However, I do, from the information I have, I believe a part of the perforations are in the Jalmat.

MR. NUTTER: I believe those are the only two that I thought might be in the Jalmat Pool.

By MR. MONTGOMERY:

Q Our records indicate something a little different. The R. Olsen's wells in the east half, southeast quarter, five and six, our records show that possibly they have Seven Rivers and Queen open.

A Yes, probably your records are not up to date, because since those two wells were completed they have been reworked and liners have been set in them and they have cased off everything in the

Jalmat pay.

MR. MONTGOMERY: Thank you.

MR. MACEY: Mr. Montgomery, have you classified these wells, the ones that are in question between the two pays?

MR. MONTGOMERY: Yes, sir, if they have both sections open why I always put it in the oil pool.

MR. MACEY: Anyone else have a question of the witness? If nothing further the witness may be excused.

(Witness excused.)

MR. HOWELL: That is all we have.

MR. MACEY: Anyone have anything further in this case? If nothing further 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 25th day of August, 1955.


Notary Public, Court Reporter

My Commission Expires:
June 19, 1959

BEFORE THE
Oil Conservation Commission

SANTA FE, NEW MEXICO

July 14, 1955

IN THE MATTER OF:

CASE NO. 931 and 932

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
July 14, 1955

IN THE MATTER OF:

Application of El Paso Natural Gas Company
for approval of a 440-acre non-standard gas
proration unit in the Jalmat Gas Pool, Lea
County, New Mexico, to consist of S/2, S/2
NW/4, NW/4 NW/4 of Section 33, Township 25
South, Range 37 East, and to be dedicated
to applicant's Gregory Federal No. 1 Well
located in the NW/4 SE/4 of said Section 33.

No. 931

IN THE MATTER OF:

Application of El Paso Natural Gas Company
of approval of a 320-acre non-standard gas
proration unit in the Jalmat Gas Pool, Lea
County, New Mexico, to consist of W/2
Section 29, Township 26 South, Range 37 East
and to be dedicated to applicant's M. L.
Parker No. 2 Well, NW/4 NW/4 of said Section
29.

No. 932

BEFORE:

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

TRANSCRIPT OF HEARING

MR. MACEY: The next cases on the docket are Cases 931 and
932. Mr. Howell.

MR. HOWELL: If it please the Commission, the El Paso
Natural Gas Company, the proponent, would like to ask for a contin-
uance of these cases to the August hearing.

In Case 931 there has been a well completed by another operator
within this 440-acre area and we could not have the completion data

which we think we should have before us in order to present it to the Commission; and in the other case, we have some question of notice we would like to resolve. We move for continuance in both cases.

MR. MACEY: Is there objection to continuance of Cases 931 and 932? If not, they will be heard at the August 17 hearing.

* * * * *

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 July, 1955.

Ada Dearnley
Notary Public, Court Reporter

My commission expires:
June 19, 1959.