

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

IN THE MATTER OF:

CASE NO. 945

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
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TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

A I am the Division Proration Engineer.

Q Are you familiar with the application filed by Gulf in Case No. 945, now before the Commission?

A Yes, sir.

Q What is the purpose of the application in Case No. 945, Mr. Walker?

A The purpose in this application is to obtain a 480-acre non-standard gas proration unit covering the south half and the north-west quarter of Section 34 in Township 20 South, Range 37 East.

Q This is in what gas pool?

A This well is in the Eumont Gas Pool, yes, sir. It was completed on June 21, 1954, at the depth of 3,680 feet as a gas well, producing from the open hole interval of 3534 to 3680, which is within the vertical limits of the Eumont Gas Pool, as defined by New Mexico Commission Order R-520.

Q What acreage is now attributed to this well, Mr. Walker?

A The south half of Section 34, Township 20 South, Range 37 East is now assigned to this well.

Q Do you have an exhibit showing the proposed unit?

A Yes, sir.

(Marked Gulf Oil Corporation's
Exhibit No. 1, 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 This is a plat that sets out the 480-acre proposed non-standard gas proration unit, on which is, of course, shown the well and the immediate offset operators.

Q Do you have available a proposed exhibit which shows other

approved units in the vicinity?

A Yes, sir, I do.

(Marked Gulf Oil Corporation's Exhibit
No. 2, for identification.)

Q Will you examine the instrument identified as Gulf's Exhibit 2 and state what that is.

A Our Exhibit 2 is a plat showing the other proration units which have been approved in the Eumont Gas Pool in the area of this proposed unit.

Q The well to which the acreage in the proposed unit will be attributed was identified in your application as Bell-Ramsay Well Number 11 in the Eumont Gas Pool, was it not, Mr. Walker?

A Yes, sir.

Q What acreage is now attributed to that well?

A Well this, I don't believe I have given the well location. I want to do that. The well is located 2310 feet from the east line and 1680 feet from the south line of this Section 34, Township 20 South, Range 37 East, in Lea County, New Mexico, and by Administrative Order NSP-63. The New Mexico Oil Conservation Commission authorized a 320-acre non-standard unit comprising the south half of this Section, to be assigned to this well. This was approved on January 10th, this year.

Q The purpose of the proposed unit then is to enlarge that unit by adding the northwest quarter of Section 34?

A Which is a Stanolind Lease, Federal Lease, and the 320 acre Gulf Lease is a State Lease. We propose to enter pooling, gas pooling and gas operating units with Stanolind in order to accomplish this.

Q Has a tentative agreement been reached with Stanolind, subject to action of the Commission on the unitization of this acreage?

A Yes, it has.

Q What information do you have as to the deliverability of the proposed well in the event that the additional acreage is attributed to it?

A The current gas allowable for 320 acres, at the time this data was worked up was 528 MCF per day. On the basis of 480-acre unit, based on the same rate, the allowable will be approximately 792 MCF per day. The well has a deliverability of 6,000 MCF at 500 pounds per square inch on a test taken at the time of completion. The calculated open-flow potential is 7,700 MCF. The shut-in well-head pressure, 1,110 pounds per square inch. The well is connected to the Permian Basin Pipeline Company and the well produces no fluid.

Q In your opinion, would the well be capable of producing the additional allowable if it is granted?

A Yes, sir.

Q Have you made a study to determine whether or not all of the acreage included in the proposed unit can reasonably be assumed to be productive of gas?

A Yes, sir, we have.

Q What conclusion did you reach?

A We asked for and received from our Geological Department a structure map contoured on top of the Yates which --

Q (Interrupting) Is that identified as Gulf's Exhibit 3?

(Marked Gulf Oil Corporation's Exhibit No. 3, for identification.)

A Yes, sir. This covers the area concerned and based on the

information from that should be no doubt but what the total acreage in which we wish to assign to this well would be productive of gas, or is productive of gas.

Q In your opinion, will the well economically drain all of the acreage to be included in the proposed unit?

A I believe so, yes, sir.

Q We refer to the fact that in the application filed, this well was designated as Bell-Ramsay Well No. 11. Has that designation been changed by re-numbering of certain of Gulf's wells?

A Yes, sir.

Q What is the new designation of the well?

A The new well designation is Bell-Ramsay C No. 1. It was formerly just straight Bell-Ramsay Well No. 11.

Q Has a new Form C-110 on this new designation been filed?

A Yes, sir.

(Marked Gulf Oil Corporation's Exhibits No. 4 and 5, for identification.)

Q Will you examine Gulf's Exhibit 5 and state whether or not that is a copy of the C-110 so filed?

A This C-110 was filed on the 20th of July, and approved on the 28th of July. The effective date, I assume to be the first of August, changing the well number from Bell-Ramsay 11 to Bell-Ramsay C-No. 1.

Q Will you examine the instrument which is designated or identified as Gulf's Exhibit No. 4 and state what that is?

A This is a radiation log of the Well No. 11, and on this log we have shown the top of the Yates, the Seven Rivers and the Queen and the Penrose tops, with the pay interval indicated to be 3534 to 3680.

Q Based on the study that you have made, Mr. Walker, would the approval of the application, in your opinion, prevent waste and protect correlative rights of the interested parties?

A Yes, sir.

Q Is there anything further that you wish to state to the Commission in this connection?

A One point which I believe we didn't cover. We will go to the State and to the Federal people with our proposal after it is approved by the Commission.

Q In the event it is approved by the Commission.

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Q Were the exhibits to which you have testified prepared by you at your request, or under your direction?

A Yes, sir.

MR. MALONE: We offer in evidence, Exhibits 1 through 5, inclusive.

MR. MACEY: Without objection they will be received. Is that all?

MR. MALONE: That is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused. Does anyone have anything further in this case?

MR. SMITH: J. K. Smith, on behalf of Stanolind. We would like to join with Gulf for the approval of this unit. We are in favor of it.

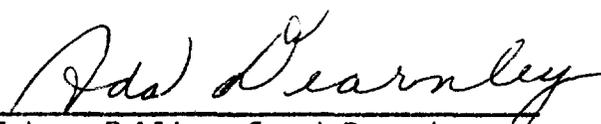
MR. MACEY: Anything else? If nothing further we will take the case under advisement.

(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 25th day of August, 1955.


Notary Public, Court Reporter

My Commission Expires:

June 19, 1959