

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 7, 1956

IN THE MATTER OF:

Application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Blinebry Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Blinebry Gas Pool, as set forth in Order R-610. Applicant, in the above-styled cause, seeks an order authorizing a 160 acre non-standard gas proration unit in the Blinebry Gas Pool comprising the E/2 SW/4, SW/4 SW/4, and SW/4 SE/4 Section 23, Township 22 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's O. I. Boyd Well No. 3 located 1980 feet from the South and West lines of said Section 23.

Case No. 1122

BEFORE:

Warren W. Mankin, Examiner

TRANSCRIPT OF HEARING

MR. MANKIN: The next case is 1122.

(Mr. Jack Cooley, Attorney for the Oil Conservation Commission, read the title of the within case.)

MR. CAMPBELL: Mr. Examiner, Jack M. Campbell of Campbell and Russell, Roswell, New Mexico, appearing on behalf of Gulf Oil Corporation. We have one witness to be sworn, Mr. Walker.

(The witness was sworn by Mr. Mankin.)

DCN WALKER

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

DIRECT EXAMINATION

By MR. CAMPBELL:

Q State your name, please?

A Don Walker.

Q By whom are you employed?

A Gulf Oil Corporation, Ft. Worth, Texas.

Q Where do you reside?

A Harlingen, Texas.

Q Have you testified on previous occasions before this Commission?

A Yes, sir.

Q Are the witness's qualifications acceptable?

MR. MANKIN: They are.

Q Are you acquainted with the application of Gulf Oil Corporation in Case No. 1122.

A Yes, sir.

Q I hand you what has been marked Gulf Oil Corporation's Exhibit No. "1" in Case No. 1122 and ask you to state what that is?

A It is a plat of the area involved in this case which consists of the O. I. Boyd Lease, 160 acre lease, located in Section 23, Township 22 South, Range 37 East, Lea County, New Mexico.

Q Where is the proposed unit well situated?

A The proposed unit well is located 1980 feet from the South and West line of Section 23 Township 22 South, Range 37 East in Lea

County.

Q Does Gulf now have an existing gas unit of which that is the unit well?

A Yes, sir, Gulf now has a unit which consists of the SW/4 of the SW/4 and the E/2 of the SW/4 of Section 23, Township 22 South, Range 37 East.

Q Then by this application you are seeking to add to the existing unit the 40 acres consisting of the SW/4 SE/4?

A Yes, it was originally planned to dedicate this 40, we plan to add -- we planned to dedicate it to the No. 1 Lea which is located in the E/2 of the SE/4 of said Section 23.

Q And what is the reason that you have not dedicated that 40 acres to the Anderson-Pritchard Well and unit?

A The Anderson-Pritchard Well capacity was below expectation and they told us they wouldn't have room for us to distribute the 160 acre allowable, that they couldn't take in our well. By the way, on the plat, Exhibit "1", the Anderson-Pritchard Well should have an "X" in it to show that it was a gas well.

Q That is the well in the NE/4 SE/4?

A Yes, sir.

Q Will you give the Examiner a brief history of the proposed unit well including the proposed casing program?

A Gulf's C. I. Boyd Lease was originally completed June 5, 1946, the total depth was 6420 feet in the Drinkard Oil Pool. On May 12 of last year, 1955, this well was duly completed so as to produce Blinebry gas through a casing perforation from 5400 to 5550 feet, which is within the vertical limits of the Blinebry Gas Pool.

The 7 inch casing was set at 6340 feet and cemented with 700 sacks, the packer in this well is 76 feet.

Q I hand you what has been marked Gulf's Exhibit No. "2" in Case No. 1122 and ask you to state what that is.

A This is a log, a Schlumberger log, of the well and on the original of this log, it of course shows the whole thing on the photostatic copy, but merely shows the heading from about 5200 feet on down the zone which is concerned in this application, and on this we indicate the Blinebry marker which has been set out by the Commission as the point on which the well should be contoured for Blinebry pay and 75 feet above that marker and 300 feet below it also shown is the perforated interval of 5400 to 5550 feet.

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

A Exhibit "3" is a structural contour map on the Blinebry Marker, contoured at an interval of 50 feet. We indicate on this plat the 160 acre plan requested in this application together with the Boyd No. 3 subject well indicated by a green circle -- at least we have circled the wells which are Blinebry gas wells in this area by Gulf as well as other operators.

Q Now I hand you what has been marked Gulf's Exhibit No. "4" in Case No. 1122 and ask you to state what that is?

A On Exhibit "4", we indicate the approved Blinebry Units in the immediate area of the subject well. This is the best that I could gather from the records available to me and I won't vouch for its complete accuracy but I believe it shows the approximate picture of the approved Blinebry units in this area.

Q In connection with your Exhibit "4", I note that the NW/4 SW/4 of Section 23 does not appear to be committed to a gas unit, can you tell the Examiner what the status is of that 40 acre tract?

A The 40 acres shown as being leased to Penrose, I understand that lease has expired. However, Gulf has made tentative agreements with the royalties to take them into our Boyd Unit and when we made the agreement we had anticipated that the 40 acres would be added to this 120 now-approved unit and would go to the Anderson-Pritchard Well but we still have this obligation to take this 40 in so when we can work out the agreement with the royalty owners we will no doubt request a hearing in order to get them added.

Q You mean the mineral owners when you are referring to the royalty owners, since it is unlisted acreage?

A That's right.

Q Mr. Walker, considering the information contained in the Exhibits 2, 3, and 4 of your exhibits in this case, and your general knowledge of this area, and the fact that the exhibits reflect that both of the 40 acre tracts to the East and West of this proposed new 40 are within the gas unit at this time, is it your opinion that this entire proposed 160 acre unit may presumably be presumed to be productive of gas?

A I have no reason to think otherwise, I think it certainly should be.

Q Have all off set operators been notified as required by the rules.

A Yes, sir.

Q Will any waste result as the result of the granting of this

application?

A No, sir.

Q And will the correlative rights of all the operators be protected?

A Yes, sir.

Q Will any correlative rights be adversely affected?

A No, sir, our well No. 3 is connected to the Permian Basin, on July 13, 1955, our maximum flow or initial flow was 2300 m.c.s. per day at a back pressure of 600 pounds and makes the ratio of facilities 78,000 to 1, and we have separator/ and so forth on the lease to handle it.

CROSS EXAMINATION

By MR. MANKIN:

Q Mr. Walker, this unit and well is entirely within the horizontal and vertical limits of the Blinebry Pool?

A Yes, sir.

Q You indicated that it had a ratio of some 78,000 to 1?

A Approximately.

Q Does it meet the gravity specifications of the Blinebry Pool?

A That is a good question.

Q Do you have the gravity on that well?

A I don't believe I do, I will have to furnish it to you. That is a point I missed, however, it is now being produced as a Blinebry gas well.

Q I realize that.

A And we assume that it is meeting the necessary qualifications

to be a Blinbry gas well.

Q My question was if the gravity of the liquids exceeds the 51 gravity, if you have knowledge of that?

A I don't know, I believe -- no, I don't know.

Q If you could furnish us that information at a later date, I would appreciate it.

(Off the record discussion.)

MR. MANKIN: Is there a further question of the witness?

CROSS EXAMINATION

By MR. NUTTER:

Q Mr. Walker, I think you mentioned the well had a potential of 2,400,000?

A 2400 m.c.f., yes, sir.

Q Do you know what the potential is on the Anderson-Pritchard No. 1?

A I wasn't furnished with that information, no.

Q Is this well your Boyd No. 3, capable of producing the allowable for 120 acre unit?

A I have the record here, let me see what it has been doing. I merely have the production, I don't have the allowable for the past period, I am sorry, Mr. Nutter, I thought I had^a comparative figure for you, but I don't.

Q There is an eventuality, at the present time it is 120 acres?

A Yes.

Q You are now asking for 160, is that right?

A That's right.

Q And it is possible that in the future it will be 200 acres?

A That is not certain in this case, particularly, but there is a possibility and if I understand it, I don't have the figures to bear out my understanding of the matter, but this well is capable of making well over the 120 allowable which has been assigned.

RE-DIRECT EXAMINATION

By MR. CAMPBELL:

Q Mr. Walker, in connection with that present potential of the well, it is true that was against a back pressure of 600 and some pounds, isn't it?

A 625 pounds.

Q Would not that indicate the ultimate producing capacity probably exceeds the 2,400,000 figure.

A Yes, sir. I do have the assigned allowable for October of 24,400 m.c.f. for the month and production during that period was slightly less but certainly 24,000 m.c.f. per day exceeds the allowable.

RE-CROSS EXAMINATION

By MR. MANKIN:

Q Then, Mr. Walker, your request of 160 acre unit at this time with an allowable assigned to it, it is your opinion the capacity of the well would be such that it would easily make such an allowable?

A That is my opinion, yes.

Q Is it also your opinion that in the future should 200 acres be assigned that it would likely make such an allowable?

A Based on present allowables that certainly is my opinion.

MR. MANKIN: Have you anything further, Mr. Campbell?

MR. CAMPBELL: That's all. I would like to offer in evidence Gulf's Exhibits 1, 2, 3, and 4, in Case No. 1122.

MR. MANKIN: Without objection Exhibits 1, 2, 3, and 4 will be received. Is there anything further?

MR. CAMPBELL: Not in this case.

MR. MANKIN: The witness will be excused and the case will be taken under advisement.

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STATE OF NEW MEXICO)
 : SS.
COUNTY OF SANTA FE)

I, DOROTY B. MYERS, a Court Reporter, do hereby certify the foregoing and attached transcript of proceedings before the Oil Conservation Commission for the State of New Mexico, was reported by me in shorthand and reduced to typewritten transcript by me or under my personal supervision, and that the same is a true and complete record to the best of my knowledge, skill and ability.

WITNESS my hand and seal this 5 day of Sept, 1956.

Dorothy B. Myers
Court Reporter

NEW MEXICO OIL CONSERVATION COMMISSION
 MABRY HALL - STATE CAPITOL
 SANTA FE, NEW MEXICO

REGISTER

ILLEGIBLE

HEARING DATE August 7, 1956 TIME: 10:00 a.m.

NAME:	REPRESENTING:	LOCATION
M. J. Charlton	Humble Oil Co.	Roswell, N.M.
W. M. Sage	Humble Oil & Gas Co	Hubbs, N.M.
A. J. Phillips	Humble Oil & Gas Co	Roswell, N.M.
H. C. Merrill	Sinclair	" "
W. J. Abbott	Amesada Pet Corp	Mountain, N.M.
R. M. Anderson	Sinclair	Midland, Tex.
K. A. Weber	Richardson & Bass & Russell	Roswell
J. C. Harlan Jr.	WARRREN Pet Corp	Roswell
George Bass	Richardson & Bass	Fort Worth, Tex.
Jack M. Campbell	Campbell & Russell	Roswell, N.M.
E. K. Gilbreth Sr.	Gulf Oil	Roswell
Constance Eddington	-	Hubbs
Don Walker	-	Fort Worth
Howard Jennings	Richardson & Bass	Roswell, N.M.
VICTOR T. LYON	CONTINENTAL OIL CO	Roswell, N.M.
Jason Kellahan	attorney	Santa Fe, N.M.
William D. Kellahan	National Petroleum Co	Hubbs, N.M.
Jason Kellahan	Ralph Lowe	Santa Fe