

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1144

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
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MR. BUSHNELL: My name is Bushnell, H. D. I am attorney with Amerada. Our single witness is Mr. Christie whom we would like to have sworn in.

R. S. CHRISTIE

having first been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. BUSHNELL:

(Marked Amerada's Exhibit No. 1,
for identification.)

Q State your name and company and capacity in which you are employed.

A R. S. Christie, Petroleum Engineer for the Amerada Petroleum Company, Tulsa, Oklahoma.

Q You have testified before this Commission on prior occasions, is that correct?

A Yes, sir.

MR. BUSHNELL: Is the Commission satisfied with the witness's qualifications?

MR. PORTER: Yes, sir.

Q Mr. Christie, I hand you what is marked Exhibit No. 1. Will you identify that exhibit?

A Exhibit No. 1 is a plat showing the gas unit which we propose to communitize. It is marked in red, is the unit.

Q Was this plat prepared under your supervision?

A Yes, sir.

Q Would you identify and locate the Sarah Phillips No. 2 Well?

A The No. 2 Sarah Phillips Well located in the northeast quarter of the southwest quarter Section 33, Range 37 east, Township 19 south.

Q When was the Sarah Phillips No. 2 Well originally completed?

A The Sarah Phillips No. 2 Well was originally completed in March of 1937.

Q In what formation was that completion made?

A It was completed in the Grayburg formation. The Monument Oil Pool.

Q Is that well currently producing from the Monument Oil Pool?

A Yes, sir.

Q The well has been recompleted and when was that recompletion made?

A The recompletion was made in December of 1955. It was at that time dualled between the Eumont Gas Pool and the Monument Oil Pool.

Q I hand you what is marked Exhibit No. 2. Will you please identify and describe what is represented thereon in the red lines?

A Exhibit No. 2 is a radioactivity log of the Sarah Phillips No. 2 Well. Shown in red is the interval at which the well was perforated in the Eumont Gas Zone. Those perforations are from 3518 to 3624 feet.

Q Now, referring to Exhibit No. 1, would you describe what is represented within the area of the red lines?

A The area within the red lines represents 240 acre unit which we propose to communitize.

Q Would you identify the operators and describe the areas owned by each?

A The unit area includes the 80 acre Gulf Natchet lease which is comprised of the southwest quarter of the northwest quarter and the northwest quarter of the southwest quarter, the Amerada's Haney

lease which comprises the southwest quarter of the southwest quarter and the Amerada Sarah Phillips lease which comprises the east half of the southwest quarter; and the Sinclair C. H. Williams 40 acre lease which comprises the southwest quarter of the southeast quarter of Section 33, Township 19 south, Range 37 east.

MR. PORTER: Just a minute, Mr. Christie, could that be the Hatchet lease?

A It could be. I have "N" here, but it could be Hatchet.

MR. MALONE: The lease involved is Gulf's 80 acre Hatchet lease.

MR. PORTER: Thank you, Mr. Malone.

Q Mr. Christie, is it your opinion that the Queens formation in the Eumont Gas Pool underlies all the acreage 240 acres as proposed in this unit?

A Yes, sir.

Q Is it your opinion that the one well, the Sarah Phillips No. 2 well, can adequately and efficiently drain all of the 240 acres as outlined in red?

A In my opinion it will. The absolute open flow potential taken December 22, 1955, indicated a potential of 11,800,000 MCF.

Q So that in your opinion the well has the capacity to produce the 240 acre allowable, is that correct?

A Yes; I believe there is a correction there. I believe I said 11,800,000 MCF. It should be 11,800,000.

MR. BUSHNELL: I would like to state for the record, if the Commission will permit, the fact that the three operators in the area have entered into an adopting agreement designating Amerada the operator of the unit. They have entered into a pooling agreement,

the pooling agreement has been adopted or ratified or otherwise executed by a certain percentage of the royalty owners. At the time of our application at the time it was filed with the Commission, we furnished statements showing the names and addresses and individual ownership of each of the royalty owners, and showing the persons who had or had not joined in the pooling agreement.

As of Monday of this week there have been no change in those tabulations or facts. To summarize for the benefit of the record, I will summarize the percentage of participation in the Gulf Hatchet lease located in the southwest of the northwest and the northwest of the southwest quarter. Those who have signed represented 92%, the unsigned, 8%. In the Amerada Haney lease located in the southwest of the southwest, 100% of the royalty owners have signed. In the Sinclair C. H. Williams lease southwest of the southeast, 47% have signed, 52% not signed. In the Amerada S. E. Phillips, east half of the southwest quarter, 75% have signed, 25% remain so far unsigned.

MR. PORTER: Mr. Bushnell, do you recall how many lease holders are involved in that Williams, the interested parties?

MR. BUSHNELL: Approximately 28.

MR. PORTER: Thank you.

Q Mr. Christie, you have also asked for the forced pooling of royalty in this application. Is it your opinion that the pooling of all interests including the royalty in each of the tracts in this 240 acres will afford each owner a fair share of the production from the Queens formation?

A Yes, sir.

MR. BUSHNELL: That is all the questions I have.

MR. PORTER: Anyone else have a question of Mr. Christie?

Mr. Utz.

CROSS EXAMINATION

By MR. UTZ:

Q Mr. Christie, the interests that are not signed in this 240 acre tract, they are royalty interests and not working owners?

A That is right.

Q Therefore a financial accounting of the cost of the well will not be necessary?

A No, sir.

By MR. GURLEY:

Q Have the royalty interests that have not signed, have they refused to sign or have they not been contacted?

A I believe Mr. Bushnell knows that.

MR. BUSHNELL: I don't know that; Mr. Christie would know the answer. I don't know that. I know the answer completely. It is my information that one of the operators had made the statement that they anticipate that all will sign indicating that some have not either been contacted or returned their offers for joining the pooling. As far as Amerada is concerned, I know that's the situation. As for the Gulf lease, each operator, as you can see from the statement, is attempting to obtain the pooling of these interests under their respective interests. As to the Gulf lease, I cannot say.

MR. PORTER: Does anyone else have a question of the witness?

Mr. Cooley.

By MR. COOLEY:

Q A question for clarification to Mr. Bushnell.

MR. BUSHNELL: Yes.

MR. COOLEY: Would you anticipate going ahead with efforts to obtain --

MR. BUSHNELL: (Interrupting) Yes, sir, the efforts are being continued.

MR. COOLEY: Even though the Commission might see fit to enforce pooling?

MR. BUSHNELL: Yes, sir.

MR. PORTER: Anyone else have a question? The witness may be excused.

(Witness excused.)

MR. BUSHNELL: I would like to offer these two exhibits into the record if there is no objection.

MR. PORTER: Is there objection to the admittance of the exhibits? They will be accepted. Do you have any further witnesses in this case?

MR. BUSHNELL: No, sir, I don't. There may be some statements from one or two of the other operators.

MR. PORTER: Anyone have a statement they wish to make at this time in connection with this case?

MR. MALONE: Ross Malone, Roswell, for Gulf. Gulf would like to confirm the fact that it **has** executed both an operating agreement and pooling agreement with Amerada and Amerada has been selected as the operator and would join in Amerada's request for approval of the application.

MR. PORTER: Anyone else? The case will be taken under advisement.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 1144 were taken by me on September 13, 1956; that the same is a true and correct record to the best of my knowledge, skill and ability.


Reporter