

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 4, 1956

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IN THE MATTER OF: *
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CASE NO. 1159 *
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TRANSCRIPT OF PROCEEDINGS

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 4, 1956

IN THE MATTER OF:

The application of Gulf Oil Corporation for an order granting an exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520 in the establishment of a 240-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order granting approval of a 240-acre non-standard gas proration unit comprising the S/2 Nw/4 and N/2 S/2 of Section 18, Township 21 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico; said unit to be assigned to applicant's H. T. Mattern "C" Well No. 3 located 330 feet from the West line and 1980 feet from the South line of said Section 18.

CASE No. 1159

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

EXAMINER NUTTER: We will now proceed to Case No. 1159.

MR. GURLEY: Case No. 1159, the application of Gulf Oil Corporation for an order granting exception to Rule 5 (a) of the Special Rules and Regulations in the Eumont Gas Pool as set forth in Order R-520 for the establishment of a 240-acre non-standard gas proration unit.

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

DON WALKER

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

By Mr. Campbell:

Q. Will you state your name, please?

A. Don Walker.

Q. By whom are you employed, Mr. Walker?

A. Gulf Oil Corporation, Fort Worth.

Q. In what capacity?

A. I am the Division Proration Engineer

Q. Have you testified previously before this Commission in your professional capacity?

A. Yes, sir.

Q. Are the witness's qualifications satisfactory to the Examiner?

EXAMINER NUTTER: Yes, sir.

MR. CAMPBELL: Mr. Walker, are you acquainted with the application of Gulf Oil Corporation in Case No. 1159 before the Oil Conservation Commission of New Mexico?

A. Yes, sir, this is the application of Gulf for an order granting exception to Rule 5 (a) of the Special Rules and Regulations of the Eumont Gas Pool to include 240-acre H. T. Mattern "C" Lease which consists of - - - -

MR. CAMPBELL: Well, Mr. Walker, I'll hand you what has been marked as Gulf Exhibit No. 1 in Case No. 1159 and ask you to state what that is and refer to it in your statement.

MR. WALKER: All right, sir, this is a structure map contoured on top of the Queen formation and on this we show the proposed 240-acre unit which includes the N/2 of the S/2 of Section 18, Township 21 South, Range 37 East, and the S/2 of the NW/4 of that same Section 18, Township 21 South, Range 37 East.

MR. CAMPBELL: Does it also show gas units in the surrounding areas which have heretofore been approved by this Commission?

MR. WALKER: Yes, sir, it does.

MR. CAMPBELL: How are those shown?

MR. WALKER: It is shown outlined in red.

MR. CAMPBELL: Does Gulf Oil Corporation own the entire leasehold interest under the proposed gas unit?

MR. WALKER: Yes, sir.

MR. CAMPBELL: Is the royalty ownership under the proposed gas unit common?

MR. WALKER: Yes, sir.

MR. CAMPBELL: What is the proposed unit well?

MR. WALKER: The proposed unit well is Gulf's H. T. Mattern "C" No. 3.

MR. CAMPBELL: What is the location of that well?

MR. WALKER: The location of that well is 660 feet from the west line and 1980 feet from the South line of Section 18, Township 21 South, Range 37 East, and I believe the application was in error where we stated the well is located 330 feet from the West line, we would like to change that if possible.

MR. CAMPBELL: At this point I would like to let the records show that I requested to amend the application based on the testimony of the witness and Exhibit No. 1 in this case to show the location of the proposed unit well to be 660 feet from the West line and 1980 feet from the South line of Section 18, Township 21 South, Range 37 East.

MR. NUTTER: Inasmuch as the correct location of the well is further from the boundary of the tract than the advertisement indicated we feel that no correlative rights of anyone will be damaged by accepting an amendment to the application.

MR. CAMPBELL: Mr. Walker, I hand you what has been identified as Gulf Exhibit No. 2 in Case 1159 and ask you to state what that is.

MR. WALKER: This is a reproduction of the radio-active log on Gulf's H. T. Mattern "C" Well No. 3 and ----

MR. CAMPBELL: Referring to that Exhibit, will you please give the Examiner the completion data on this well including the reference to the perforated zone in this particular well from which it will be produced.

MR. WALKER: All right, sir, we have shown on this log at the tops of the various formations, Yates, Seven Rivers, Queen, Penrose and Crayburg, and this well was originally completed in the Penrose Skelly Oil Pool on October 8, 1944. Its producing interval being 3765 feet to a total depth of 3846 feet. On July the 17th of this year, this well was recompleted as a single zone gas well in the Eumont Gas Pool at a plug back total depth of 3670 feet which is also shown on the log. The 5 $\frac{1}{2}$ " casing is perforated in the Queen Zone from 3550 to 3645, which is also shown on the log.

MR. CAMPBELL: Does Gulf have a connection for this well in the event the unit is approved?

MR. WALKER: Yes, sir, El Paso Natural Gas Company. We will connect this well to the El Paso Natural Gas Company's gathering system. However, it is my understanding that it is not connected as yet, but I believe the ground work has been laid and we're ready to go on it.

MR. CAMPBELL: What was the initial production test on this well? what did it show?

MR. WALKER: The estimated gas flow at a maximum rate of 2336 MCF with 650 lbs. back pressure on an OCC Test on July 17, 1956. Estimated open flow 3,000,000 cubic feet.

MR. CAMPBELL: I notice Mr. Walker, on Exhibit No. 1 that there are three other wells shown on the proposed unit. Will you state for the records the zones from which each of those wells is producing?

MR. WALKER: They're producing from the Crayburg formation of the Penrose Skelly Oil Pool.

MR. CAMPBELL: Have you notified all of the offset operators with regard to this application?

MR. WALKER: Yes, sir, in our original application for this hearing which was dated the 5th of September we notified nine operators and I believe that includes all of the offset operators.

MR. CAMPBELL: Have you received any objections from any of the persons to whom you sent copies of this application?

MR. WALKER: We have not, no word at all.

MR. CAMPBELL: In your opinion, can the entire proposed gas unit reasonably be assumed to be productive of gas from the Eumont Gas Pool?

MR. WALKER: Yes, sir.

MR. CAMPBELL: In your opinion, if this application is granted, will the correlative rights of Gulf and other operators in the area be protected?

MR. WALKER: Yes, sir.

MR. CAMPBELL: I believe that is all.

MR. NUTTER: Does anyone have any questions of the witness? If not, the witness may be excused. Does anyone have any statements they wish to offer in this case?

MR. CAMPBELL: Mr. Examiner, I would like to offer Gulf Exhibit No. 1 and Gulf Exhibit No. 2 in Case No. 1159 in evidence.

MR. NUTTER: Without objection the Gulf's Exhibits No. 1 and 2 will be entered in this case. The witness may be excused and we will take the case under advisement.

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

I, Doris Arnold, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Commission Examiner at Santa Fe, New Mexico, is a true and correct record, to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico on this 15th day of October, 1956.

Doris Arnold