

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
NOVEMBER 28, 1956

TRANSCRIPT OF HEARING

Case No. 1179

DEARNLEY-MEIER AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
NOVEMBER 28, 1956

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 IN THE MATTER OF: :
 :
 :
 Application of Gulf Oil Corporation for approval of a :
 non-standard gas proration unit in the Jalmat Gas :
 Pool in exception to Rule 5 (a) of the Special Rules :
 and Regulations for the Jalmat Gas Pool as set forth :
 in Order R-520. Applicant, in the above-styled cause, :
 seeks an order authorizing a 227-acre non-standard : Case
 gas proration unit in the Jalmat Gas Pool comprising : No.
 Lots 5, 6 and 7, and the SE/4 NW/4, and the E/2 SW/4 : 1179
 of Section 6, Township 22 South, Range 36 East, Lea :
 County, New Mexico; said unit to be dedicated to ap- :
 plicant's J. J. Day Well No. 3, located 330 feet from :
 the South line and 2310 feet from the West line of said :
 Section 6. :
 -----: :

BEFORE:

Mr. Daniel S. Nutter

TRANSCRIPT OF HEARING

MR. COOLEY: Application of Gulf Oil Corporation for approval of a non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat Gas Pool as set forth in Order R-520.

DON WALKER

having been previously sworn, testified as follows:

DIRECT EXAMINATION

By MR. MALONE:

Q Ross Malone, appearing for Gulf Oil Corporation. Mr. Walker.

you were sworn in connection with your testimony in the previous case, were you not?

A Yes, sir.

Q And you are the same Don Walker who testified in Case No. 1178?

A That's right, sir.

Q A little while ago? A Yes, sir.

Q Are you familiar with Gulf's application in Case No. 1179?

A I am, sir.

Q What is sought by that application?

A In this application Gulf seeks a 227 acre non-standard gas proration unit in the Jalmat Gas Pool, and we propose to assign this 227 acres to our James H. Day Well No. 3.

Q Can you give us a description of the land which will be included in the proposed unit?

A Yes, sir, the lands will comprise of Lot 5 in the southeast quarter of the northwest quarter, and Lots 6 and 7 in the east half on the southwest quarter all in Section 6, Township 22 South, Range 36 East, Lea County, New Mexico.

MR. MALONE: I would like to have that marked as Gulf's Exhibit 1, please.

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

Q I hand you a plat which has been identified as Gulf's

Exhibit 1 and ask you to state whether or not that shows the proposed unit and the proposed unit well?

A Yes, sir, it does. We didn't show the lots in that, on that exhibit. They do consist of the approximately forty acre units bordering the west line of that unit.

Q The exterior boundaries of the unit are as shown on the exhibit, are they not?

A That's right.

Q By whom is the leasehold estate in all of the unit owned?

A By Gulf Oil Corporation.

Q And in whom is the royalty ownership?

A This is fee land, and there are numerous royalty owners, and it is common, however, throughout the proposed unit.

Q The royalty ownership is common as to all lands in the unit?

A That's right.

Q What is the proposed unit well, the J. H. Day No. 3?

A The proposed unit well is 330 feet from the south line and 2310 from the west line of Section 6, Township 19 South, Range 37 East, Lea County, New Mexico.

Q Will you give us a brief history of the well and the completion data on it?

A The proposed unit well was originally completed in the Eunice Oil Pool on March the 19th, 1938. The open hole interval

being from 3759 feet to a total depth of 3835 feet. On October the 1st this year, this well was plugged back to 3736 feet and re-completed at a single zone gas well in the Yates formation, in the Jalmat Gas Pool. Six and a half inch casing was perforated with two one hundred inch jet holes per foot opposite the Yates from 3522 to 3554 feet, 3562 to 3570 feet, 3574 to 3579 feet, and 3585, 3592.

Q What are the present production and deliverability of the well?

A This well, on the well, on the November gas proration schedule, gas wells in the Jalmat Gas Pool have an allowable of approximately 600 MCF's per day. That's 160 acre wells, if the 227 acre unit is assigned as proposed, the allowable would be approximately 850 MCF's per day.

On the initial test at a back pressure of 600 pounds per square inch, the maximum flow was 2,240,000. Estimate open flow is 4,400,000.

Q Is the well producing at the present time?

A No, sir, I believe the well is closed in awaiting connection to the Permian Pipeline Company system, and the approval of this application.

Q I hand you a plat that has been identified as Gulf's Exhibit 2 and ask you to state what it shows.

A This Exhibit No. 2 shows the proposed unit, 227 acre unit, also shows units which have been approved in the Jalmat Gas Pool by other operators as well as Gulf in the vicinity of the 227 acre

non-standard proposed unit.

Q I note that the exhibit indicates that there are other wells on the proposed unit than the unit well. From what formation are those wells producing?

A These wells are producing oil from the Seven Rivers formation and from the Jalmat Oil Pool.

Q Are any of the wells producing from the Yates?

A No, sir.

Q I hand you a plat which has been identified as Gulf's Exhibit 3 and ask you to state what that is.

A Exhibit 3 is a contour map with contour on top of the Yates formation, 50 foot contour intervals.

Q Referring now to the other wells producing from the Jalmat Gas Pool as shown by Exhibit 2 and the contour map on the top of the Yates which is Exhibit 3, state whether or not in your opinion all of the acreage in the proposed unit may reasonably be assumed to be productive of gas from the Jalmat Gas Pool.

A I feel that it is all, can certainly be reasonably assumed to be productive of gas.

Q And on what do you base that conclusion, particularly as shown by these plats?

A Well, at this time there are gas producing wells to the southwest, the southeast and the north, and based, referring to the contour map, Carper Drilling Company Well No. 1 in the northeast

quarter of Section 12, Township 22 South, Range 35 East, is a Jalmat gas producer, and based on the contour intervals, certainly appears that all of our unit should be productive of gas.

Q I hand you an instrument which has been identified as Gulf's Exhibit 4 and ask you to state what that is.

A This is a log on Gulf's James H. Day Well No. 3, and on this log we show the Yates and the Seven Rivers formation and the perforated interval within the Yates of our James H. Day Well No. 3.

Q Were each of the instruments which have been identified as Gulf's Exhibits 1, 2, 3 and 4 prepared under your direction?

A Yes, sir.

MR. MALONE: We offer in evidence Gulf's Exhibits 1, 2, 3 and 4.

MR. NUTTER: Without objection these exhibits will be received in evidence.

Q Mr. Walker, in your opinion would the approval of Gulf's application in Case No. 1179 prevent waste and protect correlative rights in the interested parties?

A Yes, sir.

Q Is there anything further that you would like to state to the Commission in support of this application?

A I don't believe so.

MR. MALONE: That's all.

MR. NUTTER: Does anyone have any questions of the witness?

CROSS EXAMINATION

By MR. COOLEY:

Q Is this area marked Kathleen Shield lease to the north, immediately to the north of your proposed unit dedicated to a gas well in the Jalmat gas pool?

A Apparently there are two forty acre units there. I don't have an up-to-date map on all the units that have been approved in the State of New Mexico, I wish I did. I would go through the schedule and try to make one of these things up and it may not be the best. I don't think it is complete, but I believe that is on there, certainly has been approved by the Commission.

Q To your knowledge it has not been dedicated to a gas well?

A No, I am, I guess I didn't understand your question.

Q No, I want to know if that acreage had been dedicated to a Jalmat gas well.

A The two wells to the north of our James H. Day lease?

Q No, the acreage, not the well.

MR. NUTTER: Mr. Cooley, you are talking about the north half of the northwest quarter of Section 6?

MR. COOLEY: That's correct.

A Two forty-acre units, each has forty acres dedicated to a well in the Jalmat Gas Pool.

MR. NUTTER: Do you have any further questions?

By MR. NUTTER:

Q Mr. Walker, what is the status of Continental's F 1-A Well No. 1 on the northeast quarter of Section 1?

A I understand that well, they failed to make a gas well, and has been abandoned but I also understand from my geological people that now if they go back, in all probability they can make a well out of it. I think that when this was drilled the practices were different than they are at this time.

Q Did they attempt originally to complete that in the Jalmat?

A I understand they did. I only checked into that this morning and found that it had been

Q You mentioned the wells on the James J. Day lease other than your three wells were completed on the Seven Rivers?

A That's correct.

Q And what pool is that, Seven Rivers?

A Jalmat also, Jalmat Oil Pool it is called.

Q Your application states that the casing has been perforated opposite the Yates and Seven Rivers formation. Moreover I believe you testified it was one formation only?

A I believe that since the application which I wrote, I found out that was in error, that the well is perforated only in the Yates, as will be borne out by our log there.

Q Well, your electric log indicates that the top of the Seven Rivers is well below the prorated intervals?

A Yes, sir.

Q I notice that you only indicate three perforated intervals on the log.

A I think I possibly went into a little too much detailing on our perforation. I made a perforation there from 3730 to 3574 and I believe they didn't there on the log.

Q The perforated intervals as shown on the application is the correct perforated intervals?

A In the records I have been able to dig through, that is the perforated intervals. Actually if I am right, it only means one foot that was not perforated, and I rather not -- in other words, won't make too much difference either way there, but there is a four foot skip between 3570 and 3574 on my records.

MR. NUTTER: Does anyone have any questions of the witness? If not he may be excused.

(Witness excused.)

MR. NUTTER: Anyone else have any further statements they wish to make in this case? If not we will take the case under advisement and the hearing will recess until one-thirty.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, J. A. Trujillo, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner, at Hobbs, New Mexico, is a true and correct record to the best of my ability, skill, and knowledge.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of December, 1956.

J. A. Trujillo
NOTARY PUBLIC, COURT REPORTER

My Commission Expires:

October 5, 1960