

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
November 20, 1957

IN THE MATTER OF
CASE NO. 1348

TRANSCRIPT OF PROCEEDINGS

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3-6691 2-2211

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
November 20, 1957

IN THE MATTER OF:)
)
Application of Cities Service Oil)
Company for approval of two non-)
standard gas proration units in)
the Tubb Gas Pool and the Blinebry)
Gas Pool, Lea County, New Mexico.)
Applicant, in the above-styled)
cause seeks an order establishing)
a 160-acre non-standard gas pro-)
ration unit in the Tubb Gas Pool)
and Blinebry Gas Pool consisting)
of the E/2 W/2 of Section 32, Town-)
ship 22 South, Range 38 East, Lea)
County, New Mexico, said units to)
be dedicated to the applicant's)
dually completed State "P" No. 1)
Well located 1980 feet from the)
North line and 1980 feet from the)
West line of said Section 32.)

CASE NO.
1348

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Next case on the docket will be Case 1348.

MR. COOLEY: Application of Cities Service Oil Company for approval of two non-standard gas proration units in the Tubb Gas Pool and the Blinebry Gas Pool, Lea County, New Mexico.

MR. WILLIAMS: I am Emmett Williams, appearing on behalf of the Applicant in this case, Cities Service Oil Company. We have one witness in this case, Mr. E. F. Motter.

(Witness sworn)

E. F. MOTTER

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

DIRECT EXAMINATION

BY MR. WILLIAMS:

Q Will you state your name, please?

A E. F. Motter.

Q By whom are you employed and in what capacity?

A Cities Service Oil Company, District Petroleum Engineer.

Q Where are you located? A Hobbs, New Mexico.

Q Have you ever previously testified before this Examiner?

A No, I have never testified before Mr. Utz. I have testified previously several times before the Commission. If he would like, I would be glad to state my qualifications.

MR. UTZ: The witness' qualifications are acceptable.

Q (Mr. Williams) All right, Mr. Motter, in your present position, are you familiar with the property which is the subject of this application?

A Yes, it is under my supervision.

Q Are you familiar with the application filed in this matter?

A Yes, I am.

Q All right. Please explain to the Examiner the nature of the application and the necessity for filing?

A This application is filed for the purpose of assigning 160 acre non-standard proration units to the Cities Service State "P"

No. 1 Well.

Both units underlie the same acreage which will be composed of the E/2 of the W/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico. According to Rule 5-A of Commission Order R-586 concerning the Tubbs Gas Pool and Rule 5-A concerning Commission Order R-610 concerning the Blinebry Gas Pool, the gas unit should consist of between 158 and 162 contiguous surface acres substantially in the form of a square. We have Exhibits 1 and 2 which show that this proposed unit does not confirm with those orders.

MR. UTZ: You wish these Exhibits 1 and 2 to be identified --

MR. WILLIAMS: Yes, sir.

MR. UTZ: -- as Exhibits 1 and 2?

MR. WILLIAMS: Yes, sir, we do.

Q The units you have described do not meet all the requirements, then, Mr. Motter?

A No, they don't, and under the orders that I have told about previously. Further, Rule 5-D gives the Commission authority to grant non-standard proration units without hearings. However, as Mr. Currens stated previously, these units are 5280 feet in length which still makes this hearing necessary.

Q Exhibits No. 1 and 2 indicate that Cities Service is not the lessee under all the proposed unit. Will you please explain this to the Commission?

A Yes. Cities Service is the owner of minerals of only 40

acres of the proposed 160 acre non-standard proration unit. This 40-acre tract is composed of the Southeast Quarter of the Northeast Quarter of section 32. The remainder of the acreage is held by mineral lease and production of Pan American Petroleum Corporation. A communitization agreement has been signed between Cities Service, and Pan American Petroleum Corporation, and as stated in the previous case, this communitization agreement, it is my understanding, will be approved by the Land Commissioner pending the outcome of this hearing.

Q Will you give us the description again of that 40-acre tract you mentioned?

A Yes. That is the Southeast Quarter of the Northwest Quarter of Section 32. That was the 40-acre tract.

Q That is correct. Does the subject well comply with other rules and regulations of the Oil Conservation Commission?

A Yes. We received Commission Order DC-413 allowing for dual completion of our State "P" No. 1 as gas dual in both of the Tubbs and Blinebry zones. To the best of my knowledge, we have complied with all other rules.

Q Is the E/2 of the E/2 of Section 32, Township 22 South, Range 38 East, located within the vertical and horizontal limits of the Tubbs and Blinebry Gas Pools?

A Yes, it certainly is. If you will refer, of course, again to Exhibit 1 and 2, in Exhibit 1, we have a solid red line that outlines the limits of the Blinebry Pool as set out by the Commission,

and on Exhibit 2, we have this orange line which outlines the limits of the Tubbs Pool as set out by the Commission.

Q Are both the Tubbs and Blinebry zones and State "P" No. 1 completed within the vertical limits of those zones as set out by the Commission's Order?

A Yes they are, and we have Exhibit No. 3, which is Gamma Ray-Neutron Log.

MR. WILLIAMS: I offer this as Exhibit No. 3, Mr. Examiner.

MR. UTZ: It will be identified as such.

A We have the limits of both the Blinebry and Tubbs marked on this log, and those limits, the vertical limits were marked as defined by Commissions Order R-264, which was later amended by Order R-407 in the Tubbs and Blinebry. Defined by Order R-264 and amended by R-264A and further amended by R-464.

Q Now, we have Exhibits Nos. 4, 5, and 6.

MR. WILLIAMS: We offer these Exhibits also as evidence in this case, Mr. Examiner, 4, 5 and 6.

MR. UTZ: They will be identified as such.

Q Mr. Motter, will you please explain the significance of these three exhibits, now?

A Exhibit 4 is a contour map on the Blinebry formation, and our field geologist prepared these with a little assistance from myself.

Exhibit 5 is a contour map on the Tubbs formation, and Exhibit 6, of course, is a cross section of both the Tubbs and Blinebry zones

running down through this proposed unit, which shows the cross section of both the Blinebry and Tubbs with the markers, and also the upper and lower limits of both pays shown in this exhibit. This contour runs due north and south through this proposed unit, except from Stanolind's "T" No. 1 it angles over toward the west, toward this Lyon Wyle Well down here in the Southwest Quarter of the Northwest Quarter of Section 5.

Now, referring again to Exhibit No. 4, I feel that this contour shows that the proposed unit is reasonably presumed to be productive of gas throughout. This Gulf Well that is located in the Southwest Quarter of the Northeast Quarter of Section 32 is a Blinebry Well, as is shown on Exhibit No. 1, and that unit is comprised of the Northeast Quarter of Section 32, and if that well is, or if that particular unit is gas productive, then we feel rather certain that as far as the Blinebry formation goes, that it is probably productive of gas in the main portion of our unit also. I think that possibly in the previous cases, plenty of testimony was given to show that the Tubb is undoubtedly all presumed to be productive, but on behalf of our application, we have Exhibit No. 5 and it's contoured on a little bit closer intervals than what Pan America contoured theirs, but we believe it can be entirely productive of gas.

Q Have you had any tests on the two zones in the State "p" No. 1?

A Yes, we asked Permian Basin Pipeline Company a short time ago if they would test this well for us, and I have copies of those

tests, I do not have enough to introduce as evidence, but here are some, if the Commission wants to see them.

In brief, on October 31, 1957, Permian Basin tested the Tubbs formation at 2,378,000 cubic feet per day with a prover back pressure test of 551.8 pounds. On November 4th, 1957, the same company tested the Blinbry formation at 1,605,000 cubic feet per day with a prover back pressure of 739 pounds. This is pretty conclusive that both zones will produce far more than the prorated allowable at line pressures of 500 pounds.

Q Have all the operators within 1980 feet of the subject well and offset operators been notified of this application?

A Yes, they were sent copies of the application by registered mail.

Q Do you know of any objections that have been filed?

A No, none of them returned to Cities Service.

Q Were Exhibits 1 through 6 prepared by you or under your supervision?

A Yes, 1 through 3 were, and, as I stated previously, our geologist prepared 4, 5, and 6, and I worked with him on those exhibits.

MR. WILLIAMS: That is all the questions we have of the witness, Mr. Examiner.

MR. COOLEY: Would you formally offer your exhibits in evidence?

MR. WILLIAMS: I request that Exhibits 1 through 6 be offered as evidence in this case.

MR. UTZ: Is there objection to the introduction of Cities Service Exhibits 1 through 6? If not, they will be so accepted.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Motter, the Stanolind State "S" No. 1, is that a north offset? A Yes.

Q Dedicated to the E/2 of the W/2? What zone is that completed in?

A That is a Drinkard, I believe, Drinkard Oil Well.

Q And the south offset?

A South offset also is a Drinkard, I believe.

MR. UTZ: Are there any other questions of Mr. Motter? Mr. Cooley?

BY MR. COOLEY:

Q Mr. Motter, the communitization agreement on the proposed unit has been signed by all of the working interest owners?

A Yes, that is correct.

Q I believe that you stated that the Land Office has signed the approval of this communitization agreement?

A Pending the outcome of this hearing, yes.

Q Is Cities Service designated as the operator of the unit well?

A Yes. We will operate the "P" No. 1, and the unit to the west will be operated by Stanolind.

MR. COOLEY: That's all the questions I have. Thank you.

MR. UTZ: Are there any other questions?

If there are no other questions, the witness may be excused.
Are there any statements in this case?

MR. BUELL: I am Guy Buell for Pan American Petroleum Corporation. Certainly Pan American urges the Commission approve this application, and approve Pan American's application in Case 1347, the companion case. Both have acreage in the West Half of Section 32 which will be assigned to a unit.

MR. UTZ: Are there any further statements? If not, the case will be taken under advisement.

