

BEFORE THE OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
July 16, 1958

IN THE MATTER OF:

CASE NO. 1473

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE - SANTA FE  
3-6691 2-2211

BEFORE THE OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
July 16, 1958

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 )  
 IN THE MATTER OF: )  
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 Southeastern New Mexico Nomenclature case. ) CASE NO.  
 ) 1473  
 )  
 (1) To reconsider the designation and )  
 limits of the South Sawyer-San Andres )  
 Pool. )  
 )  
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Before: Murray Morgan  
A. L. Porter

MR. PORTER: We will consider next case 1473, which is a paragraph of a nomenclature case which was continued from last month:

MR. PAYNE: To reconsider the designation and limits of the South Sawyer-San Andres Pool.

MR. CHRISTY: The commission will remember last month that Rowan Drilling Company put on testimony for the changing of the designation from South Sawyer to the Buckshot Pool. I'm Sim Christy of Hervery, Dow and Hinkle, Roswell, New Mexico, representing Western Drilling Company of Longview, who wishes to present evidence in opposition to the application.

DIRECT EXAMINATION

BY MR. CHRISTY:

Q Would you please state your name, address and occupation?

A My name is Ralph S. Cooley, Box 4575, Midland.

Q What is your occupation, Mr. Cooley?

A Geologist.

Q Have you ever testified before this commission previously?

A No.

Q Would you tell us briefly your school and education in the geological field?

A I'm a graduate of the College of Wooster, Wooster, Ohio, B.S. Degree.

Q What year?

A 1934. University of Pittsburg, Masters Degree Geology, 1935.

Q What experience have you had in geology?

A Since graduation from Pitt, I was employed in Bradford, Pennsylvania, was there for about a year, then came to Midland in 1936 and I spent all of my time there, with the exception of the war years, engaged in the oil business.

Q Are you familiar with the application in this case and the lands involved, which are located generally in Township Nine South, Range Thirty-seven, East N.M. P. M., Lea County and the well and well histories in the general area of that land?

A I am.

MR. CHRISTY: Has the commission any questions concerning the witness's qualifications?

*Porter*  
MR. PAYNE: No, sir, his qualifications are acceptable.

Q Mr. Cooley, do you own any interest in wells or mineral interest in the general vicinity of the lands?

A I do.

Q What, briefly, are they?

A The north offset tract to the Rowan Lease, I own an interest in a well there and adjoining acreage. That well is Western Drilling Company of Longview, No. 1 Great Western Federal, also two miles to the west, the Western Drilling Company of Longview No. 1 Atlantic Federal. In addition to that some lease holds scattered through that area.

Q Have you heard the prior testimony in support of this application?

A Yes.

Q And reviewed the transcripts of those proceedings?

A I have.

Q In your opinion what matters might the commission consider in determining the advisability of changing the South Sawyer to the Buckshot Pool?

A Well, it's customary that they would consider bottomhole pressure data, the proximity of wells, they would probably consider structural data, gravities, core analyses, and some type of correlation data.

Q Such as cross section?

A Such as would be shown in cross sections, yes.

Q Of the six items, the commission might consider, which do you deem the most important and why?

A Well, I believe that the most important thing to consider would be bottomhole pressure data. By that I mean interference tests by use of bottomhole pressure data. Then, I also believe, naturally, that proximity would have a great deal of bearing.

Q By proximity, approximately what distance are you speaking of?

A Oh, I would say within the limits of a half mile, something like that.

Q Which one, or more, of these six items the commission might consider, would you consider or deem a conclusive test or reasonably conclusive?

A Interference test with bottomhole pressure data.

Q Any others?

A No, I don't think anything else would be conclusive considered in itself.

Q Which one, or more, of these items have been previously testified concerning, in this hearing?

A There has been no testimony presented in relation to bottomhole pressure data and there has been, of course, if we call it, proximity, some data presented in a cross section.

Q Which was approximately what proximity?

A The closest wells tied together in that cross section were fifty-seven hundred feet.

Q I believe the prior testimony has covered the questions of structure, cross section, core analysis and gravity?

A Correct.

Q Why is the consideration of only these items insufficient for a reasonably conclusive determination, if that be your conclusion?

A Well, taking them one at a time, the structural Exhibit -

Q I believe that was Rowan's Exhibit 1?

A Yes.

Q All right.

A If you are going to use structural data, you would presume that you would have rather uniform conditions at a common structural level or structural datum. In the case of a point here, we find a great many discrepancies in that. We find dry holes on the same producing contour as producing wells, we find the characteristics of the production in producing wells varies greatly. By that I would mean a gas well at the same structural position as an oil well. We find wells low structural, of low structural, completed as flowing wells with very little water; we find wells relatively higher structural, completed with considerable water, on the pump. There doesn't seem to be any uniformity as to structural position in this area, as yet demonstrated.

Q How about the cross sections, which I believe were Rowan's Exhibit 2?

A Well, the thing that we must consider in relation to this cross section is that it is to demonstrate that we have a common producing zone or horizon. In this Exhibit three wells are put in cross section and I note, for example, that in the first well the top of porosity, top of pay zone is seven hundred twenty-three feet below the top of the San Andres formation, the next well in the cross section, top of porosity is seven hundred thirty-two feet, top of pay, likewise, the third well on the cross section, top of porosity and top of pay is seven hundred two feet. Within that cross section itself is some thirty feet of tolerance and actually we have other wells where the porosity is lower than that and as much as seven hundred sixty feet and the seven hundred two feet interval is about the least of all. Then, we also note that you could carry this cross section on all the way across Cochran County through the Slaughter field into Hockley County, the level land, Slaughter field portion over there, and you could conceivably make a cross section of some, I'll say some thirty miles, and you would have a common producing horizon at these intervals all the way across this broad expanse. Therefore, it's rather difficult for me to say that just because it happens to be the same producing horizon that it is a common reservoir.

Q How about the core analysis which were testified to on matters of permeability, I believe, water saturation?

A The core analysis data in the previous testimony, I believe

came from the hearing before the Texas Railroad Commission. There were some core analysis data presented there. That would have been sometime prior to March of 1957. Also Rowan No. 1 Federal would also be used in the test previously presented. We have taken thirteen wells--

MR. CHRISTY: Mark Western's Exhibit No. 1.

( Marked Western's Exhibit No. 1  
for identification.)

Q I believe you are now referring to Western's Exhibit No. 1?

A Correct.

Q Please proceed.

A We have taken some thirteen wells, five of which are in the vicinity of Township Nine, Range Thirty-eight East, or what I would call the Sawyer area, the remaining eight are in the Buckshot Field and they are just selected at random. We find, for example, that the permeabilities will range from 1.1 to 7.7 millidarcies. Actually that 1.1, the bottom of the scale, happens to be the Rowan well, so that with all this variation in permeability from one to seven millidarcies, there again, we can't say that it's a characteristic that is common all the way across the Buckshot and all the way through the Sawyer area.

Q How about the gravities of the oils in the two pools?

A Well, in the same Exhibit, our Exhibit 1, we have tabulated from the records of the Texas Railroad Commission, its potential form, I forget what number that is, but all of this

data on the wells in Buckshot Field come from those forms. We find, for example, in relation to gravity that the gravities range from 24.6 to 34 degrees. In other words, there's almost a ten degree spread within the Buckshot Field itself. The gravities which we have observed in the subject South Sawyer area, we have 1,28 and we have 1--that's 32, so you see it's a little difficult for me to say that gravities can be considered diagnostic in any way as to a common reservoir.

Q Mr. Cooley, just a moment ago you mentioned these cross sections and the fact that the various depths might extend through one or more counties. Have you any examples of that nature?

A Yes, I do. I have a log here some place which is a well eleven miles east of the Decalb No. 1 Stanofer, which incidentally is the second well of the Rowan cross section.

MR. CHRISTY: Mark Exhibit 2.

(Marked Western's Exhibit No. 2 for identification.)

Q For the record, I believe you are testifying now concerning Western's Exhibit 2?

A Correct.

Q Please proceed.

A This well is Great Western Drilling Company Starnes No. 1-23, it is located 660 from the north and east of the southwest quarter of Section twenty-three. Harrison and Brown

surveyed it. As previously stated it is some eleven miles over to it, there are numerous dry holes and between the Buckshot Field and this well there are also a number of producers. The interval from the top of the San Andres to the top of the porosity is seven hundred forty-two feet. That is, that interval is commonly found also in the Buckshot area and as a matter of fact in the Sawyer area.

Q So, if you were using cross section as a test, that well could be in the same pool?

A Yes, in other words, I could include that in the cross section to go on across Cochran and Hockley Counties.

Q Based upon your knowledge of the wells in the subject area, have you reached a conclusion as to whether or not the Rowan well is in communication with the wells in the Buckshot Field and please state your reason for your answer?

A No, I haven't, merely because we don't have any conclusive evidence to indicate one way or the other.

Q Now, if we assume the correctness of all the prior testimony, which I believe was by Mr. Allen, would your answer be different?

A I don't question the accuracy or the correctness of the Exhibits presented. I do rather question the conclusions reached on the basis of them.

Q Now, at the first hearing mention was made of a certain pipeline, demand, and letter in that connection was put into

evidence as Rowan's Exhibit 5. Are you familiar with this phase of the present case?

A Yes, I am.

Q In what respect?

A Well, at the same time that that letter was issued, we received a similar letter. We had just completed the well Great Western Federal No. 1 and obviously we were faced with the same problem that Rowan was facing, namely, a cutoff on a pipeline connection, so, of course, we did follow the thing very thoroughly.

Q Now, have there been any new developments on this phase of the matter since the last hearing?

A Yes.

Q What are they, please?

(Marked Western's Exhibit No. 3  
for identification.)

A Under date of July 11, Cactus Petroleum Company addressed a letter to the Texas Pacific Coal and Oil.

Q Is that letter Western's Exhibit 3?

A Yes.

Q All right, please continue.

A Copies of this letter were sent to this commission here and in Hobbs and to ourselves. The reason that the letter is addressed to Texas Pacific Coal and Oil is because they, in the meantime, have acquired title to the Rowan property. In this letter, if I can just quote this one paragraph, that will suffice.

Q Is it the relevant, pertinent paragraph?

A Yes.

Q All right.

A It is as follows: "We therefore wish to go on record establishing the fact that the South Sawyer-San Andres Field designation for the subject lease is no longer a factor in our purchase of this production."

Q So that the moving matter bringing this case to a hearing originally as stated in the prior hearing, that is, the pipeline demands has gone out the window, so to speak?

A Correct.

MR. CHRISTY: That's all.

MR. PORTER: Anyone have any questions of Mr. Cooley?

MR. COOLEY: Mr. Cooley, will you please state what company, if any, you represent here today, for the record?

A I represent the Western Drilling Company of Longview. I represent my own company.

MR. COOLEY: Your own private company, as well?

A Correct.

MR. COOLEY: Thank you.

MR. PORTER: Is there anyone here representing Texas Pacific Coal and Oil Company or Rowan?

Does anyone else have any questions of Mr. Cooley? Mr. Cooley may be dismissed.

(Witness dismissed)

MR. CHRISTY: We would now like to offer in evidence Western Drilling Company of Longview's Exhibits One, Two and Three.

MR. PORTER: Without objection, the Exhibits will be admitted.

MR. CHRISTY: That's all we have.

MR. PORTER: The commission will take this case under advisement, and we will take about a ten minute recess.

(Recess)

STATE OF NEW MEXICO, )  
 ) ss.  
COUNTY OF BERNALILLO, )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was taken by me in stenotype, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and seal this 21st day of July, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

  
\_\_\_\_\_  
Notary Public and Reporter

My commission expires:  
June 19, 1959

MAIN OFFICE OCC

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BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 18, 1958

IN THE MATTER OF: Case No. 1473

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 18, 1958

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IN THE MATTER OF:

Southeastern New Mexico Nomenclature case calling )  
for an order for the extension of existing pools ) Case 1473  
in Lea and Eddy Counties, New Mexico. )

(a) Extend the Atoka Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 23: N/2 NW/4

(b) Extend the Blinebry Gas Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 29: W/2

(c) Extend the Eumont Gas Pool to include:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM  
Section 1: E/2

(d) Extend the Gladiola Pool to include:

TOWNSHIP 11 SOUTH, RANGE 38 EAST, NMPM  
Section 29: SE/4  
Section 32: NE/4

(e) Extend the Grayburg Jackson Pool to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 19: SE/4

(f) Extend the Hare Pool to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 4: NW/4

(g) Extend the West Henshaw-Grayburg Pool to  
include:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM  
Section 17: SW/4

- (h) Extend the Kemnitz-Wolfcamp Pool to include: )  
TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM )  
 Section 26: NE/4 )
- (i) Extend the South Leo-Grayburg Pool to include: )  
TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM )  
 Section 36: NE/4 )
- (j) Extend the Pearl-Queen Pool to include: )  
TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM )  
 Section 21: SW/4 )  
 Section 28: NW/4 )
- (k) Extend the San Simon Pool to include: )  
TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM )  
 Section 28: SW/4 )  
 Section 33: NW/4 )
- (l) To reconsider the designation and limits of the South Sawyer-San Andres Pool. )
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BEFORE:

Mr. A. L. Porter, Jr.  
 Mr. Murray Morgan  
 Governor Edwin L. Mechem

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We will take up next Southeast nomenclature Case 1473.

MR. PAYNE: Case 1473: Southeastern New Mexico Nomenclature case calling for an order for the extension of existing pools in Lea and Eddy Counties, New Mexico.

MR. CAMPBELL: If the Commission please, the Commission witness has said that he is agreeable to us proceeding with sub-

section (1) of that case at this time. It will take just a few minutes to put in some exhibits.

MR. PORTER: Who do you represent?

MR. CAMPBELL: I am Jack M. Campbell, Campbell and Russell, Roswell, New Mexico, appearing on behalf of Rowan Oil Company. I have one witness, Mr. Allen.

MR. PORTER: Will you stand and be sworn?

(Witness sworn.)

MR. PORTER: Just a minute, Mr. Campbell. Will there be other appearances in this case?

MR. CHRISTY: Sim Christy of Hervey, Dow and Hinkle, representing Western Drilling Company of Longview, who is the operator to the north of the subject hearing.

MR. PORTER: Anybody else wish to make an appearance in this case? You may proceed, Mr. Campbell.

A. C. ALLEN

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

DIRECT EXAMINATION

By MR. CAMPBELL:

Q State your name, please.

A My name is A. C. Allen.

Q By whom are you employed?

A Rowan Oil of Fort Worth, Texas.

Q In what capacity?

A Geologist.

Q How long have you been with that company?

A Twenty-three years.

Q Have you previously testified before the New Mexico Oil Conservation Commission in your professional capacity as a geologist?

A I have.

MR. CAMPBELL: Are the witness's qualifications acceptable?

MR. PORTER: Yes, sir, they are.

Q Are you acquainted with the Oil Conservation Commission designation of the South Sawyer-San Andres Pool in Lea County, New Mexico?

A I am.

Q Since the completion of the Rowan Oil Company No. 1 Federal well, have you made a study of this pool as related to the Buckshot-San Andres Pool in Texas, across the State line?

A I have.

(Rowan's Exhibits Nos. 1, 2, 3, 3-A, 4, & 5 marked for identification.)

Q I refer you to what has been identified as Rowan Exhibit No. 1 and ask you -- well, I'm going to hand you all the exhibits, Rowan Exhibits No. 1, 2, 3, No. 3-A, No. 4, and No. 5, and ask you to please state what those are in sequence, please?

A All right. Exhibit No. 1 is a structural contour map from the South Sawyer-San Andres Field east into Cochran County, covering the Buckshot Field. It's contoured on top of the dolomite

pay zones, which is San Andres age.

Q Now Exhibit 2, please.

A Exhibit 2 is a cross-section from the South Sawyer-San Andres Pool east into the Buckshot Pool-San Andres Pool in Cochran County.

Q Exhibit 3.

A Exhibit 3 is a radioactivity log of the Rowan Oil Company Federal No. 1 in the South Sawyer-San Andres Pool. Exhibit No. 3-A is a gamma neutron log of the agricultural association standing for No. 1, which is a well in the Buckshot Field.

Exhibit 4 is a core analysis of the pay section of the Rowan Oil Company Federal No. 1 in the South Sawyer-San Andres Field.

Exhibit No. 5 is a copy of a letter from the Cactus Petroleum Company in reference to their desire for us to change the name.

Q Mr. Allen --

MR. CAMPBELL: I would like to offer these exhibits at this time in evidence, Rowan Oil Company Exhibits 1 through 5.

MR. PORTER: Without objection they will be admitted.

Q Mr. Allen, would you please read the pertinent paragraphs of the letter from Cactus Petroleum, Inc. dated May 19, 1958, which is Rowan Exhibit No. 5?

A Well, it's -- "You will please recall that at the time the No. 1 well on this property was completed, we advised that we

anticipated no difficulty in arranging a market for the oil if the well was classified in the Buckshot 4950 foot sand field. We have purchased the oil during the time the well was carried as an undesignated location. However, the lease has now been placed in the South Sawyer-San Andres Field, and it is necessary that we discontinue purchasing this oil.

Our market outlet in this area is to the Atlantic Refining Company, and said company does not desire to purchase oil from the South Sawyer-San Andres Field. Since this well is producing light crude from the 4950 and is located immediately west across the Texas-New Mexico State line, it might be that you could prevail upon the New Mexico Oil Conservation Commission to reclassify this well in the Buckshot Field, and if so, we will be in a position to resume our purchases."

Q Is that letter a part of the basis for your interest in this change in nomenclature in this particular pool?

A It is.

Q What is it that you are now recommending to the Commission?

A We recommend that the South Sawyer-San Andres Pool, which was discovered by the Rowan Oil Company Federal No. 1, is designated by the New Mexico Oil Conservation Commission as the South Sawyer Pool, be reclassified or redesignated as the Buckshot Pool.

Q And what about the limits of the Pool?

A Well, to include Section 33, Township 9 South, Range 38 East.

Q Mr. Allen, referring to the Exhibits 1 and 2 particularly, will you state briefly to the Commission what those indicate to you with regard to any relationship or possible relationship between the area in New Mexico to which you have referred and the Buckshot Pool in Texas?

A Well, I'll just read this right here. The Rowan Oil Company Federal No. 1 was completed January 12, 1958, from perforation at 4950 to 4978 feet. This well, located one mile west of the nearest producer in the Buckshot Field, produces from a porous dolomite 730 feet below the top of the San Andres formation. Pay zone has an average porosity of 7.8 percent, average permeability of 1.1 millidarcys, average connate water saturation of 34 percent of pore space.

The Buckshot Field in Cochran County, Texas, was discovered in 1956 and that produces oil from the San Andres dolomite 730 feet below the top of the San Andres formation. The pay zone has an average net pay thickness of 55 feet and is an average depth of 4950.039 feet. The average porosity is 74 percent. The average permeability is 2.2/hundredths millidarcy. The average gravity of the oil is 23 degrees. It produces from a subsea datum on top of the porous dolomite of approximately a minus 1,000 feet to a minus 1,087 feet. The controlling structural feature is a porosity pinch-out of this zone, and the exact limits of the field have not been defined.

The producing zone in the Rowan Federal No. 1 in the South

Q I beg your pardon.

A The South Sawyer-San Andres Field includes Lots 3 and 4 and the West Half of the Southwest Quarter of Section 33. In other words, that would be the South Half of Section 33, as shown on the map it is a fractional section.

Q The entire South Half of that fractional section?

A That's the way it is designated at the present time.

Q What are the limits of the Buckshot Field in the Cochran County, Texas, as defined by the Railroad Commission?

A I don't think it is defined.

Q Have they created a pool?

A Yes, they have field rules for the Buckshot Field.

Q They haven't defined the limits?

A No, they haven't. The limits, it is defined as the San Andres 450 foot pay, but the areal extent has not been defined.

Q Is this the practice of the Railroad Commission not to define the pool?

A That's right. I don't know how you could. It is being extended all the time.

Q How about the pool rules, how far out are they?

A They don't say. I think I'm right in that. I have a copy of them here.

Q Is all of Section 11 there in Texas under the rules of the Buckshot Field?

A No, it sure doesn't, there's no limits to it.

Q So these Buckshot Pool Rules extend radially from the Buckshot Field in just almost any amount of mileage, or what?

A That's right. As long as it is being extended, they still classify the wells as Buckshot Pool.

Q Has the Railroad Commission defined any particular rules for the Buckshot Field that differ in any way from the pool rules or the Statewide rules for the South Sawyer Pool?

A No, we don't have any, but it would be the Statewide rules we are operating under.

MR. ADAIR: He is talking about the New Mexico.

Q There are no special pool rules for South Sawyer, are there?

A No.

MR. CAMPBELL: No, sir, and this hearing does not encompass any at this time.

Q Do the pool rules for the Buckshot differ in any way from the New Mexico rules in the operation of a well?

A They might do that. However, it's on a 40-acre spacing, I believe.

MR. PORTER: The spacing is the same, then?

A Yes.

MR. CAMPBELL: We would be glad to leave the copy of the pool rules here. I don't think it's particularly pertinent to this hearing, but it could be down the road, and we'd be glad to leave it here if the Commission would like to examine it for that purpose.

MR. NUTTER: I'm sure we would be glad to read the rules.

Q Do the pool rules provide any GOR limit?

A Yes, 2,000 to 1.

MR. NUTTER: It is the same as the Statewide rules in New Mexico.

MR. CAMPBELL: Yes, and it has a penalty in excess of that. We don't want to offer it in evidence. We don't think it is material to this particular hearing. We have no objection to leaving it with the Commission for whatever purpose it may serve.

Q Is the well belonging to Humble on the Sherrill Lease in Section 10, the well being the No. 1 that is identified as a total depth of 5203?

A The one in the center of the Section? It was an old well drilled before the Buckshot Field was discovered and plugged as a dry hole.

Q How about the No. 2 Well?

A That is an abandoned location. Since that time there is a well completed in the northeast corner, and a drilling well, No. "C" 2, it's a farmout to Murchison, Humble has farmed out to Murchison.

Q Where is the well completed in the northeast corner?

That is the well right there on the figure "10"?

A Yes, that's right.

Q Is No. 1 Well in the Northeast Quarter of Section 11 drilling at the present time?

A I don't have that information. I just have it as a location.

Q How about the No. 2 Well and the No. 3 Well in the South Half of Section 11?

A The No. 2 Well is drilling at the present time. The last information we have, they have five-inch set at 4963.

Q That was the No. 2?

A That was the No. 2. It may be completed by now.

Q To your knowledge that well hasn't been completed as yet?

A It wasn't the last report we had. There is another well in the Northwest corner of Section 22, you see, on to the south. They have pipe set in that well and perforated; there again I do not know of any potential on it.

Q That would be the Well No. 1 with a total depth of 4196 indicated on this?

A Yes.

Q Do you have any information relative -- now wait a minute, the No. 1 Well, how many wells are there in the North Half of Section 21, Mr. Allen?

A Three.

Q Are all three of those wells producing?

A Yes, sir.

Q From the same interval?

A That's right.

Q The Rowan well in New Mexico?

A Yes, sir, that's right.

Q Do you have any information relative to the gravity of the oil produced from those three wells?

A I think it is 28 gravity.

Q On all three?

A Well, it might vary from one to the other. My information on the No. 1 well was 28 gravity.

Q Which No. 1?

A The No. 1 for Standefer for Jack Markham. It would be in the western division of 21.

Q What is the gravity of the oil produced from your well?

A 27 to 28.

Q Do you have any information relative to the comparable GOR's of the well?

A Well, our wells on pump and at the present time the GOR is not high. It is very low.

Q How about the wells over there in Texas?

A Well, they vary as you go --

Q (Interrupting) On Section 21?

A On Section 21, the GOR's are not high. They're well within the 2,000 to 1 limits.

Q How about bottom-hole pressures? Have any been taken in this area?

A Now I don't have that, the bottom-hole pressure information, no, sir.

MR. NUTTER: I believe that's all. Thank you.

MR. PORTER: Anyone else have a question of the witness?  
You may be excused.

(Witness excused.)

MR. CAMPBELL: That's all we have.

MR. CHRISTY: At this time we would like to move for a recess and continuance of this case in behalf of Western Drilling Company, who is the operator of the well immediately north of the subject area involved in this application. The facts are that approximately ten days or two weeks ago, one of our personnel went into the Hobbs office and heard of this matter off the cuff. We didn't actually realize what this was all about until last Thursday, at which time we started working to make graphs, core analysis charts, et cetera. We are not prepared because of the time limitations; however, our present information leads us to question whether or not the Buckshot Pool and the Rowan well are producing from one common reservoir, and whether or not that should be so classified as Buckshot or whether it should obtain a distinct nomenclature.

For that reason, we would like to continue this case and recess it until the July hearing, at which time we hope, by then, we can have discussed this matter rather thoroughly with Rowan and perhaps worked out our differences and be in a position to present to the Commission further data concerning the other Buckshot wells, our well and other wells in New Mexico and Texas,

with relation to the number of facets and histories.

MR. CAMPBELL: If the Commission please, we have no objection to that. Obviously the drilling of the additional wells will provide additional information. Our concern is marketing our oil. We are making the effort that the purchasing company has requested, and so long as we can continue to sell our oil, we don't care what we call the field; but we will not object to a continuance of the matter to the next hearing.

MR. CHRISTY: It is my understanding that during the continuance you will not be cut off from your purchaser?

MR. CAMPBELL: We don't know whether we will or not. We assume we won't be cut off, but we don't know. If we are, we will be screaming back up here.

MR. PORTER: Any objection to counsel's motion for continuance? The Commission will continue paragraph (1) of Case 1473 to the regular July hearing.

We will continue at this time with the other paragraphs as advertised in Case 1473, and ask Mr. Runyan to take the stand and be sworn.

(Witness sworn.)

JOHN W. RUNYAN

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

DIRECT EXAMINATION

By MR. PAYNE:

Q Will you state your name and position, please?

A John W. Runyan, geologist for the New Mexico Oil Conservation Commission.

Q Mr. Runyan, in your capacity as geologist for the Oil Conservation Commission of New Mexico, have you had an opportunity to make a study concerning the extension of existing pools in Lea County and Eddy County, New Mexico?

A Yes, I have.

Q What are your recommendations concerning the extension of the Atoka Pool?

A I recommend it be extended as advertised due to one well capable of producing from this pool.

Q What are your recommendations concerning the extension of the Blinebry Gas Pool?

A I recommend this pool be extended as advertised, due to one well completed capable of producing from this pool.

Q What are your recommendations concerning the extension of the Fumont Pool?

A I recommend that this pool be extended as advertised, due to two wells recently completed and capable of producing from this pool.

Q What are your recommendations concerning the extension of the Gladiola Pool?

A I recommend that the pool be extended as advertised, due to one well producing from the pool.

Q What are your recommendations concerning the extension of the Grayburg Jackson Pool?

A I recommend that the pool be extended as advertised, due to one well recently completed and capable of producing from the pool.

Q What are your recommendations concerning the extension of the Hare Pool?

A I recommend that the pool be extended as advertised, due to two wells capable of producing from the pool.

Q What are your recommendations as to the extension of the West Henshaw-Grayburg Pool?

A I recommend that this pool be extended as advertised and an unadvertised portion, being Lots 19 and 22 of Section 3 in Township 16 South, Range 30 East, and this is due to two wells recently completed and capable of producing from this pool.

Q What are your recommendations concerning the extension of the Kemnitz-Wolfcamp Pool?

A I recommend that this pool be extended as advertised, and also an unadvertised portion, being the Southeast Quarter of Section 26, Township 16 South, Range 33 East. This is due to two wells recently completed and capable of producing from this pool.

Q What are your recommendations concerning the extension of the South Leo-Grayburg Pool?

A I recommend that this pool be extended as advertised, due

to one well capable of producing from the pool.

Q What are your recommendations concerning the extension of the Pearl-Queen Pool?

A I recommend that the pool be extended as advertised, and also two unadvertised portions, being the North Half of the Southwest Quarter of Section 22, the Northeast Quarter of Section 29 in Township 19 South, Range 35 East. This is due to six wells recently completed and capable of producing from this pool.

Q What are your recommendations concerning the extension of the San Simon Pool?

A I recommend that this pool be extended as advertised, due to one well capable of producing from this pool.

Q Mr. Runyan, have you prepared exhibits substantiating your recommendations?

A Yes, I have. I wish to submit to the Commission the Exhibits A through K.

Q Your exhibits have been identified A through K?

A That's correct.

MR. PAYNE: I move for the admission of Exhibits A through K in Case 1473.

MR. PORTER: Without objection they will be admitted. Any questions of the witness? The witness may be excused.

(Witness excused.)

MR. PORTER: Anyone have anything further to offer in this case? We will take the case under advisement.

