

Q Are you the same Mr. Wade that testified in Case 1951?

A Yes, sir.

Q Are you familiar with Texaco's Fanning lease?

A I am; yes, sir.

Q Will you refer to Exhibit No. 1, state the location of the lease and point out the well to which the acreage is to be dedicated?

A Yes, sir. Exhibit No. 1 is an ownership plat upon which the acreage to be dedicated to the proposed Fanning No. 6 is outlined in yellow. This acreage is the north half of Section 4, Township 24 South, Range 37 East, northeast quarter of Section 5 of the same Township and Range. The legend at the base of the plat shows the Langlie-Mattix Pool wells, on the plat to be designated as LM; the Jalmat Gas Pool wells within the confines of the plat are designated by J. Also shown is the offset operators to this proposed non-standard proration unit.

Q Where is the subject well No. 6 located?

A The subject well is located 660 feet from the north and west lines of Section 4, Township 24 South, Range 37 East.

Q And will this well be completed as a dual?

A Yes, sir; that is correct. It will be a Jalmat-Langlie-Mattix oil dual.

Q It will be gas-oil?

A Yes, it will.



Q In what way does this constitute a non-standard gas proration unit?

A First, the non-standard proration unit crosses the governmental section lines to include portions of sections 4 and 5. Secondly, it is a unit in size with an excess of 5,280 feet from corner to corner. Next, the well is closer to one side of the proration unit than 1980 feet.

Q Will you refer to what has been marked as Exhibit No. 2 and explain that, Mr. Wade?

A Exhibit No. 2 is a radioactivity log of the subject well. This log has been marked in red to show the perforations through the Yates zone, which is to produce into the Jalmat portion of this well. These perforations range from 2750 to 2969, in scattered porosity intervals throughout the Yates section.

Q Will you refer to your structural map, Exhibit No. 3, and explain that exhibit?

A Yes, sir. Exhibit No. 3 is a structur map. The proposed well is circled in red; the proposed gas unit is outlined in yellow, and offsetting gas units are outlined in green. The contour interval chosen for this map is 50 feet. The scale is one-inch to two thousand feet, and the contours are on the top of the Yates formation.

Q Are there any sand developments in the wells within the area?



A All of the wells on our Fanning lease have indicated sand development during their drilling. Also, to the north, the Johnson & French lease, Davis No. 2, which is a comparable structural position to the edge of our lease, the northern edge of our lease, shows a very poor sand development; nevertheless, it does show sand, and a log of hydrocarbons as indicated during the drilling of that well.

Q Have there been any other instances in this area of high structure, 700 feet as shown on the north corner of your tract?

A Yes, sir. Before proceeding to that, Mr. White, I might say this: so far as we have been able to determine, all of the Yates sand members in this area are in communication. We have also determined that there is an anhydritic condition occurring as you go up the structure, tending to lessen the ability of the sand to store hydrocarbons. We have concluded that if there is sand development as high structurally as is indicated here, then there is also gas available to be produced. Continuing then on to the assignment of acreage, I have chosen three particular acreage assignments, more or less at random, to show that acreage assignments have been made as high structurally, and probably with as poor sand development conditions as has been requested here. The first one is on Gulf's State A hole No. 2 in the southeast quarter of the southwest quarter of Section 16, 24, 37. The well, as we have found it, and this well is not on any of the plats I have



submitted, the well as we have found it has topped the Yates at plus 565; it has acreage assigned to a plus 750 structural position, 50 feet higher than we are requesting for our non-standard pro-
ration unit. The Skelly Mexico G No. 1, in the northwest quarter of the northwest quarter of Section 16, 24, 37, has contacted the Yates at a plus 537; acreage assigned in that particular unit goes to as high as plus 650 on a structural basis. Resler & Sheldon's Steeler No. 1 in the northwest quarter of the southwest quarter of Section 20, 23, 37, found the top of the Yates at plus 590. As we have estimated, the acreage assigned to this well has the top of the Yates as high as plus 750. This would indicate that the acreage assignment which we are requesting is not unusual insofar as structural position is concerned.

Q As a result of your studies, is it your conclusion and reasonable to presume that the entire proposed unit will be productive of gas?

A I think the entire proposed unit will contribute to the production of gas from the proposed well.

Q Would the proposed unit interfere with correlative rights in any way?

A No, sir.

Q And will it enable Texaco to claim its just and equitable share of the gas in the reservoir?

A Yes, sir, it will.



Q Were Exhibits 1 through 3 prepared by you or under your direction?

A They were.

MR. WHITE: We offer the exhibits.

MR. UTZ: Without objection they will be accepted.

CROSS-EXAMINATION

BY MR. UTZ:

Q Mr. Wade, are there any wells capable of producing on plus 700 contour on this side of the field, the southeast side?

A I don't know, Mr. Utz. I only know about the assignments of acreage in just these few I have mentioned. I don't know of any wells completed at plus 750 in the field; I don't of any.

Q These wells you gave me are further to the west, aren't they?

A Most of them are. Well 1 is to the west; Resler & Sheldon, and I think the others are almost directly south. They might be to the west also.

MR. UTZ: Any other questions of the witness?

BY MR. PAYNE:

Q Mr. Wade, will this well produce at 476 gas allowable from the Jalmat?

A I don't know.

Q Do you anticipate it will?

A We hope it will. We haven't completed the well yet. It



is in the process of being completed.

Q The north half of Section 4 is not actually in the Jalmat Gas Pool, is it?

A I don't believe it is in that nomenclature; that's right.

MR. UTZ: Any further questions? Witness may be excused.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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

Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1952, heard by me on April 27, 1960.

[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



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JUNE PAIGE
Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1952, heard by me on April 27, 1960.
[Signature] Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

