

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 22, 1963

EXAMINER HEARING

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IN THE MATTER OF: )  
)  
)

Application of Gulf Oil Corporation for a non- )  
standard gas proration unit, Lea County, New )  
Mexico. Applicant, in the above-styled cause, )  
seeks approval of an 80-acre non-standard gas )  
proration unit comprising the SE/4 SE/4 of )  
Section 28 and the NE/4 NE/4 of Section 33, )  
Township 21 South, Range 37 East, Blinebry Gas )  
Pool, Lea County, New Mexico, to be dedicated )  
to its J. N. Carson Well No. 6 located in Unit )  
P of said Section 28. )

CASE 2822

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BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 2822.

MR. DURRETT: Application of Gulf Oil Corporation for a  
non-standard gas proration unit, Lea County, New Mexico.

MR. KASTLER: If the Examiner please, I am Bill Kastler  
from Roswell, New Mexico, employed by and appearing on behalf of  
Gulf Oil Corporation. Our witness is John H. Hoover.

(Witness sworn.)

JOHN H. HOOVER

called as a witness, having been first duly sworn on oath, testi-  
fied as follows:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

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PHONE 243-6691



## DIRECT EXAMINATION

BY MR. KASTLER:

Q Will you please state your name, where you are employed, who is your employer, and what is your position?

A John H. Hoover, employed by Gulf Oil Corporation as District Production Engineer, Roswell, New Mexico.

Q Mr. Hoover, have you previously been qualified as an expert witness as a production engineer for Gulf Oil Corporation, and given testimony before the New Mexico Oil Conservation Commission?

A Yes, sir, I have.

MR. KASTLER: If Mr. Hoover's qualifications are satisfactory, I would like to proceed.

MR. NUTTER: Mr. Hoover is qualified to testify in this case.

MR. KASTLER: Thank you.

Q (By Mr. Kastler) What is Gulf seeking in this application?

A We are requesting approval of an 80-acre non-standard Blinebry gas proration unit, which will cover the Southeast Quarter Southeast Quarter of Section 28, and the Northeast Northeast Quarter of Section 33, both in Township 21 South, Range 37 East, Lea County, New Mexico. This non-standard unit is to be attributed to the J. N. Carson (NCT-C) Well No. 6, which is located 965 feet from the East line and 330 feet from the



South line of Section 28.

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

Q Do you have a plat showing the proposed non-standard unit?

A Yes, sir. It is marked Exhibit No. 1. We have shown on this plat the proposed non-standard 80-acre Blinebry gas pro-  
ration unit as outlined in red. The unit well is circled in red. Although not shown here, the J. N. Carson (NCT-C) lease is described as the East Half of the Southeast Quarter of Section 28, and the Northeast Quarter Northeast Quarter of Section 33.

Q In other words, this application concerns one lease alone, is that correct?

A Yes, that's correct.

Q Is it true that this acreage is now included in a 120-acre non-standard unit which was approved after hearing here?

A Yes, sir, that's correct. On September 10, 1958, an Examiner Hearing was held, and as a result of that hearing the Commission issued Order R-1253 in Case No. 1506 dated September 29, 1958, which approved among other things a non-standard unit in the Blinebry Gas Pool covering the East Half of the Southeast Quarter of 28 and the Northeast Quarter Northeast Quarter of Section 33.

This non-standard unit is attributed to the J. N. Carson (NCT-C) Well No. 6. One of the reasons at the hearing for approv-



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ing the non-standard unit was to eliminate the necessity of developing acreage within the residential section of the City of Eunice. That reasoning still holds true for this non-standard unit, and also we have a well which can be draining and is draining the acreage in this proposed non-standard unit. Therefore, to require drilling of a well in the Northeast Quarter Northeast Quarter of Section 33 would result in economic waste.

Q Why does Gulf need to reduce the 120-acre non-standard unit presently authorized to 80 acres?

A The J. N. Carson (NCT-C) Well No. 8, which is located 1980 feet from the South line and 990 feet from the East line of Section 28, has been completed as a Blinebry oil well. In order to prevent double dedication of acreage in accordance with the Blinebry Gas Pool Rules, it is necessary to remove the Northeast Quarter Southeast Quarter of Section 28 from the existing 120-acre non-standard unit.

Q Were all operators who own an interest in the quarter sections in which the proposed non-standard 80-acre unit is located and within 1500 feet of the unit well furnished a copy of Gulf's application?

A Yes, sir, they were.

Q Has Gulf received any objections to this proposal?

A No, sir, we have not.

Q Is this application in the interest of conservation and protection of correlative rights?



A Yes, sir, it is.

Q Was Exhibit No. 1 prepared by you or at your direction?

A Yes, sir, it was.

MR. KASTLER: I would like to move that Exhibit No. 1 be admitted into evidence at this time, and this concludes my questions on direct examination.

MR. NUTTER: Gulf Oil Corporation Exhibit No. 1 will be admitted in evidence.

(Whereupon, Applicant's Exhibit No. 1 received in evidence.)

MR. NUTTER: Does anyone have any questions of Mr. Hoover?

MR. DURRETT: Yes, sir, I have a question or two.

MR. NUTTER: Mr. Durrett.

CROSS EXAMINATION

BY MR. DURRETT:

Q Mr. Hoover, I believe you stated that the No. 8 Well in Section 28 has been completed as an oil well, is that correct?

A Yes, sir, that's correct.

Q Do I have the location correct; is it 1980 from the South and 1980 from the East?

A No, sir, 1980 from the South line and 990 from the East line.

Q 990 from the East line?

A Yes.

Q Of Section 28?

A Of Section 28.



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Q It's marked on the plat?

MR. KASTLER: Exhibit 1.

A Exhibit 1, its location.

MR. KASTLER: It's situated in the Northeast Southeast of 28.

A Yes, it has an 8 over a B.L., which is No. 8 over a Blinebry Well. It is rather small. There's a number of wells in there which makes the printing very small.

Q (By Mr. Durrett) I see it. I think that clears up that question. Do you have the completion date that this was completed as an oil well, and more specifically, I am interested to know if it has been assigned an oil well allowable, and if so, what date?

A Yes, sir. It was completed April the 16th of '63, and the allowable was assigned by Supplement No. 176 dated April 17, 1963, and the effective date of the allowable was April 10th, '63.

Q The allowable was assigned on April 17, 1963, effective April 10, 1963?

A Yes, sir.

Q Would you like to request that if your application for an 80-acre non-standard proration unit be approved, that the order should be made effective the date the oil well allowable was assigned to your (NCT) Well No. 8?

A Yes, sir, we would like that.

MR. DURRETT: Thank you.



