

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 26, 1963

EXAMINER HEARING

IN THE MATTER OF:)

Application of Amerada Petroleum Corpora-)
tion for a non-standard gas proration)
unit, Lea County, New Mexico. Applicant,)
in the above-styled cause, seeks approval)
of a 120-acre non-standard gas proration)
unit comprising the S/2 NE/4 and NW/4)
SE/4 of Section 19, Township 21 South,)
Range 37 East, Blinbry Gas Pool, Lea)
County, New Mexico, to be dedicated to)
its L. G. Warlick "A" Well No. 2 located)
in Unit J of said Section 19.)

Case 2840

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 2840.

MR. DURRETT: Application of Amerada Petroleum Cor-
poration for a non-standard gas proration unit, Lea County, New
Mexico.

MR. KELLAHIN: Let the record show the same appearances
for the applicant, and we would have the same witness. May the
record show that he has been sworn?

MR. NUTTER: The record may so show.



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

L. E. THOMAS

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A L. E. Thomas.

Q Are you the same Mr. Thomas who testified in the preceding case?

A I am.

Q Mr. Thomas, are you familiar with the application of Amerada in Case No. 2840?

A Yes, sir.

Q Would you state briefly what is proposed in this application?

A We propose to produce gas from the Blinebry zone in the Warlick "A" No. 2 which is located 1980 feet from the East line, 1980 feet from the South line of Section 19, Township 21 South, Range 37 East.

Q What unit do you propose to dedicate to that well?

A Proration units G H, I and J make up this Warlick lease.



One of these units, Unit J, is now productive of oil, so that leaves 120 acres to be assigned to this proposed gas well, and that is marked in red on the plat.

Q Is there any other acreage available for dedication to the subject well?

A No, sir. The plat indicates in green a gas unit to the north of this proposed unit; then to the west, outlined and colored in brown are oil units 40 acres each, and this situation also to the south.

Q Now, those oil units, are they oil wells completed in the Blinebry?

A Yes, sir, that's right.

Q Do the rules for the Blinebry prohibit dual dedication of acreage?

A They do.

Q So, if you are not permitted to dedicate this 120 acres to the well, what alternative would you have, Mr. Thomas?

A Well, it would be non-productive.

Q Is all the acreage you propose to dedicate reasonably to be presumed to be productive of gas in the Blinebry?

A Yes.

Q On what do you base that conclusion?

A Well, all the acreage to the north and to the east is



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assigned to gas units, and since this well is farther south of any of the acreage in our 120-acre lease or proposed unit tested gas, we assume the others to the north and east would be productive of gas.

Q In your opinion will the approval of this application prevent waste?

A Since we already have the well there and there is no present production from that zone on this acreage, we think that it would prevent waste.

Q That would be in the prevention of drilling of additional wells?

A Correct.

Q Was Exhibit 1 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: At this time we offer in evidence Exhibit No. 1.

MR. NUTTER: Applicant's Exhibit 1 is admitted in evidence.

(Whereupon, Applicant's Exhibit No. 1 was offered and admitted in evidence.)

MR. KELLAHIN: That's all the questions I have on direct examination.

CROSS EXAMINATION



BY MR. NUTTER:

Q At present there is no Blinebry gas proration unit in existence for this acreage, is that correct?

A Right.

Q The No. 2 well has only been completed as a quadruple completion and one of the zones is a Blinebry gas?

A It has been completed as a quadruple for some time and there was no sale until recently and that's the reason for the delay in the zone.

Q On your code you indicate it would be Penrose Skelly, Paddock, Drinkard, and then "B", but the legend at the bottom indicates that "BG" would be the designation?

A That's right, the "B" was printed before we tested gas.

Q So we can add a "G" to that now?

A Yes.

Q No. 1 over there in Unit I of Section 19 is a Blinebry oil well?

A Right.

MR. NUTTER: Any further questions of Mr. Thomas?

MR. DURRETT: Yes, sir, I have one question.

BY MR. DURRETT:

Q Has this oil well in Unit I been producing for quite a while?



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A I'm not sure.

Q It's not a recent oil completion?

A No, it isn't.

MR. DURRETT: Thank you, I think that's all.

MR. NUTTER: Are there any further questions? The witness may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all I have.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2840? We will take the case under advisement.



