

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
APRIL 19, 1961

EXAMINER HEARING

IN THE MATTER OF :

CASE 2251: Application of Texaco, Inc. for a non-standard:
gas proration unit. Applicant, in the above- :
styled cause, seeks the establishment of a :
280-acre non-standard gas proration unit in :
the Jalmat Gas Pool consisting of the SW/4, the :
E/2 SE/4 and the NW/4 SE/4 of Section 31, Town- :
ship 23 South, Range 37 East, Lea County, New :
Mexico, to be dedicated to its E.E. Blinbry :
Well No. 2, located 1980 feet from the South :
line and 660 feet from the East line of said :
Section 31. :

BEFORE:

A. L. Porter, Examiner

T R A N S C R I P T O F P R O C E E D I N G S

MR. PORTER: We will move on to Case 2251.

MR. MORRIS: Case 2251. Application of Texaco, Inc. for
a non-standard gas proration unit.

MR. WHITE: Let the record show the same witness appears,
and that Mr. Robinson has been sworn.

MR. PORTER: Let the record so show.

J. E. ROBINSON,

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

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as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Robinson, will you briefly state the purpose of Texaco's application in Case 2251?

A This is the application of Texaco for a non-standard production unit in the Jalmat Gas Pool to be dedicated to its E. E. Blinebry "A" No. 2.

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

Q Will you refer to Exhibit No. 1 and explain that Exhibit?

A I might like to make a point here. In Texaco's original application, we asked for a non-standard 280-acre NSP, along the western boundary of Section 31, this is a short section with correction lots. In the Lot No. 3, which consists of the northwest of the southwest, this Lot consists of 37.97 acres. Then, Lot No. 4 which is immediately south, being in the southwest of the southwest, this Lot contains 37.99 acres. So, at this time, we would like to amend our application to show a request for 275.96 acres rather than 280 acres.

MR. PORTER: What was that acreage, Mr. Robinson?

A 275.96.

MR. WHITE: May the amendment be granted?

MR. MORRIS: Inasmuch as the acreage is less than the 280 acres, as advertised, I believe that the amendment can be granted

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satisfactorily.

MR. PORTER: The proposed amendment will be granted.

Q (By Mr. White) Will you proceed with the explanation of Exhibit No. 1?

A Exhibit No. 1 is a plat of the area showing Texaco's E. E. Blinebry "A" and E. E. Blinebry BNCT 1 lease. The Texaco's acreage here is shown by the yellow border. The E. E. Blinebry "A" lease consists of 120 acres, and the E. E. Blinebry "B" lease consists of 300. I am sorry. The total of the "A" and "B" consists of 315.96 acres. Texaco's proposal for the 275.96 acres MSP is shown by the red outline, which includes all of Texaco's acreage in the south half of Section 31, with the exception of 40 acres, which is dedicated to the Blinebry "B" Well No. 4, with this well being completed in the Jalmat Oil Pool.

Q What is Texaco's working interest in the leases?

A Texaco has one hundred percent working interest in both of the leases.

Q What are the royalty interests?

A The Federal Government has the royalty interest under both of the leases, and in addition to the Federal Government standard one-eighth royalty under lease "A", there is a 7.50 percent overriding royalty divided between ten individuals.

Q Does Texaco have an executed communitized agreement with the royalty interests?

A We have a signed instrument from all ten overriding royalty



interests agreeing to the communitization of these two leases.

Q Will you state, Mr. Robinson, in what respects this is a non-standard proration unit?

A This is a non-standard proration unit in that the Well No. 2, which we show by the red circle, is located 660, 660 from lease lines. Its location is 1980 from the South line and 660 from the East line. So, in order for this to not be a non-standard unit, the well would have to be located at least 1980 feet from one of the boundary lines.

(Whereupon, Texaco's Exhibit No. 2 was marked for identification)

Q Will you refer to your structural map, Exhibit 2, and discuss that?

A Excuse me. I would like to point out one thing. Shown by the green lines are the Jalmat gas units surrounding Texaco's leases here. You will note that all acreage has been dedicated to the south, to the west, and to the north, and the only acreage not dedicated to the Jalmat Gas Pool is located in Section 32 to the immediate east.

Q Now, you referred to the green part as being another unit communitized. That does not appear on your application, on the plat that's filed with your application, does it?

A No, it does not. Exhibit No. 2 is a structure map drawn on top of the Yates formation, which shows Texaco's acreage colored by yellow, with the proposed NSP shown by the red border. The



Yates, in this area there is a small saddle on Texaco's lease with the formation gently rising to the east and to the west. The Yates formation in this particular part of the Jalmat Gas Field consists of approximately 260 feet, and there are numerous sand bodies that are interbedded through dolomite, and as you move up structure, then you find the sand missing and being replaced by anhydrite, which reduces the storage capacity of the reservoir. Normally, you find your best wells down on the low structure getting away from the higher points where you find your anhydrite. This is an excellent portion of the Jalmat Gas Field here. We do have one, our Blinebry "B" No. 4 was completed as an oil well. This rather surprised us when we did complete it as an oil well. We had anticipated getting a gas well, but we believe that the small saddle in this immediate vicinity resulted in accumulation of oil in the saddle and with all other areas being gas productive.

Q Do you anticipate that this well will become a gasser in the future?

A Well, it has a tendency to. It is a penalized well. At the present time it has a gas-oil ratio of 14,400 to 1 with the GOR increasing. It's possible that we could make this well a gas well, but the only thing, we don't know exactly what stringers this oil production is coming from. It could be that some of the lower sand members are producing the oil, and this is a result of this well being completed as an oil well rather than a gas well. The lowest point on the lease is our Well No. 4, which topped the Yates at



plus 347, with our Well No. 2 being, topping the Yates at plus 392 feet. I might say that this is the highest point on the lease with the exception of the location of Blinebry "B" No. 5, which topped it at 397; so you can see that there is a depression area right in the immediate vicinity of Well No. 4, with your structure rising out in all directions from there.

Q Is your Well No. 2 presently producing, or what is the status of it?

A No, sir. The Well No. 2 was completed, and it has been shut-in waiting a gas line connection, and there is a gas line being built in, and the well should be able to go on stream within a few days.

Q Does that complete your testimony as to Exhibit No. 2?

A Yes, sir, I believe it does.

(Whereupon, Texaco's Exhibit No. 3 was marked for identification)

Q Will you refer to your sonic log, Exhibit No. 3, and explain that, please?

A Exhibit No. 3 is a sonic log, run on this well. I have marked the top of the Yates formation, which was found in this well at 2928 feet, which is a subsea depth of plus 392. We have made selective perforations, trying to pick out these sand bodies through the Yates formation. We have selectively perforated 3,037 to 42; 3,046 to 50; 3,086 to 94; 3104 to 08; 3112 to 18; 3142 to 58; 3177 to 84, and 3212 to 20. After we perforated these selected



perforations, we acidized and then fractured, and the well flowed two million ninety-five thousand cubic feet of gas on a potential test taken on November 17, 1960, and the well has been shut-in waiting for our connection. El Paso should have it hooked up within a few days, and at that time we will take a deliverability test in accordance with the Jalmat Gas Pool rules.

Q Were these Exhibits prepared by you or under your direction?

A Yes, sir, they were.

MR. WHITE: At this time we offer the Exhibits in evidence, and that concludes our direct testimony.

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

(Whereupon, Texaco's Exhibits 1 through 3 were received in evidence)

MR. PORTER: Any questions of Mr. Robinson? Mr. Nutter.

CROSS-EXAMINATION

BY MR. NUTTER:

Q On the Federal, you said there was a 7.5 percent override, on the Federal "A" lease?

A That is correct.

Q And they have agreed to the communitization?

A They have agreed to the communitization, and the U.S.G.S. have agreed to it, but they want us to correct our instrument to correctly show the correct acreage to, rather than the 280, to show



a 275.96.

Q The No. 4 Well, which is the oil well?

A Yes.

Q Has the ratio on that well been increasing?

A Yes, sir. This well was completed back in 1955. It had a ratio at that time of 1900 and something. It was 1940 in 1955, and it has increased now to 14,400.

Q Fourteen four?

A Yes.

MR. NUTTER: Thank you. That's all.

MR. PORTER: Mr. Morris, do you have a question?

MR. MORRIS: Mr. Nutter, I believe, covered that.

MR. PORTER: If no further questions of the witness, he may be excused.

(Witness excused)

MR. PORTER: Anything further to be offered in this case? The case will be taken under advisement. The hearing will recess at this time until 1:15.

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