

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

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ALBUQUERQUE, N. M.
PHONE 243 6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 21, 1963

EXAMINER HEARING

IN THE MATTER OF:)

)
Application of Odessa Natural Gasoline)
Company for a unit agreement, Eddy)
County, New Mexico. Applicant, in the)
above-styled cause, seeks approval of)
the Getty Deep Unit Area comprising)
1,680 acres, more or less, of Federal)
land in Township 20 South, Range 29)
East, Eddy County, New Mexico.)

Case 2758

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2758.

MR. DURRETT: Application of Odessa Natural Gasoline
Company for a unit agreement, Eddy County, New Mexico.

MR. BRATTON: Howard Bratton, appearing on behalf of
the applicant. We have one witness.

(Witness sworn.)

MR. UTZ: Are there any other appearances? You may
proceed.

MARSHALL JOHNSON

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



DIRECT EXAMINATION

BY MR. BRATTON:

Q Will you state your name, by whom you are employed and in what capacity?

A Marshall Johnson, petroleum engineer, employed by Odessa Natural Gasoline Company.

Q Have you previously testified before this Commission as an expert witness?

A Yes.

Q Are you familiar with the proposed Getty Deep Unit?

A Yes.

Q And the area in question?

A Yes.

MR. BRATTON: Mr. Examiner, before proceeding, I believe we have submitted with our application three copies of the proposed unit agreement, is that correct?

MR. UTZ: That's true.

MR. BRATTON: There have been some revisions of certain pages. Those are pages 5 and 10 and two of the pages of Exhibit B to the unit agreement, and we would give those substituted pages to be put into those copies of the unit agreement. If we could, we will refer to the unit agreement as Exhibit No. 1.

MR. UTZ: All right.

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

Q (By Mr. Bratton) Mr. Johnson, are you familiar with the provisions of the proposed unit agreement?

A Yes.

Q Is it a standard Federal type of unit agreement?

A Yes.

Q Are all the lands in question Federal lands?

A All Federal lands.

Q Is the unit agreement, in form, satisfactory to the U. S. Geological Survey?

A Yes.

Q And it calls for the drilling of a 13,200 foot Devonian test, is that correct?

A That is correct.

Q Odessa Natural Gasoline Company is the unit operator?

A Yes.

Q The lands in the unit area are described in the unit agreement and total 1680 acres, is that correct?

A That's correct.

Q What percentage of those lands do you have committed to the unit agreement?

A That is 88%. There's 200 acres of the total 1680



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acres that are not committed.

Q Those are in the northernmost portion of the proposed unit agreement, is that correct?

A That's correct.

Q And we will go into that in connection with your geological exhibits?

A Yes.

Q Do you believe you have sufficient area committed to the unit agreement to give you effective control to where the unit agreement will result in conservation and the prevention of waste?

A Yes, sir.

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

Q Will you refer then to your Exhibit No. 2, which is a plat of the general area?

A Yes.

Q Would you explain what that reflects?

A Well, this is a plat showing the outline of the various units in the area and also the deep wells in the area, this being a deep prospect, why the wells shown on here are mainly deep wells.

Q The proposed Getty Deep Unit is reflected on there?



A Yes, it's cross hatched in red.

Q It's north and west of the Big Eddy Unit?

A Yes.

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

Q Refer to your Exhibit No. 3, if you would, please, which is the structure contour map. Does that reflect the outline of the unit area and the contours on which the unit is essentially based and upon which it's projected?

A Yes. It's a structure contour map on the top of the Yates formation and also shows the unit area.

Q Now, this is a Devonian location, is that correct?

A Yes.

Q How do you project to this from the Yates to the Devonian?

A Well, of course, there's a Devonian Yates structure here with substantial amount of closure, being probably one of the larger closures in the Yates in this area. We feel like the structure on the Yates formation reflects structure on the deeper beds down to and including the Devonian closure.

Q Does your interpretation and your projection of the structure indicate to you that the unit area will substantially enclose the formation, the Devonian formation, that you hope to



obtain?

A Yes, that's what we feel like it will. It will cover the productive area of the Devonian.

Q Now, the lands that are not committed to the unit are located in Sections 13 and 14, is that correct?

A Yes, that's correct. There's an 80-acre tract, being the East Half of the Southeast Quarter, I mean the West Half of the Southeast Quarter of 13 and the North Half of the Southeast Quarter of 14 and the Southwest of the Southeast of 14.

Q Is there anything else you care to state in connection with Exhibit No. 3?

A No, I don't believe so.

(Whereupon, Applicant's Exhibit No. 4 was marked for identification.)

Q Now, refer to Exhibit No. 4, Mr. Johnson. Is that your geological report which ties in with your Exhibit No. 3?

A Yes, that's correct.

Q And which is the geological information and interpretation upon which the unit is being formed and the well will be drilled?

A That's correct.

Q And it indicates the various formations that you anticipate obtaining?



A Yes.

Q Is there anything you care to state in connection with Exhibit No. 4?

A I don't believe so. I think it's pretty well explained in the report.

MR. BRATTON: I will hand Mr. Examiner a letter from the United States Geological Survey and ask that it be marked as Exhibit No. 5.

(Whereupon, Applicant's Exhibit No. 5 was marked for identification.)

Q That is a letter from the United States Geological Survey giving tentative approval as to form and area of this unit, is that correct?

A That's correct.

Q Have the proposed changes by the United States Geological Survey been made in the unit agreement?

A Yes.

Q Wherever there are changes suggested by them that have not been incorporated fully, have you worked that out with the United States Geological Survey to their satisfaction?

A Yes.

Q Exhibits 1 through 4 were prepared by you or under your supervision?

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A No.

Q I will withdraw that question. This unit was actually originally proposed by El Paso Natural Gas and Odessa Natural has a farmout on it?

A That's correct. We took it from them.

Q And you've obtained some of their work and you are utilizing it in connection with this application?

A That's correct.

Q That would include Exhibits 1 through 4?

A That's right.

MR. BRATTON: We would offer in evidence Applicant's Exhibits 1 through 5.

MR. UTZ: Without objection the Applicant's Exhibits 1 through 5 will be entered into the record.

MR. BRATTON: We have nothing further to offer at this time.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Johnson, did you state, or does your unit agreement state as to when you will drill this well?

MR. BRATTON: I believe it's in the unit agreement and I believe it's within a certain time after approval, six months is the standard.



Q And Exhibit 3 indicates the location of this well?

A Yes.

MR. UTZ: Are there other questions?

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

BY MR. DURRETT:

Q Mr. Johnson, I am correct in assuming this is in the oil-potash area as defined by the Commission by Order R-111-A?

A That's correct.

Q And it is your intention to operate this unit in accordance with all of the provisions of that order?

A That's right. We would follow the rules of the Commission and be subject to the rules of the potash area.

MR. DURRETT: Thank you. I believe that's all I have.

MR. UTZ: Are there any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Are there any other statements in this case? The case will be taken under advisement.

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