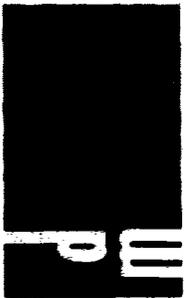


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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 6, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of Union Oil Company)
of California for an exception)
to Order No. R-3221, as amended,)
Eddy County, New Mexico.)

Case No. 4180

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

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MR. NUTTER: Case No. 4180.

MR. HATCH: Case No. 4180. Application of Union Oil Company of California for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

MR. EATON: Paul W. Eaton, Jr., with the firm of Hinkle, Bondurant and Christy, Roswell, New Mexico, representing the Applicant. We have one witness.

(Witness sworn)

ROBERT T. SHURTLEFF

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

DIRECT EXAMINATION

BY MR. EATON:

Q Will you please state your name?

A My name is Robert T. Shurtleff.

Q What is your residence and occupation and the name of your employer, Mr. Shurtleff?

A I live in Midland, Texas. I am a District Production Engineer for Union Oil Company of California.

Q Are you familiar with the Application of Union in this case and with the location of the property that is involved?

A Yes, I am.

Q Have you previously testified for the New Mexico Oil Conservation Commission?

A No, I have not.

Q Would you please give a brief resume of your education and your professional experience since graduating from college?

A I graduated from Texas A and M College in 1960 with a B.S. in Petroleum Engineering and was employed at that time by Union Oil of California. I have worked 3½ years in production as Production Engineer, 3½ years as a Drilling Engineer and 2 years as a Reservoir Engineer and have recently gone back into production engineering.

Q In what area have you been performing this work?

A I have been performing in West Texas and New Mexico and the Panhandle area.

MR. EATON: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. EATON:

Q What does Union seek by Application in this case?

A Union requests an exemption to Order R-3221, as amended, so that we may dispose of produced water from

our leases into an unlined surface pit.

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

BY MR. EATON:

Q. Mr. Shurtleff, I hand you what has been marked as Applicant's Exhibit No. 1 and ask you to please state what that represents?

A. The area in Section 31, T-18 S, 31 East, which is the lease which Union holds as the Federal E Lease and F Lease which has three producing wells in the Shugart Pool. The red line which encircles this area is the area that we have made an on-sight inspection for windmills or surface ponds and have found no surface fresh water sand in this area.

Q. The Exhibit reflects the location of three wells in the north three 40's of Section 31, is that correct?

A. That is correct.

Q. Are those the only producing wells of Union?

A. That is correct.

Q. Where would you propose to locate the surface pit?

A. The surface pit would be in the vicinity of the Federal F No. 1 well which is located in the NW/4 of the NW/4. I am sorry. That is the NE/4 of the NE/4.

Q What amounts of oil and water are presently being produced from these leases?

A At the present, we are making 15 barrels of oil per day and 22 barrels of water per day.

Q What efforts have you made to determine whether there is any shallow water, shallow ground fresh water located in the area of these leases?

A We have made the on-sight inspection and have inquired about the use fresh water that the ranchers use and it is our understanding that the fresh water that they use for their ranching is brought in by pipeline.

Q This is in a ranching area, is that correct?

A It is a ranching area.

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

MR. EATON: Mr. Examiner, we hand you what has been marked as Exhibit No. 2 which is a letter from Fred H. Hennighausen, District Supervisor of the State Engineer's office in Roswell, in which he states that the records of his office do not reflect any fresh shallow water supplies in the area of the Union leases, however, they have no information that shallow water supplies do not exist. They point out that in a fairly comprehensive

field check made by that office, the closest fresh water wells that they have discovered are some 5 miles south and one mile east of the Union leases and some $6\frac{1}{2}$ miles south and 2 miles west of Union leases. Also, Mr. Hennighausen points out that the surface drainage is to the southwest.

BY MR. EATON:

Q Mr. Shurtleff, in connection with Mr. Hennighausen's statement that the surface drainage is to the southwest, what is the meaning or importance of that?

A I think that this means that if there was any migration of the water on the surface, it would be toward the potash area in which there is no known fresh water sands.

Q Is it your understanding that the potash area is to the southwest of this location?

A It is.

Q In your opinion, is there any shallow ground fresh water in the area of Union's leases?

A From our observations and all the evidence that we could obtain, it is my opinion that there is no fresh water sand existing near our leases.

Q In your opinion will the approval of Union's

Application here result in the prevention of waste and protection of correlative rights?

A Yes, it will.

MR. EATON: We would appreciate the Hearing Examiner to take an administrative notice of Cases Nos. 4132, 4146 and 4169 in which exceptions to Order R-3221 were granted in the Shugart Field.

MR. NUTTER: That was Cases 4132, 4146 and 4169?

MR. EATON: Yes, sir.

MR. NUTTER: We will take notice of that.

MR. EATON: We move the admission of Applicant's Exhibits Nos. 1 and 2.

MR. NUTTER: Applicant's Exhibits Nos. 1 and 2 will be admitted in evidence. Exhibit No. 2 is the letter from the State Engineer's Office?

MR. EATON: Yes, sir. I have no further questions of this witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Shurtleff, I have here a book of maps prepared by the New Mexico State Highway Department which are made from aerial photographs and it indicates that here in Section 31 of Township 18 South, Range 31 East,

that there is a couple of symbols which are identified in the legend in the front of the book as being wells or water tanks. Now, it appears that there is a series of these wells or water tanks parallel or adjacent to this road which runs southwest-northeast, and I have a suspicion that these may be watering tanks for cattle along the potash company's water line, the Southwest Potash Company's plant in this vicinity here.

A Yes, sir.

Q Could you ascertain for me and let me know just what these are along this road?

A Yes, I will.

Q All right. I will appreciate that.

MR. NUTTER: Are there any further questions of Mr. Shurtleff?

You may be excused.

(Witness excused.)

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

MR. EATON: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 4180?

Mr. Gressett, are you aware of what those symbols

on this map might indicate?

MR. GRESSETT: Yes, sir. That one on 31 is a water tank and it is tied onto the Potash Company's water line.

MR. NUTTER: And this road, this straight road running northeast-southwest here, does it parallel the Potash Company's water line?

MR. GRESSETT: Yes.

MR. NUTTER: And there are watering tanks along that with automatic valves that keep these tanks full of water for cattle.

MR. GRESSETT: Yes.

MR. PORTER: Are you aware of any wells along this line?

MR. GRESSETT: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 4180?

We will take the case under advisement.

