

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

TRANSCRIPT OF HEARING

CASE NO. 473

February 17, 1953

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

February 17, 1953

In the Matter of:

Application of Texas Pacific Coal and Oil
Company for approval of Dry Lake Unit
Area embracing 1280 acres of land in Lea
County, New Mexico (Townships 13 and 14 S,
Range 32 E).

No. 473

TRANSCRIPT OF HEARING

(Notice of Publication read by MR. GRAHAM.)

C L A R E N C E G. B A I L E Y

HAVING BEEN FIRST DULY SWORN, testified as follows:

DIRECT EXAMINATION

By MR. JACK CAMPBELL:

Q Will you state your name, please?

A Clarence G. Bailey.

Q By whom are you employed, Mr. Bailey?

A Texas Pacific Coal and Oil Company.

Q Where?

A Midland, Texas

Q In what capacity?

A Division Geologist for West Texas and New Mexico.

Q In your capacity as division geologist for the Texas
Pacific Coal and Oil Company, are you acquainted with the appli-
cation of that company for approval of a unit agreement to be
known as the Dry Lake Unit Agreement?

A I am.

Q That Unit agreement covers, does it not, 1280 acres in Lea County, Township 13 South, Range 32 East, Section 33 and Township 14 South, Range 32 East, Section 4?

A Yes.

(Marked Exhibits 1 and 2.)

Q I believe it is correct that all the land embraced in this unit, the two sections, are state land?

A That is correct, yes.

Q I hand you what has been marked as Exhibits No. 1 and 2. State what those are.

A Exhibit No. 1 is the operating agreement for the Dry Lake Unit in the location and Exhibit 2 is the Unit Agreement for the operation of the Dry Lake Unit.

Q Referring to Exhibit A, which is attached to Exhibit No. 2 in this case, will you state to the Commission what that is?

A Exhibit A of the Unit Agreement is a map showing the leaseholders in Sections 33, 13 South, 32 East, and Section 4, 14 South, 32 East, comprising the Dry Lake Unit.

Q Have all of the working interests, owners, in those two sections joined in this unit?

A They have.

Q Referring to Exhibit C, to Exhibit No. 2 in this case, will you state what that is?

A Exhibit C is an approximate representation of the seismic contour, the horizon and the lower pay. The original shooting was done in the function of time and this is what we believe

is a reasonable interpretation in distance and feet.

Q In your capacity as geologist, this seismic work and the interpretation that is shown on Exhibit C, was performed under your supervision, was it not?

A Not under my direct supervision, but under the supervision of our seismograph department.

Q You are acquainted with the method by which the interpretation was arrived at?

A I am, and have examined the records.

Q In your opinion, is this a reasonable interpretation of the geophysical picture?

A It is.

Q Does the unit agreement provide for an extension of the boundaries of the unit in the event it is considered advisable by development?

A It does.

Q It is correct that the unit agreement obligates the Texas Pacific Coal and Oil Company to commence a well within 60 days after the approval of the unit?

A That is correct.

MR. CAMPBELL: We would like to offer the unit agreement and operating agreement in evidence. I might say to the Commission that there has been a slight change in the unit agreement from the one submitted with the application. The Exhibit offered in evidence should be considered the present proposed unit agreement.

I think that is all.

MR. SPURRIER: Any questions of this witness?

MR. GRAHAM: Have you cleared this matter with the Commissioner of Public Lands?

MR. CAMPBELL: It will be submitted upon approval by the Commission, which of course is required.

MR. SPURRIER: Any other questions? Any further comments in this case? If not, we will take the case under advisement and go on to case 474.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 473, before the Oil Conservation Commission, State of New Mexico, at Santa Fe on February 17, 1953, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico this 24th day of February, 1953.


REPORTER