

15

T R A N S C R I P T

CASE 500:

Special Hearing 9 a.m. March 31, 1953

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

R E G I S T E R

New Mexico Oil Conservation Commission Special Hearing March 31, 1953

<u>Name</u>	<u>Representing</u>
George H. Humbelt, Jr. Roswell, N. Mex	Continental Oil Company.
George H. Marshall Jr Roswell, N. M.	Continental Oil Company
M. E. Thrash Roswell, N. Mex	Continental Oil Company

For the Commission:

R. H. Spurrier, Secretary

E. S. Walker, Member

George Graham, Attorney

CASE 500
SPECIAL HEARING MARCH 31, 1953

Present:

George H. Hunker, jr., Roswell, N. M.	- Hervey, Dow & Hinkle
George W. Marshall, jr., Roswell	Continental Oil Company
M. E. Thrash, Roswell	Continental Oil Company

For the Commission:

E. S. Walker, Member
R. R. Spurrier, Secretary
George Graham, Attorney

Transcript

SPURRIER: The meeting will come to order, please. This hearing is for the purpose of hearing evidence presented in Case 500. Will you read the notice please, Mr. Graham?

GRAHAM: Case 500. In the matter of the application of Continental Oil Company for an order approving the East Texas Hill Unit Agreement embracing 26,921.78 acres of land, more or less, in Eddy County, New Mexico, as described:

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 21 South, Rge. 21 East

Sects. 20 thru 28, incl., all;
Sect. 29: N/2, N/2 SE/4, SE/4 SE/4;
Sect. 33: NE/4, N/2 NW/4, SE/4 NW/4,
N/2 SE/4, SE/4 SE/4;
Sects. 34, 35 and 36, all

Twp. 21 South, Rge. 22 East

Sects. 29 thru 32, incl., all;
Sect. 33: SW/4

Twp. 22 South, Rge. 21 East

Sects. 1 and 2: all;
Sect. 3: Lots 1 and 2, S/2 NE/4,
Lots 3 and 4, SE/4 NW/4, N/2 SE/4, SE/4 SE/4;
Sect. 10: NE/4 NE/4;
Sect. 11: N/2, E/2 SW/4, SE/4;
Sects. 12 and 13: all;
Sect. 14: NE/4, NE/4 SE/4;
Sect. 24: NE/4, NE/4 NW/4, E/2 SE/4

Twp. 22 South, Rge. 22 East

Sect. 4: NW/4 and S/2;

Cont'd.

(Twp. 22 South, Rge. 22 East)

Sects. 5 thru 9, incl.: all;

Sect. 10; W/2;

Sect. 15: W/2;

Sects. 16 thru 21, incl.: all;

Sect. 22: NW/4 and W/2 SW/4;

Sects. 28 thru 33, incl.: all

SPURRIER: Will you proceed, Mr. Hunker?

HUNKER: My name is George H. Hunker, jr., representing Continental Oil Company of Ft. Worth, Texas, and Roswell, New Mexico, being a member of the firm of Hervey, Dow and Hinkle. Case 500 involves the application of Continental Oil Company for the approval of the East Texas Hill Unit Agreement situated in Eddy County, New Mexico. The unit area consists of 26,921.78 acres, of which 85.81 per cent, or 23,101.56 acres, are Federal lands, or a part of the public domain, and 3,740.22 acres, or 13.89 per cent, being lands of the State of New Mexico. Eighty acres, or .30 per cent, are fee lands. Attached to Continental Oil Company's application for approval of this unit is a designation by the United States Geological Survey stating that the area is suitable and proper for unitization. Also attached is an Exhibit B, being the geological report prepared by the applicant showing the results of surveys made by the applicant in the area. In this connection, the applicant has requested that this information be treated as confidential by the Commission. At this time I would like to call as witness and have Mr. George W. Marshall sworn.

GRAHAM: (Swearing witness) Do you solemnly swear the testimony you are about to give in this case to be the truth, the whole truth, and nothing but the truth, so help you God?

MARSHALL: I do.

HUNKER: Will you state your name and occupation, Mr. Marshall?

MARSHALL: My name is George W. Marshall, jr. I am Division Geologist, Roswell Division, Continental Oil Company.

HUNKER: Have you qualified to testify before the Oil Conservation Commission as an expert?

MARSHALL: I have not been before this Commission before.

HUNKER: Will you tell the Commission if you will, Mr. Marshall, briefly what your qualifications are with regard to education and experience.

MARSHALL: I have a B.A. degree in petroleum geology from the University of Texas. I have been with Continental Oil Company engaged in petroleum geology for approximately five years. I have been in this Roswell Division seven months.

HUNKER: Will the Commission accept the qualifications of this witness?

SPURRIER: It will.

HUNKER: Mr. Marshall, will you tell the Commission what your Exhibit B, attached to Continental Oil Company's application, shows with regard to this unit area, East Texas Hill?

MARSHALL: Exhibit B attempts to point out the thinning of the combined Yeso and Abo sections in the Continental No. 1 Bass Well, as compared to the Magnolia No. 1 State W Well; and that 4273 feet of Wolfcamp and Pennsylvanian, present in the Magnolia well, were missing in the Continental No. 1 Bass well.

We believe that the steep northeast dips of the San Andres outcrop along the Huapache monocline may be explained in several ways, one probable explanation being that these dips are the result of post-Permian movement along an older, probably pre-Permian fault. Termination of the Pennsylvanian section between the Magnolia well and the Continental well, whatever the cause, creates a condition favorable for stratigraphic trap accumulations in the Pennsylvanian.

HUNKER: Will you tell the Commission if the proposed unit area covers substantially all of this geologic feature that you have just explained, in your opinion?

MARSHALL: Yes.

HUNKER: Do you propose to drill a test well on the unit area, and within what period of time?

MARSHALL: We propose to drill an 11,000-foot Ellenburger test, contingent upon the approval of this unit, and six months subsequent thereto.

HUNKER: Are you familiar with the terms of the unit agreement that has been presented to the Commission, and is it substantially in the same form as other unit agreements that have heretofore been approved by the Commission?

MARSHALL: Yes.

HUNKER: In the event oil or gas in paying quantities is discovered on the lands within the unit area, is it your opinion that this field or area can be developed economically and efficiently under the terms of the agreement to the end that maximum recovery may be obtained and that the agreement will be in the interests of conservation of oil and gas, and in the prevention of waste, as contemplated by the statutes of the State of New Mexico?

MARSHALL: Yes.

HUNKER: Has Continental made application to the Commissioner of Public Lands for approval of this agreement?

MARSHALL: Yes.

HUNKER: I have no other questions, Mr. Spurrier. If the Commission has any questions, we welcome them at this time.

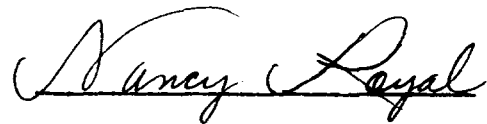
SPURRIER: Does anyone have a question of this witness? If not, the witness may be excused. Do you have anything further in the case, Mr. Hunker? If there are no further questions or comments, the meeting is adjourned.

* * * *

STATE OF NEW MEXICO)
 : SS.
COUNTY OF SANTA FE)

I, Nancy Royal, hereby certify that the above and foregoing transcript of proceedings in Case No. 500, taken before the New Mexico Oil Conservation Commission on March 31, 1953, at Santa Fe, New Mexico, is a true and correct record to the best of my ability.

Dated in Santa Fe, New Mexico, this 8th day of April, 1953.



Notary Public:



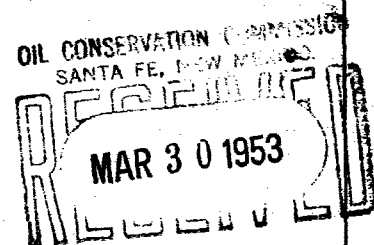
NOTARY PUBLIC, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

TRANSCRIPT OF HEARING

CASE NO. 500



E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

In the Matter of:

Application of Continental Oil Company for
approval of the East Texas Hill Unit Agree-
ment embracing 26,921.78 acres, more or less,
Twps. 21 and 22 South, Rges. 21 and 22 East,
Eddy County.

Case No. 500.

TRANSCRIPT OF HEARING

MR. SPURRIER: We will now take up Case 500.

MR. HINKLE: It is my understanding that the advertisement
in connection with 500 was all garbled and this setting will be
vacated and re-advertised.

MR. SPURRIER: Yes, sir, and it is my understanding that
the 31st of this month would be a suitable date.

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, hereby certify that the above and foregoing
transcript of proceedings in Case No. 500, taken before the Oil
Conservation Commission on March 17, 1953, at Santa Fe, New
Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 24th day of March, 1953.


Notary Public

My Commission Expires:
June 19, 1955.

**E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO**