

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

Transcript of Proceedings
Case No. 656

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
February 17, 1954

IN THE MATTER OF:

The application of Sunray Oil Corporation
for permission to effect a gas-oil dual
completion of its Elliott 'A' Well No. 2,
SE/4 NE/4 Section 21, Township 21 South,
Range 37 East, Lea County, New Mexico, in
the Drinkard Oil Pool and the Tubb Gas
Pool; and further, for an exception to
Rule 7(a) of Order No. R-373-A to permit the
establishment of an 80-acre unorthodox gas
proration unit consisting of E/2 NE/4
Section 21, Township 21 South, Range 37 East,
Lea County, New Mexico, in the Tubb Gas Pool.

CASE NO. 656

(Notice of Publication read.)

MR. WHITE: Charles White representing the Sunray Oil Corporation.
The applicant is the owner and operator of certain oil and gas leases
contained in the east half of the northeast quarter of Section 21,
Township 21 South, Range 37 East. This case involves two applica-
tions, one for gas-oil dual completion, and another one for an un-
orthodox unit. Since the filing of the application we have received
written waivers since as to the dual completion excepting as to the
offset operator on the east, which is the Shell. This morning I
talked with Mr. Mike Brunner of the Shell and he has no protest
as to the granting of the dual completion application, and in
brevity of time, why, I will just submit the exhibits as to the
application and ask for administrative order, if it is satisfactory
with the Commission. That will be Exhibits A through I, we would
like to have admitted. A, is the plat showing the proposed dual
completion, the subject well; Exhibit B is the formation record,
we do not have an electric log; C, is a statement by G. D. Strother,
geological engineer, setting up the casing program; Exhibit D
~~is the written waiver and consent by the adjoining operator on the~~

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south, J. C. Cone; Exhibit E is the adjoining operator on the south, Continental; Exhibit F is the adjoining operator on the north, Mid-Continent; and G, is the written consent of the adjoining operator on the west, Trinity Production Company; H, is our diagrammatic sketch of the dual completion installation. We would like to have those admitted in regard to that application.

MR. SPURRIER: Without objection they will be admitted.

MR. WHITE: As to the application for the unorthodox unit, I might state that all the adjoining owners have consented to the unit, excepting the operator on the east which is the Shell. However, they are in a different section. I should like to read into the record the affidavit of G. D. Strother, geological engineer, if I may.

"G. D. Strother, of lawful age, being first duly sworn, deposes and says as follows: 1. That he graduated from the University of Oklahoma with a Bachelor of Science Degree in Geological Engineering in 1947 and has been employed by Sunray Oil Corporation as a production and geological engineer for seven years, that he is familiar with the facts as set forth herein, and in Sunray Oil Corporation's application for authority to assign an unorthodox 80-acre gas proration unit for its Elliott "A" Well No. 2 located in the Se/4 of the NE/4 of Section 21 - Twp. 21S-Rge. 37E, Lea County New Mexico; and that he has made a careful study of the oil and gas producing sands in the vicinity of this well. 2. That the Tubb Gas Sand has been proven to be commercially productive in the following wells surrounding Sunray's Elliott "A" lease, as well as in a number of other wells in this area:

Continental Oil Company's Wantz No. 1, Section 21-21S-37E

Shell Oil Company's Argo 11-A, Section 22-21S-37E

Shell Oil Company's Smith No. 1, Section 14-21S-37E

Shell Oil Company's Argo 8-A, Section 22-21S-37E

Continental Oil Company's No. 1 State "10", Section 10-21S-37E

Continental Oil Company's Lockhardt No. 1-T, Section 27-21S-37E

Continental Oil Company's Hawk No. 4, Section 10-21S-37E

Trinity Production Company's Weatherby No. 3-E, Section 21-21S-37E

The Tubb Gas Sand was proven productive in the above wells either by testing or by actual production. In view of this, it is affiant's opinion that the Tubb Gas Sand is productive throughout Sunray Oil Corporation's 80-acre Elliott "A" lease. 3. That the possibility of unitizing the aforementioned Elliott "A" lease with adjacent tracts, in order to form a standard proration unit, has been studied and seriously considered and has been determined to be impractical. 4. That in the affiant's opinion the application of Sunray Oil Corporation for authority to assign an 80-acre gas proration unit to its Elliott "A" No. 2 is based on sound engineering principles and, accordingly, should be granted."

I might state in an effort to form a standard proration unit the parties in interest on the west are unwilling to form the unit to go in and unitize with us. I should like to introduce in evidence the plat marked Exhibit J, this shows the subject well, the proposed unit, the surrounding well, and the ownership. We would like to have that received in evidence, please. As I have stated we have the waivers from all the adjoining operators except the Shell and we believe that the granting of this unit would be in furtherance of correlative rights and tend to preserve the waste.

MR. SPURRIER: Without objection the Exhibits will be admitted. Is there any question in this Case? Does anyone have anything further in this Case? If not, we will take the Case under advisement, and move on to Case 657.

C E R T I F I C A T E

I, ADA DEARNLEY, COURT REPORTER, do hereby certify that the foregoing and attached transcript of hearing in the Case No. 656, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, New Mexico on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 23rd day of February, 1954.


REPORTER