

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

TRANSCRIPT OF PROCEEDINGS
Case No. 659

BEFORE THE
OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

February 17, 1954

IN THE MATTER OF:

In the matter of the application of
Warren Petroleum Corporation for an
exception to Rule 7(a) of Order No. R-370-
A to permit the establishment of an
unorthodox gas proration unit of
236.7 acres; namely, Lots 1, 2, 3,
4, 5 and 6 of Section 5, Township
21 South, Range 36 East, Lea County,
New Mexico, in the Eumont Gas Pool.

Case No. 659

(Notice of publication read.)

R. C. S E A R S

the witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By: Mr. O. Gordon Oldham representing Warren Petroleum Corporation.

Q State your name.

A R. C. Sears, Tulsa.

Q By whom are you employed, Mr. Sears?

A Warren Petroleum Corporation.

Q What capacity? A Engineer.

Q How long have you been employed by Warren Petroleum Corporation?

A One year.

Q What previous training have you had as a petroleum engineer?

A University degree and B. S. in petroleum engineering from Oklahoma University. Experience in petroleum engineering since that date with the exception of some time served in the Army, since 1942.

Q Have you made a study of the matter covered by the application of Warren Petroleum Corporation in Case Number 659 before this Commission regarding the application for an unorthodox location for a well on the ~~Hasley~~ State lease on the unit described as 236.7 7 acres out of the specific Township 21 South, Range 36 East?

A I have.

Q Is there presently a well located on this acreage?

A There is.

Q What is the approximate location of the well?

A 1317 feet from the north and 1300 feet from the west boundaries of the section.

Q Is that acreage within the vertical limits of the Eumont Gas Field as defined by this Commission?

A It is.

Q Is it also within the horizontal limits of the field?

A It is.

Q What is the distance from the well to the nearest producing gas well in the field, approximately?

A Approximately 2000 feet.

Q Who is the owner of the nearest well?

A The Gulf Oil Corporation.

Q The Gulf Oil Corporation is the working interest owner?

A Gulf Oil.

Q Have you notified Gulf Oil Corporation of the application?

A We discussed this matter, yes.

Q Was there any objection by the Gulf?

A No objection.

Q The Gulf well is located on an 80 acre tract immediately south of the north eastern portion of the 236.7 acres, the subject of the application?

A That is right.

Q Has there been any proposal between Warren and Gulf as to the unitization of Gulf's 80 acres with the adjoining acreage on the north belonging to Warren?

A I believe that Gulf submitted a platt when these orders were first considered stating that they had intended to make such a unit.

Q But that intention so far as you know has been withdrawn?

A That is right. I had better state that it has not been withdrawn but I understand they have no objection to withdrawing it.

Q You are familiar with the order of this Commission establishing 160 acre gas proration units for the Eumont field?

A I am.

Q In your opinion will a well located within the vertical limits of the Eumont Field effectively recover the fair share of the gas from more than 160 acres?

A Yes.

Q What area would you say that a well located in the Eumont Pool would effectively drain?

A Minimum of 640 acres.

Q Are you familiar with the cost of the drilling of wells in the Eumont Pool?

A Yes, sir.

Q Township 21 South, Range 36 East. That is along a correction township line, is it not?

A I am going to have to say I don't know. I am not familiar with that.

Q Have you looked at the map of the area?

A Yes, I have a map before me here.

Q Does the map show a regular section according to the scale?

A No, it is elongated.

Q How many acres are in the north half of the section?

A Approximately 80, less than 80.

Q Less than 80 acres in the north half of the section?

A Yes.

Q Where is the well that you propose to use as a gas well located in the lots you have in your application?

A In the center of the north west 160.

Q In the center of the north west 160?

A Yes.

Q Which lot would that be?

A Would you excuse me just a moment while I drag that out. That would be in the corner of the lots making a square, 3, 4, 5 and 6.

Q Would it be in the corner of the south east corner of lot 5 or lot 6?

A It would be in the south east of 6. No, south west of 3 and the north west of 5.

Q South west of 3 and the north west of 5?

A Yes.

MR. GIRAND: I believe that is all.

MR. SPURRIER: Anyone else, if not the witness may be excused.

(Witness excused.)

MR. SPURRIER: Does anyone have anything further in this case, Mr. Malone?

MR. MALONE: May it please the Commission, Ross Malone representing Gulf. Gulf is the owner of the lease on Lots 7 and 8 which is roughly the equivalent of the south west of the north east quarter of Section 5. As stated by the witness negotiations were under way between Warren and Gulf for a unitization of what would substantially be the north east quarter of the section. It developed in those discussions that in view of the fact that both Gulf and Warren have gas wells on their respective tracts and that if the acreage here applied for is allocated to the Warren well that no unitization would be necessary as between Gulf and Warren, that Gulf certainly has no objection to granting the application.

MR. SPURRIER: Anyone else?

MR. GIRAND: If the Commission please. We would like to renew our objections filed in Case Number 521 in which the Commission entered its order Number R-356 as well as the objections made in Case Number 584 in which the Commission entered its Order 370-A. It is our position that the Commission is without authority subject to our general objections to the order to enter an order allowing more than one allowable from one bore hole. We feel that if an acreage allocation is made and if one well would drain, we will say 640 acres that ought to be allowable unit and not set a smaller unit and allow additional allowables because of additional drainage pledged to any one particular bore hole.

MR. SPURRIER: Anyone else? If not, we will take the Case under advisement and move on to 660.

C E R T I F I C A T E

I hereby certify that the above and foregoing transcript in Case 659 taken before the Oil Conservation Commission at Santa Fe on February 17, 1954 is a true and correct copy to the best of my knowledge, skill and ability.

Dated at Albuquerque this 23rd day of February, 1954.


REPORTER