

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
November 16, 1955

IN THE MATTER OF:

CASE NO. 727

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
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Commission, and that that review has not caused it to change any of the opinions or recommendations which were originally made to the Commission.

The rules that were promulgated seem to us to be working satisfactorily and it is Gulf's recommendation that the temporary order 610-B be made permanent.

MR. MACEY: Anyone else have a statement? Mr. Smith.

MR. SMITH: On behalf of Stanolind Oil and Gas Company, I would like to concur in the statement made by Mr. Malone. We, too, have reviewed the tests made recently in the field and the pressure differentials appear to remain favorable to the oil withdrawals in there, which seemed to be the chief concern of the Commission at the original hearing. We think that a final order would be justified but the subject would be subject to review by the Commission even if the final order were entered.

MR. HINKLE: Clarence Hinkle representing Humble Oil and Refining Company. It is our understanding that the Commission is now engaged in making a survey of bottom hole pressures and gas-oil ratios in this area which is not complete. We feel that it would be far better to wait until all this information is available before adopting any definite order, and make this information available to the companies that are interested and give them an opportunity to go over it and see what it shows. It might be that after this survey is made, that some of the companies would want to make recommendations that they wouldn't otherwise.

For that reason, I would like to make a motion that the matter be continued on the docket until the December hearing if at that time the information will be complete and available. Mr. Dewey said we

ought to make it three months, in case the information is not going to be completed.

MR. MACEY: Three months?

MR. HINKLE: I don't know when the information is going to be available.

MR. MACEY: I am not sure. Let me ask Mr. Montgomery. Maybe he knows exactly what the status is.

MR. MONTGOMERY: We have received quite a bit of pressure data on it. The engineer at Hobbs has made certain interpretations, as I have. All we lack are the pressures on the Blinebry Gas Field. It is my personal feeling that the differential is slightly getting less and less between the Terry-Blinebry and the Blinebry, but nothing is being heard at this time. It is my personal feeling that the next six months pressure survey may show some changes. It would be my thought to take the case under advisement.

MR. MACEY: I take it from what he says, Mr. Hinkle, that most of the data is in.

MR. HINKLE: Then I will make a motion that the case be continued on the docket until the December hearing.

MR. MACEY: Does anyone else have anything further? Mr. Kellahin.

MR. KELLAHIN: Jason Kellahin for Continental Oil Company. Since the last hearing on the Blinebry gas pool, Continental has continued development in both the Blinebry Gas Pool and the Terry-Blinebry Oil Pool and has continued to study the reservoir in an effort to develop additional data to supplement that presented by Gulf Oil Corporation and Commission personnel at the last hearing. To date our efforts have failed to develop any information of suf-

ficient importance to justify its presentation at this time. Our views in regard to the reservoir, as expressed at the last hearing, remain essentially unchanged. This view is that there may be commercial oil production in the lower portion of the Blinebry zone. Data available at the present time, however, are insufficient to permit an accurate judgment of the commercial quality of these zones and this judgment should therefore be reserved for a later date. We feel that it is very important to continue to observe pressure performance in the two pools in order to be certain that there is no shrinkage of the gas cap.

It is Continental's recommendation that present rules remain in effect but, in view of the above mentioned possibilities, we would like to reserve the right to re-open the case at a later date in the event future development justifies reconsideration of the matter.

MR. MACEY: Does anyone else have a statement to be made in this case?

MR. VANN: Atlantic Refining Company. The Atlantic at this time feels that significant waste is not occurring with the present regulations in effect in the Blinebry Gas Pool and the Terry-Blinebry Oil Pool. Accordingly, it is recommended that they remain unchanged particularly in regard to the system of proration, unit spacing, and method of allocation. It is further recommended that the two pools continue to be prorated separately as in the past.

MR. MACEY: Anyone else? We will continue Case 727 until the December hearing, and we will make every effort to circulate all the information that we have on the pressure surveys just as soon as possible for those who have a maximum amount of time to

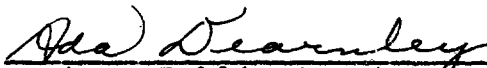
examine this pressure differential.

* * * * *

STATE OF NEW MEXICO)
 : SS
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings at the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and notarial seal this 28th day of November, 1955.


Notary Public-Court Reporter

My Commission Expires:

June 19, 1959.

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WITNESS my hand and notarial seal this 28th day of November, 1955.


Notary Public-Court Reporter

My Commission Expires:

June 19, 1959.