

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 821

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
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MR. WHITE: Are the witness's qualifications acceptable?

MR. MACEY: They are.

Q Are you acquainted with The Texas Company's application for the one hundred sixty acre non-standard gas proration unit as contained in their Petition in Case No. 821?

A I am.

Q I hand you what is marked as Exhibit A and ask you if that was prepared under your direction and supervision?

A It was.

Q Will you state what that will portray and is designed to show?

A That is a gas well plat showing the proposed non-standard proration unit as it concerns The Texas Company's State of New Mexico G Well No. 2, as it crosses section lines.

Q Directing your attention to this particular well, did you obtain permission to dually complete this well as a gas well in the Eumont Gas Pool?

A We did.

Q And it has been completed?

A It has.

Q Is it shut-in or in operation at the present time?

A It is shut-in awaiting the allowable assignment as a result of this hearing.

Q Is it practicable for you to unitize this area with the adjoining tracts?

A It is not.

Q Do you know whether or not the Commission has granted non-standard gas units in this area and, if so, to whom?

A Yes, it has. Particularly Exhibit A, which has been presented, is the two half sections of Sections 19 and 24; the west

half of Section 19, of Township 19 South, and of Range 37 East, and also the east half of Section 24, Township 19 South, Range 36 East. In that particular plat as shown there has been units previously approved by the Commission as non-standard proration units or by Orders of the Commission.

Q Would the granting of this application result in waste or prejudice any correlative rights?

A It will not.

MR. WHITE: We offer Exhibit A in evidence.

MR. MACEY: Is there objection to the introduction of Exhibit A in Case 821? If not, the Exhibit will be received in evidence.

MR. WHITE: We have made application to the Land Commissioner to consolidate these two leases as to the production in the Eumont Gas Pool. We have talked with Mr. Jordan, their attorney, and we have every reason to believe that we will obtain their approval. That is all we have, Your Honor.

MR. MACEY: Anyone have any questions of the witness, Mr. Rhodes?

MR. RHODES: I have one. Why is it not feasible to communitize that tract, particularly to the south?

MR. MACEY: Which tract are you talking about?

MR. RHODES: Talking about your State G Lease.

A You are speaking of Continental's lease in the section to the south?

MR. RHODES: Why would it not be feasible to communitize it, any tract to the south, or to the east?

A Well, of course there have been units formed all around

this particular well. The Continental's State "A-19" has been formed as a dual completion non-standard proration unit, and their No. 1 well, the Phillip's State Land Office Well No. 1, and also forty acre unit and dual completion; also around it has been formed the Shell State "C" Well No. 2. There have been no particular units formed south which you speak of, of the Continental Lease which would get my map here to reflect what your question is in regard to, that is the Continental C 30 lease you are speaking of in the northwest quarter of Section 30.

Q Yes.

A We didn't feel it was feasible to form more than one hundred sixty acre unit. That particular lease in itself is one hundred sixty acre unit which they can develop on their own.

MR. RHODES: That is all.

MR. REIDER: You feel that formation of this unit will not contribute to waste?

A It will not.

MR. REIDER: That is all.

A The well as completed will more than adequately drain the acreage proposed of one hundred sixty acres as recently completed during the month of January.

MR. RHODES: It will protect the correlative rights of the offsetting owners and working interest?

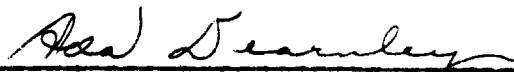
A We feel that it will.

MR. MACEY: Anyone else? If not, we will take the case under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before 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.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 25 day of February, 1955.


NOTARY PUBLIC, Court Reporter

My Commission Expires:
June 19, 1955