

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
April 20, 1955

IN THE MATTER OF:

CASE NO. 876 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1955

IN THE MATTER OF:)

Application of Sinclair Oil and Gas Company)
for approval of a 200-acre non-standard gas)
proration unit in the Eumont Gas Pool: NE/4)
NE/4 of Section 33 and NW/4 of Section 34,)
Township 19 South, Range 37 East, Lea County)
New Mexico, for assignment to its J. H.)
Williams No. 3, SW/4 NW/4 of said Section)
34.)

Case No. 876

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 876.

MR. HARBIN: Let the record show that the witness has been
previously sworn. I am appearing for Sinclair Oil and Gas Company
in Case 876.

If the Commission please, this is an application of Sinclair
Oil and Gas Company for approval of a 200-acre non-standard gas
proration unit in the Eumont Gas Pool where it is proposed to unit-
ize the northeast quarter northeast quarter of Section 33 and the
northwest quarter of Section 34, Township 19 South, Range 37 East,
Lea County, New Mexico for assignment to its J. H. Williams No. 3
well located in the southwest quarter of the northwest quarter of
Section 34.

R I C H A R D M. A N D E R S O N ,

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HARBIN:

Q State your name to the reporter.

A Richard M. Anderson.

Q We will not go into your employment in connection with this matter. Have you prepared a plat showing the acreage which you propose to unitize in this case here?

A Yes, sir, I have.

(Marked Sinclair Oil and Gas Company's Exhibit No. 1, for identification.)

Q Will you explain to the Commission just how the acreage which you propose to unitize in this case is indicated on the plat marked Exhibit No. 1?

A All of the Sinclair leases are again colored yellow on the plat. The acreage that we propose to form a unit with is described as the northwest quarter of Section 34 and the northeast quarter of the northeast quarter of Section 33.

Q That is colored in yellow?

A Yes, sir.

Q And the Sinclair Oil and Gas Company own the oil and gas lease covering that acreage?

A Yes.

Q Is the royalty interest common ownership?

A It is.

Q Where is the Williams No. 3 Well located?

A It is located 660 feet from the west and south lines of the

northwest quarter of Section 34.

Q When was that well drilled and completed?

A The Williams No. 3 Well was completed January 17, 1954. It was completed as a gas well in the Eumont Gas Pool and a back pressure test was run on it March 11, 1954 with an openflow capacity of four million cubic feet per day.

Q What would be the length of that unit? The unit would not exceed 5,280 feet in length?

A No, it wouldn't. The length of the unit would be 3,960 feet and the width of the unit would be 2,640 feet.

Q Who are the adjoining operators or mineral owners, rather, of said acreage which you propose to unitize?

A To the south Lane and Nolan, the contiguous acreage adjoining this unit to the south is Lane and Nolan, operated by Lane and Nolan, to the west operated by Aztec Oil and Gas Company, to the north are two units operated by Aztec Oil and Gas Company. To the east is 160 acre unit of which Sinclair is the operator and is currently drilling a gas well on.

Q The 160 acres?

A The 160 acre unit that is outlined in blue on your exhibit is a drilling unit and it is the only unit that is outlined on that exhibit that does not appear in the March 1955 gas proration schedule.

Q That is the northeast quarter of Section 34, isn't it?

A Yes, sir.

Q All right, go ahead. Had you completed your answer?

A Yes, sir.

Q Have all the adjoining operators been notified?

A They were notified --

Q (Interrupting) I mean notified of this application and this hearing?

A They were notified by copy of the application, Nolan and Lane were notified by copy of the application, Southern Union Gas Company which owned the Aztec Oil and Gas Company's Units prior to January of 1955 were notified as a courtesy. It is my interpretation of Rule R-520 that in the matter such as this, we were not obligated to notify them my registered mail.

Q You sent them a copy of the application, didn't you?

A I sent those two operators a copy of this application.

Q Did you receive any objection from anyone?

A No, sir.

Q Why is it Sinclair's desire to unitize the 200 acres here that you have described?

A The royalty interest and the leasehold interest of those two tracts is the same, and it is very practical and desirable to form the larger unit with that acreage, in my opinion.

Q In your opinion, if this application is not granted, will Sinclair get its fair proportionate share of the gas in the reservoir?

A They will not.

Q In your opinion, will it prevent waste and protect correlative rights, if this application is granted and the 200 acres unitized?

A It will.

Q Anything else you want to say to the Commission in connection with this application?

A No, sir.

MR. HARBIN: I would like to offer in evidence Exhibit 1, if the Commission please.

MR. MACEY: Without objection it will be received.

MR. HARBIN: That is all of this witness.

MR. MACEY: Any questions? Mr. Reider?

CROSS EXAMINATION

By MR. REIDER:

Q Does this well show any oil?

A The well was completed in January of 1954 and has not had a pipeline connection up to the present date. However, we have recently signed a contract and the connection is presently being made and the well will go on production. However, in the testing that was done, and a comprehensive back pressure test was run, there was no fluid measured during the test.

Q Do you intend to set a separator on this lease?

A I can't answer that.

MR. REIDER: That is all.

MR. MACEY: Anyone else? If not the witness may be excused.

(Witness excused.)

MR. MACEY: Do you have anything further?

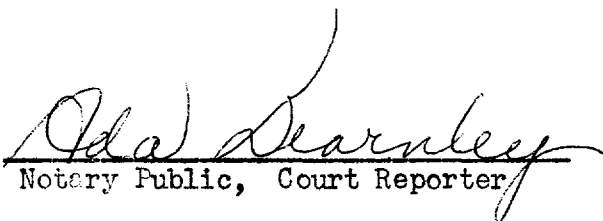
MR. HARBIN: No, sir.

MR. MACEY: We will take the case under advisement.

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

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 28th day of April, 1955.


Notary Public, Court Reporter

My Commission Expires:

June 19, 1955