BEFORE THE

Gil Conservation Commission SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 957 & 963

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

DEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO October 14, 1955

IN THE MATTER OF:

CASE 957

(Readvertisement) Southeastern New Mexico Nomenclature calling for the following creation of a pool: (f) Creation of a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production, designated as the Sanmal pool, and described as: TOWNSHIP 17 SOUTH, RANGE 33 EAST

Section 4: NE/4

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CASE 963

Southeastern New Mexico nomenclature case calling for the following creations, deletion and extensions of pools:

(a) Creation of a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production, designated as the Sawyer-Devonian Pool, and described as:

TOWNSHIP 9 SOUTH, RANGE 38 EAST Section 7: SW/4

(b) Creation of a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, designated as the York-Wolfcamp Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 34 EAST Section 12: SW/4

Section 13: NW/4

(c) Creation of a new pool in Lea County, New Mexico, classified as a gas pool for Pennsylvanian production, designated as the Shoe-Bar Pennsylvanian Gas Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 35 EAST Section 34: E/2

(d) Creation of a new pool in Lea County, New Mexico, classified as a gas pool for Pennsylvanian production, designated as the Bagley Pennsylvanian Gas Pool, and described as:

TOWNSHIP 11 SOUTH, RANGE 33 EAST Section 33: SE/4

(e) Extension of the Arrow Gas Pool in Lea County,

New Mexico, to include therein: TOWNSHIP 21 SOUTH, RANGE 37 EAST

Section 31: NW/4 Section 30: N/2

(f) Extension of the Blinebry Gas Pool in Lea County. New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST Section 32: All

(g) Extension of the E-K Queen Pool in Lea County. New Mexico, to include therein: TOWNSHIP 18 SOUTH, RANGE 33 EAST

Section 24: S/2

Section 25: NE/4 TOWNSHIP 18 SOUTH, RANGE 34 EAST

Section 18: W/2 SE/4

(h) Delete the following area from the North Wilson-Yates-Seven Rivers Oil Pool:

TOWNSHIP 20 SOUTH, RANGE 36 EAST

Section 29: N/2 Section 30: All

(i) Extension of the Eumont Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST Section 20: All

Section 29: N/2

Section 30: NE/4

(j) Extension of the Monument-Hinebry Pool In Lea County. New Mexico. to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST Section 7: N/2 SE/4

(k) Extension of the Townsend-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST

Section 8: E/2 SE/4 Section 17: NE/4 NE/4

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

TRANSCRIPT OF HEARING

MR. MACEY: The meeting will come to order, please. Elvis, you might as well stand and be sworn for 964. For the purpose of the record, let's consolidate 957 and 963.

RANDALL MONTGOMERY

called as a witness, having been first duly swom, testified as follows:

DIRECT EXAMINATION

BY MR. KITTS:

- Q Will you please state your name and position?
- A Randall Montgomery, Geologist for the New Mexico Oil Conservation Commission.
- Q Mr. Montgomery, you are familiar with cases 957 and 963, are you not?

 A Yes, sir, I am.
- Q In case 957, which is a readvertisement of Section F, you recommend there a creation of a new pool in Lea County, classified as an oil pool for Grayburg production; will you tell the Commission the basis for that and what you recommend?

A The advertisement reads incorrectly; it should have been for San Andres instead of Grayburg. I recommend a creation of Sanmal-San Andres Oil Pool to include the area NE/4 S4, T17S,R33E. Discovery well in this field was Cactus Drilling Company Western State No. 1-H in Section 4, T17 R33, completed in San Andres on 7/22/55. Depth of casing shoe was 4,564

Q Is that all?

A Yes.

- Q Mr. Montgomery, do you know if that was originally advertised as Grayburg?

 A Yes, sir, it was.
 - Q And for the occasion of the hearing last month?
 - A Yes, sir, it was.

MR. KITTS: Off the record.

(Discussion off the record.)

MR. MACEY: I don't think there is anything wrong.

- Q Mr. Montgomery, do you have an exhibit which you have prepared in connection with Case 957?
 - A Yes, sir, marked Exhibit No. 1, Case 957.
 - What does that show?
 - A That shows the area, outlined in red, of the proposed pool

creation.

- Q And location of well? A Yes.
- Q Passing on to Case 963, Mr. Montgomery, in Section (a) you recommend, I believe, creation of a new pool in Lea County, classified as an oil pool for Devonian production; will you tell the Commission what your recommendations are and the basis for them?

A I recommend the pool be created as advertised, it being in the SW/4 Section 7, T9S R38E; discovery well was the Warren Petroleum Corporation's Federal Simmons No. 1-L in Section 7, T9S R38E completed in Devonian Formation on 8/13/55, top of perforation 11.618 feet.

- Q Do you have an exhibit that you have prepared in connection with this?

 A Yes, sir.
- Q That, again, contains the location of the well and the proposed outline of the new pool, is that correct?
 - A Yes, sir, that is correct.
- Q Passing on to Section (b), you recommend there a creation of another new pool in Lea County for Wolfcamp production; will you state your recommendation and basis?

A I recommend this pool not be created as advertised, that we just dismiss the case. The reason for that being the Cities Service Oil Company's York No. 1-N, Section 12, T16S R34E, completed in Wolfcamp 8/23/55, with top of perforation 10,599 feet, they have definitely a new zone in the area which is Wolfcamp production, but due to the proximity of two others, Edison and Townsend, I would recommend that we not create the field because there is a possibility that the same pay is present in these two fields. I have correlated logs in the area and I have come to the conclusion that the same pay is probably productive in the other areas, and, due to the low recovery

on the Permeo-Pennsylvanian in New Mexico, I think it would be far more attractive to the operators to be able to come back up and recomplete in these zones. As they complete each zone, they could be designated instead of naming new fields for them. Therefore, I recommend that the pool not be created.

MR. MACEY: Pardon me. Do you think, in that connection, that we ought to extend --

- A Not at this date.
- Q You want to leave it undesignated?

A For the time being. I think by next month Humble will have their well down.

MR. MACEY: Okay.

Q You have prepared Exhibit No. 2 to show the location of what you had proposed, but now recommend not be approved?

A Yes, sir, that is right. Now, I would also like to point out that we have the Edison designated as being Pennsylvanian production although it is a lower zone. There is no controversy whatever that this is Wolfcamp, but the lower pay which is present in the Edison and Townsend, there is considerable controversy there which we plan on settling in the near future. We just let it ride for the designation for the time being.

Q All right. Mr. Montgomery, in Paragraph (c) you recommend the creation of a new pool in Lea County; state that recommendation and the basis for it.

A That the Shoe-Bar Pennsylvanian Gas Pool be created as advertised, the E/2 of Section 34, Tl6S, R35E; discovery well in this field was Western Natural Gas Company State Grambling No. 1-A in Section 34, Tl6S R35E, gas distillate well completed in Pennsylvanian

1/22/54, top of perforation 12,310 feet.

- Q You have prepared an exhibit to show the same material relative to this recommendation?

 A Yes, sir.
 - Q Exhibit three?

A Yes, sir.

- Q Passing on to Paragraph (d), will you state what your recommendations are to that and the basis of it?
- A I recommend that the Pool, Bagley-Pennsylvanian, be created as advertised, being the SE/4 of Section 33, TllS R33E; discovery well in this field was Amerada Petroleum Corporation's Shell-Amerada State "A" in Unit P, called the Unit No. 1 well in the Unit P as gas distillate well completed in Rennsylvanian on 10/23/51, with top of perforation 9,805 feet.
- Q You have prepared Exhibit 4 which shows the location of the pool and the location of the well in the pool?
 - A Yes. sir.

MR. MACEY: This well was completed in the zone deeper than the Bagley-Wolfcamp?

A That's right.

MR. MACEY: Is the zone productive; do you know the Bagley area Devonian?

A No, but presently there is a well off-setting this that is drilling to this horizon.

MR. MACEY: What are they doing to the gas, El Paso West Coast Line?

A Yes.

MR. MACEY: Going into that compressor station of Amerada's there?

A Yes, sir.

Q In Paragraph (e) there is a recommendation for the extension of the Arrow Gas Pool in Lea County; will you state what your recommendation is and the basis for it?

A I recommend that the extension be created as advertised and I would like to add in the SW/4 of Section 30, T21S, R37E, which is unadvertised. The cause is the completion of the Texas Company's V. M. Henderson No. 4, Unit C of Section 30, 21 37, completed as a gas well in the Queen on 8/22/55, depth to casing shoe 3,480 feet. In order to make the boundary a little more orderly in this outline, I recommend the inclusion of the SW/4 of Section 30.

- Q Is that contiguous with the present acreage?
- A Yes, sir, that is correct.
- Q You have prepared an exhibit containing your recommendations?
- A Yes, sir, Exhibit No. 5.
- Q Passing on to Paragraph (f) you recommend the extension of the Blinebry Gas Pool in Lea County; will you state what your recommendation is and the basis for it?

A I recommend the extension as advertised, being all of Section 32, T22S R38E; this was caused by the completion of the Gulf Oil Corporation's T. R. Andrews No. 2 Unit G, completed as gas-gas dual in Blinebry and Tubb on 4/16/55, with top of perforation 5,580 feet.

- Q You have prepared Exhibit 6 incorporating your recommendations?
- A Yes, sir.
- Q All right. In Paragraph (g) you recommend an extension of the E K Queen Pool in Lea County; will you state what your recommendation is and the basis for it?

A I recommend that the E - K Queen Pool be extended in the Ne/L Section 25, T18S R33E, and the S/2 of Section 24, T18S R33E. I have prepared two exhibits marked 7 and 8.

- In connection with this one recommendation, is that correct?

 MR. MACEY: You have a little additional -
 MR. KUTTS: Oh, I see.
- A And then, in Section 18, Township 18 South, Range 34 East, the W/2 of SE/4 of that section.
- Q All right. Paragraph (h) you recommend the deletion of certain areas from the North Wilson-Yates-Seven Rivers Pool?
 - A Yes, sir.
 - Q State what that recommendation is and the basis for it.
- A That we delete the advertised area in the North Wilson-Yates-Seven Rivers Pool because of the recent completion of two gas wells and oil well which apparently are connected to the Eumont Gas Field; in order that we may issue proration units to these gas wells, it is necessary that we delete this area from the North Wilson-Yates-Seven Rivers Pool. I have marked Exhibit No. 9.
 - Q That shows the location of the area involved?
 - A Yes, sir.
- Q In Paragraph (i), your recommendation is the extension of the Eumont Pool; state what the basis is for that, please.
- A That portion which is advertised, being all of Section 20, N/2 Section 29,NE/4 of Section 30, due to recent completion of oil and gas wells in this particular area; portions of this area is being deleted from the North Wilson Pool with reason being as stated earlier in section (h); the unadvertised portions we want to extend into Eumont Field is the SE/4, Section 11, T19S R36E, this is occasioned by the recent completion of three oil wells by Gulf Oil Corporation in the SE/4 Section 11, also the W/2 of Section 2, T21S R35E; this

is occasioned by the completion of two wells by the Sinclair Oil and Gas Company. I have prepared three Exhibits, marked Exhibits 10, 11 and 12.

- Q Now, this unadvertised acreage, this is presently contiguous to the limits of the Eumont Boundaries? A Yes, it is.
- Q All right. In Paragraph (j), you recommend the extention of the Monument-Blinebry Pool in Lea County; state in detail what that recommendation is and the reason for it.

A I recommend that the pool be extended as advertised, that being the N/2 of the SE/4 Section 7, T2OS R37E; this extension is necessary for the completion of the Anderson Prichard Oil Corporation's Britt Federal 13 in Unit J completed in Blinebry on 9/3/55 with top of perforation 5,650 feet.

- Q You have prepared an exhibit showing the location of the pool and well?
 - A Yes, sir, which is marked as Exhibit 13.
- Q All right. In Paragraph (k), you recommend the extension of the Townsend-Wolfcamp Pool in Lea County; state what that recommendation is and the reason for it.

A That they be extended as advertised in the NE/4 NE/4 of Section 17, T16S R35E, and the E/2 of the SE/4 Section 8 T16S R35E.

This extension is made necessary due to recent completion by Pure
Oil Company and Shell Oil Company. I have prepared exhibits showing the wells and proposed outline, marked Exhibit No. 14.

MR. KITTS: We offer in evidence Commission's Exhibit 1 in Case 957 and Exhibits 1 thru 14 in Case 963.

MR. MACEY: Without objection they will be received. Any further questions of the witness?

MR. NUTTER: I have my usual ones.

CROSS EXAMINATION

BY MR. NUTTER:

- In 957, Randall, it is the area advertised, but the names have been changed to Sanmal-San Andres?

 A That is correct.
 - Q And the depth of casing shoe 4,564? A That is correct.
- Q And in 963, the first is exactly as advertised, and top of perforation 11.618?

 A In which pool?
 - Q That is the Sawyer-Devonian, Section (a), 963.
 - A 11,618.
 - Q Yes. Section (b) dismissed completely?
 - A That is correct.
 - Q Section (c) exactly as advertised, and top was 12,310?
 - A That's right.
 - (d), exactly as advertised, and perforation, 9805?
 - A That's correct.
 - Q (e), as advertised, plus the SW/4 Section 30 21 37?
 - A That's right.
 - Q (f), exactly as advertised? A That's right.
 - Q (g), exactly as advertised? A That's right.
 - Q (h), exactly as advertised? A That's right.
 - Q (i), as advertised, plus the SE/4 Section 11, 198 36E and the

W/2 of 2 21S 35E?

- A That's right.
- Q (j), exactly as advertised? A That's right.
- Q (k), exactly as advertised? A That's right.
 - MR, NUTTER: Okay.
 - MR. MACEY: Any other questions of the witness? If not, the

witness may be excused. We will take the case under advisement.

STATE OF NEW MEXICO)

COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, Court Reporter, do hereby certify that the foregoing and attached transcript of Proceedings was taken before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, and is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand, this, the <u>31st</u> day of <u>October</u>, 1955.

Court Reporter.

BEFORE THE

(Pil Conservation Commission SANTA FE. NEW MEXICO September 15, 1955

IN THE MATTER OF:

CASE NO. 957

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 September 15, 1955

IN THE MATTER OF:

Southeastern New Mexico nomenclature case calling for the creation and extension of the following pools:

(a) Creation of a new pool in Lea County,
New Mexico, classified as an oil pool
for Wolfcamp production, designated as
the East Bagley-Wolfcamp Pool and
described as:

Township 12 South, Range 34 East Section 9: All

(b) Creation of a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production, designated as the Carlsbad-Delaware pool, and described as:

Township 21 South, Range 26 East Section 24: NE/4

(c) Creation of a new pool in Lea County,
New Mexico, classified as an oil pool
for San Andres production, designated as
the South Carter-San Andres Pool, and
described as:

Township 18 South, Range 39 East Section 8: N/2

(d) Creation of a new pool in Lea County,
New Mexico, classified as an oil pool
for Devonian production, designated as
the Fowler-Devonian Pool, and described
as:

Township 24 South, Range 37 East Section 9: SE/4

(e) Creation of a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, designated as the South Gladiola-Wolfcamp Pool, and described as: Case No. 957

Township 13 South, Range 38 East Section 6: SW/4

(f) Creation of a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production, designated as the Grayvac pool, and described as:

Township 17 South, Range 33 East Section 4: NE/4

(g) Extension of the Artesia Pool boundary in Eddy County, New Mexico, to include:

Township 17 South, Range 28 East Section 35: NE/4

Township 18 South, Range 27 East Section 35: W/2 NW/4

(h) Extension of the Caprock-Queen Pool boundary in Chaves County, New Mexico, to include:

Township 14 South, Range 31 East Section 17: E/2 E/2

(i) Extension of the Blinebry Oil Pool boundary in Lea County, New Mexico, to include

Township 22 South, Range 37 East Section 26: NE/4 NE/4

(j) Extension of the Dollarhide-Drinkard Pool boundary in Lea County, New Mexico, to include:

Township 25 South, Range 38 East Section 5: S/2 Section 4: S/2

(k) Extension of the Eumont Pool in Lea County, New Mexico, to include:

Township 18 South, Range 37 East Section 32: All

Township 19 South, Range 37 East Section 27: W/2 SE/4 Section 35: SW/4

Township 20 South, Range 36 East Section 4: E/2 E/2 Section 9: NE/4 NE/4 Section 10: N/2 NW/4

Township 21 South, Range 35 East Section 11: SE/4

(1) Extension of the Vacuum pool boundary in Lea County, New Mexico, to include:

Township 17 South, Range 34 East Section 2: S/2

(m) Extension of the Jalmat Pool boundary in Lea County, New Mexico, to include:

Township 21 South, Range 35 East Section 36: E/2

BEFORE:

Honorable John F. Simms Mr. E. S. (Johnny) Walker Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 957.

RANDALL MONTGOMERY,

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

DIRECT EXAMINATION

By MR. GURLEY:

- Q State your name, please.
- A Randall Montgomery.
- Q Are you the same Randall Montgomery that testified in the previous case?
 - A Yes, sir, that is correct.
- Q Have you, in your official capacity, Mr. Montgomery, had the opportunity to study the proposed creations and the creation of the new pool in Lea County, classified as an oil pool for Wolf-

camp production?

- A Yes, I have.
- Q Would you state to the Commission what that pool has been designated as and anything pertinent to the establishment of said pool?
- A I recommend that the field be designated as the East Bagley-Wolfcamp, and be created as advertised. This new creation was brought on by the Sunray Mid-Continent Oil Corporation Well East Bagley Unit Number 1-F 9-12-34, completed as Wolfcamp producer, 7/10/55, t. perf. 9994.
- Q Have you, in your official capacity, had opportunity to study the proposed creation of the new pool in Eddy County, classified as oil pool for Delaware, and designated as Carlsbad Delaware?
 - A Yes, I have.
 - Q What are your recommendations in regard to that?
- A I recommend that it be created as advertised, being the Carlsbad-Delaware Oil Pool, producing from the Delaware Formation. This field was caused to be created by the J. K. Woods, L. F. Rayroux Number 1-A in unit H 24-21-26, completed in the Delaware sand 6/24/55, the top of the pay was at 2634.
- Q Have you had an opportunity to study the proposed creation of a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production, and designated as the South Carter-San Andres Pool?
 - A Yes, I have.
 - Q What are your recommendations?
- A I recommend that it be created as advertised, it being the north half of Section 8 which lies in New Mexico. The portion --

it is only a fractional section, the State line running through that area in Township 18 South, Range 39 East. Cause of the creation was Wayne Moore and Charles R. Turner Number 1 McQuien in Unit G, completed 2/1/55 in the San Andres Formation. The top of the pay was 5025, Section 8-18-39.

- Q Have you had an opportunity to study the proposed creation of a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production, and designated as the Fowler-Devonian Pool?
 - A Yes, I have.
 - Q Would you state your recommendation in regard to that pool?
- A I recommend that the pool be created as advertised. Stanolind Oil and Gas Company is the discovery well in the Myers "B" Number 12, completed 6/19/55 in Section Unit P 9-24-37, completed in the Devonian. Top of the perforation was 7587.
- Q Have you had an opportunity to study the proposed creation of a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, and designated as the South Gladiola-Wolfcamp Pool?
 - A Yes, I have.
 - Q What are your recommendations in regard to that?
- A I recommend that the field be created as advertised. This was brought on by the discovery well of the Sunray Mid Continent Oil Company, O. E. Fulton Number 1 in Unit N, Section 6-13-38, completed 7/16/55 in the Wolfcamp. The top of the perforation is 9688.
- Q Have you had an opportunity to study the proposed creation of a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Grayvac Pool?

- A Yes, I have.
- Q What are your recommendations in regard to that pool?

A I recommend that the pool be created, but not as advertised, changing the name. It was previously thought that the well was producing from the Grayburg, but further investigation indicates it is producing from the San Andres Formation. I recommend that the name be designated as a Sanmala, a contraction from the San Andres and Maljamar, since no topographic features are left in the area to use for pool designation. This was brought on by the completion of the Cactus Drilling Company Western State Number 1-H N 4-17-33, completed as a San Andres 7/22/55, the top of the pay 3564.

MR. GURLEY: There is some question as to whether or not this is properly advertised, and perhaps should be re-advertised.

MR. MACEY: I think we had better continue that portion of the case until the October hearing.

MR. PORTER: The pool name is descriptive of the producing formation, but it is a departure from our usual procedure.

MR. GURLEY: You will continue that?

MR. MACEY: Yes, we will continue that portion of the case until October 13th. It will be readvertised.

- Q Have you had an opportunity to study the proposed extension of the Artesia Pool boundary in Eddy County?
 - A Yes. I have.
 - Q Would you state your recommendation?
- A I recommend that the pool be extended as advertised, that being the northeast quarter of Section 35, Township 17 South, Range 28 East, and the west half of the northwest of Section 35, Township

18 South, Range 27 East. This is brought on by the completion of the W. C. Welch State Number 2 in Unit G, Section 35-17-28, completed 7/12/55 in the Grayburg. The top pay was 2337.

The other extension was brought on by the L. M. Price Pure-State Number 3, located in Section 35-18-27 in Unit E, completed in the Grayburg, the top pay 1853.

- Q In your official capacity, have you had an opportunity to study the proposed extension of the Caprock-Queen Pool in Chaves County?
 - A Yes, I have.
 - Q State your recommendations.
- A I recommend that the Caprock-Queen Pool be extended as advertised, with the following section, northwest of the northwest of Section 3, Township 15 South, Range 31 East being also extended.

MR. MACEY: Come again on that.

- A The northwest of the northwest of Section 3, Township 15 South, Range 31 East.
- Q Have you, in your official capacity, had the opportunity to study --
- MR. MACEY: (Interrupting) What is the basis for the last one?
- A The basis for the extension in the east half of the east half of Section 17, Township 14 South, Range 31 East, This was brought on by the completion of the Phillips Petroleum Company Cleat Number 1-H completed in the Queen formation 8/1/55, and the top of the pay was 2759, also the Cleat Number 2-A 17-14-31, completed 9/8/55 in the Queen Formation, top of the pay was 2747.

The unadvertised portion recommended was brought on by the

completion of the Pubco Development Company, Drickey-State Number 1-C in Unit C of 31-15S-31E --

MR. MACEY: You haven't given that portion of your recommendation -- Section 31, you haven't given anything on it to your know-ledge?

A I should have said Section 31 -- I shouldn't have said the northwest of the northwest of Section 3.

Q You actually had two deviations from the present advertisement, and one in Section 3 and one in --

A The one in 3 remains as I stated earlier, and Section 31, it is the north half of the northwest of Section 31, Township 15 South Range 31 East. That was brought on by the completion of the Pubco Development Company Drickey-State Number 1, Unit C of Township 15 South, Range 31 East, completed 9/3/55 as a Queen producer, top perforation 2991, and the one in Section 3 was brought on by Union Oil Company of California, Federal Stevens Number 1-3 in Unit D of Section 3, Township 15 South, Range 31 East, completed as a Queen producer, 7/30/55 and the top of the pay was 3126.

Q Have you had the opportunity to study the proposed extension of the Blinebry Oil Pool boundary in Lea County, New Mexico?

- A Yes, I have.
- Q State your recommendations in regard to that pool.
- A I recommend that the Blinebry Oil Pool be extended to include the east half of the east half of Section 17, Township 21 South, Range 37 East. This was brought on by the completion of the Continental Oil Company Lockhart A-17 Number 3 in Unit H of Section 17, Township 21 South, Range 37 East. It was recompleted as a Blinebry well on 8/30/55. The top of the pay is 5610.

I further recommend that the Blinebry Oil Field be extended to include the northeast of the northeast of Section 26, Township 22 South, Range 37 East, in order to take in the Skelly Oil Company Baker C Number 1-A, completed 8/2/55 in the Blinebry Formation, the top of the pay 5398.

MR. NUTTER: That was the east half of 17, Township 21 --

- A Which was not advertised.
- Q Have you had an opportunity to study the proposed extension of the Dollarhide-Drinkard Pool in Lea County, New Mexico?
- A Yes, I recommend that the Dollarhide-Drinkard Pool be extended as advertised, being the south half of Section 5 and the south half of Section 4, which is in New Mexico, Section 4, a fractional section along the State line. This extension was brought on by the placing of the Texas Company, C. E. R. Penny NCT-1 Number 6 in Unit I of Section 5, Township 25 South, Range 38 East, completed as Drinkard producer 6/22/55, dcs. 6450.
- Q Have you had an opportunity to study the proposed extension of the Eumont Pool boundary in Lea County, New Mexico?
 - A Yes. I have.
 - Q What are your recommendations on that?
- A I recommend that the Eumont be extended as advertised, with the exception that the east half of Section 33, Township 19 South, Range 36 East be included.

The first extension, Section 32, Township 18 South, Range 37

East, the extension was occasioned by the Schermerhorn Oil Corporation Linam Number 1-A in Unit J of Section 32, Township 18 South, Range 37 East, the Gas well completed in the Queen Formation 6/5/55.

The extension that was not advertised being the east half of

Section 33, Township 19 South, Range 36 East, and was occasioned by the completion of the Coats and Foster, James A. Foster Number 1-P in Section 33, Township 19 South, Range 36 East, completed 8/15/55 in the Queen Formation with top perforation 3396.

In Township 19 South, Range 37 East, the extension as advertised being the west half of the southeast quarter of Section 27, Township 19 South, Range 37 East, was occasioned -- the reason for that was to bring part of the acreage in for non-standard gas proration unit which possibly will be approved. That portion in Section 35, the southwest quarter, namely, was occasioned by the completion of Standard Oil Company of Texas, State Number 1-35 in Unit M, as a gas well, completed in the Queen Formation 7/27/55.

That extension in Township 20 South, Range 36 East, being the east half of the east half of Section 4 and the northeast of the northeast of Section 9 and the north half of the northwest of Section 10 was brought on by the completion of the Continental Oil Company Sanderson B-4 Number 1-A, completed 8/14/55 as a Queen producer, top perforation was 4065. This was in Unit A. And, also by the Continental Oil Company Sanderson B-9 Number 1-Q in Unit A of Section 9, Township 20 South, Range 36 East, also completed as a Queen producer.

That extension in Township 21 South, Range 35 East being the southeast quarter of Section 11, was brought on by the completion of Superior Oil Company State "175" Number 1-175 Unit I of Section 11, Township 21 South, Range 35 East, completed 8/6/55 as an oil well in the Seven Rivers.

Q Have you had opportunity to study the proposed extension of the Vacuum Pool boundary in Lea County, New Mexico?

- A Yes, I have.
- Q Will you state your recommendations?

A I recommend that the Vacuum Pool be extended as advertised, the south half of Section 2, Township 17 South, Range 34 East. This was occasioned by the completion of the S. P. Yates Cities Service Angle State Number 1, Unit P of that Section 2, Township 17 South, Range 34 East, completed 6/28/55 in San Andres, 4693 dcs.

- Q Have you had an opportunity to study the proposed extension of the Jalmat Pool boundary in Lea County, New Mexico?
 - A Yes, sir, I have.
 - Q Would you state your recommendations on that?

A I recommend that the Jalmat Pool be extended as advertised, it being the east half of Section 36, Township 21 South, Range 35 East. That was brought on by the completion of the Resler and Sheldon Charm State Number 1 in Unit P of Section 36-21-35. It was completed in the Yates Formation 7/8/55, top of the perforation 3862.

Q Do you have any exhibits to introduce?

(Marked Commission's Exhibits A through M.)

A Yes, I have. I have Exhibits A through M that I would like to introduce.

MR. GURLEY: We would like to introduce exhibits listed as "A" through "M" for consideration and made a part of the record.

MR. MACEY: Without objection they will be received. In every instance where you deviated from the advertisement, the acreage was contiguous?

- A Yes.
- Q Do you have anything further?

A No.

MR. MACEY: Any questions of the witness?

MR. NUTTER: I want to go through them to make sure.

CROSS EXAMINATION

By MR. NUTTER:

Q Paragraph (a) is as advertised?

A Right.

Q (b) as advertised?

A Right.

Q (c) as advertised?

A Right.

Q (e) as advertised?

A Right.

Q (f) continued?

A Right.

Q (g) as advertised?

A Right.

Q (h) as advertised, plus the northwest quarter of the north-west quarter of Section 3, Township 15 South, Range 31 East, and the north half of the northwest quarter of Section 31, Township 15 South, Range 31 East?

A Right.

Q (i) as advertised, plus the east half of the east half of Section 17, Township 21 South, Range 37 East?

A That is right.

Q (j) as advertised?

A Right.

Q (k) as advertised, plus the east half of Section 33, Town-ship 19 South, Range 36 East?

A That is right.

Q (1) as advertised?

A Right.

Q (m) as advertised?

A Right.

MR. MACEY: Any further questions of the witness? If not the witness may be excused. (Witness excused.)

| STATE | OF | NEW | MEXICO |) | |
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| | | | | : | 88, |
| COUNTY | OF | BEI | RNALILLO |) | |

I, <u>ADA DEARNLEY</u>, 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 10th day of October, 195%.

Notary Public, Court Reporter

My Commission Expires:

June 19. 1959