

BEFORE THE

Oil Conservation Commission

~~/SANTA FE/NEW MEXICO/~~
HOBBS, NEW MEXICO

IN THE MATTER OF:

CASE NO. 974

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

605 SIMMS BUILDING

TELEPHONE 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Hobbs, New Mexico

IN THE MATTER OF:

Application of the Texas Company for approval
of 120 acre non-standard gas proration unit
in the Eumont Gas Pool, Lea County, New Mexico,
to consist of SW/4 SE/4, Section 30, and N/2
NE/4, Section 31, Township 21 South, Range 36
East, and to be dedicated to applicants Rector
Well No. 4, SW/4 SE/4, Section 30. } Case No: 974

Before: HEARING EXAMINER WARREN MANKIN

TRANSCRIPT OF HEARING

HEARING EXAMINER MANKIN: We will then proceed with Case 974,
application of Texas Company. Would all the witnesses that are to
be presented in the case and give testimony, stand and be sworn?

(Witnesses sworn.)

HEARING EXAMINER MANKIN: Proceed.

MR. L. W. FOLMAR: Mr. Examiner, I am L. W. Folmar, F-o-l-m-a-r
from the Texas Company at Forth Worth. This is an application of
the Texas Company to form a 180, excuse me, 120 acre non-standard
gas proration unit in the Eumont Gas Pool, Lea County, New Mexico,
to be assigned to its J. K. Rector Well No. 4. This unit will
traverse a section line. Also, we are requesting that the common
boundary between the Jalmat Gas Pool and the Eumont Gas Pool, which
at the present time bisects the Texas Company J. K. Rector Lease to
be re-defined so that the south 80 acres of this lease, which is
presently included in the Jalmat Gas pool, will in the future be in
the Eumont Gas Pool.

Now, I would like to present Mr. J. A. Schaffer, our first witness here.

J. A. SCHAFFER
having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By: MR. FOHMAR:

Q Will you state your name, please?

A J. A. Schaffer.

Q By whom are you employed? A Texas Company.

Q In what position?

A Petroleum engineer in the Midland Office.

Q Are you a graduate of an accredited engineering school?

A Yes, I am.

Q Have you testified before the Oil Conservation Commission in New Mexico before? A Yes, I have.

MR. FOHMAR: Are the witness's qualifications acceptable?

HEARING EXAMINER MANKIN: They are.

Q Mr. Schaffer, have you made a study of the Texas Company J. K. Rector Lease and the area around it?

A Yes, I have. I have looked into the structural position of the acreage in relationship to surrounding acreage and also as to completion intervals both originally and at the present time in the existing gas well in that area.

Q Mr. Schaffer, I hand you what is marked as Texas Company Exhibit No. 1. Will you explain to the Examiner what that consists of?

A Exhibit 1 is a plat which shows sections 29, 30, 31 and 32 of Township 21 South, Range 36 East, and also indicates the proposed

non-standard gas proration unit colored in yellow and the rest of our Rector lease, which is outlined by a single yellow line on the lease line. In addition, it shows the common boundary between the Jalmat Gas Pools and Eumont Gas Pool as it exists at the present time. Also, it shows to the best of my knowledge, the producing gas wells in that immediate area.

Q Mr. Schaffer, how many wells are there on the Texas Company J. K. Rector Lease?

A We have three at the present.

Q Would you name those wells and give their location?

A All right. We have three wells. Rector No. 3 is located in the northwest quarter of the southeast quarter. It is a gas well producing from Seven Rivers.

Q Would you give the Section and Township?

A Section 30, Township 21 South, Range 36 East, gas well producing from Seven Rivers, has assigned 80 acres, namely the north half of the southeast quarter of Section 30, then, well No. 2 is located in the southeast quarter of the southeast quarter of Section 30, Township 21 South, Range 36 East, and it is also a gas well producing from the Seven Rivers and has assigned to it 40 acres. Well No. 4 is located in the southwest quarter of the southeast quarter of Section 30, and at the present time has assigned 40 acres to it for gas allowable purposes. That is the well which we wish to add the additional 80 acres, representing the north half of the northeast quarter of Section 31, Township 21 South, Range 36 East.

Q Were these wells originally completed as oil wells?

A Yes, they were originally completed as oil wells. They were oil wells producing from the Queen, and they were plugged back

because of excessive water encroachment.

Q What is the present producing zone of each of these three Texas Company Oil Wells?

A At the present time they are producing from what I would call the Middle Seven Rivers.

Q And is that within the designated vertical limits of the Eumont Pool as defined by the Commission's Order R-520?

A Yes, it is.

Q Mr. Schaffer, do you have a record on the Yates tops of each of these wells?

A Yes, I do.

Q Would you please state what those are for the record?

A Well No. 2 has Yates top of 3,198, which on the subsea basis is plus 406. Well No. 3, 3,206, or a plus 429. That is a sample top. The other two are logged, picked from the logs, and No. 4, Yates top 3,166, plus 454.

Q In regard to the 80 acres which is the north one-half of the northeast quarter of Section 31, Township 31 South, Range 36 East, in your opinion, is that 80 acres, would you consider it reasonably productive of gas from the Seven Rivers and Yates Formation?

A Yes, our structural interpretation would make it in my estimation gas production.

Q To your knowledge, is there any permeability ^{barriers} ~~variance~~ within the 120 acres proration unit which is being proposed by this application?

A To my knowledge, none.

Q The 80 acres to the south of the Texas Company Lease, which is the south one-half of the northeast quarter of Section 31, has that 80 acres been assigned to a gas well producing from the Jalmat

Gas Pool?

A Yes, it has. It has been assigned to the Late Rector Well No. 1.

Q The 160 acres, being the northwest quarter of Section 31, has that lease been assigned to a gas well producing from the Jalmat Gas Pool?

A Yes, it has been assigned to Continental Oil Company Lockhart B-6.

Q In your opinion, will the Texas Company J. K. Rector Well No. 4 drain the full 120 acre unit which we propose to assign to it?

A Yes, it will.

Q Mr. Schaffer, do you know any reason why, for administrative purposes, the 80 acres, the south 80 acres of the Texas Company Rector Lease should not be removed from the Jalmat Pool and placed into the Eumont Pool for regulation of gas production?

A No. sir.

MR. FOLMAR: I believe that is all Mr. Examiner.

HEARING EXAMINER MANKIN: Any other questions of the witness?

MR. J. W. GURLEY: Is it your understanding that this extension or revision of the Jalmat Gas Pool, or rather the Eumont Gas Pool is under the nomenclature case set up for November 16th at the Oil Conservation Commission Hearing?

A Yes, it was called to our attention today.

Q The decision upon the two cases will, or the decision upon that nomenclature case will affect this decision here, is that your understanding?

A Yes.

MR. GURLEY: That is all.

HEARING EXAMINER MANKIN: Any other questions of the witness?

If not, the witness may be excused. Did you have any other witnesses?

MR. FOLEMAR: No.

HEARING EXAMINER MANKIN: I might say, to clarify the record; it was mentioned in this nomenclature case to delete the northeast quarter of Section 31, Township 21 South, Range 36 East and to extend the Eumont Pool to include that same 160 acres, being the northeast quarter of Section 31, will be heard and has been advertised under Case 979 Parts C and D for the November 16th Hearing to be held at 9:00 o'clock at Santa Fe, New Mexico.

Is there anything further in this case? If not, we will take the case under advisement and the hearing is adjourned.

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

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

Amado Trujillo
Court Reporter