

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 23, 1957

IN THE MATTER OF
CASE NO. 1241

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
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ALBUQUERQUE - SANTA FE
3-6691 2-2211

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
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IN THE MATTER OF:

Application of Gulf Oil Corporation
for approval of a 234-acre non-stand-
ard gas proration unit in the Eumont
Gas Pool, Lea County, New Mexico, in
exception to Rule 5 (A) of the Special
Rules and Regulations for said pool.
Applicant, in the above-styled cause,
seeks an order authorizing a 234-acre
non-standard gas proration unit in the
Eumont Gas Pool consisting of the E/2
SW/4 Section 6 and the NW/4 Section 7,
Township 22 South, Range 37 East, Lea
County, New Mexico, said unit to be de-
dicated to applicant's H. T. Mattern "D"
Well No. 6 located 660 feet from the
South line and 1980 feet from the West
line of said Section 6.

CASE NO.
1241

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will take up Case No. 1241.

MR. COOLEY: Case 1241. Application of Gulf Oil Corporation
for approval of a 234-acre non-standard gas proration unit in the
Eumont Gas Pool, Lea County, New Mexico, in exception to Rule 5
(A) of the Special Rules and Regulations of said pool.

MR. KASTLER: I am Bill Kastler from the Law Department of
Gulf Oil Corporation in Roswell, and our witness is Mr. Walker.

J. DON WALKER

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

DIRECT EXAMINATION

BY MR. KASTLER:

Q Mr. Walker, you have been sworn? A Yes.

Q Now, will you please state your name, and your place of residence?

A Yes, sir. Don Walker, I live at Arlington, Texas; I am employed by Gulf Oil Corporation in Fort Worth.

Q What is your position with Gulf Oil Corporation, and how long have you held that position, please?

A I am classified as a division proration engineer on a job which I have held for approximately the last four and one half years.

MR. KASTLER: Mr. Walker has appeared many times before the Oil Conservation Commission and I move that his qualifications be accepted so that we may proceed.

MR. NUTTER: His qualifications are accepted.

Q (By Mr. Kastler) Mr. Walker, are you familiar with Case No. 1241? Will you explain what Gulf is seeking in this application?

A Yes, sir, I am. In this application, Gulf Oil Corporation is seeking the Commission's approval for a 234-acre non-standard gas proration unit, and the hearing is necessitated because the

proposed unit crosses the section line.

Q I see. Do you have an exhibit, prepared under your direction, which shows more adequately the ownerships and the sections involved?

A Yes, sir, I have.

Q May this be marked as Exhibit No. 1, please? Using a copy of this exhibit, would you please explain what the lease area is, as shown on there, and the proposed non-standard unit area?

A Yes, sir. The lease and well number in this case is Gulf's H. T. Mattern "D" Well No. 6, which is located 660 feet from the South line and 1980 feet from the West line of Section 6, Township 22 South, Range 37 East. In this proposed 234-acre non-standard unit, Gulf desires to assign to this well No. 6, the East Half of the Southwest Quarter of Section 6 and the Northwest Quarter of Section 7, all in Township 22 South, Range 37 East.

Q Have you described the location of the unit well?

A Yes, sir.

Q Is that a State or a Fee lease, Mr. Walker?

A This is a fee lease.

Q Could you state, briefly, what is the history of this well?

A Yes, sir. This, the proposed unit well was originally drilled to 3745 feet as an oil well in the Arrowhead Pool, and was completed in that pool on June the 22nd, 1948. At that time,

the five and a half inch casing was cemented, with five hundred and fifty sacks, at a depth of 3655 feet. The casing has been perforated, sorry -- the well has been plugged back now to 3620 feet, and perforated in the Eumont Gas Pool from 3168 to 3190 feet; 3210 to 3245 feet; 3478 to 3578 feet, and 3548 to 3596 feet with two one-half inch jet holes per foot.

Q Do you have a log prepared at your direction showing the new perforated intervals in this well?

A Yes, sir.

MR. KASTLER: May this be introduced as Exhibit No. 2, or offered to be marked?

Q (By Mr. Kastler) Will you continue with the history and explain what is shown?

A Yes, sir, this log, which is the log of the proposed unit well, H. T. Mattern Well No. 6 in Case 1241, had indicated on it the top of the Rustler, top of the Yates, Seven Rivers, Queen, Penrose, and Grayburg Formations, and also shows the casing point and the perforated intervals in the Eumont, all of which are within the vertical limits, by the way, of the Eumont Gas Pool.

Q You were successful, then, in making it a Eumont Gas Well completion, and in your opinion, does the newly completed Eumont Gas Well have the capability for producing the allowable for the proposed unit area?

A Yes, sir. This well was recompleted on January the 3rd of this year, and during the completion test on that date, at a

600 pound back pressure, it flowed at a million and twelve cubic feet rate, and the estimated open flow is 1,950 MCF's per day, and that is considerably in excess than the allowable will be for a 230-acre unit. Actually, a 160-acre unit now has an allowable, I believe, of approximately 400 MCF's per day.

Q Is there any diversity of ownership in any of the lands of this proposed non-standard unit?

A No, sir, no diversity of ownership.

Q Would you please now state whether there is any others producing within the extent of this proposed unit?

A Yes, sir. Within the limit of the proposed unit, there are five oil wells producing from the Arrowhead Oil Pool; the Grayburg Formation of the Arrowhead. Those are wells, 1, 2, 3, 4, and 5; four in the Northwest Quarter of Section 7, and 1 in the East half of the Southwest Quarter of Section 6.

Q Do you have a plat, showing the contours on top of the Queen Formation?

A Yes, sir.

MR. KASTLER: May that be introduced in evidence as Exhibit No.3?

Q (By Mr. Kastler) Using this Exhibit No. 3, can you base the conclusion that all of the acreage is capable of producing gas?

A Yes, sir. Actually, all of the acreage included in this unit is in the now defined limits of the Queen, of the Eumont Gas Pool, and looking at the structure map on top of the Queen, it indicates that the Southwest portion of the unit is higher than the

portion which the well is located, and actually, should be more likely to produce gas, assuming the proposity and so forth, than the area surrounding the well, so I do think that the whole 230-acre is productive of gas.

Q I see, what also is shown on that plat in your squares there?

A I have indicated on this plat the units which have been approved by the Commission in the immediate area of the proposed unit. Actually, there are still spaces in the North end of the map which weren't outlined, but I don't believe there are any units now approved in the East of this unit. However, to the West, they are and there is still some units approximately a mile south, which are not shown on the plat.

Q Will the approval of this non-standard gas unit impair correlative rights in any way?

A No, sir.

MR. KASTLER: That's all I have to offer. I wish to move to admit the Exhibits into evidence in this case. They were prepared at the direction of Mr. Walker.

MR. NUTTER: Without objection, Gulf's Exhibits, 1, 2, and 3, will be admitted in evidence in Case 1241. Does anyone also have any questions of the witness?

MR. UTZ: Yes.

MR. NUTTER: Mr. Utz.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Walker, I note in your application for this hearing, that you stated that the well was completed in the Queen Formation. Is the Fenrose a portion of the Queen?

A The Fenrose is a portion of the Queen Formation, however, the letter apparently is in error, because we have some perforations in the lower part of the Seven Rivers.

Q The well was completed in the Seven Rivers?

A Yes, sir.

Q Vertical limits of the Eumont Gas Pool?

A Yes, sir. One thing I failed to cover here, this well is connected to Permian at this time, and we are not operating under NSP Order 350, which approved an 80-acre unit for this well No. 6, and immediately surrounding it. This NSP was dated February the 16th of this year.

Q This will be single completion, will it not?

A Yes, sir.

MR. UTZ: That's all.

BY MR. MANKIN:

Q Mr. Walker, you stated a moment ago that there was no development to the East. Is it not true that there is some Queen Development quite a bit further Southeast of this well?

A Yes, sir. When I said development, I probably used the wrong word, I meant units as now approved by the Commission in-

mediately East; but to the Southeast, there is, yes, sir.

Q Which would indicate -- have reason to believe that the area would be productive to the East and to the entire unit?

A Yes, sir.

MR. MANKIN: That's all.

BY MR. NUTTER:

Q Mr. Walker, I didn't understand very well when you stated what the initial potential test of the well was, and what the present potential was?

A The initial, and I assume the present, are the same, I have no difference in figures there. On the test taken on January the 3rd, of this year, it produced, I believe, a thousand and fifteen -- just a second -- a thousand and twelve MCF's per day at a back pressure of 600 pounds, and the estimated open flow is 1,950 per day. That compares with probably an allowable for a 230-acre unit of maybe six hundred thousand, or six hundred MCF's.

MR. NUTTER: Thank you. Anyone else have any questions of the witness? Mr. Cooley?

BY MR. COOLEY:

Q Mr. Walker, is the proposed non-standard gas proration unit all part of one basic lease?

A Yes, sir.

Q On that basic lease, is the entire working interest owned by Gulf Oil Corporation? A Yes, sir.

Q Is the West Half of the Southwest Quarter of Section 6

presently dedicated to a Eumont Gas Well?

A Yes, sir. Their well No. 1 has been approved, I believe, as an 80-acre unit. Actually, prior to the approval of this, the recompletion, I don't exactly know what Rowan -- I don't know, I believe it is Penrose, isn't it -- before their well was actually completed, we had talked to them, I believe, in Roswell about a unitization there, and we planned to assign their 80-acres to our 234, assuming it is that, and we had, I believe, started an agreement, but I believe they went ahead and drilled a well, or plugged it back, I am not sure, and formed their own unit.

Q You don't anticipate --

A (Interrupting) We do not anticipate now joining with them.

Q You feel that the well in the West Half of the Southwest Quarter is draining part of the proposed unit, and likewise, that your proposed well will drain part of that unit?

A I think that is ordinary common practice, yes, sir, for what you call compensative draining.

Q Counter draining is what I was getting at?

A Yes, sir.

MR. COOLEY: I believe that's all.

MR. NUTTER: Anyone else have any questions? If not, the witness may be excused. Does anyone have anything further to offer in Case 1241? If not, we will take the case under advisement and proceed to Case 1242.

C E R T I F I C A T E

STATE OF NEW MEXICO)
 : ss
COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype at the time and place hereinbefore set forth; that same was thereafter transcribed into typewritten transcript by me; and that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 9th day of May, 1957,
in the City of Albuquerque, County of Bernalillo, State of
New Mexico.



NOTARY PUBLIC/

My Commission Expires:
October 5, 1960.