

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 24, 1961

EXAMINER HEARING

IN THE MATTER OF:

CASE 2285

TRANSCRIPT OF HEARING

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EXAMINER HEARING

IN THE MATTER OF: :

CASE 2285 Application of Texaco Inc., for an unorthodox gas:
well location, Lea County, New Mexico. Applicant;
in the above-styled cause, seeks approval of an :
unorthodox gas well location in the Tubb Gas Pool:
for its A. H. Blinbry NCT-1 Well No. 8, located :
1980 feet from the North line and 330 feet from :
the West line of Section 33, Township 22 South, :
Range 38 East, Lea County, New Mexico. :

BEFORE:

Elvis A. Utz, Examiner

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: We will call Case 2285.

MR. MORRIS: Application of Texaco, Incorporated for an
unorthodox gas well location, Lea County, New Mexico.

MR. WHITE: Charles White, of Gilbert, White & Gilbert,
Santa Fe, New Mexico appearing on behalf of the Applicant. We have
one witness to be sworn.

(Witness sworn.)

J. E. ROBINSON,

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

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DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Robinson, will you state your full name?

A J. E. Robinson, Jr.

Q By whom are you employed and in what capacity?

A Texaco, Inc., as District Proration Engineer.

Q Have you previously testified before the Commission as an engineer?

A Yes, I have.

Q Have your qualifications been accepted?

A Yes, they have.

Q Will you state what Texaco is seeking by the subject application?

A This is the application of Texaco for an unorthodox location for its A. H. Blinebry NCT-1 Well No. 8, in the Tubb Gas Pool. The well does not conform to the spacing rules contained Order No. R-1617 in that the well is only 330 feet from the lease line whereas the rules calls for 666 feet spacing from the lease line, and we are requesting a standard 160 acre spacing unit.

Q Where is the location of the well?

A The well is located 1980 feet from the north line and 330 feet from the west line of Section 33, Township 22 South, Range 38 East, Lea County, New Mexico.

Q Will you state the circumstances which brought about this well to be drilled as an unorthodox well?



A Well, the location of this well actually amounts to a snafu in our department. I would like to more or less go into the background a little bit. We have a well that's recommended to be drilled. It comes through our department where we put the spacing requirements for the well. When this well was first proposed to be drilled, it was proposed to be dually completed between the Drinkard and Tubb and then it was later revised to be dualled between the Blinebry oil and the Tubb gas pool and we put the drilling requirements for the oil zone on the recommendation and we accidentally left off the recommendation the spacing requirements for the Tubb gas pool and the well was actually drilled at the unorthodox location.

Q Was the original notice of intention to drill approved?

A Yes, it was. We originally proposed to dual this well as a Drinkard and a Tubb gas well.

(Whereupon, Applicant's Exhibit 1 marked for identification.)

Q (By Mr. White) Is that reflected on Exhibit 1?

A Yes, it is. As Exhibit 1, we would like to introduce the original notice of intention to drill. This is on federal acreage and we submitted form 9-331 on November 18, 1958. You will notice that on this form that we show the location to be 330 feet from the west line of Section 33. This form was approved by the District Engineer for the USGS and was returned to us approved and at that time we did not catch the mistake that actually this



was an unorthodox location.

Q Subsequent to the filing of this application of intention, did Texaco change its mind and decide to dually complete it as a Tubb gas Blinebry pool.

A Yes, we did. On December 17, 1958, we submitted another notice of intention to drill which I would like to introduce as exhibit number 2. This form shows that the well is now set up to be dualled as a Tubb gas and Blinebry oil completion. The USGS has written on the form that the well is to be completed in the Blinebry oil pool instead of the Drinkard oil pool. This was approved by the District Engineer in December, 1958 and it is with this intention to drill that we actually drilled the well at the present location.

(Whereupon, Applicant's Exhibits 2, 3
marked for identification.)

Q (By Mr. White) Will you refer to Exhibit Number 3 and explain that to the Examiner, please?

A Exhibit Number 3 is an ownership map and plat of the area showing the Blinebry Well No. 8 which was drilled at the unorthodox location outlined in yellow. It's Texaco's A. H. Blinebry NCT-1 Lease outlined in red. It is standard 160 acre gas unit that we propose to dedicate to Well No. 8.

Q Are there any Tubb gas wells in the immediate area and if so, will you point out their location on the exhibit?

A Yes, sir. There are Tubb gas wells. Well No. 8, to the



west, somewhat southwest, and the northwest, all of these Tubb gas wells are owned and operated by Gulf Oil. In Section 29, Gulf has their Watkins No. 1, which is a dual Drinkard and Tubb gas well. Gulf Watkins No. 1 was completed in December, 1955 and as of January 1, 1961, this well had produced 516,980 MCF of gas and 9,834 barrels of condensate. Well No. 2 was completed in April, 1955 and as of January 1, 1961, the well has produced 714,058 MCF gas and 13,303 barrels condensate. The Andrews No. 3 was completed in December, 1957 and has produced 285,911 MCF gas and 7,639 barrels condensate as of the first of this year, so there are Tubb gas wells all along the western boundary of this lease.

Q Is this well producing at the present time from the Tubb gas zone?

A No, sir; it is not. The A. H. Blinebry NCT-1 was completed on April 13, 1958 at a location 330 feet from the west line and 1980 feet from the north line as a dual Blinebry oil and Tubb gas well. The Tubb gas has been shut in since completion due to the lack of gas outlet and only the Blinebry oil has produced since the well has been completed. When we completed the well, we took a potential of the well in the Tubb zone and it produced 59 barrels of distillate with a gravity of 58.6 degrees and 2493 MCF of gas. That's the only production that this well has ever made.

Q Do you have any plans for the gas in the future?

A We have finalized a contract with El Paso and they are building a line into this well to take the Tubb gas from us.



Q Mr. Robinson, when was Texaco first aware of the fact that this was unorthodox gas well?

A About two months ago, when we started to work on the contract with El Paso. To bring the line in, I checked on it to see that we had filed the proper C-128, in that we would have the 160 acre unit dedicated to the well, and at that time, I discovered that the well was actually 330 feet and I started checking back through our records and evidently it was just drilled as a mistake and noone was aware of it until that time.

(Whereupon, Applicant's Exhibit 4 marked for identification.)

Q (By Mr. White) Now, will you refer to Exhibit Number 4.

A Exhibit Number 4 is a radioactivity log of Texaco's Blinbry NCT-1 No. 8. It was run on January 15, 1959. On the log, we have marked in red the top of the Tubb. The top of the Tubb was encountered at 6150 at a sub-sea depth of 2761, and we perforated by four shots per foot the Tubb interval from 6150 to 6230, so we have about 80 feet of Tubb pay open in this well.

Q Did you advise Gulf of subject application?

A Yes, sir, we did. Legally, as soon as we found that this well was at an unorthodox location and we had a contract to fill the gap we wrote Gulf and told them the circumstances surrounding the well and requested a waiver from them and I would like to read into the record a letter that we have from Gulf Oil Corporation. It's from Post Office Box 1938, Roswell, New Mexico. It's addressed

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to the attention of Mr. A. L. Porter, Jr., Secretary-Director.

Gentlemen: Gulf Oil Corporation has been advised of the application of Texaco, Inc. for an unorthodox well location in the Tubb gas pool for its A. H. Blinebry NCT-1 Number 8.

It is understood that the well is located 330 feet from the west line and 1980 feet from the north line, Section 33, Township 22 South, Range 38 East, Lea County, New Mexico.

Gulf Oil Corporation has no objection to this unorthodox location and the assignment of a standard 160 acre gas proration unit to Texaco's A. H. Blinebry NCT-1 Number 8 and hereby waives all protests to the granting of this application.

Very truly yours, Gulf Oil Corporation, by W. A. Shellshear;
April 11, 1961."

Mr. Shellshear is the District Manager for Gulf at the Roswell production district.

Q Do you have any further testimony to offer?

A No, sir, I do not.

MR. WHITE: At this time, we offer Exhibits 1 through 4 in evidence and should the Commission like to have a copy of this letter, we'll offer that as Exhibit 5.

MR. UTZ: Without objection, Exhibits 1 through 5 will be entered into the record of this case.

MR. WHITE: That completes our testimony.

MR. UTZ: Does anyone have any questions of the witness?

BY MR. MORRIS:



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Q Mr. Robinson, what acreage is to be dedicated to this well?

A It will consist of 160 acres located in the north part of the north half of Section 33.

Q It will not consist of the north half of 43?

A No, sir. It will not -- actually this Section 33 is a short section. We have all of Section 33 with the exception of what might be called the southeast quarter of the south half. We have 298.52 acres in this section and we will dedicate 168 acres to it.

Q You will dedicate to the north half of the section insofar as it amounts to 160 acres?

A Yes, sir, we will.

Q How many acres will that be in the south, in the remainder of that section?

A 138.52 acres.

Q Do you have any plans for developing the south half of that section?

A Not to my knowledge, no, sir, at the present time.

Q If you did plan a well down there, you'd have no trouble dedicating the full unit to a well, would you not?

A That is correct. We would probably attempt to unitize with the 40 acres in the south half of Section 33.

Q Mr. Robinson, is there any Tubb gas production to the east of your Well No. 8?



A No, sir. We moved over into Texas. It is the dividing line between Texas and New Mexico. There are no productions to the east. The only production is some oil production on up to the north, up in Section 25.

Q Your Well No. 8, now, was located where it is due to oversight, not due to topographic structure?

A That is correct. It was strictly an oversight in that we only filled out the requirement for the oil spacing and it is located 330 feet further west than what it should be.

MR. MORRIS: Thank you. I have no further questions.

MR. UTZ: Are there any other questions of the witness?

The witness may be excused. Are there any other statements in this case? The case will be taken under advisement.

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Thomas P. Lorne
NOTARY PUBLIC

May 4, 1965

....., Examiner
New Mexico Oil Conservation Commission

