

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 10, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Odessa Natural Gasoline
Company for a non-standard gas proration
unit, Lea County, New Mexico. Applicant,
in the above-styled cause, seeks estab-
lishment of a 320-acre non-standard gas
proration unit comprising the SE/4 of
Section 23 and the NE/4 of Section 26,
Township 25 South, Range 37 East, Justis
Gas Pool, Lea County, New Mexico, to be
dedicated to its Carlson "A" Well No. 1
located in Unit P of said Section 23.

CASE 2657

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call next Case 2657.

MR. DURRETT: Application of Odessa Natural Gasoline
Company for a non-standard gas proration unit, Lea County, New
Mexico.

MR. BRATTON: Howard Bratton, appearing on behalf
of the Applicant. We have one witness.

(Witness sworn.)

MARSHALL T. JOHNSON

called as a witness, having been first duly sworn on oath, testi-
fied as follows:

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DIRECT EXAMINATION

BY MR. BRATTON:

Q Will you state your name, by whom you are employed and in what capacity?

A Marshall T. Johnson, employed by Odessa Natural Gasoline Company, petroleum engineer.

Q Are you familiar with the area in question and the application under consideration?

A Yes.

Q Would you state very briefly your professional educational background, Mr. Johnson?

A Graduate Petroleum Engineer from Pennsylvania State University. Following that I worked four years for Kenelray Refining Company in Pennsylvania as a petroleum engineer; following that I worked for thirteen years as a petroleum engineer and production geologist for Shell Oil Company; and then with this company I'm with now for about twelve years as a petroleum engineer.

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

MR. NUTTER: Yes, sir, they are. Please proceed.

Q (By Mr. Bratton) What is Odessa asking in this case, Mr. Johnson? What do we want?

A This is the application of Odessa Natural Gasoline Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant in the above-styled cause seeks establishment of

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a 320-acre non-standard gas proration unit comprising the Southeast Quarter of Section 23 and the Northeast Quarter of Section 26, Township 25 South, Range 37 East, Justis Gas Pool, Lea County, New Mexico, to be dedicated to its Carlson "A" Well No. 1 located in Unit P of said Section 23.

Q The pool rules call for 320-acre proration units, is that correct?

A That's correct.

Q And the only reason that this case comes on for hearing is because the two 160's cross the Section line, is that correct?

A That's correct.

MR. BRATTON: If the Commission please, we'll just refer to this as Applicant's Exhibit No. 1, the entire book, and we'll just go through it page by page.

MR. NUTTER: Fine.

Q (By Mr. Bratton) Now the well in question, the completion data on it is reflected on page number two, is that correct?

A That is correct.

Q And the most significant factors are, it was completed in April of this year, a potential of 41 million cubic feet a day, is that correct?

A That's correct.

Q Let's refer briefly for the moment to page number f



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skipping the communitization. On page four is shown a map of the area and colored in yellow is the 320 acres we are talking about, is that correct?

A That's correct.

Q Does Odessa have all of the gas rights in that area, that would be the gas that would be produced from this well?

A We have all the working interest rights there with the exception of 40 acres, being the Northeast of the Northeast of Section 26, which is owned by Amerada.

Q So in order to form this 320-acre unit, you had to communitize it, is that correct?

A That's right.

Q And you have communitized it with Amerada?

A That is correct.

Q You have submitted it to the U.S.G.S., who are the royalty owners?

A Correct.

Q And referring back to page three, it shows where the U.S.G.S. says that the communitization is in condition for an approval upon receipt of the Oil Commission order approving the unit?

A That's correct.

Q Let's turn to our first big map on page five. This is a map of the entire field, is that correct?

A That's correct.



Q The well we're interested in is in the Southeast Quarter of Section 23?

A That's right. That's the Carlson 1-A.

Q It is completed in the Glorieta, as we will go into in a moment?

A The Glorieta formation, that is correct.

Q So actually the only wells likewise in the Glorieta are also shown in the same color on the map?

A Same color, that's right.

Q Before we leave this map, let's turn to Well No. 5 in the Southwest Quarter of Section 23. Is that a dry hole?

A That's a dry hole. It's drilled as Anderson Pritchard No. 5 Harrison. It's located in the Northeast Quarter of the Southwest Quarter of Section 23. It's a dry hole and it tested the Glorieta formation and had some shows of hydrocarbon in it but was, these shows were of non-commercial significance there.

Q This map is a structural contour on top of the Glorieta?

A That's correct.

Q It shows the dip to the west there from this well over into that Southwest Quarter?

A That's right.

Q And there is a well completed in the Northeast Quarter in the Glorieta?

A That's correct.

Q Let's turn to our next map, Mr. Johnson, page number



six. That reflects, does it not, the proration units that are assigned to the various Glorieta wells in the pool?

A That's right. Of course, there hasn't been one assigned yet to the Carlson 1-A, but it's shown there in yellow.

Q It's shown hopefully in yellow as the proration unit requested here?

A Yes.

Q In line with our discussion on the previous exhibit, you cannot put in the Northeast Quarter because it already has a well on it?

A Yes.

Q You can't put in the Southwest Quarter because it already has a dry hole on it?

A Yes, that's correct.

Q And the spacing in the pool is 320 acres?

A Correct.

Q The pool outline is reflected here on this exhibit?

A Yes. This is what is defined as the pool limits by the Conservation Commission. Well, the part that's colored in is the pool area.

Q The defined pool area?

A Yes.

Q So as to the area that we're interested in, the defined pool limits cover exactly the Southeast of 23 and the Northeast of 26?



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A Yes.

Q Here again you've had your structural contour on top of the Glorieta. Do you have any additional control as to the acreage in the Northeast of 26 as to whether your contours there are correct?

A Yes. I'll have to refer back to the other map. There's a West States Petroleum Company Carlson B-26 No. 7 located in the Northwest Quarter of the Southeast Quarter of Section 26. It was drilled -- it's a producing well in the Paddock and Blinebry pays, which are below the Glorieta gas pay. The Paddock pay is approximately 175 feet below the Glorieta gas pay.

Q So between the information from it and from your dry hole to the west in the Southwest of 23, you have pretty good structural control for your interpretation there in the Northeast of 26?

A That's correct.

Q Let's go to your next exhibit, your cross section. I believe it is reflected on your last map, the line of this cross section, is that correct?

A Yes, it is. It starts in there in Section 13, that well is the Gulf McBuffington No. 8. That's the well which is a key well insofar as defining the vertical limits of the Justis Gas Field. It's put in there on the section for that purpose there to show where the vertical limits are as far as Odessa Natural Gas Company Carlson A-1, how it falls within the vertical limits



of the pool.

Q Your cross section comes down through the Carlson 1-A Well, and then it goes to two wells further south, one in the Southwest of 25 and one in the Northeast of 36, is that correct?

A That's correct.

Q As to those two wells, I believe they're the two wells on the extreme right hand of the cross section. Does it show them to be completed in intervals below what you've contoured as to the Northeast of 26?

A Well, for example, the well in the Southwest of 25 is a Justis gas well which is producing through perforations from a minus 1555 to a minus 1762; and of course, our dry hole out here in the Southwest of 23, the top Glorieta there is a minus 1670, so it's actually producing below the subsea depth of the top of the Glorieta there. Then the well in Section 36, which is Gulf Oil Corporation Ramsay No. 3, it's producing in the interval a minus 1694 to a minus 1824, which is also below the top of the Glorieta formation as encountered in the Anderson Pritchard No. 5 in Section 23.

Q So you have, based on that you would have confidence that the acreage in the Northeast of 26 would be productive in the Glorieta?

A I feel like it's reasonably productive.

Q And it is the only acreage within the defined pool limits which could be contributed to the Carlson 1-A Well?



= A Yes.

Q In addition, of course, to the 160 on which that well is located?

A Yes.

Q From the structure that you have constructed and from the producing intervals, would it appear to you, Mr. Johnson, that the delineated limits of the pool are probably correct?

A Yes. I would say they're just about as close as you can get them.

Q In your opinion, Mr. Johnson, would the allocation of the 320 acres requested for this well protect the correlative rights of Odessa Natural Gasoline Company?

A I think they would, yes.

Q Do you believe those correlative rights would be violated if the entire 320 could not be dedicated to the well?

A Yes, I think so, because we would, of course, wouldn't be allowed to produce as much gas if we didn't have a full unit there. I don't think we would get a fair share of the gas reserves there.

Q You'd suffer drainage particularly from the Northeast of 26 to that well in Section 25, wouldn't you?

A Yes.

Q If it's producing at twice the allowable?

A Yes.

Q Is there anything else you care to state in connection



with the application or with any of your exhibits, Mr. Johnson?

A I have a log of the well in question here, the Carlson 1-A, that I could leave as an exhibit and also I have a log of the Anderson-Pritchard Harrison No. 5 in the Southwest of 23.

Q That's the dry hole in the Southwest Quarter?

A It's a dry hole, and the drillstem test data associated with that well.

MR. BRATTON: Mark those, if we could, as Exhibits 2, 3, and 4, and leave them with the Commission.

(Whereupon, Applicant's Exhibits Nos. 2, 3, and 4 marked for identification.)

Q (By Mr. Bratton) Is there anything further you care to state, Mr. Johnson?

A I think that in regard to the 320 acres being productive, that the Carlson A No. 1 well is the top of the Glorieta formation, there is a minus 1565, and in the pool there are wells completed down the top of the Glorieta being as low as a minus 1589, which is say 24 feet lower, so I think that that adds somewhat to the 320-acre unit being productive in its entirety.

Q There just isn't any other acreage that you can go with to form a 320-acre?

A No, there's no other acreage.

Q Were Exhibits 1 through 4 prepared by you or under your supervision?

A Yes.



MR. BRATTON: We would offer in evidence Exhibits 1 through 4.

Q (By Mr. Bratton) I might ask one further thing, Mr. Johnson. The location of the well is standard for a 320-acre unit, is that correct?

A Yes, it's 660 feet from the east line and it is 990 feet from the south line of Section 23, which makes it within the requirements.

Q So the only deviation is crossing the Section line?

A Crossing the Section line.

MR. NUTTER: Applicant's Exhibits 1 through 4 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 4 entered in evidence.)

CROSS EXAMINATION

BY MR. NUTTER:

Q I wonder, first of all, in my brochure here, page No. 3 or 4, that has the tract colored in in yellow, there's just 80 acres colored in in yellow on this particular brochure. Was that intended to be the full 320?

A It sure was.

Q It would be the Southeast of 23 and the Northeast of 26?

A You are sure right. It should have been the Southeast of 23 and the Northeast of 26.

Q I wonder, if we would return the two logs to you, Exhibits 2 and 3, if it would be possible for you to prepare a



cross section similar to the north-south cross section which you prepared and have it run from the Anderson-Pritchard No. 5 dry hole through your No. 1-A and then east to the No. 13 Well in the Northeast Southwest of Section 24.

A Yes.

Q Showing thereon the top of the Glorieta and the subsea datum and the perforated interval just as you have on this cross section.

A All right.

Q We would appreciate receiving something like that from you.

MR. BRATTON: What wells?

MR. NUTTER: Running west to east from the No. 5 dry hole through Odessa's No. 1-A, and then eastward to the No. 13 Well in the Northeast of the Southwest of Section 24, so we can have an east-west as well as a north-south.

MR. BRATTON: Okay.

MR. NUTTER: I'll just return those and you can send the logs then with your exhibit when you send it in.

A All right.

MR. NUTTER: Are there any further questions of Mr. Johnson? He may be excused.

(Witness excused.)

MR. NUTTER: Did you have anything further, Mr. Bratton?

MR. BRATTON: No, sir.



MR. NUTTER: Does anyone have anything they wish to offer in Case 2657? We'll take the case under advisement and take a fifteen-minute recess.

(Whereupon, a recess was taken.)

* * * * *

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, 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, and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 25th day of October, 1962.

Ada Dearnley

NOTARY PUBLIC

My Commission Expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2657 heard by me on 10/11 1962.

[Signature], Examiner
New Mexico Oil Conservation Commission

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