

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 10, 1963

EXAMINER HEARING

IN THE MATTER OF:)

Application of DOB Oil Properties, Inc., for)
a unit agreement, Lea County, New Mexico.)
Applicant, in the above-styled cause, seeks)
approval of the Northeast Anderson Ranch)
Unit Area, comprising 1680 acres of State)
land in Township 15 South, Range 32 East,)
Lea County, New Mexico.)

Case 2785

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will take next, Case 2785.

MR. DURRETT: Application of DOB Oil Properties, Inc.,
for a unit agreement, Lea County, New Mexico.

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

(Witness sworn.)

(Whereupon, Applicant's
Exhibits Nos. 1, 2, & 3
were marked for identi-
fication.)

SAM E. HILBURN

called as a witness, having been first duly sworn, testified 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 Sam E. Hilburn, employed by DOB Oil Properties as a consultant.

Q Have you previously testified before this Commission?

A I have not.

Q Would you state briefly your professional and educational background?

A I am a petroleum engineer and a geologist by education, having a degree in both, registered as a petroleum engineer and geological engineer in the State of Texas.

Q Have you worked in connection with the preparation of the Northeast Anderson Ranch Unit and are you familiar with the area?

A I have, and I am familiar with the area.

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

MR. NUTTER: Yes, sir.

Q (By Mr. Bratton) Mr. Hilburn, this is an application for the approval of a Unit Agreement, is that correct?

A Yes, sir.

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Q Exhibit 1 is the proposed Unit Agreement?

A That is true.

Q And Exhibit A attached to it shows the area involved in the application, is that correct?

A That is correct.

Q That contains 1680 acres of State of New Mexico lands, is that correct?

A That is correct.

Q And they lie in Sections 15, 16, 21 and 22 of Township 15 South, Range 32 East, as indicated there?

A That is correct.

Q Is the proposed state unit in a standard state form?

A It is.

Q Has it been approved as to form and area by the State Land Commissioner?

A It has been approved.

Q What is the well called for in the Unit Agreement?

A The well calls for a depth of 10,200 feet, or a test of the lower Wolfcamp pay, which is productive in the North Anderson Ranch Pool.

Q And the North Anderson Ranch lies just south of this, is that correct?

A A mile and a half to the south.



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Q Where is the proposed well to be located?

A The proposed well is to be located in the Southwest of the Southeast of Section 16.

MR. NUTTER: Southwest, Southeast of 16?

A Yes, sir.

Q And DOB Oil Company is the unit operator?

A Yes, sir.

Q What percentage of commitment do you have to the Unit Agreement?

A One hundred percent.

Q Now, refer to your Exhibit No. 2, Mr. Hilburn, which is the large map. Will you explain your Exhibit No. 2, then?

A Exhibit No. 2 initially shows the land area here. It shows the Anderson Ranch Field, the North Anderson Ranch, the unitized area requested, the East Tubb Field right here to the north. The area which we propose to unitize lies on this generally-known anticlinal trend.

Now, subsurface information leads us to believe there is a large anomaly lying immediately north of the North Anderson Ranch Field as indicated by this particular plat here, contoured on top of the Abo horizon. That has been substantiated by seismic evaluation, which is shown by this plat. Seismic evaluation indicated here is on the Upper Penn. reflection, which



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should be possibly some 100 feet below the anticipated pay zone at approximately 10,000 feet. The seismic anomaly incorporates the entire area as proposed by the unitized area, and that also, as I say, is substantiated by geological subsurface information.

The seismic information, we believe, is quite accurate, the records are excellent; we, therefore, believe that the anomaly is quite positive due to the fact that our seismic information is quite good.

Q Which way does your cross section up above run?

A This cross section here starts, and it's indicated on that map and not on this one, starts at the Texaco State Well, here, runs across our anomaly, this is the Texaco State Well.

MR. NUTTER: What is the location of the Texaco well?

A The Texaco well is in the Northwest, Northeast of Section 10, 15 South, 32. It starts there, runs across the anomalous area, ties in with the North Anderson Ranch, which is the Aztec well located right here in the Northeast of the Southwest of Section 28. That's this, or actually the first well it comes to is the Sinclair well right here, it's a dry hole located in the Southwest of the Northeast of Section 28.

From there it goes right on down to the Aztec producer in the North Anderson Ranch Pool, which is in the Northeast of the Southwest of Section 28. From there it goes down to the Union



well in the Southeast corner of Section 28.

MR. NUTTER: Southwest corner.

A Southwest, I am sorry, of Section 28, and from there runs clear on down into the Anderson Pool, being the Phillips Petroleum well located here in Section 3, being the Southeast, Southeast of that section.

Q Mr. Hilburn, as a result of the studies of the Abo horizon and your seismic shooting on the basis of the Upper Penn, do you anticipate a structure, a Wolfcamp structure substantially similar to the North Anderson Ranch Unit?

A It should be substantially similar. There's approximately a hundred feet of closure. Our seismic information shows that we have that or better.

Q And your proposed unit outline encompasses the closure indicated?

A Yes, it does, very closely. As a matter of fact, I rather think that our seismic anomaly might cover a bigger area than that requested for unitized acreage. It's possible that it could extend out to this contour here.

MR. NUTTER: That would be approximately 5751?

A Yes, sir, which covers the entire area that we have requested for the unit.

Q Turn to your Exhibit 3. Is that a written geological



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report?

A That is a written geological report by a geological consultant relative to the prospect.

Q Coming to the same conclusion reflected on Exhibit No. 2?

A Yes.

Q And attached to it is a columnar section showing the formation you would anticipate on the way down?

A Yes.

Q Were your Exhibits 1 through 3 prepared by DOB Oil Company, and are you familiar with all of the contents thereof?

A I am familiar with them.

MR. BRATTON: We would offer in evidence Exhibits 1 through 3.

MR. NUTTER: DOB Oil, Inc. Exhibits 1 through 3 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1, 2 & 3 were offered and admitted in evidence.)

MR. BRATTON: If the Commission please, I have a letter from the Commissioner of Public Lands. I would like to take it and send you a copy for the file, if I could, please, indicating the approval of the unit as to form and area.



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MR. NUTTER: That will be very good, Mr. Bratton.

Q (By Mr. Bratton) Mr. Hilburn, will the granting of this application be in the interest of the prevention of waste and the protection of correlative rights?

A In my opinion it will.

MR. BRATTON: We have nothing further to offer.

MR. NUTTER: Does anyone have any questions of Mr. Hilburn?

CROSS EXAMINATION

BY MR. NUTTER:

Q You stated that one hundred percent of the acreage had been committed to the unit?

A Yes, sir.

Q That's working interest, is that right?

A Yes, sir, that's true.

Q Is all of the royalty identical in this unit?

A Yes, sir, it is.

Q So you have one hundred percent commitment throughout?

A We do have.

MR. NUTTER: Any further questions of Mr. Hilburn?
He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further for this case,



Mr. Bratton?

MR. BRATTON: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2785? We will take the case under advisement and call a fifteen-minute recess.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, 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 22nd day of April, 1963.

Ada Dearnley
Notary Public-Court Reporter

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. 2785 heard by me on 4/10, 1963.

[Signature]
Examiner
New Mexico Oil Conservation Commission

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