

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 21, 1963

-----  
IN THE MATTER OF: )  
 )  
 )

Application of Perry R. Bass for  
an unorthodox gas well location,  
Lea County, New Mexico. )  
 )  
 )  
----- )

Case No. 2765

BEFORE:

Elvis A. Utz, Examiner.  
A. L. "Pete" Porter

TRANSCRIPT OF HEARING

MR. UTZ: We will now take Case No. 2765.

MR. DURRETT: Application of Perry R. Bass for an  
unorthodox gas well location, Lea County, New Mexico.

MR. BRATTON: I am Howard Bratton, appearing on behalf  
of the applicant. We have one witness, Mr. Floyd Acklin.

(Witness sworn.)

MR. UTZ: Are there any other appearances in this  
case? You may proceed.

F L O Y D   A C K L I N

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

DIRECT EXAMINATION

BY MR. BRATTON:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691

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

A Floyd Acklin, for the Perry Oil and Gas, Chief Gas Engineer, Fort Worth, Texas.

Q Have you previously testified before this Commission as an expert witness?

A I have.

Q Are you familiar with the area in question in this case?

A He is applying for exception to the Lusk Deep Unit.

Q Being an exception to what?

A Spacing of the Lusk Unit.

Q Spacing of the Lusk-Morrow Gas Pool?

A Yes.

Q The Rules of that pool call for 640-spacing, is that correct?

A That is correct.

Q This calls for location of the well in the interior of 40-acre tracts, is that correct?

A Interior 40 of the center of the section.

Q And in this case, he is applying for permission to drill 660 feet from the West line of Section 28, is that correct?

A That is correct.

Q The Lusk-Morrow Gas Pool includes Section 29, so that your proposed well would be governed by those pool rules, is



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 324-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691

that correct?

A That is correct.

Q Therefore, the necessity for the exception. I refer to what has been marked Exhibit No. 1, Mr. Acklin, is that a map of the area in question?

A Yes, it is.

Q Now, are all of the wells that are completed in the Morrow shown in the big red circles?

A That is correct.

Q And the proposed location of your well in Section 28 is also noted on there, is that correct?

A Right.

Q Now, are any of the Morrow wells completed in accordance with the location requirements of the Lusk-Morrow Gas Pool?

A No.

Q In other words, all of them are unorthodoxed locations?

A That is correct.

Q The well in Section 29 is located 660 feet from the East line of Section 29, is that correct?

A That is correct.

Q So it is 660 feet from your lease boundary?

A Yes.

Q All you want to do is locate it 660 feet away from the lease line so you will be equal distance?

A Right.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 324-1182

SANTA FE, N. M.  
PHONE 983 3971

ALBUQUERQUE, N. M.  
PHONE 243 6691

Q Does Exhibit 1 show the contours of the Lusk-Morrow Pool? Is that an isopach?

A That is an isopach map.

Q It shows that you would be in the same pool?

A Yes, sir.

Q Now, this will be a unit well, will it not, the Plains Unit?

A Right.

Q And you already have one well completed in the Morrow in Section 27?

A That is correct.

Q And that is completed 660 feet from the West line of that Section, is that correct?

A Right.

Q Now, I take it then, Mr. Acklin, that you are merely seeking to protect your correlative rights, to protect the drainage in this case, is that correct?

A That is correct.

Q Do Exhibits No. 2 and 3 reflect the drainage patterns?

A Those are set up for 660-acre drainage.

Q What does Exhibit No. 2 reflect, Mr. Acklin?

A It reflects the drainage around the El Paso Well in Section 29, showing the drainage they would receive from their leases and also from ours.

Q In other words, drawing a perfect circle around the



well, that well would be draining a net 227 acres, I believe it is, over into your lease?

A Right.

Q Now, what does Exhibit No. 3 show?

A Exhibit 3 shows the nearest location we could locate under the rules of the Lusk Unit, and shows the drainage around that location.

Q In other words, if you were to make a standard location, the drainage pattern around your well would be as shown on Exhibit 3?

A That is correct.

Q So that your well would be draining approximately 70 acres over into the El Paso area?

A Correct.

Q If the location requested is granted, you would be equal distance from the line, is that correct?

A Right.

Q Therefore, drainage would be equal?

A Yes.

Q So any drainage would be balanced by counter drainage?

A Right.

Q Have you estimated roughly what the percentage of drainage from your area would be, if you are forced to use a standard location?

A We estimate we would lose approximately 25 per cent

of the reserves.

Q Now, Mr. Acklin, El Paso is the operator of the well in Section 29, is that correct?

A That is correct.

Q They would be the offset operator?

A Yes.

Q And have they advised this Commission that they have no objection to the application in this case?

A According to the letter we have received, that is correct.

MR. BRATTON: Mr. Examiner, do you have the original of that letter in your files?

MR. UTZ: All we have is your application.

MR. BRATTON: I will ask that a copy of the letter from El Paso be marked as Exhibit 4.

(Exhibit 4 was marked by the reporter.)

Q Is that a copy of a letter which you received from El Paso Natural Gas Company, indicating no objection to the application?

A Yes.

Q If you are permitted to move to the 660-foot location, would that result in any waste in the east part of your section, Mr. Acklin?

A No, sir, due to the well over in the other section.

Q Due to your well in Section 27, you will get drainage

DEARNLEY-MEIER REPORTING SERVICE, Inc.

SANTA FE, N. M.  
PHONE 325 1182

SANTA FE, N. M.  
PHONE 983 3971

ALBUQUERQUE, N. M.  
PHONE 243 6631



of the area?

A Yes.

Q Is there anything further you care to state in connection with this matter?

A I believe not.

Q Exhibits 1 through 3 were prepared by you or under your supervision?

A Yes, sir.

MR. BRATTON: We offer into evidence Applicant's Exhibits 1 through 4.

MR. UTZ: Without objection, Exhibits 1 through 4 will be entered into the record.

# CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Acklin, what is shown on Pan American Plains No. 1, did I hear you say that is your well now?

A It was drilled in our unit, yes, sir.

Q So it is a unit well then?

A Yes, sir, that is correct.

Q Now, is Section 28 in the Plains Unit?

A Yes, sir, it is, Plains Unit and Lusk Unit of the same common line.

Q So the reason you want to drill over is to protect your drainage from the unit rather than the drainage from Section 28?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325 1182

SANTA FE, N. M.  
PHONE 983 3971

ALBUQUERQUE, N. M.  
PHONE 243 6691

A Yes, sir.

Q The fact that the El Paso Well is a pretty good well has no influence on your decision in moving over there 660 feet from the West line of Section 28?

A No, sir, it is just strictly an equity deal. It is due to equity.

Q The fact that 18,000 MCF well against 14,626 on the other side has no influence on your decision?

A No, sir, just equity.

Q I am wondering about these drainage patterns here. Do you feel that the Plains Unit No. 1 Well will properly drain portions of Section 28?

A Yes, sir, I believe it will.

Q Even though it is a small well?

A Yes, sir.

Q 640-acre spacing and two wells only 1320 feet apart, in your opinion, is that going to create quite a substantial low pressure area across those section lines?

A No, sir, I don't believe so. I think the take will be based equally and protect that.

Q In other words, they will set close to each other and fight it out?

A Yes, sir.

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





MR. DURRETT: Yes, sir, I have one question.

BY MR. DURRETT:

Q Mr. Acklin, I call your attention to the fact that the newspaper, in preparing the ad for this case, apparently made a mistake and listed the location as 66 feet from the West Line, and in connection with that, let me ask you this question-- in fact, 66 feet from the West Line would be more of a deviation in the rules than the outcome of your proposed location of 660 feet?

A That is correct.

MR. UTZ: Any other questions?

MR. BRATTON: Yes, sir, we would request one question.

# REDIRECT EXAMINATION

BY MR. BRATTON:

Q Mr. Acklin, has the USGS demanded that you protect the Plains Unit from drainage in this situation?

A Yes, they have.

MR. BRATTON: I believe that is all.

# RE CROSS EXAMINATION

BY MR. UTZ:

Q What type of acreage is Section 29?

A It is Federal.

MR. UTZ: I am wondering why the applicant in the original case thought he had any need for location rules such as proposed since everything is 660 anyway?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325 1182

SANTA FE, N. M.  
PHONE 983 3971

ALBUQUERQUE, N. M.  
PHONE 243 6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983 3971

ALBUQUERQUE, N. M.  
PHONE 243 6691

MR. DURRETT: In other words, the exception seems to be the rule.

MR. BRATTON: We will reframe our application, Mr. Examiner. We just wanted to comply with the rules in the pool.

MR. DURRETT: By the exception?

MR. BRATTON: Yes, sir.


MR. UTZ: The witness may be excused. If there are no further questions, the case will be taken under advisement.



STATE OF NEW MEXICO )  
 ) ss  
 COUNTY OF BERNALILLO )

I, ELAINE J. BUCHANAN, Court Reporter, do hereby certify that the foregoing and attached transcript of hearing 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 \_\_\_\_\_ day of April, 1963.

  
 NOTARY PUBLIC

My Commission Expires:  
 October 14, 1966.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
 PHONE 325-1182

SANTA FE, N. M.  
 PHONE 983-3971

ALBUQUERQUE, N. M.  
 PHONE 243-6691



I N D E XWITNESSPAGE

FLOYD ACKLIN

Direct Examination by Mr. Bratton	2
Cross Examination by Mr. Utz	8
Cross Examination by Mr. Durrett	10
Redirect Examination by Mr. Bratton	10
Recross Examination by Mr. Utz	10

EXHIBITS

<u>NUMBER</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>OFFERED</u>	<u>ADMITTED</u>
#1	4	8	8
#2	5	8	8
#3	5	8	8
#4	7	8	8

I do hereby certify that the foregoing is  
a correct and true copy of the proceedings in  
the New Mexico Oil Conservation Commission  
heard by me on Feb. 21, 1963.  
Shirley J. [Signature], Examiner  
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182SANTA FE, N. M.  
PHONE 983-3971ALBUQUERQUE, N. M.  
PHONE 243-6691