

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

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TRANSCRIPTION OF HEARING

CASE NO. 286

24 July 1951  
(DATE)

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BEFORE THE  
OIL CONSERVATION COMMISSION  
July 24, 1951

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CASE NO. 286: Wherein Magnolia Petroleum Company has applied for an order approving the proposed Huerfanito Unit Agreement in San Juan County, New Mexico.

MR. SHEPARD: The next case is No. 286.

(Mr. Graham reads the Notice of Publication.)

R. E. MURPHY,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HINKLE:

MR. HINKLE: If it please the Commission, my name is Clarence Hinkle of Hervy, Dow and Hinkle of Roswell, New Mexico, appearing on behalf of the Magnolia Petroleum Company. This matter is before the Commission on the application of the Magnolia Petroleum Company for the approval of a unit agreement covering the Huerfanito Unit Area in San Juan County, New Mexico. The proposed area comprises 10245.38 acres situated in San Juan County, and Townships 26 and 27 North, Range 9W. Of the total area, 1,120.94 acres are state lands, 640 acres are allotted Indian lands, and 8,484.44 acres are Federal lands or public domain. We have filed with the application, which was filed in triplicate, copies of the proposed unit agreement which is insubstantially the same form as unit agreements heretofore approved by the Commission and the Commissioner of Public Lands. There was also filed with our application a plat, which is attached as Exhibit A, a plat showing the result of a seismographic survey which

was made by the Magnolia and which was the same plat which was filed with the application made by the Magnolia to the United States Geological Survey for the designation of the area as one suitable and proper for unitization. And the United States Geological Survey on March 8, 1951, designated the area as one suitable and proper for unitization.

It is proposed under the terms of the Unit Agreement to drill a test well on some part of the lands embraced in the unit to a depth of 7200 feet, which is calculated to test the Dakota formation. I have here Mr. R. E. Murphy who is the District Geologist for the Magnolia and would like to have him sworn.

(Witness sworn.)

Q Your name is R. E. Murphy?

A Yes.

Q Where do you reside, Mr. Murphy?

A Roswell, New Mexico.

Q By whom are you employed?

A Magnolia Petroleum Company.

Q And in what capacity?

A As District Geologist.

Q In charge of New Mexico?

A Of the State of New Mexico.

Q Including the San Juan area. Have you previously testified and qualified before the Commission?

A I have.

Q Are you familiar with the application that has been filed by the Magnolia for the approval of the Huerfanito Unit Agreement?

A I am.

Q Are you familiar with the Exhibit A which is attached to the application, which is a plat showing the result of the seismographic survey which was made of the area?

A I am.

Q Was that plat prepared under your supervision and direction?

A It was.

Q State whether or not in your opinion the proposed unit area will cover substantially all of the geological feature involved?

A I beg your pardon?

Q Whether or not the proposed unit area will cover substantially all of the geological feature involved that is shown by the plat which has been filed.

A I believe that the plat as filed covers the known area containing the geological structure.

Q What I mean is, does the proposed unit area as set off in the unit agreement cover substantially all of the geological feature as shown by the plat?

A Yes, sir, it does.

Q Does the Magnolia propose to get a test well on the unit?

A We do.

Q And to what depth?

A To 7200 feet or a depth sufficient to test the Dakota

formation.

Q In your opinion, would a 7200 foot well in that area test the Dakota formation?

A I believe it will.

Q Are you familiar with the proposed form of unit agreement?

A Yes, sir.

Q State whether or not in your opinion the Unit agreement, if effective and a discovery is made, will tend to promote the conservation of oil and gas and the prevention of waste?

A I believe it will.

MR. HINKLE: That is all.

MR. SHEPARD: Any questions? If there are no further questions the witness will be excused and we will take Case 287.

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STATE OF NEW MEXICO     )  
                              :  
COUNTY OF BERNALILLO    )

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings before the Oil Conservation Commission in Case No. 286, held on July 24, 1951, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 31 day of July, 1951.

E. G. McRae  
REPORTER

My Commission Expires: 8-4-52