

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 12, 1964

EXAMINER      HEARING

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IN THE MATTER OF: Application of Shell Oil )  
Company for a unit agreement, Lea County, New )  
Mexico. Applicant, in the above-styled cause )  
seeks approval of the West Wilson Deep Unit )  
Area comprising 3360 acres, more or less, of )  
State and Fee lands in Township 21 South, )  
Range 34 East, Lea County, New Mexico. )  
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Case No. 3129

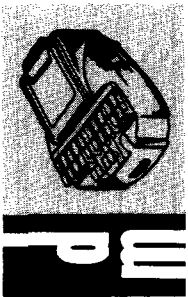
BEFORE:    Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

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MR. UTZ: The next case on the docket will be Case 3129.

MR. DURRETT: Continued from the October 13, 1964 Examiner Hearing, application of Shell Oil Company for a unit agreement, Lea County, New Mexico.

MR. MORRIS: If the Examiner please, I'm Richard Morris, of Seth, Montgomery, Federici and Andrews, Santa Fe, New Mexico, appearing for Shell Oil Company. We will have two witnesses in this case, Mr. Lawrence and Mr. Staesy. I ask that they stand and be sworn.

(Witnesses sworn.)

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

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

DIRECT EXAMINATION

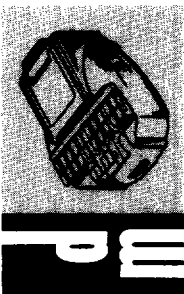
BY MR. MORRIS:

Q Mr. Lawrence, please state your name, by whom you are employed and in what position, where you are located.

A O. V. Lawrence. I'm employed by Shell Oil Company as the Roswell Division Land Manager, in Roswell, New Mexico.

MR. UTZ: Before I forget it, let me call for other appearances. There are none, you may continue.

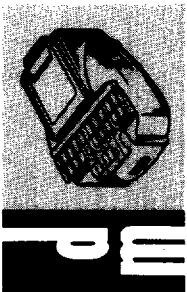
Q (By Mr. Morris) Have you previously testified before



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the Oil Conservation Commission, or one of it's Examiners?

A I have.

Q Are you familiar with the application of Shell Oil Company in Case 3129, concerned with the West Wilson Deep Unit Area?

A Yes, sir, I am.

Q What is it that Shell seeks by it's application?

A We seek approval of the West Wilson Deep Unit Area which comprises 3,360 acres of State and Fee lands in Township 21 South, Range 34 East, Lea County, New Mexico.

Q Referring to what's been marked Exhibit 1 in this case, or a copy of that exhibit, will you state what it is?

A Yes, sir. This is the form of proposed unit agreement which we plan to use, and it is the suggested form where State and Fee lands are involved.

Q If you would refer to the attachment A to Exhibit 1; will you state what that is, and what it shows?

A Yes, sir, attached to the unit agreement as Exhibit A is a plat of the unit area. This plat shows the type of land that's involved, being 3,320 acres of State land, or approximately 98.81 percent, and 40 acres of Fee land, approximately 1.19 percent. The plat also shows tract numbers which are connected to Exhibit B, to show the ownership of the various tracts.

Q Referring to Exhibit B, would you state who the working interest owners are in this unit?

A The working interest owners are Shell Oil Company, the Pure Oil Company, Mabel E. Hale and Helwin C. Hale, Sinclair Oil and Gas Company, Amerada Petroleum Corporation, Cities Service Oil Company, Fred R. Whittaker, F. A. Catron and J. B. Catron.

Q What is the status of commitment of these working interest owners to your proposed unit agreement?

A All of these leasehold owners have advised us that they are willing to join in the unit agreement.

Q What is the status of commitment, or approval of the royalty interest within this unit agreement?

A There are only two royalty owners, the State of New Mexico, and one Fee tract. The State, of course, has been contacted, the Fee owner has not, but will be contacted this week. He will be sent a copy of the unit agreement to execute.

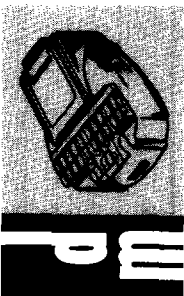
Q You say the State has given tentative approval of this?

A Yes. We have tentative approval from the Unit Division of the State Land Office as to content and form.

Q What formations are unitized by the unit agreement?

A All formations below a depth of 5,200 feet are unitized under this agreement.

Q What is the purpose for forming this unit and what,



under the unit agreement are Shell's drilling obligations?

A The Paragraph 8 is the drilling obligation which provides that a unit test will be commenced within 60 days after the effective date of the unit agreement. This test is to be drilled on the Morrow formation or to unitized substances at a lesser depth. In no event is the test to be drilled in excess of 13,900 feet.

Q From a conservation standpoint, Mr. Lawrence would you explain the need for the establishment of this unit agreement?

A Yes, sir. There are many small tracts involved in this unit, in fact, most of the tracts are 160 acres or smaller, which will require pooling in the event there is gas production. It would be extremely difficult to attempt to drill this area on a leasehold basis in view of the small tracts.

Q Was this exhibit prepared by you, or under your direction?

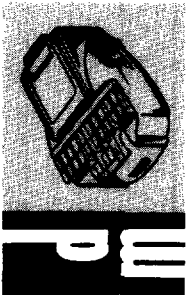
A Yes, sir, it was prepared by me.

MR. MORRIS: We offer Exhibit 1 into evidence.

MR. UTZ: Exhibit 1 is the entire unit agreement, is it not?

MR. MORRIS: Yes.

MR. UTZ: Without objection, Exhibit 1 will be



entered into the record of this case.

(Whereupon, Applicant's Exhibit 1 was admitted in evidence.)

MR. MORRIS: That's all I have from Mr. Lawrence at this time.

MR. UTZ: Are there questions of the witness? The witness may be excused.

(Witness excused.)

L. W. STAESY, called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

(Whereupon, Applicant's Exhibits 2 through 5 marked for identification.)

Q Mr. Staesy, please state your name, your position, in what capacity you are employed and where you are located.

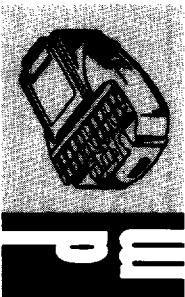
A I am L. W. Staesy, Division Exploration Manager with Shell Oil Company in Shell's Roswell Division, Roswell, New Mexico.

Q From a geological standpoint, are you familiar with Shell's application in Case 3129 concerning the West Wilson Deep Unit Area?

A Yes, I am.

Q What are the objectives of the test in this area?

A The objectives are deep Morrow Sands in a stratigraphic



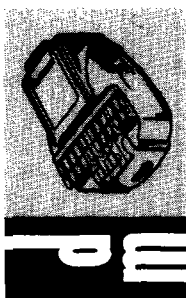
trap prospect. This stratigraphic trend and the prospect is illustrated on the isopac maps and the cross sections which are Exhibits 2, 3 and 4. Exhibit 2 shows the location of the unit relative to a sand thickness map; the contours show gross sand thickness of one of the Morrow sands.

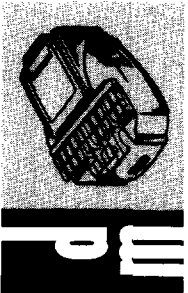
You will note, near the center of the unit we expect in the order of 50 feet of gross Morrow sand, the sand thickens, thins to the north, to the east and to the south. That sand is shown in cross section on Exhibit 3. The line of sections is the green line shown on the map; on the cross section production is established in this sand in the Texaco Berry Unit, the well on the left, and in the Pure Wilson Deep Unit, the well on the right.

The sand referred to is the upper sand called here the B Sand. Production in the Texaco Berry Unit is indicated by calculated absolute openflow potential to be 10.7 million cubic feet of gas per day.

In the Pure Wilson Deep Unit calculated openflow was 21.2 million cubic feet per day.

The second sand shown on the cross section entitled the C Sand is mapped on Exhibit 4. This is an isopac map showing gross sand thickness. We note a sand trend similar to that shown for the B Sand gross sand thicknesses in the order of 50 feet near the center of the unit, thinning again to the





north, east and south. This sand, the C sand is also productive in the Texaco Berry Unit Number 1, but is tight and non-productive in the Pure Wilson Deep Unit Number 1.

In summary I would note that our regional stratigraphic mapping shows a regional Morrow sand trend along which we can expect to find the stratigraphic gas accumulations.

A location near the center of Section 17 we consider the optimum location to test this prospect.

Q And you have a proposed location near the center of Section 17?

A Yes, sir, as indicated on the two exhibits.

Q Were Exhibits 2 through 5 prepared by you or under your direction?

A Yes, sir, they were.

MR. MORRIS: We offer Exhibits 2 through 5 into evidence.

MR. UTZ: Without objection, Exhibits 2 through 5 will be entered into the case.

(Whereupon, Applicant's Exhibits 2 through 5 entered in evidence.)

MR. MORRIS: That's all I have.

#### CROSS EXAMINATION

BY MR. UTZ:

Q On your Exhibit Number 2 the green line shows the



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track of your cross section on Exhibit 3, does it not?

A Yes, sir.

Q The left hand well, so to speak, or the western well is a Texaco well, right?

A Yes.

Q And you made a well in both the B and the C Sands?

A Yes, sir.

Q While the other well, the Pure Wilson Deep Unit Well did make a well in the lower sand, or C Sand?

A No, that was tested and found to be tight and non-productive. The test flowed at the rate of 100,000 cubic feet per day.

Q And in the upper sand they had less pay but a bigger well?

A Less gross thickness --

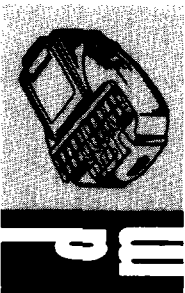
Q Yes.

A -- but they had better permeability, yes, sir.

MR. UTZ: Are there other questions of the witness?  
The witness may be excused.

(Witness excused.)

MR. UTZ: Any statements in this case? The case will be taken under advisement.



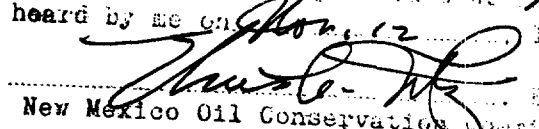
STATE OF NEW MEXICO )  
 ) ss.  
 COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner 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 16th day of November, 1964.

  
 Notary Public - Court Reporter

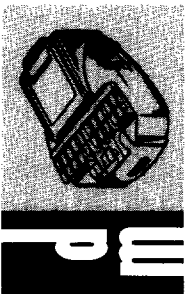
My Commission Expires:  
 June 19, 1967

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3128 heard by me on Nov. 12, 1964.  
  
 Examiner  
 New Mexico Oil Conservation Commission

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TRANSCRIPT OF HEARING

MR. UTZ: The Hearing will come to order, please.

MR. MORRIS: In order to take care of any confusions in the Docket, I would like to announce at this time that when Case 3129 is called; that is the last Case on the Docket, I intend to move the Examiner to continue that Case until the first Examiner Hearing in November. We can do this at this time.

MR. UTZ: I always like to get the dismissals and continuances at the beginning of the Hearing and everyone knows where they stand. In that event, I will call Case 3129 next.

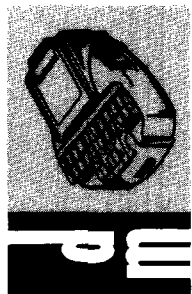
MR. MORRIS: If the Examiner please, I am Richard Morris of Seth, Montgomery, Federici & Andrews, Santa Fe, New Mexico, appearing on behalf of the Applicant, Shell Oil Company. We respectfully request that this Case be continued to the first Examiner Hearing in the month of November, 1964.

MR. UTZ: Without objection, Case 3129 will be moved to the last Examiner Hearing in November.

MR. MORRIS: The first, if you please.

MR. UTZ: The first Examiner Hearing in November. I don't know what that date is, yet.

\* \* \*



STATE OF NEW MEXICO     )  
                                   ) ss.  
 COUNTY OF BERNALILLO    )

I, CHARLES FLOYD WALKER, 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 20th day of October, 1964.

*Charles F. Floyd Walker*  
 NOTARY PUBLIC

My Commission Expires:  
 March 25, 1968.

Case 7129  
*Thurston*

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