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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
August 9, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of W. T. Wynn for a
unit agreement, Eddy County,
New Mexico.

Case No. 5041

BEFORE: ELVIS A. UTZ,
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 5041.

2 MR. CARR: 5041. Application of W. T. Wynn for
3 a unit agreement, Eddy County, New Mexico. Applicant,
4 in the above-styled cause, seeks approval of the Kaiser
5 Lake Unit Area comprising 960 acres, more or less, of
6 federal and fee lands in Township 18 South, Ranges 26
7 and 27 East, Eddy County, New Mexico.

8 MR. RICHARDSON: Randolph M. Richardson appearing
9 on behalf of the applicant, Roswell, New Mexico.

10 (Whereupon, the witness was sworn by Mr. Carr.)

11 MR. UTZ: Are there other appearances?

12 (No response.)

13 MR. UTZ: There are none. You may proceed.

14 MR. RICHARDSON: Here's a geological record that
15 I have marked Exhibit One through Seven, and here's an
16 extra copy of these. Do you want them?

17 MR. CARR: We need two. If you have an extra one,
18 we'll take it.

19 MR. RICHARDSON: You already have one copy of the
20 unit agreement. Do you need another copy?

21 MR. UTZ: No.

22 MR. RICHARDSON: One copy of the unit agreement.

23 *****

24 W. T. WYNN,

25 was called as a witness, and after having been duly sworn,

1 testified as follows:

2 DIRECT EXAMINATION

3 BY MR. RICHARDSON:

4 Q Mr. Wynn, will you state your name and present occupation?

5 A W. T. Wynn, Petroleum Geologist.

6 Q Consulting?

7 A Yes, sir. Artesia, New Mexico.

8 Q Would you please state your educational and professional
9 background which would enable you to testify as an
10 expert witness?

11 A I attended the Virginia Military Institute and the
12 University of Texas where I studied geology and petroleum
13 engineering. I worked during the 1930s for Coast Oil
14 Company as a geologist and also in their refinery on the
15 pipe line. In the early part of the 1940s, I worked as
16 an engineer for the oil and gas division of the Railroad
17 Commission of Texas. Since 1944, I have worked as a
18 petroleum geologist. Up until 1954, for Stanlon Oil and
19 Gas Company, until 1958, for Buffalo Oil Company. Until
20 1968, for T. J. Sivley, and since then as a consulting
21 petroleum geologist.

22 MR. UTZ: You've had some experience?

23 THE WITNESS: Yes, sir.

24 Q (By Mr. Richardson) Are you familiar with the Kaiser Lake
25 unit area? And of the matters explained on application to

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1 the Commission for approval of the unit agreement?

2 A Yes, sir.

3 MR. RICHARDSON: Are Mr. Wynn's qualifications
4 acceptable?

5 MR. UTZ: Yes, they are.

6 Q (By Mr. Richardson) Is the form of unit agreement
7 prescribed to federal regulations as recently approved
8 by the Commissioner of Public Lands?

9 A Yes, sir.

10 Q Has the unit area been designated by the USGS for the
11 United States Geological Survey for an area geological
12 institute to be acceptable under the plan?

13 A It has been accepted in the Roswell office of the United
14 States Geological Survey and has been transmitted to their
15 Denver office. It has not yet been learned whether
16 they've accepted it or not.

17 Q Would you please tell the Commission the total number
18 of acres within the unit area and the number and percentage
19 of acreage of federal and patented land?

20 A There are nine hundred sixty acres of unit area. The
21 federal land amassed to 92.997 percent of unit area.
22 Fee lands amount to 7.003 percent of unit area.

23 Q And how many acres of federal?

24 A There are 892.92 acres of federal land.

25 Q And there are no state lands in the unit?

1 A No, sir.

2 Q Would you please tell the Commission the township and
3 range in which this unit is located and approximate
4 location with reference to the nearest town?

5 A The unit is located in the east part of Township 18 South,
6 26 East. The southwest part of the township 18 South,
7 27 East. It's located approximately nine miles south and
8 four and a half miles east of Artesia.

9 Q Please refer to the geological report which has been
10 introduced in this case in Exhibits One through Seven.
11 Was this report prepared by you?

12 A Yes, sir.

13 Q Would you please review the report, referring on the maps
14 by naming and indicating the significance of such maps
15 of the cross sections?

16 A Enclosure One is the map showing parts of Southeastern
17 New Mexico and West Texas. It simply shows the location
18 of the unit in relation to towns in Southeastern New Mexico.

19 Enclosure Two is a subsurface structure map, map
20 of the top of the Abo formation, A-b-o formation. It
21 shows the unit area impermeable, updip barrier which,
22 well, it's the mechanism that traps the oil. It shows
23 an oil-water context at minus 2700 feet.

24 Enclosure Three is a cross section, northwest
25 ~~southeast cross section that shows a cross section reviewing~~

1 the west part of the unit area and it shows the location
2 of proposed tests. It shows depth and datum at which
3 the various formations are expected to be encountered.

4 Enclosure Four is a map of the unit area, proposed
5 unit area, with the Tiger Lake unit and it shows the
6 federal lands and the fee lands designated by appropriate
7 symbols. It also shows all the lease owners in the unit
8 area.

9 Map Five is a copy of an ownership map showing the
10 relationship of the entire Abo field in relationship to
11 the Kaiser Lake unit by appropriate colors. The production,
12 or rather the cumulative oil production from the Abo to
13 January 1, 1973, is shown for all the Abo wells that
14 appear on this map.

15 Q Would you please tell the Commission your conclusions as
16 to the formations, likely to be encountered and considered
17 prospective for production, including the depth and
18 location of the initial test well?

19 A It's proposed that the next test well should be drilled
20 at a depth of 6500 feet. The principal objective in the
21 test in Abo is expected to be encountered at a depth of
22 5590 feet. However, there are other objectives,
23 particularly the premier zone of the lower Grayburg which
24 is expected to be encountered at a depth of 1210 feet.

25 There is a possibility also of a producing zone in the

1 Ala Domicita at a depth of 3000 feet.

2 Q Have other working interest owners in the unit area
3 been contacted and have you received any indication
4 that anyone would object?

5 A The other working unit owners have been contacted and
6 there have been no objections.

7 Q In your opinion, what percentage of working interest
8 will be committed to the unit?

9 A Ninety-two percent.

10 Q And the other eight percent, could you explain why
11 that will not be committed?

12 A Well, there is an eighty acre tract on the east side
13 of the unit; as a matter of fact, it's the west half of
14 the southwest quarter Section 29, 18 South, 27 East.
15 It's an unleased federal tract.

16 Q What percentage of the royalty will be committed?

17 A Ninety five percent.

18 Q In your opinion, will the operation of this area under
19 the proposed unit plan of operation be in the interest
20 of conservation and prevention of waste?

21 A Yes, sir.

22 Q In the event of production, will correlative rights
23 of all parties on the unit agreement be protected?

24 A They will.

25 MR. RICHARDSON: We'd like to introduce the

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1 geological report which is marked Exhibit One through
2 Seven into evidence.

3 MR. UTZ: Without objection, Exhibit One through
4 Seven will be entered into the record of this case.

5 MR. RICHARDSON: Does the Commission have any
6 additional questions?

7 MR. UTZ: I don't believe I do. Do you have any
8 other questions?

9 MR. CARR: None.

10 MR. UTZ: The witness may be excused. Statements
11 in the case?

12 MR. RICHARDSON: I'd like to request, if possible,
13 you issue an order fairly soon. We have an August 30
14 drilling date. The thing has to be signed up and
15 approved by the USGS prior to August 30, so we don't have
16 a heck of a lot of time left.

17 MR. UTZ: We will get your order out right away
18 and it will be favorable. Thank you.

19 REPORTER'S CERTIFICATE

20 I, CLAUDIA FAHRENTHOLD, a Court Reporter, in and for the
21 County of Bernalillo, State of New Mexico, do hereby certify
22 that the foregoing and attached Transcript of Hearing before
23 the New Mexico Oil Conservation Commission was reported by me;
24 and that the same is a true and correct record of the said
25 proceedings to the best of my knowledge, skill and ability.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5341
heard by me on August 9, 1973

COURT REPORTER

Examiner
New Mexico Oil Conservation Commission

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Direct Examination by Mr. Richardson 4

EXHIBITSOfferedAdmittedApplicant's Exhibits One
Through Seven

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