

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 5, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Exxon Corporation for
a unit agreement, Eddy County,
New Mexico.

CASE
5579

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

Clarence Hinkle, Esq.
HINKLE, BONDURANT, COX & EATON
Attorneys at Law
Hinkle Building
Roswell, New Mexico

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LEWIS GRIFFIN

Direct Examination by Mr. Hinkle

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Exxon's Exhibit No. Two, Structure Map

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Exxon's Exhibit No. Three, USGS Approval

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Exxon's Exhibit No. Four, Letter

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1 MR. STAMETS: We will call the next Case, 5579.

2 MR. CARR: Case 5579, application of Exxon Corporation
3 for a unit agreement, Eddy County, New Mexico.

4 MR. HINKLE: Mr. Examiner, Clarence Hinkle, Hinkle,
5 Bondurant, Cox and Eaton appearing on behalf of Exxon Corpora-
6 tion. We have one witness and four exhibits.

7 MR. STAMETS: The witness will stand and be sworn,
8 please?

9 (THEREUPON, the witness was duly sworn.)

10 MR. STAMETS: Any other appearances in this Case?
11 You may proceed, Mr. Hinkle.

12 LEWIS GRIFFIN

13 called as a witness, having been first duly sworn, was
14 examined and testified as follows:

15
16 DIRECT EXAMINATION

17 BY MR. HINKLE:

18 Q State your name, your residence and by whom you
19 are employed?

20 A My name is Lewis Griffin, I'm employed by Exxon,
21 and I live in Midland, Texas.

22 Q What is your position with Exxon?

23 A I'm a geologist with Exxon.

24 Q Have you previously testified before the
25 Commission?

1 A. No, sir, I haven't.

2 Q. State briefly your educational background and
3 experience as a geologist?

4 A. Yes, sir. I graduated from the University of Texas
5 in 1957 with a Bachelor of Science in geology and after
6 graduation I joined Exxon Corporation and for the past eighteen
7 years I have worked for them as a geologist with experience
8 in both production and exporation and at present, or for the
9 past nine years rather, I have been in Midland as an exploration
10 geologist.

11 Q. Have you made a study of the Laguna Grande unit
12 area?

13 A. Yes, I have.

14 Q. And all of the wells in that area?

15 A. Yes, sir.

16 MR. HINKLE: Are his qualifications sufficient?

17 MR. STAMETS: They are.

18 Q. (Mr. Hinkle continuing.) Are you familiar with
19 the application of Exxon in this Case?

20 A. Yes, sir.

21 Q. What is Exxon seeking to accomplish?

22 A. We seek to have approved the Laguna Grande unit
23 comprised of seven thousand six hundred and forty acres,
24 more or less, of Federal, State and fee lands in Township 23
25 South, Range 29 East in Eddy County, New Mexico.

1 Q Have you prepared or has there been prepared under
2 your direction certain exhibits for introduction in this Case?

3 A Yes, sir.

4 Q Are they the ones that have been marked One through
5 Four?

6 A That is correct.

7 Q Refer to Exhibit One and explain what this is and
8 what it shows?

9 A Exhibit One is a lease plat of the Laguna Grande
10 area and in the lower right corner is a little index map
11 showing the unit's relationship to Eddy County. The plat
12 above the index map is the area in the Laguna Grande unit.
13 This unit has twelve sections and all of these are in
14 Township 23 South, Range 29 East.

15 Q This is composed of Federal, State and fee lands?

16 A Yes, it is. In fact, the State acreage within the
17 unit, there are nine hundred and sixty acres being located
18 in Section 16, being all of that Section, six hundred and
19 forty acres, and three hundred and twenty acres in Section 32.
20 There are five thousand, eight hundred Federal acres within
21 the unit and the remaining nine hundred and twenty acres
22 are fee acres.

23 Q Does this show the location of the proposed well?

24 A Yes, it does. That location is in Section 28,
25 located thirteen hundred and eighty feet from the south line

1 and nine ninety from the east.

2 Q Is this well located inside or outside the boundaries
3 of the potash area defined by the Oil Conservation Commission
4 and by the Secretary of the Interior?

5 A It is outside of both boundaries, yes.

6 Q But part of the unit is within the potash area?

7 A That is correct.

8 Q Now refer to Exhibit Two and explain what this
9 shows?

10 A I might add that Exhibit One is a one inch equals
11 four thousand foot scale and the second plat we are entering
12 is also on the same scale, one inch equals four thousand
13 feet.

14 This plat is a structure map of the Laguna Grande
15 area, and we would like to point out basically three things
16 here. First, the structure and then we also have an
17 isolith map and then we will look at the control in the area.

18 First of all, the structure map is drawn on the top
19 of the Morrow formation and the contour interval is one
20 hundred feet and the map indicates general regional dip to
21 the southeast and superimposed on this structure map is this
22 sand isolith map. Now this is a Morrow net sand isolith of
23 sands greater than five percent porosity and the contour
24 interval for this isolith map is twenty feet and it is
25 shown with a little heavier contour line than the structure

1 contour line.

2 The control around the Laguna Grande unit, there
3 are six deep wells, and when I refer to deep wells, these are
4 wells that have penetrated the Morrow. Two of these wells are
5 to the west, two to the east of the unit, and two to the
6 south. There are other wells, but most of the other wells
7 are shallow Bell Canyon type wells.

8 Q The wells you refer to are shown on Exhibit Two
9 as gas wells, is that right?

10 A Yes, sir.

11 Q Morrow gas wells?

12 A Yes, sir, four of them are Morrow gas wells.

13 Q I see.

14 A And we have indicated the deep wells by a bold
15 symbol so they would be easy to locate the deep control
16 around the unit.

17 We might just clarify the information around each
18 of these deep wells.

19 Q Okay.

20 A Well, let's take an example, say the Mesa Nash Well
21 in Section 13 for example.

22 Q That's the one that is northeast of the unit?

23 A Yes, sir, in Section 13. The large heavy numeral
24 just to the right of the well, the forty-eight in this case,
25 is this sand isolith value of sands greater than five

1 percent, and then below that the subsea depth. Of course,
2 the value is on the top of the Morrow. Then below that the
3 bold figures, it gives the TD of the well and the formation
4 that the well TD in. Also we have what the well produced
5 from, like Morrow production and then gave the perforations
6 for that production from the well and each well has that
7 information, each deep well has that information listed by it.

8 Q This exhibit also shows the locations of the
9 proposed test wells?

10 A Yes, sir, and also the unit is outlined in the
11 brown to indicate the unit area.

12 Q Now, there is a line that runs across the center
13 there, what does that represent?

14 A I believe you are referring to the line that is
15 northeast-southwest and runs along the western side of the
16 unit. That is a fault on the top of the Morrow which is up
17 to the southeast.

18 Q And what information did you have in order to place
19 this fault on this map?

20 A This was seismically controlled.

21 Q That is the only seismic information shown on this
22 map?

23 A Yes, sir.

24 Q Do you have anything further with respect to this
25 exhibit?

1 A. No, sir, I believe that covers it.

2 Q. Has this proposed unit area been designated by the
3 United States Geological Survey as an area suitable and
4 proper for unitization under the provisions of the Federal
5 Mineral Leasing Act?

6 A. Yes, it has.

7 Q. If you will refer to Exhibit Three, is that the
8 approval by the USGS?

9 A. Yes, sir.

10 Q. Does this also designate the form of unit agreement
11 to be used?

12 A. Yes, sir.

13 Q. Which is their standard form with the usual changes
14 for fee and State land?

15 A. That is correct.

16 Q. Now, has the proposed unit area also been approved
17 by the Commissioner of Public Lands?

18 A. Yes, sir.

19 Q. And refer to Exhibit Four, is that the letter of
20 the Commissioner approving the proposed unit?

21 A. Yes, sir.

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

24 A. Yes, sir.

25 Q. Now three copies of these have been filed with the

1 Commission and this is on the form that has been designated
2 by the USGS that they would approve them on, is that right?

3 A. Yes, sir.

4 Q. Who is designated as the operator of the unit?

5 A. Exxon is the operator.

6 Q. Does the unit cover all formations or is it limited
7 to some formations?

8 A. It covers all formations.

9 Q. Does it provide for the drilling of additional test
10 wells?

11 A. Yes, sir.

12 Q. What are the provisions with respect to this test
13 well, that is the time of commencement and the depth?

14 A. Well, it is a fourteen thousand foot Morrow test.

15 Q. But it is to test the Morrow, but not to exceed
16 fourteen thousand feet?

17 A. Yes, sir.

18 Q. And to be commenced within six months of the
19 effective date of the unit?

20 A. Yes, sir.

21 Q. What are the probable producing formations that
22 will be penetrated by this proposed well?

23 A. Well, our primary objective is the Morrow. We
24 may have possibilities in other formations, mainly the Strawn,
25 possibly the Wolfcamp and coming on up the hole you may have

1 even some shallower possibilities such as Bell Canyon or
2 Brushy Canyon, but our primary objective is the Morrow.

3 Q In your opinion will approval of this application be
4 in the interest of conservation, the prevention of waste and
5 the protection of correlative rights?

6 A Yes, sir, it would.

7 MR. HINKLE: We would like to offer Exhibits One
8 through Four.

9 MR. STAMETS: Exhibits One through Four will be
10 admitted.

11 Any questions of this witness? He may be excused.

12 (THEREUPON, the witness was excused.)

13 MR. STAMETS: Anything further in this Case?

14 MR. HINKLE: No, sir.

15 MR. STAMETS: We will take the Case under advise-
16 ment.

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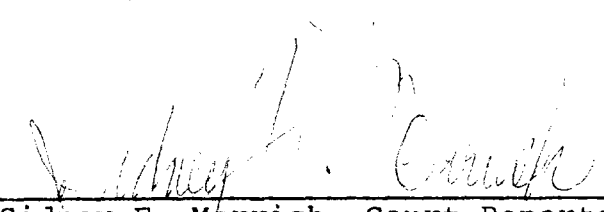
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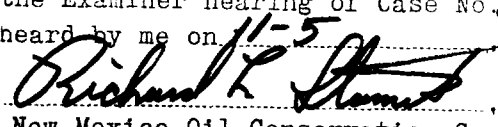
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a court reporter, do hereby
certify that the foregoing and attached Transcript of Hearing
before the New Mexico Oil Conservation Commission was reported
by me, and the same is a true and correct record of the said
proceedings to the best of my knowledge, skill and ability.


Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5579,
heard by me on 11-5 19 75.


Richard L. Starnes, Examiner
New Mexico Oil Conservation Commission