

(SEE CASE 1105)

Case No.

1680

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF
NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1680
Order No. R-972-E

APPLICATION OF GRARIDGE
CORPORATION FOR AN ORDER
AUTHORIZING CAPACITY ALLOWABLES
FOR EIGHT WELLS SITUATED IN THE
PROJECT AREA OF ITS WATER FLOOD
PROJECT IN THE CAPROCK-QUEEN
POOL, LEA AND CHAVES COUNTIES,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 20, 1959, at Santa Fe, New Mexico, before E. J. Fischer, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, E. J. Fischer, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Graridge Corporation was authorized by Order No. R-972 and amendments thereto, to institute a water flood project in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico.

(3) That Graridge Corporation is the operator of the following-described wells which are located in the aforementioned water flood project area:

Cap-Unit Well No. 31-3, NE/4 NW/4 of Section 31,
Township 12 South, Range 32 East, NMPM, Lea
County, New Mexico.

-2-

Case No. 1680

Order No. R-972-E

Cap-Unit Well No. 6-11, NE/4 SW/4 of Section 6,
Township 13 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 30-15, SW/4 SE/4 of Section 30,
Township 12 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 32-3, NE/4 NW/4 of Section 32,
Township 12 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 32-7, SW/4 NE/4 of Section 32,
Township 12 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 6-15, SW/4 SE/4 of Section 6,
Township 13 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 7-3, NE/4 NW/4 of Section 7,
Township 13 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 36-9, NE/4 SE/4 of Section 36,
Township 12 South, Range 31 East, NMPM, Chaves
County, New Mexico.

(4) That said water flood project has caused an increase in the producing capacity of the above-described wells to the extent that they are now capable of producing in excess of the top unit allowable for the Caprock-Queen Pool.

(5) That there is a reasonable probability that waste will occur if production from the above-described wells is curtailed.

IT IS THEREFORE ORDERED:

That the following-described wells are hereby granted an allowable equal to their capacity to produce, effective at 7:00 o'clock a.m., Mountain Standard Time, May 20, 1959:

Cap-Unit Well No. 31-3, NE/4 NW/4 of Section 31,
Township 12 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 6-11, NE/4 SW/4 of Section 6,
Township 13 South, Range 32 East, NMPM, Lea
County, New Mexico.

-3-

Case No. 1680

Order No. R-972-E

Cap-Unit Well No. 30-15, SW/4 SE/4 of Section 30,
Township 12 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 32-3, NE/4 NW/4 of Section 32,
Township 12 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap Unit Well No. 32-7, SW/4 NE/4 of Section 32,
Township 12 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 6-15, SW/4 SE/4 of Section 6,
Township 13 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 7-3, NE/4 NW/4 of Section 7,
Township 13 South, Range 32 East, NMPM, Lea
County, New Mexico.

Cap-Unit Well No. 36-9, NE/4 SE/4 of Section 36,
Township 12 South, Range 31 East, NMPM, Chaves
County, New Mexico.

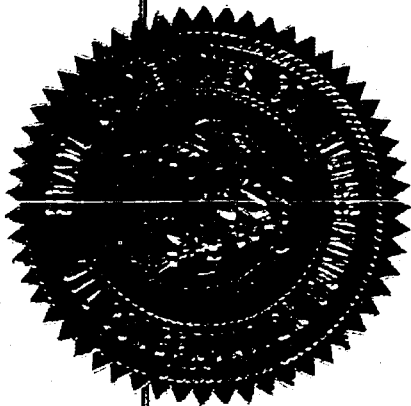
DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



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OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

May 22, 1959

Mr. Jack Campbell
P. O. Box 721
Roswell, New Mexico

Dear Mr. Campbell:

On behalf of your clients, Graridge Corporation and
The Ibox Company, we enclose two copies of Order No.
E-972-E and two copies of Order E-966-D issued May
21, 1959, by the Oil Conservation Commission.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

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Enclosures

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- CASE 1679: Application of Western Oil Fields, Inc., for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NW/4 SE/4 and the NE/4 SW/4 of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Gulf Hill Well No. 1, located 1980 feet from the South and East lines of said Section 4.
- CASE 1680: Application of Graridge Corporation for capacity allowables for eight wells in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowables for eight wells situated in the project area of its water flood project in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.
- CASE 1681: Application of The Ibex Company for a capacity allowable for one well in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing a capacity allowable for its Welch Duke State Well No. 18 in the project area of its Artesia Water Flood Project No. 2, Artesia Pool, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING MAY 20, 1959

Oil Conservation Commission, 9 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before E. J. Fischer, Examiner

- CASE 1673: Application of Standard Oil Company of Texas for an amendment of Order Nos. R-1067 and R-1124. Applicant, in the above-styled cause, seeks an amendment of Order Nos. R-1067 and R-1124 to permit the utilization of dump type meters in lieu of positive displacement meters on certain leases in the Atoka Pool, Eddy County, New Mexico.
- CASE 1674: Application of Continental Oil Company for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its M. E. Wantz Well No. 4-A located in the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Blinebry Gas Pool and the production of oil from the Wantz-Abo Pool through the casing-tubing annulus and the tubing respectively.
- CASE 1675: Application of Hill and Meeker for six non-standard oil proration units. Applicant, in the above-styled cause, seeks an order establishing six non-standard oil proration units for Delaware production on its State "36" Lease comprising all of partial Section 36, Township 26 South, Range 32 East, Lea County, New Mexico, with each of said non-standard oil proration units to consist of approximately 44 acres.
- CASE 1676: Application of Humble Oil & Refining Company for permission to produce more than sixteen wells into a common tank battery and to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Gallup production from its Navajo "F" Lease comprising Sections 3, 4, 9, and 10 with the Gallup production from its Navajo "G" Lease comprising Sections 1, 2, 11, and 12, all in and adjoining the Chimney Rock-Gallup Oil Pool, Township 31 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks authority to produce more than sixteen wells into said common tank battery.
- CASE 1677: Application of The Texas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. M. Henderson Well No. 2 located in the NE/4 NE/4 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of gas from the Blinebry formation adjacent to the Blinebry Gas Pool.
- CASE 1678: Application of Rice Engineering and Operating, Inc. for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recomplete its Gulf Oberholtzer Well No. 2 as a salt water disposal well in the Devonian formation; said well is located 1980 feet from the North line and 2310 feet from the West line of Section 7, Township 12 South, Range 38 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the Devonian formation in the interval from 12,206 feet to 12,400 feet.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GRARIDGE CORPORATION FOR AN
EMERGENCY ORDER GRANTING CAPACITY
ALLOWABLES FOR TWO WELLS IN THE
CAPROCK-QUEEN POOL, LEA AND CHAVES
COUNTIES, NEW MEXICO.

EMERGENCY ORDER NO. E-18

NOW, on this 5th day of May, 1959, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application of Graridge Corporation for an Emergency Order and being fully advised in the premises,

FINDS:

(1) That Graridge Corporation was authorized by Order No. E-972 and amendments thereto, to institute a water flood project in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico.

(2) That Graridge Corporation is the operator of the following described wells which are located in the aforementioned water flood project area:

Cap-Unit Well No. 31-3, NE/4 NW/4 of Section
31, Township 12 South, Range 32 East,

Cap-Unit Well No. 6-11, NE/4 SW/4 of Section
6, Township 13 South, Range 32 East,

both in Lea County, New Mexico.

(3) That said water flood project has caused an increase in the producing capacity of the above-described wells to the extent that they are now capable of producing in excess of the top unit allowable for the Caprock-Queen Pool.

(4) That there is a possibility that waste will occur if the production from the above-described wells is curtailed.

(5) That an emergency exists which requires the promulgation of an order, without notice and hearing, to eliminate the possibility of waste occurring as a result of a curtailment of the production from said wells.

(6) That a hearing should be held on May 20, 1959, to determine whether waste will actually result if the production from said wells is curtailed.

(7) That in the event the applicant fails to prove that waste will be caused if the production from the above-described wells is curtailed, then any oil produced from said wells in excess of the

Emergency Order No. E-18

normal unit allowable shall be charged against future allowables for said wells.

IT IS THEREFORE ORDERED:

(1) That the following-described wells be granted an allowable equal to their capacity to produce, effective May 5, 1959, to-wit:

Cap-Unit Well No. 31-3, NE/4 NW/4 of Section 31, Township 12 South, Range 32 East,

Cap-Unit Well No. 6-11, NE/4 SW/4 of Section 6, Township 13 South, Range 32 East,

both in Lea County, New Mexico.

(2) That this order shall become effective at 7 o'clock a.m. Mountain Standard Time on May 5, 1959.

(3) That a hearing shall be held at 9 o'clock a.m. on May 20, 1959, to permit the applicant to appear and show cause why the above-described wells should be granted capacity allowables.

(4) That in the event the applicant fails to prove that waste will be caused if the production from the above-described wells is curtailed, then oil produced from said wells in excess of the normal unit allowable shall be charged against future allowables for said wells.

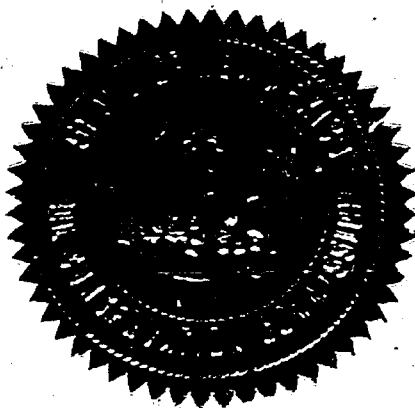
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

May 7, 1959

Mr. Jack Campbell
P. O. Box 721
Roswell, New Mexico

Dear Mr. Campbell:

On behalf of your clients, Graridge Corporation and
The Ihex Company, we enclose two copies of Emergency
Order No. E-18 and two copies of Emergency No. E-19
issued May 5th by the Oil Conservation Commission.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

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Enclosures

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Y

CLASS OF SERVICE
This is a fast message
unless its deferred char-
acter is indicated by the
proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=International
Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

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L RWA096 PD=ROSWELL NMEX 14 409 PM
NEW MEXICO OIL CONSERVATION COMMISSION, ATTN A L PORTER
JR= STATE CAPITOL BLDG SANTA FE NMEX=
GULF OIL CORPORATION, BEING A WORKING INTEREST OWNER
IN THE NORTH CAPROCK-QUEEN UNIT NO 1, CONCURS WITH THE
GRARDIGE CORPORATION IN THEIR APPLICATION IN CASE 1680
SCHEDULED FOR EXAMINER HEARING MAY 20 1959=
W A SHELLSHEAR=

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1680

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

MAIN OFFICE 600

1959 JUN 10 AM 9:03 BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 20, 1959

EXAMINER HEARING

IN THE MATTER OF:

Case 1680

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 20, 1959

EXAMINER HEARING

IN THE MATTER OF:)

Application of Graridge Corporation for capacity)
allowables for eight wells in a water flood)
project. Applicant, in the above-styled cause,) Case
seeks an order authorizing capacity allowables) 1680
for eight wells situated in the project area of)
its water flood project in the Caprock-Queen)
Pool in Lea and Chaves Counties, New Mexico.)

BEFORE:

Mr. E. J. Fischer, Examiner.

TRANSCRIPT OF HEARING

MR. FISCHER: The next case on the docket is Case
1680.

MR. PAYNE: "Application of Graridge Corporation for
capacity allowables for eight wells in a water flood project."

MR. CAMPBELL: Mr. Examiner, Jack M. Campbell,
Campbell and Russell, Roswell, New Mexico, appearing on behalf of
the Applicant. I have one witness, Mr. Harrison.

(Witness sworn.)

B. G. HARRISON

called as a witness, having been previously duly sworn, testified

as follows:

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A B. G. Harrison.

Q Where do you live, Mr. Harrison?

A Breckenridge, Texas.

Q By whom are you employed?

A I'm employed by Graridge Corporation.

Q In what capacity?

A As Manager of Secondary Recovery.

Q Have you previously testified before this Commission or its Examiners in your professional capacity?

A Yes, I have.

MR. CAMPBELL: Are the witness's qualifications acceptable?

MR. FISCHER: Yes, sir, they are.

Q Mr. Harrison, in connection with your work, are you acquainted with the North Caprock-Queen water flood unit No. 1?

A Yes, I am, Mr. Campbell.

(Marked Graridge Corporation's
Exhibit No. 1, for identification.)

Q Mr. Harrison, I refer you to what has been identified as Graridge Exhibit No. 1 in this case and ask you to state

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if that represents a plat of the area known as the North Caprock-Queen Unit No. 1.

A Yes, sir, this is a plat showing the outline of Caprock-Queen Unit No. 1.

Q What are the wells which are shown in red, large red circles?

A The red circles indicate present injection wells.

Q And the black dots represent present producing wells, is that correct?

A Yes, that's correct.

Q Now, are you acquainted with the application of Gra-ridge Corporation in this particular case?

A Yes, I am.

Q How are the wells that are involved in this application identified on this Exhibit No. 1?

A The wells may be identified by having red and blue figures on either side of the well location indicating the production from that well. The red figures indicating present production as of the latest test made between May 12 and May 18, 1959, the blue figures indicate the production prior to an increase due to the water flood.

Q Do the figures above the line indicate the oil production in both cases and the figures below the line the water production?

A Yes, that is correct.

Q Per day?

A Barrels per day.

Q Now, referring to the wells commencing with the northernmost well, Well No. 30-15, and proceeding in a clockwise direction, will you advise the Examiner what the situation is with regard to each of those wells that are involved in this application?

A No. 30-15 has increased from two barrels per day to 107 barrels per day. At the time the application was made for emergency allowable, capacity allowable, this well was producing in the neighborhood of five to ten barrels per day, having increased from two barrels per day.

Q So that there was an increase in that well from five to ten barrels a day to 107 barrels per day in a period of less than fifteen days, is that correct?

A Yes, sir, that is correct. As a matter of fact, the increase came over a much shorter period of time than that. The 107 barrel test was actually recorded on May 17.

Q Is that an unusual situation in these floods or not?

A Not necessarily an unusual situation. We have had it to happen before in this particular flood that a well would increase very suddenly. In this case it probably can be attributed to the well being rather closely spaced to injection Well

No. 30-16.

Q To your knowledge, how long has that well been producing at that rate? You determined that it was producing at that rate, I believe, you said, on the 17th?

A 17.

Q Of May?

A Yes. I have no knowledge of the length of it other than report from the Field Superintendent that this well came up very suddenly and that this was the first recorded test.

Q Do you recall when the recorded test was that indicated it had increased from two barrels to in the neighborhood of five to ten barrels prior to the request for emergency order on other wells?

A This would have been in the first week of May. I don't recall specifically the exact date.

Q But the tests were taken just prior to the request for emergency orders on the two wells that are involved in emergency orders, is that correct?

A Yes, that is correct.

Q Now, proceeding on around to Well 32-3, what is the situation on that at this time?

A Well No. 32-3 as indicated, has increased production from one barrel of oil and no water per day to nine barrels of oil and no water per day.

Q Do you anticipate that that production will continue to increase as the water movement is in that direction?

A Yes, sir, we do. It has been borne out by the previous experience of wells in the area.

Q Now, refer to Well 32-7.

A In this case we thought we had an indication of increase there, however a subsequent test indicated that we had two barrels of production per day there as compared to a previous test of three barrels of oil per day. This well was to be tested on May 17. On that day the well sanded up and it was necessary to pull the rods and tubing and clean out operations are in progress. I would like to say here that it is a normal reaction of a well to cave in or slough in sand at the time of its initial water flood kick.

Now, this is caused by a rather rapid entry of fluid into a bore hole, causing it to cave, and we feel like that even though we don't have a test to indicate this well has definitely increased, that it will increase and probably has increased as would be indicated by the well having caved in requiring a clean out job.

Q Now, move on around to the south to Well 6-15.

A Well No. 6-15 has increased from two barrels of oil per day to eight barrels of oil per day. It is reacting rather normally for wells in that area in response to the water injection program.

Q I notice that you have not placed a well 7-2 on water injection. Is that in process of being converted, or what is the situation there?

A Yes, sir, the application has been made and approved

for placing that well on injection. We do have some remedial work to do on that well, and as soon as we have a rig available, we'll be on that well. Our rig that we are using in that area has been tied up for a period of some forty-five to fifty days now on a workover in the Ambassador Unit.

Q Now, refer to Well 7-3.

A Well 7-3 has shown an increase of from one barrel of oil per day to fourteen barrels of oil per day with no indication of water production so far.

Q Well 6-11.

A Well No. 6-11 has increased from two barrels per day to 41 barrels per day. At the time we asked for the emergency order for capacity allowable on this well it was producing at the rate of 48 barrels per day. We do not feel like we have a decline in production in this well, but rather that the test of 48 barrels per day was a test which involved pumping off some accumulated oil from the well bore.

Q Now, with regard to Well 36-9.

A This well has responded to the water injection program and has increased from two barrels per day to 32.6 barrels of oil per day.

Q Well No. 31-3, which is the other well involved in the emergency order.

A No. 31-3 has increased from three barrels per day to 86 barrels of oil per day, and I believe at the time of the emergency request the well was producing 74 barrels per day, and since that time has increased to 86.

Q Mr. Harrison, based upon your experience in water flood

operations and in the North Caprock-Queen Unit No. 1 particularly is it your opinion that waste may be prevented if these wells are permitted to produce at capacity in connection with this water flood operation?

A Yes, sir. We feel that producing these wells to capacity is necessary in order to prevent waste.

Q Referring for a minute to the situation in the original pilot area of this project, how long has the project been in operation, when was it first initiated in the pilot area?

A We began the water injection on April 15th of 1957.

Q Will you refer to Exhibit No. 1, and with particular reference to wells in the immediate area of the original pilot, indicate to the Examiner what the situation is now with regard to those wells?

A The two center producers in the original pilot flood were Well No. 31-15 and Well No. 6-1, these being located in Section 31 and Section 6. The current production from Well No. 31-15 is 43 barrels of oil and no water. This well has not been a prolific producer in that water flood. It has responded very slowly and we feel that due mostly to ineffective injection in Well 31-10 where we had a rapid water breakthrough to Wells 31-9 and 31-7 plus the fact that we have a low injection rate into Well 31-14, has contributed to the slow response of this well.

Q What has occurred with regard to the Gulf well which, as I recall it, was the most prolific well in the original pilot area?

A This would be Unit Well No. 6-1, Mr. Campbell, and this well is currently producing 78 barrels of oil and 462 barrels of

water per day. This well had a normal water flood response and reached a peak production of something over 500 barrels per day, I believe in the neighborhood of 550 barrels per day, and peaked at that figure and has shown a normal water flood decline since that time to its present production.

Q Considering the spacing of the wells in this area and the injection rates that you have been able to obtain, do you consider that this flood has progressed in a normal manner, Mr. Harrison?

A Yes, we do, Mr. Campbell. We have been very happy with the results that we have seen in this water flood.

Q You consider that the wells then-in the original area in the center of the project have peaked out and are now, generally speaking, on a decline?

A With respect to Well No. 6-1, I would definitely make that statement. However, with regard to No. 31-15, this well is more or less at a steady production of approximately 43 barrels per day and could possibly increase from that figure.

Q Do you consider that insofar as the entire project is concerned that on the basis of daily production the area is approaching its peak, Mr. Harrison?

A Yes, we feel like that with the development program that is fairly apparent now, that this flood should reach a peak within the next three to six months.

MR. CAMPBELL: I would like to offer Graridge Exhibit No. 1 in evidence.

MR. FISCHER: Without objection it will be admitted.

MR. CAMPBELL: That's all the questions I have at this time.

MR. FISCHER: Are there any questions of Mr. Harrison?

Mr. Nutter.

CROSS EXAMINATION

BY MR. NUTTER:

Q Have you made application for conversion of Well No. 36-8 and 36-10 to water injection?

A Mr. Nutter, that application was being prepared yesterday and should be in to the Commission within the next two or three days.

Q Is it your intention to convert those wells to water injection in the near future?

A Yes, sir, as soon as the application is approved.

Q How many 40 acre tracts do you have in this unit, Mr. Harrison?

A I believe there are seventy-two 40 acre tracts.

Q Assuming that the normal unit allowable for Southeast New Mexico for this depth is 36 barrels, how many total barrels of allocation would there be to the seventy-two 40 acre tracts, Mr. Harrison?

MR. CAMPBELL: Forty barrels?

MR. NUTTER: Thirty-six barrels.

A I believe we would have 2597 barrels per day.

Q What is the total daily production from this area at the present time?

A At the present time we have a daily production in the order of 3400 barrels per day.

Q So that the production is in excess of the normal unit allowable times the number 40 acre tracts in the unit?

A Yes, sir, it is. This figure of 3400 barrels per day is a gross oil figure and is not necessarily a figure that could be multiplied times thirty days, and with the unit production, due to down time on various pumping wells as a result of rod failures or electrical power failures. However, we do feel like that well will be in excess of an average of 3,000 barrels per day.

Q And you do have a capacity of in excess of 3400 barrels, a producing capacity?

A Yes, sir. You mean allowable?

Q No, sir, the capacity to produce.

A Yes, sir, we have capacity to produce into facilities at hand the oil in excess of 3,000 barrels per day.

MR. NUTTER: That's all.

MR. FISCHER: Any other questions of Mr. Harrison?

BY MR. FISCHER:

Q Mr. Harrison, is this Well 32-7 offset outside the unit by any other well?

A No, sir, it is not. That was the extent of the field to the east.

Q And your well 6-5, is it offset by any capacity allowable wells to the west in either Caprock-Queen water flood unit?

A Well No. 6-5 is offset by the Ambassador Unit and is offset by a water injection well.

Q Do you know what the production of this 6-5 is at this time or at the latest test?

A The latest test that I have was a test following a fracture treatment on this well at which time the well was only producing at the rate of three to four barrels of fract oil per day.

Since that time, however, the Field Superintendent has reported that that well has indicated that it is increasing in production, and a test is scheduled. We are making an application for capacity allowable for this well to be set for formal hearing.

Q And your well, present injection well 7-2, do you have any idea when it will be ready for injection?

A It will require a workover which should take about seven to ten days, and I feel like that we'll be on that well and working on it within the next four to five days.

MR. FISCHER: Are there any other questions of Mr. Harrison? Mr. Harrison may be excused.

(Witness excused.)

MR. CAMPBELL: That's all the witnesses in this case, all the evidence we have.

MR. FISCHER: If there are no statements in the case, the case will be taken under advisement.

MR. PAYNE: There is one statement.

MR. FISCHER: Mr. Payne.

MR. PAYNE: Gulf sent the following telegram: "Gulf being a working interest owner in the Caprock concurs with Graridge Corporation in their application in 1680.

MR. FISCHER: If there are no other statements to be taken in the case, the case will be taken under advisement and the hearing will be recessed until one-thirty, at which time we will take Case 1681.

(Whereupon the hearing was recessed until one-thirty.)

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } ss

I, ADA DEARNLEY, 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 2nd day of June, 1959.

Ada Dearnley
Notary Public-Court Reporter

My Commission Expires:
June 19, 1959.

BEFORE EXAMINER FISCHER
OIL CONSERVATION COMMISSION
Exhibit No. 1680

Case No. EJ Fischer

DEARNLEY - MEIER & ASSOCIATES
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