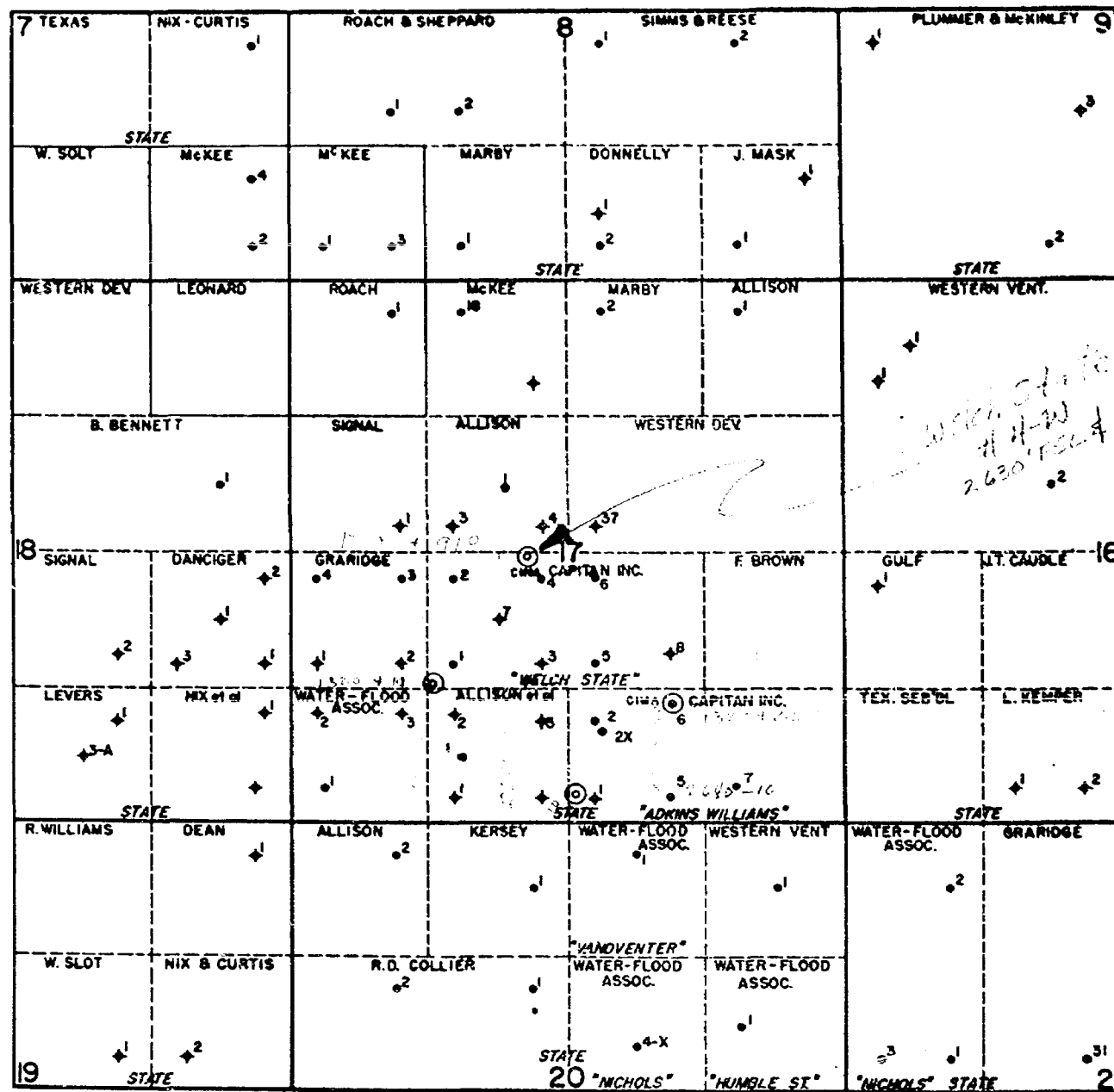


CASE 2970: Application of CIMA
CAPITAN INCORP. for an amendment
of ORDER NO. R-2395 - Eddy County.

CASE No.
2970

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

R-28-E



LEGEND:

- PRODUCER
- ⊙ INJECTOR
- + PULLED & PLUGGED
- ✕ DRY
- PROPOSED

CIMA CAPITAN INCORPORATION

ARTESIA FIELD PROJECT
SEC. 17 T18S R28E

SCALE 0 500' 1000' 1500'

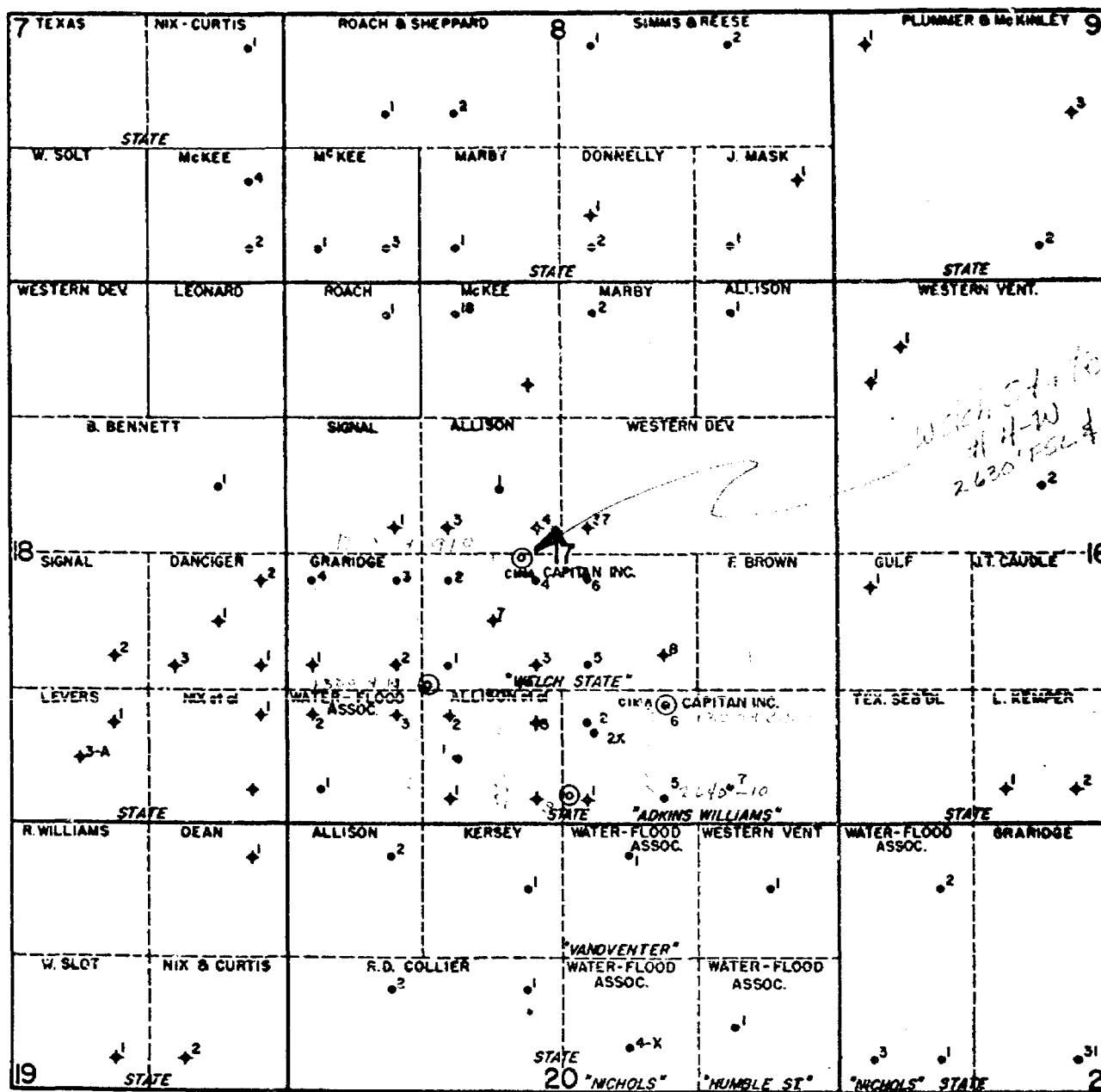
CONTOUR INTERVAL

DATE

DRAWN BY:

June 1970

R-28-E



LEGEND:
 • PRODUCER
 ⊙ INJECTOR
 + PULLED & PLUGGED
 ✕ DRY
 ○ PROPOSED

CIMA CAPITAN INCORPORATION	
ARTESIA FIELD PROJECT SEC. 17 T18S R28E	
SCALE 0 500' 1000' 1500'	CONTOUR INTERVAL
DATE	DRAWN BY:

June 1970

January 28, 1964

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

Order No. R-_____

ORDER OF THE COMMISSION

This cause came on for hearing at 9 o'clock a.m. on January 22, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz. 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 _____ day of January, 1964, the Commission,
a quorum being present, having considered the ~~application, the~~ testimony,
the record, ~~evidence adduced~~ and the recommendations of the Examiner,
-----, and being fully advised in the premises,

(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 the applicant, Cima Capitan Incorporated, seeks amendment of Order No. R-2395 to delete the seven water injection wells authorized therein for its Artesia Pool Waterflood Project, and to substitute the following-described four injection wells in Section 17, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico:

Welch State Well No. 1-W, to be located 1330 feet from the South line and 1330 feet from the West line;

Welch State Well No. 4-W, to be located 2630 feet from the South line and 2230 feet from the West line;

Adkins Williams State Well No. 1-W, to be located
10 feet from the South line and 2577 feet from
the East line;

Adkins Williams State Well No. 6-W, to be located
1180 feet from the South line and 1595 feet
from the East line.

(3) That approval of the subject application should result
in greater ultimate recovery of oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Paragraph (1) of Order No. R-2395, dated December
26, 1962, is hereby amended to read in its entirety as follows:

(1) That the applicant, Cima Capitan Incorporated, is here-
by authorized to institute a waterflood project in the Artesia
Pool by the injection of water into the Grayburg-San Andres forma-
tions through the following-described wells located in Section 17,
Township 18 South, Range 28 East, NMPM, Artesia Pool, Eddy County,
New Mexico:

Welch State Well No. 1-W, to be located 1330 feet
from the South line and 1330 feet from the
West line;

Welch State Well No. 4-W, to be located 2630 feet
from the South line and 2230 feet from the
West line;

Adkins Williams State Well No. 1-W, to be located
10 feet from the South line and 2577 feet from
the East line;

Adkins Williams State Well No. 6-W, to be located
1180 feet from the South line and 1595 feet
from the East line.

(2) That jurisdiction of this cause is retained for the
entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

Case 2-970

Hear 1-22-64

Rec. 1-23-64

1. Grant Cima Capital Corp's request to delete all 7 injection wells granted in R-2385 and to replace these with the following located injection wells.

Cima Capital - Welch St #1W - 1330/S + 4 lines

└ └ └ └ └ #4W - 2630/S + 2230/W line

└ └ └ Adkins Williams St. #1-W. - 10/S + 2577/E

└ └ └ └ └ └ └ - 6W - 1180/S + 1595/E.

all in sec. 17-18 S-28 E.

2. all casing shall be tested to 2000 psi, before injection is commenced.

Thrust

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 22, 1964

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 2682: (Reopened and continued from January 8, 1964 Examiner Hearing.)

In the matter of Case 2682 being reopened pursuant to the provisions of Order No. R-2375, which order established temporary 80-acre oil proration units for the Simpson-Gallup Oil Pool, San Juan County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2967: (Continued from the January 8th Examiner Hearing)

Application of Standard Oil Company of Texas for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jurnegan Point Unit Area comprising 7680 acres, more or less, of State and Fee land in Township 24 South, Ranges 24 and 25 East, Eddy County, New Mexico.

CASE 2969: Application of H. N. Sweeney for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Good Hope Unit Area comprising 1919.72 acres, more or less, of State and fee land in Township 19 South, Range 23 East, Eddy County, New Mexico.

CASE 2970: Application of Cima Capitan Incorporated for an amendment of Order No. R-2395, Eddy County, New Mexico. Applicant, in the above styled cause, seeks amendment of Order No. R-2395 to delete the seven water injection wells authorized therein for its Artesia Pool Waterflood Project, Eddy County, New Mexico, and to substitute therefor the following four injection wells in Section 17, Township 18 South, Range 28 East:

Welch State No. 1-W, 1330 feet from the South and West lines;

Welch State No. 4-W, 2630 feet from the South line and 2230 feet from the West line;

Case 2970 continued from page 1

Adkins Williams State No. 1-W, 10 feet from the South line and 2630 feet from the East line;

Adkins Williams State No. 6-W, 1180 feet from the South line and 1595 feet from the East line.

CASE 2971: Application of Caulkins Oil Company for unorthodox locations, dual completions, and expansion of a waterflood project, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Breech C No. D-189 and Breech C No. D-248 wells to produce oil from the Tocito formation through 2½ inch tubing and gas from the Dakota formation through the casing-tubing annulus at unorthodox locations 1850 feet from the South line and 790 feet from the West line of Section 12 and 1140 feet from the North line and 900 feet from the East line of Section 13, Township 26 North, Range 6 West, Rio Arriba County, New Mexico. Applicant also seeks expansion of the South Blanco-Tocito Pressure Maintenance Project Area to include said wells.

CASE 2727: (Reopened)

In the matter of Case No. 2727 being reopened pursuant to the provisions of Order No. R-2408 which order established temporary 80-acre proration units for the Oil Center-Blinebry Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2972: Application of Pan American Petroleum Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin Dakota Pool underlying the W/2 of Section 22, Township 29 North, Range 13 West, City of Farmington, San Juan County, New Mexico.

CASE 2973: Application of Pan American Petroleum Corporation for force-pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 13, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 2974: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its South Mattix Unit Well No. 16, located in Unit O of Section 15, Township 24 South, Range 37 East, Lea County, New Mexico, to produce gas from the Fowler Paddock and Fowler Tubb Gas Pools and from an undesignated Lower Paddock through parallel strings of tubing.

CASE 2975: Application of Amerada Petroleum Corporation for an un-orthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an un-orthodox location for a proposed triple completion in the Vacuum-Devonian, Vacuum-Wolfcamp, and North Vacuum-Abo Pools, Lea County, New Mexico, said well to be drilled at a point within 200 feet of the center of the NE/4 SW/4 of Section 36, Township 17 South, Range 34 East.

-2-

CASE No. 2712
Order No. R-2395

IT IS THEREFORE ORDERED:

(1) That the applicant, Cima Capitan Corporation, is hereby authorized to institute a waterflood project in the Artesia Pool by the injection of water into the Grayburg-San Andres formations through the following-described seven wells located in Section 17, Township 18 South, Range 28 East, NMPM, Artesia Pool, Eddy County, New Mexico:

Welch State Well No. 1, SW/4 NE/4 SW/4;
Welch State Well No. 4, NE/4 NE/4 SW/4;
Welch State Well No. 5, SW/4 NW/4 SE/4;
Adkins-Williams Well No. 1, SW/4 SW/4 SE/4;
Adkins-Williams Well No. 6, NE/4 SW/4 SE/4;
Adkins-Williams Well No. 7, SW/4 SE/4 SE/4;
Adkins-Williams Well No. 10, NE/4 SE/4 SE/4.

(2) That the subject waterflood project shall be governed by the provisions of Rule 701, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

TOM BOLACK, Chairman

E. S. WALKER, Member

S E A L

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

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2712
Order No. R-2395

APPLICATION OF CIMA CAPITAN CORPORATION
FOR A WATERFLOOD PROJECT, ARTESIA POOL,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 6, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 26th day of December, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 the applicant, Cima Capitan Corporation, seeks permission to institute a waterflood project in the Artesia Pool by the injection of water into the Grayburg-San Andres formations through seven wells located in Section 17, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That approval of the subject application will neither cause waste nor impair correlative rights.

(5) That the subject application should be approved and should be governed by the provisions of Rule 701.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

February 17, 1964

Mr. Fred A. Watson
Watson & Watson
Attorneys at Law
Carper Building
Artesia, New Mexico

Re: Case No. 2970
Order No. R-2395-A
Applicant:
Cima Capitan

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Astec OCC

OTHER Mr. Frank Irby

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2970
Order No. R-2395-A

APPLICATION OF CIMA CAPITAN INCORPORATED
FOR AMENDMENT OF ORDER NO. R-2395, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
January 22, 1964, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this 17th day of February, 1964, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, 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 the applicant, Cima Capitan Incorporated, seeks
amendment of Order No. R-2395 to delete the seven water injection
wells authorized therein for its Artesia Pool Waterflood Project,
and to substitute the following-described four injection wells in
Section 17, Township 18 South, Range 28 East, NMPM, Eddy County,
New Mexico:

Welch State Well No. 1-W, to be located 1330 feet
from the South line and 1330 feet from the
West line;

Welch State Well No. 4-W, to be located 2630 feet
from the South line and 2230 feet from the
West line;

Adkins Williams State Well No. 1-W, to be located
10 feet from the South line and 2577 feet
from the East line;

Adkins Williams State Well No. 6-W, to be located
1180 feet from the South line and 1595 feet
from the East line.

-2-

CASE No. 2970

Order No. R-2395-A

(3) That approval of the subject application should result in greater ultimate recovery of oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Paragraph (1) of Order No. R-2395, dated December 26, 1962, is hereby amended to read in its entirety as follows:

(1) That the applicant, Cima Capitan Incorporated, is hereby authorized to institute a waterflood project in the Artesia Pool by the injection of water into the Grayburg-San Andres formations through the following-described wells located in Section 17, Township 18 South, Range 28 East, NMPM, Artesia Pool, Eddy County, New Mexico:

Welch State Well No. 1-W, to be located 1330 feet from the South line and 1330 feet from the West line;

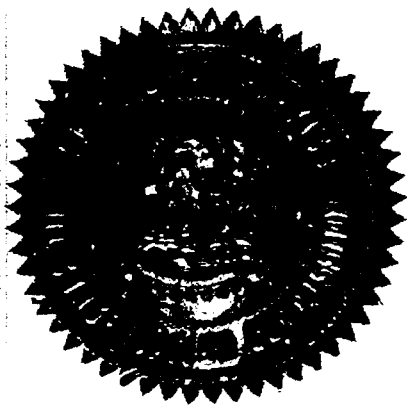
Welch State Well No. 4-W, to be located 2630 feet from the South line and 2230 feet from the West line;

Adkins Williams State Well No. 1-W, to be located 10 feet from the South line and 2577 feet from the East line;

Adkins Williams State Well No. 6-W, to be located 1180 feet from the South line and 1595 feet from the East line.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

CSR/

cima **CAPTAN** incorporated
(N.S.L.)

310 BOOKER BUILDING
POST OFFICE DRAWER 1343

ARTESIA, NEW MEXICO

December 27, 1963

AREA CODE 505
TELEPHONE 748-1177

RECEIVED JAN 1 27

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Secretary & Director

Subject: Case number 2712
Order number R-2395

Dear Mr. Porter:

With reference to the subject order, dated December 26, 1962, wherein a water flood project was authorized in the Artesia Pool with injection to be through seven wells in Section 17-Township 18 South-Range 28 East, we would like to seek an amendment to this order to provide for the injection of water initially through four injection wells. We also seek permission to drill these injection wells as near as ten feet to our lease lines in order to properly protect correlative rights and insure the best possible sweep efficiency of the reservoir.

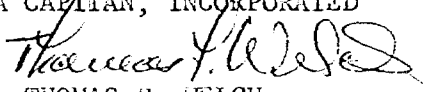
Application is also made to change the pattern to provide for the Adkins-Williams #7 to be a producer instead of an injection well.

Application is also made to include our Graridge lease (NW/4 SW/4 Section 17-Township 18 South-Range 28 East) into the water flood area.

Please set this matter for hearing at the earliest possible date.

Yours very truly,

CIMA CAPTAN, INCORPORATED

By: 
THOMAS F. WELCH

TFW/bb

cc. State Engineer

DOCKET MAILED

Date 1-16-64

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 22, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Cima Capitan Incorporated
for an amendment of Order No. R-2395,
Eddy County, New Mexico.

Case No. 2970

BEFORE: ELIVS A. UTZ, EXAMINER.

TRANSCRIPT OF HEARING



MR. UTZ: Case 2970.

MR. DURRETT: Application of Cima Capitan Incorporated for an amendment of Order No. R-2395, Eddy County, New Mexico.

MR. WATSON: If the Examiner please, I am Fred Watson of Watson and Watson, Attorneys, Artesia, New Mexico, representing the Applicant in this case. I have with me H. C. Porter of Artesia, New Mexico, who will be the Applicant's witness.

(Witness sworn.)

MR. UTZ: Are there other appearances in this case?
You may proceed.

H. C. PORTER

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WATSON:

Q Mr. Porter, you are a petroleum engineer now located at Artesia, New Mexico. You have testified before this Commission previous to this time and your testimony has been accepted, is that right?

A Yes, sir.

MR. WATSON: Has the Examiner any questions as to the qualifications of the witness?

MR. UTZ: No, sir. Mr. Porter has qualified before this



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service
Albuquerque, New Mexico
Suite 1120 Simms Building
Phone 243-6691

Commission previously.

Q Mr. Porter, in a previous case, to wit: Case No. 2172 before the Commission, the Applicant in this case, Cima Capitan, Incorporated, made an application for approval of waterflood in the Artesia Pool covering the same lands and area generally as this case, is that correct?

A Yes, it is.

Q In that Case 2172 an order was entered authorizing the flood and the present application is an application for certain modifications of that order?

A Yes, sir.

MR. WATSON: At this time the Applicant would like to move that Case No. 2172 be incorporated in this hearing for all purposes, the testimony therein, the exhibits therein.

MR. UTZ: 2172 or 2712?

A 2712.

MR. WATSON: Excuse me, 2712.

MR. UTZ: It's your motion that the testimony in that case be made a part of the record in this case?

MR. WATSON: Yes.

MR. UTZ: Is there objection to counsel's motion? If not, it is so ordered.

Q (By Mr. Watson) Now, then, Mr. Porter, just generally



would you state the modifications of the order in case 2712 which are being sought in this hearing?

A We seek to have the original order modified on three counts, one would be to include into the project area the Northwest Quarter of the Southwest Quarter of Section 17.

MR. UTZ: Mr. Porter, do you have some exhibits?

A Yes.

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

A At the time of the other hearing Cima Capitan did not own the Northwest, Southwest Section 17 as shown on the exhibit. Since then they have purchased the operating rights to that 40-acre tract and one of the modifications we would like to have is to include that 40 acres into the waterflood area. The second is that we wish to modify our injection pattern to provide for the drilling of three injection wells, and the third is that we wish to obtain authorization to make Adkins Williams No. 7 a producer instead of an injector under our new pattern. No. 7 is shown in the Southeast, Southeast of Section 17.

Q Will your well completions be the same as the well completions to which you testified in the previous hearing even under this modified pattern?

A Yes, they will be as far as the casing and cementing



programs are concerned.

Q You've marked on Exhibit 1, outlined in yellow, the entire area which the Applicant proposes to include in the water-flood project. As to this Well No. 7, why does the Applicant now seek to make that a producer rather than an injector well?

A Well No. 7 has been drilled and it has been found that the pay is thinning in that direction and it looks as if the other wells that are authorized on that 40-acre tract will not be drilled. Waterflood Associates has purchased the Western Ventures well immediately south of No. 7, and we have had correspondence and conversations with them and they intend to apply for an injection well there. Under our revised pattern No. 7 will fall on a producing location.

Q Now, referring to Exhibit 1, will you set forth or explain the revised pattern which the Applicant is now seeking?

A We'd originally planned to convert certain producers as was authorized in the original order. We found that for two reasons we must drill some new injection wells, the first being the fact that we believe that we'll have a very difficult time finding out the condition of these shot holes in these wells trying to convert them and isolating the water to the various zones. Therefore, we feel that it would be advisable to drill new injection wells and the second thing is that we have had a great deal



of difficulty obtaining lease line cooperation from offset operators.

The Allison tract, for instance, has one well on it presently producing; the tract I refer to is the Southeast of the Southwest of 17. The other wells have been plugged and the present producer is producing from the Lovington Sand only, which is a very poor flood potential in this area. So he is reluctant to share any costs in the program or to do any drilling.

We propose to drill three injection wells, the injection well No. 1-W on the Welch State lease, 1330 feet from the South and West lines of the section. This would put that well 10 feet out of the corner, out of the Southwest corner of that 40-acre subdivision.

Also we propose to drill Welch State 4-W, 2630 feet from the South line and 2230 feet from the West line of Section 17, which would put this well 10 feet south of our northern lease line in that same 40-acre tract.

The Adkins Williams State No. 1-W we propose to drill 10 feet from the South line and 2577 feet from the East line. The reason this is different from the way it is stated in the application is the fact that upon surveying the location we found that this is a short section. In other words, from the Southeast corner of this section to the center along the East-West line is only 2587 feet.



Therefore, this location would be 10 feet from the South and the West lines of this 40-acre tract, which is the Southwest of the Southeast Quarter of that section.

The Adkins Williams State No. 6-W is an injection well which will be a converted producing well 1180 feet from the South line and 1595 feet from the East line of that section.

Q Mr. Porter, in your opinion will the revised pattern, including these four wells which the Applicant applies for to be drilled as injector wells, and including the change of the Adkins Williams No. 7 well, in the Southeast of the Southeast of Section 17, will this revised pattern result in efficient waterflooding on the leases?

A Yes, sir, in my opinion it will. I think we'll have a great deal more efficiency from our program to drill new injection wells because it's been found throughout the area that where you have multiple pay zones that one pay will take the water in preference to the other, where you are completed with shot hole completions you get channeling behind the pipe and various other troubles and complications.

Q Now, the Applicant Cima Capitan, Incorporated has also applied to include the tract designated on your Exhibit 1 as the Grayridge Tract, that's the Northwest Quarter of the Southwest Quarter of 17, as a part of the waterflood project. To your



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

knowledge has Cima Capitan, Incorporated now acquired operating rights on the zones to be flooded under that project on this tract?

A Yes, they have. And also I would like to point out that under Rule 701 it would be under the project area since it was in the 40-acre tract with an injection well on it when these wells were drilled.

Q On the Grayridge Tract how many producing wells are there at this time?

A Two, Well No. 3 and Well No. 4.

Q From your checking of the records and to your knowledge, are these Wells 3 and 4 on the Grayridge Tract in a stripper state?

A Yes, they are. They're very low on production. They're averaging together less than one barrel per day, and I might add that these wells were drilled in 1925 about the same time that the rest of the major development occurred, and there are no accurate records as to how much oil these wells have actually produced in their lifetime since the records weren't kept very well in certain parts of that time.

Q Are the Wells 3 and 4 on the Grayridge Tract producing from the same zones as the other project wells?

A Yes.

MR. WATSON: The applicant rests.



MR. UTZ: Do you wish to offer your exhibit?

MR. WATSON: Yes. We wish to at this time offer Exhibit 1.

MR. UTZ: Without objection, Exhibit 1 will be entered into the record of this case.

(Whereupon, Applicant's Exhibit No. 1 was offered and admitted in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q The only well that will remain the same is your No. 6, the Adkins Williams No. 6, is that true?

A Yes.

Q It will be the same well, the same location?

A Right.

Q I'm sure we went through the casing program in the previous case, but let's briefly review that. How do you intend to complete that well?

A That well has been completed as far as casing is concerned. The casing has been run and cemented in 6-W, 4½" casing was set. I wasn't on the well in a supervisory capacity at all so I'm not sure where the casing point is. I do know they ran caliper surveys on it and they decided it would be in the best interest to set pipe above the pay section and cement the pipe to the surface.



Q That is new pipe?

A I couldn't say for sure. If it's not new it will be good second-hand pipe.

Q Do you intend to tube the well?

A Yes, I'm sure.

Q Inject below the packer?

A I believe that in the original hearing we asked for permission to inject down the casing and it was granted. I'm sure they will want to retain the option of going down the casing or under packer, as they may wish.

I believe we brought that out in the original hearing that these converted producers where the surface pipe was of questionable character would be cemented to the surface. On our new wells we plan to drill them just as was set out in the original transcript. That is to cement surface pipe to the top with salt and to bring the cement at least 200 feet above the top perforations, as I believe it was set out.

Q Is it your intention to inject through casing in those wells also?

A Yes, sir, we would like to have the option to do so. The reason for that is that in many instances it is desirable to dually complete these injection wells in order to provide for some water going into each separate pay zone, then it's necessary to



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inject down the casing above the packer and down a tubing below a packer.

Q Is this new casing in these new wells?

A We would like to have the option at the same time to use good used casing. There's a lot of it available at good savings, but it's still as good as new.

Q What are your intentions as to testing the casing?

A We haven't made a commitment on testing, but we would test it as prescribed in the regulations, I believe 2,000 pounds.

MR. UTZ: Are there other questions of the witness?

MR. DURRETT: Yes, sir, I have a question.

BY MR. DURRETT:

Q Mr. Porter, would you refer to your plat, Exhibit No. 1, and look at your Grayridge lease there? On this lease which wells will be producers? I would like to go through the whole flood. I am trying to pick a point to start.

A We propose to produce Wells 3 and 4 both. And at some later stage it is in our planning to apply for an injection well 10 feet out of the Northwest corner of that Grayridge lease.

Q The Northwest corner of it?

A Right.

Q Now, proceed east, do you propose to produce the Well No. 2?



A Yes, sir. On the Welch State Wells 1, 2, 4, 6 and 5.

Q 1, 2, 4, 6 and 5?

A Yes, sir.

Q All the other wells on that lease are plugged, is that correct?

A Yes, sir. They are presently plugged. It may be that we'll have to drill a well on there, but we don't plan to do that immediately.

Q Will you look at the No. 8 on the Welch State lease?

A Yes, sir.

Q It's indicated it's dry on your plat. Is that plugged or abandoned or is it just abandoned?

A I don't believe that well was ever drilled. I can't say for sure. I would be happy to check that out and send you the information, however.

Q If you would, we'd appreciate it now.

A Okay.

Q Going back to the Grayridge. The 1 and 2 wells, are they plugged?

A Yes, sir, they are.

Q Go down to the Adkins Williams lease, if you would tell me which wells you propose to produce.

A We propose to produce Wells 2, 2-X, 5 and 7. Now, I

might point out 2 and 2-X are on the same 10-acre tract. Well No. 2 was drilled to the original pay, which is what we call the Oldfield Pay, and it was attempted to deepen this well and they lost the bit in the hole and had considerable trouble deepening it, so they drilled 2-X beside it to go and get down to the Premier and Lovington sands.

Q But the 2 was not plugged?

A No, both of them are still producing.

Q What about your Well No. 1 down in the Southwest corner of that lease?

A It has been plugged and abandoned.

Q Now, one additional question. Did you state that one of the injection wells will not be as advertised?

A Yes, sir. Inasmuch as we asked for permission to drill it, considering this to be a standard section, in other words, 5,280 feet square, actually this is one of the short sections and the distance from the Southeast corner of the section to the center of the section along the East-West line is only 2587 feet.

Q Which well are we talking about --

A We're talking about the --

Q -- 1-W?

A -- 1-W Adkins Williams. Yes, sir.

Q Would you give me the correct footage on that?



A It will be 10 feet from the South line and 2577 feet from the East line.

Q You do realize that if the Commission enters an order with that description that there might be a question on the legal notice that has been given? Your attorney can answer that question.

MR. WATSON: We realize that, and we may want to seek a corrective publication.

MR. DURRETT: Fine, I just wanted to make sure it's clear.

MR. WATSON: It is.

MR. DURRETT: Thank you. That's all I have.

BY MR. UTZ:

Q Well, actually your corrected location would be farther from the Allison lease than the one advertised, isn't that true?

A Yes, sir, if it had been drilled as described it would have been on the Allison lease, because we asked originally for 2630 from the East line.

Q As far as the distance from the Allison lease is concerned, it is still the same as advertised?

A Yes, sir, it would be 10 feet from that line as advertised if it had been a standard section.

MR. UTZ: Are there any other questions of the witness?



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Are you happy, Mr. Irby?

MR. IRBY: I think you took care of my questions.

MR. UTZ: The witness may be excused.

(Witness excused.)

MR. UTZ: Any statements in this case? The case will be taken under advisement and we will take a ten-minute recess.

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 13th day of February, 1964.

Ada Dearnley
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. 2970, heard by me on Jan 22, 1964.
Shirley D. [Signature]
Examiner
New Mexico Oil Conservation Commission



Memorandum

From
D. S. Nutter
Chief Engineer

To

Wichita St. 14)
10' F.S. & 100' of K
1330' station

Wichita St. 400)
2230' F.W.C.
2630' F.W.C.

Albany water line
Station # 1 W

2630' F.W.C.
10' F.S.

Albany water line Station # 600
1130' station
1530' station