

1 STATE OF NEW MEXICO  
2 ENERGY AND MINERALS DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 STATE LAND OFFICE BLDG.  
5 SANTA FE, NEW MEXICO

6 1 August 1984

7 COMMISSION HEARING

8 IN THE MATTER OF:

9 Application of Northwest Exploration CASE  
10 Company for an exception to the special 8042  
11 pool rules for the Gavilan-Mancos Oil  
12 Pool, Rio Arriba County, New Mexico.

13 BEFORE: Commissioner Joe Ramey, Chairman  
14 Commissioner Ed Kelley

15 TRANSCRIPT OF HEARING

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17 A P P E A R A N C E S

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20 Division:

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A P P E A R A N C E S

For Mesa Grande Resources: Owen M. Lopez  
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I N D E X

DAN NUTTER

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MR. RAMEY: We'll call next Case 8042.

MR. PEARCE: That case is on the application of Northwest Exploration Company for an exception to the special pool rules for the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico.

MR. CARR: May it please the Commission, my name is William F. Carr with the law firm Campbell and Black, P. A., of Santa Fe, appearing on behalf of Northwest Exploration Company.

I'm appearing in association with Mr. Owen Lopez with the Hinkle Law Firm, who will present the case for Mesa Grande Resources, Inc.

MR. RAMEY: Thank you, Mr. Carr.

MR. LOPEZ: Mr. Chairman, my name is Owen Lopez with the Hinkle Law Firm, Santa Fe, New Mexico, appearing on behalf of Mesa Grande Resources, a successor in interest to Northwest's interest in this acreage.

And I have one witness to be sworn.

MR. PEARCE: Are there other appearances in this matter?

Would you rise, please, sir?

(Witness sworn.)

DANIEL S. NUTTER,

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. LOPEZ:

Q Would you please state your name and where you reside?

A Dan Nutter. I live in Santa Fe, New Mexico.

Q On whose behalf are you appearing here today?

A I'm appearing here on behalf of Mesa Grande Resources, Inc.

Q Are you familiar with the application in this case?

A Yes, I am.

Q What is it that Mesa Grande seeks?

A Mesa Grande, as successor of interest to Northwest Exploration Company in the north half of Section 26, Township 25 North, Range 2 West, Rio Arriba County, New Mexico, seeks the simultaneous dedication of the north half of Section 26 to two wells, being the Gavilan Well No. 1, located in Unit A of Section 26, and the Gavilan Well No. 1E, located in Unit E of Section 26.

We would also seek the downhole comming-

1  
2 ling of Dakota and Mancos production in the Well No. 1 and  
3 the Dakota, Greenhorn, and Mancos production in the wellbore  
4 of Well No. 1E.

5 This was previously heard in another  
6 hearing and this is a de novo hearing of the same matter.

7 MR. LOPEZ: Would you consider  
8 the witness qualified?

9 MR. RAMEY: Yes, sir, Mr. Lopez.

10 Q Would you briefly review, then, the sta-  
11 tus of where we're at and where we're going?

12 A Yes. Case Number 8042 was originally  
13 heard by an Examiner on January 18th, 1984, and on May 7th,  
14 1984, Order No. R-7407A was entered, which approved the  
15 simultaneous dedication of the two wells to the 320-acre  
16 unit but denied the downhole commingling of the two wells.

17 Subsequent to that, Northwest Production  
18 Company and Mesa Grande filed an application for the de novo  
19 hearing of Case Number 8042.

20 That's where we are today.

21 Q I'd now refer you to what's been marked  
22 Exhibit Number One and ask you to identify it.

23 A Exhibit Number One is the Order No. R-  
24 7407A, which came out of hearing number -- Case Number 8042.  
25 The order is entered on May 7th of '84.

26 Q Now I'd refer to you what is marked Exhi-  
27 bit Number Two and ask you to discuss it.

1  
2           A           Exhibit Number Two in this case is a  
3 plat. In the center of the plat is Section 26, cross  
4 hatched the north half of Section 26, being the 320-acre  
5 unit, and the two subject wells of this hearing are indi-  
6 cated by triangles and boxes, the Gavilan 1 and the Gavilan  
7 1E.

8           Q           All right, now I refer to you what's been  
9 marked Exhibit Number Three and ask you to identify it.

10           A           Exhibit Number Three is the Federal Form  
11 9330 for Gavilan No. 1 for the Dakota and for the "wildcat  
12 completions". It's four pages, being the front and back of  
13 the 9330 for the Dakota completion and for the so-called  
14 wildcat completion.

15                       The wildcat completion is the Gallup.

16           Order No. R-7407, which established the  
17 Gavilan-Mancos Pool, established vertical limits for the pool  
18 for which for this -- which for this well run from 6590 to  
19 7574, so that we see that all the perforations on the wild-  
20 cat 9330 are in the Gavilan-Mancos Pool.

21                       For the Dakota zone the 9330 form says  
22 perforations from 7880 to 8026. In addition, another group  
23 of perforations was tried in the lower Dakota from 8192 to  
24 8202, but those perforations made water and were squeezed.

25                       So those perforations are definitely in  
the Dakota producing interval.

          Q           I'd ask you to refer to what's been mark-  
ed Exhibit Four and ask you to discuss it.

1  
2           A           Exhibit Four is the State Form C-105, the  
3 completion report, for the Gavilan 1E. Again, there are  
4 four sheets, the first being -- or I'm sorry, there are  
5 three sheets, the first being for the one -- the Dakota and  
6 the second sheet being for what was pencilled in as the Gav-  
7 ilan Gallup by the District office in Aztec.

8                       For the Dakota zone the perforations are  
9 shown to be from 7822 to 7918. Now the base of the Green-  
10 horn occurs at 7714 in this well, so all of the Dakota per-  
11 forations are in the Dakota producing interval as defined by  
12 the Commission.

13                      Potential for the Dakota is shown here  
14 and was taken on July the 1st of 1983. The well made 5.1  
15 barrels of oil; 17.3 Mcf of gas; and 50 barrels of load  
16 water in 12 hours, so extrapolated to a 24-hour rate it's  
17 shown to be 10.2 barrels of oil, 34.6 Mcf of gas, and 100  
18 barrels of load water.

19                      The oil is shown to be 36.8 degree grav-  
20 ity.

21                      For the upper zone in the well, what was  
22 called the Gavilan Gallup, there were perforations from 6804  
23 to 7366 and a set of overlapping perforations from 7100 to  
24 7105.

25                      There were also perforations from 7654 to  
26 7708 and an overlapping set from 7653 to 7657. Now I don't  
27 know why -- I don't have the top of the Gavilan Mancos as  
28 defined by the Commission for this well, but I've estimated

1  
2 that it would be at approximately 6470, way up there, so the  
3 lower limit of the pool is at 7452. We'll come to that on a  
4 log in a minute.

5 So we see that all of the upper perfora-  
6 tions is definitely in the Mancos Pool. Now that would be  
7 the ones from 6804 to 7366.

8 The lower group of perforations, from  
9 7653 to 7708, is in the Greenhorn.

10 So what we're seeking for the Gavilan 1  
11 is authority for downhole commingling of Gavilan Mancos and  
12 Dakota production, and for the Gavilan 1E commingling of  
13 Gavilan Mancos, Greenhorn, and Dakota production.

14 Q Okay. I ask you now to refer to what's  
15 been marked Exhibits Five and Six and ask you to identify  
16 them.

17 A Okay. Exhibit Five is the log of the  
18 lower portion of the Gavilan No. 1 Well. You'll notice on  
19 the first page it points to the top of the Gavilan Mancos  
20 Pool way up there at 6590; the top of the Gallup is at 6780.  
21 Perforations are shown by the ticks on the righthand side of  
22 the depth column on the log.

23 All these other perforations for the  
24 first three or four pages there are in the Gavilan Mancos.  
25 The bottom of the Gavilan Mancos is shown at 7574. Then you  
come on down and you see the top of the Dakota producing in-  
terval at 7865. That's the base of the Greenhorn, and those  
perforations that are -- there are no perforations on this

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well in the Greenhorn formation, but then the other perforations in the Dakota are shown.

That lower set of perforations that I mentioned, way down there at 8200 feet, which were squeezed, are also shown on the last page of that exhibit.

Q And Exhibit Six?

A Exhibit Six is a similar log for the lower portion of Gavilan 1E Well. Now we pointed up to the top, the top of the Gavilan Mancos I estimated at 76 -- 6470, which is way up above the top of this log. Again the tics for the perforations are shown.

The bottom of the Gavilan Mancos is shown on page three at 7452.

The top of the Greenhorn is shown on the next page at 7653, and those Greenhorn perforations are then shown until you get to the base of the Greenhorn on the next page at 7820, where the Dakota pool starts, and the lower set of perforations, of course, are in the Dakota reservoir.

Q How are these wells currently being produced?

A Gavilan No. 1 is producing from the Mancos and has been for many, many months, and has the Dakota shut in.

Gavilan 1E is producing from the commingled Mancos and Greenhorn and has the Dakota shut in.

Q Do these wells have packers in them?

A Yes, they do... Gavilan No. 1 has 9-5/8ths

1  
2 inch surface pipe set at 540, cemented with 400 sacks; 4-1/2  
3 inch production casing is set at 8540 and cemented with 1100  
4 sacks. I don't have a top for the cement.

5 It has 2-3/8ths inch tubing set in a  
6 packer at approximately 7600 feet. There's a sliding sleeve  
7 above the packer and a seeding nipple below, so that either  
8 zone can be produced through the tubing.

9 Gavilan 1E is similarly equipped. 9-  
10 5/8ths is at 278 with 160 sacks; 7 inch casing at 6070 with  
11 450 sacks. They had intended to run a liner in there but  
12 they did run a full length string of 4-1/2 inch pipe, which  
13 is set at 8148 with 240 sacks.

14 The packer is set at 7230, below the  
15 Greenhorn perforations and above the Dakota. There's a  
16 sliding sleeve at 7727 and a removable blanking plug below  
17 that so that the commingled Mancos-Greenhorn or the Dakota  
18 can be produced through the tubing.

19 Q Now you said that the Gallup or the Man-  
20 cos is producing from 60 wells and the Dakota is shut-in.  
21 How can the Mancos and Greenhorn be producing from the No.  
22 1E inasmuch as the Greenhorn is not included in the vertical  
23 limits of the Gavilan-Mancos Pool?

24 A I didn't say it was produced from 60  
25 wells. I said it was producing from both wells.

Q Well, both wells, I'm sorry.

A Does my "both" look like a 60? Right.

Well, when the well was drilled there was

1  
2 no pool here. Everything was wildcat or undesignated, if  
3 you prefer.

4 So Northwest perforated what they thought  
5 was one reservoir; that is, everything from the -- every-  
6 thing in the Mancos from the base of the Mesaverde to the  
7 top of the Dakota; anything that was productive.

8 It so happens that when the Commission  
9 defined the Gavilan-Mancos Pool the lowermost perforations,  
10 that is the ones in the Greenhorn in this well, were left  
11 out in a no man's land in between the base of the Gavilan  
12 and the top of the Dakota.

13 The Greenhorn is uneconomic on its own,  
14 so it must be included in either the upper pool or the lower  
15 pool. I might add that there are two applications pending  
16 before the Commission to designate an oil pool for the Dako-  
17 ta and the Greenhorn and the Graneros Shale would both be  
18 included in that pool under either application.

19 Q Do you have anything that would indicate  
20 that this arrangement for the Gavilan 1E has at least had  
21 the tacit approval of the Commission?

22 A Yes. Exhibit Number Seven is a combina-  
23 tion exhibit of three parts. They include a Form C-104, a  
24 Form C-103, and a schematic diagram that was filed by North-  
25 west Exploration on August the 22nd, 1983.

26 They -- they show the manner in which the  
27 Gavilan 1E is equipped and producing and were approved by  
28 the OCD District office on August the 23rd, 1983.

1  
2 Now the schematic over there on page  
3 three shows that the Greenhorn perforations and the Gallup  
4 perforations are both available to the tubing through the  
5 sliding sleeve above the packer, which is set at 7230.

6 The Dakota perforations are below that  
7 and there is a blanking plug in that tubing to seal off the  
8 Dakota at this time.

9 So that has been approved by the District  
10 Office of the Commission.

11 Q Do you have any production history for  
12 these two wells?

13 A Yes. We have a good history on the Gavi-  
14 lan No. 1 from both zones to be commingled and production  
15 history from the Gavilan 1E from the Mancos-Greenhorn only,  
16 although we do have a Dakota test in that well.

17 We do not have any separate information  
18 on the Mancos and Greenhorn in the 1E.

19 Q What does the production history on the  
20 Gavilan No. 1 show?

21 A Exhibit Eight is a tabulation of produc-  
22 tion from June, 1982, through December of 1983, on a daily  
23 basis.

24 Periodically the sliding sleeve and the  
25 blanking plug would be manipulated so one or the other of  
the two zones could be flowed by itself.

Q And I'd ask you to refer to Exhibit Nine,  
and what is it?

1  
2           A           Exhibit Nine is a similar tabulation of  
3 production for the Gavilan 1E; however, this is for the Gal-  
4 lup only, because the Dakota has never produced in this  
5 well.

6           Q           Okay. Now I'd ask you to turn to what's  
7 been marked Exhibit Ten and ask you to identify it.

8           A           Okay. Exhibit Ten is a two-page exhibit.  
9 It's an allocation of production to the zones in the two  
10 wells.

11                       The Gavilan No. 1 is the first page and  
12 what I've done, I've taken a 30-day continuous flow which  
13 had no interruptions and looked like a good, typical month  
14 of production for the Mancos zone, from Exhibit Number  
15 Eight.

16                       This 30-day total was in June of 1983.  
17 During that month it produced 1779 barrels of oil from the  
18 Mancos and 18,855 Mcf of gas, so the daily average for the  
19 month was 59.3 barrels of oil and 628.5 Mcf of gas.

20                       Now the Dakota production is over in No-  
21 vember of 1983, several pages back in there, where I found a  
22 good, typical month, and for the 30-day total for the Dakota  
23 in November of 1983, it made 179 barrels of oil and 2651 Mcf  
24 of gas. This came out to a daily average of 6 barrels of  
25 oil and 88.4 Mcf of gas.

                      If we take both of them together, the two  
averages, we find that the well produces 65.3 barrels of oil  
on a daily basis and 716.9 Mcf of gas.

1  
2                   Percentagewise this would be 90.8 percent  
3 oil to the Mancos and 9.2 percent oil to the Dakota.

4                   87.7 percent oil to the -- gas to the  
5 Mancos and 12.3 percent gas to the Dakota.

6                   The second page is allocation for the 1E.  
7 Now, as I mentioned before, this well has always produced  
8 from the Mancos so I don't have any Dakota production; how-  
9 ever the 31-day production test, it says 30, that's in er-  
10 ror. That should be a 31-day production test in December of  
11 1983 for the Mancos in Well No. 1E was 1046 barrels of oil  
12 and 4969 Mcf of gas. This was a 31-day average of 33.7 bar-  
13 rels of oil and 160.3 Mcf of gas.

14                   Now we've had some information on some  
15 other wells that were tested in the Mancos and they ran  
16 about 10 percent of the Greenhorn, so I've taken that same  
17 10 percent and applied it to this Mancos production because  
18 Mancos and the Greenhorn are commingled in this well and  
19 have never been tested separately.

20                   So I applied that 10 percent and came up  
21 with 3.4 barrels of oil from the Greenhorn, 16 Mcf of gas.  
22 I deduct that from the Mancos and come up with a net remain-  
23 ing share to the Mancos of 30.3 barrels of oil and 144.3 Mcf  
24 of gas.

25                   The Dakota zone is taken from the initial  
26 potential test, which was 10.2 barrels of oil and 34.6 Mcf  
27 of gas.

28                   So we have total productive rate from all

1  
2 three zones of 43.9 barrels of oil and 194.9 Mcf of gas.

3                   Percentagewise this figures out to the  
4 Mancos producing 69 percent of the oil, 74 percent of the  
5 gas; Greenhorn producing 7.7 percent of the oil, 8.2 percent  
6 of the gas; and the Dakota producing 23.3 percent of the oil  
7 and 17.8 percent of the gas.

8                   Q           What is the allowance for the Gavilan-  
9 Mancos Pool?

10                   A           The current allowable based on 320-acre  
11 spacing in effect and the depth bracket which is applicable,  
12 is 702 barrels of oil per day with the current GOR limit of  
13 2000-to-1, this allows up to 1404 Mcf of gas to be produced.

14                   The allowable for the Dakota, I presume,  
15 would be based on the current 40-acre spacing and a depth  
16 bracket allowable of 7-to-8000 feet, or 187 barrels per day  
17 oil and a maximum casinghead allowable of 700 -- 374 Mcf per  
18 day.

19                   Q           Are either of these wells capable of ex-  
20 ceeding their allowables?

21                   A           The two wells are simultaneously dedi-  
22 cated to a single 320-acre unit in the Gavilan-Mancos Pool,  
23 so they would have to share a single 320-acre allowable.

24                   However, based on the numbers we pre-  
25 sented a few minutes ago, the No. 1 makes 59.3 barrels of  
oil from the Mancos and the 1E makes 30.3, for a total of  
89.6 from both wells.

So they are well within the oil allow-

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able.

As to gas, the No. 1 made 628.5 Mcf and the No. 1E makes 160.3 for a total of 788.8 Mcf against an allowable of 1404.

In the Dakota the No. 1 makes 6 barrels and 88.4 Mcf of gas while the 1E makes 10.2 barrels of oil and 34.6 Mcf of gas.

This gives a total of -- for oil of 16.2 barrels of oil against an oil allowable of 187, and a gas total of 123 against an allowable of 374.

So there's no problem of overproducing either allowable.

Q What about the pressure differentials between the zones?

A We don't have exact pressure -- we don't have any pressures for the Gavilan 1. We do have some pressures for the 1E, however.

The pressure was measured in the Dakota at a depth of 7772 feet and it was 3320 psia.

The pressure was measured in the Mancos at a depth of 6768 feet and it was 2177 psia.

If the Dakota pressure is corrected to the same datum as the Mancos pressure, using a water gradient, it would be 2885 psi. So you'd have a differential between the upper and the lower zones from 2177 to 2885. This is well within the limits allowed by Rule 303 of the Division rules and regulations.

1  
2 Q I'd now refer you to what's been marked  
3 Exhibits Number Eleven and Twelve and ask you to describe  
4 these.

5 A Exhibits Number Eleven and Twelve are big  
6 old thick things. They are copies of the communitization  
7 agreement and the operating agreement for the north half of  
8 Section 26, 25 North, 2 West.

9 These are offered to show that all parties  
10 owning an interest in the north half of the section,  
11 the lands dedicated to the wells, have communitized their  
12 interest.

13 Also, that all working interests throughout  
14 the entire 320, have shared in the cost of both wells.

15 For this reason we're not seeking two  
16 nonstandard 160-acre units, but a single 320 dedicated to  
17 both wells.

18 Also, since the 320-acre rules in the  
19 Mancos became effective on March the 1st, 1984, we would re-  
20 quest that the order entered in this case be retroactive to  
21 March 1.

22 The original order entered in the case  
23 approved the 320-acre unit with both wells simultaneously  
24 dedicated to it, and that order was retroactive effective  
25 March 1.

We'd hope the new order would continue  
with these provisions.

Q What were the findings in denying the

1  
2 downhole commingling in the original order?

3 A Well, the downhole commingling was denied  
4 basically because of the following findings:

5 Finding Number Seven said that the appli-  
6 cant did not present any reservoir, production, and/or geo-  
7 logical data on the Greenhorn in Well No. 1E.

8 Finding Number Ten stated that the pro-  
9 posed downhole commingling would render the Gavilan No. 1  
10 and the No. 1E useless for the purpose of gathering reser-  
11 voir data which would be relating to gathering reservoir in-  
12 formation to establish whether the temporary rules in the  
13 Mancos reservoir should be made permanent.

14 Also Findings Numbers Eleven, Twelve, and  
15 Thirteen related to that last finding, amplifying the neces-  
16 sity for gathering of this reservoir information.

17 Q What are your feelings about those find-  
18 ings?

19 A Well, they are probably correct but only  
20 to a degree.

21 In saying that no reservoir production or  
22 geological data was presented concerning the Greenhorn in  
23 the No. 1E, that was completely correct. There was none.

24 Now today I think we've done a little  
25 better. We've presented estimates of production from the  
Greenhorn based on estimates that were made comparing Green-  
horn with Dakota and Gallup in other wells.

As to reservoir data, there really just

1  
2 isn't any.

3 As to geology, all I can say is that the  
4 Greenhorn is generally composed of layers of siltstone,  
5 limestone and shaley limestones. It's sometimes marly and  
6 it's often gray.

7 The Greenhorn is usually of such insigni-  
8 ficance that no real geological or reservoir studies are  
9 ever made on it. It's simply an ancillary source that if it  
10 looks like it might produce you perforate.

11 Q So you don't feel that the commingling  
12 should be denied on the grounds of lack of information on  
13 the Greenhorn?

14 A No, I don't. In depth studies could be  
15 made. Actual tests could be conducted and reservoir data  
16 could be obtained, but it just isn't worth it on a stringer  
17 like this, especially in this well.

18 Q What about the findings relating to the  
19 necessity for obtaining reservoir data in the Mancos in or-  
20 der to determine the permanent spacing rules?

21 A Well, I believe that these findings in  
22 the order appealed here today were patterned closely after  
23 the findings that had a short time before been used in an  
24 order denying downhole commingling in a well that's to the  
25 west of these two wells; however, in that order there was  
also another finding and that was that the other well was  
economic in both zones.

All of those findings taken together prob-

1  
2 ably justify denial in that case. The other well was a  
3 much, much better well. It had good pressures and the  
4 reservoir data which could be obtained by keeping the zones  
5 isolated would have had some meaning in making a reservoir  
6 study.

7 Q Isn't that the case in the wells we're  
8 talking about today?

9 A No, no, these wells are marginal. The  
10 Dakota produces only 6 barrels a day in No. 1, originally  
11 tested only 10 barrels in the 1E.

12 The Gallup, or Mancos, produces 59 and 33  
13 barrels from the two wells. The data that might be obtained  
14 by isolating the wells will not contribute materially to the  
15 reservoir study for the spacing case.

16 Q Are there other wells which are isolated  
17 in the subject zones?

18 A There used to not be; however, all of the  
19 wells originally -- almost all of the wells originally drill-  
20 ed in the area were commingled in the wellbore; however,  
21 the well we mentioned awhile ago as being denied on downhole  
22 commingling, is now available for reservoir studies.

23 Mesa Grande also has two wells which are  
24 dual completions in the Mancos and Greenhorn Dakota and Mesa  
25 Grande's plan, which includes a vigorous drilling program,  
foresees the completion of numerous wells as dual comple-  
tions, not downhole commingles.

Most operators in this area have always

1  
2 used 4-1/2 casing, just as Northwest Production did in these  
3 two wells, which precludes dual completion.

4 Mesa Grande runs 5-1/2 inch casing in its  
5 wells and we will dually complete the wells whenever it's  
6 economic or possible to do so.

7 So there are plenty of wells or will be  
8 for the gathering of this data besides these two wells here.

9 Q Is it your opinion that the granting of  
10 this application is in the prevention of waste and protec-  
11 tion of correlative rights?

12 A Yes, I definitely think so. The Mancos  
13 is a slow producing formation. It's going to produce for-  
14 ever. If we have to wait until the Mancos has been de-  
15 pleted, chances are the casing will be into such poor condi-  
16 tion we won't be able to produce the Dakota, so if we aren't  
17 afforded the opportunity to produce the Dakota in here, we  
18 may never be able to produce it; certainly wouldn't be --  
19 the reserves in the Dakota in these wells would not be worth  
20 extensive rework operations, running new casing, and so  
21 forth.

22 So I think that in the prevention -- in  
23 the interest of the prevention of waste, it definitely is  
24 adviseable to approve the downhole commingling.

25 Q As to the prevention of -- protection of  
correlative rights, there's no way the correlative rights of  
anyone could be impaired by approval of the application.

Q Were Exhibits One through Twelve prepared

1  
2 by you or under your supervision?

3 A Some of them were and some of them  
4 weren't. Some of them are excerpts from the exhibits that  
5 were presented by Northwest in the original hearing. Others  
6 I've prepared here today. Of course, some of them are docu-  
7 ments, being the communitization agreement, and so forth.

8 I have examined them all and the ones I  
9 didn't prepare I'm in concurrence with as to the evidence  
10 offered.

11 MR. LOPEZ: I'd offer Appli-  
12 cant's Exhibits One through Twelve.

13 MR. RAMEY: Without objection  
14 Applicant's Exhibits One through Twelve will be admitted.

15 Q Is there anything further you want to of-  
16 fer?

17 A No, I have nothing further.

18 MR. LOPEZ: That concludes our  
19 testimony.

20 CROSS EXAMINATION

21 BY MR. RAMEY:

22 Q Mr. Nutter, now the Gavilan Well No. 1 is  
23 just Dakota and Mancos.

24 A That's correct.

25 Q And you do have sliding sleeves --

A Yes, sir.

Q Would the applicant be willing to at some

1  
2 future time to -- if this application is granted, to go in  
3 and say close the sleeve on the Dakota so that they could  
4 gather some reservir information on the Mancos.

5 Q Some individual reservoir information?

6 Q Right, yes, sir.

7 A Yes, sir, I believe so.

8 MR. RAMEY: Any other questions  
9 of Mr. Nutter?

10 If not, he may be excused.

11 Do you have anything further,  
12 Mr. Lopez?

13 MR. LOPEZ: No, I don't, Mr.  
14 Ramey.

15 MR. RAMEY: Does anyone have  
16 anything further in Case 8042?

17 If not, the Commission will  
18 take the case under advisement.

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(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

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