

BEFORE THE
Oil Conservation Commission

SANTA FE, NEW MEXICO

May 18, 1955

IN THE MATTER OF:

CASE NO. 900

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 18, 1955

IN THE MATTER OF:

The application of Stanolind Oil and Gas Company
for approval of a non-standard gas proration
unit.

Applicant, in the above-styled cause, seeks an
exception to Rule 5(a) of the Special Rules and
Regulations for the Eumont Gas Pool, as set
forth in Order R-520, to permit the establish-
ment of a 360-acre non-standard gas proration
unit consisting of SE/4, E/2 SW/4, S/2 NE/4 and
SE/4 NW/4 of Section 33, Township 20 South,
Range 37 East, Lea County, New Mexico, to be
dedicated to applicant's O. J. Gilluly "B" Well
No. 3, located 660 feet from the south line and
1980 feet from the west line of said Section 33.

Case No. 900

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 900.

MR. SMITH: In this case the same as in Cases 898 and 899,
Mr. Hiltz is our only witness and has been previously sworn. I
will ask if his qualifications as an expert witness will be accept-
able in this case also?

MR. MACEY: They will be.

R. G. H I L T Z ,

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

DIRECT EXAMINATION

By MR. SMITH:

Q Will you state your name?

A R. G. Hiltz.

Q By whom are you employed?

A Stanolind Oil and Gas Company.

Q In what capacity?

A I am a proration engineer in Stanolind's North Texas-New Mexico Division, in Fort Worth Texas.

Q Have you prepared a map or plat showing the location of the well in the unit which is the subject of this case?

A Yes, sir, I have.

(Marked Stanolind Gas and Oil Company's Exhibit 1, for identification.)

Q Directing your attention to what has been marked for identification as Stanolind's Exhibit No. 1, will you state the location of the well which is the subject of this application in Case 900?

A This well is located 660 feet from the south line and 1980 feet from the west line of Section 33, Township 20 South, Range 37 East, Lea County, New Mexico.

Q How many acres are included within the proposed unit?

A I believe there is a total of 360 acres.

Q Can you identify them by the respective governmental subdivisions?

A Yes.

Q What are those governmental sub-divisions?

Q It would comprise the southeast quarter of Section 33, the east half of the southwest quarter, the south half of the northeast

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

A It was originally completed in April of 1937 as an oil well in the Grayburg, in the Eunice Oil Pool, Eunice-Monument Oil Pool with an initial potential in the Grayburg, it produced 60 barrels a day, with GOR of 2,500 to 1. This well was recompleted in May of 1954 as a gas well in the Eumont Pool. It was plugged back to a total depth of 3,645 feet and perforated in the Yates, Seven Rivers and Queen. On its initial test it produced 1,140 MCF per day with a flowing tubing pressure of 540 pounds.

DIRECT EXAMINATION

By MR. SMITH:

Q Will you state your name?

A R. G. Hiltz.

Q By whom are you employed?

A Stanolind Oil and Gas Company.

Q In what capacity?

A I am a proration engineer in Stanolind's North Texas-New Mexico Division, in Fort Worth Texas.

Q Have you prepared a map or plat showing the location of the well in the unit which is the subject of this case?

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A This well is located 660 feet from the south line and 1980 feet from the west line of Section 33, Township 20 South, Range 37 East, Lea County, New Mexico.

Q How many acres are included within the proposed unit?

A I believe there is a total of 360 acres.

Q Can you identify them by the respective governmental subdivisions?

A Yes.

Q What are those governmental sub-divisions?

Q It would comprise the southeast quarter of Section 33, the east half of the southwest quarter, the south half of the northeast

quarter and the southeast quarter of the northwest quarter, all in Section 33.

Q What is the completion history of the well?

A It was originally completed in April of 1937 as an oil well in the Grayburg, in the Eunice Oil Pool, Eunice-Monument Oil Pool with an initial potential in the Grayburg, it produced 60 barrels a day, with GOR of 2,500 to 1. This well was recompleted in May of 1954 as a gas well in the Eumont Pool. It was plugged back to a total depth of 3,645 feet and perforated in the Yates, Seven Rivers and Queen. On its initial test it produced 1,140 MCF per day with a flowing tubing pressure of 540 pounds.

Q What is the current status of the well?

A It is now a gas well producing from the Eumont Gas Pool with 160-acre gas proration unit assigned to it; the acreage comprising the east half of the southwest quarter and the west half of the southeast quarter of Section 33.

Q The proposed additions, of course, would be the governmental sub-divisions which you testified to a short time ago, with the exception of the presently included acreage?

A That is correct.

Q Do you have a map reflecting the other units in the vicinity of the proposed unit?

A Yes, sir, I do.

(Marked Stanolind Gas and Oil Company's Exhibit 2, for identification.)

Q What is the situation with respect to the other units in the vicinity of the proposed unit?

A As shown on Exhibit 2, we have outlined existing units in this

area in orange with the exception of the unit now under consideration, which has been outlined in red. It will be noted in this case too, that the proration units in this immediate area vary in size from 80 acres to 360 acres. Again, there is no particular uniformity in shape or size of the units. That can be attributed to the fact that a majority of the wells have resulted from dual completions or recompletions of existing wells.

Q Have you prepared a cross-section indicating the continuity of pay surrounding this well?

A Yes, sir.

(Marked Stanolind Oil and Gas Company's Exhibit No. 3, for identification.)

Q What is your opinion with respect to the capacity of this well, or the ability of this well to drain the proposed unit?

A In my opinion, the well will efficiently and adequately drain the acreage we propose to assign to the well.

Q Are there any anomalies that might act as impediment to such drainage?

A No, reference to Exhibit 1, that, based on the structure on top of the Yates there are no such anomalies.

Q The area is surrounded by producing gas wells?

A Yes, that is correct.

MR. SMITH: I would like to offer the Exhibits 1, 2 and 3.

MR. MACEY: Without objection they will be received.

Q Is the working interest and royalty interest common in the proposed unit?

A Yes, sir.

Q All in one section?

A Yes.

Q Is the acreage continuous and contiguous?

A Yes, sir.

Q All of the proposed unit is within the limits of the Eumont Gas Pool?

A Yes, sir.

Q Are there any other wells to which the acreage could be assigned?

A No, sir.

Q The granting of this application by the Commission would avoid the drilling of an unnecessary well, in your opinion?

A Yes, sir.

Q Will such action by the Commission prevent waste and protect correlative rights, in your opinion?

A Yes.

Q It will give the parties in the field an opportunity to recover their fair share of the reserves?

A Yes, sir.

MR. SMITH: That is all.

MR. MACEY: Any questions of the witness? Mr. Hiltz, in connection with your present proration unit, is there any, I believe it is Exhibit 2 which is the outline of the gas units presently in existence. Is there any unit to the west of you, or to the east of you, or to the north of you or to the south of you? Are you being directly offset in any single direction?

A There is no well immediately offsetting the proration unit. However, there are wells producing on all sides in the area involved.

MR. MACEY: You think, that in view of the fact that you reworked the well in December, and on repotential, if it only made 1,090 MCF, that it would be capable of producing a 360 acre allowable?

A I believe it would. The information I have indicates that the 1,090 was against a flowing tubing pressure at the wellhead of 1150 pounds. While I don't have a back pressure test on the well subsequent to that time, I believe that indicates that the well is capable of producing the allowable to which it would be entitled. In addition to that, I have information on the producing capacity of all the wells surrounding the area which I have encircled on Exhibit 1, and if the Commission would like to have it, I would be happy to introduce that in order that you might have some idea as to the indicated current ability of the wells to produce.

MR. MACEY: No, I was mainly interested in the fact that the repotential test you have on Exhibit 3 is actually a deliverability test?

A Yes. That is not the absolute open flow. That is a deliverability test.

MR. BOSS: I would like to inquire if you thought the well would make the allowable sufficient for 640 acres?

A In my opinion, it probably would. If at all possible, we will in the future make an attempt to pool that acreage with other acreage in the same section, in order to obtain a 640 acre unit.

MR. MACEY: You would have to affect a communitization agreement with Continental and Gulf?

A Yes, that is correct.

MR. MACEY: The witness will be excused, and the case will be taken under advisement. (Witness excused.)

STATE OF NEW MEXICO)
: ss.
COUNTY OF BERNALILLO)

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 26th day of May, 1955.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:
June 19, 1955