

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

April 15, 1952

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In the Matter of:

Kewanee Oil Company's application to convert certain wells in Township 17 South, Ranges 32 and 33 East, from producing oil wells to gas-injection wells, using gas produced from Corbin "A" Well No. 3 in W/2 10-18S-33E, NMPM, Lea County. This is injection of gas into the Grayburg-San Andres horizons of the Maljamar pool reservoir.

Case No. 356

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(Notice of Publication read by Mr. Graham.)

MR. COCHRAN: My name is John E. Cochran. I represent Kewanee Oil Company. The witness in this case is W. H. Miles.

W. H. M I L E S,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. COCHRAN:

- Q Will you state your name, please.  
A W. H. Miles.  
Q Where do you live?  
A Odessa, Texas.  
Q By whom are you employed?  
A Kewanee Oil Company.

Q In what capacity are you employed?

A Division engineer west Texas, New Mexico division.

Q Mr. Miles, have you previously testified before this Commission?

A I have not.

Q Where did you attend school?

A At the University of New Mexico.

Q What profession did you study?

A Mechanical engineering.

Q What year did you graduate from the University of New Mexico?

A February of 1947.

Q What degrees, if any, were conferred upon you by that school?

A Bachelor of Science, Degree in Mechanical Engineering.

Q Since your graduation from the University of New Mexico by whom have you been employed?

A Stanolind Oil and Gas Company in the Panhandle field of Texas and also their general office in Tulsa; Barnes Oil Company, in their general office in Tulsa; and Kewanee in the Maljamar field and also Odessa, Texas.

Q When employed by Kewanee in the Maljamar field what was the nature of your work?

A I was in charge of all district engineering functions in the Maljamar field.

Q In that capacity did you become familiar with the two leases that are involved in this application?

A I did.

MR. COCHRAN: Are the qualifications of the witness acceptable to the Commission?

MR. SPURRIER: They are.

Q Mr. Miles, in the application filed a lease is described which you designate as your Pearl lease. Would you read the description of that lease?

A All of Section 25, Township 17, South Range 32 East, NMPM, Lots 1, 2, 3, and 4 East half, West half of Section 30, Township 17, South Range 33 East, NMPM, and containing 968.56 acres more or less.

Q How many wells have been drilled on the Pearl lease?

A Twenty-seven wells.

Q How many wells are producing at the present time?

A Twenty-four.

Q To what depth are those wells producing?

A From an average depth of 4150 to 4250.

Q From what horizon?

A Grayburg-San Andres horizon.

Q What is the present oil production of this lease?

A Pearl lease produces approximately 365 barrels per day.

Q In the application a lease known as your Corbin "A" lease is described. Would you read the description of that lease

to the Commission?

A The west half of Section 10, Township 18 South, Range 33 East, NMPM, and containing 320 acres, more or less.

Q How many wells have been drilled on the Corbin "A" lease?

A Two.

Q How many wells are producing?

A At the present time none are producing.

Q What is the present status of the two wells that were drilled?

A The Corbin No. 1 was plugged and abandoned approximately eight years ago when it would no longer produce oil in commercial quantities. The Corbin "A" No. 3 well has been shut in since its initial completion.

Q Is it an oil well or gas well?

A It is a gas well.

Q What is that well capable of producing?

A The open flow potential of that well has been figured at seven million nine hundred thousand cubic feet per day.

Q What horizon and depth is that well producing from?

A Corbin "A" No. 3 produces from the Queen sand from approximate depth of 4225 to 4327.

Q Mr. Miles, when were Pearl wells 22, 24, and 26 originally drilled?

A They were drilled in the fall of 1948.

Q Were they regular locations or otherwise?

A They were not regular locations.

Q Were they five-spot location?

A Five-spot locations.

Q At the time the wells were drilled a hearing was had before the Commission?

A That is right.

Q Would you tell the Commission, Mr. Miles, what you propose to do with the three wells on the Pearl lease wells 22, 24, 26, and also what you propose to do with the gas that you produce from Corbin "A" well No. 3?

A We propose to convert Pearl Nos. 22, 24, and 26 from a producing oil status to a gas in-put status. We propose also to produce gas from Corbin "A" No. 3 and transport it to these three wells and inject approximately 545,000 cubic feet per day into the three wells, segregated as follows: Pearl No. 22 200 MCF per day, Pearl 24 175 MCF, and Pearl No. 26 155 MCF per day.

Q Mr. Miles, as an engineer, in your opinion would this gas-injection program be in the interest of conservation?

A I believe it will be.

Q Is it your opinion that it would enable you to obtain a greater recovery of oil from the Pearl lease?

A It would.

Q Would waste be prevented by such an operation?

A We think it would.

Q You have stated the volume that you propose to inject into these three wells. Would that be changed from time to time?

A Yes, sir, it would. As the results of gas injection become known and are studied, we will at all times try to inject a sufficient volume of gas so that at all times the oil being withdrawn from offset wells will be comparable.

Q Mr. Miles, when you convert the three Pearl wells mentioned from producing wells to gas-injection wells, what is your situation or what do you propose to do with reference to oil allowable for these wells?

A As far as Pearl 22, 24, and 26 are concerned, we do not claim or wish to claim or transfer allowables from these wells, in other words transfer the allowable, the present allowable, from these three wells to other wells on the Pearl lease.

Q The current allowable set up for these three wells would simply be eliminated from the proration schedule?

A That is right.

Q The two leases that you have mentioned are both federal leases, are they not?

A That is right.

Q Have you conferred with anyone in the Roswell office of the United States Geological Survey?

A Yes, sir, I have talked to Mr. Foster Morrell and also Mr. Canfield in the Roswell office.

Q Did they indicate approval or did they have any objection

to such a proposed injection program?

A They indicated verbal approval of the overall injection plan.

MR. COCHRAN: Does the Commission have any questions?

MR. GRAHAM: What is the production from the five-spot wells at the present time?

A Approximately 52 barrels per day for the three wells.

MR. SPURRIER: Is there any other question of the witness?

MR. MACEY: Your Corbin 3 "A", is that well in any defined oil or gas pool at the present time, to your knowledge?

A As far as we know, the Corbin "A" 3 gas well is not in any defined pool gas or oil.

MR. GRAHAM: What are the market possibilities of that gas well?

A When the well was initially completed I understand the Southern Union Gas Company considered tying into that well but at that time the reserves in connection with the gas well were not known. In other words, there was one well setup and they were a little leery about making an investment to come in there and take that gas. There is no other commercial outlet for the gas at the present time.

MR. GRAHAM: Is that near Southern Union's line?

A I could not tell you how close it is. It is in proximity to their line.

MR. MACEY: Are these wells in Section 26 or in Section 23, are any of those wells involved in the Maljamar cooperative?

A The wells in Section 26 and 23 are all included in the Maljamar repressuring cooperative agreement; however, there is no active gas-injection program in connection with those wells at this time.

MR. SPURRIER: Any further questions?

MR. FOSTER: I would like to ask a question or two.

MR. SPURRIER: Mr. Foster.

MR. FOSTER: You propose to transfer the allowable on these injection wells to other wells?

A As I stated we do not propose to transfer the allowable from these injection wells to other wells on the Pearl lease.

MR. COCHRAN: They would simply be eliminated from the proration schedule.

MR. WHITE: How much increased production do you expect to get from this program?

A Our figures indicate that as a result of gas injection we will increase our reserves by approximately one million barrels of oil.

MR. SPURRIER: Any further questions? If not, the witness may be excused. Is that all your testimony?

MR. COCHRAN: That is all.

MR. SPURRIER: Anyone have a statement in the case?  
The case will be taken under advisement.

The next case is 357.

(Witness excused.)

STATE OF NEW MEXICO    )  
                              :  
COUNTY OF BERNALILLO   )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 356 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on April 15, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 21<sup>st</sup> day of April, 1952.

  
REPORTER

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