

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 983

TRANSCRIPT OF PROCEEDINGS

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 14, 1955

IN THE MATTER OF:

CASE NO. 983

Application of Gulf Oil Corporation for an order approving a non-standard gas proration unit in exception to Rule 5 (a) of the Special Rules and regulations for the Jalmat Gas Pool contained in Order R-520. Applicant, in the above-styled cause, seeks approval of a 280 acre non-standard gas proration unit consisting of the NW/4, S/2 NE/4 and the NW/4 NE/4 Section 16, Township 25 South, Range 37 East, Lea County, New Mexico; said acreage to be dedicated to Applicant's A. Ramsey "E" Well No. 5 located in the SW/4 NW/4 Section 16, Township 25 South, Range 37 East.

BEFORE:

Honorable John F. Simms, Jr.,
Mr. E. S. (Johnny) Walker,
Mr. William B. Macey.

TRANSCRIPT OF PROCEEDINGS

MR. MACEY: The next case on the docket is Case 983.

MR. MALONE: Ross L. Malone, Roswell, for Gulf Oil Corporation. We have one witness, Mr. Walker.

(Witness sworn.)

D O N W A L K E R,

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

DIRECT EXAMINATION

BY MR. MALONE:

Q State your name, please. A Don Walker.

Q You are employed by the Gulf Oil Corporation?

A Yes, sir.

Q You reside in Fort Worth? A Yes.

Q What capacity?

A Division Proration Engineer.

Q You have testified before this Commission as an expert on previous occasions? A Yes.

MR. MALONE: Are the witness' qualifications still satisfactory?

MR. MACEY: Yes.

Q Are you familiar with the Case 983?

A Yes. This is Gulf's application for a 280-acre non-standard gas proration unit consisting of the NW/4, S/2 NE/4 and the NW/4 NE/4 Section 16, Township 25 South, Range 37 East, Lea County.

Q To what well, or through what well is it proposed to produce the Unit allowable?

A Gulf proposes the Unit well to be Arnot Ramsey "E" Well No. 5, located 560 feet from the west line and 1980 feet from the north line of said Section 16, Township 25 South, Range 37 East.

Q I hand you an exhibit which has been marked Gulf's Exhibit 1, and ask you to state what that is.

A This is an area plat which we have prepared to show the Jalmat Gas Proration Units within the immediate area of our proposed unit.

Q Was that prepared by you or under your direction?

A Yes, sir.

Q What information do you have as to the history of the proposed unit well?

A This well, Arnot Ramsey "E" No. 5 Well, was originally

drilled as an oil well in the Langlie-Mattix Oil Field to a total depth of 3,385 feet; this well was completed in August, 1953, and produced through open hole from 3169 to 3385. The five and a half inch casing was set at 3169 feet. Initial potentiality, 6 barrels of oil and three barrels of water, with gas ratio of 26,150.

Q Was the well recently completed in the Jalmat Gas Pool?

A Yes, sir. It was never very successful as an oil well. In fact, the cumulative production through the time it was plugged back was 935 barrels, and, on October 8th, we completed a plug-back to 3,160 feet, and recompleted in the Yates Formation of the Jalmat Gas Pool, casing perforation now 2990 to 3040, and 3080 to 3150, which is within the vertical limits of the Jalmat Gas Pool as defined in Order 520.

Q Do you have available an electric log of the well?

A Yes, sir, I have.

Q It has been identified as Gulf's Exhibit No. 2?

A Yes, sir, and on this log has been indicated the top of the Yates and the top of the Seven-Rivers as well as the casing, five and a half inch casing point, and the perforated interval.

Q By whom are the operating rights in the acreage included in this proposed unit owned?

A Gulf Oil Corporation is the Lessor.

Q And by whom are the royalty interests owned?

A The State of New Mexico.

Q Is the ownership of both the lease hold interests and royalty common throughout the acreage in the proposed unit?

A Yes, sir.

Q Does the well, as recompleted, produce any fluid?

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A Right now, it is closed in waiting connection with the Permian pipe line, but on test it didn't produce any fluid and we don't anticipate it will.

Q What information can you give the Commission as to the ability of the well to deliver the increased allowable if the application is approved?

A On the deliverability test it produced 8470 MCF; this test conducted at the time of completion, open flow potential estimated at 8800 MCF.

Q Have you made a study of the available information in an effort to determine whether or not all of the acreage included in the proposed unit can reasonably be presumed to be productive of gas?

A Well, based on the fact that our well, well No. 5, completed in the Yates is fairly low -- in fact, it is almost 100 feet lower than the east side of the section, structurally, on top of the Yates and we have gas wells on nearly every side of this proposed unit, none directly north, but about a mile and a half north, we do. There is a gas well there also from the Jalmat Pool, and I based on that, and the contours which have been prepared, and we present as Exhibit 3.

Q Was Gulf's Exhibit 3 prepared by you and under your direction?

A Yes, sir.

Q And what does it show?

A It shows -- it is just a structure map on top of the Yates horizon on a fifty foot contour intervals.

Q Did I understand you to testify that in your opinion all of the acreage in the unit can reasonably be assumed to be productive of gas?

A Yes, sir.

Q In reaching that conclusion, have you taken into consideration the Leonard well in the NE/4 NE/4, Section 16?

A Yes, sir, Leonard well was completed as an oil well with initial of over, I believe, two hundred and sixty-four barrels. I don't have the completion data. However, it was just a few months back, and the well has declined now to where in September it only made 508 barrels of oil. At least, that is what was reported, which was between 15 and 20 barrels of oil per day, and this well, according to -- I don't have a log on it, but according to the operator's call producing from the interval 2966 to 3016 which is partially in the lower part of the Yates, but primarily in the Seven-Rivers.

Q In contrast to that, what formation is the producing horizon in your No. 5?

A Our No. 5 is wholly within the formation.

Q Did I understand you to testify that there are producing wells from the Jalmat to the north, south, east and west?

A Yes, directly west of Leonard's No. 1 and Stanolind Langlie B No. 2, is a gas well producing gas only, as I understand it, from the interval of 2862 to 82, which is wholly within the Yates formation.

Q And, in your opinion, would the approval of Gulf's application prevent waste and protect correlative rights of interested parties?

A Yes, sir.

Q Is there any further information you would like to give the Commission in support of the application?

A I don't believe so.

MR. MALONE: We offer in evidence Gulf's Exhibits 1, 2 and 3.

MR. MACEY: Without objection, they will be received.

MR. MALONE: That is all.

MR. MACEY: Any questions of the witness?

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Walker, just for the record, you pointed out another Jalmat gas well in that area. I think you just referred to one to the west there; was that in the NE/4 of --

A That is in the --

Q NE/4 of Section 16?

A This well that I made reference to is direct offset of Leonard's well No. 1 which is in the NE/4 of the NE/4 of Section 16; Stanolind's is in the NW/4 of the NW/4 of 15. Actually, all the units shown in Exhibit 1 have gas wells and are producing from the Jalmat.

MR. UTZ: That is all.

MR. MACEY: Does anyone else have a question of the witness?

CROSS EXAMINATION

BY MR. MACEY:

Q Mr. Walker, do you happen to know what the top of the Yates and Leonard well is?

A My papers show that to be 2762, I believe, a plus 369.

Q Plus 369?

A Yes.

Q Plus 369. Your contour map is off?

A That is what it seems, isn't it?

Q I just wondered if you had an explanation for them making an

oil well on the base of the Yates structure higher than you are.

A Let me change that, the contour map made in Fort Worth, and I got this 369 out of Roswell this morning.

Q It looks like it might have shifted about forty feet in going to Fort Worth.

A They didn't have the information there in Fort Worth and based it on 389, of Stanolind, and what information we have. The contours are drawn fairly evenly spaced.

Q There is no question that it is structurally higher, and I wondered if you thought that your well was going to produce any large volume of fluid?

A In my opinion, the Leonard well is primarily Seven-Rivers which I think goes separate from the Yates, but that is an opinion, and just based on what information I have, it looks like eight to ten feet of lower Yates is exposed in the Leonard.

MR. MALONE: Mr. Commissioner, we have available a geologist, who would be glad to testify on that if you would like to put him on.

MR. MACEY: I don't think it is necessary.

CROSS EXAMINATION

BY MR. CAMPBELL:

Q Mr. Walker, do you think that the Leonard well in the NE/4 of the NE/4 will be termed a gas well?

A We have had such experience on some of our wells, oil well No. 4 directly south of our well No. 5 was initially completed as an oil well, and I believe the total accumulative production on that well was four thousand two hundred and twenty-six barrels; it was completed in June, 1953, and sometime this year, I believe around June, our well No. 4 was reclassified as a gas well in the Jalmat, because of a ratio

