

BEFORE THE
OIL CONSERVATION COMMISSION
FEBRUARY 25, 1960
SANTA FE, NEW MEXICO

PHONE CH 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF: :

CASE 1906: Application of El Paso Natural Gas Products Com- :
pany for permission to produce more than sixteen :
wells in a common tank battery. Applicant, in :
the above-styled cause, seeks an order authoriz- :
ing the production into a common tank battery of :
all Horseshoe-Gallup Oil Pool wells presently :
drilled or hereafter completed on its Horseshoe :
Ute lease, comprising portions of Sections 27, :
28, 33 and 34, Township 31 North, Range 16 West, :
San Juna County, New Mexico. :

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 1906.

MR. FLINT: Case 1906. Application of El Paso Natural
Gas Products Company for permission to produce more than sixteen
wells in a common tank battery.

MR. SPANN: Charles C. Spann of Grantham, Spann &
Sanchez, Albuquerque, New Mexico, appearing for the applicant. We
have one witness.

(Witness sworn)

MR. UTZ: Any other appearances in this case?

JOHN J. STROJEK,



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

DIRECT EXAMINATION

BY MR. SPANN:

Q Will you state your name for the record, please?

A John J. Strojek.

Q By whom are you employed?

A El Paso Natural Gas Company.

Q In what capacity and where?

A Petroleum engineer in Farmington.

Q Do you want to spell your name?

A S-t-r-o-j-e-k.

Q Have you previously testified before this Commission and had your qualifications accepted?

A Yes, sir.

MR. SPANN: Is the witness qualified?

MR. UTZ: Yes, sir.

Q (By Mr. Spann) Mr. Strojek, are you familiar with this application?

A Yes, sir.

Q And, generally, what are you seeking to do?

A We are seeking to produce all wells presently drilled or hereafter drilled to the Gallup formation in the Horseshoe-Gallup Oil Pool to be produced into one common tank battery in the Horseshoe Ute lease.



Q And assuming the entire lease is drilled, how many wells would be involved?

A Forty-seven.

Q How many have you actually drilled and completed to the present time?

A Thirty-five. And we are recovering load oil in thirty-six and thirty-seven and are drilling No. thirty-eight presently.

Q Those are cases or orders, Cases 1729 and 1767, wherein you sought authority to produce more than sixteen wells in a common tank battery on this lease, is that correct?

A That is correct.

Q And did you testify in those applications?

A Yes, sir.

Q Now, insofar as the area involved is concerned, I believe you introduced an Exhibit in Case No. 1729 which showed the area involved, is that correct?

A That is correct.

Q Exhibit 1?

A That is correct.

Q And I believe you also introduced an Exhibit prepared by you in that Case showing the savings that would occur to El Paso in the event they were permitted to produce the wells into a common tank battery rather than installing additional batteries, is that correct?

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A That is correct.

Q Now, you recall those Exhibits, I take it?

A Yes, sir.

Q And would those Exhibits reflect, insofar as Exhibit 2 is concerned, as to the savings involved, would that be correct insofar as the present case is concerned?

A Approximately correct, sir.

MR. SPANN: Now, if the Commission please, in order to save time, I would like to move that the record in 1729 be admitted in this case for the purpose of showing the area involved, the savings involved and the type of installation they are operating. In the absence of objection, I would like to move that that record be considered in this case.

MR. UTZ: Were both of these cases pertaining to the same lease?

MR. FLINT: Granting it a greater number of wells to be --

MR. SPANN: That is correct. The original application was for, I believe, twenty-one wells, and the subsequent application was for thirty-five wells. However, we asked that our application be amended in that case, but you had already published notice, limiting it to thirty-five, so you restricted us to that, and we are now seeking to have all of the wells that are completed or might be completed on the acreage produced into that battery. We have had to come back three times, which is unfortunate.

MR. UTZ: Going all the way this time?



MR. SPANN: Yes, sir.

MR. UTZ: Is there objection to counsel's motion?

It is so ordered.

Q (By Mr. Spann) Now, insofar as the amount of storage is concerned, just what do you have on the lease at this time?

A Presently we have a total storage of 1600 barrels.

Q And what is your production, daily production from the wells on the lease that have been completed at the present time?

A On the basis of January and some February tests, we have a total of 1164 barrels for thirty-five wells.

Q Now, how many wells might possibly be completed in that lease and ultimately be produced into that central tank battery under your proposal?

A A total of forty-seven, twelve additional to the thirty-five.

Q And are you prepared to install additional storage if it is necessary to handle that production?

A Yes, sir.

Q Now, would you explain to the Commission just how you test these wells that produce into that central tank battery?

A We have a moveable testing unit that we move from well to well and check the wells once a month.

Q And you would do that in the event this approval for this application were granted.--

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A Yes, sir.

Q -- on additional wells?

A Yes, sir.

Q Now, is that testing necessary to furnish information in connection with further development on the lease?

A Yes, sir. Presently, we are doing one well at a time, testing each well thoroughly and periodically during each month to find out where we should drill and how many additional wells we should drill on the lease.

Q Now, this method of testing that you've described is the same method that was approved by the Commission in the prior applications, I take it?

A Yes, sir.

MR. UTZ: Was that a twenty-four hour test, Mr. Strojek?

A I don't believe any amount of hours. I said periodic monthly tests.

Q (By Mr. Spann) Will the granting of this application cause waste or impair correlative rights?

A No, sir.

Q You only have one royalty owner, and that is the Ute?

A Ute Navajo, that's right.

MR. SPANN: That's all we have.

CROSS EXAMINATION

BY MR. UTZ:



Q Mr. Strojek, how much production would you anticipate from the forty-seven wells on this lease?

A Sir, for the last twelve wells it is pretty hard to pin it down, but I don't imagine we will get much more than 300, 400 barrels. That's just a rough approximation.

Q How much do you have now?

A Presently, what the last test showed, we had 1164 barrels in the area. Where we are presently planning to develop or hope to develop some wells, it is the poorest area of the whole lease, and thereby I wouldn't know what to expect from there.

Q Do you intend to install any more storage capacity?

A Yes, sir, if necessary.

Q How much excess storage capacity -- by excess, I mean twenty-four hours -- do you intend to carry on this lease?

A Possible plans, we talked about adding three more 400 barrel tanks, which would be 1200 barrels additional to the 16 we have now, which is 2800, which would be approximately two days' storage.

Q You feel that is about the minimum you should have?

A In view of the way the wells have been performing, yes, sir.

Q Are these all pumping wells?

A Yes, sir.

Q It is possible you might not be able to get to this lease for a couple of days at a time, isn't it?



A So far, we've gotten to it every day. By one way or another, we have been able to get to the lease every day.

Q Sometimes by helicopter?

A No, jeep or truck, but we've gotten to them every day.

Q Now, in order to test forty-seven wells a month, you couldn't run a twenty-four hour test, could you?

A Not with one unit, no, sir. One testing facility, no, sir.

Q So you might have to test two wells a day?

A Sir, we have been -- on some of the poorer wells, they are pumping some sixteen, seventeen hours a day, and that way we can get two tests on some of our wells. I might add that none of the wells are top allowable wells.

Q None of them?

A None of them.

Q Is there a possibility that you might bring some of these wells to top allowable wells by reworking, or have you any plans for that?

A Not by reworking, not unless, shall we say, possibly we could by water flooding, but then we wouldn't have so many producing if we go to water flooding. We'd have to convert them to water flooding.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

(Witness excused)

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MR. SPANN: That's all we have.

MR. UTZ: Any other statements to be made? The case will be taken under advisement. We will take a ten-minute recess.

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