

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner hearing - Elvis A. Utz

Santa Fe, NEW MEXICO

REGISTER

HEARING DATE July 11, 1960 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
<i>J. Seth</i>	<i>Seth & Associates</i>	<i>S. Fe</i>
<i>J. P. Morris</i>	<i>So. Plains Lathrop System</i>	<i>Dallas, Tex.</i>
<i>Frank W. Deringer</i>	<i>Speck Oil Co</i>	<i>Tulsa Okla</i>
<i>W. H. ...</i>	<i>✓ ✓ ✓</i>	<i>Santa Fe, N.M.</i>
<i>Richard Banks</i>	<i>Pan American Photo</i>	<i>Farmington, N.M.</i>
<i>Frank Newman</i>	<i>H. Wood & Malcom</i>	<i>Proctor, O.</i>
<i>John M. Little Jr</i>	<i>H.S. MOSS</i>	<i>DALLAS, TEXAS</i>
<i>Neil G. Owens</i>	<i>MIDWEST Oil Corp</i>	<i>MIDLAND, TEXAS</i>
<i>H. D. Penney</i>	<i>- - -</i>	<i>- - -</i>
<i>George V White</i>	<i>- - -</i>	<i>- - -</i>
<i>Verome J. O'Brien</i>	<i>Monterey Oil Co.</i>	<i>M. dland, Tex.</i>
<i>Howe ...</i>	<i>Marathon</i>	<i>Oklahoma City, Okla.</i>
ILLEGIBLE		

well location.

MR. SETH: Oliver Seth of Seth, Montgomery, Federici & Andrews for the applicant. We have one witness, Mr. Jay Morris.

MR. UTZ: Any other appearances in this case?

(Witness sworn.)

J. P. MORRIS

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

DIRECT EXAMINATION

BY MR. SETH:

Q Will you state your name, please?

A J. P. Morris.

Q By whom are you employed, Mr. Morris?

A La Plata Gathering System, Inc.

Q Are you generally familiar with the application in Case 2013?

A Yes, sir.

Q Is La Plata the operator of a unit area in San Juan?

A San Juan 32, 5, yes.

Q Just generally, what is the unitized area both horizontally and vertically?

A It takes in the East boundary, it takes in the East side.

Q Do you have a map that shows that?

A Yes. Let me get it. Can't I just lay this out here?



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MR. UTZ: Yes, sir. Do you have any exhibits to be marked?

MR. SETH: We have one and they have been marked.

Q Would you point out on this map generally the unit area?

A It includes all of Township 32 North, Range 5 West in Section 1 and two in 31 North, 5 West and sections in here. It's outlined in red in 32 North, 6 West.

Q This application covers lands within the unit area, is that right?

A Yes, sir.

Q Would you describe, please, for the Commission the proposed well location?

A The proposed well location will be Section 31, it will be 713 feet from the East or West lines and 990 feet from the North line of Section 31, Township 32 North, Range 5 West.

Q Have you prepared a plat showing the proposed location?

A Yes.

Q Does that appear as Exhibit 1?

A Yes.

Q Will you state, please, the width and size of the section?

A The Section 31 in which the well is located in the North end, it's 1428.9 feet from East to West; the South end, it's 1413.06 feet wide Southeast.

Q Would you state also the size of the lots that are



in this short section or both short sections, excuse me?

A Lot 1 is 43.11 acres.

Q Which section is that?

A That's in Section 31 in which the well is located. Lot 2 is 42.73. Lot 3 is 42.61 and Lot 4 is 42.73.

Q Now, the same in Section 30.

A Lot 1 is 44.22, 43.58 and Lot 3 is 43.30, Lot 4 is 43.30.

Q Now, this application is for a well to the Dakota, is that correct?

A That is correct.

Q The application of your company in 2004 was for a Blanco-Mesaverde well, is that right?

A Right.

Q This is one and the same hole?

A Right.

Q But in your previous application you did not include the Dakota formation?

A Right.

Q Are there other short sections in your unit area along this township line?

A Yes, there are three others to the North.

Q Four in all, or five?

A Five in all. These up here.

Q What is your plan as to the development of the other



short sections, if you have any?

A If we establish production in this location in question now, we plan to drill a well in the North end of Section 19, we propose to drill one and dedicate the acreage in 18 and 19 to that well.

Q That's in Township 32?

A 32 North, Range 5 West.

Q But you'll wait to see whether the Dakota is productive in the well?

A Right.

Q Approximately what depth do you expect to encounter the Dakota?

A Approximately 8200 feet.

Q Where are the nearest Dakota wells? Will you point those out to the Commission, please?

A The Dakota well is the old ~~Amerada~~ Well, now the El Paso.

Q Would you give the description?

A It's in Township 32 North, Range 7 West, Section 24.

Q Now, this other Dakota well.

A There's one other, I gave you the wrong well. This is the nearest one here. It's in Township 32 North, Range 6 West and it's in Section 20. The other one is in Township 31 North, Range 6 West and it's in Section 11.

Q Does La Plata have a well they are completing in the



Dakota that's in this general area?

A We're attempting to complete one now in our Section 26, Township 32 North, Range 6 West, which is the No. 2-26.

Q Now, you had planned to dedicate both Sections 30 and 31 to this Dakota production?

A Yes.

Q Do you have reason to believe that both those short sections will be productive of gas in the Dakota?

A Yes, sir.

Q Why do you say that?

A Based on wells in the area, Mesaverde well in Section 32, Township 32 North, Range 5 West, there is an established Mesaverde production and Dakota gas was recovered on drill stem test in the old Stanolind well in Section 10, Township 32 North, Range 5 West, which I believe would make a Dakota well.

Q What about the geology in your well, in your 2-26 well in Section 26 of 32 North, 6 West?

A Based on electrolog interpretation and samples of gas analyzer, portable gas analysis indicate that gas production can be established in the Dakota in Section 22-6.

Q As far as offsetting acreage is concerned to the proposed location, the direct offset to the West is within the 32-5 unit area, is it not?

A Well, to say in the direct to the West, it belongs to

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La Plata, it's an East-West unit.

Q Yes, that's my mistake.

A It's in Section 36, Township 32 North, Range 6 West.

Q That's owned by La Plata? A Yes.

Q But it's in the Mesaverde unit area?

A It's in the Mesaverde unit area.

Q The offsetting acreage to the West is in the 32-5 unit?

A Right.

Q Now, with regard to the portion of your application relating to the dual completion of this well, Blanco-Mesaverde and Dakota, the Blanco-Mesaverde was the subject of the hearing in 2004. You have asked here for a dual completion in the two formations. Would you describe the mechanical setup that you propose in the dual completion?

A We plan to cement 5½" casing to the Dakota, perforate the Dakota and water sand frack. We will run a set of Baker Model D cast-iron packers on one and a half inch tubing approximately 40 feet above the Dakota perforations.

MR. UTZ: One and a half inch tubing?

A Yes, sir.

Q How would you produce the Blanco-Mesaverde?

A We plan to perforate and frack the Mesaverde and we will run tubing in the Mesaverde, will be hanging free. This tubing is one and a half inch Tex tube integral joint tubing. At the surface



we plan to have a camera and dual 800 series tree with split tubing hanger, and recess body master gate valve.

Q Would you give the approximate pressures you expect to encounter in each formation?

A The Dakota is somewhere around 200 pounds and Mesaverde, I believe, around 15, in the neighborhood.

Q What's the cement procedure that you are going to follow?

A Cementing 5½" casing with two stager, with stage two below the Mesaverde-Dakota.

Q Will that, in your opinion, effectively seal or prevent any commingling between the two formations?

A Yes.

Q As far as getting back to the unorthodox location and the unorthodox non-standard unit, you believe those are necessary in order to permit La Plata and the unit operator, as unit operator, to develop a fair share of the unit oil and gas in place?

A Yes, I do.

Q And to prevent waste? A Yes.

Q Do you have any other statements you would like to make?

A No.

MR. SETH: That's all. We would like to offer Applicant's Exhibit No. 1.

MR. UTZ: Without objection, Exhibit No. 1 will be entered into the record.



MR. SETH: That's all the direct, Mr. Utz.

CROSS EXAMINATION

BY MR. UTZ:

Q What was your name again, please?

A J. P. Morris.

Q Mr. Morris, what do you intend to use for surface casing?

A What type of casing?

Q Yes, size, how much on the cementing program?

A We plan to cement around 600 feet, the type of casing I don't know, just standard.

Q Do you know the size? A I sure don't.

Q You going to have an intermediate string or run 5½"?

A No, drill with mud.

Q So you'll just have the surface casing in the 5½" production string?

A Yes.

Q What was your well before we leave the surface casing?

A I believe it's 9-5/8, I can't be sure about it, but I believe that's what it is.

Q Did you say you were going to circulate surface casing?

A Yes, sir.

Q And set it at what you think is approximately 600 feet?

A Somewhere in that neighborhood, yes, sir.

Q Again, what was your cementing program on your 5½"?



A Two stage it, set our staging plug below Mesaverde, and bring the cement up to approximately the top of the Gallup. And the second stage, we'll cement, bring the cement up to approximately 3,000 feet.

Q How deep is the Gallup in this area?

A Around 6800.

Q In other words, your first stage will be over the Dakota and up over the Mesaverde?

A Yes.

Q The second stage will be from about the top of the Gallup back to 3,000?

A Yes.

Q You were going to set $1\frac{1}{2}$ " to approximately the top of the Dakota through a Model D packer?

A Right.

Q It won't be any more than 250 feet above the top of the Dakota, will it?

A No, sir.

Q You didn't state the length of your Mesaverde string. Where will it be set?

A It will be set approximately the top of the Point Lookout.

Q It won't be more than 250 feet above the Mesaverde?

A No, sir.

Q Mr. Morris, if you should get production here you stated



that your next location will be in Lot 1 of Section 19, partial section, In the event you get production there, what do you propose to do with that small section, it would be Section 7, yes, Section 7. It will be kind of left out in the cold, won't it?

A Well, we can, I think, probably dedicate Sections 7 and 8 since 8 is, or parts of 8 is 7.

Q 8 is already greater than 320 acres, isn't it?

A Yes, it is.

Q I'm quite sure it is 400. You are going to have a dedication problem when you get up there, aren't you?

A Very definitely, yes, sir.

Q In the event you do get production in Section 19, what would you think of the possibilities of Dakota production further to the Northeast in this unit?

A I think it would be good, based on the drill stem test in the old Stanolind well in Section 10, 32 North, 5 West.

Q In the event you get production in Section 19, do you not think it would be the proper time to consider these partial sections and break them up into even Dakota units, do the rest of it all in one hearing?

A Yes, I think that might be --

MR. SETH: You mean along the North boundary, the short sections along the state line?

MR. UTZ: Yes.



BY MR. PAYNE:

Q Your unorthodox location which is 990 feet from the North line and 713 feet from the East line of Section 31, Township 32, North, Range 5 West, doesn't crowd anybody but yourself, so-to-speak, does it?

A No, sir.

MR. UTZ: Any other questions?

BY MR. PORTER:

Q What was the size of the Mesaverde tubing?

MR. UTZ: One and a half.

MR. PORTER: Dakota one and a half?

MR. UTZ: Yes.

A Yes, sir.

MR. UTZ: Any other questions?

MR. SETH: We have nothing further.

MR. UTZ: The witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements in the case? The case will be taken under advisement.

MR. SETH: Thank you.

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