

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CM 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 19, 1961

Case No. 2342



DIRECT EXAMINATION

BY MR. SETH:

Q Would you state your name, please, and your position?

A W. B. Scott, Petroleum Engineer with Western Natural Gas Company.

Q How long have you been with the company, Mr. Scott?

A 3½ years.

Q And in what capacity?

A As a Production Engineer.

Q Are you familiar with the Company's application in this case?

A Yes, sir; I am.

Q And, are you generally familiar with the conditions in the Jalmat Gas Pool?

A Yes, sir.

Q Have you testified before this Commission before?

A Yes, I have.

MR. SETH: May he testify as an expert witness?

MR. UTZ: Yes, sir.

Q (By Mr. Seth) Would you tell us, briefly, what the Application seeks to accomplish?

A We seek an Application for a 320-acre non-standard gas proration unit, and an unorthodox location for the Matkins No. 1 Well Jalmat Gas Unit to comprise the Southwest Quarter of Section 14 and Southeast Quarter of Section 15.



Q Do you have a plat showing this?

A Yes, I do.

(Whereupon Petitioner's Exhibit 1 marked for identification.)

Q (By Mr. Seth) Referring to Exhibit 1, would you tell us what that shows, please?

A Exhibit 1 shows in the yellow section the two 160-acre units comprised of the Southwest Quarter of Section 15 and the -- excuse me, the Southeast Quarter of Section 15 and the Southwest Quarter of Section 14, the surrounding wells, and the Company's offset.

Q Which is the well that is the subject of this Hearing?

A The Matkins No. 1.

Q And, will you give us the exact location of that well with reference to the --

A It's 660 feet from the south and east lines of Section 15.

Q Now, give us a little history on the well. When was it completed?

A It was completed April 27, 1938 originally. T. D. 3853 on July 17, 1938. It was plugged and abandoned back to 3645. At that time, it was shot from 3540 at the bottom of the 5½-inch casing to 3654 with 250 quarts of nitro. It was also perforated from 3275 to 3300, and 3030 to 3150.

Q Now, let's go back a minute to this plant. Does the



Applicant own gas rights for the entire area that is colored yellow on this plat?

A Yes, they do.

Q Now, the subject well, did you later do some more work on it?

A Yes, sir; we did. In January, we made a study of several of our Jalmat wells, and we discovered that this particular well exceeded the limits. On January 23 of this year, we plugged back to 3386 and had one sack of cement on top of it. It was a permanent break. We perforated 3220 to 30, two shots per foot, and one shot at 3289. This well was fract with refined oil and sand and returned to production.

Q And, was the deliverability increased as a result of that?

A Yes, sir; it was.

Q What was the last test that you have?

A The last deliverability it received 625 MCF per day.

Q Is it, in your opinion, capable of producing an allowable for the 320 should the Application be approved.

A Yes, sir; I believe it would.

Q Now, referring to the acreage that you propose to dedicate to this well, particularly the Southwest Quarter of 14. Do you believe that is a reasonable expectation of production on that acreage?

A Yes, sir; I do, due to the fact that it is offset by



T. P. Cole & Oil A1 No. 28 which is in the north half of Section 14, also the Continental No. B 14 No. 1 which is in the Southeast Quarter of Section 14, and on the south in the north half of Section 23 by the T. P. Cole & Oil A1 No. 27, I believe that is.

Q It is pretty well surrounded by producing Jalmat wells; isn't it?

A That is correct.

Q About how close is the closest offset to the Matkins Well?

A I believe the closest offset is the Humble AA No. 1, and it is 2,640 feet.

Q Now, it's surrounded by producing wells. Is it also surrounded by acreage dedicated to other wells?

A Yes.

Q And, that is an isolated Quarter Section as far as the dedication is concerned, now; is that right?

A That is correct.

Q Did you notify the offset operator that this Application had been made?

A The offset operators were notified by registered mail.

Q Do you see any reasonable way of producing gas from this Quarter Section, giving due regard to conservation and prevention of waste?

A Yes, sir.

Q Do you believe that this Application, if granted, will



prevent the drilling of unnecessary wells?

A Yes, sir; I do.

Q Do you believe it would be economically sound to drill a second well just for this one Quarter Section?

A No, sir; I believe the average cost would be anywhere from \$35,000.00 to \$40,000.00. I believe it --

Q Do you have a log of it?

(Whereupon Petitioner's Exhibit 2 marked for identification.)

Q (By Mr. Seth) Will you tell us, referring to Exhibit 2, what this Exhibit shows, please.

A Exhibit 2 is a gamma ray neutron of the subject well.

Q And, when was this taken?

A This was run on the first of January, the 24th, 1961.

Q Do you have any particular comments about it?

A No, I don't believe I do.

Q Is there any further comment, or anything further you want to tell the Commission about this case?

A No, sir; I don't believe so.

MR. SETH: We would like to offer the Exhibits.

MR. UTZ: Without objection, Exhibits 1 and 2 will be entered into the record in this case.

(Whereupon Petitioner's Exhibits 1 and 2 received in evidence.)

MR. SETH: I believe that is all on direct for now.

Q (By Mr. Utz) Mr. Scott, what are the oil wells shown



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on J. E. and J. M. Matkins Lease? What are they completed in?

A That is Queen, sir.

Q They are all completed, then, below the Jalmat Gas Pay?

A That is true.

Q And, the unit is surrounded by Jalmat Gas Wells?

A That is correct.

Q Are there any Jalmat Oil Wells?

A Not to my knowledge.

MR. UTZ: Are there other questions of the witness.

The witness may be excused.

MR. SETH: That is all we have.

MR. UTZ: Are there other statements to be made in this case? The case will be taken under advisement.



STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, MICHAEL P. HALL, 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 19th day of July, 1961.

Michael P. Hall
Notary Public - Court Reporter

My Commission expires:

June 20, 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2342 heard by me on July 19, 1961.

[Signature]
Examiner
New Mexico Oil Conservation Commission

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