

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

EXAMINER HEARING

IN THE MATTER OF:

Application of Southwest Production Company
for an unorthodox gas well location, San Juan
County, New Mexico.

Case No. 2414

October 26, 1961

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



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IN THE MATTER OF:

Application of Southwest Production Company
for an unorthodox gas well location, San Juan
County, New Mexico. Applicant, in the above-
styled cause, seeks approval of an unorthodox
gas well location in an undesignated Mesaverde
pool for a well located 2360 feet from the South
line and 830 feet from the West line of Sec-
tion 26, Township 30 North, Range 12 West, San
Juan County, New Mexico. Said well is to serve
as the unit well for a 160-acre gas proration
unit comprising the SW $\frac{1}{4}$ of said Section 26.

CASE NO.
2414

BEFORE: Daniel S. Nutter, Alternate Examiner

TRANSCRIPT OF HEARING

EXAMINER NUTTER: We will call Case No. 2414.

MR. MORRIS: Application of Southwest Production
Company for an unorthodox gas well location, San Juan County,
New Mexico.

MR. COOLEY: William J. Cooley, Verity, Burr & Cooley,
Farmington, New Mexico, appearing on behalf of the applicant.

We have one witness.

V. L. WIEDERKEHR

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

DIRECT EXAMINATION

BY MR. COOLEY:

Q Would you state your full name for the record, please.

A V. L. Wiederkehr.

Q By whom are you employed, Mr. Wiederkehr, and in what capacity?

A I am employed by Southwest Production Company in engineering geology.

Q In such capacity, are you familiar with the particular well in question which is the subject of application in Case No. 2414?

A Yes, sir, I am. I staked the location and drilled the well.

Q What is the name of that well?

A It is carried on this plat as the Palmer No. 1.

Q You just referred to a plat.

MR. COOLEY: Would you mark that for identification as Exhibit No. 1 in this case?

(Applicant's Exhibit No. 1 marked for identification)

Q (By Mr. Cooley) Now, referring to what has been marked for identification as Exhibit No. 1, would you please state what is shown thereon?

A In this line, I might mention that this acreage which

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lies in the Animas River Valley, there are some small tracts under lease in which Southwest Production does not have a 100% working interest which leads to confusion if we try to mark off these small facts.

Q For the sake of this application then, the Hatch is identified as properties owned either 100% or nearly 100% by Southwest Production?

A That's correct.

Q Is the subject well shown thereon?

A The well is shown as the Palmer No. 1 which is in the northwest of the SW $\frac{1}{4}$ of Section 26, 30-12.

Q Can you tell us the location of the well?

A 2360 from the south, 830 from the West line of Section 26.

Q What acreage is dedicated to the well?

A The SW $\frac{1}{4}$ of Section 26 is dedicated to this undesignated Mesa Verde well.

Q How close is this well to the north line of the 160-acre unit to which it is dedicated?

A 280 feet from the north line of the dedicated unit.

Q Is it unorthodox with respect to the west or east lines?

A No, it is not.

Q Then, would you please testify as to what acreage this well is crowding the ownership of lands to the north?

A The well, of course, is unorthodox only in a northerly



direction which is crowding acreage under lease by Southwest Production. The acreage immediately to the north also has common mineral ownership with the tract on which the well is drilled.

Q You mean it has the same royalty owners?

A Correct.

Q Then, does the unorthodox location of this well in any way change or alter the property rights of either working interest or royalty owners?

A No, it does not. I might add along these lines that this well was staked at a Dakota location which was orthodox and which helped the Mesa Verde to recover some 7,000 to 7,500 MCF per day of gas from drill stem tests so we decided to complete in the Mesa Verde rather than carry the well on to the Dakota. These are the circumstances that caused this unorthodox Mesa Verde well.

Q Why didn't you proceed to dually complete this well if you were interested in both the Dakota and Mesa Verde formations?

A Generally, our company is not extremely interested in dual completions. In this particular area, we felt that drilling onto the Dakota with mud on the established part probably would damage the higher permeable zone. We preferred to complete in the Mesa Verde rather than to go to the Dakota and dually complete it.

Q How does the productivity of the Mesa Verde which you



encountered in the Palmer No. 1 well, the subject of this application, compare with the other Mesa Verde wells in what is to be designated as the Flora Vista Mesa Verde Pool?

A This well tested on drill stem test much better than any other well other than the J. Glen Turner Osburn No. 1. The test was comparable to this Osburn No. 1 much better than any well tested in this area.

Q How did it compare in sand thickness with other wells in the pool?

A This well was only drilled into the stand, so we may - it's hard to say how much sand we would have to blow.

Q What do you consider the net productivity in the well as drilled?

A We drilled into some twenty feet of net pay stopping in the sand in the pay zone. The well was completed in the open hole.

Q You have been previously qualified before this Commission as an expert witness?

A Yes, sir, I have.

Q In your opinion is this well unusually good?

A I should say 7,000 MCF on a drill stem test would be unusually good.

Q Is it your fear of damaging this well that you refuse to dually complete it?

A Correct.



Q In line with this thinking, have you already started the Dakota well in this same 160?

A We have. The well designated as the Palmer 1D, in this same quarter quarter is presently drilling to the Dakota. As a matter of fact, it was probably logged yesterday.

Q Do you think that the Palmer 1, the subject well as located, will drain the 160 acres to which it is dedicated?

A We are presently conducting tests and gathering data which suggests that a well in this zone will drain in excess of 320 acres.

Q Is it your opinion it will drain the 160 in which it is located?

A Yes.

Q Do you think the location will cause waste?

A I do not.

MR. COOLEY: I have no further questions.

EXAMINER NUTTER: Are there any questions of Mr. Wiederkehr?

EXAMINATION BY MR. MORRIS:

Q Mr. Wiederkehr, the Hudson well located at the north-west quarter Section 26, is it completed in the same formation as the subject well?

A Yes, sir.

Q Was it completed before or after?

A Afterward.



Q Afterwards?

A Yes.

Q What about the Smith well in the southeast quarter of Section 23?

A It was completed prior to this well.

Q Completed prior?

A Yes.

Q Was it completed in the same formation?

A Correct.

Q On the basis of the information that you obtained in the Smith well, would you not have had some reason to believe that you would encounter that same formation in the Palmer No. 1?

A We expected to encounter this pay zone in the Palmer 1. That was the reason for the drill stem test. However, we did not expect such a prolific test.

Q You don't intend to complete in the Mesa Verde?

A No, sir, we do not. Our intent calls for a Dakota well. To gather some additional information, we ran the drill stem test as we went down and did not decide to complete in the Mesa Verde until we ran the test. The Smith well tested some 2800 MCF. The Brown had tested 1900 MCF on drill stem test. When we came to some seven to seventy-five MCF it appeared foolish to pass it up.

Q Has the Brown well been drilled prior to one Palmer well?



A Yes, and was in the completion stage.

Q So, the Brown and the Smith well had been completed prior to the Palmer well but the Hudson well was drilled after the Palmer well?

A The Smith had been completed; the Brown well was in the completion stage.

Q I see.

A The Hudson was drilled subsequent.

MR. MORRIS: I believe that's all; thank you.

EXAMINATION BY EXAMINER NUTTER:

Q That is a standard location for the Dakota?

A Correct.

EXAMINER NUTTER: Are there any other questions of Mr. Wiederkehr?

He may be excused.

(Witness excused)

EXAMINER NUTTER: Do you have anything further, Mr. Cooley?

MR. COOLEY: Nothing further other than to offer Exhibit 1.

EXAMINER NUTTER: Exhibit 1 will be admitted in evidence.

Does anyone have anything they wish to offer in Case No. 2414?

MR. COOLEY: I would like to incorporate the Notice of



of Intention to Drill on the Palmer No. 1, the original notice, to substantiate testimony that the well was initially staked and spotted as a Dakota test.

EXAMINER NUTTER: The Commission will take notice of this well file, Mr. Cooley.

MR. COOLEY: That's all we have.

EXAMINER NUTTER: The case will be taken under advisement.

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