1 2 3	STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO		
4	17 October 1984		
5	EXAMINER HEARING		
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7	IN THE MATTER OF:		
8	Application of Anadarko Production CASE		
9	Company for a waterflood expansion, 8381 Eddy County, New Mexico.		
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12	BEFORE: Gilbert P. Quintana, Examiner		
13			
14	TRANSCRIPT OF HEARING		
15			
16	APPEARANCES		
17			
18	Dan the Oil Consumer that Table 1		
19	For the Oil Conservation Jeff Taylor Division: Attorney at Law		
20	Legal Counsel to the Division State Land Office Bldg.		
21	Santa Fe, New Mexico 97501		
22	For the Applicant: Karen Aubrey		
23	Attorney at Law KELLAHIN & KELLAHIN		
24	P. O. Box 2265 Santa Fe, New Mexico 87501		
	Daniel IC, New MCAICO (1701		
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1		2	_
2			
3	INDEX		
4			
5	MICHAEL BRIDGES		
	Direct Examination by Ms. Aubrey	3	
6	Cross Examination by Mr. Quintana	15	
7	Cross Examination by Mr. Taylor	16	
8			
9			
10			
11			
12	ЕХНІВІТЅ		
13	Applicant Exhibit One, Map	4	
14	Applicant Exhibit Two, Plat	5	
15	Applicant Exhibit Three, Production Map	5	
16	Applicant Exhibit Four, Log	7	
17	Applicant Exhibit Five, Data	8	
18	Applicant Exhibit Six, Schematics	9 .	
	Applicant Exhibit Seven, Logs	10	
19	Applicant Exhibit Eight, Tabulation	11	
20	Applicant Exhibit Nine, Water Analysis	12	
21	Applicant Exhibit Ten, Letters etc.	13	
22	Applicant Exhibit Eleven, Schematic	13	
23			
24			
25			

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3	MR. QUINTANA: We'll call next		
4	Case 8381.		
5	MR. TAYLOR: The application of		
	Anadarko Production Company for waterflood expansion, Eddy		
6	County, New Mexico.		
7	MS AUBREY: Karen Aubrey, Kel-		
8	lahin and Kellahin, appearing for the applicant.		
9	I have one witness to be sworn.		
10	MR. QUINTANA: Are there other		
11	appearances in Case 8381?		
12	Would the witness please stand		
13	and be sworn?		
14	(Witness sworn.)		
15			
16	MICHAEL BRIDGES,		
17	being called as a witness, and being duly sworn upon his		
18	oath, did testify as follows, to wit:		
19			
20	DIRECT EXAMINATION		
21	BY MS. AUBREY:		
22	Q Would you state your name and by whom you		
	are employed?		
23	A Michael Bridges. I'm a senior reservoir		
24	engineer at Anadarko Production Company, Midland, Texas.		
25	Q Mr. Bridges, have you previously testi-		

1 fied before the Commission and had your qualifications made 2 a matter of record? 3 Α Yes. 4 Are you familiar with the application of 5 Anadarko in Case 8381? 6 Yes, I am. 7 Can you briefly state what Anadarko seeks 8 by that application? Seeks expansion of our Ballard Grayburg-Α 9 San Andres waterflood, which includes the conversion of 10 eight producers to water injection wells and the drilling of 11 two lease line injection wells. 12 MS. AUBREY: Mr. Examiner, are 13 the witness' qualifications acceptable? 14 MR. QUINTANA: Yes, they are 15 considered acceptable. He may testify. 16 MS. AUBREY: Thank you. Q Let me refer you to Exhibit One, Mr. 17 Bridges. Will you look at that and tell the Examiner what 18 that describes? 19 Α This is a--20 MR. QUINTANA: Karen, we don't 21 seem to have the exhibits. 22 MS. AUBREY: Oh, I gave them to 23 you, Mr. Quintana--24 MR. QUINTANA: Oh, is that--MS. AUBREY: -- and you stuck 25

them in this file--

MR. QUINTANA: --was that--

MS. AUBREY: --right there.

MR. QUINTANA: Oh, I"m sorry.

I thought that was a previous exhibit.

MS. AUBREY: There you go.

MR. QUINTANA: I thought that

was extra copies for the previous case.

MS. AUBREY: I wish we had

extra copies for the previous case.

Q Let me refer you now to Exhibit One, Mr. Bridges. What does that describe?

A This is a map showing all wells and leases within two miles of the proposed conversions, the injection wells.

Q And this is in the Ballard Grayburg-San Andres waterflood project, is this right? And this project has been previously approved by the Oil Conservation Commission Order R-7000, is that right?

A That's right.

Q Let me refer you now to Exhibit Two, which is a land plat. Can you look at that, sir, and identify for the Examiner what the red dots on the plat are?

A The red dots--the red dots are the ten proposed water injection wells. And the map also shows the half-mile area of review around each well.

Q Now let me have you look at Exhibit Num-

1 ber Three. Looking at Exhibit Number Three, Mr. Bridges can 2 you identify for the Examiner what the two blue dots repre-3 sent? 4 Α The two blue dots are the proposed injec-5 tion wells to be drilled. 6 0 Okay. And those are the two lease line 7 wells? 8 Yes. Α Is that right? 9 They are. Α 10 And the yellow boundary, is that Q 11 boundary of the waterfloood--12 The yellow boundary is the--Α 13 Q --project? 14 Α --Ballard Unit boundary. 15 A And the red dots on the map, what are 16 those? Α Those are the wells that we propose to 17 convert to injection. 18 Would you look at Exhibit Three, Mr. 19 Bridges, and explain for the Examiner what the lines drawn 20 between the dots represent? 21 Α In the southwest portion of Okay. 22 unit is the waterflood expansion as approved in 1982. Those 23 are the solid, solid lines. 24 The dashed lines are 80-acre 5-spot patterns that will be constructed when these wells are con 25

of the unit.

25

7 verted. And this is our proposed work. How did you pick those locations, Q Bridges? Well, they're really just an extension of Α the 1982 work and they're in conformance with the 80-acre patterns. Let me refer you to the two lease line proposed wells shown in blue on Exhibit Three. Can you explain for the Examiner how you picked those two locations? Α Again those complete are consistent with the patterns in the area and they're required to enlose that area. Do you have any kind of a lease Q line agreement in connection with those two wells? Α Yes. We submitted lease line agreements to Depco, as operator of the Federal 632 lease, and to Anadarko as operator of the H. G. Watson lease, which adjoins the Ballard Unit on the east. And do you have any kind of agreement with Depco as to the payment of the well cost for those two lease line wells? We've submitted to them--it would be a 50 percent of the completed cost of the well. 0 Let me refer you now to Exhibit Number 23 Four. Which well is this a type log for? 24 This is the 23-4, located in the center Α

It's a water injection well drilled in 1982.

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Q Let me refer you now to Exhibit Six.

Exhibit Number Six is a tabulation of the plugged and abandoned wells within the area of review, is that correct?

A Yes, that's correct.

In examining these, Mr. Bridges, have you noticed or do you have any wells in the area of review in which you have an opinion or have not been able to get complete data on the tops of the cement?

A Yes, we have three wells, the Ballard Unit 10-2, 10-3, and the 26-2, all located in Section 4.

Q Okay, those are pages two, three, and four of this exhibit, is that right?

A Yes. No, I think it's on their exhibit, it may be one, two, and three.

Q My first one is 23-1.

A Okay.

MR. TAYLOR: Our first one is 10-3. What were the three numbers again?

A It's 10-3, 26-2, and 10-2, and that would be in order on your exhibit.

MR. TAYLOR: Okay.

Q Have you been able to complete your research with the Commission files, District files, and the USGS to see whether or not you have received all of the plugging information on these three wells?

A No. We've gone to the District and we've -- we've tried to find everything we can. We haven't had

any success. We still have the USGS and whatever sources of information we can come up with, so we're still looking.

MS. AUBREY: Mr. Examiner, Anadarko would ask that they be permitted to meet with the District Director after they have completed their record search and either satisfy the District Director that these three wells are adequately plugged, or go in and re-plug them.

MR. QUINTANA: That will be acceptable.

Q As to the remaining wells in this exhibit, Exhibit Six, Mr. Bridges, are there any other wells in here which you believe are inadequately plugged?

A No.

MR. QUINTANA: May I intervene here just a second?

MS. AUBREY: Why, certainly.

MR. QUINTANA: When you do meet

with the District would you go through the whole list with

them?

A Certainly.

Q Now your next exhibit, which is a packet of logs marked as Exhibit Seven, can you describe that for the Examiner?

A These are the logs on the wells that we plan on converting to water injection and there are five logs and we're still looking for three of the logs.

Q So you have logs on five of the eight

| wells?

A Yes.

() Okay.

MR. QUINTANA: You probably submitted these to the Division prior to this, haven't you?

A Yes, sir.

MR. QUINTANA: Okay.

A Some of these are old wells and I can't vouch for how they've -- or when they've been submitted or if they've been submitted, but from what we can find, we can find five wells.

MR. QUINTANA: All right. Usually, when the wells have been drilled in past years and submitted to the OCD and if they have been submitted to the OCD in the past you're not required to submit them at this time. We can -- we can forego the other three that you haven't found.

A Okay, thank you.

MR. QUINTANA: We'll assume that they have been submitted since this is a waterflood that has -- extension of a waterflood that has been in operation for awhile and we are familiar with that type of producing formation which is proposed.

Q Let me refer you to your well tabulation now, which we've marked as Exhibit Eight. Does this contain a well -- a tabulation of all producing and plugged and abandoned wells within the area of review?

A Yes, it does. This includes, as shown on the maps and some of these wells have been submitted in the Order R-7000 in 1982.

Q In examining the well data which you have put together, do you know whether or not there are any producing wells within the half mile area of review which producer from lower formations that do not have adequate cementing?

A No, all wells in the lower formations do have adequate cement.

Let me refer you now to your water analysis, which is Exhibit Nine. I notice that there is water from two windmills referred to on the first page of that exhibit. Can you tell the Examiner where those windmills are located in relationship to the waterflood project?

A Okay, if you'll look at Exhibit Number One, one windmill is located in Section 10, which is approximately two miles east of the unit and the other well is located in Section 29, 17, 29, which is about two miles north of the unit, and these are the closest windmills.

Q The closest sources of any fresh water?

A Yes.

Q What's the source of your produced water, Mr. Bridges?

A Produced water is the Grayburg-San Andres water.

Q What the source of the fresh water? You

show a 50/50 mixture here.

A Ogallala fresh water supply in the area from Double Eagle.

Q Let me refer you now to your Exhibit Ten, which consists of two parts, a letter and photocopies of return receipt cards. Is this the notification that went out to surface owners and offset operators?

A Yes, it is.

Q Have you received any objection from any of those people to the conversion of eight of your wells to waterflood wells and the drilling of the two new wells?

A No objections.

Now, your last exhibit, Number Eleven, contains schematic drawings of the proposed eight conversion wells and I believe a type schematic of the two new wells, is that correct?

A Yes, that's correct.

Q Referring to this exhibit can you explain to the Examiner how you intend to complete the wells as injection wells, including a description of the tubing size, packer, annulus fluid, and the type of surface monitoring?

A Okay. We'll run 2-3/8ths inch soft plastic-lined tubing set it in a 4-1/2 inch tension packer (not understood.) We will fill the tubing casing annulus with treated water and as far as the surface monitoring, we'll leave the bradenhead valve open.

Q Mr. Bridges, did you examine the area and

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                         CROSS EXAMINATION
2
    BY MR. QUINTANA:
3
                      Mr. Bridges.
4
                       Yes, sir.
             Q
5
                        On the Ballard Unit Well No. 5-14,
6
    proposed injector --
7
             Α
                       Yes.
8
             0
                         -- the schematic on Exhibit
                                                          Number
    Eleven.
9
             Α
                       Okay, yes, sir.
10
                       The bridge plug that's placed between the
             Q
11
    Premier zone and the Jackson zone.
12
             Α
                       Yes.
13
                       Has that been tested for its --
             Q
14
             Α
                       Okay, that is proposed. We'll do that
15
    upon conversion.
                      Okay, upon conversion, I see. So it's
16
    not been at this time.
17
             Α
                       No.
18
                        I see. I take it that the Jackson is
             Q
19
    still capable of production. That's why you wish to place a
20
    cement plug there instead of just filling it with cement,
21
    right?
22
             Α
                       Yes.
23
                       I see.
             Q
24
                                 MR. QUINTANA: I have no fur-
     ther questions of Mr. Bridges.
25
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                                  MR. TAYLOR: I have one.
2
                         CROSS EXAMINATION
3
    BY MR. TAYLOR:
4
             Q
                        In your opinion will approval of this
5
    application protect fresh water sources?
6
                       Yes, it will.
7
                                  MR. TAYLOR: That's all.
8
                                  MR. QUINTANA: Are there any
    further questions of Mr. Bridges?
9
                                  MS. AUBREY: No, sir.
10
                                  MR. QUINTANA: Mr. Bridges may
11
    be excused.
12
                                  If there is nothing further in
13
    Case 8381 it will be taken under advisement.
14
15
                         (Hearing concluded.)
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