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I N D E X

TODD M. WILSON

Direct Examination by Ms. Aubrey

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E X H I B I T S

Applicant Exhibit One, Structure Map

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Applicant Exhibit Two, Cross Section

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Applicant Exhibit Three, Map

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MR. STOGNER: The hearing will
come to order.

We will now call Case Number
8442, which is the application of Rio Pecos Corporation for
an unorthodox gas well location, Lea County, New Mexico.

We will now call for appear-
ances.

MS. AUBREY: Karen Aubrey, Kel-
lahin and Kellahin, representing the applicant.

MR. STOGNER: Are there any
other appearances in this matter?

There being none, Ms. Aubrey,
do you have any witnesses?

MS. AUBREY: I have one witness
to be sworn.

MR. STOGNER: Would you please
stand, raise your right hand?

(Witness sworn.)

MR. STOGNER: Please proceed,
Ms. Aubrey.

MS. AUBREY: Thank you.

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TODD M. WILSON,

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being called as a witness and being duly sworn upon his
4 cath, testified as follows, to-wit:

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DIRECT EXAMINATION

7

BY MS. AUBREY:

8

Q Would you state your name for the record,
9 please?

10

A Todd Wilson.

11

Q And, Mr. Wilson, have you previously tes-
12 tified before the Commission or one of its examiners and had
your qualifications made a matter of record?

13

A Yes, I have.

14

Q Are you familiar with the application of
15 Rio Pecos Corporation for an unorthodox gas well location,
16 which is to be heard today?

17

A Yes.

18

MS. AUBREY: Mr. Examiner, are
19 the witness' qualifications acceptable?

19

20

MR. STOGNER: Mr. Wilson is so
20 qualified.

21

Q Let me refer you, Mr. Wilson, to Exhibit
22 Number One. I think you have that in front of you.

23

Can you look at that exhibit and for the
24 Examiner explain what it shows?

25

A Okay. Exhibit Number One is a structure

1 map on top of the Morrow limestone.

2
3 In this particular area the acreage that
4 we're interested in developing is Section 18, the location
5 being 1980 from the north, 1500 from the east line, as is
6 indicated by the red dot.

7 The structure map is presented to indi-
8 cate that the alluvial systems that are present here in the
9 Atoka and Morrow are structurally controlled.

10 MR. STOGNER: Would you please
11 repeat what you just said geologically, slow, please?

12 A Okay. The structure map shows geological
13 features that were structurally high and low at the time of
14 deposition of the Morrow interval, and this structural pic-
15 ture was present also during deposition of the Atoka Clastic
16 interval, and basically what I'm trying to refer to here is
17 the fact that the sands came down through the structural low
18 in Sections 7, 18, 19, and 30 of 16, 34, being bounded to
19 the east and the west by structural ridges.

20 So you have structural control of sand-
21 stone bodies in there.

22 MR. STOGNER: Mr. Wilson, will
23 you please talk a little slower, please?

24 A Okay. Well, that's about all I have to
25 say on the structure map at this time.

Q Let me, before we leave that exhibit, Mr.
Wilson, let me ask you, the red dot in Section 18 is the
proposed well location, is that correct?

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A Yes.

Q And that location is an unorthodox location, is that correct?

A Yes.

Q And can you tell me what an orthodox would be in -- for that formation?

A An orthodox location would have to be for a north half proration unit, would have to lie 1980 feet from the short side of that proration unit, which, my feeling as a geologist, that would put us in a position that would jeopardize us from getting these Atoka Sands, the Morrow Sands that we're looking for.

There's two dry holes already present in the southwest quarter of Section 18. One of them is marked as a dry hole. The other one is marked as a plugged and abandoned gas well, which produced a little bit of gas out of the basal Morrow Sand.

The sands, obviously, appear to disappear in the west half of 18, and we want to try to stay in the central part of this structural low because we feel like that was a very confined system during deposition of the sands.

The sands came down a structural low.

Q So is your testimony, Mr. Wilson, that you would be less likely to encounter hydrocarbons in a commercial quantity in a standard location --

A Yes.

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Q --than at the unorthodox location that you've picked?

A Yes. Odds are at a standard location we'd entirely miss the sands.

Q Let me refer you to the -- to Section 17 to the east of your proposed location.

Do you know who is the leasehold owner who owns the fee in that section?

A That is Tenneco.

Q Have you contacted or caused Tenneco to be contacted with regard to any objection to your proposed location?

A Yes, they have been contacted.

Q And what was the result of that?

A No contest.

Q Let's go to Exhibit Number Two, then.

A Okay. Exhibit Two --

Q Exhibit Number Two is the cross section which is on the wall.

A Exhibit Two is a cross section. It's a stratigraphic cross section that's hung on top of the Morrow limestone marker.

The basic purpose of this cross section is just to demonstrate the complex nature of the Atoka sandstones in this area.

What we feel we're looking at in here is a complex distributary channel system of Atoka delta across

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the area of the cross section line.

The numbers on the map, one, two, and three, as indicated by the orange, yellow, and green colors, indicate what I feel are separate and distinct distributary systems of this delta, each one having a reservoir quality of its own.

MR. STOGNER: Mr. Wilson, what is the shaded area between the Morrow and the Austin marker, that is shaded in yellow and orange color?

A Okay, those are Morrow sands that are present in the area. That is, those are secondary objectives at our test location.

We will be drilling this well into the Austin cycle, and those are just highlighted for purposes of showing that there are -- there is potential in the Morrow in this area.

Our main objective is the Atoka.

Q Mr. Wilson, let me refer you to your Exhibit Number Three. What is that?

A Okay. Exhibit Three is -- is a distribution map of the Atoka sandstones as is presented on the cross section.

Q And what does the yellow section on that exhibit refer to?

A The yellow, or the interval that's colored in yellow would refer to the sand system number three, as indicated on the cross section, and corresponding

1 orange would be number one and green, number two.
2

3 And those letters, or those numbers, are
4 used for, oh, presentation purposes, basically, what I feel
5 the order that the sands were deposited.

6 In other words, the orange, number one
7 system first; the green number two system was deposited
8 second; and the yellow number third system being the young-
9 est, or last, deposit.

10 Q In terms of the proposed location, then,
11 Mr. Wilson, does Exhibit Number Three show that you will be
12 more likely to encounter the sands that are your objective
13 at the proposed location as opposed to a standard location?

14 A Yes. As -- as Exhibit Three shows, the
15 proposed location is what I feel would be in the center or
16 the axis of this fluvial deltaic system, and the odds, or
17 risk, of obtaining a producible sand would be greatly re-
18 duced if we could drill there.

19 Q For the record, Mr. Wilson, could you
20 just -- could you spell the name of the system that you just
21 said?

22 A Atoka, A-T-O-K-A.

23 Q Mr. Wilson, could completion of a well at
24 the proposed unorthodox location increase the opportunity
25 for you to produce hydrocarbons which would otherwise be un-
produced?

A Yes.

Q Will the granting of your -- of Rio

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Pecos' application protect correlative rights, promote conservation, and prevent waste?

A Yes.

Q Were Exhibits One through Three prepared by you or under your direction and control?

A By me.

MS. AUBREY: Mr. Examiner, I offer Exhibits One through Three.

I have no more questions for the witness.

MR. STOGNER: Exhibits One through Three will be admitted into evidence.

CROSS EXAMINATION

BY MR. STOGNER:

Q Mr. Wilson, for simplicity let's refer to your Number Three.

In the south half of Section 18 there are two wells shown.

A Uh-huh.

Q Would you please describe those a little more fully?

A Okay. The one that's located along the south of Section 18 that's colored green is indicated as a plugged and abandoned gas well.

That is the well that was drilled by Moncrief, early -- I believe it was early in '84. They at-

1
2 attempted a completion in the basal Morrow Sand, that sand,
3 as you can see on the cross section, that lies right on top
4 of the Austin cycle.

5 There's a couple of wells there that are
6 colored in yellow and red right on top of the Austin cycle.
7 That's the sand that they completed in, being basal Morrow
8 sands.

9 Q And we are now referring to Exhibit Two,
10 the cross section.

11 A Yes, the Exhibit Two, the cross section,
12 to indicate where the position of that sand is, and it being
13 Morrow in age.

14 That well completed for a potential some-
15 where in the neighborhood of 25-million. It was a very lim-
16 ited reservoir and depleted in a couple of months of produc-
17 tion and was plugged and abandoned.

18 That is a secondary objective in our --
19 at our test location.

20 The other well, which is a dry hole,
21 drilled by Great Western, I'm not real sure on the date that
22 that well was drilled, but it encountered no commercial
23 quantity Atoka or Morrow sands present in that wellbore.

24 Q Who is the present leaseholder in the
25 south half of 18?

A Moncrief.

Q How do you spell that?

A M-O-N-C-R-E-I-F.

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2 Q Mr. Wilson, this application is for an
3 unorthodox gas well dedicated to the north half of Section
4 18 for the South Kemnitz Atoka-Morrow. That's South Kem-
5 nitz, K-E-M-N-I-T-Z, Atoka-Morrow Gas Pool, is that not
6 right, sir?

7 A Yes, that is correct.

8 Q And that is the only gas pool or gas for-
9 nation that we're seeking an unorthodox location today?

10 A Yes.

11 MR. STOGNER: I have no further
12 questions of Mr. Wilson.

13 Are there any other questions
14 of this witness?

15 MS. AUBREY: I have -- I don't
16 have any.

17 MR. STOGNER: If not, he may be
18 excused.

19 Is there anything further in
20 Case 8442?

21 A No, sir.

22 MR. STOGNER: This case will be
23 taken under advisement.

24 This portion of Docket Number
25 80 -- 47-84, which I, Michael E. Stogner, heard Cases 8430,
8431, 8435, 8441, and 8442, is hereby adjourned.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by tape recorder operated by R. Dan Boyd, under my direction and supervision; that the said transcript is a full, true, and correct record of the hearing, prepared under my direction and supervision to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of case No. 8442, heard by me on Dec. 19 1984.

Michael E. Stogner, Examiner
Oil Conservation Division

R. Dan Boyd

R. Dan Boyd