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NEW MEX	CICO OIL CONSERVATION COMMISSION	
	EXAMINER HEARING	
	SANTA FE, NEW MEXICO	
Hearing Date	MAY 22, 1985	Time: 8:00 A.M.
NAME	REPRESENTING	LOCATION
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NAME	REPRESENTING	LOCATION
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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO

22 May 1985

EXAMINER HEARING

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IN THE MATTER OF:

Application of L. L. Robinett to remove and market oil from the Ogallala formation, Lea County, New Mexico.

3599

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13 BEFORE: Michael E. Stogner, Examiner

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APPEARANCES

TRANSCRIPT OF HEARING

For the Oil Conservation

Division:

Jeff Taylor

Attorney at Law
Legal Counsel to the Division
State Land Office Plds

State Land Office Bldg. Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr Attorney at Law CAMPBELL & BLACK P. A.

P. O. Box 2208

Santa Fe, New Mexico 87501

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1 MR. STOGNER: Call next Case 2 Number 8599. 3 MR. TAYLOR: Application of L. L. Robinett to remove and market oil from the Ogalalla for-5 mation, Lea County, New Mexico. MR. CARR: Mr. Examiner, my 7 name is William F. Carr, with the law firm Campbell & Black, P. A., of Santa Fe. We represent L. L. Robinett in 10 this matter and I have one witness. 11 MR. STOGNER: Are there any 12 other appearances in this matter? 13 Will the witness please stand 14 and be sworn? 15 16 (Witness sworn.) 17 18 JOE D. RAMEY, 19 being called as a witness and being duly sworn upon his 20 oath, testified as follows, to-wit: 22

DIRECT EXAMINATION

BY MR. CARR: 24

23

25

Will you state your full name and place

```
of residence?
                      Joe D. Ramey, Santa Fe, New Mexico.
            Α
2
            Q
                      Mr. Ramey, by whom are you employed and
3
   in what capacity?
                      I'm an oil and gas consultant and in this
5
   case I am representing Mr. L. L. Robinett.
6
                      Have you previously testified before the
7
   Division and had your credentials accepted and made a matter
   of record?
            Α
                      Yes, I have.
10
            0
                      Were you qualified at that time as a pet-
11
   roleum engineer?
12
                      Yes.
13
                       Are you familiar with the application
            Q
14
   filed in this case on behalf of L. L. Robinett?
15
                       Yes, I am.
            Α
16
                      Are you familiar with the subject area?
17
18
                      Yes.
19
                                 MR.
                                     CARR:
                                              Are the witness'
   qualifications acceptable?
20
                                 MR. STOGNER: Yes, they are.
21
                      Will you briefly state what L. L.
22
            Q
   nett seeks in this case?
23
                      Mr. Robinett seeks permission to produce
24
        market oil from the -- from water wells located in
```

south half of the southeast quarter of Section 29, Township 19 South, Range 37 East, from water wells in the Ogallala 2 formation. 3 Have you prepared certain exhibits for introduction in this case? 5 Yes, I have. Α 6 Will you please refer to what has 0 7 marked as Robinett Exhibit Number One, identify this, and 8 review it for the Examiner? Exhibit One is just the lease plat of the 10 area involved. The south half of the southeast quarter of 11 said Section 29 is outlined in green and there's a small red 12 area in the southeast of the southeast that is the property 13 that's presently under control by Mr. Robinett. 14 And you are seeking approval from the 0 15 Division to produce this oil from the acreage which is out-16 lined in green. 17 Yes. Α 18 You're not asking the Division to make Q 19 any determination as to the ownership of the hydrocarbons? 20 Α No. 21 Would you now refer to what has been mar-22

ked as Exhibit Number Two and review that for the Examiner?

the large exhibit you have in front of you, Mr.

Exhibit Number Two is just a reduction of

Examiner,

23

24

25

and it shows the line going from southeast to northwest is the Texas-New Mexico pipeline that goes through the area.

The three-sided outline of red in approximately the middle of the exhibit is the acreage of Mr. Robinett and the wells that are drilled along the pipeline are monitor wells that were drilled by Texas-New Mexico Pipeline or the Oil Conservation Division and those that are outlined in red were wells that oil was found in.

There are all water wells that were drilled to the Ogallala in this area.

Q Now, Mr. Ramey, the Oil Conservation Division wells are indicated by what symbol?

A They're a diamond symbol and they're in the bottom half of the -- of the exhibit.

Q Does Mr. Robinett propose to drill additional wells in the area?

A Yes he has permission from the State Engineer to drill three additional water wells in the area and he plans on drilling those along the south line of -- of his property.

Q Would you provide the Examiner with back-ground information on how this whole matter has come to Mr. Robinett's attention and, also, now to the Division's attention?

A Well, as I understand, I don't -- I don't

know that is the source of the oil, but Texas-New Mexico Pipeline Company some time ago reported a spill of oil in the area and sometime after that the -- one of the Monument city -- or community water wells started producing oil.

It is my understanding that the Hobbs Office of the Division, and perhaps the Santa Fe Office was involved, also, requested Texas-New Mexico to drill a bunch of monitor wells to try to outline the extent of the water contamination, and as a result of this drilling, or the result of this drilling is what we have on Exhibit Two.

Mr. Robinett owns the surface of the properties outlined in red on that exhibit and two wells were drilled on his property, or three wells were drilled on his property; two of them had oil in the water and one did not.

Q Has Mr. Robinett conducted bailing tests, fluid level tests, on the zone?

A Yes, he has -- he has tested by the Wells No. 22 and No. 23 and 20 and 29.

Q Would you now go to Exhibit Number Three and review the information contained in that exhibit and relate it back to the wells displayed on Exhibit Number Two?

A Exhibit Number Three is a series of sheets on each of the wells mentioned, No. 29, No. 20, No. 22, 23, and 14.

The exhibit has five columns. The first

is depth to water and the second is depth to oil and then
the third column would then be the difference of the two, or
the -- or the amount of oil on the well.

The last column is the date and the -- or the next to last is the date and the last is the time.

For example, in Well No. 29 on 4-25-85 the depth to water was 20.42 feet; the depth to oil was 18.56, which left 1.86 feet of oil floating on top of the Ogallala in this case.

Well No. 20, which is the well directly south of Mr. Robinett's property, had -- the depth to water was 29.85 feet; the depth to oil was 20.7 feet, and there were -- which leaves 9.15 feet of oil on top of the water.

And Well No. 22 has 1.69 feet of oil and Well No. 23 has 2.36 feet of oil, and then Well No. 14, which is to the north of his property, has .99 feet of oil on the -- on the water.

Q And this exhibit shows oil was encountered on the water in each of the wells on his property and also in each of the wells offsetting his property.

A Yes.

Q Can you make a rough estimate as to the volume of oil that might be located under each acre of land on this property if you assume a foot of oil on the water?

A A foot of oil should equal something

around 1000 per acre.

Q And will removal of the oil reduce the contamination problem that will result from having this oil in the water zone?

A It certainly should. It's just not a healthy situation to have oil in contact with fresh water.

Q Would you now go to Robinett Exhibit Number Four, identify this for Mr. Stogner?

A Exhibit Number Four are approved applications that Mr. Robinett made to the State Engineer for -- for drilling three additional water wells in the area.

What Mr. Robinett intends to do is drill 24-inch holes to, oh, probably a depth of 40-45 feet and then he will set 18-inch perforated casing in the well and it is his intent to set some kind of an electric pump, a sump pump or water well pump in the oil column in these wells, and run -- run the pumps off of a time clock or a high/low switch, and based on his bailing test that he made, he has roughly figured that he will have to produce the wells for 30 seconds to a minute and then shut them in for 30 minutes, in this case he can produce a few gallons of oil each time that the well is on, and hopefully, a few barrels a day from the wells.

His bailing -- on the bailing tests, for example, on Well No. 22, he bailed for three minutes and

bailed 1-1/2 gallons of oil, and then in approximately 40 minutes, why the oil level had built back up. He reduced the oil level approximately a foot in this time, which was just about -- he had 1.69 feet of oil on top of the water at that time and he reduced it, in three minutes he reduced the oil level one foot, but then the oil level built back up in 30 minutes, so that's his assumption, that he could produce the wells for about 30 seconds to a minute and then they'll be shut in for 30 minutes, but that will all be determined after the wells are -- are in place.

Q Mr. Ramey, will you now refer to Robinett Exhibit Number Five and identify that, please?

A Exhibit Number Five is a letter from Gulf Oil Exploration and Production Company. Gulf has the oil and gas lease on the south half of the southeast quarter of Section 29, and in this case they do not claim the oil. They say that oil in the Ogallala is -- had to come from some place else, and they say that it was their understanding that there was a leak in the Texas-New Mexico pipeline and that the oil probably came from that, but they make no claim on the oil and have no objection to Mr. Robinett producing the wells.

Q Mr. Ramey, has anyone else ever sought and obtained approval for a program similar to this?

A Yes. Some years back an individual by

the name of Joseph O. Walton did -- did request and receive 1 approval from the Oil Conservation Commission to produce oil 2 from the Ogallala in an area west, north and west of Hobbs, 3 New Mexico. That, that operation is still going on. 5 MR. CARR: Mr. Examiner, for the purposes of the record I'd like to advise that that ap-7 proval was given by Order R-2902. The order was entered on May 4, 1965, in Case 3235. Ramey, would you now refer to what Mr. 10 been marked Robinett Exhibit Number Six and 11 this? 12 Exhibit Number Six is just a Α suggested 13 order for this case as an aid to the Examiner. 14 In your opinion will granting this appli-0 15 cation be in the best interest of conservation, the preven-16 tion of waste, the protection of correlative rights, and the 17 protection of fresh water supplies? 18 Α Yes, it will. 19 Were Exhibits One through Six compiled 20 under your direction and supervision? 21 Yes, they were. 22 Α CARR: At this time, MR. 23 Stogner, we would offer into evidence Robinett Exhibits One 24

25

through Six.

Exhibits MR. STOGNER: One 1 through Six will be admitted into evidence. 2 MR. CARR: That concludes my 3 direct examination of Mr. Ramey. 5 CROSS EXAMINATION 6 BY MR. STOGNER: 7 Ramey, on Exhibit Number Four, this Q Mr. 8 is a well that was applied for to -- in this particular area 9 where the oil will be produced, is that right? 10 Yes, that is correct, Mr. Stogner. 11 Robinett, you will notice, the first well says Lot 7; 12 second well says Lot 8; and the third well says Lot 7 or 8. 13 That will all be changed. He will 14 whichever lot, the one that's on the east side, he will 15 place all three wells in that particular lot. 16 I'm not sure whether that's 7 or but 17 that will all be cleared up through the State Engineer 18 fice before -- before he drills the wells. 19 He could place two of them right now and 20 if the third one is necessary, why, he will -- he will get 21 it cleared for whichever lot this is, 7 or 8. 22 I show up there in 2 that it's located in Q 23 the northwest quarter of the southeast quarter of 24 25 29. Is that correct or is that incorrect?

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Α
                       You show what, Mr. Stogner?
1
                       On question number two, describe well lo-
            0
2
   cation under one of the following subheadings, and it's mar-
3
   ked the northwest quarter of the southeast quarter,
   29, and this is in Exhibit Four.
                        Yeah,
                               it would be -- it would
                                                              the
   northwest of the southeast quarter.
7
                       It should be the northwest of the south-
8
   east southeast to identify it as a 10-acre.
                       Mr.
                            Robinett has Lot No. 7 of Peyton Ad-
10
   dition, which is --
11
             0
                       Is Lot No. 7 identified on Exhibit Two?
12
                       On Exhibit One the red area is Lots 7 and
13
                  7 would be the easternmost lot. Lot No. 8 is
        Lot No.
   8.
14
   the westernmost lot in that area.
                       If you would like, I have a -- I have a
16
   little plat that shows the lots.
17
                       Maybe that might help me out a little.
18
             0
             Α
                       Lots 7 and 8 are roughly the red area.
19
                       This would help me tremendously.
20
                                 MR.
                                      CARR: Would you like this
21
   marked as an exhibit?
22
                                 MR. STOGNER: Yes, go ahead and
23
   do that, please.
24
                       Okay, now Lots 7 and 8 corresponds
25
             0
```

the -- on Exhibit Two as the rectangular box located tially in the middle of the exhibit, is that right? 2 Α Yes, only I don't know -- I don't know 3 the extent to the west. I'm not sure of the -- of what the scale is on this -- on that particular plat. You'll notice the -- he has section lines 6 on there but they are broken. 7 Q Okay, let me say I show a scale being one 8 inch to -- equalf 100 feet. That's in the lower righthand 10 I didn't see that when I looked at the Α 11 exhibit. 12 Q But anyway, that, now I know where Lots 7 13 and 8 is. 14 Α They're located on the northern outskirts 15 of Monument. 16 The suburbs. Q 17 The suburbs of Monument. Α 18 What type of separation equipment will be 19 out there on the lease, or what type of equipment will there 20 be on the surface? 21 I think at this time Mr. Robinett just --Α 22 just plans to produce the well into a tank. He doesn't 23 anticipate producing any water and there is no -- no gas in 24 the oil. 25

1			He will set his pumps in the oil column
2	and opera	ate his tir	ming equipment to where it shuts down when
3	he has pu	imped the d	oil.
4		Q	How will the royalty be handled on this?
5	If any?		
6		A	If any royalty is due, it will certainlyk
7	be paid.	Mr. Rol	pinett at this time will put one-eighth of
8	the value	of the -	- any oil he sells in an escrow account.
9		Q	To clarify the record, who owns the sur-
10	face?		
11		A	Who owns the surface?
12		Q	Yeah.
13		A	Mr. Robinett.
14		Q	On the whole south half of the
15		Α	No.
16		Q	Only where his water wells are?
17		A	Only the red area does he have the out-
18	right own	nership of	the surface.
19			He is at present and possibly in the
20	future,	if this wo	orks out, he may try to get addtional
21	control	of addition	onal surface acreage to attempt to remove
22	more oil	from the v	water.
23		Q	If for some reason water is produced with
24	the oil,	what will	then happen to the water?
25		A	Mr. Robinett will have to get an appro-
	1		

priation of some kind from the State Engineer to produce any water. If he does, he mentioned that he would -- he would probably irrigate with the water; he would have a small garden and use the water for irrigtion purposes. And that will be handled under the State 5 Engineer's Office. 6 Α Yes. I think, you know, a domestic well 7 owner can appropriate or is automatically given a 3-acre foot appropriation for, you know, fruit tree irrigation, such as that, garden, lawn. 10 MR. STOGNER: I have no further 11 questions of this witness. 12 Are there any further questions 13 of Mr. Ramey? 14 Mr. Boyer, will you please 15 stand, identify yourself, who you work for and your posi-17 tion? MR. BOYER: name is David 18 Мy Boyer. I'm a geologist with the New Mexico Oil Conservation Division. I'm in charge of the Environmental Bureau. 20 I have just a couple questions 21 of Mr. Ramey. 22 23 QUESTIONS BY MR. BOYER: 24

25

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It's my understanding that very little or

no water is to be produced with the recovery in this case,
is that correct?

A That is the -- certainly the intention of Mr. Robinett. He does not have a water appropriation and to produce any water he has to have an --

Q Is --

A -- appropriation.

Q Is the Order R-3221 applicable in this particular area in any event?

A Well, that would be questionable. I think it says that you, you know, I'm talking about one barrel a day open pit disposal.

I think that says from oil wells. These are -- these will be -- we're going to produce oil from water wells in this case, but it does also say produced water, and so I would assume you have, if any water is produced with the oil it could also be considered produced water.

In this case I think Mr. Robinett would be allowed to dispose of up to one barrel a day into an open pit in the area.

If he chose to do that, I do not think that there would be any danger of contamination. He could -- he could put his pit somewhere near Well 23 on his property and then if there was any seepage from the pit to the

underground water in this case, it would be in an area where the water is already contaminated.

Q Okay. If Mr. Robinett does have a garden or something other than a pit, is he planning to make sure that there is no runoff to the vicinity of any of the existing uncontaminated wells or any uncontaminated groundwater?

In other words, is he planning to garden in such a way that he doesn't have any runoff down towards those areas?

A I think all good gardeners try to have a level garden and try to contain their water.

Q Okay. My last question is that my understanding is that existing Wells No. 22 and 23 are going to be used for recovery of the oil?

A They may be used. I think he will do further testing from those wells and will recover a little oil but they are small bore wells and he can certainly, you know, do better and recover more oil from a large bore well, which is the intent of the others. These were, I think, have 2-7/8ths or something, or 2-inch PVC tubing in them.

Q Well --

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22

23

A And there is just a very some volume of oil in that.

Q Do you know what the status will be of those wells after -- after this order -- if this order is

approved? Will access and/or ownership of those 2 monitoring wells be transferred from Texas-New Mexico to Mr. 3 Robinett if this order is approved? As I understand, Texas-New Mexico has in-5 dicated to Mr. Robinett that those wells will be transferred to -- to him. 7 MR. BOYER: I have no other 8 questions, Mr. Examiner. MR. STOGNER: Thank you, Mr. 10 Boyer. 11 Any other questions of this 12 witness? 13 MR. TAYLOR: Yeah, I've got a 14 couple questions. 15 16 CROSS EXAMINATION 17 BY MR. TAYLOR: Mr. Ramey, do you have any idea how --19 what size area would be drained by these wells? 20 Α Well, hopefully, Mr. Robinett has about 21 three acres in there, and hopefully, he can drain the oil 22 from his -- from all three acres by these wells. 23

looking at your Exhibit Two that there are quite a few wells

24

Has he done any tests? I notice just

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that show, I assume all these are water wells, quite a few
2
            Α
                      Yes, they're all water wells.
3
                      -- that show oil in them.
            0
                      Has he done any testing or is there any
5
   that's been done to your knowledge that would indicate
6
   whether this -- the oil in these various wells is coming
7
   from -- came from the Texas-New Mexico Pipeline leak or
   comes from other sources of contamination?
                      No, we have made no -- no attempt to de-
            Α
10
   termine where the oil is coming from. Just looking -- just
11
   looking at, you know, the red marks, it would certainly ap-
12
   pear that the oil had a good possibility of coming from the
13
   leaks from the pipeline.
14
                      Okay, thank you.
            Q
15
                                MR. STOGNER: Any further ques-
16
   tions of this --
17
                       I would point out that there's a well
18
   that's just north of 15 and just south of 16 on that plat.
19
                      That is a -- that is a well that Texas-
20
   New Mexico is pumping oil from. They are -- they are recov-
21
   ering oil from the top of the water from that well.
22
                      Is that the only well they're pumping oil
            Q
23
   from at the time, to your knowledge?
24
25
            Α
                       As I understand, it is.
                                                  They may have
```

been producing from another but I'm not -- I'm not sure 1 about that, but I understand they're producing approximately 2 a half a barrel a day at this time. 3 Thank you. 4 MR. STOGNER: Are there any 5 further comments, Mr. Ramey? 6 Α I have nothing further. 7 MR. STOGNER: Any further ques-8 tions of Mr. Ramey? If not, he may be excused. 10 MR. CARR: Mr. Stogner, at this 11 time we would offer Robinett Exhibit Number Seven into evi-12 dence. 13 STOGNER: MR. Exhibit Number 14 Seven will be offered into evidence at this time. 15 Is 16 there anything further in Case Number 8599 today? 17 If not, this case will be con-18 tinued to the Examiner's Hearing scheduled for June 19 5th, 1985, at which time it will be taken under advisement. 20 21 (Hearing concluded.) 22 23 24 25

CERTIFICATE

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

> I do hereby certify that the foregoing to a complete record of the proceedings in the Examiner nearing of Case No. 8599. heard by me on 22 May

, Examiner Oil Conservation Division

	. STATE OF NEW MEXICO
_	ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION
1	STATE LAND OFFICE BUILDING
2	SANTA FE, NEW MEXICO
3	5 June 1985
4	EXAMINER HEARING
5	
6	
7	IN THE MATTER OF:
8	Application of L. L. Robinett to re- CASE move and market oil from the Ogallala 8599
9	formation, Lea County, New Mexico.
10	
11	
12	
13	BEFORE: Gilbert P. Quintana, Examiner
14	
15	TRANSCRIPT OF HEARING
16	
17	APPEARANCES
18	<i>*</i>
19	
20	For the Oil Conservation Maryann Lunderman
21	Division: Attorney at Law Energy and Minerals Dept.
22	Santa Fe, New Mexico 87501
23	
24	For the Applicant:
25	

85.

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8599.

MR. QUINTANA: First of all let's bring to order the hearing today for Docket Number 17-

We're going to do a little bit of administrative stuff here first. We have a whole bunch of cases that have been dismissed and continued and so forth, so we're going to get that out of the way right quick here.

This morning we'll call Case

MS. LUNDERMAN: Application of L. L. Robinett to remove and market oil from the Ogallala formation, Lea County, New Mexico.

MR. QUINTANA: This case was heard in the prior hearing to the other examiner, Mike Stogner.

• Are there other appearances in this case? Any additional testimony?

If not, this case will be taken under advisement.

(Hearing concluded.)

CERTIFICATE

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

July WiBoyd CSR

do her mat the foregoing is a complete to the process has in the Examiner inturing of the process has in heard by me on turn 5 1985.

Oll Conservation Division