

dearnley, meier & mc cormick

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
June 7, 1972

EXAMINER HEARING

IN THE MATTER OF:)
Application of Shenandoah Oil)
Corporation for a waterflood)
project, Eddy County, New Mexico.)

CASE NO. 4726

BEFORE: Daniel Nutter
Examiner

TRANSCRIPT OF HEARING

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MR. NUTTER: Call Case Number 4726.

MR. HATCH: Application of Shenandoah Oil Corporation for a waterflood project, Eddy County, New Mexico.

MR. CHRISTY: S. B. Christy, Jennings, Christy and Copple, Roswell, New Mexico, appearing on behalf of the Applicant, Shendoah Oil Corporation. We have one witness we would like to have sworn in this case.

(Whereupon, the witness was sworn by Mr. Hatch.)

* * * * *

T. P. BATES,

called as a witness, after having been first duly sworn, testified as follows:

MR. NUTTER: You may proceed, Mr. Christy.

DIRECT EXAMINATION

BY MR. CHRISTY:

Q Would you please state your name and address and by whom you are employed and in what capacity?

A I am T. P. Bates, Shenandoah Oil Corporation, Vice-President at Fort Worth, Texas.

Q Have you previously testified before the Regulatory Board and had your qualifications accepted?

A Yes, I have.

Q And you are familiar with Case Number 4726?

A Yes, sir, I am.

Q And are you familiar with the general area in which

1 this Application is involved?

2 A Yes, I am.

3 MR. CHRISTY: Are the witness' qualifications
4 satisfactory, Mr. Nutter?

5 MR. NUTTER: Yes, sir, they are.

6 Q (By Mr. Christy, continuing) I'd like to refer you to
7 Case Number 3666. I believe you testified in that case,
8 did you not?

9 A I testified in that.

10 Q Is this case similar to that?

11 A Right.

12 Q Do you have any changes in your testimony from that
13 previous case?

14 A No, I don't.

15 Q Are you also familiar with Case Number 4380? You
16 testified in that case?

17 A Right.

18 Q That is similar to this case?

19 A Yes, sir.

20 Q Now, what general project area is involved in this
21 Application, by legal description?

22 A This is the SE/4 and NW/4, Section 27, Township 18 South,
23 Range 31 East, in the Shugart-Yates Seven Rivers Queen
24 Grayburg Field, Eddy County, New Mexico.

25 Q These are Shenandoah wells?

- 1 A Yes, they were.
- 2 Q Were these classified as stripper wells in advance stage
3 of completion?
- 4 A Yes.
- 5 Q And what is the Applicant seeks in Case Number 4726?
- 6 A Applicant desires to initiate a waterflood project to
7 inject fresh and formation water into the Grayburg and
8 San Andres formations.
- 9 Q In the initial project area?
- 10 A Right.
- 11 Q Now, referring you to Exhibit Number 1, I'll ask you
12 if you'll please identify that for us.
- 13 A Well, Exhibit 1 is an aerial plat showing all wells,
14 the project area proposed injection well and all other
15 wells located in a radius of two miles of the project
16 area.
- 17 Q Referring you now to Exhibit 2, I'll ask if you'll
18 identify that, please?
- 19 A Exhibit Number 2 is a diagram showing cement tops,
20 perforations and depths. This well was originally
21 drilled at 5,188 feet by Pan American in 1959. And
22 after they folded, the Delaware project was the company
23 who purchased the pipe and ran it down to 4500 feet at
24 which time they set a plug at 3960. The diagram also
25 shows our plans for completion with 2 inch tubing, internal

1 plastic set above 3700 feet for injection purposes.

2 Q Do you have a log on the well?

3 A I do not have.

4 Q Let me refer you to Applicant's Exhibit Number 3.

5 MR. CHRISTIE: Mr. Examiner, I only have one of
6 the logs, but there are some more in connection with this.

7 MR. NUTTER: Go ahead with Exhibit Number 3.

8 A Exhibit Number 3 is a log of the Hinkle F-3 well which
9 is an offset to the proposed injection well showing
10 the same particular intervals as F-1 well.

11 Q Now, say you propose to inject water. Could you tell us
12 approximately what amount of water you are going to
13 get?

14 A We're going to obtain fresh water from a commercial
15 installation and, at the same time, to produce brakish
16 water and recycle this water, and we plan to inject
17 300 barrels a day and at approximately 300 pounds of
18 pressure.

19 Q Referring you now to Exhibit Number 4 -- that's
20 principally for identification purposes to case number
21 3779 -- can you identify that and explain it for us,
22 please?

23 A This is correct. This Exhibit 4 shows the proposed
24 injection well, and, again, the area over to the west
25 of it shows our Shugart plug in the area.

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- 1 Q This is case 3779?
- 2 A Right.
- 3 Q All right, sir.
- 4 A Also, to the south, Section 33 shows a plug, three well
5 injection program.
- 6 Q Anything else?
- 7 A It does identify a unit water project within the same
8 area.
- 9 Q And shows the proposed injection well in this present
10 case?
- 11 A Yes.
- 12 Q Now, I believe your Application mentioned there should
13 be some special rules adopted in connection with the
14 Application. Do I understand you correctly, this is
15 known as the Hinkle F Grayburg Flood and has been
16 governed by 701, 702 and 703?
- 17 A Yes, sir, that's right.
- 18 Q And that rule is R-343 in Case 3779?
- 19 A Right.
- 20 Q And you, I assume, request that the rules provided for
21 administrative approval to the extension of the plug?
- 22 A Yes.
- 23 Q And response under rule 701 is not necessary prior to
24 expansion?
- 25 A Right.

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1 Q And you would propose a monthly report to the Commission
2 and that the Commission retain jurisdiction?

3 A Yes.

4 Q All right. Now, in your opinion, Mr. Bates, would it
5 be otherwise unrecoverable oil and thereby prevent
6 correlative rights of any interested person be the outcome
7 of the granting of this Application?

8 A Yes.

9 Q Is there anything else that I neglected to ask you that
10 you think would be of interest to the Commission in their
11 consideration of this Application?

12 A The only thing is the cumulative production from these
13 six wells, was 458,000 barrels. With injection into
14 this reservoir, we believe that an additional 300,000
15 barrels of oil would be recoverable.

16 Q Which would otherwise be unrecovered?

17 A Right.

18 MR. CHRISTY: I believe that's all, Mr. Examiner.

19 MR. NUTTER: The ownership of the entire NW/4 and
20 the N/2 of the SW/4 is identical throughout?

21 MR. BATES: Yes, sir.

22 MR. NUTTER: There are six wells altogether?

23 MR. BATES: Yes.

24 MR. NUTTER: Now, with respect to Exhibit Number 2,
25 I note 1980 and 2660; these were former perforations?

1 MR. BATES: That could be when Koehane went in
2 and sealed it up.

3 MR. NUTTER: Now, you'll be injecting down-tubing
4 and underpacking?

5 MR. BATES: That's correct. The location of that
6 pack will be 3700 feet.

7 MR. NUTTER: And how do you propose to treat the
8 annulus, here?

9 MR. BATES: Well, fill the annulus with a flood
10 and treat it with water and install pressure gauges at the
11 surface to detect any leaks that occur.

12 MR. NUTTER: It will be plastic coated?

13 MR. BATES: Internally, yes.

14 MR. NUTTER: Are there any other questions of the
15 witness?

16 MR. CHRISTY: We would like to offer into evidence,
17 Applicants Exhibits 1 through 4.

18 MR. NUTTER: They are admitted into evidence.

19 We'll take the case under advisement and call the
20 next case.

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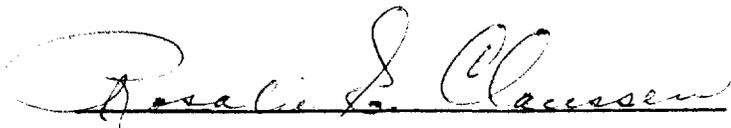
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1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

4 I, ROSALIE E. CLAUSSEN, a Shorthand Reporter, in and for
5 the County of Bernalillo, State of New Mexico, do hereby
6 certify:

7 That the foregoing and attached Transcript of Hearing
8 before the New Mexico Oil Conservation Commission was reported
9 by me;

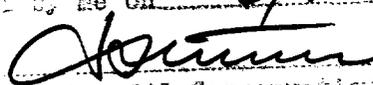
10 That the same is a true and correct record of the said
11 proceedings to the best of my knowledge, skill and ability.

12 

13 ROSALIE E. CLAUSSEN

14
15
16 Dated at Albuquerque, New Mexico,
17 this 31st day of July, 1972.

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I, hereby certify that the foregoing is a true and correct record of the oral hearing of the New Mexico Oil Conservation Commission at 4726
held by me on 6/7, 1972.

New Mexico Oil Conservation Commission

I N D E X

WITNESS:

PAGE

T. P. BATES

Direct Examination by Mr. Christy

3

E X H I B I T S

APPLICANT'S

OFFERED

ADMITTED

Exhibit Number 1

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Exhibit Number 2

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Exhibit Number 3

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Exhibit Number 4

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