

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 3, 1974

EXAMINER HEARING

IN THE MATTER OF:)	
)	
)	
Application of Skelly Oil)	
Company for a waterflood)	Case No. 5139
project, Eddy County, New)	
Mexico.)	
)	
)	

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission:	Thomas Derryberry, Esq. Legal Counsel for the Com- mission State Land Office Building Santa Fe, New Mexico
For the Applicant:	Chester E. Blodget, Esq. SKELLY OIL COMPANY P. O. Box 1650 Tulsa, Oklahoma 74102 and Mr. L. C. White, Esq. 220 Otero Santa Fe, New Mexico

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E X H I B I T S

	<u>Marked</u>	<u>Admitted</u>
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MR. NUTTER: Call Case 5139.

MR. DERRYBERRY: Case 5139. Application of Skelly Oil Company for a waterflood project, Eddy County, New Mexico.

MR. BLODGET: Mr. Examiner, I'm Chester Blodget, appearing for Skelly Oil Company. The Applicant is ready. Mr. L. C. White of Santa Fe has entered his appearance in this case as local counsel. We will have one witness, Bert Brown, who has just testified in the previous case.

MR. NUTTER: The record will show Mr. Brown is still under affirmation.

BERT BROWN

called as a witness, having been previously affirmed, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BLODGET:

Q Mr. Brown, are you familiar with this Application?

A Yes, sir.

Q I call your attention to what has been marked as Skelly Exhibit No. 1. Would you identify that, please?

A Skelly Exhibit No. 1 is a map of Skelly Oil Company's Lea "C" Lease. It is located in Section 11, Township 17 South, Range 31 East, Eddy County, New Mexico. You might note that this is a common boundary on the South of the Lea "C"

with Skelly Oil Company Skelly units.

Q What is Skelly asking for in this Application?

A Skelly is asking for initiation of waterflooding on the Lea "C" Lease by injecting water in the three wells, Well No. 4, No. 7 and No. 9.

Q Those particular locations are set out on this Exhibit 1?

A Yes, sir. They're the ones marked with the arrows.

Q I'll call your attention to Skelly Exhibit No. 2. Would you identify that, please, 2, 3 and 4?

A Skelly Exhibits 2, 3 and 4 are well logs on the three proposed injection wells, Well No. 4, Well No. 7 and Well No. 9.

Q I call your attention to Skelly Exhibits Nos. 5, 6 and 7. Would you identify those, please?

A Exhibits Nos. 5, 6 and 7 are down-hole schematics of proposed injection wells as they would be for injection of water into the Lea "C" Well No. 4, No. 7 and No. 9.

Q I call your attention to what has been marked Skelly Exhibit No. 8. Would you identify that, please?

A Skelly Exhibit No. 8 is a water analysis showing the water quality that would be injected into the three wells on the Lea "C" lease. This water will be pressurized by

Skelly Unit Plant No. 1 which pumps fresh water.

Q I call your attention to Exhibit No 9. Would you identify that, please?

A Exhibit No. 9 is a plat of the area which includes Skelly units, Lea "D" lease and Lea "C" lease. You will note the dotted lines on here are injection lines taking the water from the plants, Plant 1 and 2, and Plant 1 is over here in Section 22, and see the lines going up to the Lea "C" to the four wells there is the lines that we plan to install and take water from the plants up to those injection wells.

Q I call your attention to what has been denominated Skelly Exhibit No. 11. Would you identify that, please?

A Skelly Exhibit No. 11 is a map of the area showing all the wells within a two-mile radius to the proposed project, showing the wells and the zones in which they produce, operators and lease names.

Q Is that Skelly Exhibit No. 10 that you just described?

A That is Skelly Unit Exhibit No. 10.

Q I call your attention to Skelly Exhibit No. 11. Would you identify that, please?

A Skelly Exhibit No. 11 is a letter from the United States Department of Interior indicating their approval of the proposed project with stipulations .

Q I call your attention to Skelly Exhibit No. 12 and No. 13. Would you identify those, please?

A Skelly Exhibits No. 12 and 13 -- let me go to No. 12 -- Exhibit No. 12 is a C-115 filed with the Oil Conservation Commission, July 1972, at which time there were nine wells drilled on the Lea "C" lease, No. 7 and No. 8 and No. 9 had been drilled, I believe, in June and July of that year. Nos. 1, 2, 3, 4, 5 and 6 were drilled in 1962 and it shows the state of depletion of those first six wells.

Exhibit No. 13 is a C-115 filed with the Oil Conservation Commission October 1973, showing the productions of the wells and the state of depletion of the wells at that time. At the present time, the average lease production -- the average production per well per month on the lease is about seven-and-a-half barrels per day.

Q What is your anticipated initial volume of water to be injected in each well?

A We expect to inject from three to 500 barrels per day per well and pressure of 1850 maximum.

MR. NUTTER: I didn't get the figure of barrels per day.

THE WITNESS: Three to 500.

MR. NUTTER: Three to five.

BY MR. BLODGET:

Q In your opinion, would this proposed waterflood project result in recovery of otherwise unrecoverable oil, thereby preventing waste?

A Yes, sir. As a matter of fact, the drilling of the last 10 wells on this lease, we have had to take into account secondary reserves in order to justify economically development of this lease.

Q Is Skelly also asking that in the event this Application is granted that it contain a provision providing for administrative expansion by administrative action without the necessity of a separate hearing for each well or each project?

A Yes, sir.

Q Were Exhibits 1 through 13 prepared by you or at your request and under your supervision?

A Yes, sir.

MR. BLODGET: Mr. Examiner, we move the admission of Exhibits 1 through 13.

MR. NUTTER: Applicant's Exhibits 1 through 13 will be admitted in evidence.

(Whereupon, Applicant's Exhibits
Nos. 1 through 13 were admitted
in evidence.)

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MR. BLODGET: We have no further questions of this witness.

MR. NUTTER: Mr. Brown, with respect to your Exhibits 5, 6 and 7, will each of those wells be equipped with a certain pressure gauge at the surface and the casing tubing annulus loaded with inhibited water?

THE WITNESS: Yes, sir.

MR. NUTTER: Okay. Thank you.

Does anyone have any further questions of the witness? You may be excused.

(Witness is excused.)

MR. NUTTER: Do you have anything further, Mr. Blodget?

MR. BLODGET: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 5139?

We will take the case under advisement.

