

CASE 7138: WISER OIL COMPANY FOR A
SPECIAL GAS-OIL RATIO LIMITATION, LEA
COUNTY, NEW MEXICO

CASE NO.

7138

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7138
Order No. R-6589

APPLICATION OF WISER OIL COMPANY
FOR A SPECIAL GAS-OIL RATIO
LIMITATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 28, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of February, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Wiser Oil Company, seeks a special gas-oil ratio limitation of 6,000 to one, retroactive to May 1, 1980, for the Hardy-Drinkard Pool, Lea County, New Mexico.

(3) That the characteristics of the reservoir and reservoir fluids in said Hardy-Drinkard Pool are very similar to the characteristics of the Drinkard Pool and the Weir-Drinkard Pool, both located nearby in Lea County, as are the producing characteristics.

(4) That for said Drinkard Pool, the Division has previously established a gas-oil ratio limit of 6000 to 1, and for the Weir-Drinkard Pool, the established limit is 10,000 to 1.

(5) That the evidence presently available indicates that said Hardy-Drinkard Pool may be produced at a limiting gas-oil ratio of 6,000 to one without waste.

-2-

Case No. 7138
Order No. R-6589

(6) That the Director of the Division should be permitted to reopen this case, at his option, for further testimony relative to the proper gas-oil ratio limitation for said Hardy-Drinkard Pool.

(7) That the application for special gas-oil ratio limitation for the Hardy-Drinkard Pool should be approved effective the approximate date of discovery of said pool, May 1, 1980.

IT IS THEREFORE ORDERED:

(1) That effective May 1, 1980, a special gas-oil ratio of 6,000 cubic feet of gas per barrel of oil is hereby established for the Hardy-Drinkard Pool, as heretofore defined and described, in Lea County, New Mexico.

IT IS FURTHER ORDERED:

(1) That the Division Director may, at his option, reopen this case at any time to accept further evidence as to the proper gas-oil ratio limitation for the Hardy-Drinkard Pool.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/



STATE OF NEW MEXICO

POST OFFICE BOX 2080
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

February 13, 1981

Re: CASE NO. 7138
ORDER NO. R-6589

Wiser Oil Company

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

JOE D. RAMEY
Director

Hobbs OCD	X
Artesia OCD	X
Aztec OCD	

Other

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue

Post Office Box 1769

Santa Fe, New Mexico 87501

Jason Kellahin

W. Thomas Kellahin

Karen Aubrey

Telephone 982-4285

Area Code 505

December 22, 1980

Mr. Joe Ramey
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

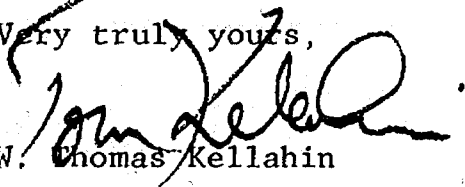
RE: Wiser Oil Company

Case 7138

Dear Joe:

Please set the enclosed application for hearing
on January 28, 1981.

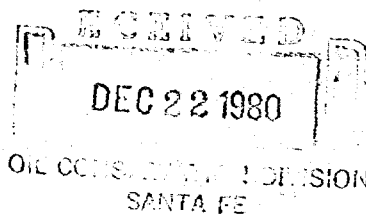
Very truly yours,


W. Thomas Kellahin

WTK:jm

Encl.

cc: Bill Singletary



BEFORE THE
OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
WISER OIL COMPANY FOR APPROVAL OF A
SPECIAL GAS-OIL RATIO LIMIT FOR THE
HARDY-DRINKARD POOL, LEA COUNTY, NEW
MEXICO

No. 7138

APPLICATION

COMES NOW WISER OIL COMPANY and applies to the New Mexico Oil Conservation Division for a Special Gas-Oil Ratio Limit for the Hardy-Drinkard Pool, Lea County, New Mexico of 6,000 cubic feet of gas per barrel of oil retroactive to May 1, 1980 and in support thereof would show:

1. Applicant is the operator of the:
 - (a) McQuatters No. 4 well - Unit G, Section 11, T21S, R36E, NMPM, and
 - (b) McQuatters No. 5 well - Unit H, Section 11, T21S, R36E, NMPM, completed May 1980
2. That Applicant seeks the exemption of the Hardy-Drinkard Pool in Lea County, New Mexico from Rule 506(d) of the New Mexico Oil Conservation Division Rules and Regulations retroactive to the date of first production in said pool.
3. That the subject wells are capable of effectively and efficiently producing gas and oil at a GOR limit in excess of the state wide 2,000-1 limit.

4. Applicant requests that the pool be granted a special ORR limit not to exceed 6,000 to 1.

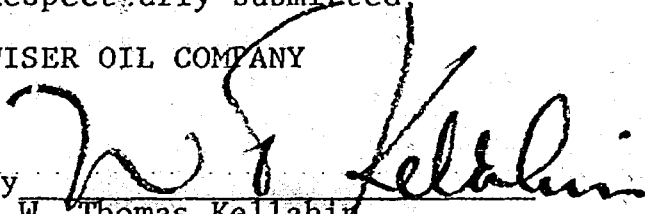
5. That approval of the application will protect correlative rights, prevent waste and be in the best interests of conservation.

WHEREFORE, applicant requests that the application be set for hearing and that after notice and hearing the application be granted as requested.

Respectfully submitted,

WISER OIL COMPANY

By


W. Thomas Kellahin
KELLAHIN & KELLAHIN
P.O. Box 1769
Santa Fe, New Mexico 87501
(505) 982-4285

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
28 January 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Wiser Oil Company
for a special gas/oil ratio limit-
ation, Lea County, New Mexico.

CASE
7138

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

BILL SINGLETARY

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Nutter	13

E X H I B I T S

Applicant Exhibit One, Plat	4
Applicant Exhibit Two, Production History	7
Applicant Exhibit Three, Production History	7
Applicant Exhibit Four, Production History	8
Applicant Exhibit Five, Production History	11
Applicant Exhibit Six, Letter	11
Applicant Exhibit Seven, Letter	12

1
2 MR. NUTTER: We'll call next Case Number
3 7138.

4 MR. PADILLA: Application of Wiser Oil
5 Company for special gas/oil ratio limitation, Lea County,
6 New Mexico.

7 MR. KELLAHIN: I'm Tom Kellahin, Santa
8 Fe, New Mexico, appearing on behalf of the applicant and I
9 have one witness.

10 (Witness sworn.)
11

12 BILL SINGLETARY
13 being called as a witness and being duly sworn upon his oath,
14 testified as follows, to-wit:
15

16 DIRECT EXAMINATION
17

18 BY MR. KELLAHIN:

19 Q Mr. Singletary, would you please state
20 your name and occupation?

21 A Yes. I'm Bill Singletary. I'm Area
22 Superintendent for the Wiser Oil Company of New Mexico.

23 Q Mr. Singletary, do you hold a degree
24 in engineering or geology?

25 A No, I don't.

1
2 Q Have you previously testified before the
3 Oil Conservation Division?

4 A Yes, I have.

5 Q And that was as a practical oil and gas
6 operator, was it, sir?

7 A Yes, in the same capacity I'm in now.

8 Q And were those qualifications accepted
9 and made a matter of record?

10 A Yes, they were.

11 Q Mr. Singletary, have you made a review
12 of the Hardy-Drinkard Pool that is the subject matter of a
13 special gas/oil ratio limitation request for this hearing?

14 A Yes, I have.

15 MR. KELLAHIN: We tender Mr. Singletary
16 as an expert witness.

17 MR. NUTTER: Mr. Singletary is qualified.

18 Q Mr. Singletary, would you please refer
19 to the plat that we've marked as Exhibit Number One and would
20 you first of all, sir, identify for us the outline of the
21 Hardy-Drinkard Pool?

22 A All right. The Hardy-Drinkard Pool at
23 the present time consists of eight wells; one which is clas-
24 sified as a gas well. We have part of the pool in Section 2,
25 and --

1

2

Q Well, the pool limits are outlined --

3

A. Yeah.

4

Q Are indicated by the yellow outline?

5

A. The pool limits are indicated by the

6

yellow outline; the wells being marked in red.

7

Q All right. How many wells are currently
dedicated to the Hardy-Drinkard Pool?

8

9

A. There are seven wells.

10

Q Of which how many does Wiser Oil operate?

11

A. Wiser operates two of the seven.

12

Q And where are those wells located, Mr.

13

Singletary?

14

A. They are located in Section 11, Unit 8-G

15

and H.

16

Q What are you seeking to accomplish with

17

this application?

18

A. We're seeking to accomplish raising the

19

GOR limit of this pool from 2000-to-1 to 6000-to-1. Our

20

study of this pool, along with the other Drinkard pools,

21

indicates that the formations are similar and we're having

22

problems with our gas/oil ratio. Our wells have been shut

23

down -- in since December the 1st for over-production of

24

gas, and Conoco with their one well is in a similar situation.

25

Amoco wells are not so good and really don't have the problem

1
2 that we do. We feel like if we could get a GOR raised in this
3 pool it would allow us to produce our wells more economically
4 and allow better recovery for oil and gas.

5 Q In your opinion what would be the appro-
6 priate GOR limitation to apply to this particular Drinkard
7 Pool?

8 A We think 6000-to-1 would be appropriate.
9 That is the current limit on the regular Drinkard Pool, which
10 consists of over 500 wells. We feel like 6000-to-1 would be
11 a good ratio on this Hardy-Drinkard Pool.

12 Q You are making reference to the Drinkard
13 Pool established by the Commission in Order Number R-4202?

14 A Yes.

15 Q And that's 6000-to-1 GOR?

16 A Yes, that's correct.

17 Q Do you have any recommendations to the
18 Examiner with regards to the effective date for the special
19 GOR limitation?

20 A Yes. I've indicated in our request,
21 we'd like to see that GOR effective as of May the 1st, 1980.

22 Q And what's the significance of that date,
23 Mr. Singletary?

24 A Well, that's a date that most of the
25 wells were put on production and at that time we experienced

1
2 this high GOR and the accumulation from this high GOR has
3 led to the overproduction and the shutdown of our two wells,
4 and we feel like if this could be retroactive to May it would
5 allow us to go ahead and put our wells back on production.

6 Q Let me refer to Exhibit Number Two and
7 have you identify that.

8 A Exhibit Number Two is a production history
9 on the Amoco wells in the Hardy Drinkard Pool, consisting of
10 their McQuatters No. 3, which is classified as a gas well,
11 and has just recently been put on with no production avail-
12 able on it.

13 Then they have their McQuatters 4 and
14 5, and State C Tract 11 and State C Tract 11, No. 11 and No.
15 9, and this shows their first production on each well, their
16 monthly production in oil and gas on each well, and total
17 cumulative for each well and total cumulative for the four
18 wells.

19 Q Okay. Exhibit Number Three?

20 A Exhibit Number Three is a production
21 history on the Conoco well, which is their State F-1 No. 9,
22 located in Unit U of 1, 21, 36, showing their first production
23 and current production of the well and you'll note there that
24 their 153 days at normal 284 set by the Commission, they are
25 overproduced in the amount of nearly 28-million Mcf. Although

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

they're not shut-in at this time, they're right on the edge of getting a shut-in order, and they are behind us with a letter of support recommending that this be raised from 2000-to-1 to 6000-to-1.

Q. Your calculation of a GOR ratio on the Conoco well of 4200-to-1 is based upon what production figures?

A. It's based on the present production.

Q. Through what month?

A. Through -- present production through December.

Q. Okay.

A. And the 45 barrels oil per day, 603 Mcf gas per day.

Q. Would you identify Exhibit Number Four?

A. Exhibit Number Four is a production history on the Wiser Oil Company two wells.

The McQuatters No. 5 was completed first with the first production in May, and you'll note that gas production for May was a little over 20-million; in June, where we'd had it on line more days was 26-million; and since then it has dropped, but the cumulation from this high GOR has led to our shut-in and at the present time we are still producing more than the GOR limit, but just slightly more.

1
2 On the No. 5 Well the present GOR is
3 2725-to-1, based on our last production, which was in November.
4 It was tested on a 24-hour basis and this gas production,
5 387 Mcf with 15 barrels of oil on 24-hour test.

6 On the No. 4 Well it was put on in Sep-
7 tember and the gas hasn't been quite so high on it but it
8 has been over the GOR set by the Commission with a recent test
9 on it showing a GOR at 2838-to-1 with 403 Mcf per day and
10 14 barrels of oil per day, and the surface pressure on the
11 No. 5 Well when it was completed in May, 1670 pounds, and on
12 a recent shut-in pressure, surface pressure was 1600 pounds,
13 which shows just a normal drop of maybe not quite normal for
14 the amount of gas that's been pulled.

15 The surface pressure on the No. 4 Well,
16 September when it was completed, was 1610 and a recent one
17 in December showed 1550 surface pressure. We haven't taken
18 any bottom hole pressures that are on those two wells and
19 there's very little pressure data in the field on the other
20 wells, due to the fact that they are new wells and at the
21 present time I believe all of the Amoco wells are on pump,
22 where Conoco wells and Wiser Oil Company wells are the only
23 ones flowing.

24 Q Based upon the information available
25 to you, Mr. Singletary, do you have an opinion as to whether

1
2 or not the increase in the GOR ratio from 2000-to-1 to 6000-
3 to-1 will cause Drinkard oil to be left in the pool that
4 would otherwise be produced had the GOR ratio remained at
5 2000-to-1?

6 A. From the information that we have, we
7 don't believe there will be any oil left in the formation due
8 to raising the GOR. In fact, we believe that it would pro-
9 bably help the formation to raise the GOR where we could put
10 the wells on a steady 24-hour basis rather than having to
11 try to pinch the wells in, which you can't do. If you cut
12 them down low enough to stay within your GOR limits they will
13 log off and then you set them on up where you get them to
14 flow, you get ahead and have to shut them in, so we feel
15 that if the GOR was raised where they could be produced 24
16 hours a day normal, that we wouldn't be as near leaving fluid
17 in the formation as it would under the current conditions.

18 Q. Have you examined the production informa-
19 tion available from the wells in the Drinkard Pool, in this
20 Hardy-Drinkard Pool, to determine whether or not as the gas
21 production increases each month, whether or not it has any
22 relationship to the amount of oil produced each month?

23 A. No, we don't see any irregular pattern
24 there according to the gas produced with the oil produced.
25 It's just typical Drinkard production. It comes at a high

1
2 rate of oil and a higher Mcf of gas, which gradually decreases,
3 but it usually is a long life production.

4 Q Would you identify Exhibit Number Five
5 for us, please?

6 A Exhibit Number Five is a total production
7 history of the -- all the wells in the Hardy-Drinkard Pool,
8 with a cumulative through December, 1980, and also it shows
9 that Wiser Oil Company has studied logs from the Drinkard
10 wells, along with logs from the Weir-Drinkard Pool and the
11 regular Drinkard Pool, and we feel like that it's very similar,
12 the three pools are similar, and we don't believe-the Weir-
13 Drinkard Pool has a GOR of 10,000-to-1, the Drinkard Pool
14 has a GOR of 6000-to-1, and we feel like all of the three
15 pools are similar and it would be right to raise the Hardy-
16 Drinkard to 6000-to-1, as the other pools are high.

17 Q Sir, would you turn to Exhibit Number
18 Six and identify that?

19 A Exhibit Number Six is a letter of support
20 from Amoco Oil Company from their Houston office. It's very
21 short and like I said earlier, their production, really the
22 little 2000-to-1 isn't affecting them at this time, but I'm
23 sure they plan to drill more wells and this is the reason
24 they would like to support this raise from 2000-to-1 to
25 6000-to 1.

Q And Exhibit Number Seven.

A Exhibit Number Seven is a letter of support from Continental Oil Company, and they are very interested in seeing the GOR raised in this pool because of the fact their well is a high GOR. They have several more locations to drill and they feel that if the GOR is raised from 2000-to-1 to 6000-to-1 it will be a better incentive for them to drill more wells in the Hardy-Drinkard Pool.

Wiser Oil Company also has other acreage and we feel like that if we can get the GOR raised, that it will give us a better incentive for more drilling.

Also, Gulf Oil Company has -- is waiting on the outcome of this hearing. They have a location staked in Section 11, let's see, Section 11, 21, 36, which would be in Unit C, and they're interested in the outcome of this since we're having problems with the GOR in this pool.

Q What does it currently cost to drill and complete a producing Drinkard well in this pool?

A A little in excess of \$500,000 per well, depending on trouble encountered.

Q Apart from the correspondence, being Exhibits Six and Seven, Mr. Singletary, were the other exhibits prepared by you or compiled under your direction and supervision?

1
2 A. Yes, they were prepared by me.

3 Q. In your opinion will the approval of this
4 application be in the best interest of conservation, the
5 prevention of waste, and the protection of correlative rights?

6 A. Yes, it will.

7 MR. KELLAHIN: We move in the introduction
8 of Exhibits One through Six.

9 MR. NUTTER: Exhibits One through Six
10 will be admitted in evidence.

11
12 CROSS EXAMINATION

13 BY MR. NUTTER:

14 Q. Mr. Singletary, now this Amoco No. 3 is
15 shown to be a gas well with no production reported. When
16 was it completed?

17 A. It was completed -- I don't have the
18 date, but over a year ago, and based -- since it was classi-
19 fied as a gas well, it was held up from being put on pro-
20 duction due to the fact that they only had 80 acres in that
21 area where they needed 160 acres for a full allowable gas
22 well, and I haven't got the details on that well, but I as-
23 sume they have had some arrangement through the Oil Commission
24 to get some kind of a gas allowable or a fraction of the unit
25 allowable, for this No. 3 Well, and it has just been recently

1
2 put on with no production records available on it.

3 Q Well, now this is -- it is in the Hardy-
4 Drinkard Pool.

5 A Yes, it's listed in the proration order
6 as being in the Hardy-Drinkard Pool.

7 Q And this is an oil pool.

8 A This is an oil pool, yes.

9 Q So why is this well classified as a gas
10 well? Does it have a GOR in excess of 100,000?

11 A Yes. On test on that well they didn't
12 produce any fluid at all. It was just a little water and
13 dry gas without any --

14 Q Do you know what the gas potential on
15 it was?

16 A No, sir, I don't have those figures on
17 that well.

18 Q But it made no -- no oil at all?

19 A No, it made no oil, and that's the
20 reason it has been -- it was the first Hardy-Drinkard well
21 drilled in there and it was drilled and classified as a gas
22 well and has been shut-in for something over a year.

23 Q Well, I suppose when they first drilled
24 it, maybe, it was thought that it was the discovery well for
25 a gas pool and that it would ultimately have to have 160

1
2 acres dedicated --

3 A. Yes, that's it.

4 Q. -- and they didn't have 160 acres.

5 A. They didn't have 160 acres.

6 Q. So now that we've created -- which was
7 the discovery well for the pool as an oil pool?

8 A. Amoco's No. -- Amoco's No. 4, I believe,
9 was the -- let's see.

10 Q. That would be the No. 11, I think.

11 A. Oh, yeah, the No. 11, yes, in State C
12 Tract 11, No. 11, which was put in May of 1980.

13 Q. So it was an oil pool -- oil well, so
14 we created an oil pool.

15 A. Yes, sir.

16 Q. So -- and then you drilled your No. 5
17 Well in May of 1980.

18 A. Yes, sir.

19 Q. So that gave us three wells in the pool,
20 two oil wells and one gas well.

21 A. And one gas well.

22 Q. So we created an oil pool.

23 A. Created an oil pool.

24 Q. So this well of theirs would now be a
25 gas well in an oil pool and would only have 40 acres dedicated

1 to it.

2
3 A. Yes, I believe that would probably be
4 right, although I haven't seen anything official on it or got
5 any official word from Amoco as to the status of that No. 3
6 Well.

7 Q. Well, in the absence of a gas pool or
8 an associated pool with gas well rules, it would only have
9 the standard spacing for an oil unit and you say it has re-
10 cently gone on production?

11 A. Yes, sir, it's recently gone on production.

12 Q. Well, they probably just dedicated 40
13 acres and --

14 A. I suspect that is probably 40 acres dedi-
15 cated to it.

16 Q. Now does there appear to you in observing
17 these production records, or these wells, that there's any
18 substantial change in GOR over the limited life of the wells
19 that we have available to us at this time?

20 A. Yeah, the GOR has come down considerably
21 since the time the wells -- in all of them since the time the
22 wells were put on to the present time, but from the other
23 Drinkard pools, the old Drinkard Pool especially, we feel
24 like the GOR will probably remain above 2000-to-1 for some
25 period of time to come.

1
2 Q And in asking that this thing be made
3 retroactive to May, you're asking that it be made in effect
4 retroactive to the first production in the pool.

5 A Yes, sir, that's true because that's
6 when we encountered a high GOR and at that time maybe this
7 should have been approached at that time for a hearing, but
8 on those Drinkard wells usually the GOR will drop a little
9 faster than that and you won't have that much accumulation of
10 overproduced gas, and it just kept accumulation and accumula-
11 tion until we finally got shut-in orders on ours and I'm sure
12 that Conoco is right on the verge of getting a shut-in order
13 on their well.

14 And we feel like shutting these wells in,
15 there's no way to flow them at the current GOR because they'll
16 log off. You've either got to flow them open enough to keep
17 them unloaded and you exceed the GOR and then shut them in
18 to let your allowable and your production equalize out. We
19 feel like we have excess now enough that without some relief
20 through the Oil Commission, that we'll be shut in until April
21 or the first of May.

22 Q Well, according to page five, or sheet
23 five here, your No. 4 is shut in but you don't make that
24 notation on the No. 5.

25 A On the, let's see, on the one I have as

1
2 No. 5, I have a notation there both wells have been shut in
3 due to overproduction of gas.

4 The No. 5 Well was opened up for a short
5 period of time in December to keep it from logging completely
6 off. We noted from the time that well was completed till we
7 got our allowable orders on the thing, if we didn't open it
8 every once and awhile for a period of time, you'd have to
9 swab the thing back in, so the No. 4 doesn't have that char-
10 acteristic. It will set there and come back on. The No. 5
11 was opened up enough in December to just keep it from logging
12 off, but at the present time both of them are shut in and
13 will stay shut in until either we get relief through the Oil
14 Commission on this GOR or until the overproduction balances
15 out with the allowable at the present allowable.

16 MR. NUTTER: Are there any other ques-
17 tions of Mr. Singletary? He may be excused.

18 Do you have anything further, Mr. Kellahin?

19 MR. KELLAHIN: No, sir.

20 MR. NUTTER: Anyone have anything they
21 wish to offer in Case Number 7138?

22 We'll take the case under advisement.

23
24 (Hearing concluded.)
25

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 Conserva-
tion 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.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is
a complete report of the proceedings in
the Examiner hearing of case No. 2138
heard by me on 1/28 1981.

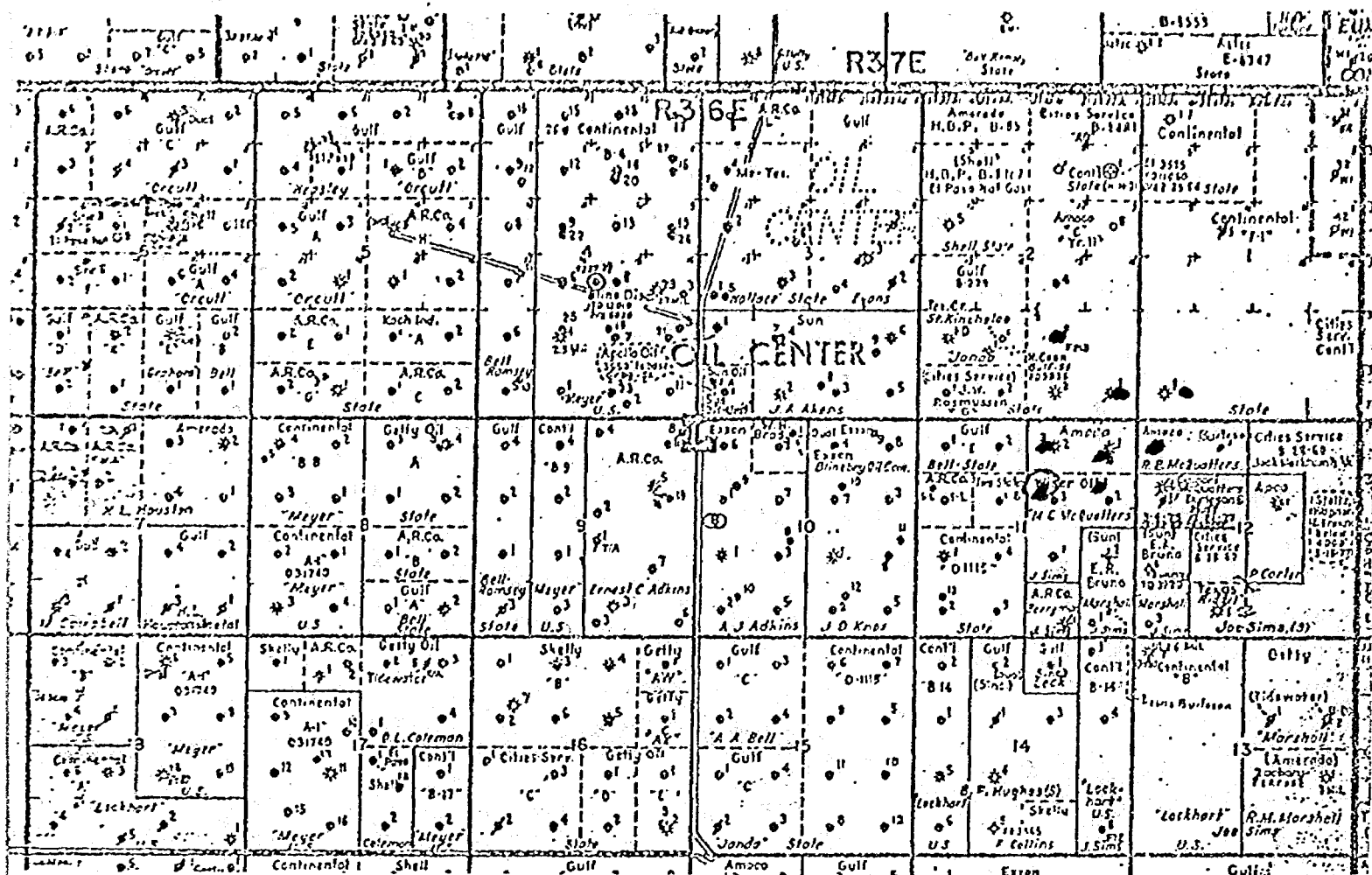
[Signature], Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7400

Top Allowable 142

GOR Limit 2,000

Top Casinghead Gas Limit 284 MCF



AMOCO Production Company
Conoco Inc.
The Wiser Oil Company

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Wiser EXHIBIT NO. _____
CASE NO. 7138

#3

Production History on AMOCO wells in the Hardy
Drinkard Pool

McQuatters 3 B 11-21-36 (Gas Well) No production recorded.

McQuatters 4 A 11-21-36 First production - August 1980

	Oil Bbls.	Gas MCF
Aug.	191	500
Sept.	214	437
Oct.	214	8064
Nov.	38	4964
Dec.	<u>106</u>	<u>4134</u>
Total Cumulative for well	813	18099

McQuatters 5 D 12-21-36 First production - October 1980

	Oil Bbls.	Gas MCF
Oct.	184	0
Nov.	94	489
Dec.	<u>0</u>	<u>0</u>
Total Cumulative for well	278	489

State C Tr. 11 9 Q 2-21-36 First production - September 1980

	Oil Bbls.	Gas MCF
Sept.	378	316
Oct.	203	282
Nov.	208	0
Dec.	<u>210</u>	<u>0</u>
Total Cumulative for well	999	598

State C Tr. 11 11 X 2-21-36 First production - May 1980

	Oil Bbls.	Gas MCF
May	1115	5463
June	719	5002
July	879	4124
Aug.	938	3599
Sept.	1568	2830
Oct.	842	2524
Nov.	670	6128
Dec.	<u>675</u>	<u>5604</u>
Total Cumulative for well	7406	35274

Total Cumulative for the four wells 9496 bbls oil and 54460 MCF gas

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

EXHIBIT NO. _____
CASE NO. _____

4

Production History on Conoco Inc. well located
in the Hardy Drinkard Pool

State F-1 9 U 1-21-36 First production August 1980

	Oil Bbls.	Gas MCF
Aug.	1259	11659
Sept.	1543	12450
Oct.	1550	16340
Nov.	1013	12309
Dec.	1395	18690
Total Cumulative	5365 Bbls oil	71448 MCF Gas

Five months gas production ----- 71448 MCF
Gas Allowable --- 153 days at 284 MCF per day --- 43452 MCF

Total gas Overproduced through December 1980 ---- 27996 MCF

Well is a little over three months in gas produced against gas allowable

Present daily oil production ----- 45 bbls daily

Present daily gas production ----- 603 MCF

Present GOR ----- 4,206 to 1

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

EXHIBIT NO.

CASE NO.

Production History on The Wiser Wells in the
Hardy Drinkard Pool

McQuatters 5 H 11-21-36 First Production - May 1980

	Oil Bbls.	Gas MCF
May	1444	20456
June	984	26406
July	847	23877
August	465	19381
Sept.	490	8720
Oct.	468	10817
Nov.	314	4503
Dec.	41	5255
Total Cumulative for well	5053	119415

McQuatters 4 G 11-21-36 First Production - September 1980

	Oil Bbls.	Gas MCF
Sept.	450	8712
Oct.	384	12486
Nov.	326	4687
Dec.	0	0 (well shut-in)
Total Cumulative for well	1160	25885

Total Cumulative for the two wells 6213 bbls oil and 145300 MCF gas

Total Gas Production From Wells 4 & 5 through December 1980 -- 145300 MCF
Gas Allowable --- 367 days at 284 MCF per day ----- 104228 MCF
Total Gas Overproduced through December 1980 ----- 41072 MCF

Wells are 4.6 months over produced at present G.O.R.

Both Wells have been shut-in since December 1, 1980, due to over production of gas.

Present daily oil production ----- Well # 4 - 14 bbls daily
Present gas production ----- Well # 4 - 403 MCF
Present GOR ----- Well # 4 - 2,838 to 1

Present daily oil production ----- Well # 5 - 15 bbls daily
Present gas production ----- Well # 5 - 387 MCF
Present GOR ----- Well # 5 - 2,725 to 1

Surface SI Pressure # 4 - Sept. 1980 - 1610 - Dec. 1980 - 1550
Surface SI Pressure # 5 - May, 1980 - 1670 - Dec. 1980 - 1600

71 6
Total Production History for All Wells in the
Hardy Drinkard Pool

Total cumulative Oil through December 1980 ----- 21,074 bbls
Total cumulative Gas through December 1980 ----- 271,208 MCF

The Wiser Oil Company has studied logs and production data from our McQuatters Hardy Drinkard Wells and the study indicates formation characteristics are similiar between the Hardy Drinkard Pool, Weir Drinkard Pool and Drinkard Pool.

The Weir Drinkard Pool has a GOR of 10,000 to 1.

The Drinkard Pool has a GOR of 6,000 to 1.

With the similarity of these pools, The Wiser Oil Company believes the GOR limit of 2,000 to 1 in the Hardy Drinkard Pool should be increased to 6,000 to 1.

B. D. Singletary
The Wiser Oil Company
B.D. Singletary, New Mexico Area
Superintendent

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION EXHIBIT NO. _____ CASE NO. _____
--

7

January 21, 1931

File: JCA-936.51NM-426

Re: Case No. 7138
Hardy Drinkard Pool

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2082
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Please reference Case No. 7138 in which Wiser Oil Company has made application for a special gas-oil ratio limitation for the Hardy Drinkard Pool, Lea County, New Mexico. Amoco Production Company supports Wiser Oil Company's application to increase the GOR limit from 2000:1 to 6000:1 in the Hardy Drinkard Pool.

Yours very truly,

ORIGINAL SIGNED
R. E. OGDEN
BY

HMB/rw

HMB
cc: Wiser Oil Co. ✓
P. O. Box 2467
Hobbs, NM 88240
Attention: Bill Singletary

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	
CASE NO.	101-11-10000

L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141

January 26, 1981

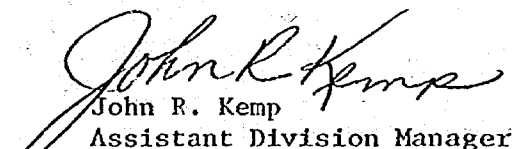
Oil Conservation Division
New Mexico Department of Energy & Minerals
P.O. Box 2088
Santa Fe, New Mexico 87501

Support of Wiser's Application for an Increase in the GOR Limit of the
Hardy Drinkard Oil Pool

Gentlemen:

Conoco Inc. supports Wiser Oil Co. in its application for an increase in the GOR limit for the Hardy Drinkard Pool. Conoco has completed one well in this pool to date and plans to drill two additional wells. Our State F-1 No. 9 was completed, flowing, on 9-1-80 for 52 BOPD, 85 BWP, and 453 MCFGPD.

The Drinkard Pool, located 1-1/2 miles east of the Hardy Drinkard Pool, has a 6,000 GOR limit and the Weir Drinkard Pool, located 2-1/2 miles north, a 10,000 GOR limit. Logs and production data from our State F-1 No. 9 indicate that the formation characteristics and the producing gas-oil ratios in these pools are all similar. Because of the close proximity of the Hardy to these established Drinkard pools, we believe the current GOR limit of 2,000 in the Hardy Drinkard pool should be similarly increased.


John R. Kemp
Assistant Division Manager

JWH/dlb

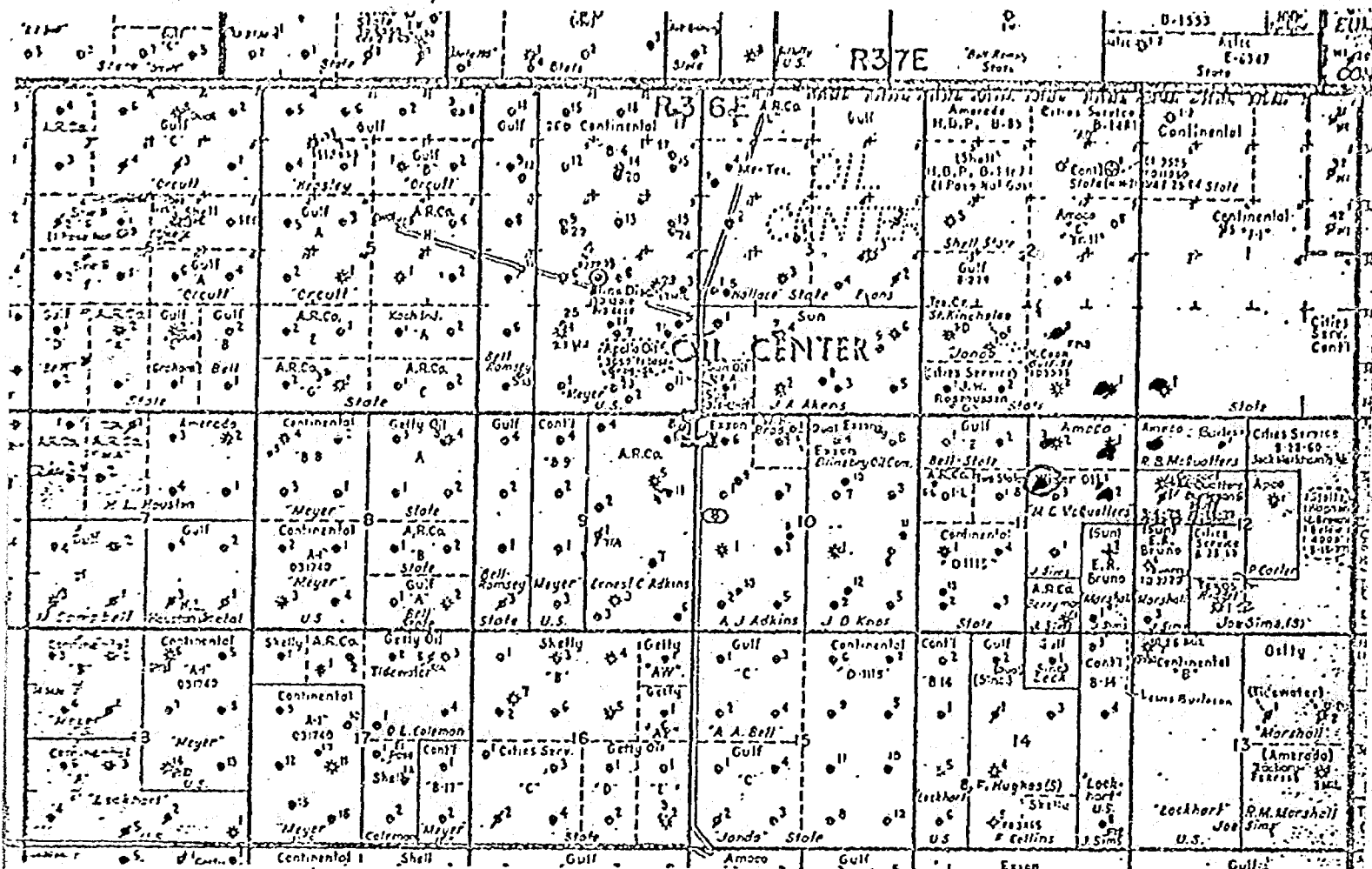
BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
EXHIBIT NO. _____	
CASE NO. _____	

Wells in Hardy Drinkard Pool

Top Allowable 142

GOR Limit 2,000

Top Casinghead Gas Limit 284 MCF



AMOCO Production Company
Conoco Inc.
The Wiser Oil Company

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Wiser EXHIBIT NO. 1
CASE NO. 7138

7-3

Production History on AMOCO wells in the Hardy
Drinkard Pool

McQuatters 3 B 11-21-36 (Gas Well) No production recorded.

McQuatters 4 A 11-21-36 First production - August 1980

	Oil Bbls.	Gas MCF
Aug.	191	500
Sept.	214	437
Oct.	214	8064
Nov.	88	4964
Dec.	<u>106</u>	<u>4134</u>
Total Cumulative for well	813	18099

McQuatters 5 D 12-21-36 First production - October 1980

	Oil Bbls.	Gas MCF
Oct.	184	0
Nov.	94	489
Dec.	<u>0</u>	<u>0</u>
Total Cumulative for well	278	489

State C Tr. 11 9 Q 2-21-36 First production - September 1980

	Oil Bbls.	Gas MCF
Sept.	378	316
Oct.	203	282
Nov.	208	0
Dec.	<u>210</u>	<u>0</u>
Total Cumulative for well	999	598

State C Tr. 11 11 X 2-21-36 First production - May 1980

	Oil Bbls.	Gas MCF
May	1115	5463
June	719	5002
July	879	4124
Aug.	938	3599
Sept.	1568	2830
Oct.	842	2524
Nov.	670	6128
Dec.	<u>675</u>	<u>5604</u>
Total Cumulative for well	7406	35274

Total Cumulative for the four wells 9496 bbls oil and 54460 MCF gas

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO.

4

Production History on Conoco Inc. well located
in the Hardy Drinkard Pool

State F-1 9 U 1-21-36 First production August 1980

	Oil Bbls.	Gas MCF
Aug.	1259	11659
Sept.	1543	12450
Oct.	1550	16340
Nov.	1013	12309
Dec.	1395	18690
Total Cumulative	5365 Bbls oil	71448 MCF Gas
Five months gas production -----		71448 MCF
Gas Allowable --- 153 days at 284 MCF per day ---		43452 MCF
Total gas Overproduced through December 1980 ----		27996 MCF
Well is a little over three months in gas produced against gas allowable		
Present daily oil production -----	45 bbls daily	
Present daily gas production -----	603 MCF	
Present GOR -----	4,206 to 1	

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
EXHIBIT NO. 3
CASE NO.

Production History on The Wiser Wells in the
Hardy Drinkard Pool

McQuatters 5 H 11-21-36 First Production - May 1980

	Oil Bbls.	Gas MCF
May	1444	20456
June	984	26406
July	847	23877
August	465	19381
Sept.	490	8720
Oct.	468	10817
Nov.	314	4503
Dec.	41	5255
Total Cumulative for well	5053	119415

also SI

McQuatters 4 G 11-21-36 First Production - September 1980

	Oil Bbls.	Gas MCF
Sept.	450	8712
Oct.	384	12486
Nov.	326	4687
Dec.	0	0
Total Cumulative for well	1160	25885

(well shut-in)

Total Cumulative for the two wells 6213 bbls oil and 145300 MCF gas

Total Gas Production From Wells 4 & 5 through December 1980 -- 145300 MCF
Gas Allowable --- 367 days at 284 MCF per day ----- 104228 MCF
Total Gas Overproduced through December 1980 ----- 41072 MCF

Wells are 4.6 months over produced at present G.O.R.

Both Wells have been shut-in since December 1, 1980, due to over production of gas.

Present daily oil production ----- Well # 4 - 14 bbls daily
Present gas production ----- Well # 4 - 403 MCF
Present GOR ----- Well # 4 - 2,838 to 1

Present daily oil production ----- Well # 5 - 15 bbls daily
Present gas production ----- Well # 5 - 387 MCF
Present GOR ----- Well # 5 - 2,725 to 1

Surface SI Pressure # 4 - Sept. 1980 - 1610 - Dec. 1980 - 1550
Surface SI Pressure # 5 - May, 1980 - 1670 - Dec. 1980 - 1600

Total Production History for All Wells in the
Hardy Drinkard Pool

Total cumulative Oil through December 1980 ----- 21,074 bbls
Total cumulative Gas through December 1980 ----- 271,208 MCF

The Wiser Oil Company has studied logs and production data from our McQuatters Hardy Drinkard Wells and the study indicates formation characteristics are similar between the Hardy Drinkard Pool, Weir Drinkard Pool and Drinkard Pool.

The Weir Drinkard Pool has a GOR of 10,000 to 1.

The Drinkard Pool has a GOR of 6,000 to 1.

With the similarity of these pools, The Wiser Oil Company believes the GOR limit of 2,000 to 1 in the Hardy Drinkard Pool should be increased to 6,000 to 1.

B. D. Singletary
The Wiser Oil Company
B.D. Singletary, New Mexico Area
Superintendent

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	5
CASE NO.	

#7
January 21, 1931

File: JCA-936.51NM-428

Re: Case No. 7138
Hardy Drinkard Pool

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2082
Santa Fe, NM 87501

Attention: Mr. Joe D. Ramey

Gentlemen:

Please reference Case No. 7138 in which Wiser Oil Company has made application for a special gas-oil ratio limitation for the Hardy Drinkard Pool, Lea County, New Mexico. Amoco Production Company supports Wiser Oil Company's application to increase the GOR limit from 2000:1 to 6000:1 in the Hardy Drinkard Pool.

Yours very truly,

ORIGINAL SIGNED
R. E. OGDEN
BY

HMB/rw

cc: Wiser Oil Co. ✓
P. O. Box 2467
Hobbs, NM 88240
Attention: Bill Singletary

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

EXHIBIT NO. 6
CASE NO. 1001

L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Conoco Inc.
P. O. Box 460
1001 North Turner
Hobbs, NM 88240
(505) 393-4141

January 26, 1981

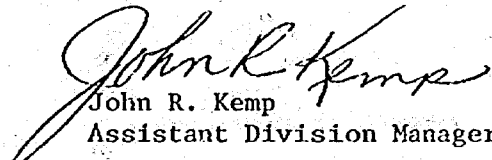
Oil Conservation Division
New Mexico Department of Energy & Minerals
P.O. Box 2088
Santa Fe, New Mexico 87501

Support of Wiser's Application for an Increase in the GOR Limit of the
Hardy Drinkard Oil Pool

Gentlemen:

Conoco Inc. supports Wiser Oil Co. in its application for an increase in the GOR limit for the Hardy Drinkard Pool. Conoco has completed one well in this pool to date and plans to drill two additional wells. Our State F-1 No. 9 was completed, flowing, on 9-1-80 for 52 BOPD, 85 BWPD, and 453 MCFGPD.

The Drinkard Pool, located 1-1/2 miles east of the Hardy Drinkard Pool, has a 6,000 GOR limit and the Weir Drinkard Pool, located 2-1/2 miles north, a 10,000 GOR limit. Logs and production data from our State F-1 No. 9 indicate that the formation characteristics and the producing gas-oil ratios in these pools are all similar. Because of the close proximity of the Hardy to these established Drinkard pools, we believe the current GOR limit of 2,000 in the Hardy Drinkard pool should be similarly increased.


John R. Kemp
Assistant Division Manager

JWR/dlb

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
CASE NO.	EXHIBIT NO.

Dockets Nos. 5-81 and 6-81 are tentatively set for February 11 and 25, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 28, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7135: Application of Celeste C. Cryenberg for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cottonwood Draw Unit Area, comprising 2555 acres, more or less, of State lands in Township 16 South, Range 24 East.
- CASE 7119: (Continued from January 14, 1981, Examiner Hearing)
- Application of Shell Oil Company for a unit agreement, Bernalillo and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Mesa Unit Area, comprising 26,722 acres, more or less, of State, Federal, and fee lands in Townships 10, 11, and 12 North, Ranges 1 and 2 East.
- CASE 7136: Application of Hanson Oil Corporation for amendment of R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the elimination of the NE/4 of Section 26, Township 18 South, Range 30 East, from the Potash-Oil Area as defined by Order No. R-111-A as amended. In the alternative, applicant seeks an exception to the casing and cementing rules of R-111-A for its wells to be drilled within the NE/4 of said Section 26.
- CASE 7137: Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Blanco Mesaverde production in the wellbores of its wells located in: Sections 1 thru 5, and 7, 8, 21, 22, 24, and 25 in Township 26 North, Range 6 West; Sections 13, 14, 23, 24, and 26 in Township 26 North, Range 7 West; and Sections 33 thru 35 in Township 27 North, Range 6 West.
- CASE 7138: Application of Wiser Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 6000 to one, retroactive to May 1, 1980, for the Hardy-Drinkard Pool.
- CASE 7051: (Continued from December 30, 1980, Examiner Hearing)
- Application of Petro Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its L. G. Warlick "B" Well No. 2 located in Unit G of Section 19, Township 21 South, Range 37 East.
- CASE 7139: Application of Yates Petroleum Corporation for amendment of Division Order No. R-6367, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6367 to designate Yates Petroleum Corporation as the operator of the two proration units pooled by said order, replacing McClellan Oil Corporation as operator.
- CASE 7140: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 26, Township 21 South, Range 26 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 1650 feet from the East line of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7100: (Continued from January 14, 1981, Examiner Hearing)
- Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.
- CASE 7141: Application of P & O Oil Field Service for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SW/4 NW/4 of Section 25, Township 25 South, Range 36 East.

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7138

Order No. R-6589

APPLICATION OF WISER OIL COMPANY
FOR A SPECIAL GAS-OIL RATIO LIMITATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 28
1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of February, 1981, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Wiser Oil Company, seeks a special
gas-oil ratio limitation of 6,000 to one, retroactive to May 1,
1980, for the Hardy-Drinkard Pool, Lea County, New Mexico.

(4) That said Drinkard Pool, the Division has previously established a gas-oil ratio limit of 6,000 to 1, and for the well-Drinkard Pool, the established limit is 10,000 to 1.

~~The characteristics of the reservoir and reservoir fluids in~~
(3) That said Hardy-Drinkard Pool is currently a one well pool of unknown extent being developed only by applicant's are very similar to the characteristics of the Drinkard Pool and the well-Drinkard Pool, both located nearby in located in Unit of Section Township, Lea County, as are the producing characteristics Range, NMPM, Lea County, New Mexico.

(5) That the evidence presently available indicates that said Hardy-Drinkard Pool may be produced at a limiting gas-oil ratio of 6,000 to one without waste.

~~(5) That the applicant, on or before data should submit to the Director of the Division as to the size of the reservoir being drained by said , and demonstrating that the Hardy-Drinkard Pool may continue to be produced at a gas-oil ratio of 6,000 to one without waste.~~

(6) That the Director of the Division should be permitted to reopen this case, at his option, for further testimony relative to the proper gas-oil ratio limitation ^{for said} ~~or spacing unit~~ Hardy Drinkard Pool. ~~size following receipt of the data required in Finding No. (5) above.~~

(7) That the application for special gas-oil ratio limitation ^{for the Hardy-Drinkard Pool} should be approved effective ^{approximate} The date of discovery of said pool, May 1, 1980.
IT IS THEREFORE ORDERED:

(1) That effective May 1, 1980, a special gas-oil ratio of 6,000 cubic feet of gas per barrel of oil is hereby established for the Hardy-Drinkard Pool, ^{as} ~~so~~ heretofore defined and described, in Lea County, New Mexico.

IT IS FURTHER ORDERED:

(1) That the applicant, Wiser Oil Company, on or before _____, shall submit data to the Director of the Division demonstrating that the Hardy Drinkard Pool may continue to be produced at a gas-oil ratio of 6,000 to one without waste and establishing the size of the reservoir being drained by said _____.

(2) That following receipt of the data required in Finding No. (5) of this order the Director of the Division may, at his option, reopen this case for further testimony relative to the proper gas-oil ratio limitation or spacing unit size.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

(1) That the Division Director may, at his option, reopen this case at any time to accept further evidence as to the proper gas oil ratio limitation for the Hardy-Drinkard Pool.

January ~~24~~²⁸, 1981

CASE _____

NSP: SF
Hobbs

Application of The Wiser Oil Company for a
special gas-oil ratio limitation, Lea County,
New Mexico.

Applicant, in the above-styled cause, seeks
a special gas-oil ratio limitation of 6000 to
one for the Hardy-Drinkard Pool.

Called in by Bill
Singletary 12/17/80

The Wiser Oil Company

Raise GOR for Hardy-
Drinkard Pool

from 2,000 to 1 to
6,000 to 1

For January 28
hearing