

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 ~~15 December 1983~~

7 4 January 1984

8 EXAMINER HEARING

9 IN THE MATTER OF:

10 Application of Bass Enterprises
11 Production Company for amendment
12 to Division Order No. R-6275A,
13 Lea County, New Mexico.

CASE
8037

14 BEFORE: Richard L. Stamets, Examiner

15 TRANSCRIPT OF HEARING

16 A P P E A R A N C E S

17 For the Oil Conservation
18 Division:

19 W. Perry Pearce, Esq.
20 Legal Counsel to the Division
21 State Land Office Bldg.
22 Santa Fe, New Mexico 87501

23 For the Applicant:

24 Owen Lopez, Esq.
25 HINKLE LAW FIRM
P. O. BOX 2068
Santa Fe, New Mexico 87501

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I N D E X

DANIEL S. NUTTER

Direct Examination by Mr. Lopez

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E X H I B I T S

Bass Exhibit One, Plat	4
Bass Exhibit Two, Schematic	4
Bass Exhibit Three, Schematic	5
Bass Exhibit Four, Logs	5
Bass Exhibit Five, Data Sheet	6
Bass Exhibit Six, Order	7

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2 MR. STAMETS: We'll call Case
3 8037.

4 MR. PEARCE: That case is on
5 the application of Bass Enterprises Production Company for
6 amendment to Division Order No. R-6275A, Lea County, New
7 Mexico.

8 MR. LOPEZ: Mr. Examiner, my
9 name is Owen Lopez, with the Hinkle Law Firm in Santa Fe,
10 New Mexico, appearing on behalf of the applicant.

11 I have one witness to be sworn.

12 MR. PEARCE: Are there other
13 appearances in this matter?

14 (Witness sworn.)

15 DANIEL S. NUTTER,
16 being called as a witness and being duly sworn upon his
17 oath, testified as follows, to-wit:

18
19 DIRECT EXAMINATION

20 BY MR. LOPEZ:

21 Q Would you please state your name, place
22 of residence, and occupation?

23 A My name is Dan Nutter. I'm a consulting
24 engineer in Santa Fe, New Mexico.

25 Q Are you acquainted with the application
in Case Number 8037?

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A Yes, I am.

Q Have you previously testified before the Commission had had your qualifications accepted as a matter of record?

A Yes.

MR. LOPEZ: Is the witness qualified?

MR. STAMETS: He is.

Q Mr. Nutter, would you refer to what's been marked as Exhibit Number One and identify this?

A Exhibit Number One is a plat of the area in question today. The red arrow indicates the subject well, the C. A. Loomis Federal Well No. 1, operated by Bass. The red line indicates the proration unit assigned to the well, which is the north half of Section 5, Township 21 South, Range 32 East, in the South Salt Lake Morrow and South Salt Lake Atoka Gas Pools of Eddy -- Lea County, New Mexico.

Q I'd now ask you to refer to what's been marked Exhibit Number Two and identify it.

A Exhibit Number Two is a schematic diagram of the subject well as it was originally completed.

You'll note that 11-3/4 inch surface casing was set at 560 feet, cement circulated.

8-5/8ths inch intermediate pipe was at 4966 with cement circulated.

5-1/2 inch production casing was set at

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2 14,131 feet, which is the TD. It was cemented with 1735
3 sacks of cement and the top of the cement was calculated at
4 6831 feet.

5 The original perforations in the Morrow
6 were from 13,987 to 95 feet; however, those perforations
7 were squeezed. It was recompleted from 13,672 to 13,901
8 feet in five different selective intervals.

9 2-3/8ths inch tubing was set in a packer
10 at 13,600 feet. That was the original completion.

11 Q Okay. Now I'd ask you to refer to what's
12 been marked Exhibit Number Three and identify it, please.

13 A Exhibit Number Three is the well as it is
14 presently completed. Of course all of the casing and the
15 cement is the same as before; however, a cast iron bridge
16 plug was set at 13,500 feet, capped with five sacks of Class
17 H neat cement.

18 The plugback total depth of the well is
19 now 13,456 feet, so all of the previous Morrow perforations
20 have been isolated.

21 There are presently completed perfora-
22 tions in the Atoka formation from 13,017 feet to 13,027
23 feet.

24 2-3/8ths inch tubing has been installed
25 in a packer which is set at 12,900 feet, which is, of
course, within 200 feet of the uppermost perforation.

Q Now I would ask you to refer to what's
been marked Exhibit Number Four and identify them.

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2 A Exhibit Number Four are two logs.
3 There's a compensated neutron density log here and a
4 dualatero log of the well.

5 The formation tops for the pertinent
6 formations are marked on each of these logs.

7 Q Okay.

8 A Of the Atoka and Morrow are the only ones
9 that are indicated.

10 Q Referring to what's been marked Exhibit
11 Number Five, would you identify it?

12 A Exhibit Number Five is a general data
13 sheet for the subject well. It was spudded November 14th,
14 1980, completed March the 26th, 1981. It had a great poten-
15 tial in the Morrow, 7,084,000 cubic feet per day. The grav-
16 ity of the gas was .6184. Gravity of the condensate was
17 51.5.

18 The formation tops are indicated. The
19 top of the Atoka is 13,015. Top of the Upper Morrow,
20 13,343; the Middle Morrow, 13,526; the Lower Morrow, 13,970.

21 First production from the well was in
22 August of 1981. Cumulative production from that date
23 through 1982 was 176,063 Mcf.

24 Production for the individual months in
25 1983 is given. You can see that in January of 1983 it pro-
duced 1157 Mcf of gas. This declined to 123 Mcf of gas in
August.

During the month of September the well

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2 was taken off production and recompleted in the Atoka form-
3 ation.

4 Cumulative total production from the Mor-
5 row was only 182,353 feet. It's been a very disappointing
6 well in the Morrow.

7 It was recompleted, as I say, in the fall
8 of 1983 in the Atoka formation for an IP in that formation
9 of 646 Mcf of gas per day.

10 Q I'd now ask you to refer to what's been
11 marked as Exhibit Number Six and identify it.

12 A Exhibit Number Six is the order which
13 authorized the drilling of the well at the unorthodox loca-
14 tion in the Morrow formation. The application was original-
15 ly filed by Texaco for the unorthodox location; however,
16 Bass took over operation of the well prior to its being
17 drilled. Bass drilled the well, completed it, and has pro-
18 duced it to depletion in the Morrow and has recompleted it
19 in the Atoka formation.

20 Q Is administrative approval usually
21 granted in situations of this kind?

22 A The well would be eligible for adminis-
23 trative approval for recompletion in the Atoka had it been
24 drilled at a standard location in the Morrow; however, it
25 was drilled at an unorthodox location, so a hearing is
26 necessary to get approval for the Atoka formation recomple-
27 tion.

28 Q So all we need is an amendment to this

1
2 previous order?

3 A That is correct.

4 Q Is there any urgency in the granting of
5 this amendment or order?

6 A Well, the well is complete. The well has
7 been recompleted. The well is connected and ready to pro-
8 duce upon approval of the Division of this unorthodox loca-
9 tion.

10 Q In your opinion will the granting of this
11 application be in the interest of the prevention of waste
12 and the protection of correlative rights?

13 A I don't believe that the well will impair
14 anyone's correlative rights. There's very little Atoka for-
15 mation in this portion of the South Salt Lake Atoka Gas
16 Pool, and if there is any possibility of salvaging what's
17 left of a very expensive well that's produced, as I said,
18 only 182,000 Mcf, it hasn't paid out, I doubt if it ever
19 will, but this is an attempt to salvage what is left of the
20 well, so it would be in the interest of conservation to be
21 able to produce some gas out of it at any rate.

22 Q Were Exhibits One through Six prepared by
23 you or under your supervision?

24 A They were.

25 MR. LOPEZ: I'd now move the
admission of Exhibits One through Six.

MR. STAMETS: The exhibits will
be admitted.

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MR. LOPEZ: I have nothing further.

MR. STAMETS: Any questions of the witness? He may be excused.

Anything further in the case?

The case will be taken under advisement.

(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 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 CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 8037 heard by me on 1-17 1984,
Richard R. [Signature] Examiner
Oil Conservation Division