BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

TRANSCRIPTION OF HEARING

CASE NO. 424

November 20, 1952

E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1503
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

November 20, 1952

- - - - - - - - - - - - - - - - - - - -

In the Matter of:

Amerada's application for order granting exception to Rule 404 of the Commission's Rules and Regulations relating to production of gas from State "MA" No. 1, Moore-Devonian Pool, Lea County, New Mexico. Case No. 424

- - - - - - - - - - - - - - - - - - - -

(Notice of Publication read by Mr. White.)

MR. SPURRIER: The meeting will come to order, please. The next case on the Docket is 424.

MR. CHRISTIE: R. S. Christie, Amerada Petroleum Corporation. Do you accept my qualifications, Mr. Spurrier?

MR. SPURRIER: Yes, sir.

MR. RAY: I would like the record to show the appearance of C. H. Ray for the Texas Company in this case.

MR. CHRISTIE: Request is made to produce our State "MA" No. 1, a gas well completed in the Wolfe-Camp formation as an exception to the Statewide Rule 404 production therefrom to be used for the gas lift operation on our A. M. Lea well No. 1. The Lea well is located in the center of the northeast quarter of the southeast quarter Section 23, Township 11 south, Range 32 east. This well was completed in the Devonian through

perforations at 10,664 to 10,680 feet. On potential test September 19, 1952, well produced 269 barrels of oil, 77 barrels of water and 1.2 percent B.S. with a gas-oil ratio of 22 cubic feet per barrel. On 24 hour test taken October 29, 1952, the well produced 80 barrels of oil and 136 barrels of water on gas lift with a gas fluid ratio of 2988 cubic feet per barrel. The first 15 days of November the well averaged approximately 72 barrels daily. The well has a low producing fluid level which would require a large pumping unit to lift an equivalent amount of fluid. Therefore, we expect fully to request the Commission grant us permission to use gas from our State "MA" No. 1 Well for gas lift operations on our Lea No. 1 and especially until we can determine the approximate future recovery by the decline curve on our A. M. Lea No. 1. We feel in this particular instance a gas lift is more economical, a greater ultimate recovery may be obtained and certainly less steel required to recover the oil.

MR. SPURRIER: What do you intend to do with the gas after you lift the oil?

MR. CHRISTIE: The gas will be used for lease operations and the majority of it will be flared. We have a treater that we are treating the oil with and of course that will require a very small amount of the gas that is being used for gas lift. The remainder will be flared.

MR. SPURRIER: Anyone else have a question of this witness?

MR. RAY: Mr. Christie, what is the location of your

State "MA" in regard to the Texas Company's No. 1 Moore Well?

MR. CHRISTIE: The State "MA" is north offset to the Texas Company State H Four No. 1.

MR. RAY: Do you know whether the Wolfe-Camp Section from which you produce gas in your "MA" would be present in the Moore, The Texas Company Moore Well?

MR. CHRISTIE: No, I do not. As far as I know there has been no other, there has been no oil found in Wolfe-Camp in that area. I believe that several of the other wells have tested gas.

MR. RAY: You have no specific knowledge, though, that the Texas Company Moore Well tested gas?

MR. CHRISTIE: No, sir, I haven't the information.

MR. RAY: And you say that the gas which would be used in gas lifting the Lea Well would be flared predominately?

MR. CHRISTIE: The majority of it would be because we have to operate at low separator pressures and we can't maintain enough pressure on it to use it for drilling purposes on rigs in the immediate area.

MR. RAY: Would it be possible to produce the A.M. Lea Well by pumping?

MR. CHRISTIE: Yes, it would be.

MR. RAY: That is all.

MR. SPURRIER: Anyone else? If not the witness may be excused.

MR. CHRISTIE: I have a couple of Exhibits that I would like to present if I may. The Exhibit No. 1 shows the daily production of the Lea No. 1.

(Amerada's Exhibit No. 1
Marked for Identification.)

Exhibit No. 2 is the bottom hole pressure test showing the pressure and fluid under flowing conditions.

(Amerada's Exhibit No. 2
Marked for Identification.)

Exhibit No. 3 shows the production of gas and distillate from our State "MA" No. 1.

(Amerada's Exhibit No. 3
Marked for Identification.)

MR. GRAHAM: Is there any sort of a market, possible market for such gas out of the Wolfe-Camp?

A The only market at the present time is for the local drillings rigs in that area and we are furnishing gas to some of those rigs from our State "MA" No. 1.

MR. GRAHAM: That is of the leases?

A Yes, sir. I would like to enter those in evidence as part of the testimony.

MR. SPURRIER: Is there any objection to these Exhibits? If not they will be received. Anyone else have a comment in this case?

MR. RAY: I would like to make a statement on behalf of the Texas Company. The drill stem test taken in Texas Company's Moore Well No. 1 shows that gas to be present in the Wolfe-Camp horizon at the approximate depth from that that the Amerada "MA" produces gas. The witness has stated that the Lea Well can be produced by pumping. He has further stated that the gas used to gas lift this well will be flared. Therefore, the

Texas Company requests that this application be denied in that such a use of this gas would constitute waste and would drain the reservoir from which there is no commercial market and therefore we could not protect our properties from offset drainage.

MR. SPURRIER: Anyone else? If not we will move on and take this case under advisement. The next case is 425.

STATE OF NEW MEXICO )
:
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 424 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on November 20, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 29th day of November.

REPORTER