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BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 617, 618

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 18, 1954

IN THE MATTER OF:

Texas Pacific Coal & Oil Company's application for approval of unorthodox gas proration unit of 160 acres in S/2 NE/4 Section 20 and S/2 NW/4 Section 21 in Township 23 S, Range 36 E; for extension of Jalco Pool to include S/2 NE/4 20-23S-36E; and for approval of present location of applicant's N. M. State 'A' a/c-1 Wells No. 3 and No. 6 in SW NW and SE NW, respectively of 21-23S-36E.

Cases 617 &
618 (Cont'd.)

Texas Pacific Coal & Oil Company's application for approval of unorthodox gas proration unit of 160 acres in N/2 NE/3 Section 20 and N/2 NW/4 Section 21 in Township 23 South, Range 36 East; for extension of Jalco Gas Pool to include N/2 NE/4 20-23S-36E; and for approval of present location of applicant's N. M. State 'A' a/c-1 Well No. 4, NE NW 21-23S-36E.

Consolidated

BEFORE:

Honorable Edwin L. Mechem
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. CAMPBELL: These other two cases involve the same area, if the Commission please, and for the purpose of expediting the hearing I would like to ask, that for the purpose of introducing evidence, that the two cases be consolidated since it will save some time.

MR. MACEY: Is there any objection to the consolidation of Cases 617 and 618?

MR. CAMPBELL: Cases 617 and 618, the application sought the approval of 160 acre non-standard units. We have decided to delete from the requested acreage the west 80 acres of the NE/4 of Section

20. In other words, what we are seeking is a 120 acre gas proration unit consisting of the north half of the northwest quarter of Section 21 and the northeast quarter, northeast quarter of Section 20. A similar unit, 120 acres immediately to the south of that acreage there.

JOHN YUROKA,

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

DIRECT EXAMINATION

By MR. CAMPBELL:

Q Mr. Yuroka, by whom are you employed?

A Texas Pacific Coal and Oil Company.

Q In what capacity?

A District Engineer.

Q You have testified previously before this Commission?

A Yes, I have.

MR. CAMPBELL: Are the witness's qualifications acceptable to the Commission?

MR. MACEY: They are.

Q In connection with your employment with Texas Pacific Coal and Oil Company, are you acquainted with their applications for non-standard gas proration units in the Jalmat Gas Pool in Sections 20 and 21, Township 23 South, Range 36 East?

A Yes, I am.

(Marked Texas Pacific Coal & Oil Company's Exhibit 1, Case 617, for identification.)

Q I show you what has been marked Texas Pacific Coal and Oil Company's Exhibit 1 in Case 617 and ask you to state what that

is?

A It is an east-west cross section from Well No. 5 in the east half of Section 20, Township 23 South, Range 36 East, through the Wells No. 3 and 6, Texas Pacific, and the south half of the northwest quarter of Section 21, over Texas Pacific Wells No. 19, in Section 22, Township 23 South, Range 36 East.

Q Referring to the proposed unit in Case 617, which is the south half of the northwest quarter and the southeast quarter of the northeast quarter of Section 20, where are the gas wells located on that unit?

A Number 3 is in the southwest of the northwest; Number 6 is in the southeast of the northwest.

Q What do the cross sections there reflect with reference to the completion data on those two gas wells, are they situated entirely within the Jalmat Gas Pool?

A They are all producing from the Yates Formation.

Q What information do you have on the potential of those two gas wells?

A Well Number 3, when it was worked over in '46, the potential was 8,200 MCF per day. The last absolute open-flow on the well is 2,800 MCF per day. Well Number 6, upon completion of remedial work in May of '46, it tested 6,000 MCF per day, and the last absolute open-flow potential showed that it could produce 2,200 MCF per day.

Q In your opinion, if the proposed unit is approved and a 120 acre allowable is granted, are these two wells capable of producing that allowable without waste?

A Yes, they are.

Q I notice on the plat here that there is a Well Number 5 in the west half of the northeast quarter of Section 20 which has been plugged and abandoned. Will you state briefly to the Commission the history of that well? I call the attention of the Commission to the fact that in this case we are seeking to have the limits of the Jalmat Gas Pool extended to cover the two 40-acre tracts in Section 20 which are proposed as parts of these two units. I assume the line was drawn originally where it is because of the plugged and abandoned hole, as far as gas is concerned. I want the witness to explain to the Commission the history of that Well Number 5 to show why we feel these should be included in the pool and granted an allowable. Will you do that, Mr. Yuronka?

A Well Number 5 was completed in August, 1930. Seven inch casing was set at 3645 and total depth was 3793. At this depth the well was tested and it produced one hundred percent water. So, it was plugged back to 3,500 feet and cement drilled out at 3690, then the Yates Formation was shot from 3645 to 3690 with nitro and the well tested 7,000 MCF per day. This gas has been reported making a total of 31,059 MCF, this was from a period of June to October, 1947. At that time the well watered out and in August '49 remedial work, the well was plugged back to the Yates and perforated from 3470 to 3540. When this was tested after acid treatment, no production was obtained.

In January of '52 the well was perforated again in the Yates in the indicated areas here, and the well was treated with a three batch hydrofrac job. It was swabbed dry and no production at all was obtained. We have found that in trying to work over old wells in this area in the Jalmat area, that because of completion methods

in the early days, it is practically impossible to recover any appreciable amount of gas in the Yates Formation.

Q Have you had that experience with other wells that were drilled in the early days?

A Yes, we have quite a few wells like that.

Q I notice that the cross section you have there does not show any change in the presence of the Yates Formation as you move to the west, at least to the point where this Well Number 5 was drilled. What does that indicate to you?

A It would indicate no pinching out of the formation.

Q Based upon that, and upon the production history of this Well Number 5, as you have previously stated, is it your opinion that there is present not only the formation, but gas under the west half of the northeast quarter of Section 20?

A Yes.

(Marked Texas Pacific Coal and Oil Company's Exhibit 2, Case 617, for identification.)

Q I hand you what has been marked as Exhibit 2 in Case 617 and ask you to state what that is?

A Exhibit Number 2 is a contour map of the particular area involved, and indicates there is a sharp drop in the structure there and we have not been able to draw any contour lines past Number 5, as there aren't any wells drilled in that area, and there wouldn't be any control whatsoever.

Q As far as you have projected it by controls, is there any indication of the disappearance of the gas formation up to the center line of the northeast quarter of Section 20, with reference to Case Number --

A No.

Q With reference to Case 618.

(Marked Texas Pacific Coal and Oil Company's Exhibit No. 1, Case 618, for identification.)

Q I hand you what has been marked Exhibit Number 1 in Case 618, and ask you to state what that is, Mr. Yuronka?

A This exhibit is an east-west cross section from the north-half of the northeast quarter of Section 20, Township 23 South, Range 36 East, and includes the Texas Pacific State A, Account 1 Well Number 4 in Section 21, Township 23 South, Range 36 East, over to the Gulf Janda State E Number 2 in Section 21, Township 23, South, Range 36 East.

Q Where is the gas well you propose to use insofar as this unit is concerned, Well Number 4?

A This Well Number 4 is in the northeast quarter of the northwest quarter of Section 21.

Q Does that cross section reflect whether this well is completed entirely in the, what is now defined as the Jalmat Gas Pool?

A Yes.

Q What potential does that well have?

A Well Number 4, upon completion in August, 1930, was completed as an oil well and produced 1,247 barrels of oil before being converted to a gas well. This remedial work took place in September of 1946 and the last absolute openflow test on the well in July 1953, 440 MCF per day.

Q In your opinion, if the 120 acre gas unit were granted, with reference to this proposed non-standard unit, would Well Number 4 be able to make that allowable without waste?

A Yes.

Q With reference to the west portion, the west 40 acres of the proposed unit, which is the northeast quarter, northeast quarter of Section 20, does your same testimony with reference to Well Number 5 apply to this unit to the north?

A Yes, it does.

Q In your opinion, is the formation and gas present under the northeast quarter of the northeast quarter of Section 20, Township 23 South, Range 36 East?

A Yes.

MR. CAMPBELL: I believe that is all. I would like to offer those exhibits in evidence in Cases 617, 618.

MR. MACEY: Is there objection to the introduction of the exhibits in Cases 617 and 618? If not they will be received in evidence. Are there any questions of the witness?

MR. KELLAHIN: Jason Kellahin, representing Continental Oil Company. I have a couple of questions I would like to ask.

CROSS EXAMINATION

By MR. KELLAHIN:

Q Did Texas Pacific Coal and Oil Company drill a well in the southwest quarter of Section 20?

A Southwest of Section 20?

Q Yes.

A Yes, they have one well there.

Q Is it producing?

A No, pardon me, no, not in the southwest of 20.

Q You never drilled a well in that location?

A No.

Q The Well Number 5 you referred to, I take it, is State A Account Number 1, Well Number 5 in the northeast quarter, is it not?

A That is right.

Q You have no such well in the southwest quarter of Section 20?

A No.

MR. KELLAHIN: I would like to call the Commission's attention to its own records which disclose a miscellaneous report on wells, dated November 8, 1930, showing a Well A-5 drilled in the southwest quarter of Section 20, Township 23 South, Range 36 East, which apparently has been plugged and abandoned, and also the Commission's records disclose the completion data on this well under date of October 15, 1930, giving the same location. Perhaps there is some confusion in this. That is the reason I wanted to point it out to the Commission.

I would also like to call the attention to the Commission's records under date of June 8, 1952, the Texas Pacific Coal and Oil Company's proposal to perforate the Well Number 5, as giving the location, State A, Account 1 Well Number 5 in the northeast quarter of Section 20. Also the report, January 23, 1953, a proposal to perforate that same well, the latter one I referred to. Report of February 15, 1952, a report on the cementing program on the well located in the northeast quarter of Section 20 and also showing that that date the well was temporarily abandoned, and then under report of May 12, 1952, the plugging data and abandonment of the well, also giving the location as the east half of the northeast quarter of Section 20, Township 23 South, Range 36 East. Perhaps there was some mistake on the first two reports, I don't know.

Apparently, the witness says there was no such well down there, but the report filed with the Commission does show a well designated as A-5, located in the southwest quarter of Section 20. It caused some confusion in our minds as to whether that is the same well or not.

A To my knowledge the only well that Texas Pacific has drilled in Section 20 was Number 5, and we did remedial work on the early part of '52 and we plugged and abandoned it in July of '52.

Q Did you testify as to what that well tested on initial potential?

A I believe I did. I could repeat it for you if you like.

MR. CAMPBELL: 7,000.

MR. KELLAHIN: 7,000?

MR. CAMPBELL: Yes.

Q You don't have any data located in the southwest quarter as to whether it was tested or anything?

A There isn't anything there to my knowledge.

MR. KELLAHIN: I would like to call the Commission's attention to the report filed by the Texas Pacific Coal and Oil Company on the well located in the southwest quarter, showing that it tested approximately 7,000,000 cubic feet of gas per day.

RE-DIRECT EXAMINATION

By MR. CAMPBELL:

Q There isn't any well in the southwest quarter, is there?

A Well, the southwest quarter of Section 20, we don't own the property. Evidently it was a mistake, a typographical error on the part of the clerk or the man who made out the form.

MR. CAMPBELL: That is all.

MR. MACEY: Any further questions of the witness? Mr. Yuronka, could you clear up the confusion as to where the well is? To the best of your knowledge the well is located as it is expressed on this exhibit, is that correct?

A Yes, in the east half of the northeast quarter .

MR. MACEY: Any further questions of the witness? If not the witness may be excused.

MR. CAMPBELL: That is all.

(Witness excused.)

MR. KELLAHIN: Before the Commission continues, we would turn these in for the record. They are photostatic copies of the Commission's records.

MR. CAMPBELL: What is the point? If they made a mistake, they made a mistake.

MR. KELLAHIN: The point is that the well test showing the 7,000,000 cubic feet production shows the well to be located in the southeast quarter. Whether it is or not I have no way of knowing. It shows no production from the well in the northeast quarter.

MR. WALKER: Don Walker with Gulf. We own the 160 acre Janda E lease, which is directly east of the two units being proposed by Texas Pacific, and our records indicate that there is sufficient sand thickness underlying Well Number 5, which, with modern completion practices could be a producing gas well. We would favor the approval of Texas Pacific's amended applications.

MR. MACEY: Anyone else?

MR. KELLAHIN: I would like to make a statement on behalf of Continental. Continental owns the northwest quarter of Section 20. The record we have available indicates there is no production

whatever west of the line between the Section 21 and Section 20. We feel that the Commission's own records reflect that the acreage that is sought to be allotted to these units lying within Section 20 are not productive of gas and for that reason we oppose the application.

MR. MACEY: Anyone else? If not the case will be taken under advisement.

STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO) SS.

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 20th day of August, 1954.


 Notary Public, Court Reporter

My Commission Expires:
 June 19, 1955