

BEFORE THE
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

Santa Fe, New Mexico

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TRANSCRIPT OF PROCEEDINGS

CASE NO. 705

Regular Hearing

May 19, 1954

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
May 19, 1954

IN THE MATTER OF:

Application of Kewanee Oil Company to Case No. 705
drill certain oil wells in unorthodox locations.

Applicant, in the above-styled case, seeks an order authorizing the drilling of three (3) oil wells in unorthodox locations. One of the wells, designated as Baish Well No. 37-B, is to be located in the SE/4 of Section 27; one, designated as Pearsall Well No. 14-A, is to be located in NE/4 of Section 33; and one, designated as the Pearsall Well No. 6-BX, is to be located in the NE/4 of Section 34, all in Township 17 South, Range 32 East, Lea County, New Mexico, in the Pearsall Pool.

TRANSCRIPT OF PROCEEDINGS

DIRECT EXAMINATION

By MR. COCHRAN:

Q Will you state your name, please?

A W. H. Miles.

Q Are you the same W. H. Miles who just testified in Case No. 704?

A I am.

Q Mr. Miles, you are familiar with the application of Kewanee Oil Company to drill three unorthodox Red sand locations on the Baish lease, the Pearsall A lease and the Pearsall ~~WX~~^{BX} lease in Lea County?

A I am.

MR. COCHRAN: Mark Exhibit No. 1.

(Marked Kewanee's Exhibit No. 1
for identification.)

Q I hand you a map marked Kewanee's Exhibit No. 1. Will you state to the Commission what that map shows?

A Kewanee's Exhibit No. 1 is a map of the general Maljamar

field area showing in color Kewanee's Baish, a portion of Kewanee's Baish B lease located in Section 27, Kewanee's Pearsall A lease located in Section 33, and Kewanee's Pearsall BX lease, located in Section 34, all in Township 17 south, Range 32 east, Lea County, New Mexico.

Q How are the proposed Red sand locations designated on this map?

A They are shown on this map as Kewanee's Baish B No. 37, which is located 1345 feet north of the south line, 1345 feet west of the east line of Section 27, Township 17 south, Range 32 east. Kewanee Pearsall No. 14 A, located 1345 feet south of the north line, 2615 feet west of the east line of Section 33, Township 17 south, Range 32 east and Pearsall No. 6-BX located 1345 feet south of the north line, and 1295 feet west of the east line of Section 34, Township 17 south, Range 32 east. The wells are shown in red on the subject map.

Q Mr. Miles, how many wells have been drilled on the Baish B lease?

A At the present time there have been a total of 30 producing wells drilled on the Baish B lease. One well, those 30 wells are producing from the Maljamar pay. One well has been drilled and is producing from the Red sand. There are 7 gas input wells which are being used to inject gas in the Maljamar pay and one well was drilled to the Yates sand and was completed as a dry hole. In addition, there is one other well, Kewanee Baish No. 36, which is at the present time temporarily abandoned well.

Q How many wells have been drilled on the Pearsall A lease?

A The Pearsall A lease, there have been drilled 7 producing

in the Maljamar and two producing wells in the Red sand pay. In addition there are two wells on the Pearsall A lease which have been completed as dry holes. One well has been drilled on the Pearsall A lease as a gas input well. At the present time 7 wells on the Pearsall A lease are producing from the Maljamar pay and two producing from the Red sands.

Q How many wells have been drilled on the Pearsall BX?

A Two wells drilled on the Pearsall BX lease, one of which was originally completed in the Maljamar pay and has recently been plugged back and recompleted in the Red sand.

Q The wells that are producing on these leases from the Maljamar pay are in what pool?

A They are located in the Maljamar Pool.

Q And the wells that are producing from the Red sand are located in what pool?

A Pearsall Pool.

Q Mr. Miles, have you prepared a diagram or picture showing how you propose to complete these three wells?

A Yes, I have.

MR. COCHRAN: Mark this Exhibit No. 2.

(Marked Kewanee's Exhibit No. 2
for identification.)

Q I hand you Kewanee's Exhibit No. 2. Will you tell the Commission what this exhibit portrays?

A This is a Kewanee Exhibit No. 2, is a diagrammatic sketch of our method of completing these proposed wells using as a basis a typical gamma ray neutron curve to portray the geologic sections encountered in the typical well. In the drilling of these wells we plan to use a conventional rotary method and drill to the top of the Red sand and at this point diamond core the entire Red sand section

upon completion of this work we plan to drill on to the top of the six zone pay which is the regular, the top producing horizon and the regular Maljamar Pool.

At this point we plan to continue diamond coring operations through the Grayberg-San Andres horizon to a depth of approximately 4200 feet, or through the oil-water contact of the Maljamar pay. Upon completion of this work we plan to run conventional electric logs and then set production string, production casing all the way through the Maljamar pay and use sufficient cement to protect all the producing horizons. Upon completion of this work we plan to set a permanent type bridging plug at the base of the Red sand and then perforate the Red sand section, sand-oil treat with sufficient volume to stimulate production and place the well on production from the Red sand horizon.

Q Mr. Miles, would you explain to the Commission what may be done with these wells later on when the Red sand has been depleted?

A We feel that by drilling these three wells in this manner, that we will be able to systematically develop the Red sand zone known to be present in this area and we will also be able to develop regular five spot Maljamar pay wells to be used later as either gas or water input wells, or as oil producers, whichever the case may be, to ultimately augment the present secondary recovery project now under way in the Grayberg and San Andres horizon of the Maljamar Pool.

Q In your opinion as a petroleum engineer, would the drilling of these wells in this manner be in the interest of conservation and prevent waste?

A Yes, sir, we definitely feel that it would.

Q If the Commission grants permission to drill these three wells, what is your proposal with reference to the allowable for each well?

A We propose that if the Commission grants us approval to drill these wells that we be granted an allowable for each Red sand well separate from the other Maljamar wells located upon the same 40 acre tract which are now producing from the regular Maljamar Pool.

Q These being federal leases, I have somewhere a letter from the United States Geological Survey. Would you mark that Exhibit No. 3.

(Marked Kewanee's Exhibit No. 3 for identification.)

MR. COCHRAN: -- in which it is stated that no objection is offered to the proposed locations. We would like to offer at this time Kewanee's Exhibits one, two and three in evidence in this case.

MR. SPURRIER: Without objections they will be admitted.

MR. COCHRAN: That is all.

MR. SPURRIER: Anyone have a question of the witness? If not the witness may be excused. (Witness excused.)

MR. SPURRIER: Are there any further comments in this case? We will take the case under advisement and take a short recess.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 705 was taken by me on May 19, 1954, that the same is a true and correct record to the best of my knowledge, skill and ability.

Ada Dearnley
Reporter