BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
December 21, 1955

IN THE MATTER OF:

CASE NO. 987

TRANSCRIPT OF PROCEEDINGS

NEW MEXICO OIL CONSERVATION COMMISSION
~~MABRY HALL - STATE CAPITOL~~ N.M.O.C.C. Hobbs
~~SANTA FE,~~ NEW MEXICO

Case #987

REGISTER

HEARING DATE December 21, 1955 TIME: 11:00 A.M.

NAME:	REPRESENTING:	LOCATION
C M Bumpass	Gulf Oil Corp	Hobbs
J. D. Albright	Cities Service	Hobbs

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
December 21, 1955

IN THE MATTER OF:	
Application of Cities Service Oil Company for an order approving a non-standard gas proration unit consisting of the N/2 of Section 32, Township 21 South, Range 36 East, in the Eumont Gas Pool, Lea County, New Mexico.	Case No. 987

BEFORE:

Warren W. Mankin, Examiner

TRANSCRIPT OF HEARING

HEARING EXAMINER MANKIN: The hearing will come to order. We have only one case set for hearing today, it is Case 987, the application of Cities Service Oil Company for a non-standard unit in the Eumont Gas Pool. Do we now have any witnesses that are to testify in this case and to be sworn in?

JOHN D. ALBRIGHT

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

MR. ALBRIGHT: This is an application by Cities Service Oil Company for approval of a 320-acre non-standard gas proration unit to include the N/2 of Section 32, 21 South, 36 East, to be assigned the State "D" No. 3, in the Eumont Gas Pool, Lea County, New Mexico.

MR. MANKIN: Mr. Albright, before we proceed, you have previously testified as an expert engineering witness before the Commission, have you not?

MR. ALBRIGHT: Yes Sir.

MR. GURLEY: Please repeat your full name and position.

MR. ALBRIGHT: John D. Albright, District Engineer, Hobbs, New Mexico for the Cities Service Oil Company.

MR. MANKIN: Qualifications are accepted, proceed.

MR. ALBRIGHT: In support of our application we would like to submit the following exhibits. Exhibit 1. This is a radio-activity well log on the State "D" No. 3. An examination of this radio-activity well log indicates that this well is presently completed within the vertical limits of the Eumont Gas Pool. It also indicates that this well was initially completed January 27, 1936, from a depth of 3798 to 3900. Its initial potential is 331 barrels of oil per hour with 25 million cubic feet of gas per day. In 1941 this well was plugged back to 3869', perforated from 3446 to 3458 and from 3586 to 3600. On September 30, 1946, this well was started to be used to furnish gas-lifting the other wells on this lease. During November of 1955 this well was plugged back to 3765', which was above the former open-hole completion and perforated at intervals as indicated on the well log, fractured, and its initial potential on November 10, 1955, was 3060 Mcf gas per day.

MR. MANKIN: Mr. Albright, first, when you said it was plugged back, it was originally completed prior to November 1955, was the completion in the Yates, Seven Rivers and Queen?

MR. ALBRIGHT: No Sir. It was completed in the lower Seven Rivers and the Queen. At the time of the completion, this completion was called the lime completion, and when these wells were reclassified according to Order R-520, they were reclassified as oil wells in the Eumont Gas Pool. We plugged this well back above the producing horizon in the other oil wells on this lease.

MR. MANKIN: The other oil wells were completed in the Queen?

MR. ALBRIGHT: Yes Sir. Our second exhibit is a plat from the area. Exhibit two indicates the wells status in the area, whether it is oil wells or gas wells. It indicates the gas pool boundaries, it indicates the gas proration units allocated to the gas wells, either as they are now given or as application has been made for them. You might note that the west half of the south boundary of the State "D" lease is the boundary between the Jalmat and Eumont Gas Pools. I would like to introduce as exhibit three, a plat of the State "D" area, oontoured on top of the Yates sand.

MR. GURLEY: One question Mr. Albright. This is owned completely by Cities Service, and it is all state land, is that correct?

MR. ALBRIGHT: Yes Sir. I would like to introduce exhibit three. This is, as I stated, a plat contoured on top of the Yates sand, contour interval of 50 feet. As the plat indicates, the only tops that are shown here are tops where wells have been logged. These are as correlated by Order R-520. As you can see we have approximately ten tops on this plat. This does not give too much control in this area, but this

contour plat on the present surrounding gas wells would indicate that it is reasonable to presume that the entire N/2 of this section is productive of gas.

MR. GURLEY: Did you prepare this plat?

MR. ALBRIGHT: Yes.

MR. GURLEY: From this plat then, is it your opinion that it is productive of gas?

MR. ALBRIGHT: Yes Sir. I would like to note here, so that you will be aware of it as indicated on exhibit two, on the gas pool boundaries most of the oil wells in the Eumont area are classified as oil wells in a gas pool, in the Jalmat Pool, and the Pech State No. 1 is classified as an oil well in the Jalmat Pool while the other wells are classified as oil wells in the South Eunice Pool. The Moore Pech State No. 1 is classified as an oil well in the Jalmat Gas Pool, but this Moore well is the only oil well in this vicinity which is producing oil from the Yates formation.

MR. MANKIN: Which well is producing oil from the Yates formation?

MR. ALBRIGHT: The Moore Pech State No. 1.

MR. MANKIN: And the others in most cases are Lower Seven Rivers, are they not--------or Queen?

MR. ALBRIGHT: Yes Sir.

MR. MANKIN: The well offsetting this well in Section 33, which

is the Gulf Arnott Ramsey "D" No. 1, is that not producing from the Eumont oil also? Is that the Arnott Ramsay "D" No. 1?

MR. ALBRIGHT: I believe it is.

MR. MANKIN: And which is producing oil from the Yates, do you happen to know?

MR. ALBRIGHT: I was not aware that it was producing from the Yates. I believe it is producing from the Queen interval, which is the same interval as the State "D" Nos. 1, 2, and 4.

MR. MANKIN: Which is the same thing as your well is producing?

MR. ALBRIGHT: Yes Sir, our oil wells.

MR. MANKIN: Is this particular well in question, Well No. 3, does it produce any liquids?

MR. ALBRIGHT: On our initial potential it produced approximately eight barrels of fluid, but that was fractured fluid and we believe that as soon as that cleans up that it will be dry gas production.

MR. MANKIN: Dry gas from the Yates and the upper part of the Seven Rivers? Is it the upper Seven Rivers or part of the middle?

MR. ALBRIGHT: This indicates that it is Yates, probably upper and middle Seven Rivers. This log actually does not reach the Queen formation or estimated top on the Queen formation. From correlating this log with the key well logs it is 3860'. Our log was only to a depth of 3850'.

MR. MANKIN: So it is some 200' above the top of the Queen, you might interpret that?

MR. ALBRIGHT: Yes Sir.

MR. MANKIN: The bottom perforations?

MR. ALBRIGHT: Yes Sir.

MR. MANKIN: Did you have anything else?

MR. MONTGOMERY: Mr. Albright, the Moore Well which is a Yates oil well, you indicated that possibly part of the N/2 of Section 32 would be oil productive.

MR. ALBRIGHT: Yes Sir, that is right .

MR. MONTGOMERY: It would be possible that a portion of the N/2 of Section 32 might be productive of oil in the Yates formation.

MR. ALBRIGHT: I think that there would be a remote possibility that the extreme west edge of this lease would be oil productive, but I think before you could tell for sure from that, that additional production history would be needed on the Moore well. I understand that the information I have is taken from the Commission's records.

MR. MANKIN: While you are looking that up Mr. Albright, is it not true that in Section 31, the Late Rector Well is a dry gas Yates well, which is just west of your unit?

MR. ALBRIGHT: Yes Sir, that is correct.

MR. MANKIN: So that would lend some possibility of further production of gas, although it is questionable about a possible corner there offsetting the Moore Pech State No. 1------might be just a very small portion.

MR. ALBRIGHT: Yes Sir. I have the information on the Moore well. The Moore Pech State No. 1 was completed August 24, 1955,

through perforated intervals 3300-3445. The elevation on this well was 3631'. After acidizing and fracturing, this well was completed for an initial potential of 184 barrels of oil per day, with a flowing tubing pressure of 300 pounds on an 18/64" choke. I understand that at the present time the production of this well has declined to approximately 30 barrels of oil per day, with a GOR of approximately 1700. There have been quite a few wells as indicated on the plat that have been completed in this immediate area. Unless this production was maintained for a fairly long period of time which would indicate a fairly large oil accumulation, I would be inclined to believe that that was a very small accumulation and that it will decline rapidly and that possibly upon perforating additional sections, gas will be obtained.

MR. MONTGOMERY: I notice that this well was made a gas well in November of this year, is that correct?

MR. ALBRIGHT: That is correct. This well-----we asked for reclassification as a gas well prior to this time----this well has been carried as a gas well in the Eunice-Monument Pool. It has not been carried as a Eumont gas well and no allowable has been assigned to this well. It has furnished gas only for gas-lifting wells 1, 2, and 4, and this gas was then sold as casinghead gas. It was a fairly small volume of approximately 250,000 cubic feet per day and this well was never assigned any gas allowable prior to this application.

MR. MONTGOMERY: Is there any particular reason why you

did not use wells 1, and 2 when you decided to make a dry gas well, and to dedicate acreage so that your footage would be in accordance with Order R-520?

MR. ALBRIGHT: Yes, the particular reason as was indicated on our log. In 1941 an interval from 3446 to 58 and from 3586 to 3600 was perforated in the State "D" No. 3. As to the particular reason they perforated that interval I could not tell you. I do know that after they did perforate that interval that the well never produced a large volume of oil and produced mostly gas. We were of the opinion that the gas that we were producing for gas-lift was coming from those upper perforations. That is the reason that we went into that well and opened additional perforation and fractured to complete a gas well, rather than choosing either well No. 1, or 2, which were located such that they could drain the N/2 of that section without reason to have hearing.

MR. MANKIN: Any other questions of the witness? Do you have anything further on that?

MR. ALBRIGHT: I do not believe I do.

MR. MANKIN: If there is nothing further, we will take the case under advisement and I believe you indicated that you would like to have these exhibits 1, 2, and 3 entered in evidence.

MR. ALBRIGHT: Yes Sir.

MR. MANKIN: Is there objection to the entering of these exhibits as evidence? If not they will be so entered as evidence. We will take the case under advisement and the hearing is adjourned.

STATE OF NEW MEXICO)
: ss
COUNTY OF SANTA FE)

I, Joan Hadley, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Commission Examiner at Hobbs, New Mexico, is a true and correct record, to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico this 4th day of January, 1956.

Joan Hadley