

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
May 16, 1957

IN THE MATTER OF
CASE 1257

TRANSCRIPT OF PROCEEDINGS

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3-6691 2-2211

BEFORE THE
OIL CONSERVATION COMMISSION
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IN THE MATTER OF:)
)
Application of Great Western Drilling)
Company for an order promulgating)
special rules and regulations for the)
South Carter-San Andres Pool, Lea)
County, New Mexico. Applicant, in the)
above-styled cause, seeks an order)
promulgating special rules and regula-)
tions for the South Carter-San Andres)
Pool, Lea County, New Mexico to provide)
a method for the establishment of well)
allowables in said pool which would be)
commensurate with allowables for wells)
in the same common source of supply)
lying outside the State of New Mexico.)

CASE NO.
1257

BEFORE: The Honorable Edwin L. Mechem
Mr. Porter
Mr. Murray Morgan

TRANSCRIPT OF HEARING

MR. PORTER: The next case to be considered will be Case No. 1257.

MR. COOLEY: Case 1257. Application of Great Western Drilling Company for an order promulgating special rules and regulations for the South Carter-San Andres Pool, Lea County, New Mexico.

MR. CHRISTIE: I am R. S. Christie, of Hervey, Dow, and Hinkle, and I am representing Great Western Drilling Company. I have one witness.

This is an application of Great Western for increased allowables in the South Carter-San Andres Pool in the Eastern portion.

of Lea County, New Mexico. I feel a little foolish asking for an increase after all this testimony on why we ought to decrease, but I believe this is an exception.

I have here three maps which will be discussed.

(Witness sworn.)

MERRILL WILSON

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

DIRECT EXAMINATION

BY MR. CHRISTIE:

Q Would you please state your name, address, and occupation?

A Merrill Wilson, Midland, Texas, production coordinator for Great Western Drilling Company.

Q I believe you are a petroleum engineer, sir?

A Yes, sir.

Q Have you previously testified before this Commission?

A Yes, I have.

Q Does the Commission have any questions of the witness' qualification?

MR. COOLEY: Speak up a little louder, please.

MR. PORTER: I believe you stated that you have been qualified before this Commission? A Yes, sir.

MR. PORTER: The witness' qualifications are accepted.

Q (By Mr. Christie) Mr. Wilson, would you please explain the nature of this application to the Commission and the reason

for it?

A The nature of this application is for an increase in the allowables for the wells situated in New Mexico. The reason for the increase is to protect correlative rights and to protect the citizens of New Mexico from any drainage.

Q I believe in the Couth Carter-San Andres Pool there are approximately 4 or 5 wells now completed, sir?

A That's correct, and those are shown on the map which you have given to the Commission.

Q And I believe further that 3 of those wells lie within the State of New Mexico, and 2 outside the State of New Mexico, is that correct, sir?

A That is correct.

Q Now, I refer you to the plat here, which the Commission has 3 copies of, and for identification, I will mark this Exhibit 1, and I will ask you to explain that map and ask you what relation it has to be the application?

A On the graph we have here, we have plotted the electric logs of the five wells in question. On the lower right hand corner you see a sketch showing the relative positions of these wells. Starting with the upper right hand corner, you will see the first well is identified as the Carter No. 1, and that shows the producing horizon, and proceeding next to the Granberry, which lies outside the State of New Mexico, it shows the producing horizon of the C. A. Taylor, which lies outside the State of New Mexico, to the Sylvester Johnson, and on down to the McQueen No. 1. On each of

those locations we have shown the producing horizons.

Q Now, I believe this map, as I understand you, reflects that all five of the wells graphed here are producing from a common pool?

A That is correct. I might comment here that there are two general zones in there which we have informally differentiated. The one colored in yellow, the upper zone, has been designated as the Granberry Zone; the one colored in Blue is called the Taylor Zone, the difference being that in most of these wells there is a slight shale break between the two zones.

Q What was the original authorized allowable on the two Non-New Mexico wells shown on this graph?

A The original allowable assigned to those wells was 120 barrels per day, that is, producing every day in the month.

Q What is the top unit allowable in this area, in the non-New Mexico portion?

A This falls within the 1.33 designation. That is, for June it would be 38 barrels times 1.33.

Q That would be in New Mexico?

A In New Mexico.

Q Now, outside of New Mexico on these wells, what is the top unit allowable in those wells?

A 120 barrels per day.

Q I have marked this Exhibit 2, which I believe is the second plat map. What does that indicate?

A The center graph has the same information as the first, with the deletion of the geographical information showing the continuity of the producing zone of the wells in question.

Q In other words, that is a rehash of Exhibit 1, really?

A That's correct.

Q Without your logs? A That's right.

Q Now, were these plats made under your supervision or by you? A Yes, they were.

Q Now, Mr. Wilson, in your opinion, will the allowance by the Commission of an increased allowable for the New Mexico portion of the South Carter-San Andres Pool tend to prevent waste and protect the correlative rights of the mineral owners in the pool situated in the State of New Mexico?

A Yes, it will. I think it will protect correlative rights and help the citizens of New Mexico by preventing drainage outside of the State of New Mexico.

Q Will the allowance of the application tend to benefit the State of New Mexico and be for its best interest?

A Certainly will, by allowing it to recover its just and fair share of the oil in place.

MR. CHRISTIE: I have indicated the maps as Exhibits 1 and 2, and the third map, showing the South Carter area, I have indicated as Exhibit 3, and the two initial allowables allowed on the wells outside of the State of New Mexico I have indicated as Exhibits 4, and 5, and I would move for the admission of those into evidence.

MR. PORTER: Are there objections to the admission of these exhibits? They will be admitted.

MR. CHRISTIE: That is all I have, does the Commission have any question.

MR. PORTER: Anyone have a question. Mr. Mankin.

CROSS EXAMINATION

BY MR. MANKIN:

Q Mr. Wilson, on these different exhibits, such as Exhibit 3, showing the different zones, the Lovington Zone, the Granberry Zone, the Taylor Zones, are those not individual stringers within the San Andres formation?

A That is correct. You will note that the top of the San Andres is marked, the top of the Lovington, and what not, are individual zones within the San Andres formation.

Q Of the three wells that have been completed on the New Mexico side, what is the capacity of these three wells at the present time?

A The McQuein No. 1 well, which incidentally is an older well, approximately 2 years old, has a capacity of 5 to 6 barrels per day; the Taylor No. 1 has a capacity of -- it is pumping in excess of 140 barrels per day; the Carter No. 1 is a flowing well, and it was potentialled about three weeks ago, or a month ago, for a hundred and sixty-five barrels a day flowing. Recently that well has tested about 37 barrels per day, not 37 barrels per day, but 37 barrels in 12 hours on 1 quarter inch choke, which indicates it

had a capacity for an excess of 37 barrels a day that is now actually produced. I might comment that this is the allowable for the well, at the present time.

Q Mr. Wilson, you indicated a test on the Taylor well, that is a well in Texas? A I am sorry.

Q How about the Sylvester Johnson?

A The Sylvester Johnson is the well that has the capacity of 120 barrels a day.

Q It was not the Taylor well?

A That's right.

Q What was the date of discovery on the Texas side for the first of these two wells?

A That date was December the 24th, 1956.

Q There have only been two wells completed on the Texas side? A That is correct.

Q So that discovery allowable would continue for 18 months or until the 6th well is drilled, is that correct?

A That's correct.

Q Is there any present plans for development on the Texas side?

A Yes, sir, there is. The C. A. Taylor No. 2 has been staked and very likely will be drilled in the latter part of June or the first of July. There is currently a well being drilled in the east off-set to the Taylor No. 1.

Q So that would make a possibility of four wells?

A That is correct.

Q Is it your thought that the 18 months will expire before the 6th well is drilled on the Texas side?

A Yes, sir.

Q Therefore this request which you are making for commensurate allowables in New Mexico will amount to a period of about 18 months, from December 1956, is that correct?

A That is correct, approximately a year from now.

Q It is noted on your Exhibit 3 that this just completed well, the Carter No. 1 of Great Western, was completed in a different zone, in the Granberry Zone, which is different from the other four completed wells in the Taylor zone, is that correct?

A The Carter No. 1, and the Granberry No. 1, produce from the Granberry Zone. That's correct.

Q What other wells produce in the same zone as the Carter well?

A The Carter and Granberry produce from the same zone. That is what we informally designated as the Granberry Zone.

Q What I meant was, wells in the New Mexico side, is there any other well completed in the same zone as the Carter Well?

A No, sir.

Q That brings up the next question. Presently, this area is the South Carter-San Andres Pool, and the Carter No. 1 is in the Carter-San Andres Pool, these are two separate pools, is that correct?

A That's correct.

Q How would you suggest that these two pools be carried in the future, if they are in different zones?

A As I indicated by my previous testimony, we think that those zones may come together. Those shale streaks in there may be local in nature. Actually, the Granberry and Taylor zones may be considered one for purposes of reservoir. In other words, let's say if the pressure drops in the Granberry it should be similar to the drop in the Taylor zone.

Q Then you feel there is communication somewhere between the two zones?

A Yes, sir, I do.

Q Is it your recommendation that as soon as possible, the two pools, the South Carter-San Andres and the Carter San Andres Pools be considered as one?

A Yes, sir. We had planned to ask for a hearing to consolidate the Carter and the Carter-San Andres, South Carter.

Q Could this information presented here be the basis for a nomenclature hearing to abolish one pool and put two pools together, would that not be possible?

A Yes, sir, it would.

Q Is there any different pressure history, or different gravities for the two zones, any appreciable difference?

A The gravities seem to be just about the same from the two zones. We have only a small amount of pressure history, but the pressures do seem to be the same.

Q Therefore, there would be no reason why these two zones

should not be put together, they are separate zones, but in, they are in larger San Andres formation?

A I know of no reason. As a matter of fact, I would recommend that the two be considered one reservoir.

Q Is Great Western aware of the fact that even though here today you are asking for allowables similar to the Texas allowables, for the Carter No. 1, which is presently in the Carter San Andres Pool, that they cannot be increased proportionately until such time as the two pools become one?

A We are aware of that.

MR. MANKIN: That's all.

MR. CHRISTIE: For the information of the Commission, in line with the testimony presented, we are going to file an application for the consolidation of those two pools. We were waiting to compile some more data on that point, and we realize that only one well is involved in this application.

BY MR. PORTER:

Q Mr. Wilson, at the end of this 18 month period, which is provided for by the Rules of the State of Texas, do you know what the allowable will revert to at the end of the period?

A Yes, sir, on 40-acres, if it is placed on the 1947 yard stick as amended, it will be 102 barrels a day, subject --

Q 102 barrels per day, that is producing days and not calander days?
A That is correct.

MR. PORTER: Does anyone else have a question of Mr. Wilson?

The witness may be excused.

MR. CHRISTIE: That is the end of the testimony, that's all the testimony we have.

MR. PORTER: You have no further witnesses? Anyone else have anything in this case, any statement to make? If not, Case 1257 will be taken under advisement.

ATTORNEY: I want to ask the Commission if I may withdraw Exhibits Nos. 4 and 5, and substitute photostatic copies. Those are the only permanent records that we have on the two non-New Mexico wells?

MR. PORTER: That will be fine.

