

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 17, 1957

TRANSCRIPT OF HEARING

Case 1278

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-2211

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
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 IN THE MATTER OF:)
)
 The hearing called by the Oil Conservation)
 Commission upon its own motion to permit Roy)
 T. Short and the Hartford Accident and In-)
 demnity Company and all other interested)
 parties to appear and show cause why the Roy)
 T. Short, et al, Millard Eidson No. B-3 Well)
 located in the SW/4 SE/4 of Section 26, Town-)
 ship 16 South, Range 35 East, in the Shoe Bar)
 Area of Lea County, New Mexico, should not be)
 ordered plugged and abandoned in accordance)
 with the Rules and Regulations of the Oil Con-)
 servation Commission of New Mexico)
 -----)

Case No.
1278

BEFORE:

- Honorable Edwin L. Mechem
- Mr. A. L. Porter
- Mr. Murray Morgan

TRANSCRIPT OF HEARING

MR. PORTER: The meeting will come to order, please.

The Commission will consider first Case 1278.

MR. COOLEY: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Roy T. Short and the Hartford Accident and Indemnity Company and all other interested parties to appear and show cause why the Roy T. Short, et al, Millard Eidson No. B-3 Well located in the SW/4 SE/4 of Section 26, Township 16 South, Range 35 East, in the Shoe Bar Area of Lea County, New Mexico, should not be ordered plugged and

abandoned in accordance with the Rules and Regulations of the Oil Conservation Commission of New Mexico.

If it please the Commission, I will present the case on behalf of the Commission. I have one witness, E. J. Fischer.

E. J. FISCHER

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

DIRECT EXAMINATION

By MR. COOLEY:

Q State your name and position, please.

A E. J. Fischer, District Engineer for the Oil Conservation Commission in Hobbs.

Q Mr. Fischer, in your official capacity as District Engineer for the Oil Conservation Commission, have you had an opportunity to inspect the Roy T. Short, et al, Millard Eidson No. B-3 Well, located 660 feet from the South line and 1980 feet from the East line of Section 26, Township 16 South, Range 35 East, Lea County, New Mexico?

A I have.

Q Are you also familiar with the records on file with the Oil Conservation Commission for this well?

A I am.

Q Will you briefly outline the history of this well up to the time that Roy T. Short became the operator?

A The Roy T. Short et al Millard Eidson No. B-3 was spudded

on or about May 22, 1954 by the Parker Drilling Company for the original operator, Western Natural Gas Company. Casing design is as follows:

Surface casing, 13-3/8" 48# H-40 casing @349' w/350 sx. circ.
Intermediate casing, 9-5/8" 36# & 40# casing @ 4849' w/4000 sx. circ.

On June 25, 1954 4989' of 8-5/8" 32# J-55 Hydril casing was set at 5000' w/64 sacks of cement. Top of cement by temperature survey was at 3960'.

The hole was drilled to 12,855' and completed dry. The C-103 on plugging (received in Hobbs on September 21, 1954) shows that the 8-5/8" casing was cut and pulled at 3890' and plugs were placed from 12,850' to 12,750', 4800' to 4700' and a ten foot plug in top at head.

Q When was the Commission first apprised of the fact that Roy T. Short had become the operator of this well?

A On August 28, 1956 a C-102 was received from Roy T. Short as operator, and who listed his address as 1909 First National Building, Oklahoma City, Oklahoma, Notice of Intention to Re-enter and complete in the Queens sand. This C-102 was accompanied by a One-Well Bond.

Q I hand you a document which has been identified as Exhibit 1 and ask you if this is a true copy of the C-102 that was filed with the Oil Conservation Commission by Mr. Short.

A It is. This C-102 was received in the Hobbs office on August 28, 1956.

Q What did Mr. Short propose to do?

A He has here, "Check notice of Intention to Change Operator and to Re-enter". He listed his procedure as follows:

"To go into the well and clean out to a point below the Queens and then go in and log and perforate the Queens. After this is done, to acidize and fracture treat and try to obtain a commercial well."

Q I hand you a document which has been marked as Exhibit 2 and ask you if this is a One-Well plugging bond which accompanied the C-102 just mentioned as Exhibit 1.

A It is.

Q Who is named a surety in this bond?

A Hartford Accident and Indemnity Company of Connecticut

Q Who signed as attorney in fact for Hartford Indemnity and Surety Company?

A Jack Daniels signed as attorney in fact, for the Hartford Accident and Indemnity Company.

Q Were any other reports received by the Oil Conservation Commission subsequent to the filing of the 102 and the bond?

A No, we have received no other reports on the well.

Q No 103 was filed showing the report of the proposed action?

A No.

Q Were you able to find out from the other sources what was actually done with the well?

A I found The Western Company in Midland and they said that they had acidized the well ~~for use~~ and then fracture treated it. They also told me that they had not been paid for this work.

Q Did you inspect this well in April and again in May of 1957?

A I did.

Q What condition did you find the well?

A I found that the well had a regular flange type head on it, flowing head. It also had a pressure gauge on the annulus, that would be the 9-5/8" annulus. Whether it had tubing in it I could not be certain. I assumed, however, that there was tubing in the well and this gauge on the annulus showed the pressure then between the 9-5/8" casing and the tubing.

Q Did you attempt to make a pressure reading at that time?

A I read approximately 260 pounds on this pressure gauge.

Q Did the pressure gauge appear to be in proper working condition?

A Yes, I tapped it and it seemed to be working all right.

Q Did you also take a sample of the gas from the well and have it analyzed?

A Yes. We had asked Permian Basin Pipe Line Company for a pressure or a sample bomb and they obliged us and we went out there and took a sample of this well from the top of the head there and

brought it back to the Permian Basin Pipe Line laboratory and they ran a sample on it for us.

Q Would you give us the result of that analysis, please?

A The analysis we received from the laboratory of the Permian Basin Pipe Line Company showed that by:

| <u>Component</u> | <u>Mole %</u> |
|------------------|---------------|
| Methane | 86.31 |
| Ethane | 8.32 |
| Propane | 3.21 |
| Iso-Butane | 0.37 |
| n-Butane | 0.30 |
| Pentane | 0.20 |
| Hexane | 0.03 |
| Nitrogen | 1.04 |
| H ₂ S | 0.00 |
| CO ₂ | 0.22 |

This analysis showed that the gas was very probably from the Queen sand section of this well as they compared it with other Queen gas samples, and it seemed to check out pretty well.

Q Was the potential production test also taken on this well?

A It was.

Q By whom and at whose request?

A We asked the El Paso Natural Gas Company in Jal if they would run a test on this well, and they did.

Q Would you give us the results of that test, please?

A The first flow point was on 1/8" plate at 171 psig. and at the end of the test the plate size was 1/4" and pressure was 2 psig. Calculation of the flowing volume by El Paso showed that the gas produced during the test was 19 MCF per day.

Q Was that a calculated figure? A It was.

Q Is it your opinion that the well is consistently capable of producing nineteen?

A No, I do not think this well could sustain any good production under any length of time.

Q What is your reason?

A At the end of the test they had gotten down to, I think it was a one-quarter inch plate, and this two pound gauge pressure, and there is also no connection for a Queen gas in this particular area and probably this gas could not buck any line pressure that they might put in.

Q Considering all the foregoing facts, is it then your opinion that this well is or is not a commercial gas well?

A It is my opinion that this well is not commercial for Queen gas.

Q Based on this conclusion, is it your opinion that the well should be plugged and abandoned?

A I believe this well should be plugged and abandoned according to the Rules and Regulations of the Commission.

MR. COOLEY: That is the case.

MR. PORTER: Does anyone have a question of the witness? The witness may be excused.

(Witness excused.)

MR. COOLEY: I have a short statement, please.

MR. PORTER: You may proceed.

MR. COOLEY: I would like to urge the Oil Conservation Commission to enter an order, as a result of the testimony just presented, ordering this well to be plugged and abandoned in accordance with the procedure prescribed by the Oil Conservation Commission, and that the same shall be plugged either by Roy T. Short or the surety, Hartford Accident and Indemnity Company.

MR. PORTER: Does anyone else have any comments?

MR. COOLEY: Is a representative of Hartford Accident and Indemnity present at this yearing?

MR. PORTER: The question is, is there any representative of the surety in this case present?

MR. COOLEY: In view of that fact, we would like to enter Exhibit 3 in this case as well, which is a return receipt from Bob Daniels from the resident agent of Hartford Accident and Indemnity Company, and have this marked as Exhibit 3 as evidence of the fact they were notified in this case.

MR. PORTER: Without objection it will be admitted.

MR. COOLEY: With that I move that the exhibits be admitted 1 through 3.

MR. PORTER: Exhibits 1, 2 and 3 will be admitted. The Commission will take the case under advisement, and take up next Case 1280.

