

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
July 24, 1957.

CASE NO. 1284

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

NEW MEXICO OIL CONSERVATION COMMISSION

Yarr Hall

Santa Fe, _____, NEW MEXICO

REGISTER

HEARING DATE Examiner July 24, 1957

TIME: 9:00 a.m.

NAME:	REPRESENTING:	LOCATION:
<p>Warren W. Monkin New Mexico</p>	<p>N M O C C</p>	<p>Santa Fe, N. M.</p>
<p><i>[Faint handwritten text]</i></p>	<p><i>[Faint handwritten text]</i></p>	<p><i>[Faint handwritten text]</i></p>
<p>Mr. F. Jones</p>	<p>Champion Oil Refining Co.</p>	<p>77 Worth, Texas</p>
<p>George Stapler</p>	<p><i>[Faint handwritten text]</i></p>	<p><i>[Faint handwritten text]</i></p>
<p>Ed Gale</p>	<p><i>[Faint handwritten text]</i></p>	<p><i>[Faint handwritten text]</i></p>
<p>W. R. Zaccary</p>	<p><i>[Faint handwritten text]</i></p>	<p><i>[Faint handwritten text]</i></p>
<p>Edward M. Kelly</p>	<p><i>[Faint handwritten text]</i></p>	<p><i>[Faint handwritten text]</i></p>

ILLEGIBLE

BEFORE THE
OIL CONSERVATION COMMISSION
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July 24, 1957.

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 IN THE MATTER OF:)
)
 Application of Horace F. McKay, Jr. for per-)
 mission to produce a well in the Aztec-)
 Fruitland Gas Pool, San Juan County, New)
 Mexico, without tubing in exception to Rule)
 107 (c) of the Commission Rules and Regula-)
 tions. Applicant, in the above-styled)
 cause, seeks an order granting permission to) Case 1284
 produce the McKay-Payne Bearden No. 1 Well)
 located 1750 feet from the North line and)
 890 feet from the West line of Section 19,)
 Township 29 North, Range 10 West, San Juan)
 County, New Mexico, without setting tubing)
 in said well.)
)
 -----)

MABRY HALL, STATE CAPITOL,
SANTA FE, NEW MEXICO.

BEFORE:

Daniel S. Nutter, EXAMINER.

TRANSCRIPT OF HEARING

MR. NUTTER: We will proceed with Case Twelve Eighty-four. Next case, Twelve Eighty-four.

MR. COOLEY: Case Twelve Eighty-four: Application of Horace F. McKay, Junior for permission to produce a well in the Aztec-Fruitland Gas Pool, San Juan County, New Mexico, without

tubing in exception to Rule One-Zero-Seven (c) of the Commission Rules and Regulations.

MR. NUTTER: Is there a representative of Applicant in this case present?

A Yes, sir.

MR. NUTTER: Would you identify yourself?

A Horace McKay, Junior.

MR. NUTTER: Are you going to be the only witness, Mr. McKay?

A Yes, sir.

(Witness sworn.)

HORACE MCKAY, JUNIOR

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

DIRECT EXAMINATION

BY MR. COOLEY:

Q State your name and position, please.

A Horace F. McKay, Junior. I guess it would be Operator. It's a Partnership, comprising of three people, in this well.

Q Operator, McKay-Payne Bearden Number One?

A Right.

Q Mr. McKay, would you state for the Examiner, please, your educational background and experiences you have had in the

oil industry?

A Well, I'm no expert, and my testimony is not to be considered expert testimony.

Q Your testimony is not offered as expert testimony?

A No.

Q We will dispense with the qualifications. Will you proceed?

A This well was drilled -- originally a Pictured Cliff well completed some time in the latter part of January -- and we put an intermediary on the well, and it continued -- this Pictured Cliffs continued -- making more and more water. The top of Pictured Cliffs was seventeen eighty-five, and we bottomed at eighteen-zero-three, and it finally just turned to water, period; so we used a hundred sacks of cement and cemented it over -- set a plug at sixteen twenty-six and went on to complete in the Fruitland Sand. Then we had Fruitland from fifteen thirty-nine to fifteen eighty-one. We perforated, using three shots -- the total of a hundred eighteen shots -- in that particular section of Fruitland. We had the tubing by the well, and intended to, after perforating the casing, to run the tubing. When it was perforated, the well went out on us -- started going out -- and we were not able to run the tubing back in. Empire State drilled a well, and Jim Laurence had his rigging on there at the time, and felt that if

we fracked the well, he thought it would kill it; so we proceeded to frack it -- used twenty-two thousand five hundred pounds of sand, and thirty thousand gallons of water on the frack, and as quick as that was completed, it took off. We didn't have a chance to run the tubing back in there; and we feel it's too hazardous to run tubing in. We ran four and a half inch casing, O.D., to begin with, and there's not enough water weight to hold her down; and to go in now and attempt to kill the well, might really do a lot of damage to the well. So our request is to produce it as it is, for until such time as the pressure will allow us to run tubing in. It's a dry formation, so we don't have any water problem other than condensation, which might develop. We've got about forty-five feet, I guess, of open hole in the bottom, below the bottom of the formation, somewhere around there; I didn't figure it out exactly -- thirty-three feet it is -- of open rat hole.

MR. NUTTER: Where is this thirty-three feet of open hole?

A It's below the -- from the top of the plug to the bottom of the Fruitland. The bottom of the Fruitland is fifteen eighty-one, and the plug is at sixteen twenty-six.

MR. NUTTER: And where is the casing shoe?

A We ran casing originally to seventeen eighty-five, and cemented the casing in, circulated it with four hundred sixty-

five sacks of cement, originally. That's when we were trying to produce in Pictured Cliffs.

MR. NUTTER: How did you have this open hole then?

A Well, I mean it's just that. I don't mean open hole; it's space below the formation to the top of the plug in there, and the plug is set at sixteen twenty-six.

MR. NUTTER: I see.

A And the bottom of the producing formation is fifteen eighty-one, this thirty-three, thirty-four, thirty-five feet.

MR. NUTTER: Do you have anything further?

A No, sir.

MR. NUTTER: Does anyone have questions of the witness?

MR. COOLEY: For the sake of clarification of the record, the well to which all of your testimony has referred, is the McKay-Payne Bearden Number One well, located seventeen hundred fifty feet from the North line, and eight hundred ninety feet from the West line of Section Nineteen, Township Twenty-nine North, Range Ten West, San Juan County, New Mexico?

A That is correct.

MR. NUTTER: Anyone else have questions of the witness?

MR. UTZ: Yes, sir.

MR. NUTTER: Mr. Utz.

MR. UTZ: Mr. McKay, you have a shut in pressure on

this well?

A Six hundred and twenty-seven pounds.

Q That's surface absolute?

A That's absolute.

Q Have you made an absolute open flow test on this well?

A Three million, eight twenty-eight.

Q Do you know whether any other wells in the Aztec-Fruitland Gas Pool are producing any water?

A Not that I know of.

Q The whole pool, you believe, is pretty dry?

A Yes, sir.

Q And you don't anticipate any liquid troubles of any nature by producing through the, I believe, four and a half inch casing?

A Right. No, we don't anticipate any.

Q If at any time you did encounter liquid troubles, would you tube this well?

A We would.

Q And the reason that you don't want to tube it now is because you are afraid by killing the well, you may injure the deliverability?

A That is correct.

Q Would you be receptive to a provision in the order,

if the well encountered liquid trouble later on, you would be required to tube it?

A I would. That would be all right.

MR. UTZ: That's all I have.

MR. MANKIN: Floyd Mankin, Oil Commission. Might I, for the record, show the last gentleman speaking was Mr. Utz of the Oil Commission. Mr. McKay, you indicated this was not producing any vapor but possibly could not have condensate. Do you have any knowledge of the amount of condensate with this three point eight million?

A No, I don't. I don't have any idea what that might be.

Q You have no testimony as to the quantity?

A No.

Q Was this test of three point eight million, a three hour test through three-quarter choke, or what?

A Three-quarter choke.

Q Is this shut-in surface pressure of six hundred twenty-seven pounds a normal pressure for other Fruitland wells in the Aztec-Fruitland Pool?

A I don't know.

Q You don't know how this compares with the other Fruitland pressures?

A No, I don't.

MR. MANKIN: That's all.

MR. NUTTER: Anyone else have any questions of the witness? If not, the witness may be excused.

(No response.)

(Witness excused.)

MR. NUTTER: Does anyone have anything further they wish to offer in Case Twelve Eighty-four? No statements or offerings?

(No response.)

MR. NUTTER: We will take the case under advisement, and the hearing is adjourned.

