

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 26, 1958

IN THE MATTER OF: Case No. 1382

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

Mabry Hall

Santa Fe, NEW MEXICO

REGISTER

HEARING DATE Examiner February 26, 1958 TIME: 9:00 a.m.

NAME:	REPRESENTING:	LOCATION:
D. C. McBryde, Jr.	Amerada Petroleum Corp.	Monument, New Mexico
P. R. Gorman	Bullard E. Jensen Estate	Artesia, N. M.
F. W. N. Waish	E. B. National Gas Products Co.	Farmington, N. M.
Ed Norton	E. B. National Gas Products Co.	Farmington, N. M.
J. W. Montgomery	Shell Oil Company	Hobbs, N. M.
Leah Chapman	E. B. National Gas Products Co.	Farmington, N. M.
Jason Kellahi	Amerada Petroleum Corp.	Santa Fe, N. M.
Jack M Campbell	Campbell + Russell	Roswell, N. M.
John Yvontra	Texas Pacific Coal & Oil	Midland, Texas
Lee King	Skelly Oil Co.	Farmington, N. M.
Off. Petrol	O.C.C.P.	Santa Fe, N. M.
Ray M. Loring	Skelly Oil Co.	Tulsa, Okla.
Don Hester	Guy Oil	St. Martin, Texas
Bill Foster	"	Roswell, N. M.
Max E. Loring	Producers Petroleum	Artesia, N. M.
Nancy Rayne	N. M. State Oil & Gas	Santa Fe

EXAMINER HEARING
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February 26, 1958

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IN THE MATTER OF:)

The application of Buffalo Oil Company to amend)
Order No. 821. Applicant, in the above-styled)
cause, seeks an order amending Order No. 821)
to permit simultaneous production from the)
Grayburg-San Andres pay of the Maljamar Field)
from the Baish "A" Well No. 15 and Baish "A")
Well No. 21, located in the NE/4 of the SW/4)
of Section 21, Township 17 South, Range 32 East,)
Lea County, New Mexico.)

) Case 1382

-----)
BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The hearing will come to order. The first case
on the docket will be Case 1382.

MR. COOLEY: Case 1382: In the matter of the application
of Buffalo Oil Company to amend Order No. 821.

MR. CURRY: I am Max E. Curry from Artesia, appearing for
Buffalo Oil Company.

(Witness sworn.)

MR. UTZ: Are there any other appearances in this case?

MAX E. CURRY

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

DIRECT EXAMINATION

By MR. COOLEY:

Q State your name and position, please, for the record.

A Max E. Curry, District Superintendent for Buffalo Oil Company, located in Artesia, New Mexico.

Q Mr. Curry, in your experience have you had an opportunity to study conditions in the Maljamar Field?

A I have.

Q And have you previously testified before the Oil Conservation Commission as an expert witness?

A I have.

MR. COOLEY: Does the Examiner accept the qualifications of the witness?

MR. UTZ: The witness's qualifications are acceptable.

Q Proceed in any manner you like, Mr. Curry.

A I have some direct testimony here I would like to read into the case.

The New Mexico Oil Conservation Commission issued Order No. 821 on May 13, 1941 authorizing Buffalo Oil Company to drill an unorthodox, five spot, well location in the NE/4 SW/4 of Section 21, Township 17 South, Range 32 East, NMPM, now known as their Baish "A" No. 21 Well. The purpose of drilling the Baish "A" No. 21 Well was to replace the Baish "A" No. 15 Well, the original well completed on this 40 acre unit, which was considered to have been poorly completed due to mechanical conditions caused by the

necessity of side tracking the hole. Buffalo Oil Company stated their desire to shut in and cease production from the Baish "A" No. 15 Well upon the completion of the unorthodox well at the hearing before the Commission, as they had no desire to set a precedence of more than one well to each 40 acre unit in the Maljamar Pool; therefore, the Commission specifically prohibited the production of more than one of the wells at a time in their Order No. 821.

Buffalo Oil Company is now requesting that Order No. 821 be amended to permit the simultaneous production of their Baish "A" Wells No. 15 and 21. In support of that request we wish to offer the following information:

(Buffalo's Exhibit No. 1
marked for identification.)

1.) I am handing you our Exhibit No. 1, which is a plat of that portion of the Maljamar Oil Pool surrounding the area referred to in Order No. 821 and in this petition. The plat also shows the pilot water injection area approved by this Commission in Order No. R-1075 and the notation of lease ownership in that area by colors.

2.) You will note on Exhibit No. 1 that Buffalo's Baish "A" No. 21, denoted by the red arrow, is one of the water injection wells in the injection area of the proposed pilot waterflood for this pool. Eventually this well will probably be converted from its present status as an oil producer to that of a water injection

well in the proposed pilot waterflood and the Baish "A" No. 15 Well will again be converted to the producing oil well for that proration unit. Prior to the time the Baish "A" No. 15 Well, denoted by green arrow, will be required to assume its proper duties in the pilot waterflood operation, it is necessary that certain essential reservoir and production performance data be gathered in order to properly evaluate its reaction to the pilot waterflood project.

3.) It is requested that production for this proration unit be allocated on the basis of the void space factor presently used on all other wells in the Maljamar Cooperative Repressuring Agreement area, but in no event to be greater than top allowable for any other 40 acre proration unit in that area. The Baish "A" No. 15 Well was capable of producing approximately 15 BOPD when it was shut in in 1949, and the Baish "A" No. 21 Well is presently assigned an allowable of 23 BOPD.

4.) This request is not without precedence in the Maljamar Oil Pool, as there are several 40 acre units with more than one producing well. The present multiple well proration units are allocated in the manner requested in 3.) above and none receive an allowable greater than any other 40 acre proration unit in the MCRA area.

(Buffalo's Exhibits No. 2, 3, and 4 marked for identification.)

5.) Offset operators in this pool have no objection to the approval of this petition and have actively supported this application by providing us with executed waivers which I wish to

offer as Buffalo's Exhibits No. 2, 3, and 4. These Exhibits are waivers signed by Kewanee Oil Company, Carper Drilling Company, and Mrs. E. G. Woods, who recognize that this application in no way jeopardizes correlative rights and will make a significant contribution in evaluating the results of the pilot waterflood project for this area.

6.) The Commission is referred to Case No. 1309 and the Exhibits offered in that case, which resulted in Order No. R-1075 authorizing the Maljamar Cooperative Repressuring Agreement to conduct a pilot waterflood operation in the Maljamar Pool.

(Buffalo's Exhibit No. 5
marked for identification.)

7.) Buffalo's Exhibit No. 5 is a generalized cross section drawn along the traverse A to A' as shown on Exhibit No. 1, which shows the vertical relationship of Buffalo's Baish "A" Wells No. 14, 21, 15 and IP-26.

I wish to offer Buffalo's Exhibits No. 1 through 5 in evidence as a part of this case, which concludes the direct testimony prepared for this case. I will be happy to answer any questions the Commission may have on this application.

MR. UTZ: Is there objection to the entrance of Buffalo's Exhibits 1 through 5 in this case? If not, they will be so entered.

MR. CURRY: In conclusion, Buffalo Oil Company, applicant, believes this petition to be in the interest of conservation and prevention of both economic and physical waste and in no way

jeopardizes correlative rights; therefore, applicant prays the Commission will issue an Order amending their previous Order 821 permitting applicant to produce their Baish "A" Wells No. 15 and 21 simultaneously as a single proration unit.

MR. UTZ: Any questions of the witness? Mr. Nutter.

CROSS EXAMINATION

By MR. NUTTER:

Q You stated there were several instances in this pool where more than one well is producing from 40 acre units?

A Yes. To cite two cases, Kewanee's Baish lease in Section 27, Township 17 South, Range 32 East, they have several wells on their Baish lease that are producing from this spacing.

Q Is that in an area covered by Order 821?

A No. Order No. 821 only applies to this single proration unit. It was the Commission's order permitting us to drill the Baish "A" 21 in a specific position.

Q For this specific 40 acre unit?

A Yes.

MR. NUTTER: Thank you.

MR. UTZ: Anyone else have a question? Just a minute, Mr. Curry. Both of these wells are in the vertical limits of the Maljamar Oil Pool, are they not?

A Yes, they are. Exhibit No. 5 will show.

MR. UTZ: Exhibit No. 5?

A Yes.

MR. UTZ: All right, I'm with you.

A This will show that both wells are producing from essentially the same vertical limits, all of which is embraced in the Maljamar Pool which includes 3rd, 4, 5, 6, 7, 8, and 9 zones as denoted by the United States Geological Survey in that area.

MR. UTZ: Was the No. 15 "A" ever plugged back to the Yates sand as authorized in Order 821?

A No, it was not.

MR. UTZ: It never was plugged back?

A No, we made some preliminary tests on other wells that showed that to be not only uneconomical but rather foolhardy.

MR. UTZ: No. 15 "A" is presently plugged, or is it in the same condition that you left it in?

A It's in the same condition that it was at the time we received this order. There's tubing in the well, but the well has been shut in through the entire length of time this order has been in effect.

MR. UTZ: Does anyone else have a question of Mr. Curry? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Are there any statements to be made in this case? If there are no statements, the case will be taken under advisement.

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C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 12TH day of March, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley

NOTARY PUBLIC

My commission expires:
June 19, 1959.

I do hereby certify that the foregoing is a complete record of the proceedings in the Dealing hearing of Case No. 1382 heard by me on Feb. 26, 1958.
Thomas H. Meier

New Mexico Oil Conservation Commission