

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SEPTEMBER 30, 1959.

IN THE MATTER OF:

Application of T. F. Hodge for the rededication of acreage assigned to three oil wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order rededicating the acreage assigned to three oil wells on his Mary E. Wills Lease, Section 33, Township 26 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico. Applicant proposes to dedicate 40 acres to each of the three wells, said 40-acre units not to comprise a quarter-quarter section or legal subdivision.

CASE NO.
1768

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: Next case on the docket is 1768.

MR. PAYNE: Case Number 1768. Application of T. F. Hodge for the rededication of acreage assigned to three oil wells in the Jalmat Gas Pool.

MR. NEWMAN: Kirk Newman of Atwood and Malone, Roswell, New Mexico, appearing for the applicant. We have one witness.

(Witness sworn.)

K. K. A M I N I, a witness, called by and on behalf of the Applicant, being first duly sworn, was examined and testified as follows:

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DIRECT EXAMINATION

BY MR. NEWMAN:

Q State your name.

A My name is K. K. Amini, I'm a Petroleum Engineer with T. F. Hodge.

Q Mr. Amini, have you previously testified before this Commission?

A No, sir.

Q Will you state briefly your educational qualifications?

A I'm a Petroleum Engineer, I graduated from University of Kansas, June 1959; I worked for Sunray Oil Corporation until 1954, then with Delhi Oil for another year, and for the past four years I have been Petroleum Engineer and Managing Superintendent for T. F. Hodge.

MR. NEWMAN: Are his qualifications accepted?

MR. NUTTER: Yes, sir.

Q (By Mr. Newman) Would you refer to what has been marked as Applicant's Exhibit 1, and state what that exhibit is?

A This is a plat of Section 33, Township 26 South, Range 37 East, and consists of 292 acres.

Q Does the entire section have only 292 acres? Is it a short section?

A Yes, sir, small short section, 292 acres, and we have drilled, as of today, we have drilled seven wells on this lease, and we have three wells that have actually 40-acre units assigned

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to it, and the other three, those three wells as are indicated, we are applying for a 40-acre unit for those three wells.

Q What is the size in acres of a regular quarter-quarter section those wells are located on?

A Well, Numbers 1, 2 and 4, they are each 40-acre units.

Q And the three wells on the lower tier are on how many acre unit?

A All three of them are 40-acre units.

Q Those three are on 33-acre units, are they not?

A Yes. This application is to enlarge those units to 40-acres.

Q Does your plat show all of the offset wells to this acreage, producing from this formation?

A Yes, sir, it does.

Q And the wells are producing from it?

A They are producing from the Yates sand, which is lenticular-wise sand lenses, which are virgin and they haven't been drained and completed in different sections, as indicated in the cross section.

Q Is it true that the south boundary line of this lease is the State of Texas?

A Yes, sir, it is.

Q And who is the royalty owner, mineral owner, under this reservoir?

A The State of New Mexico.



Q Is the working interest ownership of the entire section there common?

A Yes, it is.

Q Would you refer to what has been marked as the Applicant's Exhibit Number 2, the cross section, and state what that exhibit shows, and state which wells are included?

A This cross section is an East-West cross section -- I mean, West to East, I'm sorry, through wells Number 1, Number 2, Number 6, Number 4, and Number 5 wells, it is more or less a schematic cross section showing the producing permeable horizons encountered in these wells.

Q Would you state what the yellow markings are?

A These cross sections are made from a marker setting log, showing the porosity, or log sand sections, and all of these sand sections are saturated with water, except those covered by the yellow streaks are water-bearing formation, and at the present time the Willis-Federal Number 1 produced above 3000, all the sand sections perforated in well Number 1. Well Number 2, 6 and 4 are producing from a sand section between intervals of 3250 to about 3270, that massive sand section; and Well Number 4 actually encounters the thickest zone that is encountered in this section, and after perforating the well, after treatment, the well flowed. We know that these wells are visual zones and disconnected from the Eastwise part of Jalmat Field in this field. Well Number 5, which up to date is a temporary abandoned well, encountered the

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same band, but only about three and a half to four feet is developed sand. We temporarily abandoned the well, we did not, you know, pipe in the well on Number 5, but more or less the remnant of that sand is present in that well, it actually does not show and it wasn't well developed.

Q Is the nature of the sand body encountered in your well Number 4, which offsets the well temporarily abandoned, such as you consider that the oil in that area of that well would be drained, if the one that wasn't completed would be drained by Number 4?

A We certainly do, because this sand as indicated on the log, it has over 25.4 percent porosity, and it indicates that that well will drain more than 40-acres, that took no treatments, actually it was a dry well; recently we just fracked it.

Q Mr. Amini, our Exhibit Number 1, shows that we have offset wells on the Texas side of this pool, are those wells completed in the same formation?

A Yes, sir, well Number 12, 13, 14, are completed in that section.

Q And in your opinion, are they producing out of the same reservoir, same common source of supply?

A They definitely are, well Number 13 apparently is not a hundred fifty feet from our lease line.

Q On the basis of the short unit allowable for 33-acres assigned to this well, what is the approximate comparison of the



producing rate from your wells, and the wells on the Texas side?

A Wells on the Texas side are drilled on a 20-acre spacing pattern, and they are designated as wells in like field, and they are capacity allowable wells, and they produce 55 barrels a day for 50 days; they are prorated units, and they are only producing 33 barrels a day for 30 days, they are three or four times more.

MR. NUTTER: They produce 33 barrels a day?

A No, I'm sorry, they are prorated, but on that basis, produce as 33-acre units.

MR. NUTTER: How much is your actual allowable on these wells 2, 3, and 4?

A Offhand, I couldn't say, but it is on the same ratio, 33/40 of the allowable.

Q (By Mr. Newman) Could your Number 5 well which is temporarily abandoned, be completed satisfactorily?

A Yes, it could, but I believe that as soon as, or later its production would be curtailed and dropped, and it wouldn't have been commercial. That is the reason that we chose not to run pipe on that well.

Q Is it your opinion that all of your acreage which will be allotted to, especially Number 4 -- do you consider that all of that acreage would be productive of oil, and if the application is granted on 40-acres, assigned to each well?

A To the best of my knowledge, I definitely believe

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it is productive, since well Number 5, besides sand alone, we got two other stringers that are in that Number 6, which is a good well, and I believe that probably most of the 40-acre unit assigned, Well Number 4 should be productive of oil.

Q And your opinion is that Well Number 4 drains the entire 40-acre unit as outlined in your Exhibit 1?

A Yes, sir.

Q Were these exhibits prepared by you, under your direction?

A It was prepared by myself, yes, sir.

MR. NEWMAN: That's all.

MR. NUTTER: Any questions of Mr. Amini?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Amini, this well here in Texas, how far is that from the New Mexico line?

A Apparently it is less -- well, it could be 330, but when you drive by, it just looks a lot shorter than that to me; I think the plat is actually correct.

Q Is this plat drawn to scale? What fraction of an inch is that from the State line?

A I would say it was a hundred seventy-five feet.

Q Are they permitted to drill a location like this without a hearing, or was this location granted as a result of the hearing?



A No, they had a hearing on that, probably the surveyor has made a mistake, it should be 330 feet.

Q These other wells are located 330 feet from the State line?

A Yes, sir, definitely; more than 330.

Q Who is the owner of that; owner in Texas?

A Doctor Dunn drilled those wells.

Q Now, Mr. Amini, if the Commission should authorize these units that you have requested here, and they would have to be described, how would you describe them?

A The first one would be the West 40 acres of that particular section, however, I think those are probably designated 1, 2, 3 and 4, West 40 acres, and then it would be the East 40 of the West 80, and East 40 of the West 120, that is the way you do it in Texas all the time; that is the way you describe it.

Q You have no footage description?

A They are 1595 feet wide, calculated, actually.

Q You mean from the West line of Section 33, to the dotted line in between line number 1 and 2 is 1595 feet --

A Yes, sir.

Q -- from that dotted line to the next dotted line?

A 1595 feet.

Q From the next --

A 1595 feet.

Q In other words, you have three lines cutting ahead



and parallel, and they are 1595 feet apart?

A Yes, sir, they are 1595 feet.

Q And all the lines are 1595 feet long?

A Yes, sir.

Q How much actual show of oil did you have in the Number 5 Well, Mr. Amini?

A We had -- it was kind of shady, but we had three and a half to four feet of pay.

Q Did you take a drill stem test on this?

A No, sir, we did not.

Q And the well did not produce any oil at all then?

A No, we did not run pipe on this well; on the upper section we had 8 feet, and 8 feet on the lower zone.

Q How do you know you had any saturation on that?

A Well, we cored that too.

Q You did core?

A Yes, sir.

Q Do you have an analysis of that core?

A That section was not analyzed; when it was, as I understand it, it was shady.

Q You did not have the core analyzed?

A We analyzed the upper sections.

Q The two sections you analyzed, do they have any oil?

A Eight or nine millidarcies.

Q Any saturation?

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A 15 or 16 percent oil.

Q On each of the two sections?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Amini?

QUESTIONS BY MR. PAYNE:

Q What are you supposed to do with the acreage that is left here to the East of your unit, proposed unit for your Number 4 well?

A Well, that 12 acres that you are talking about --

Q Is that what it is, 12 acres?

A Yes, sir. At this time, we are just going to leave it idle until the time we flood, and we will probably drill another well.

Q Do you have any present plans to drill a well on the East of your Number 6 well?

A Yes, we probably will drill it.

Q Will you drill it on the State line and dedicate 52 acres?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Amini? He may be excused. Does anyone have any further witnesses to offer in 1768? Do you wish to offer your exhibits?

MR. NEWMAN: We offer Exhibits 1 and 2.

MR. NUTTER: Without objection, it will be entered in evidence. We will take the case under advisement.

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STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, G. R. GONZALEZ, Court Reporter, 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 by me and/or 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, the 10th day of November, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

G. R. Gonzalez

G. R. GONZALEZ, Court Reporter.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1768, heard by me on 9-30, 1959.

Ascar..., Examiner
New Mexico Oil Conservation Commission



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