

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

EXAMINER HEARING

November 8, 1961

IN THE MATTER OF:

Application of Texas Pacific Coal & Oil  
Company for a 320-acre non-standard gas  
proration unit, Lea County, New Mexico.  
Applicant, in the above-styled cause,  
seeks the establishment of a 320-acre non-  
standard gas proration unit in the Jalmat  
Gas Pool, comprising the N $\frac{1}{2}$  of Section 8,  
Township 22 South, Range 36 East, Lea  
County, New Mexico; said unit is to be  
dedicated to the State "A" A/c-2 Well  
No. 43, located 1650 feet from the North  
line and 990 feet from the East line of  
said Section 8.

CASE NO.  
2428

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

EXAMINER UTZ: We will call Case No. 2428.

MR. WHITFIELD: Application of Texas Pacific Coal &  
Oil Company for a 320-acre non-standard gas proration unit, Lea  
County, New Mexico.

MR. RUSSELL: John S. Russell, Campbell & Russell,  
representing the applicant. I have one witness, Mr. Yuronka.

MR. UTZ: Are there any other appearances?



You may proceed.

(Witness sworn.)

JOHN YURONKA,

called as a witness by and on behalf of the Applicant, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, employer, and the nature of your employment?

A My name is John Yuronka. I am employed by Texas-Pacific Coal and Oil Company as division engineer in the West Texas-Southeast New Mexico area.

Q Have you previously qualified to give expert testimony as an engineer before this Commission?

A I have.

Q You are familiar with this application, are you not?

A Yes, I am.

Q What does it propose?

A It proposes a 320-acre non-standard proration unit dedicated to the Texas-Pacific Coal and Oil Company, State "A" Account No. 43 located, located 1650 feet from the north and 990 feet from the east line of Section 8, Township 22 south, Range 36 east.

Q Mr. Yuronka, at the present time, is Section 8 div-



ided into two 320 proration units, east and west?

A No, not at the present time. No, it has been north and south.

Q Well, you are actually proposing to switch the location of the units, is that correct?

A Yes.

Q Give us a brief history of the development of this section and the reason for the change.

A Well, State "A" Account 2, Well No. 37, located in the northeast of the southwest was completed in 1946 and was the only gas well in that section until Well No. 43 was drilled in October of 1957. At that time we dedicated the east half of the section to Well No. 32 and the west half of the Section to Well No. 37. In October of this year we drilled State "A" Account 2 Well No. 56 located in the northwest quarter of the southeast quarter, Section 8, the Eunice Oil Well. In the completion of it, we got over 90 percent water and we decided to put it back and make a Jalmat gas well out of it. Our reason for doing this was the fact that Well No. 37 was producing approximately 80 BOPD and our deliverability had declined and we felt that we were not obtaining our correlative rights in this section. We felt if we obtained a new completion we could plug off Well No. 37 in the Jalmat Pool and attempt a completion as a South Eunice oil well at a later date.



Q Well, you propose to dedicate Well No. 43 to the north half of this section, is that correct?

A Yes, sir.

Q That is not as a standard location for a 320-acre unit, is it?

A No, sir.

Q Is your Well No. 23 in the standard location?

A Yes.

Q And what kind of well is that?

A That is a South Eunice oil well.

Q If you went over to the west side of the north half of this proposed unit, could you locate a gas well there at a standard location?

A We could put in a well 660 from the west and 980 from the north line by which we could obtain administrative approval for the dedication of the north half of the section. However, offsetting it is a shut-in gas well, southwest of it is a Jalmat gas well, and northwest of it is a Jalmat gas well. If we drill Well No. 43 in the north quarter of Section 8, because we have three 160-acre tracts that do not have a gas well, in order to protect our correlative rights we felt that we should drill in one of these 160-acre tracts and we are asking for the northeast quarter of Section 8.

Q There are three gas wells in Section 4 at this time, is that correct?



A Yes, sir.

Q You feel by locating it where you have that it will protect your correlative rights?

A Yes, sir.

Q This is a state lease, is it not?

A Yes, sir.

Q Royalty is common as to whether it be the north, south, east, or west?

A That's right.

Q Now, Well No. 43 is actually at a location which would be a standard location for a 640-acre unit, is it not?

A Pardon me.

Q Well No. 43 is at a location which is standard for a 640-acre unit?

A No, sir. No. 56 is.

Q Well No. 46 is?

A Yes.

Q Why do you propose the two 320 units instead of dedicating that one well to 640?

A We did not want to produce No. 56 too hard since No. 37 does or is producing water. We felt that the lower allowable would give us a longer life to the well.

Q All right, now, is there at the present time pending a request for administrative approval of the south half as a 320-acre unit with Well No. 56 dedicated as the unit well?



A Yes, sir. If these two applications are approved, there is a possibility or probability that there will have to be an adjustment of over-production of under-production?

A Yes, sir.

Q Whatever method that the Commission comes up with to handle it is perfectly satisfactory to you?

A Yes, sir.

MR. RUSSELL: I have no further questions.

CROSS EXAMINATION

BY EXAMINER UTZ:

Q Mr. Yuronka, do you know what the status is of the No. 37 well? Is it under- or over-produced?

A On the November proration schedule, it is over-produced.

Q Is it your intention to plug that well?

A We intend to squeeze off the Jalmat perforations and attempt to shut in the Eunice completion.

Q That is a little deeper?

A Yes. This well does have some perforations open in the lower zone. However, when we fracked it at approximately the beginning of 1955, we did not have tubing in the hole and when we fracked it, why, we had to run the tubing under pressure and consequently we have left the lower zone unproduced since 1955.

Q Well, this is still a pretty good well, isn't it?



A Well, the fact that it makes 80 barrels of water per day, we feel that we are not obtaining the production on that well that we should be getting as compared to the other wells.

Q The No. 56 well you intend to dedicate to the south half is the better well?

A Yes, sir.

Q The No. 43 well is also over-produced, is that correct?

A On the November proration schedule, yes, sir. When the application was filed Well No. 37 was under-produced.

Q The unit is surrounded by the Jalmat gas wells, is it not?

A Yes, sir.

EXAMINER UTZ: Are there other questions of the witness?

MR. MORRIS: Yes, sir.

CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Yuronka, I believe you stated that you could get administrative approval for a well to be located in the northwest quarter 1980 from the north line and 660 from the west line of the section. I wanted to correct the record with respect to that because --

A Pardon me. We have to file -- we would have to file



for -- it would not be a standard proration unit. We would have to ask for and get approval for a non-standard location.

Q Yes. You would have to do that at a hearing.

A No.

Q The reason you have to, we are having this hearing today because of this 320-acre unit is not far enough from the east side of the proration unit under the Jalmat rules. I believe you have to be 1980 feet from the short side of your proposed unit and 660 from the long side of the unit. That's the reason we are here today, because your well location requirement prohibits the granting of a smaller-than-standard size proration unit administratively, so if I understood you correctly in saying you would have gotten administrative approval for a location 1980 from the north line and 660 from the west line, I wanted to correct the record with respect to that, because that would create the same situation that we have with Well No. 43 to which you propose to dedicate this unit now. Administrative approval was not possible because of this location.

A Wouldn't an administrative approval be forthcoming if you filed a non-standard location or an application for a non-standard location and non-standard proration unit 1980, 660?

Q No, because your non-standard location would not be due to topographical reasons and it would have to come through

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hearing.

MR. PORTER: This 660, 1980 would not be a standard location?

MR. MORRIS: No, sir, it would not be a standard location.

THE WITNESS: You could dedicate 320 to a well located at that location.

MR. MORRIS: Under the Jalmat gas rules, in order to dedicate 320 to a well, the well location has to be at least 1980 from the short side of the 320 and that is the reason why this application is being heard today, because it's not 1980 feet from the short side, that being the east side of this proration unit.

MR. NUTTER: I think what you mean to say is No. 56, 49, and 51 and 3 to be standard locations for 320-acre units.

MR. MORRIS: That is correct.

MR. NUTTER: Those are the four locations drilled at the present time?

MR. MORRIS: That's correct. I wanted to set the record straight lest there be any misunderstanding as to why we are having a hearing on this matter today and why the request for administrative approval on this unit was rejected.

THE WITNESS: Let me state this: We recently applied ; for a similar 660, 1980, 320 acres and obtained administrative approval.

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MR. NUTTER: That one slipped by.

MR. MORRIS: Could you point out --

THE WITNESS: That is why I could not understand this case.

MR. MORRIS: Well, could you tell me what order that was.

MR. NUTTER: We will rescind it.

MR. MORRIS: No, at the same time you applied for administrative approval of this unit with the well location being where it is, you also applied for administrative approval of the 320 acres to the south with Well No. 37 to be dedicated to unit, well 37, or was it 56?

THE WITNESS: Well No. 56.

MR. MORRIS: Either 37 or 56, or for that matter, the 53 or 54 wells are located at standard locations for a 320-acre unit under the Jalmat gas pool rules, but if you get closer to 1980 to the short side of your proration unit, you don't meet the requirements of the rule and that's the reason we are here.

I had no question of you except just to attempt to set the record straight. Apparently I have confused it.

THE WITNESS: We did not feel a hearing would be necessary and so consequently this one kind of set me back just a shade.

EXAMINER UTZ: Are there any other questions?

CROSS EXAMINATION



BY MR. NUTTER:

Q Let me get this straight. Mr. Yuronka, at the present time No. 37 is dedicated to the west half?

A Correct.

Q The No. 43 is dedicated to the east half?

A Correct.

Q You propose to dedicate the No. 43 to the north half?

A Right.

Q And deepen the No. 37 to the south unit and dedicate the south half to the No. 56?

A Well, with one correction. Well No. 37 is already deepened to the south unit.

Q What was your potential on the No. 56 in the Jalmat?

A On September 19, it was 6300.

Q MCF?

A That's right; and on October 18 it was 2268.

MR. NUTTER: Thank you.

EXAMINER UTZ: Are there other questions?

MR. RUSSELL: I have one.

CROSS EXAMINATION

BY MR. RUSSELL:

Q Going back to correct the record. At the beginning when you were describing the history of Well 37, you said it produced 80 barrels of oil. You meant water?

A I thought I corrected myself. I meant water, yes.



MR. RUSSELL: I would like to introduce Exhibit No. 1 into evidence.

EXAMINER UTZ: Without objection, Exhibit No. 1 will be entered into the record.

If there are no other questions, the witness may be excused.

(Witness excused.)

EXAMINER UTZ: Are there any statements in this case? The case will be taken under advisement.

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