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BEFORE THE

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

May 21, 1969

EXAMINER HEARING

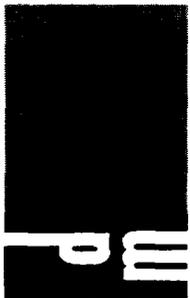
IN THE MATTER OF:)

Application of Roy E. Kimsey,)
Junior, for an exception to)
Order No. R-3221, as amended,)
Eddy County, New Mexico.)

Case 4135

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING



MR. UTZ: Case 4135.

MR. HATCH: Application of Roy E. Kimsey, Junior, for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

(Witness sworn)

ROY E. KIMSEY, JUNIOR

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

DIRECT EXAMINATION

BY MR. UTZ:

(Thereupon, Applicant's Exhibits 1 through 8 were marked for identification.)

Q Will you state your name, by whom you are employed and what capacity?

A My name is Roy E. Kimsey, Junior, and I am representing myself in this case, and I am the part owner and operator of a one-well lease, known as the Kimsey and Cahoon, No. 1 P. R. Bass-Federal Well No. 1, which is located in Lot 6 of Section 3, Township 16 South, Range 30 East, Eddy County, New Mexico. And at the present time, this one well is producing from the Basil Gradburg, and is adjacent to the West Henshaw

Grayburg field, in relation to the Mobil Oil Company, West Hensaw waterflood project, and we are producing at the time, between approximately twelve to fourteen barrels of water per day. I have entered, and I would like entered Exhibit One, a topographical map showing the area of interest, outlined in red, mainly for the purpose of trying to locate any windmills or fresh water wells in the immediate area of my one particular well. And Exhibit Two, which I would like to offer in evidence, will be the other portions, or another topographical, showing the adjacent areas, which encompasses the area where the well is located. There again, to point out existing, or presently existing fresh well. On my personal examination, which was a week ago today, I went to the area and with my pumper -- I was looking, mainly, for a fresh water well which, could, possibly, be contaminated by the -- one well putting the salt water into the pit, and I only found one well in this township, the Range being 30; and that one particular well is located -- which I have marked on other Exhibits -- by -- in red. But it's located in the east half of the northwest quarter of Section 24, Township 16 South,

Range 30 East -- and I went, mainly, for the purposes -- because I knew that one well was there -- to get a sample of the water for analysis purposes, and upon getting to the well, I found that the rods had been pulled, and it had been off of production for approximately four weeks. And that particular well is owned by Hal Bogel. And it's in a little area known as Twin Lakes, which is a depression mainly, that fills up with water for cattle purposes. And it had rained two days prior to this. There was some water in one of the stock tanks, but it had been commingled with fresh rain water, so I just thought that **possibly** analysis wouldn't be -- well, it wouldn't be fresh or it wouldn't be true. So, therefore, I didn't take one. The only other well in the area is -- well, first of all, let me enter my Exhibit, if I may, Exhibit No. 3, which shows the lease ownership map, showing my particular lease, and the fresh water well we just discussed, marked there in red.

On this particular plat, I could find no other fresh water wells in the area, as far as this lease ownership map is concerned.

MR. NUTTER: Is the yellow lease your lease?

THE WITNESS: Yes, sir, that's my lease. Now, if I may enter Exhibit No. 4, from which the material was taken, from the text entitled "Geology and Ground Water Resources of Eddy County, New Mexico," published by the State Bureau of Mines and Mineral Resources, as their ground water report number three. It's Exhibit Four, and I made a Xerox copy of the map, from the text, showing the general direction of the movement of the ground water from my particular lease, or the lease in question. And I believe we will find that most of the ground water in this area moves to the south and in a southwesterly direction -- which I have indicated -- the one well we have discussed -- we have just discussed, the Hal Bogel water well, on this particular exhibit, Number Four. And the other wells, which are indicated and marked in red also. Now, the only other closest well which I did not know existed, and I'm not sure that it does exist, because it is a fairly old water well -- would be the one right on the highway, west of Artesia, which is located in Section 22, in Township 17 South, Range 29 East. And I think you can find it

just at the bend in the highway. And the last report we had was a test of that well, made in 1948. Now, I personally didn't know -- I have not observed this well and did not know it existed, until I got into this report, and I'm not sure that it is still producing. For our purposes, I think we should make note of this. Then, if I may enter Exhibit Number Six. Exhibit Number Six is also a plat taken from the text that I mentioned --

MR. UTZ: Are you going to skip Five?

THE WITNESS: No, sir, it's Five instead of Six. And this is a plat taken from that text, which shows the particular type of formation that the ground water in this area comes from, which I believe you will find, as the map indicates, and is from the Triassic Dockum group. And I believe that most of the water found in this area is contained at a depth of three hundred feet and above. Now, in my personal examination of the well in Section 24 and 16-30, I was trying to estimate the depth and all I could do was calculate by the rods; and it looked like there were approximately eighteen rods on the ground -- I don't know the length of the rods, but just estimating, I would say, twenty-five feet. So, that particular well --

if they did use all those rods, would be around close to four hundred feet in depth. I don't know what their capabilities or their producing capabilities are -- of those wells are. Of course, it has been off production and has been off for -- well, they tell me for about three or four weeks, now. And I don't know what the plans are for putting it back on production. Now, to enter Exhibit Number Six. This is another plat taken from the text, which show the general quality of the water, as come from this Triassic Dockumgroup, and I think that that is listed in areas Five A, Five B, Five C, and Five D. And our particular area of interest is carried as Five C, and in conjunction with this, I would like to enter Exhibit Six A, which is the written explanation of the type or quality of the water. And I believe that you will find in the area listed as Five C, which my lease is contained in, and it says that "in some instances --" I believe, "the water is impotable, but can be used for cattle drinking purposes." But noting, on Exhibit Number Four, showing the direction of waterflow, flowing to the south, we enter the zone, shown on Exhibit Six, which is carried as, I believe

Five C. And in Five C, this indicates that the water is impotable and unfit by consumption by human or animal, due to the fact that is high in chloride content and sulphate content. So, for this reason, I feel like that if we do have this movement to the south and the southwest and that the -- the chances are that it would -- there would be very little contamination, if any. And, also it is not shown on this particular plat, because we are getting fairly far away. But, as we go to the west, or toward the Pecos River, I believe your water there is produced and, mainly, becomes your ground water from the Rustler formation, which I believe, will be indicated -- indicated in my Exhibit Number Seven. That the water going to the west is of poor quality, than the water from areas Five C and Five D. So, therefore, the contamination, or the possibility of contamination, based on the direction of flow -- I don't think would be great. As to that Exhibit Number Seven, I have outlined -- oh, I think three or four pages in there, giving a general breakdown of the water as it pertains to this immediate area, which I believe, will have some significance. Now,

my Exhibit Number Eight, which I would like to enter, is the water analysis which was taken from the Kimsey-Cahoon well, giving the breakdown -- well, mainly, the chloride content, of course, which are the most important factors. This completes my testimony, Mr. Examiner, as to my exhibits.

MR. UTZ: Let's talk a little about Number Four, first, which is the direction of flow.

MR. KIMSEY: All right.

MR. UTZ: Now, your well is located at the top of this plat, in Township 16 North, is that right?

A Sixteen South, 30 East.

Q All right. Now, the red dots shown on this exhibit are water wells?

A Yes, sir.

Q Windmills?

A Yes, sir.

Q And they are water, used for what?

A Mainly, for stock. I believe stock water -- stock-watering purposes would be the only thing. I have not personally examined those wells, and I didn't know how to base it. But I was just looking at an area --

I didn't pay much attention -- I didn't pay any attention really, to an area graded, say, to an area nine or ten miles to my lease. In all probability, in conversation with people on the ground, and the people that supposedly make a study -- well, that made a study of ground water, they just felt that it, possibly, would not contaminate, you know, a well that was nine or ten miles away. So, I have, for all purposes --

Q How much water are we talking about?

A I am making approximately, twelve to fourteen barrels per day.

Q Section Twenty Four, I believe, 16 South, 30 East?

A Yes, sir.

Q Did you get an analysis of that water?

A No, sir. That's the one I went to a week ago today, and, for the purposes of getting water, and having it analyzed -- and that well has been off of production, they tell me, for about four weeks, now. And I don't know when they plan to put it back on to production, if they do. And there was some water in the tank, but it had rained two days before, and the

whole area was, I would say, at least, eight to ten inches under water, including the stock tank, which would be commingled with the ground water. So, therefore, I found it -- well, it was really impossible to get a sample of the water at that time.

Q Were they earthen tanks?

A No, sir. They were metal tanks. Well, the big tanks -- there are two big galvanized, iron tanks -- it's more or less a draw: they call **Twin Lakes** or just a depression that rain water accumulates in. They have some galvanized tanks and these large earthen tanks.

Q So, the run of water was commingled with the ground water?

A Yes, sir. I would, just guessing, I would say there was a thousand times more rain water than phosphate well water.

Q Did you talk to the owners?

A I talked to my pumper; I had him with me -- he has been pumping that area for about twenty-one years, and we -- I asked him to make an investigation about a month ago, of any existing water wells in the area, for the Hearing purposes, and he has checked

and -- in those areas, and says that this is the only fresh water anywhere in the area -- you know, which would possibly be contaminated. And he also talked to -- I can't recall his name. His first name is Frank, and I think -- I can't recall his last name -- I think it might be Whitlock, or something like that. This man was in the feed business, but he used to be a windmill man in that area for five or six years, and was acquainted with every windmill in that area. And he, again, stated that this was the only well that was even close to my particular producing lease.

Q But they do use that water for stock?

A Yes, sir. There was some cattle around there at the time.

Q I believe your application is to dispose of any unlined pit?

A Yes, sir.

MR. UTZ: Any questions?

MR. NUTTER: Mr. Kimsey, now, you indicated that Mobil is operating a waterflood on its West Henshaw Premier Unit, is that correct?

THE WITNESS: Yes, sir.

Q Now, actually your lease, which is Lot Six, there, in Section Three, is included in the unit boundaries --

A The reason for that, when they originally formed the unit -- when we drilled this well, I was not aware that a unit was being formed or even being discussed in there. And based on the formulas, we have completed a well, which was initially completed for about four or five barrels a day. And based on their formula, on their waterflood, it just wasn't economical for us to join the unit. So, they included us in the unit boundary, and afterwards, we advised them that we did not want to be included in the participating areas, so actually this shows them to be in the unit boundary, but we are not in the participating area.

Q You are in the unit area, but the tract is not committed to the unit?

A No, sir. It's not committed to the unit.

Q Now, what are the injection wells there?

A There is an injection well -- the well due west of us is an injection well, and I have another well that I drilled last September, which is a gas well, as

indicated -- I think, marked in yellow.

Q Is that another lease?

A Yes, sir. That's another lease that I have that is making no water at all: and we are selling, approximately, oh, four hundred thousand cubic feet of gas per day.

Q What pool is that producing from?

A That's the West Henshaw Grayburg -- it's committed also.

Q Well, let's see, if the well west of you is an injection well, I presume that the well south of you would be, too.

A No, sir. The well south of us is a producer, and the well due west of it is an injection well.

Q So, the wells west of you and southwest of you --

A Are injection wells.

Q Are injection wells?

A Yes, sir.

Q How about to the southeast?

A That's an injection, also.

Q What is your well making, as far as oil is

concerned?

A It makes, just almost exactly, thirty-five point eight-eight barrels per day.

Q And it was originally for forty-five?

A Yes, sir.

Q So, you have had a --

A Yes, sir. We put it back on production last May 29. It came up -- and it was producing about fifty-eight barrels of oil per day, and about three barrels of water,

Q Well, if the oil production has increased seven-fold, we could expect the water production to increase, ultimately, too; couldn't we, Mr. Kimsey?

A Yes, sir, I think so. I think that ultimately we would.

Q We are not really talking about twelve or fourteen barrels -- we are talking about something different.

A No.

Q We are talking about some other kind of figure --

A Yes, sir. If and when that time occurs, --

of course, I have no way of projecting that.

Q Have you made any effort to dispose of this water with Mobil?

A Yes, sir. I had my pumper talk to the production foreman of the West Henshaw field. As far as -- my original thoughts were that I would give Mobil the water, if they would take it by laying a line from my lease, down to their nearest producing well, and putting it in their return system. Their production foreman preliminarily indicated that "he didn't think that Mobil would be interested, because they would have to treat the water." So, I have set, contacted -- I can't think of his name -- Bard. I think is his name. I have written him a letter with Mobil, in Midland, and that's been two and a half weeks ago, and I asked that they make a study as far as -- or would it be feasible for me to put my water into their system, which I have not received a reply yet.

Q You know, this is not related to your Case at all. We had another similar instance at one time which the waterflood operator offered to take the water, providing the man brought the oil back to them. But as far as you know, right now your negotiations

are still open?

A Yes, sir.

Q With Mobil?

A Yes, sir.

Q Now, they are reinjecting their own produced water?

A Right.

Q So, they are treating it?

A Yes, sir, they are treating it.

Q The water from the same formation?

A Right.

Q So, it's probably treated in a similar manner?

A Yes, sir.

Q Now, Mr. Kimsey, our maps indicate these maps were made from aerial photographs -- I don't know when the photographs were made, but they indicate the presence of two wells, approximately three miles to the southwest. That would be in the extreme northwest quarter of Section Eighteen, and in the extreme northeast quarter of Section Thirteen, approximately three miles to the southwest.

A Yes, sir.

Q But you are not aware of those wells?

A No, sir. Now, I took -- I actually stood on

the tank battery with field glasses - up here (Indicating) -- on a fairly high elevation here -- and scanned the whole horizon, all the way around me, and I drove -- well, it's back about two miles north, up here.

(Indicating) And I rode back in here and checked that. Of course, this leased road here, Loco Hills -- it's a big county road -- let's see now, -- it's about right here. (Indicating) You can see the entire area, and I've never -- as many times as I've been in there -- in and out of the lease; and as many times as my pumper has been in and out, that I've never observed any well like that.

Q But we don't know that there is any water there?

A Yes --

Q We don't show it on the aerial photographs?

A Well, even in this 1952 report, they indicate -- you know, all the wells in the area which there were no wells indicated.

Q That's correct. But the ground water report does not show these wells?

A That's right. And I've never observed them officially. But I did -- I checked very carefully.

with field glasses, from the highest point I could find, and I could not find any wells other than the ones which I have noticed.

Q Now, does the ground water report give the depth of the well in Section Twenty Four?

A No, sir, it does not. Because, apparently it's a new well. The well has been drilled before the report was drilled.

Q But it's on the map; isn't it?

A No, sir. It's not on any map.

Q Oh, you put it on the map --

A Yes; I put it on the map, myself.

Q It wasn't printed on there?

A No, sir. I can't find it on any map -- even on the topographical maps; it's not listed there.

Q I see. And the analysis of the water that you are producing from your well, is a hundred twenty-one thousand parts per million?

A Yes, sir.

Q I believe that's all. Thank you.

MR. UTZ: Any other questions? The witness may be excused. Any other statements in this case? The Hearing will be adjourned until one thirty.

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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, CA FENLEY, Court Reporter in and for
 the County of Bernalillo, State of New Mexico, do
 hereby certify that the foregoing and attached
 Transcript of Hearing before the New Mexico Oil
 Conservation Commission was reported by me, and
 that the same is a true and correct record of the
 said proceedings, to the best of my knowledge, skill
 and ability.

CA Fenley

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 4135
 heard by me on May 21, 1969
CA Fenley
 Examiner
 New Mexico Oil Conservation Commission