BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
September 13, 1972

EXAMINER HEARING

IN THE MATTER OF: IN THE MATTER OF CASE 4577 being reopened pursuant to the provisions of Order No. R-4181. (Second Calling)	CASE NO. 4577 (Second Calling)

BEFORE: ~~Richard~~ Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Case Number 4577, called again, which is the matter of Case 4577 reopened pursuant to the provisions of Order Number R-4181.

For the record, I would like to say that the original Applicant has requested that the Case be dismissed. We will make a recommendation that the case be dismissed and that the pool revert to 40 acre spacing.

Hearing is adjourned.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, JOHN DE LA ROSA, a 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.

John De La Rosa
COURT REPORTER

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4577
72

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
September 13, 1972

EXAMINER HEARING

IN THE MATTER OF: Case 4577 being reopened pursuant to the provisions of Order No. R-4181, which order established special rules and regulations for the Parkway-Wolfcamp Pool, Eddy County, New Mexico.	CASE NO. 4577

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

MR. HATCH: Case 4577: In the matter of Case 4577 being reopened pursuant to the provisions of Order No. R-4181, which order established special rules and regulations for the Parkway-Wolfcamp Pool, Eddy County, New Mexico, including a provision for 160 acre spacing units.

MR. NUTTER: Is there an appearance in Case 4577?

(No response.)

MR. NUTTER: We'll call the Case again at the conclusion of the docket.

Case Number 4811.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, JOHN DE LA ROSA, a 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.

John De La Rosa
COURT REPORTER

[illegible] the [illegible] the Examiner hearing of Case No. 4577
heard by me on [illegible] 9/13 [illegible] 72

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Oil Conservation [illegible]

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 11, 1971

Examiner Hearing

IN THE MATTER OF: Application of Petroleum Corporation for the creation of a new pool, special rules therefor, and discovery allowable, Eddy County, New Mexico.	Case No. 4577

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4577.

MR. HATCH: Case 4577. Application of Petroleum Corporation for the creation of a new pool, special rules therefor, and discovery allowable, Eddy County, New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox and Eaton representing the Petroleum Corporation. We have one witness, Mr. Hal Dean which we would like to have sworn.

(Witness sworn)

(Whereupon, Applicant's Exhibits 1 through 5 were marked for identification.)

HAL DEAN

having being duly sworn testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, your residence and by whom you are employed.

A Hal Dean, Midland, Texas. I am employed by The Petroleum Corporation.

Q What is your position with The Petroleum Corporation?

A I am a Consulting Geologist.

Q Are you familiar with the application which has been filed in this case?

A Yes, I am.

Q What is the Petroleum Corporation seeking to accomplish?

A We seek to create a new oil pool producing from the Wolf-camp formation and our Petco State well number 2 located in section 26, T19 south, range 29 east, Eddy County, New Mexico, and ask for special rules providing for 160 acre spacing and proration units.

In addition we request the assignment of an oil discovery allowable to this well.

Q Are you a graduate geologist?

A Yes, sir.

Q Have you previously testified before the commission.

A Yes, I have.

Q Are your qualifications as a Petroleum Geologist a matter of record with the commission?

A Yes, sir.

MR. HINKLE: Are the qualifications acceptable?

MR. NUTTER: Yes, they are.

Q (Mr. Hinkle continuing) Have you made a study of this particular pool and of the wells that have been drilled and are you familiar with them?

A Yes, I am.

Q Have you prepared, or has there been prepared under your direct supervision, exhibits for introduction into this case

A Yes, sir, there have been.

Q Refer to exhibit number 1 and explain what this is and what

it shows.

A Exhibit number 1 is a land plat of the area of interest, which shows the location of the subject well.

It is pointed to by the arrow. It is located in the Southeast quarter of the Southwest quarter of section 26.

The acreage of which the Petroleum Corporation owns an interest is indicated colored in yellow.

The ownership of adjacent lands, to the best of our knowledge is also indicated on this map.

Q Now, refer to exhibit number two and explain what this shows.

A Exhibit number 2 is a map designed to show the producing formations in the area adjacent to the Petco State number two Wolf-camp completion.

At the bottom of the page there is a legend showing the different producing intervals. The nearest producing well is a Petroleum Corporation number one Petco State located 1 and one-half miles East, completed in the straun formation at approximate depth of 10,600 feet.

The closest producing well outside of the number one Petco State is the H. L. Brown Yates Federal located approximately 2 and one-half miles east of the number two Petco State, producing from the Morrow formation.

Q Does the Sun Ray well in section 32 also produce from the Morrow?

A The Sun Ray also--well also produces from the Totco Morrow section, but it has been plugged and abandoned.

Q Your number 1 Petroleum Corporation Petco State number one was a discovery in section 26?

A Yes, sir. That was a -- discovery well for the Parkway pool, producing from the straun formation.

Q And special pool rules have been adopted for that area?

A Yes, sir.

Q Now, refer to exhibit number 3 and explain that to the commission.

A Exhibit number 3 is a structure map drawn on the top of the Wolf-camp formation.

It shows the number 2 well, number 2 Petco State is approximately 75 feet higher structurally on the top of the straun formation, which was the original objective in our number 2 well was dense, and it was not productive. For this reason, we have plugged back and completed in the Wolf-camp formation average depth of about 9600 feet.

This structure map shows a -- an east dipping Morrow climb.

There is a change in strike in vicinity of this particular area of interest.

Q Now, you have a log of the well which is exhibit five, and the history of the well and the production will be explained a little later.

Do you have any further comments with respect to exhibit three?

A No, sir.

Q Refer to exhibit 4 and explain this.

A Exhibit 4 is a cross section of electrical log drawn from the Sun Ray number 1 mid-continental well on the west, in an easterly direction through the Petco State number two well.

In terminating on the east with the Petco State number 1 well in the Sun Ray well, the Wolf-camp zone was not tested. It was present at approximate depth of 9260.

However, no drill stem test or production data, testing data had been recorded on this particular well.

As we go to the east, you can see that there is considerable change in structure. It is an east dip, and the Wolf-camp zone, which we have completed in was present from depths of 9622 -- pardon me. From 9616 to 9654.

The zone was approximately--had approximately 32 feet of crystaline limestone which was porous, had an average porosity of 5%.

As we go in an easterly direction, the correlation in the number 1 Petco State, this same zone, was present, but was dense and no shows were recorded in this number one Petco State.

The trap is definitely a stratagraphic in nature, being

limited from our well control in the northwest and the south and the east direction.

Q If you will refer to exhibit 5, which is the well log, and we only have two copies, explain exhibit 5.

A Exhibit number 5 is a copy of the Schlumberger Borehole compensated sonic log, gamma ray.

On the 5-inch scale, the top of the Wolf-camp section as you see there, is at 9616. The base of the Wolf-camp section is at 9654.

The well was perforated from a depth of 9622 to 9646.

The well flowed on a 2464 in choke at the rate of 810 barrels of oil, 1,001,200 mcf gas per day, a tubing pressure of 320 pounds at the surface, a gas/oil ratio of 1485 to 1, oil of 49 gravity.

The treatment after perforation was 500 gallons of acid.

The well is presently shut in.

Q What about your number 1 well? Is it being produced at the present time?

A Yes, it is being produced at the present time from a straun formation.

Q Have you gas connections for that well, the number 1?

A No, we do not have at this time, but we are anticipating one.

Q Do you have a gas connection or anticipate a gas connection for this number 2 well?

A Yes, sir.

Q Do you have any idea how long it might be before the well might be connected?

A Approximately -- we hope fully within a 30-day period.

Q And you will be producing both oil and gas from that?

A Yes, sir.

Q So you really have no production history on this well at the present time.

A No, sir, we do not.

Q What is your recommendation to the commission with respect to the establishment of pool rules?

A We request that we obtain 160 acre spacing with 160 acre proration units, and that we be given a discovery allowable for this well.

Q You are asking for a temporary field rule--

A Yes, sir.

Q --for a year?

A Yes, sir.

Q And what is the object of the temporary field rules?

A Well, from our exhibit number 1 of the land plat, there is considerable acreage in which we have an interest in and we would like to observe the production of this well, and then proceed to develop it, or at least hold acreage.

Q Do you have reason to believe that one well will effectively and efficiently drain as much as a hundred sixty acres or

more?

A We are hopeful that it will do that.

Q This will give you an opportunity to observe the production and possibility of other wells being drilled?

A Drilled in the area by ourselves and possibly other operaters.

Q So at the end of the year you should have additional information to determine that depth?

A Yes, sir.

Q What discovery allowable are you seeking?

A Discovery allowable of approximately 48,110 barrels to this particular well.

Q And have you filed a form which is required by the commission regulation for this discovery allowable?

A Yes, we have.

Q In your opinion this is a new discovery, distinct from the straun discovery in the number 1 well?

A Yes, sir.

Q There is no communication between the two?

A No.

MR. HINKLE: We would like to offer in evidence exhibits 1 through 5.

MR. NUTTER: Applicant's exhibits 1 through 5 will be admitted in evidence.

MR. HINKLE: Do you have anything else you would

like to present to the commission?

THE WITNESS: No, sir.

MR. HINKLE: That's all of the direct.

CROSS EXAMINATION

BY MR. NUTTER:

Q What is your name, sir?

A Hal Dean.

Q Okay. Mr. Dean, you haven't made any recommendations as to what locations under your proposed pool rules. What would you suggest would be the location requirement for these wells?

A I think that they should be 660 feet from the lease lines.

Q No closer than 660 feet to the 160 acre --

A Yes, sir.

Q --units?

A Yes, sir.

MR. HINKLE: Is that the same as in a straun special --

THE WITNESS: Straun oil pool, yes, sir.

Q (Mr. Nutter continuing) In other words, you are requesting rules similar to what we recently approved for the straun oil pool?

A Yes, sir. Yes, sir.

MR. HINKLE: Yes sir.

Q What is the rate of production on that straun well?

A Well, it is producing approximately 20 barrels of oil and about 300 barrels of water and gas is around 500 mcf per day.

We are hopeful that this second well we are moving up --

Q And have you made a calculation as to what the allowable would be under 160 acres spacing for this Wolf-camp well?

A No. I have not, sir.

Q Or what the rate of gas production would be?

A No. I think that it is approximately 400 barrels a day. The gas ratio thereof 1500 to 1 would be closer.

MR. NUTTER: Are there any further questions of Mr. Dean? He may be excused.

(Witness excused)

MR. NUTTER: Do you have anything further, Mr. Hinkle?

MR. HINKLE: That's all.

MR. NUTTER: Does anyone have anything they wish to offer in case 4577?

Take the case under advisement.

I N D E X

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

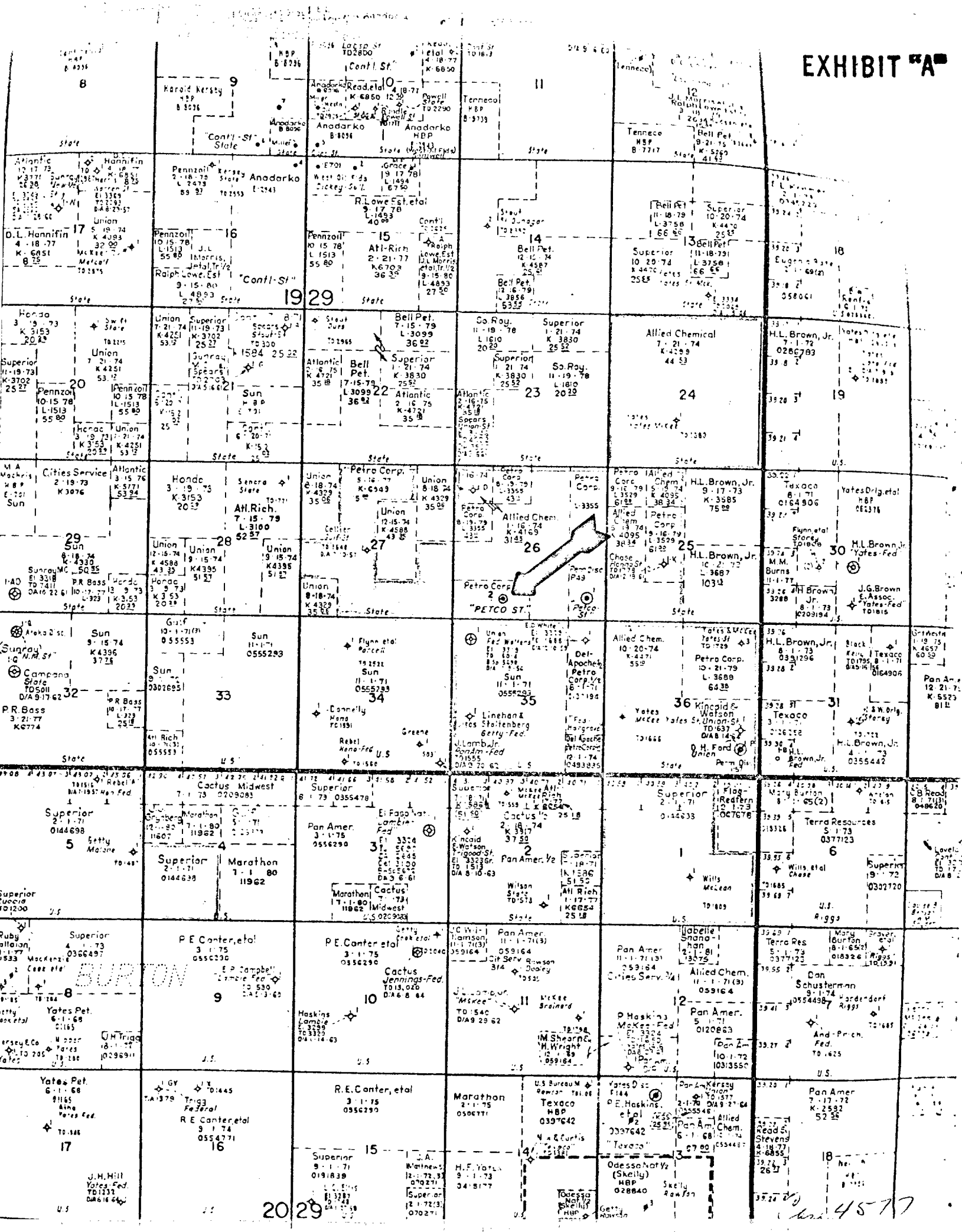
I, LINDA MALONE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Linda Malone
Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4577 heard by me on 8/11, 1971

_____, Examiner
New Mexico Oil Conservation Commission

EXHIBIT "A"


Cont'l-St State
Anadarko
Tenneco
Bell Pet.
Superior
Pennzoil
Atl-Rich
Ralph Lowe Est.
Hondo
Union
Sun
Allied Chemical
H.L. Brown, Jr.
Cities Service
Petro Corp.
Allied Chem.
Texaco
Yates Drlg. etal
Campana
P.R. Bass
Cactus Midwest
Pan Amer.
Marathon
Terra Resources
Cactus
Superior
Yates Pet.
R.E. Canter, etal
Texaco
Pan Amer
Odessa Nat'l 1/2 (Skelly)
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