

dearnley, meier & mc cormick

209 SIMMS BLDG. P.O. BOX 1092 PHONE 243-6691 ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE HALL, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
June 29, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc. for  
special pool rules, Lea County,  
New Mexico.

CASE NO. 4728

BEFORE: Elvis A. Utz  
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

209 SIMMS BLDG. P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. UTZ: Case 4728

MR. HATCH: Application of Texaco, Inc. for special pool rules, Lea County, New Mexico.

MR. KELLY: Booker Kelly, of White, Koch, Kelly and McCarthy of Santa Fe, appearing on behalf of the Applicant. I have one witness that I ask be sworn.

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

(No response.)

\* \* \* \* \*

CURTIS COOK,

was called as a witness and, after being duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you please state your name, position, and employer?

A Curtis Cook, District Production Engineer for Texaco in Hobbs.

Q Have you previously qualified as an expert witness before the Commission?

A Yes, I have.

Q Would you state briefly, referring to your plat, Exhibit Number 1, what Texaco seeks by this Application?

A Texaco seeks to establish field rules for the East Weir-Tubb Pool, Lea County, New Mexico, including provisions

1 for 80 acre proration units and a limiting gas-oil  
2 ratio limitation of 4000 cubic feet of gas per barrel of  
3 oil.

4 Q What is the status of the proposed pool at this time?

5 A The pool now is on statewide rules of 40 acres and a  
6 2000 to 1 GOR. The Monument pool was discovered, I  
7 believe in 1959 and has produced to date under established  
8 field rules.

9 In 1964, via a Continental Hearing, the Weir-Tubb  
10 which wells are circled in red, was discovered. In 1964  
11 Texaco drilled its Number 9 well under statewide rules,  
12 in fact, it was drilled on 80 acres.

13 Q So the only difference as it stands now between the two  
14 pools is there are actually 40 acre proration units in  
15 your proposed pool and the 2000 versus 4000 GOR?

16 A Correct.

17 The pools are separated only by 40 acre proration  
18 units down the side of Section 11, adjacent to the pool  
19 sitting right next to each other.

20 Q Exhibit 2 is a cross-section, would you explain its  
21 significance?

22 A Exhibit 2 is a cross-section indicated by the green  
23 line on Exhibit 1 that runs through the Monument and  
24 Weir-Tubb pools and you can see that in the Tubb section  
25 the rock development is very similar and the structural

1 positions don't vary and this would indicate that either  
2 they are in the same reservoir or in a very similar  
3 reservoir; it is my opinion that it is the same reservoir.

4 They are located very close together separated only  
5 by 40 acre proration units. The rock development is  
6 similar.

7 MR. UTZ: Are you suggesting we combine these  
8 pools?

9 THE WITNESS: No, sir, I just want pool rules  
10 similar which would accomplish the same thing.

11 Q (By Mr. Kelly) Actually, if you had a different  
12 development pattern, you would have the same pool?

13 A Correct. If we had moved toward the Weir pool, we  
14 probably would have been incorporated in the Monument  
15 pool.

16 Q Are you familiar with Case Number 3123, the Continental  
17 Oil Company application which set up pool rules for the  
18 Monument-Tubb pool?

19 A Yes, I am.

20 Q Do you agree that provisions for 80 acre proration  
21 units and a limiting gas-oil ratio of 4000 cubic feet  
22 of gas per barrel of oil would not adversely affect the  
23 reservoir?

24 A Yes, sir. The pressure data that is shown, shows that  
25 subsequent wells experienced less reservoir pressure after

1 being completed --

2 MR. UTZ: What was that case number?

3 THE WITNESS: Case Number 3123, back in 1964.

4 MR. KELLY: We ask the Examiner to take  
5 administrative notice of the testimony in that case.

6 Q (By Mr. Kelly) Then I take it that it is your opinion  
7 that the Weir-Tubb is either the same or a similar  
8 pool?

9 A That is correct and we are asking for rules equal to  
10 those in the Monument pool so that we do not suffer  
11 drainage.

12 Q In your opinion, if you did have different spacing  
13 and the GOR was lower, would it adversely affect your  
14 correlative right?

15 A Yes.

16 Q Are there any other operators besides Texaco?

17 A Yes, Continental operates one well.

18 Q I believe they only have 40 acres?

19 A Yes.

20 Q Have you taken care of them in your proposed rules?

21 A Yes, rule 3 of the proposed field rules for the  
22 Weir-Tubb pool sets up an administrative procedure  
23 whereby they can obtain a 40 acre proration unit.

24 Q Now, Exhibit 3 are your proposed rules; is that correct?

25 A That is correct.

- 1 Q Are they, in all respects, identical with the Monument-
- 2 Tubb rules?
- 3 A Yes, sir.
- 4 Q If your Application is granted, you will be producing
- 5 more gas, have you arranged for purchasers for that
- 6 gas?
- 7 A Yes. Oil production will increase and casinghead gas
- 8 production will increase and attached are two letters
- 9 from the purchaser indicating that they will be able
- 10 to handle the increase in casinghead gas.
- 11 Q Those are Exhibits 4 and 5?
- 12 A That is correct.
- 13 Q In your opinion, would the granting of this Application
- 14 protect correlative rights of all the operators concerned
- 15 and prevent waste and allow you to effectively drain
- 16 this pool?
- 17 A Yes, sir.
- 18 Q Were Exhibits 1 through 3 prepared by you or under your
- 19 supervision?
- 20 A Yes.
- 21 Q And Exhibits 4 and 5 are exact copies of letters received
- 22 from purchasers?
- 23 A Yes, sir. I have the originals, if you want them,
- 24 Mr. Examiner.
- 25 MR. KELLY: At this time I move for the introduction

1 of Texaco Exhibits 1 through 5.

2 MR. UTZ: Without objection, Exhibits 1 through 5  
3 will be entered into the record of this Case.

4 (Whereupon, Texaco Exhibits 1 through 5  
5 were admitted in evidence.)

6 MR. KELLY: That concludes our Direct Examination.

7 \* \* \* \* \*

8 CROSS-EXAMINATION

9 BY MR. UTZ:

10 Q Who are your purchasers?

11 A Phillips and Warren. Continental's wells will be  
12 unaffected so they will not experience an increase in  
13 cashinghead gas. There is no question of handling the  
14 oil, but there is some question about gas in southeast  
15 New Mexico, but there will be no question here.

16 Q How many wells are there in the Weir-Tubb pool?

17 A Sixty-five Texaco wells and the Continental well.

18 Q Which wells are those?

19 A The ones circled in red.

20 Q On Exhibit 1?

21 A Yes, sir. The other wells not circled in either red  
22 or blue are those wells which do not penetrate the  
23 Weir-Tubb zone. There are other wells in the area, but  
24 they do not penetrate the Tubb zone. There are Drinkard  
25 wells up at the top.

dearnley, meier &amp; mc cormick

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

- 1 Q Why haven't you considered commingling these two pools?
- 2 A That would be all right, but I felt this was the
- 3 simplest approach, to have the same rules governing
- 4 both pools. It would be relatively easy if we commingled
- 5 them and the net effect would be the same, assuming, we
- 6 went by the Monument pool rules.
- 7 Q You are suggesting Monument pool rules for this pool?
- 8 A Yes, so the net effect would be the same.
- 9 Q And as far as your proof as to one well being able to
- 10 drain 80 acres, is your request that we lean on Case
- 11 3121 for that evidence?
- 12 A Yes. The rock characteristics as far as we can tell
- 13 are the same and they establish very clearly that one
- 14 well could drain 80 acres.
- 15 Q Have there been any dry holes drilled in the so-called
- 16 no-man's land between these two pools?
- 17 A No, we don't have any wellbores penetrating. Texaco
- 18 does have a wellbore penetrating in the north part of
- 19 Section 11 into the Weir which could possibly re
- 20 recompleted to the Weir at a later date.
- 21 MR. UTZ: Any further question?
- 22 \* \* \* \* \*
- 23 REDIRECT EXAMINATION
- 24 BY MR. KELLY:
- 25 Q With the separation and the cross-section, it would be

1 highly unlikely that there could be any geology that  
2 could separate these two pools; is that correct?

3 A That is correct. It is possible, of course, but we have  
4 good control up to 40 acre units and the possibility of  
5 some barrier in there is remote.

6 MR. UTZ: You didn't request that in your  
7 Application, though?

8 THE WITNESS: I'm sorry?

9 MR. UTZ: I say, you didn't request commingling the  
10 pools in your Application?

11 THE WITNESS: No, sir, I could have requested that,  
12 but I felt if we got the same rules, the end result would be  
13 the same.

14 MR. UTZ: Did you by any chance talk to our  
15 District Office in Hobbs about this?

16 THE WITNESS: No, sir.

17 MR. UTZ: Any other questions?

18 (No response.)

19 MR. UTZ: The witness may be excused.

20 (Witness excused.)

21 MR. UTZ: Any statements in this Case?

22 (No response.)

23 MR. UTZ: The case will be taken under advisement.  
24  
25

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF NEW MEXICO )  
 ) SS  
COUNTY OF BERNALILLO )

I, RICHARD E. McCORMICK, a Certified Shorthand 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.

*Richard E. McCormick*  
CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is  
a true and correct record of the proceedings of  
the Commission Hearing of Case No. 4728  
before me on March 28, 1977  
*[Signature]*, Reporter  
New Mexico Oil Conservation Commission

I N D E X

WITNESS: PAGE

CURTIS COOK

Direct Examination by Mr. Kelly	3
Cross-Examination by Mr. Utz	8
Redirect Examination by Mr. Kelly	9

E X H I B I T S

<u>APPLICANT'S</u>	<u>OFFERED</u>	<u>ADMITTED</u>
--------------------	----------------	-----------------

Texaco, Inc.

Exhibit Number 1	3	8
Exhibit Number 2	4	8
Exhibit Number 3	6	8
Exhibit Number 4	7	8
Exhibit Number 5	7	8

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25