

dearnley, meier & associates

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
August 9, 1973

EXAMINER HEARING

IN THE MATTER OF:)
Application of Wallen Production)
Company for a pressure maintenance)
project, Lea County, New Mexico.)

Case No. 5040

BEFORE: ELVIS A. UTZ,
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 5040.

2 MR. CARR: 5040. Application of Wallen Production
3 Company for a pressure maintenance project, Lea County,
4 New Mexico. Applicant, in the above-styled cause, seeks
5 authority to institute a pressure maintenance project by
6 the injection of water into the Yates Seven-Rivers
7 formation in its Federal Well No. 2 located in Unit C
8 of Section 20, Township 20 South, Range 34 East, North
9 Lynch Yates-Seven Rivers Pool, Lea County, New Mexico.

10 MR. UTZ: Will you stand and be sworn, please?

11 (Whereupon, the witness was sworn by Mr. Carr.)

12 * * * *

13 WALTER W. KRUG,

14 was called as a witness, and after having been duly
15 sworn, testified as follows:

16 MR. UTZ: Are there other appearances in this case?

17 (No response.)

18 MR. UTZ: You may proceed.

19 DIRECT EXAMINATION

20 BY MR. UTZ:

21 A As shown on these small plats, I need to verify that
22 I'm the only one on the anomaly and that the water that
23 I'm trying to put away is coming from the same formation
24 that I'm putting it into. The reason I picked Well No. 2
25 is because it's as close to the oil-water contact as any

1 well that I have. And it's produced water, being salt
2 water, with some amount of hydrogen sulfide, minor amounts,
3 and I'd like to put it back into the formation to keep
4 the pressure up the best way I can. That would save me
5 trouble and sweating later on. What water I put in now,
6 I won't have to put in later and it's water that I need
7 to dispose of anyhow. So common sense tells me this
8 is the proper place to put it. Those show the anomaly
9 through that cross section as that red line.

10

11

12 MR. UTZ: Traces on your exhibit, which exhibit
13 is this?

14 MR. KRUG: That's the anomaly plat.

15 MR. UTZ: You want to mark them as an exhibit,
16 right? Exhibit Number One be okay?

17 MR. KRUG: Yes, sir, that would be fine. I only
18 have two.

19 MR. UTZ: We will label the cross section Exhibit
20 Number Two.

21 A The amount of water involved at the present time is
22 29 barrels.

23 Q (By Mr. Utz) A day?

24 A Sir?

25 Q Per day?

1 A Yes, sir. Twenty nine barrels per day. There will be
2 additional wells. I can't give an estimate on the
3 amount of water involved there; I can only tell you what
4 I have now.

5 The pressure that I'd be putting it away at is
6 1100 per square inch. That's untreated reservoir. It
7 was 1100 pounds to start with; it's 1100 pounds now.

8 Q Would that be a water drive pool?

9 A No, sir. It is true there is water there all right; but
10 the very best I could call it is a minor water drive. It's
11 mainly gas solution.

12 Q In your Federal Number Two now producing at all?

13 A No, sir. It is not.

14 Q Was it ever?

15 A No, it has not. It had four feet oil slum and that's
16 about as low oil water contact as you can get.

17 Q Do you have any information available as to what casing
18 is in the well and what you plan to do as far as tubing
19 or casing program?

20 A Only that I have seven inch casing cemented on the surface
21 at 3204. The tubing is by Packer set three and a half
22 foot off the bottom of the casing. That's my actual
23 measurement.

24 Q Approximately 3202, then?

25 A Yes, sir.

- 1 Q And tubing?
- 2 A Cement lined tubing and all my lining is plastic coated,
3 including the nipple and all accessories.
- 4 Q You mean your service line?
- 5 A Yes, sir. I have a gas hole pump to put on it by Marine.
- 6 Q Do you intend to fill the annulus and insert fluid?
- 7 A Yes, sir, with Contol. Two barrels of Contol added, that's
8 a corrosion inhibitive.
- 9 Q And you'll put a gauge at the surface of the annulus to
10 detect any leakage?
- 11 A Pressure gauge?
- 12 Q Yes.
- 13 A Yes, sir, both on the tubing and on the casing, so we
14 know when there's a leak. I'm using lock-set, Baker
15 lock-set. It'll be set with five points.
- 16 Q Okay. Now, you spoke of the other wells a moment ago.
17 You mean water wells?
- 18 A No, sir. Oil wells, hopefully.
- 19 Q Well, how many do you have producing now?
- 20 A Four.
- 21 Q Do you know whether or not you're going to water flood
22 this area?
- 23 A Yes, sir, I will. It's an anomaly now. I ought to add
24 this again. I can't prove it; the only way I could
25 present it was that the --call it the weakest way, in that

1 I'm calling two anomalies, two anomalies you see over
2 there Number 7 is by my number 4 and as drilling a well
3 anomaly if it turns out upon one anomaly, I estimate five
4 more wells. All I could do, Mr. Chairman, was to make
5 it the way it is showing that as it's water well there's
6 not only two more wells, Number 7 and one south of the
7 sixth, of the middle anomaly.

8 Q To be certain we understand, are these pretty good wells?
9 Are they producing at a fair rate?

10 A They're very adequate wells.

11 Q What did they produce?

12 A They're averaging 25 barrels per day. At that depth,
13 it's not bad, and mainly that's due to the fact that
14 it's a gas solution drive. They're long life wells.
15 The Number One there has vintage in 1923, on the lower
16 anomaly.

17 MR. UTZ: Are there other questions of the
18 witness? If there are no further questions, the
19 witness may be excused. Statements in the case?
20 There are no statements. We will take the case under
21 advisement.

22

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REPORTER'S CERTIFICATE

I, CLAUDIA FAHRENTHOLD, 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.

Claudia J. Fahrenthold

COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 5840 heard by me on Aug 7, 1979.

Shirley R. [Signature], Examiner
New Mexico Oil Conservation Commission

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WITNESS,

WALTER W. KRUG

Direct Examination by Mr. Carr

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