NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date FEBRUARY 4, 1976 TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
J. L. Harris	Harris & Walton	Midland, Texas
H. L. Kendrick	El Paso Natural Gas Co	El Paso
Paul W. Burchell	El Paso Natural Gas Co.	El Paso
Anchor E. Holm		
John Hunter	Hanagan Production Co	Houston
Guy Buell	— — —	—
Don C. Condie	Champlin Petroleum Co	Midland Tex
E. F. Motter	Cities Service Oil Co	Midland
Don Catron	" " "	Midland
Rod Anderson	" " "	Midland Tx
Neil Beck	El Paso Natural Gas Co.	El Paso
[illegible]	[illegible]	[illegible]
Tom Kellahin	Kellahin & Fox	Santa Fe
E. H. Balch	Champlin Pet Co	Ft. Worth
Ken Batemen	Whitaker Cook Kelly & Hennessy	Carlsbad
[illegible]	Texaco	Midland
[illegible]	El Paso Natural Gas	Farmington, N.M.
Walter A. Dunn	Walter A. Dunn	Midland
Jack T. Eichenauer Jr	El Paso Natural Gas Co	Santa Fe

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 4, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Champlin Petroleum Company for a waterflood project, Roosevelt County, New Mexico.

CASE 5620

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

I N D E X

EXHIBIT INDEX

MR. STAMETS: The hearing will come to order, please. We will call first Case 5620.

MR. CARR: Case 5620, application of Champlin Petroleum Company for a waterflood project, Roosevelt County, New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox, Santa Fe, New Mexico appearing on behalf of Champlin and I have one witness.

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

(THEREUPON, the witness was duly sworn.)

DON C. CONDIE

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Please state your name, by whom employed and in what capacity?

A. I'm Don Condie, I'm employed by Champlin Petroleum Company as the district engineer in West Texas and New Mexico.

Q. Mr. Condie, have you previously testified before this Commission and had your qualifications as an expert witness accepted and made a matter of record?

A. I have.

Q. And are you familiar with the facts surrounding this particular application?

A. Yes, I am.

MR. KELLAHIN: If the Examiner please, are the witness's qualifications acceptable?

MR. STAMETS: They are.

Q. (Mr. Kellahin continuing.) Mr. Condie, would you refer to what has been marked as Applicant's Exhibit Number One, identify it and state briefly what Champlin is seeking?

A. Exhibit Number One shows the proposed waterflood project that consists of a half a section in the east half of Section 30, Township 7 South, Range 33 East, Roosevelt County, New Mexico. This application, in effect, is an expansion of an existing waterflood project and we have denoted the expansion by the red outlined area. The proposed injector is shown in the southeast-southeast quarter. It consists of one injection well, the Number 4 Farrell Federal Number 1. The Farrell Federal lease is owned and operated by Champlin, the ownership fifty percent Champlin, fifty percent Warren-American. The yellow area denotes other Champlin-operated properties.

The waterflood project in Section 29 and 32 was established by Order Number 3550 and 3550-A and it consists of five injectors.

Another injector, Number 13, in the southeast-southwest of 29, has been proposed and has been approved as another injector.

We will show that the east half of Section 30 in effect is a marginally economic project and we hope to expand our waterflood project and make it an economic venture as we have shown in both 29 and 30 as an economic venture.

Q. Sections 32, 30 and 29 are all composed of Federal leases are they not?

A. They are, yes.

Q. Please refer to Exhibit Number Two and identify it?

A. Exhibit Two shows the Farrell Federal lease production from 1966, which peaked at thirty-eight hundred barrels a month, went to a low of two hundred and eighty barrels a month in 1973, at which point four wells had been shut in. With the advent of the stripper oil price in '73, we put four wells back on, achieved a thousand-barrel-a-month rate. It since has declined to a three-hundred-barrel-a-month level and currently four wells are producing and three wells are shut in.

Q. Okay. Your proposed injection well is the Farrell Federal Number 4?

A. Yes.

Q. What is its current status?

A. It is currently shut in.

Q. When was it shut in?

A. It was shut in in August of '74.

Q. Please refer to Exhibit Number Three and identify it?

A. Exhibit Three is an individual well production showing the production from the Farrell Federal lease and the offset wells to the proposed injection well. The asterisk denotes those diagonally and directly offset wells to the Number 4. The production from the Farrell Federal lease currently is ten barrels a day of oil, fourteen of water, three point one MCF of gas.

As noted, the three uneconomic shut in oil wells, the State 32 Number 13 Well,offsetting is a water injection well, it's the Lock Federal on the State 32 lease. The other State well operated by Mr. Snider is an uneconomic oil well and the southeast diagonal is an undrilled location owned by Milford Pipe.

Q. Please refer to Exhibit Number Four and identify it?

A. Exhibit Number Four shows a portion of a neutron log, which was the only log run on this subject, proposed injection well. It shows the currently perforated interval from forty-one, eighty-eight to forty-three, ninety-nine and it shows the porosity development in that well.

Q. And that will be converted and those will be your

injection intervals?

A. That's right.

Q. Please identify Exhibit Number Five?

A. Exhibit Number Five is a diagram of the proposed injection well, showing the eight-and-five-eighths-inch casing at three hundred and seventy-one feet, the four-and-a-half casing set at forty-four, fifty feet, the San Andres perforations from forty-one, eighty-eight to forty-three, ninety-nine, twenty holes. We have an estimated top of the cement at three thousand feet. Champlin proposes to run two-and-three-eighths internally coated plastic tubing with a tension-type packer and corrosion inhibited fresh water in the annulus space. We will be injecting a minimum of two hundred barrels a day into the well, a maximum of six hundred barrels a day and an anticipated or expected volume of three hundred barrels a day at injection pressures of a maximum of a thousand pounds and expected of five hundred pounds. We will monitor the pressure in the annular and the tubing with pressure gauges.

Q. What is the source of the water which you propose to inject into the well?

A. Our source of water is the San Andres water produced from the Champlin leases.

Q. Okay. Please identify Exhibit Number Six?

A. Exhibit Number Six is a water analysis showing the salinity of the water is unfit for domestic use and essentially

it is the water from our produced properties.

Q. Okay. Please refer to Exhibit Number Seven?

A. Exhibit Number Seven is a waiver, I'm not sure if you have this or not.

Q. This is from Milford Pipe?

A. This is a waiver from the Milford Pipe and Supply, waiving any objection to our proposed flood and injector.

Q. And Exhibit Number Eight?

A. Exhibit Number Eight is a waiver from Mr. Snider waiving any objection to our application.

Q. In your opinion, Mr. Condie, will the proposed injection well, as proposed on Exhibit Five, be completed in such a manner as to protect any potential fresh water sources from contamination?

A. I believe they will.

Q. In your opinion, Mr. Condie, will the granting of this application be in the best interests of conservation, the prevention of waste and the protection of correlative rights?

A. Yes.

Q. And were Exhibits One through Seven either prepared by you or compiled under your direction and supervision?

A. Yes, they were.

MR. KELLAHIN: If the Examiner please, we move the introduction of Exhibits One through Seven.

MR. STAMETS: These exhibits will be admitted.

(THEREUPON, Applicant's Exhibits One through Seven were admitted into evidence.)

MR. KELLAHIN: That concludes our direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q. Mr. Condie, did you say that the maximum injection pressure will be a thousand psi?

A. We have a system designed to go up to about seventeen hundred pounds but we haven't hit anything with our existing project above about a nine hundred pound so we anticipate a thousand maximum. Currently we are injecting at five or six hundred pounds or less.

Q. Even at seventeen hundred pounds that would be less than half a pound for foot of depth?

A. Yes, it is and the reason the bottom-hole pressures are so low and the volume of water produced to the water injection, we're not making up any additional volumes so the reservoir pressure will not reach a point where we think we will need the fifteen hundred pound range, or even a thousand pound range.

Q. Have you reviewed the completion records of the wells immediately offsetting this well to determine that the water that you are injecting here won't escape to other formations

through those wells?

A. Yes, essentially they are all completed in the San Andres in four benches of porosity. They vary in the perforated intervals but there are no other perforations other than the San Andres formation.

Q. There are no deeper wells in the area?

A. No.

Q. What about fresh water, are there fresh water wells in the area, to your knowledge?

A. Very small, two or three barrels a day wells for domestic cattle. There are a few ranches and very shallow water source and very limited.

Q. Do you have field personnel there regularly who report any problems with this well or the offsetting wells?

A. Yes, we have a pumper who visits the leases daily.

MR. STAMETS: Any other questions of the witness? He may be excused.

(THEREUPON, the witness was excused.)

MR. STAMETS: Anything further in this case?

MR. KELLAHIN: No, sir.

MR. STAMETS: We will take the case under advisement.

REPORTER'S CERTIFICATE

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

Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5620, heard by me on 3-24, 1976.

Richard L. Stamets, Examiner
New Mexico Oil Conservation Commission