

Case Number

4872

Application  
Transcripts.

Small Exhibits

ETC.



# **OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

December 8, 1972

GOVERNOR  
BRUCE KING  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4871 & 4872  
Order No. R-4451 and R-4452  
Applicant:  
Samedan Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, JR.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC       X        
Artesia OCC             
Aztec OCC           

Other            R-4451 - State Land Office  
R-4452 - State Engineer Office

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 4872  
Order No. R-4452

APPLICATION OF SAMEDAN OIL  
CORPORATION FOR A WATERFLOOD  
PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 29, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 8th day of December, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Samedan Oil Corporation, seeks authority to institute a waterflood project in the Langlie-Mattix "B-4" Penrose (Queen) Unit Area, Langlie-Mattix Pool, by the injection of water into the Queen formation through three injection wells in Sections 17 and 18, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the older wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the production from one new well in the project area is marginal and rapidly declining to "stripper" status.

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

-2-

Case No. 4872  
Order No. R-4452

IT IS THEREFORE ORDERED:

(1) That the applicant, Samedan Oil Corporation, is hereby authorized to institute a waterflood project in the Langlie-Mattix "B-4" Penrose (Queen) Unit Area, Langlie-Mattix Pool, by the injection of water into the Queen formation through the following-described wells in Township 23 South, Range 37 East, NMPM, Lea County, New Mexico:

<u>Well Name</u>	<u>Well No.</u>	<u>Unit</u>	<u>Section</u>
Hughes "B-4"	8	F	17
Hughes "B-4"	11	D	17
Federal H	1	H	18

(2) That injection shall be through internally coated tubing under a packer set within 110 feet of the uppermost casing perforation and the casing-tubing annulus shall be loaded with an inhibited fluid and the annulus gauged or allowed to remain open at the surface in order to detect any leakage of the casing, tubing, or packer.

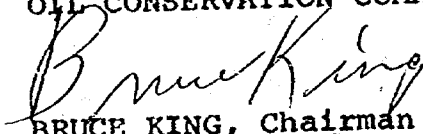
(3) That the subject waterflood project is hereby designated the Samedan Langlie-Mattix "B-4" Penrose (Queen) Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

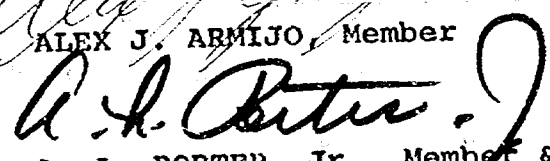
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
BRUCE KING, Chairman

  
ALEX J. ARMIJO, Member

  
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 29, 1972

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 4854: (Continued from the November 1, 1972 Examiner Hearing)

Application of Dugan Production Corporation to commingle gas production prior to metering, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas produced from wells located in Sections 25, 26, 35, and 36, Township 28 North, Range 15 West, undesignated Pictured Cliffs gas pool, San Juan County, New Mexico, prior to metering said gas, as an exception to Rule 403 of the Commission Rules and Regulations.

CASE 4860: (Continued from the November 14, 1972 Examiner Hearing)

Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4857: (Continued to November 29, 1972 Examiner Hearing)

Application of Perry R. Bass for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for his Big Eddy Well No. 7 located 660 feet from the South line and 1980 feet from the East line of Section 19, Township 20 South, Range 31 East, Maroon Cliffs-Morrow Gas Pool, Eddy County, New Mexico, with the E/2 of said Section 19 to be dedicated to the well.

CASE 4866: Application of Roger C. Hanks for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Devonian formation through perforations between 13,000 to 13,300 feet in his Graham Well No. 1 located in Unit F of Section 29, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 4867: Application of Superior Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the S/2 of Section 7, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a

(Case 4867 continued from page 1)

well to be drilled 810 feet from the South line and 1980 feet from the West line of said Section 7. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4868: Application of The Wiser Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Drinkard formation through its Downes "D" Well No. 1 located in Unit K of Section 32, Township 21 South, Range 37 East, Drinkard Pool, Lea County, New Mexico.

CASE 4869: Application of Claude C. Kennedy for the amendment of Order No. R-4263 and for the revocation of Commission Order NSL-586, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4263 to require that all wells drilled within the Lone Pine Dakota "D" Unit be drilled on locations no closer than 330 feet from the boundary of the quarter-quarter section in which any such well is located, and to prohibit the transfer of allowable to any well located closer than 1320 feet from the outer boundary of the unit area. Applicant further requests the revocation of Commission Order No. NSL-586 dated November 1, 1972, which order authorized Tenneco Oil Company to drill its proposed Lone Pine Dakota "D" Unit No. 29 well at a location 2300 feet from the South line and 1450 feet from the West line of Section 8, Township 17 North, Range 8 West, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico.

CASE 4835: (Continued and readvertised)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Pennsylvanian formation underlying the S/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field area, Eddy County, New Mexico, to be dedicated to a well to be drilled 660 feet from the South line and 1980 feet from the East line of said Section 13. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4870: Application of Sun Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed U. D. Sawyer Well No. 10 at an unorthodox location 986 feet from the South line and 1000.5 feet from the East line of Section 27, Township 9 South, Range 36 East, Crossroads-Devonian Pool, Lea County, New Mexico.

CASE 4871: Application of Samedan Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie-Mattix "B-4" Penrose (Queen) Unit Area, comprising 240 acres, more or less, of Federal lands in Sections 17 and 18, Township 23 South, Range 37 East, Lea County, New Mexico.

CASE 4872: Application of Samedan Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through two wells in its Langlie-Mattix "B-4" Unit Area, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4862: (Continued and readvertised)

Application of Adobe Oil Company for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 520-acre non-standard gas proration unit comprising the NE/4, SE/4, E/2 SW/4, N/2 NW/4, and SE/4 NW/4 of Section 11, Township 23 South, Range 24 East, Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 330 feet from the East line of said Section 11.

CASE 4863: (Continued and readvertised)

Application of C & K Petroleum Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 660 feet from the South and West lines, or in the alternative, 990 feet from the South line and 660 feet from the West line of Section 18, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a standard proration unit comprising the S/2 of said Section 18.

CASE 4873: Application of Mountain States Petroleum Corporation for gas prorationing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the institution of gas prorationing in the West Atoka-Morrow Gas Pool, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 29, 1972

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SAMEDAN OIL CORPORATION

Federal "H" Well No. 1

Sec. 18, T-23-S, R-37-E  
Lea County, New Mexico

9 5/8" 25.4# SW-SJ casing set at 331', cemented  
with 250 sacks, cement circulated

2 3/8" tubing set at 3500'

Tension type packer

Perforated Penrose with 16 jets from 3590' to 3735'

5 1/2" 15.5# J-55 casing set at 3774', cemented  
with 300 sacks, cement top at 2450'

PBTD at 3769'  
TD at 3775'

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

Samedan EXHIBIT NO. 6  
CASE NO. 4871-4872

Submitted by William S. McCuen

Hearing Date 11-29-72

SAMEDAN OIL CORPORATION

Hughes "B-4" Well No. 11

Sec. 17, T-23-S, R-37-E  
Lea County, New Mexico

8 5/8" 24# J-55 casing set at 387', cemented with  
230 sacks, cement circulated

DV Tool at 1160', cemented with 100 sacks

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

Samedan EXHIBIT NO. 7

CASE NO. 4871-4872

Submitted by William S. McCue

Hearing Date 11-29-72

2 3/8" Tubing set at 3450'

Tension type packer

Perforated Penrose with 14 jets from 3556' to 3671'

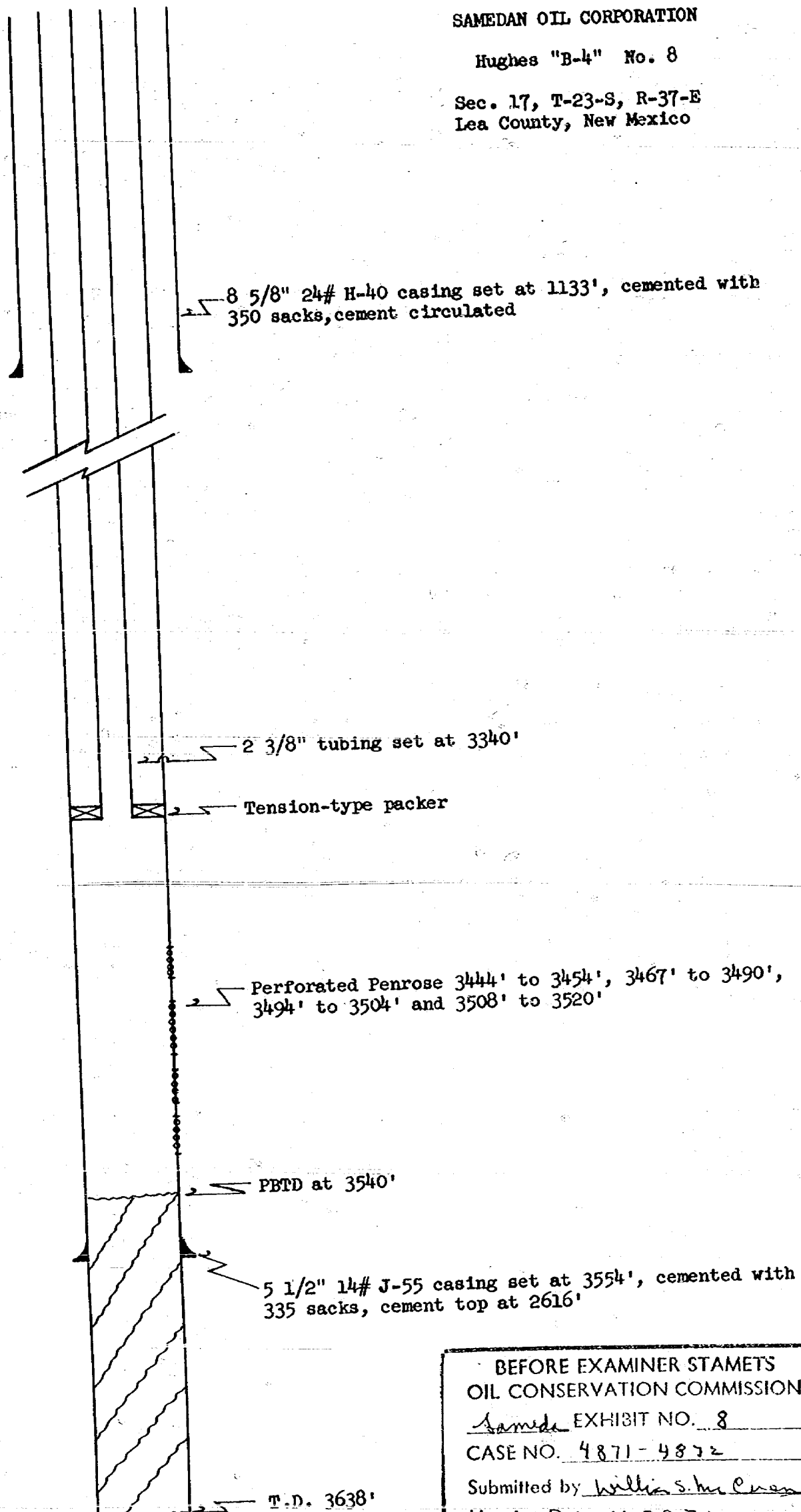
4 1/2" 9.5# J-55 casing set at 3680', cemented with  
300 sacks, cement top at 2510'

PBTD 3680'  
TD 3685'

SAMEDAN OIL CORPORATION

Hughes "B-4" No. 8

Sec. 17, T-23-S, R-37-E  
Lea County, New Mexico



BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

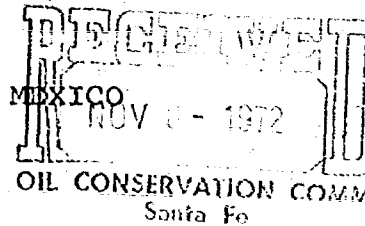
Samedan EXHIBIT NO. 8

CASE NO. 4871-4872

Submitted by William S. McEwen

Hearing Date 11-29-72

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO



IN THE MATTER OF THE APPLICATION  
OF SAMEDAN OIL CORPORATION FOR  
APPROVAL OF A UNIT AGREEMENT AND  
WATERFLOOD PROJECT, LEA COUNTY,  
NEW MEXICO

*Case 4872*

A P P L I C A T I O N

COMES now Samedan Oil Corporation and applies to the Oil Conservation Commission of New Mexico for approval of a unit agreement and a waterflood project in the Langlie-Mattix Pool, Lea County, New Mexico, and in support thereof would show the Commission:

1. Applicant has formed its Langlie-Mattix "B-4" Penrose (Queen) Unit, composed of Federal acreage consisting of the following lands:

Township 23 South, Range 37 East, N.M.P.M.

*240 ac*

Section 17 - NW/4  
Section 18 - E/2 NE/4

*72d.*

2. Applicant is the owner of the entire working interest in said unit, and is designated as operator thereof. The Unit agreement has received approval of the United States Geological Survey, Department of the Interior.

3. Applicant proposes to institute a waterflood project in the unit, with injection wells to be located in Unit H of Section 18, and in Unit F and Unit D of Section 17.

4. Source of water to be injected in the Skelly water system.

5. The proposed waterflood project will be in cooperation with waterflood projects operated by Skelly Oil Company to the North and South of the unit area.

6. It may be necessary to convert additional wells to injection, and an administrative procedure should be adopted.

DOCKET MAILED

Date 11-17-72

for conversion of wells to injection without notice and hearing.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission approve the Langlie-Mattix "B-4" Penrose (Queen) Unit agreement, and approve a waterflood project for said unit area, together with an administrative procedure for the approval of additional injection wells at orthodox or unorthodox well locations without notice and hearing.

Respectfully submitted,

SAMEDAN OIL CORPORATION

BY Jason W. Kellahin  
KELLAHIN & FOX  
P. O. Box 1769  
Santa Fe, New Mexico 87501

Attorneys for Applicant

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4872

Order No. R- 4452

APPLICATION OF SAMEDAN OIL CORPORATION  
FOR A WATERFLOOD PROJECT, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on Nov. 29, 1972,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this        day of December, 1972, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Samedan Oil Corporation,  
seeks authority to institute a waterflood project in the Langlie-  
Mattix "B-4" <sup>(Queen)</sup> ~~Panrose~~ Unit Area,        Pool,  
by the injection of water into the Queen formation  
through two three injection wells in Sections 5 17 and 18,  
Township 23 ~~North~~, South, Range 37 ~~West~~, East,  
NMPM, Lea County, New Mexico.

(3) That the older wells in the project area are in an advanced  
state of depletion and should properly be classified as "stripper"

wells. (4) That the production from one new well in the project  
area is marginal and rapidly declining to "stripper" status.

(5) That the proposed waterflood project should result in  
the recovery of otherwise unrecoverable oil, thereby preventing  
waste.



(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Samedan Oil Corporation, is hereby authorized to institute a waterflood project in the Langlie-Mattix "B-4" <sup>Penrose (Queen)</sup> Unit Area, Langlie-Mattix Pool, by the injection of water into the Queen formation through the following-described wells in Township 23 North, South, Range 37 West, East, NMPM, Lea County, New Mexico:

<u>Well Name</u>	<u>Well No</u>	<u>Unit</u>	<u>Section</u>
Hughes "B-4"	8	F	17
Hughes "B-4"	11	D	17
Federal H	1	H	18

(2) That injection shall be through internally coated tubing under a packer set within 110 feet of the upper most casing perforation and the casing-tubing annulus shall be loaded with an inhibited fluid and the annulus gauged or otherwise allowed to remain open at the surface in order to detect any leakage of the casing, tubing, or packer.

(3) That the subject waterflood project is hereby designated Samedan Langlie-Mattix "B-4" Penrose (Queen) Unit the Waterflood Project and shall

be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

dearnley, meier & mc cormick reporting service, inc.

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

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO  
Wednesday, November 29, 1972

IN THE MATTER OF:

Application of Samedan Oil Corporation)  
for a unit agreement, Lea County,  
Mexico

Case No. 4871

Case no. 4872

BEFORE: Richard L. Stamets,  
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: We call next Case 4871, application of  
2 Samedan Oil Corporation for a unit agreement, Lea County, New  
3 Mexico.

4 MR. KELLAHIN: If the Examiner please, Jason Kellahin,  
5 Kellahin & Fox, Santa Fe, appearing for the applicant. We have  
6 one witness we'd like to have sworn.

7 MR. STAMETS: Are there any other appearances in this  
8 case?

9 (No Response.)

10 WILLIAM MCCUEN

11 a Witness, having been first duly sworn according to law, upon  
12 his oath, was examined and testified as follows:

13 DIRECT EXAMINATION

14 BY JASON KELLAHIN:

15 Q Would you state your name, please?

16 A William McCuen.

17 Q How would you spell that?

18 A M-c-C-u-e-n.

19 Q By whom are you employed and in what position?

20 A Production Superintendent for Samedan Oil Corporation,  
21 Midland.

22 Q Are you a petroleum engineer?

23 A Yes, sir.

24 Q Have you ever testified before the New Mexico Oil  
25 Conservation Commission?

1 A No, sir, I have not.

2 Q For the benefit of the Examiner, would you briefly outline  
3 your education and experiences as a petroleum engineer?

4 A I'm a graduate of the University of Tulsa; I've been  
5 employed by Samedan for a little over 20 years, petroleum  
6 engineer and superintendent.

7 Q And where did you get your education as petroleum engineer?

8 A University of Tulsa.

9 Q And you've been with Samedan since your graduation?

10 A Yes, sir.

11 Q Do you work in Southeastern New Mexico, as well as West  
12 Texas?

13 A Yes, sir.

14 Q And is the area involved in this application under your  
15 jurisdiction?

16 A Yes, it is.

17 Q And is the case involved in Case 4872 under your  
18 jurisdiction, too?

19 A Yes, sir.

20 Q Are you familiar with what is proposed by the applicant in  
21 these cases?

22 A I am.

23 MR. KELLAHIN: If the Examiner please, I would like to  
24 move at this time to consolidate, for purposes of the record,  
25 Case 4871 and 4872, and use one set of Exhibits for the two.

1 MR. STAMETS: Okay, Cases 4871 and 4872 will be  
2 consolidated.

3 Case 4872 is the application of Samedan Oil  
4 Corporation for a waterflood project, Lea County, New Mexico.

5 MR. KELLAHIN: And it does affect the same area as  
6 in Case 4871.

7 MR. STAMETS: Mr. McCuen, what was your degree, B.S.  
8 Petroleum Engineer?

9 THE WITNESS: Yes.

10 MR. KELLAHIN: Are the witness' qualifications  
11 acceptable?

12 MR. STAMETS: Yes.

13 Q (By Mr. Kellahin) Briefly, what is proposed by the  
14 applicant in these two cases?

15 A We propose to conduct secondary recovery operations on  
16 this 240-acre tract as set out on our Exhibit 2.

17 Q It has been unitized, has it not?

18 A Yes, sir.

19 Q Now, referring to what has been marked as Exhibit Number  
20 1, is that the unit agreement?

21 A Yes, sir.

22 Q Has it been executed by all of the working interest owners?

23 A Yes, sir.

24 Q And has it been executed by any or all of the overriding  
25 royalty owners?

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1 A It has.

2 Q Are there any working interests or royalty owners who

3 have not signed it?

4 A There are not.

5 Q Has this been approved by the United States Geological

6 Survey?

7 A It has.

8 Q And is all of the acreage within the tract Federal

9 acreage?

10 A It is.

11 Q There is no State or fee acreage involved?

12 A No, sir.

13 Q And you have received preliminary approval from the

14 United States Geological Survey?

15 A Yes, sir, we have.

16 Q Is the form of the unit agreement in a form which has

17 heretofore been approved by the Commission?

18 A Yes, it is.

19 Q Now, referring to what has been marked as Exhibit 2, the

20 plat that you started to discuss, would you identify that

21 and discuss the information shown on it?

22 A This shows the location of all wells within two miles of

23 our proposed secondary recovery tract. Those wells in red

24 are the Seven Rivers-Queen oil wells, the Penrose Sand of

25 the Queen Formation.

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- 1 Q Now, is that the formation you are proposing to flood?
- 2 A Yes. It's composed of two tracts; tract #1 of 200 acres,  
3 and tract #2 of 40 acres.
- 4 Q Now, where are their locations, could you give the  
5 description?
- 6 A Tract #1 is located in the northwest quarter of Section  
7 17 of 37 east, 23 south; and the other 40 acres of tract 1  
8 is located in the northeast of the northeast of Section 18,  
9 same range and township. Tract 2 is located in the  
10 southeast and northeast quarter of Section 18 of the same  
11 range and township.
- 12 Q Now, is that the same area that's covered by your unit  
13 agreement?
- 14 A Yes, sir.
- 15 Q Now, do you show all of the proposed injection wells on  
16 that Exhibit?
- 17 A Yes, sir, they are shown there with the blue arrows.
- 18 Q Then, you have 3 proposed injection wells?
- 19 A Yes.
- 20 Q And how many producing wells will you have?
- 21 A We will have 3 producing wells.
- 22 Q Are they all shown on the Exhibit?
- 23 A All, with the exception of #14, which has just been  
24 recently drilled and completed.
- 25 Q And does that appear as a location on the Exhibit?

1 A Yes, sir, as a location.

2 Q And it has been already completed, is presently producing

3 from the Queen Formation?

4 A Yes, sir.

5 Q Now, is this proposed waterflood project offset by a

6 waterflood project?

7 A Yes, it is offset to the north by the Skelly-Penrose B

8 Unit.

9 Q And have you incorporated an agreement with Skelly in

10 connection with your proposed waterflood project?

11 A Well, we are in the midst of working one out with them at

12 the present time.

13 Q Now, referring to Exhibits 3, 4, and 5, would you

14 identify those exhibits, please?

15 A 3, 4, and 5 are copies of the open hole logs of the

16 proposed injection wells.

17 Do you want those by name?

18 Q I don't believe it will be necessary to name them, they

19 appear on the exhibit.

20 Now, referring to what has been marked as Exhibits 6,

21 7, and 8, would you identify those exhibits, please?

22 A These are diagramatic sketches of the proposed completions

23 as injection wells; the three wells we have previously

24 mentioned.

25 Q Those are the same ones of which you have the logs?



- 1 A Yes sir.
- 2 Q Are all of the completions to be the same?
- 3 A Basically the same, yes.
- 4 Q There are differences in the casing and cementing program,  
5 as depicted on the Exhibit, is that correct?
- 6 A Yes, to some degree.
- 7 Q Now, how will you make your completion, will you inject  
8 through tubing and under the packer?
- 9 A Yes.
- 10 Q And annulus internally coated tubing?
- 11 A Yes.
- 12 Q Do you propose to set a pressure gauge at the surface to  
13 measure the pressure in the casing tubing annulus?
- 14 A Yes.
- 15 Q And what is the source of your fluids?
- 16 A Source of what?
- 17 Q What is the source of water?
- 18 A Skelly, in the area, has what is known as their Jowle  
19 water supply system. We propose to purchase water from  
20 that system.
- 21 Q And that's Capitan Reef Water, isn't it?
- 22 A Yes sir.
- 23 Q Now, what volume of water do you propose to use?
- 24 A 550 barrels per day, per well.
- 25 Q What kind of pressure do you anticipate you will encounter

- 1 on injection?
- 2 A All probability, a maximum of 2,000 P.S.I.
- 3 Q Will the casing and packers, as you have proposed on your
- 4 injection wells, withstand that kind of pressure safely?
- 5 A Yes, sir.
- 6 Q Is this reservoir at an advanced stage of depletion?
- 7 A Yes, sir, it is.
- 8 Q What, roughly, is the present production from the unit
- 9 area?
- 10 A Well, of the six wells, one being temporarily abandoned,
- 11 the other five wells are producing an average of 10 to 12
- 12 barrels a day.
- 13 Q Does that include the well that has just been completed,
- 14 the #14 well?
- 15 A No, the well that has just been completed, the #14, after
- 16 two months, it's pumping somewhere between 30 and 35
- 17 barrels a day.
- 18 Q Now, when was it completed?
- 19 A Approximately the end of September of this year.
- 20 Q And did it show a rapid decline in production?
- 21 A Yes, sir, it did.
- 22 Q Does that indicate to you that the reservoir has been,
- 23 well, exhausted on primary production?
- 24 A It has.
- 25 Q Is it ready for secondary recovery, in your opinion?

1 A It is.

2 Q In your opinion, will the injection of water as a  
3 secondary recovery mechanism result in the recovery of  
4 oil that would otherwise not be recovered from this  
5 reservoir?

6 A Yes, sir, it would.

7 Q Have you any estimate of the approximate volume of  
8 additional recovery you might achieve?

9 A We've recovered, to date, primary, in the neighborhood of  
10 220,000 barrels. We expect 1 to 1 ratio of secondary,  
11 somewhere in the neighborhood of 200 to 220 thousand  
12 barrels of secondary oil.

13 Q And, in your opinion, will that be in the interest of  
14 conservation?

15 A Yes, sir.

16 Q Will any waste occur?

17 A No, sir.

18 Q Were Exhibits 1 through 6 prepared by you or under your  
19 supervision?

20 A They were.

21 MR. KELLAHIN: At this time, I'd like to offer Exhibits  
22 1 through 8 inclusive.

23 MR. STAMETS: Without objection, they will be admitted  
24 into evidence.

25 MR. KELLAHIN: That's all I have on Direct Examination.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. McCuen, what are the productivity capacities of the offsetting wells to your #14 well? Are they low marginal wells?

A Yes, sir, they are.

Q And this Skelly-Penrose B unit, is that actually under waterflood at this time?

A Yes, sir.

Q That's the water injection wells, the ones with the little triangle?

A They would be three locations from our lease line.

Q And you are anticipating the lease line agreement with Skelly?

A Yes.

Q You said the logs were on the openhole and I see here that each of the wells has 5 1/2 or 4 1/2 inch casing. Is that recently run, or was that run when the wells were completed?

A When they were completed.

Q How long ago was this?

A Well, let's see. The Federal H well is September of 1967; and the Hughes B-4 #11, December of 1965; and in the case of the Hughes B-4 #8, April of 1955.

Q And the packer that you proposed here would be well below the top of the cement in each case?

1 A Yes.

2 MR. STAMETS: Are there any other questions of the  
3 witness?

4 MR. KELLAHIN: No sir.

5 MR. STAMETS: He may be excused.

6 Are there any statements in this case?

7 MR. KELLAHIN: That's all we have, Mr. Stamets.

8 MR. STAMETS: We will take the case under advisement.  
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1 STATE OF NEW MEXICO )  
2 ) SS.  
3 COUNTY OF BERNALILLO)

4 I, JOHN DE LA ROSA, a Court Reporter, in and for the  
5 County of Bernalillo, State of New Mexico, do hereby certify  
6 that the foregoing and attached Transcript of Hearing before  
7 the New Mexico Oil Conservation Commission was reported by me;  
8 and that the same is a true and correct record of the said  
9 proceedings to the best of my knowledge, skill and ability.

10 John De La Rosa  
11 COURT REPORTER

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21  
22 I do hereby certify that the foregoing is  
23 a true and correct record of the proceedings in  
24 the Examiner hearing of Case No. 4871  
25 heard by me on Nov. 22, 1972

Richard L. Stant, Examiner  
New Mexico Oil Conservation Commission