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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO

25 May 1983

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc., for  
downhole commingling, Lea County,  
New Mexico.

CASE 7878  
CASE 7879  
CASE 7880

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Ken Bateman, Esq.  
WHITE, KOCH, KELLY, & MCCARTHY  
220 Otero Street  
Santa Fe, New Mexico 87501

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I N D E X

RUSSELL S. POOL

Direct Examination by Mr. Bateman	4
Cross Examination by Mr. Stamets	11

E X H I B I T S

REPORTER'S NOTE: For each numbered exhibit listed there are three; one for each case which is consolidated in this hearing.

Applicant Exhibit One, Plat (3)	6
Applicant Exhibit Two, Data Sheet (3)	6
Applicant Exhibit Three, Allocation Formula (3)	8
Applicant Exhibit Four, Production Plot (3)	9
Applicant Exhibit Five, Schematic (3)	9
Applicant Exhibit Six, Schematic (3)	10

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2 MR. STAMETS: The hearing will please  
3 come to order.

4 We'll call next Case 7878.

5 MR. PEARCE: That case is on the appli-  
6 cation of Texaco, Inc., for downhole commingling, Lea County,  
7 New Mexico.

8 MR. BATEMAN: Mr. Examiner, I'm Ken  
9 Bateman, with White, Koch, Kelly, and McCarthy, appearing on  
10 behalf of Texaco.

11 At this time I would request that we  
12 combine for the purpose of hearing Case 7878, 7879, and 7880,  
13 inasmuch as they involve a common reservoir.

14 MR. STAMETS: I believe the call in each  
15 of those cases is identical, and if I hear of no objection,  
16 they will be consolidated for purposes of testimony.

17 MR. BATEMAN: I have one witness, and  
18 ask that he be sworn, please.

19  
20 (Witness sworn.)

21  
22 MR. BATEMAN: Mr. Examiner, we have  
23 prepared the exhibits in all three of these cases and have  
24 tabulated them as Exhibit One for each of the three wells in  
25 sequence, and so on throughout the testimony.

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RUSSELL S. POOL,

being called as a witness and being duly sworn upon his oath,  
testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. BATEMAN:

Q All right, sir, would you state your full  
name and place of employment for the record?

A Russell S. Pool. I work in Hobbs, New  
Mexico.

Q And how are you employed? And by whom?

A As a petroleum engineer for Texaco.

Q Have you previously testified before the  
Division and made your credentials a matter of record?

A No, I have not.

Q All right. Would you state for the record --

MR. STAMETS: What is the witness' last  
name? Neither one of us got it down.

MR. BATEMAN: Oh, I'm sorry.

A Pool, P-O-O-L.

MR. STAMETS: Okay, thank you.

Q All right, Mr. Pool, would you briefly re-

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Exhibit 100

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late for the record what your educational and work experience has been?

A. Yes. I received a BS in civil engineering in 1977 at Texas A&M and have since been employed by Texaco for approximately five and a half years.

Q. And you've worked in the Hobbs district, have you?

A. Yes, for approximately two years.

Q. Are you a registered engineer?

A. No, I am not.

Q. And are you familiar with the wells in the area in question in these three applications?

A. Yes, sir, I am.

Q. And are those wells in your area of responsibility?

A. Yes, they are.

Q. In your employment?

A. Yes, they are.

MR. BATEMAN: I offer Mr. Pool as an expert witness.

MR. STAMETS: Mr. Pool, your experience with Texaco, has all been in the area of petroleum engineering?

A. Yes, sir.

MR. STAMETS: The witness is considered

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qualified.

Q. Mr. Pool, would you refer first to what's been marked Exhibit One in each of these cases and identify the location of the wells in question and state for the record what Texaco seeks by its applications?

A. Yes. Exhibit One is -- well, all three Exhibits Ones are plats showing the locations and the proration units for the various fields in question.

Q. What does Texaco seek by its application today?

A. We would like to downhole commingle the Drinkard, Tubb, and Blinebry zones in all three of these wells.

Q. Have all three of these wells produced at least at one time from those three zones?

A. That's correct.

Q. All right, would you proceed, then, with what's been marked Exhibit Two and explain that to the Examiner?

A. Exhibit Two is a data sheet which contains information required by the Railroad Commission for downhole commingling of wells.

Q. You're speaking of the Oil Conservation Division.

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2 A. Excuse me.

3 Q. Oil Conservation Division.

4 A. Oh, what did I say?

5 Q. Railroad Commission but --

6 A. Oh.

7 Q. -- we understand.

8 A. Okay.

9 Q. I presume we understand.

10 All right, why don't you just briefly relate  
11 what -- what is shown on these exhibits?

12 A. Okay, the A.H. Blinebry NCT-4 No. 1, the  
13 Blinebry is the only producing zone right now and it's flowing  
14 5 oil, GOR of 21,400. The Tubb has ceased to flow and is  
15 currently shut in, and the Drinkard has been abandoned in  
16 favor of the two previously mentioned zones.

17 The A. H. Blinebry NCT-2 Well No. 5, the  
18 Blinebry is currently shut in, the Tubb is flowing 160 Mcf  
19 per day, and the Drinkard is also flowing 6 barrels of oil  
20 per day with a GOR of 65,000.

21 The A. H. Blinebry NCT-1 Well No. 3, the  
22 Blinebry and Tubb zones were both abandoned. The Drinkard is  
23 presently pumping 3 barrels of oil with a GOR of 12,333.

24 Q. Mr. Pool, has the production from these  
25 three zones been commingled in any way at any time?

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2 A. Yes. In these fields any combination of  
3 two of these zones have been commingled and these zones have  
4 been commingled on surface in all three zones.

5 Q. Do you anticipate any problem or incompatibility with the fluids?  
6

7 A. No, we sure don't.

8 Q. Would you proceed, then, with what's been  
9 marked Exhibit Three?

10 A. Exhibit Three is our proposed allocation  
11 formula for the three zones in question for all three wells.  
12 And these are based on our estimated total recoveries from  
13 the three various zones.

14 Q. If I understand your testimony correctly,  
15 at least one zone in each well is not currently being produced  
16 and could not be produced unless it's commingled; is that  
17 correct?

18 A. This is correct.

19 Q. How would you anticipate allocating the  
20 GOR ratios among these zones?

21 A. I would propose that after production has  
22 been allocated to each zone a GOR limitation be imposed on  
23 each zone according to the existing field rules.

24 Q. These as to each zone individually?

25 A. As to each zone.

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2 Q. Would you proceed, then, with what's been  
3 marked Exhibit Four?

4 A. Exhibit Four A through C is the latest 1-  
5 year production plotted barrels versus time for all three  
6 zones, with the decline rates as shown.

7 Q. Incidentally, is the ownership of these  
8 three zones common?

9 A. Yes, it is.

10 Q. In each well, is that --

11 A. Correct.

12 Q. -- correct? Would you describe, then,  
13 what's shown on Exhibit Five with respect to the present com-  
14 pletion of these wells?

15 A. Exhibit Five is the present downhole well-  
16 bore schematic for each well. On the A. H. Blinebry NCT-4  
17 the Blinebry is currently flowing and the Tubb, which was  
18 flowing below a packer, had ceased to flow, and the Drinkard  
19 is presently abandoned with the retrievable bridge plug  
20 shown at 6350 feet, and there is no room in this wellbore to  
21 produce each zone separately. We cannot run another string  
22 of tubing.

23 Q. All right, what about NCT-2 No. 5?

24 A. The Blinebry will not flow so they cannot  
25 produce it up the casing. The Tubb is currently flowing be-

1  
2 neath a packer, and so is the Drinkard. We currently have no  
3 way of producing the Blinebry zone.

4 The A. H. Blinebry NCT-1 No. 3, the Bline-  
5 bry and Tubb zones have previously been squeezed off and we  
6 are now pumping the Drinkard formation, and we would propose  
7 to open the Blinebry and Tubb back up.

8 Q. Proceed with Exhibit Six, then, and de-  
9 scribe how you propose to recomplete these wells.

10 A. Exhibit Six is simply our proposed downhole  
11 wellbore schematics showing the -- all three with the three  
12 with the three zones open and the one string of tubing, pro-  
13 duction tubing.

14 Q. You would recomplete them all in the same  
15 way, is that correct?

16 A. Essentially.

17 Q. Do you expect any cross flow between the  
18 zones?

19 A. No, we will pump all three wells to minimize  
20 cross flow.

21 Q. All right, Mr. Pool, do you believe the ap-  
22 proval of these applications will be in the best interest of  
23 conservation, the protection of correlative rights, and the  
24 prevention of waste?

25 A. Yes, I do.

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2 Q Were all these exhibits, Exhibits One  
3 through Six in each case, either prepared by you or under  
4 your direction?

5 A Yes, they were.

6 MR. BATEMAN: I offer Exhibits One  
7 through Six at this time.

8 MR. STAMETS: These exhibits will be  
9 admitted.

10 MR. BATEMAN: That completes our direct.  
11

12 CROSS EXAMINATION

13 BY MR. STAMETS:

14 Q Mr. Pool, as far as the allocation of pro-  
15 duction, it's your intention that the -- any order issuing  
16 from this, or any final allocation, allocate both oil pro-  
17 duction and gas production to the individual zones, and then  
18 on a percentage basis --

19 A Yes.

20 Q -- and then the resulting gas/oil ratio  
21 will be the GOR for that well, in essence, from there on out  
22 in that zone. Would that be correct?

23 A For each zone for the current field rules,  
24 if I understand you.

25 I would like the current -- the GOR limita-

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2 tion to be kept as it is right now.

3 Q On a well to well basis?

4 A Yes, sir.

5 Q I notice in the NCT-5 -- NCT-2 5, NCT-1 3,  
6 that you plan to test the Blinebry and the Tubb when you go  
7 back into these separately.

8 A Yes, sir.

9 Q Is there any reason that you have not done  
10 the same thing relative to the NCT-4 Well No. 1, or not pro-  
11 posed the same thing?

12 A Well, we can do this. I think we have a  
13 better handle on our production figures for the NCT-4 No. 1.

14 Q Perhaps it would be just as well in each  
15 of these formations to let you work with the District Super-  
16 visor to establish methods for allocation.

17 A Okay.

18 Q Now, on the form for the A. H. Blinebry  
19 NCT-4 No. 1, Exhibit Two, you show the pressures, indicate  
20 that the Blinebry -- or the Drinkard zone in that well, the  
21 pressure should be 400 pounds. That's estimated. What is  
22 that estimate based on?

23 A For the Blinebry zone?

24 Q For the Drinkard zone.

25 A Oh, for the Drinkard zone. I must be

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looking at the wrong exhibit.

Q. It would be the first exhibit.

A. First exhibit. NCT-4 Well No. 1?

Q. Uh-huh.

A. Okay. Well, this would just be from offset wells.

Q. And would the same thing be true with those estimates that are shown, then, on the next two exhibits, too?

A. All our wells which are currently pumping we would shoot a fluid level and estimate our bottom hole pressure from that. From the wells which are shut in, that would be taken from offset production -- offset wells.

And we have run bombs in the wells that are flowing.

Q. In the last Exhibit Two, the one in Case 7880, you show an estimated bottom hole pressure of 290 pounds in the Drinkard. Now is that based on a shooting of the fluid level in that well or is that some other basis?

A. That would be from offset wells.

Q. Is that an unusual pressure differential in that area? 110 pounds?

A. I'm not sure.

Q. I'm not sure, if you answered my last question, I missed it. I was wondering if this variation in esti-

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mated Drinkard pressure from the 400 pounds or 426 down to 290, is that variation in such proximity demonstrated by --

A. Oh, I'm not sure. I cannot answer that.

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

Do you have anything further in this series of cases?

MR. BATEMAN: Nothing further.

MR. STAMETS: They will be taken under advisement.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7828/79/80 heard by me on 5-25, 1983.  
Richard P. Slamm, Examiner  
Oil Conservation Division

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