

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 7881
CASE 7882

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:

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I N D E X

RUSSELL S. POOL

Direct Examination by Mr. Bateman

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Cross Examination by Mr. Stamets

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E X H I B I T S

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

Applicant Exhibit One, Plat (2)

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Applicant Exhibit Two, Data Sheet (2)

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Applicant Exhibit Three, Allocation Formula (2)

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Applicant Exhibit Four, Decline Curve (2)

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Applicant Exhibit Five, Schematic (2)

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Applicant Exhibit Six, Schematic (2)

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MR. STAMETS: We'll call Case 7881.

MR. PEARCE: That case is on the application of Texaco, Inc., for downhole commingling, Lea County, New Mexico.

MR. BATEMAN: Mr. Examiner, I'm Ken Bateman of White, Koch, Kelly, and McCarthy, appearing for Texaco.

Once again I request that Case 7881 and 7882 be combined for the purpose of hearing inasmuch as they relate to a common reservoir.

MR. STAMETS: The call in each of the cases is identical and without objection they will be consolidated for purposes of testimony.

MR. BATEMAN: Mr. Examiner, the witness was sworn and qualified in the previous case. May we proceed?

MR. STAMETS: The record will show that he is still sworn and qualified.

MR. BATEMAN: Thank you.

RUSSEL S. POOL,

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

DIRECT EXAMINATION

BY MR. BATEMAN:

Q. Mr. Pool, would you refer to what's been marked Exhibit A, identify the wells in question, and state for the record what Texaco seeks by its application?

A. Yes. Exhibit A, or Exhibit One in both cases is simply a plat of the well location and also it shows the configuration of the proration units dedicated to each of these zones.

Texaco seeks to downhole commingle the Weir-Blinebry East, the Monument-Tubb, and Skaggs-Drinkard zones in each of these wells.

Q. Would you proceed with what's been marked Exhibit Two and describe the production from these zones?

A. Exhibit Two is a data sheet which contains the information required by the Oil Conservation Division for downhole commingling of oil production.

Q. Would you relate for the record how the production is, if it is being produced at all, how it is being currently produced?

A. The -- in the C. H. Weir "A" Well No. 8 the Weir-Blinebry East is currently flowing at a rate of 2 oil with a GOR of 4700. The Monument-Tubb is also flowing at a gas rate of 300 -- I mean, excuse me, 435 Mcf per day, and

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2 the Skaggs-Drinkard has been abandoned.

3 In the M. B. Weir "B" Well No. 7 the Weir-
4 Blinebry East is currently flowing with a production of 11
5 barrels of oil per day and a GOR ratio of 2181. The Monument-
6 Tubb is also flowing, 3 oil and a GOR of 103,333. Skaggs-
7 Drinkard is also flowing at a rate of 1400 -- excuse me, at
8 a rate of 3 barrels of oil per day with a GOR of 13,000.

9 Q You note on these exhibits that the production
10 is currently being commingled on the surface.

11 A This is correct.

12 Q Do you anticipate any problem with downhole
13 commingling?

14 A We do not.

15 Q In respect to the fluids?

16 A No, sir.

17 Q Would you proceed with what's been marked
18 Exhibit Three and describe that for the Examiner?

19 A Exhibit Three is our proposed allocation.
20 This allocation is based on total recoveries of the well's
21 producing life with the initial producing rates and decline
22 rates as shown.

23 Q As I understand your testimony, you're un-
24 able to -- at present to produce all three zones in both
25 wells, is that correct?

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2 A We're producing in the Weir "B" No. 7 we're
3 producing all three zones; however, they are communicated and
4 the Weir-Blinebry East and Skaggs-Drinkard will have to be
5 abandoned if we do not get a downhole commingling permit.

6 And in the C. H. Weir "A" No. 8 the Skaggs-
7 Drinkard currently abandoned and the Weir-Blinebry East and
8 Monument-Tubb are currently producing; however, a recent packer
9 leakage test has shown that the Weir-Blinebry East is in com-
10 munication with the Monument-Tubb and that will require aban-
11 doning the Weir-Blinebry East zone, without a downhole com-
12 mingling permit.

13 Q Is the ownership of these three zones in
14 common?

15 A Yes, it is.

16 Q Would you proceed, then, with what's been
17 marked as Exhibits Four-A and B? And C, excuse me.

18 A Right. Four-A, B, and C are decline curves
19 for the Weir-Blinebry East, the Monument-Tubb, and the Skaggs-
20 Drinkard.

21 Q How are these wells presently completed?

22 A How are they --

23 Q Referring to Exhibit Five?

24 A Oh. These are slim holes with the casing
25 cemented in the hole. As I previously said, in both wells

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2 the Drinkard is communicated with the Tubb and the Blinebry is
3 also communicated with the Tubb.

4 Let's see, the C. H. Weir "A" No. 8, we
5 currently have a cast iron bridge plug above the Drinkard,
6 which is abandoned, and the Blinebry, which we have set two
7 packers between the Blinebry and the Tubb to try to prevent
8 communication; however, this has failed. This will require
9 cement squeezing off the Blinebry.

10 In the M. B. Weir "B" No. 7 the Drinkard,
11 well, all three zones are flowing and this will require at
12 least setting a plug above the Drinkard, since it is commun-
13 icated with the Tubb, and we have a cast iron bridge plug
14 currently between the Tubb and the Blinebry but the two zones
15 are still communicating. This will require squeezing of the
16 Blinebry zone unless a downhole commingling permit is obtained.

17 Q Would you proceed, then, with Exhibit Number
18 Six and describe how you propose to recomplete these wells?

19 A Yes. The C. H. Weir "A" No. 8, we suggest
20 that we produce this out of the Weir-Blinebry East string to
21 produce all three of the subject zones.

22 Q Do you anticipate any communication between
23 these zones or among these zones?

24 A Yes.

25 Q Communication? How are they going to be

1
2 produced -- cross flow, excuse me.

3 A Oh, yeah, no, we're going to -- we are
4 going to pump the wells so we will minimize cross flow.

5 Q Relating back to the question of allocation
6 of production, also do you have a suggestion as to how you
7 would allocate the GOR limits?

8 A Yes, we would also propose here that pro-
9 duction be allocated to each zone, a GOR limitation would be
10 imposed on each zone according to the existing field rules.

11 Q Mr. Pool, do you believe that the approval
12 of these applications will be in the best interests of con-
13 servation, prevention of waste, and the protection of corre-
14 lative rights?

15 A Yes, I do.

16 Q Were Exhibits One through Six in both cases
17 prepared by you or under your direction?

18 A Yes, sir, they were.

19 MR. BATEMAN: I offer Exhibits One
20 through Six at this time.

21 MR. STAMETS: These exhibits will be
22 admitted.

23 MR. BATEMAN: That concludes our direct
24 examination.

25 MR. STAMETS: Any questions of the wit-

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2 ness?

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4 CROSS EXAMINATION

5 BY MR. STAMETS:

6 Q Mr. Pool, would there be any problem as far
7 as you're concerned with working with the District Supervisor
8 on allocation formulas for these wells, also?

9 A No, sir.

10 MR. STAMETS: Any other questions? The
11 witness may be excused.

12 Anything further in this case?

13 MR. BATEMAN: Nothing further, thank
14 you.

15 MR. STAMETS: The cases will be taken
16 under advisement.

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18 (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 Conserva-
tion 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. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

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