

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date FEBRUARY 6, 1997 Time: 8:15 A.M.

| NAME                                             | REPRESENTING                                                       | LOCATION                |
|--------------------------------------------------|--------------------------------------------------------------------|-------------------------|
| Kellhorn                                         | Kellhorn & Kellhorn                                                | Santa Fe                |
| William A. Smith<br>Bob West                     | Campbell, Smith, Taylor +<br>Zundman<br>AHC                        | Santa Fe<br>Houston, TX |
| Michael Sherr<br>Robert C. Leibrock              | Sherr<br>Amerind O.I.                                              | Santa Fe<br>Midland     |
| Joel Degelstein<br>Dan C. Poland                 | AHC<br>Amerind O.I.                                                | Houston<br>Houston      |
| <del>James Bruce</del><br><del>James Green</del> | <del>_____</del><br>Huntley Law Firm<br>Parker & Parsley Dev. L.P. | SF<br>Midland           |
| J. Britt Nieth<br>Gregory M. Pace                | Parker & Parsley Dev. L.P.<br>Parker Parsley Dev. L.P.             | Midland<br>Midland      |
| Larry Brooks                                     | PARKER & PARSELY                                                   | MIDLAND                 |
| <u>Tom Timoney</u>                               | SANTA FE ENERGY                                                    | Midland                 |

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY )  
THE OIL CONSERVATION DIVISION FOR THE )  
PURPOSE OF CONSIDERING: )

CASE NO. 11,269

IN THE MATTER OF CASE NO. 11,269 BEING )  
REOPENED PURSUANT TO THE PROVISIONS OF )  
DIVISION ORDER NO. R-10,427, WHICH ORDER )  
PROMULGATED TEMPORARY SPECIAL RULES AND )  
REGULATIONS FOR THE NORTH BELL LAKE- )  
ELLENBURGER GAS POOL IN LEA COUNTY, )  
NEW MEXICO )

**ORIGINAL**

**R E C E I V E**

**FEB 20 1997**

OIL CONSERVATION DIVISION

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

February 6th, 1997

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, February 6th, 1997, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

STEVEN T. BRENNER, CCR  
(505) 989-9317

## I N D E X

February 6th, 1997  
 Examiner Hearing  
 CASE NO. 11,269

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\* \* \*

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\* \* \*

## A P P E A R A N C E S

FOR AMERADA HESS CORPORATION:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.  
Suite 1 - 110 N. Guadalupe  
P.O. Box 2208  
Santa Fe, New Mexico 87504-2208  
By: WILLIAM F. CARR

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 8:20 a.m.:

3           EXAMINER STOGNER: This hearing will come to  
4 order for today's docket, which is designated Number 4-97.  
5 Please note today's date, Thursday, February 6th, 1997.  
6 I'm Michael Edward Stogner, appointed hearing Examiner for  
7 today's cases.

8           At this time I will call Case Number 11,269,  
9 which is reopened, and this is the matter of said case,  
10 pursuant to the provisions of Division Order Number  
11 R-10,427, which promulgated temporary special rules and  
12 regulations for the North Bell Lake-Ellenburger Gas Pool in  
13 Lea County, New Mexico.

14           At this time, operators in subject pool may  
15 appear and show cause why these temporary special pool  
16 rules and regulations should not be rescinded.

17           Call for appearances.

18           MR. CARR: May it please the Examiner, my name is  
19 William F. Carr with the Santa Fe law firm Campbell, Carr,  
20 Berge and Sheridan. We represent Amerada Hess Corporation,  
21 the original Applicant in this case, and I have three  
22 witnesses.

23           EXAMINER STOGNER: Are there any other  
24 appearances in this matter?

25           Will the three witnesses please stand to be sworn

1 at this time?

2 (Thereupon, the witnesses were sworn.)

3 EXAMINER STOGNER: Mr. Carr?

4 MR. CARR: At this time, Mr. Stogner, we would  
5 call Dan C. Foland.

6 EXAMINER STOGNER: How do you spell that name?

7 MR. CARR: F-o-l-a-n-d.

8 EXAMINER STOGNER: Mr. Carr?

9 DAN C. FOLAND,

10 the witness herein, after having been first duly sworn upon  
11 his oath, was examined and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. CARR:

14 Q. Would you state your name for the record, please?

15 A. Dan C. Foland.

16 Q. Where do you reside?

17 A. Spring, Texas.

18 Q. By whom are you employed?

19 A. Amerada Hess Corporation.

20 Q. Mr. Foland, what is your current position with  
21 Amerada Hess?

22 A. Senior professional landman.

23 Q. Have you previously testified before this  
24 Division?

25 A. Yes.

1 Q. At the time of that testimony, were your  
2 credentials as an expert in petroleum land matters accepted  
3 and made a matter of record?

4 A. Yes.

5 Q. Are you familiar with the Application filed in  
6 this case, in the original case on behalf of Amerada Hess?

7 A. Yes.

8 Q. And are you familiar with the current status of  
9 the lands in the area surrounding the north Bell Lake-  
10 Ellenburger Gas Pool?

11 A. Yes.

12 MR. CARR: Are the witness's qualifications  
13 acceptable?

14 EXAMINER STOGNER: They are.

15 Q. (By Mr. Carr) Mr. Foland, could you first  
16 briefly summarize for Mr. Stogner what it is that Amerada  
17 Hess seeks in this case?

18 A. Yes, adoption of permanent special pool rules for  
19 the North Bell Lake-Ellenburger Gas Pool with 640-acre  
20 spacing and proration units and special well-location  
21 requirements 650 feet from the outer boundary of the  
22 proration unit and 330 feet from any quarter-quarter  
23 section line.

24 Q. Could you refer to what has been marked for  
25 identification as Amerada Hess Exhibit Number 1, identify

1 that and review it for Mr. Stogner?

2 A. Exhibit Number 1 is a land map covering the North  
3 Bell Lake-Ellenburger Gas Pool. It has the current wells  
4 and spacing units. The North Bell Lake-Ellenburger Number  
5 2, in the green hach, is the discovery well. And the North  
6 Bell Lake-Ellenburger Number 3, in the blue hachmarks, is  
7 the extension.

8 Q. The pool boundaries at this time include just  
9 Section 5 and Section 6; is that right?

10 A. That is correct.

11 Q. And this is located within a unit?

12 A. Yes, it's located within the nine-section Bell  
13 Lake Federal Unit.

14 Q. And who is the operator of that unit?

15 A. Conoco is the operator, and Amerada Hess is the  
16 suboperator of the two North Bell Lake Federal Unit wells.

17 Q. What is the character of the lands in this unit?  
18 State, federal, fee?

19 A. In Sections 5 and 6 for the pool, they're all  
20 federal lands.

21 Q. Offsetting the unit on the east are certain other  
22 interest owners. Are those correctly identified on this  
23 exhibit?

24 A. Yes.

25 Q. So other than Conoco and the individuals shown on

1 the eastern side of the unit, those are all of the owners  
2 with -- of working interest or holders of operating rights  
3 in the unit?

4 A. Yes.

5 Q. What is Amerada Hess's interest in this pool?

6 A. In Section 5 it is 92.7 percent before payout,  
7 and in Section 6 it is 100 percent before payout.

8 Q. And we're before payout?

9 A. Yes, we are.

10 Q. Do you have or does Amerada Hess have any further  
11 development plans for this pool?

12 A. No.

13 Q. Will Amerada Hess also call a geological and  
14 engineering witness to review the technical portions of  
15 this Application?

16 A. Yes.

17 Q. Was Exhibit Number 1 prepared by you?

18 A. Yes.

19 MR. CARR: Mr. Stogner, at this time we would  
20 move the admission into evidence of Amerada Hess  
21 Corporation Exhibit Number 1.

22 EXAMINER STOGNER: Exhibit Number 1 will be  
23 admitted into evidence at this time.

24 MR. CARR: And that concludes my direct  
25 examination of Mr. Foland.

## EXAMINATION

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BY EXAMINER STOGNER:

Q. Mr. Foland, how long has this -- the Bell Lake Federal Unit been active?

A. I think it -- approximately in 1953.

Q. Are there any zones, other zones, besides the Ellenburger, that's producing at this time?

A. In -- The Bell Lake Federal Unit is, if I'm correct, the Devonian Unit, and the -- that is all that produces there. It had one well for the nine-section Bell Lake Federal Unit.

Q. Do you know if there has been production since 1953 from this unit? Has it been continuously productive?

A. It is my understanding it has been continuously productive.

Q. Does Amerada Hess Corporation -- are they suboperator of any other zones, other than just the Ellenburger at this time?

A. No.

Q. So it's Conoco that's been essentially the only operator since 1953?

A. I believe so.

Q. In both Sections 5 and 6, you have that cut up into eight subsections, or eight quarter sections, I should say. Are those all separate federal leases, although

1 they're in the same unit? Does that correctly state that,  
2 or do you know if that's different tracts?

3 A. I don't know the answer to that. I assume that  
4 that is correct, but I don't know the answer to that, if  
5 there are eight separate federal leases.

6 EXAMINER STOGNER: I have no other questions of  
7 Mr. Foland at this time.

8 MR. CARR: Thank you, Mr. Stogner. At this time  
9 we would call our geological witness, Joe Degenstein.

10 JOEL A. DEGENSTEIN,  
11 the witness herein, after having been first duly sworn upon  
12 his oath, was examined and testified as follows:

13 DIRECT EXAMINATION

14 BY MR. CARR:

15 Q. Would you state your name for the record, please?

16 A. My name is Joel Degenstein.

17 Q. Can you spell your last name, please?

18 A. D-e-g-e-n-s-t-e-i-n.

19 Q. And where do you reside?

20 A. The Woodlands, Texas.

21 Q. By whom are you employed?

22 A. Amerada Hess Corporation.

23 Q. And what is your position with Amerada Hess?

24 A. I'm an exploration geologist.

25 Q. Mr. Degenstein, have you previously testified

1 before this Division?

2 A. Yes, I have.

3 Q. At the time of that testimony, were your  
4 credentials as an expert witness in petroleum geology  
5 accepted and made a matter of record?

6 A. Yes, they were.

7 Q. Are you familiar with the Application filed in  
8 this case on behalf of Amerada Hess Corporation?

9 A. Yes, I am.

10 Q. Have you made a geological study of the  
11 Ellenburger formation in the area surrounding the North  
12 Bell Lake-Ellenburger Gas Pool?

13 A. Yes, I have.

14 Q. And are you prepared to review the results of  
15 that study with Mr. Stogner?

16 A. Yes.

17 MR. CARR: Are the witness's qualifications  
18 acceptable?

19 EXAMINER STOGNER: They are.

20 Q. (By Mr. Carr) Would you refer to what has been  
21 marked as Amerada Hess Corporation Exhibit Number 2 and  
22 identify and review that, please?

23 A. This is a structure map that's drawn on top of  
24 the Ellenburger formation, and shown on it are faults that  
25 bound the structure on the west and the east sides. And in

1 the center of the plat is a northeast-trending closure that  
2 is between the two wells, Bell Lake Federal Number 2 and 3.

3 I'd like to point out the location of the Number  
4 2 well, which was the discovery well. This penetrated the  
5 Ellenburger at a subsea depth of minus 13,675 feet, and to  
6 the northwest the Number 3 well encountered the Ellenburger  
7 formation 55 feet higher than the Number 2 well at a subsea  
8 depth of minus 13,622 feet.

9 The reservoir limits of this pool are bounded on  
10 the west and the east by these faults, and on the south, at  
11 the very south end of the map, by a saddle where the  
12 structure drops off.

13 Q. In your opinion, is this reservoir fully  
14 developed with the two wells that are currently completed  
15 in the Ellenburger formation?

16 A. Yes, it is.

17 Q. And as to the drainage considerations, will an  
18 engineering witness address those issues?

19 A. Yes, he will.

20 Q. And this exhibit also contains a trace for a  
21 subsequent cross-section?

22 A. I'd like to point out the blue line on there,  
23 which shows a trace of a cross-section that's drawn between  
24 the Number 2 and the Number 3 well. This cross-section  
25 covers the Ellenburger formation. It's at a vertical scale

1 of one inch equals 100 feet.

2 Q. And you're now referring to Amerada Hess Exhibit  
3 Number 3?

4 A. Yes. The Ellenburger reservoir rock in this area  
5 is a dolomite with fracture and vugular porosity  
6 development. Our analysis of the fractures in this area  
7 from our FMI logs indicate that the fractures are oriented  
8 in an east-northeast direction.

9 On the cross-section, the purple line at the top  
10 is the top of the Ellenburger formation, and on the two  
11 logs, on the right side, what is highlighted in green is  
12 porosity in this dolomite reservoir that's greater than 3  
13 percent on both the density and the sonic curves.

14 Approximately 100 feet down from the top of the  
15 Ellenburger is what we call the top of the Ellenburger  
16 porosity zone. It is a zone that is about 100 to 120 feet  
17 thick and is well developed between these two wells, as  
18 shown by the light green shaded zone between the Number 2  
19 and the Number 3 well. We believe that this is the main  
20 pay zone in the reservoir, and we have good correlation on  
21 this zone across the pool.

22 Q. Can you just briefly summarize the geological  
23 conclusions you've reached from your review of this area?

24 A. We have development of an Ellenburger Gas Pool,  
25 approximately in this North Bell Lake area in the north-

1 trending structure, and we believe that it's fully  
2 developed with the existing wells.

3 Q. Mr. Degenstein, were Exhibits 2 and 3 prepared by  
4 you?

5 A. Yes, they were.

6 MR. CARR: Mr. Stogner, at this time we would  
7 move the admission into evidence of Amerada Hess  
8 Corporation Exhibits 2 and 3.

9 EXAMINER STOGNER: I don't seem to have a copy of  
10 Exhibit Number 2.

11 MR. CARR: Structure map?

12 EXAMINER STOGNER: Yeah. Thank you.

13 EXAMINATION

14 BY EXAMINER STOGNER:

15 Q. On Exhibit Number 2, you show a well down there  
16 in Section 8. Now, did that penetrate the Ellenburger and  
17 was that able to give you some information on the  
18 Ellenburger, or --

19 A. No, it did not. That well was TD'd in the  
20 Mississippian Barnett Shale and was initially completed in  
21 the Morrow. It did not penetrate the Ellenburger or deeper  
22 Ellenburger formation.

23 Q. In the preparation of this exhibit, were there  
24 any other well controls, say, to the north, or -- well,  
25 anywhere around here besides these two wells?

1           A.    There are several wells off the map about -- In  
2 terms of the Ellenburger penetrations, about six miles to  
3 the south is the nearest Ellenburger penetration. There  
4 are some Devonian wells that are probably two to three  
5 miles away in a north-and-south direction.

6           Q.    Did surface seismic have a lot to do with the  
7 perforations of Exhibit Number 2?

8           A.    Yes, we originally drilled the Number 5 well,  
9 based on a 2-D seismic anomaly, and subsequent to that  
10 discovery we shot a 3-D seismic survey across this area  
11 that covers approximately 23 miles and drilled the Number 3  
12 well based on the closure that was interpreted from that  
13 seismic 3-D survey.

14          Q.    Did you have the say of the placement on the  
15 Federal Number 3?

16          A.    Yes.

17          Q.    And when was that one drilled?

18          A.    It was drilled earlier last year.

19          Q.    That well was drilled as an unorthodox location;  
20 is that correct?

21          A.    Yes, it was.

22          Q.    Were you responsible in the making of the  
23 geological preparations for that particular application?

24          A.    I was involved in it. It was myself and the  
25 geophysicists that worked the seismic data.

1 EXAMINER STOGNER: I'll take administrative  
2 notice of whatever order that was. You wouldn't happen, by  
3 chance, to have it, Mr. Carr, would you?

4 MR. CARR: I don't happen to have it, but I will  
5 find it, provide that --

6 EXAMINER STOGNER: Okay, if we could just make  
7 some sort of a -- I'll take administrative notice, anyway,  
8 of that file, that the administrative order was issued  
9 subsequent.

10 MR. CARR: And I will get that order number for  
11 you.

12 Q. (By Examiner Stogner) On your Exhibit Number 3,  
13 does the green zone -- Or what is the perforations in this?  
14 Is it selected perforated interval, I would assume?

15 A. If I could defer to the engineering exhibit, he  
16 will -- he can go over that more detailed information with  
17 you.

18 Q. Okay. The darker green peaks on the density  
19 side, again, what are --

20 A. Those are highlighted, using a density and sonic  
21 porosity cutoff of 3 percent --

22 Q. Three percent.

23 A. -- for a dolomite reservoir.

24 EXAMINER STOGNER: I have no other questions of  
25 this witness. You may be excused.

1 MR. CARR: Thank you, Mr. Stogner. At this time  
2 we would call Bob West.

3 BOB WEST,

4 the witness herein, after having been first duly sworn upon  
5 his oath, was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MR. CARR:

8 Q. Would you state your name for the record, please?

9 A. Bob West.

10 Q. Where do you reside?

11 A. In Kingwood, Texas.

12 Q. By whom are you employed?

13 A. Amerada Hess Corporation.

14 Q. And what is your position with Amerada Hess?

15 A. I'm a reservoir engineer.

16 Q. Have you previously testified before this  
17 Division?

18 A. Yes, I have.

19 Q. At the time of that testimony, were your  
20 credentials as an expert in reservoir engineering accepted  
21 and made a matter of record?

22 A. Yes, they were.

23 Q. Are you familiar with the data now available on  
24 the wells which have been drilled and completed and  
25 produced from the Ellenburger formation in this pool?

1           A.    Yes, I am.

2           Q.    Are you prepared to make recommendations to the  
3 Examiner concerning appropriate rules to govern development  
4 of the pool?

5           A.    Yes, I am.

6           MR. CARR:  Are the witness's qualifications  
7 acceptable?

8           EXAMINER STOGNER:  Mr. West is so qualified.

9           Q.    (By Mr. Carr)  Mr. West, let's go to what has  
10 been marked as Amerada Hess Corporation Exhibit Number 4.  
11 Will you identify and review that for Mr. Stogner?

12          A.    Yes, Exhibit Number 4 is a production plot for  
13 the North Bell Lake Number 2 well.  I've exhibited on the  
14 plot flowing tubing pressure and rate in MCF per day.

15                    The date for first production of this well was in  
16 May of 1995.  The Number 2 well is currently producing at a  
17 rate of 586 MCF per day.  It has a cumulative recovery of  
18 580 million standard cubic feet with 900 million standard  
19 cubic feet remaining reserves.  That gives an estimated  
20 ultimate recovery for this well of 1.5 BCF.

21          Q.    Let's go to the production curve on the North  
22 Bell Lake Number 3, Exhibit Number 5.  Would you review  
23 that information for Mr. Stogner?

24          A.    Sure, this is -- Again, it's a production plot  
25 for the Number 3 well.  I have displayed here also the

1 flowing tubing pressure and the flowing rate in MCF per  
2 day.

3 Date of first production for this well was  
4 January, 1996. It's currently producing at a rate of 1100  
5 MCF per day. It has a 1.1 BCF cumulative recovery with 1.5  
6 BCF remaining reserves. Estimated ultimate recovery here  
7 is about 2.6 BCF.

8 Q. What is Amerada Hess Exhibit Number 6?

9 A. Exhibit Number 6 is the producing information for  
10 both wells. The dashed line shows the producing rate for  
11 the Number 2 well, and the dotted line shows the producing  
12 rate for the Number 3 well.

13 This exhibit shows the Number 2 rate decline was  
14 running at 25 percent per year before the Number 3 well was  
15 brought on production. When the Number 3 well was brought  
16 on production, the Number 2 decline rate increased to well  
17 over 100 percent per year.

18 Q. How far apart are these wells?

19 A. These wells are 3119 feet apart.

20 Q. And what basically does this graph tell you about  
21 the reservoir?

22 A. This graph tells me that these wells are in  
23 communication with each other, and the interference between  
24 the two wells is apparent.

25 Q. Let's go to Exhibit Number 7. What is this?

1           A.    Exhibit Number 7 is an inflow performance plot  
2 for the Number 3 well. This is a plot of flowing  
3 bottomhole pressure versus gas rate.

4           I constructed this plot based on the data that we  
5 had available for the area. That data includes the fluid  
6 properties that are outlined on the right-hand side, the  
7 wellbore and hydraulic data and the reservoir data,  
8 including the reservoir pressure of approximately 7100  
9 p.s.i.

10           I constructed the inflow performance plot with  
11 the tubing curve laid over it, using three different  
12 drainage radii. I ranged the drainage radius from 2500 to  
13 3000 to 3500 feet.

14           The purpose of this plot shows that the producing  
15 rate is reasonable -- it's reasonable to assume that the  
16 drainage rate is equal to the distance between the Number 2  
17 and the Number 3 wells. That's a possible conclusion from  
18 this plot.

19           Q.    Based on the information you have on this  
20 reservoir, do you see communication over large areas within  
21 this pool?

22           A.    Yes, I do.

23           Q.    In your opinion, would a well in this reservoir  
24 potentially drain up to 640 acres?

25           A.    Yes, it would

1 Q. Is it possible in this reservoir that, in fact,  
2 one well properly located could produce the entire  
3 reservoir?

4 A. I believe that is possible.

5 Q. Is it your recommendations to the Examiner that  
6 the temporary rules that were adopted 18 months ago be made  
7 permanent rules for this reservoir?

8 A. Yes, it is.

9 Q. Were Exhibits 4 through 7 prepared by you or  
10 compiled under your direction?

11 A. Yes, they were.

12 MR. CARR: At this time, Mr. Stogner, we would  
13 move the admission into evidence of Amerada Hess  
14 Corporation Exhibits 4 through 7.

15 EXAMINER STOGNER: Exhibits 4 through 7 will be  
16 admitted into evidence at this time.

17 MR. CARR: And that concludes my direct  
18 examination of Mr. West.

19 EXAMINATION

20 BY EXAMINER STOGNER:

21 Q. Mr. West, are these wells making water?

22 A. They're making a little water. The Number 2 well  
23 is making more water than the Number 3 well. The Number 2  
24 yield is running, I believe, 50 to 60 barrels per million.  
25 The Number 3 well is running about 10 barrels per million.

1 Q. Is that a factor in this pool? I mean, is it  
2 going to water out eventually?

3 A. I expect that it will. It's exhibiting some slug  
4 flow right now. These production plots are showing some,  
5 if you will, ratty behavior there towards the tail end, and  
6 that is a function of the water loading and unloading and  
7 causing some slug flow up the tubing.

8 I honestly expected the Number 2 well to -- I  
9 expect it to die at any time, frankly.

10 Q. When that occurs, will there be artificial lift  
11 added, or what will be the --

12 A. I believe there's some -- it's -- The depth of  
13 the completion is about 17,000 feet, and that really  
14 restricts our options.

15 Q. Which brings me back to -- and I asked your  
16 geologist, the perforations in these wells --

17 A. Yes, sir, the -- basically these wells, the  
18 completion technique -- When we ran production casing on  
19 here we used an external casing packer and set on -- At the  
20 top of the Ellenburger formation we had an external casing  
21 packer with another joint or two of casing underneath the  
22 external casing packer, and we cemented from the external  
23 casing packer up, leaving the bottom two or three joints  
24 exposed in the formation.

25 Those are -- And those joints have been

1 perforated, but basically there's no cement between the  
2 casing and the formation, and that was just allowing the  
3 formation to flow more easily to the casing.

4 It's -- From an analysis standpoint for all  
5 practical purposes, it's an open-hole completion.

6 Q. What was the stimulation method?

7 A. The Number 2 well, we stimulated, I believe, with  
8 17,000 gallons of acid, and it took it readily on the  
9 vacuum.

10 The Number 3 well, I don't believe that we  
11 stimulated that well.

12 Q. Are these going to be the only two wells in this  
13 pool?

14 A. I hope so, yes.

15 Q. What size of tubing is in those holes already?

16 A. It's 2 7/8 tubing.

17 Q. Isn't this about the deepest production in the  
18 state?

19 A. I think it's pretty close. I'm really not sure.

20 EXAMINER STOGNER: I don't know about ever, but I  
21 think maybe currently.

22 Okay, I have no other questions of this witness.

23 MR. CARR: Mr. Stogner, that concludes our  
24 presentation in this case.

25 EXAMINER STOGNER: Okay, subsequent to the

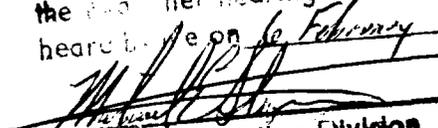
1 hearing, if you could just give me a reference or a copy of  
2 the administrative order, and again I'll take  
3 administrative notice of that.

4 MR. CARR: Yes, sir, I will.

5 EXAMINER STOGNER: And if nobody else has  
6 anything further in reopened Case 11,269, then this case  
7 will be taken under advisement.

8 (Thereupon, these proceedings were concluded at  
9 8:45 a.m.)

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21 I do hereby certify that the foregoing is  
22 a complete record of the proceedings in  
23 the public hearing of Case No. 11269,  
24 heard by me on 16 February 1997.  
25  , Examiner  
Oil Conservation Division

## CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )  
 ) ss.  
 COUNTY OF SANTA FE )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL February 6th, 1997.

  
 STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 1998