

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
September 17, 1953

In the Matter of:

Application of the Oil Conservation Commission of New Mexico upon its own motion for an order creating the Falby-Yates Pool and deleting certain existing areas from the Cooper Jal and Langlie Mattix Pools in Lea County, New Mexico and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why the creation and deletions should not be made as follows: }

Case No. 579

(a) Create a new pool in Lea County, New Mexico classified as an oil pool for Yates production, designated as the Falby-Yates Pool and described as:

Twp. 24 South, Range 36 East, NMPM
E/2 SE/4 of Section 23;
NE/4 NW/4, NE/4 NE/4, S/2 N/2,
S/2 Section 24;
N/2 Section 25;
E/2 NE/4 Section 26;

Twp. 24 South, Range 37 East, NMPM
W/2 Section 19;
NW/4 Section 30;

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(b) Delete from the Cooper Jal Pool in Lea County, New Mexico the following described area:

Twp. 24 South, Range 36 East, NMPM
E/2 SE/4 Section 23;
NE/4 NW/4, S/2 NW/4, SW/4 Sec. 24;
NW/4 Section 25;
E/2 NE/4 Section 26;

(c) Delete from the Langlie Mattix Pool, Lea County, New Mexico the following described area:

Twp. 24 South, Range 36 East, NMPM
NE/4 NE/4, S/2 NE/4, SE/4 Sec. 24;
NE/4 Section 25;

Twp. 24 South, Range 37 East, NMPM
NE/4 NW/4, S/2 NW/4, SW/4 Sec. 19;
NW/4 Section 30;

TRANSCRIPT OF HEARING

MR. SPURRIER: The next case on the docket is Case 579.

(Notice of Publication read by Mr. Graham)

(Witness Sworn)

STANLEY J. STANLEY

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. MACEY:

Q. Will you state your name, please?

A. Stanley J. Stanley.

Q. Mr. Stanley, with reference to the Exhibit which has been marked Exhibit I, which is the left hand map on the board, I would like to have you tell the Commission what that Exhibit represents, please?

A. Exhibit I is a structural map contoured on the top of the Yates formation, the contour interval is five feet.

Q. Will you explain to the Commission what is represented by the area outlined in red on the map?

A. The area outlined in red on the map is the outline of the proposed Falby-Yates pool which incorporates a part of the Cooper Jal Pool and a part of the Langlie Mattix Pool.

Q. Will you show to the Commission which is presently designated as Cooper Jal Pool and which is presently designated as Langlie Mattix pool?

A. The common boundary between the two pools runs North and South through Sections 24 and 25 and is represented by a light blue line on the map.

Q. Where did you obtain the information obtained in order to prepare this Exhibit?

A. This information was obtained from Commission records and files and correlation of electric log data throughout this area.

Q. From the data which you have prepared on this map will you explain to the Commission what are the geological features involved?

A. It will be noted from the map that a structural low exists, the center of which is in Section 24 with a continued secondary low in the west half of Section 19. It is my opinion that this structural low in the Yates section has reversed the trend of regional gas accumulation which is typical of this formation in the area and has instead resulted in a favorable oil accumulation.

Q. Mr. Stanley, with reference to the middle map which has been marked Exhibit II, will you tell the Commission what this map represents?

A. Exhibit II is a gas-oil ratio contour map showing the relatively low gas-oil ratios encountered within the designated low structural area with rapidly rising ratio upstructure, which increase to infinity or relatively high values in the direction of the gas wells completed up the structure.

Q. Will you tell the Commission the status of the wells located in Section 18-24-37, that is the northeast section located on the map?

A. Many of the wells in Section 19 are completed in the Queen section. It is typical of the low production area in the Queen section.

Q. Would you mind explaining to the Commission the status of a typical well located in that area? One that's been completed as a Queen producer possibly and recompleted in the Yates?

A. A typical well is the R. Olsen No. 1 Blankenship located in the NW/4 SE/4 of Section 18. The well was completed in 1946 producing from the Queen zone, the original total depth being 3601 feet with casing set at 3425 feet. This well produced approximately 11,400 barrels of oil and by December of 1950 had declined to less than five barrels of oil per day without any production of water. The well was plugged back to 3425 feet and the 5 1/2 inch casing perforated in the Yates Zone from 3152 feet to 3205 feet and the formation hydraulically fractured. At present the well is capable of producing gas at the rate of 1,171 MCF with 533 pounds back pressure.

Q. Exactly what does that illustrate to you, Mr. Stanley?

A. It illustrates the tremendous difference in the producing characteristics of each zone.

Q. With reference to the map on the right hand side, marked Exhibit III, will you tell the Commission what that represents?

A. Exhibit III is a map of the area showing the monthly oil production by 40-acre units.

Q. Will you explain what the different colors represent?

A. The green indicates a production of 1,000 barrels per month or more. The blue represents 500 to 1,000 barrels per month

Q. In the event that a marked pressure differential between the two zones exists, what would your recommendation be?

A. In that event, it would be my recommendation that the Falby Yates pool be delineated as advertised. Secondly, it would be my recommendation that the Yates zone be considered as one reservoir and the Seven Rivers-Queen zone considered as a separate reservoir and the combining of the two zones for production of oil and gas through one well bore not be permitted in this area.

It is further recommended that there be no gas-oil ratio limit. My reason for this is that since the original Yates section is principally a gas producing zone, the present practice of producing the gas wells should remain on a dry gas well production status and not be penalized on the basis of volumetric withdrawal due to their proximity to the small oil trap in the Falby-Yates pool.

Q. In line with what you just said, would it be your recommendation that this case be continued for thirty days pending the results of the bottom-hole pressure surveys?

A. Yes, sir, that is my recommendation.

Q. One other question Mr. Stanley, did you prepare those Exhibits yourself?

A. Yes, sir, I did.

MR. MACEY: I'd like to move that the Exhibits be admitted in evidence and that this case be postponed in line with Mr.

MR. SPURRIER: Without objection the Exhibits will be admitted.

Is there objection to Mr. Stanley's motion to continue the case to the regular October hearing? If there is no objection, it will be continued to the regular October hearing.

Is there anything further in the case? Mr. Hinkle.

MR. HINKLE: Clarence Hinkle representing the Humble Oil and Refining Company. We would like to concur with Mr. Stanley's request that this matter be kept open until the regular October hearing.

MR. SPURRIER: If there's no one else to be heard, the witness may be excused and we'll move on to the pool cases on the docket beginning with Case 582 through 590, for the moment as a group.

C E R T I F I C A T E

I hereby certify that the foregoing and attached transcript of hearing before the Oil Conservation Commission, State of New Mexico, at Santa Fe, September 17, 1953, in Case No. 579, is a true and correct record to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico this 15th day of October, 1953.

Virginia M. Deaver
Notary and Reporter