

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico

Transcript of Hearing in
Case No.s 664, 665
Consolidated.

February 17, 1954

Regular Hearing.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
February 17, 1954

In the Matter of:

Amerada Petroleum Corporation's application for an order establishing a proration unit in the E/2 NE/4 of Section 14, Township 13 South, Range 38 East, Bronco-Siluro-Devonian Pool, Lea County, New Mexico, to consist of Lot 1 and 15.54 acres of Lot 2, and to increase the unit size and allowable assigned to its No. 1 Schenck Well, Lot 1, Section 14, Township 13 South, Range 38 East, Lea County.

Case No.s
664
665
Consolidated.

Amerada Petroleum Corporation's application for an order establishing three proration units in SE/4 Section 11, Township 13 South, Range 38 East, Bronco-Siluro-Devonian Pool, Lea County, New Mexico, consisting of the east 43.69 acres of said SE/4 and the north and south 43.69 acres of W/2 of said SE/4, and to increase the unit size and allowable assigned to wells located in the SE/4 Section 11, Township 13 South, Range 38 East, Lea County, New Mexico.

(Notice of Publication read.)

MR. WOODWARD: Mr. John A. Woodward representing Amerada. Applicant would like to request that Case 664 and 665 be consolidated and heard together.

MR. SPURRIER: Without objections, you may proceed.

R. S. CHRISTIE

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. WOODWARD:

Q Would you state your name, please?

A R. S. Christie.

Q Where do you live?

A Tulsa, Oklahoma.

Q By whom are you employed and in what capacity?

A Amerada Petroleum Corporation, Engineer.

Q You are familiar with the Bronco Field in New Mexico?

A Yes, I am.

Q Have you previously testified before this Commission in your capacity as a petroleum engineer or as an expert witness?

A Yes, sir.

MR. WOODWARD: Does the Commission accept Mr. Christie's qualification?

MR. SPURRIER: It does.

Q Mr. Christie, I hand you what has been marked Exhibit A. Will you explain what it is?

A Exhibit A has been posted on the board. It shows the proposed units here applied for in this application, or these applications.

Q I hand you what has been marked Exhibit B, will you explain what it is?

A Exhibit B is a map showing contours contoured on top of the Devonian formation.

Q I hand you what has been marked Exhibit C, will you tell what it is?

A Exhibit C is a tabulation of the pertinent well data on three wells here in this application on which we ask for unorthodox units.

Q I hand you what has been marked Exhibit D. Will you explain what it is?

A Exhibit D is a productivity report on the P. I. test of Schenck No. 1 and Exhibit E is a productivity index test on the Ward Number 2. Both located in the Bronco -Siluro-Devonian field.

Q Mr. Christie, would you identify on Exhibit A the three units in Section 11 and the proration unit in Section 14 that are covered by these two applications?

A The units here proposed are outlined in red. The unit in which Ward No. 2 is contained is this long unit on the east boundary of Section 11. The other two units are approximately square units in the west half of the southeast quarter of Section 11. The unit proposed for Schenck No. 1 well is a long 40-acre unit, along the Texas, New Mexico boundary line.

Q Mr. Christie, would you explain the purpose and reason for these two applications?

A I would like to read into the record a statement they are also contained in the reports handed to the Commission.

"The Bronco Siluro-Devonian Pool is located in Lea County, New Mexico and Yoakum County, Texas. Referring to Exhibit "A" it will be noted the east line of Sections 11 & 14 coincides with the boundary line between New Mexico and Texas, and because of the adjustment of the survey on the east line the SE/4 of Section 11 contains only 131.07 acres and the NE/4 of Sections 14 contains only 128.20 acres. This deficiency in acreage results in Lots of less than 40 acres being formed along the boundary line in New Mexico.

The Schenck No. 1 well is located in Lot No. 1, Section 14, T13S, R38E and it is proposed to unitize Lot No. 1 containing 24.46 acres with 15.54 acres of Lot No. 2 to form a 40 acre proration unit. The Ward No. 2 well is located in Lot No. 3, Section 11,

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T13S, R38E containing 25.89 acres. It is proposed to form three proration units of equal size, each unit to contain 43.69 acres, all contained within the boundary of the SE/4 of Section 11. All the acreage contained in this quarter section is one leasehold and therefore requires no unitization. All proration units herein proposed are outlined in red on Exhibit "A".

Exhibit "B" is a map of the Bronco Area showing contours drawn on the top of the Devonian formation. Our inspection of Exhibit "B" indicates that all the units here proposed lie within the productive limits of the pool.

Exhibit "C" is a tabulation of pertinent data pertaining to the three wells now completed on three of the four units here proposed. Of particular significance is the bottom-hole pressures and potential tests, which indicate good communication within the reservoir and high productivity.

Exhibits "D" & "E" are copies of productivity index reports on Schenck No. 1 and Ward No. 2. These tests further substantiate the high productivity of the wells and indicate in my opinion that one well will drain an area much larger than 40 acres."

Q Mr. Christie, inasmuch as one well will drain in excess of 40 acres, in your opinion, is it necessary to form these three proration units in the southeast quarter of Section 11 and the unit proposed in Section 14 in order to give applicant the full value of its wells in those areas? A Yes, sir.

Q In your opinion, will the formation of these units result in waste, or prejudice the correlative rights of any individual owner or operator in the area? A No, sir.

MR. WOODWARD: That is all of the testimony the applicant

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has in explanation of it's position here. We have got an exceptional situation along the boundary between Texas and New Mexico. We believe that the formation of these units will give us the full value of our wells without injuring the rights of any other person or resulting in waste in any form. This is an exceptional situation and an exceptional application to take care of. We will offer the Exhibits as evidence.

MR. SPURRIER: Without objection, they are received. Are there any questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. ANDERSON: I have a comment on Case 664. This is John Anderson, Geological Survey, Roswell. The 1,554 acres in lot No. 2 of the proposed Schenck unit is included in a Federal lease. The proposed proration unit is satisfactory to us and we will recommend approval of a communitization agreement covering the unit we submitted.

MR. SPURRIER: Anyone else have anything in this case or in these cases? If not we will take the cases under advisement and move on to Case 666.

STATE OF NEW MEXICO }
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COUNTY OF BERNALILLO }

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Cases No. 664 and 665 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 17, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 23rd day of February, 1954.



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