

BEFORE THE
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO

August 28, 1957

IN THE MATTER OF
CASE NO. 1303

TRANSCRIPT OF PROCEEDINGS

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ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
August 28, 1957

IN THE MATTER OF:)

Application of Gulf Oil Corporation for a)
468-acre non-standard gas proration unit)
in the Eumont Gas Pool, Lea County, New)
Mexico. Applicant, in the above-styled)
cause, seeks an order creating a 468-)
acre non-standard gas proration unit in the)
Eumont Gas Pool consisting of SW/4 Section)
30 and the N/2 Section 31, Township 21)
South, Range 37 East, Lea County, New)
Mexico, said unit to be dedicated to the)
Applicant's H. T. Mattern "B" No. 10)
Well located in the NE/4 NW/4 of said)
Section 31.)

CASE NO.

1303

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. KASTLER: My name is Bill Kastler, I am a laywer for
Gulf Oil Corporation from Roswell, New Mexico. We have two
witnesses whom I would like to have sworn in at this time, Mr.
Don Walker and Mr. Guy A. Swartz.

(Witnesses sworn.)

DON WALKER

called as a witness, having first been duly sworn, testified as
follows:

DIRECT EXAMINATION

BY MR. KASTLER:

Q Will you state your name and your position?

A Don Walker with Gulf Oil Corporation, Fort Worth, and I am called their Division Proration Engineer.

Q Have you previously been qualified and testified before a hearing of the Oil Conservation Commission of New Mexico as an expert?

A Yes, sir, many times.

MR. KASTLER: Are Mr. Walker's qualifications acceptable?

MR. NUTTER: They are.

Q Mr. Walker, will you please explain what Gulf is seeking in case No. 1303?

A Yes, sir. Gulf is seeking a non-standard 468-acre gas proration unit in the Eumont Gas Pool consisting of the Southwest Quarter of Section 30, and the North Half of Section 31 in Township 21 South, Range 37 East, Lea County, New Mexico.

Q Have the offset operators in the area been notified by Gulf Oil Corporation?

A Yes, sir, in our application to the Oil Conservation Commission dated August the 9th, we notified all operators within the section involved, and all offset operators touching the property involved. In fact, the list was attached to the application.

Q I see. Have you prepared or had at your direction prepared a plat showing the unit area in question, the location of the unit well and any other wells?

A Yes, sir, I believe you have copies of them there.

MR. KASTLER: If the Commission please, would that be labeled as Exhibit No. 1?

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Q Mr. Walker, will you state what is disclosed on Exhibit No. 1?

A On this little plat we merely outlined the lease involved, which is Gulf's H. T. Mattern "B" Lease, and also shown outlined within that lease is the 468-acre proposed unit which would be dedicated to the unit well, H. T. Mattern "B" Well No. 10, which by the way is located 1980 feet from the West line and 860 feet from the North line of Section 31 in Township 21 South, Range 37 East.

Q Has there been any previous unit approved in connection with this particular well, Well No. 10?

A Yes, sir, by Commission letter dated July the 17th, administrative Order No. SP-375 was issued granting us a 314.15-acre non-standard gas unit.

Q Was that unit confined to what is known as the North Half of Section 31?

A That is right, sir. Actually, on my plat I don't indicate the lots there, and the reason for the odd acreage is because along on the west side of that section line, those section lines are lots, and that reduces the acreage from the normal 320 or 480.

Q Can you testify as to whether or not there is a common royalty ownership in the entire unit area?

A Yes, sir, the entire unit area, in fact, the whole H. T. Mattern Lease is fee land, and the royalty ownership is common.

Q And Gulf is the leasee and operator of the entire acreage

South?

A That's right, sir.

Q Are there any other gas wells in this proposed unit?

A No. There is a gas well in the South, in the North, I am sorry, Southeast Quarter of Section 30, which is not within the proposed unit area of the lease.

Q Does that explain why your not seeking this extension as to the entire 640-acre or thereabouts of the lease?

A That's right. Our well No. 5 there is a dual completed well, and 160-acre is dedicated to it at this time.

Q Can the North Half of Section 31 -- I notice that there are wells No. 3, 2, and 1, will you explain in what producing areas these wells are located?

A Yes, sir, Wells Nos. 2 and 3 are producing from the Penrose, Skelly, Grayburg, the Penrose-Skelly, and Wells Nos. 7 and 8, are producing from the Drinkard.

Q Does your proposed unit well produce any fluid?

A Not from the Eumont Gas Pool. It is a dual completed well and, of course, produces fluid from the Penrose-Skelly, but in answer to the question, it is no.

Q Is this well, unit well No. 10, capable of producing additional allowables which would be granted if this application should be approved?

A Yes, sir, the estimated open flow potential is four and a half million cubic feet for that well, and on a back pressure test of 200 lbs. it flowed, I believe, 3.8 million or 3800 MCF, which

is more than adequate under the present allowables for it to make the 468-acre allowable.

Q Did you prepare, or had prepared at your direction, a plat which would show the other non-standard proration units that have been approved in this general area? A Yes, sir.

MR. KASTLER: May this be labeled Exhibit No. 2?

MR. NUTTER: It shall be so labeled.

Q Mr. Walker, will you please explain what is shown on Exhibit No. 2?

A Exhibit No. 2 is merely a little plat of the area showing all the leases and operators in the vicinity, and I've outlined the units that I know the Commission has approved as non-standard gas proration units.

Q They're outlined in red pencil?

A Yes, sir, there may be some that I don't know about, or have not been able to dig out of the records, but that is a pretty good group that we show there. I don't say it is all inclusive, however.

Q Is the unit that is outlined with blue stipes, is that the proposed unit that you are seeking approval of here today?

A Yes, sir.

Q In your opinion, are the lands included in this particular proposed unit, productive of gas?

A Yes, sir, I have no reason to think otherwise. Actually, units have been approved in all three directions, except directly

east, and possibly in some future date we'll find that that is also gas productive, in the Eumont Pool.

Q In your opinion, would correlative rights of others be impaired in any way by the approval of this request? A No, sir.

MR. KASTLER: That's all I have of Mr. Walker, if anybody cares to cross-examine.

MR. NUTTER: Does anyone have any questions of Mr. Walker?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Walker, are there any other oil wells on this 480-acre unit other than Wells Nos. 2, 3, 7, and 8?

A Yes, sir, in the Northeast Quarter of Section 30 there are four wells, two of which are in the Penrose-Skelly, and two in the Drinkard. I believe wells No. 1 and 2 are from the Penrose-Skelly, and Wells Nos. 6 and 8 are from the Drinkard. None of them are very high capacity wells at this time. I believe that the two best wells are Wells No. 3, which is a 16 barrel well in the Penrose-Skelly, and the next best well is a 7 barrel well in the Drinkard. Well No. 9, and the rest are 3, 4, and 6 barrels.

MR. NUTTER: Any other questions of the witness? If not, the witness may be excused.

MR. KASTER: The next witness is Guy M. Swartz.

GUY A. SWARTZ

called as a witness, having first been duly sworn testified as follows:

DIRECT EXAMINATION

BY MR. KASTLER:

Q Will you please state your name and the position you hold with Gulf Oil Corporation?

A My name is Guy A. Swartz, I am a production geologist for the Gulf Oil Corporation, Roswell District Office.

Q Mr. Swartz, are you familiar with the history of the H. T. Mattern "B" Well No. 10?

A H. T. Mattern "B" Well No. 10 was originally dual completed on May 20th, 1957 in the Eumont Gas Pool and in the Grayburg Oil Pool -- I mean, the Penrose-Skelly Oil Pool. The estimated open flow potential in the Eumont Gas Pool is four and a half million cubic feet per day, and the potential of the well in the Penrose-Skelly Oil Pool was 65 barrels of oil per day pumping, with a gas-oil ratio of 2077. This well was drilled to a total depth of 3810 feet and plugged back to 2786 feet with eight and five-eighths inch casing and was cemented at 421 feet with 300 sacks, and five and a half inch casing cemented at 3809 feet with 210 sacks. The cement on the surface casing was circulated, and the top of the cement behind the oil string casing was indicated by temperature survey to be at approximately 940 feet. The perforated interval in the Eumont Gas Pool is from 2695 feet to 3635 feet and lies within the vertical limits of the Eumont Gas Pool.

Q Is the separation on the oil pay from the gas pay the conventional Baker plug?

A Yes, sir, there is a Baker Model D packer set at 3675 feet, which is below the bottom perforation of the Eumont Gas Pool and above the top perforation of the Grayburg, Penrose-Skelly oil pool.

Q Mr. Swartz, have you prepared, or at your direction has there been prepared a contour map that shows the proposed unit area which Gulf is seeking in this case?

A Yes, sir, I have.

MR. KASTLER: May this be marked and stamped Exhibit No. 3, please?

MR. NUTTER: It shall be.

Q Will you please discuss this Exhibit.

A This plat shows the relative structural position of the subject well which is circled in red and its position within the subject unit, which is outlined in red. It is a contour map on top of the Queen Formation, and it shows the structure of the area adjacent to the well, approximately 2 miles above.

Q From the position of this well No. 10, doesn't it appear possible and probably that you can drain the entire area sought to be unitized here?

A Yes, sir.

Q Have you prepared or has there been prepared at your direction a well log?

A Yes, sir, we've taken a radioactive survey which was run by perforated guns by Atlas Corporation shortly after the cementing of casing in the hole and on this log I've plotted the top of the formation and their depths and is indicated in red, the individual

perforations.

MR. KASTLER: Mr. Examiner, may this be labeled Exhibit No. 4?

MR. NUTTER: It shall be done.

Q Is there anything else you wish to say Mr. Swartz about Exhibit No. 4, what it illustrates that is pertinent to this case?

A Well, yes, sir. The well was perforated almost throughout the entire Eumont interval, however, it probably would not have been necessary to do so at the time, inasmuch as several of the adjacent wells have large quantities of gas which come entirely from the Queen Section.

Q Mr. Swartz, is the H. T. Mattern Well No. 10 connected to any pipeline at the present time?

A Yes, sir, it was connected on July 10th, to the Permain Basin Pipe line.

Q Is it presently producing?

A To my knowledge, they're not taking any gas at this date.

Q Is there anything you wish to add to the testimony?

A No, sir.

MR. KASTLER: That's all I have at this time, Mr. Nutter, and I would move that all of the Exhibits, all four, be admitted into evidence in this case.

MR. NUTTER: Without objection, Gulf's Exhibits Nos. 1 through 4 will be admitted in Case 1303. Is there any questions of the witness?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Swartz, referring to your Exhibits No. 3, I believe it's contoured on top of the Queen Formation?

A That's correct.

Q What are the index figures on the contour lines, what are they referring to?

A Those are plus datum.

Q Those are plus subsea datum?

A They would be above sea level in this case.

MR. NUTTER: Is there any other questions of the witness?
Mr. Fischer.

QUESTIONS BY MR. FISCHER:

Q Are there any immediate offsetting gas proration units at this time? In other words, are there any wells producing from the Eumont Gas offsetting this lease? You might have mentioned that before.

A Yes, sir, there are offset units. There are several offset units and there are several wells. The Gulf Corporation No. 5, H. T. Mattern "B" is a diagonal Northeast offset, and is on the same lease to the south. There is Mapenza No. 1 Gill, and I believe, there are several to the West also, in the Eumont.

MR. FISCHER: That's all.

MR. NUTTER: Any other questions of the witness? If not, the witness may be excused. Does anyone have something else they wish to offer in Case 1303? If not, we'll take the case under advisement and the hearing is adjourned.

C E R T I F I C A T E

STATE OF NEW MEXICO)
 : ss
COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype at the time and place hereinbefore set forth; that the same was thereafter transcribed into typewritten transcript by me; and that same is a true and correct record to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal this, the 8th day of September, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

NOTARY PUBLIC

My Commission Expires:

October 5, 1960.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1303, heard by me on 8-28, 1957.

Sanford D. Miller, Examiner
New Mexico Oil Conservation Commission