

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1611

TRANSCRIPT OF HEARING

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MARCH 11, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Application of Texas Pacific Coal & Oil Company for three non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing the following non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico.

(1) A 320-acre non-standard gas proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 36 East, to be dedicated to Applicant's State "A" a/c-1 Well No. 2 located in the NW/4 SW/4 of said Section 21;

CASE NO.
1611

(2) A 240-acre non-standard gas proration unit consisting of the W/2 NW/4 of said Section 21 and the NE/4 of said Section 20 to be dedicated to applicant's State "A" a/c-1 Well No. 3 located in the SW/4 NW/4 of said Section 21;

(3) An 80-acre non-standard gas proration unit consisting of the E/2 NW/4 of said Section 21 to be dedicated to Applicant's State "A" a/c-1 Wells 4 and 6 located respectively in the NE/4 NW/4 and the SE/4 NW/4 of said Section 21.

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The next case on the docket will be Case No. 1611.

MR. PAYNE: Case 1611. Application of Texas Pacific Coal & Oil Company for three non-standard gas proration units.

MR. CAMPBELL: Mr. Examiner, I am Jack M. Campbell of Campbell and Russell, Roswell, New Mexico, appearing on behalf of the Applicant. We have one witness.

(Witness sworn.)

JOHN YURONKA

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

DIRECT EXAMINATION

BY: MR. CAMPBELL:

Q State your name, please.

A John Yuronka.

Q Where do you live?

A Midland, Texas.

Q By whom are you employed and in what capacity?

A Texas Pacific Coal and Oil Company as division engineer.

Q You have testified previously before this Commission or its examiners?

A Yes, sir, I have.

MR. CAMPBELL: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir, please proceed.

Q Mr. Yuronka, are you acquainted with the application of the Texas Pacific Coal & Oil Company in Case 1611 relating to three proposed non-standard units in the Jalmat Gas Pool?

A I am.

Q I hand you what has been marked as Exhibit 1 and ask you to state what it is.

A Exhibit 1 is the plat of the area involved showing the non-standard proration units outlined in red. The plat also shows contours on top of the Yates formation. In addition, the cross sections are indicated on the map, and in Exhibit No. 2, it is denoted by the green line, in Exhibit No. 3 by the orange, and in Exhibit No. 4 by the blue line.

Q Will you, by referring to Exhibit No. 1, advise the Examiner as to the present designations of gas proration units in that area and also the wells to which the acreage is dedicated?

A At the present time Well No. 2 is located in the NW/4 of the SW/4 of Section 21, and has 160 acres dedicated to it, which consist of the SW/4 of Section 21. Also we have 220-acre non-standard proration units, one unit consists of the N/2 of the NW/4 of Section 21, and the NE/4 of the NE/4 of Section 20, all in Township 23 South, Range 36 East, and the gas well involved is Well No. 1. The other 100-acre non-standard proration unit consists of the S/2 of the NE/4 of Section 21, and the SE/4 of the NE/4 of Section 20. This acreage is dedicated to wells No. 3 and 6.

Q Now, referring still to Exhibit No. 1, state to the Examiner what proration units you are seeking under this application, in the order that they appear on the docket, please.

A We are seeking a 320-acre non-standard gas proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20, both in Township 23 South, Range 36 East, to be dedicated to applicant's State "A" a/c-1 Well No. 2 located in the NW/4 SW/4 of said Section 21. We are also asking for a 240-acre non-standard gas proration unit consisting of the W/2 NW/4 of said Section 21 and the NE/4 of said Section 20 to be dedicated to applicant's State "A" a/c-1 Well No. 3 located in the SW/4 NW/4 of said Section 21, and the third unit is an 80-acre non-standard proration unit consisting of the E/2 NW/4 of said Section 21 to be dedicated to applicant's State "A" a/c-1 Wells 4 and 6 located respectively in the NE/4 NW/4 and the SE/4 NW/4 of said Section 21.

Q Now, Mr. Yuronka, I refer you to what has been identified as Exhibit No. 2 and ask you to state what that is please.

A Exhibit No. 2 is a cross section beginning with Sinclair's Federal 714 Well No. 3 located in the NW/4 of the SW/4 of Section 17, Township 23 South, Range 36 East, and includes Sinclair's Federal 714 No. 1, T.P.'s State "A" a/c Well No. 1 39, T. P.'s State Account Well No. 5, and Well No. 3 in the same lease and Well No. 2 also in the same lease.

Q Is this the cross section which is shown in green on Exhibit No. 2?

A Yes, sir.

Q Refer now to what has been marked Exhibit 3 and state what that is, please.

A Exhibit No. 3 is denoted by the orange line on Exhibit No. 1, and starts with Continental's Steven "B-20" No. 1 located in the NE/4 of the NW/4 of Section 20, and includes Continental's Steven "B-20" Well No. 2, T. P.'s State "A" Account 1 Well No. 1, and T. P.'s State "A" Account 1 No. 3.

Q Is that the cross section that is shown in orange on Exhibit No. 1?

A Yes, sir.

Q Now, refer to Exhibit No. 1, state what that is please.

A Exhibit No. 4 is shown by a blue line in Exhibit No. 1 and includes two wells; Sinclair's Federal 714 Well No. 4, located in the NE/4 of the SW/4 of Section 20, and also includes T. P.'s State "A" Account Well No. 1 No. 2 in Section 21.

Q Is that cross section in blue on Exhibit No. 1?

A Yes, sir.

Q Now, Mr. Yuronka, it would appear from your application here that the acreage you are now seeking to dedicate to a gas well or wells in the pool, which is not presently being dedicated, is the SE/4 of Section 20?

A Yes, sir.

Q And W/2 of the NE/4 of Section 20, is that correct?

A Yes, sir.

Q Now, referring, as you see fit, to the cross sections which you have prepared, together with any other geological information that you may have, why do you believe that that undedicated acreage may reasonably be presumed to be productive of gas from the Jalmat Gas Pool?

A Referring to Exhibit No. 2, the productive zones as shown on this cross section are denoted by the yellow. There are three productive zones in the upper portion of the Yates, and these are traced through the wells included in this cross section from Sinclair's Federal 714 Well No. 3 down to T. P.'s State "A" Account 1 Well No. 2. It is quite apparent that this zone is, or these zones are productive of gas and can be traced through all of these wells. This same situation holds true for Exhibit 3 and 4 in regard to these productive zones. I would like to point out that in Sinclair's Federal 714 Well No. 1 --

Q Where is that situated?

A --which is located in the NE/4 of the SW/4 of Section 17, there is one zone opened. This zone is productive of oil, and this well is a top allowable oil well. However, I would like to point out that in the completion of Sinclair's Federal 714 No. 3, the zone that is opened in this perforated interval in the third zone is 3639-3635. It was sand oil treated with ten thousand gallons of oil and ten thousand pounds of sand. This zone tested fifteen hundred MCF per day, with three hundred and two barrels of load oil recovered, and had a GOR of sixty-two thousand five

hundred. Now, this is a report from the scout tickets and a scout report dated August the 21st, 1957.

MR. NUTTER: That's a test on the lower zone only?

A That's right, and after that it is apparent to me, at least, that Sinclair was looking for an oil well and consequently they plugged that off and perforated--that's the two upper zones--and consequently got a gas well, so you have an oil well between two gas well, but you have gas up dip and gas down dip. Now, that is about the only point in regard to Exhibit No. 2. Now, in Exhibit 3 and 4, you will notice that the third zone is the one that is productive of oil and is opened, in Exhibit No. 3, that lower zone is opened in both Continental wells, and Exhibit No. 4 you will note that that third zone is also opened in Sinclair's Federal 714 No. 4, however, none of these three wells have perforated the upper two zones.

Q Mr. Yuronka, based upon your studies of the wells in this area, are you of the opinion that the 320-acre non-standard proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20 may be reasonably presumed to be productive of gas from the Jalmat Gas Pool?

A Yes, sir.

Q Do you believe that if this authority is granted, the proration unit established, that the gas may be produced from that gas proration unit without waste?

A Yes, sir, I do.

Q Do you believe that the proposed non-standard gas proration unit consisting of the SW/4 of Section 21 and the SE/4 of Section 20 may be reasonably presumed to be productive of gas from the Jalmat Gas Pool?

A Yes, sir, I do.

Q Do you believe that if it is approved, that the allowable can be produced from that gas unit without waste?

A Yes, sir.

Q Do you believe that the proposed non-standard gas proration unit consisting of the E/2 NW/4 of Section 21 may be reasonably presumed to be productive of gas from the Jalmat Gas Pool?

A Yes, I do.

Q Do you believe that if the authority is granted, the allowable may be produced from that unit without waste?

A Yes.

Q Will you state now a little bit about the producing capacity and deliverability of the wells which you intend to use as producing wells for each of these gas proration units?

A Before I do, though, as you will note, I haven't included wells No. 4 and No. 6 in these cross sections in regard to that 80-acre non-standard proration unit. However, I have checked the logs personally, and these zones can be correlated to Wells 4 and 6, and they are opened in both zones. T. P.'s State "A" Account 1 Well No. 3 in 1958 had a deliverability of

951.8.

Q Which is that well?

A That well is located in the SW/4 of the NW/4 of Section 21, Township 23 South, Range 36 East. T. P.'s State "A" Account Well No. 2 in 1958 had a deliverability of 792.1. This well is located in the NW/4 of the SW/4 of Section 21, Township 23 South, Range 36 East. T. P.'s State "A" Account Well No. 4, which is located in the NE/4 of the NW/4 of Section 21 had a deliverability in 1958 of 95.32. Well No. -- T. P.'s State "A" Account Well No. 6, located in the SE/4, NE/4 of Section 21, in 1958, had a deliverability of 89.13.

Q Mr. Yuronka, do you know of your own knowledge whether or not offset operators were advised of this hearing?

A Yes, sir, they were all notified of our application.

Q Notified in writing of your application, were they not?

A Yes, sir.

MR. CAMPBELL: I believe that's all I have at this time.

MR. NUTTER: Are there any questions of Mr. Yuronka?

MR. PAYNE: Yes, sir.

MR. NUTTER: Mr. Payne.

CROSS EXAMINATION

BY: MR. PAYNE:

Q Mr. Yuronka, do you happen to know the order number

that established the non-standard proration units in this area that are presently in existence?

A No, sir, I don't.

Q Do you feel that you need the No. 4 and No. 6 well, both dedicated to this requested 80-acre non-standard unit in order to keep the unit top allowable, you couldn't produce the allowable from either one of the two wells?

A Well, with the deliverability involved, I don't see where it would make much difference in the present proration we have. It would amount to relatively the same. You could have 40-acre tracts for each well if need be.

Q That's what I am getting at. I was wondering why you chose this route here to have the 80-acre tract dedicated to both wells as opposed to two 40-acre non-standard units?

A There wasn't any particular reason for it.

MR. PAYNE: That's all.

MR. NUTTER: Any further questions?

QUESTIONS BY MR. NUTTER:

Q Mr. Yuronka, is there a well established idea in Southeast New Mexico that there is a gas-oil contact which is at a rather uniform level throughout this area?

A Yes, sir, the gas-oil contact is approximately a minus 150.

Q Minus 150. Does that minus 150 contour cross your acreage at any point on Exhibit 1?

A No, sir, we have not shown that, however, all these cross sections were made on a subsea datum point, and if you will note, this Sinclair Federal 714 Well No. 1, the gas-oil contact by core is at a minus 147, I believe.

Q What was that again?

A At a minus 147 by core.

Q That's the 714 No. 1 on Exhibit No. 2?

A Yes, sir.

Q Do you think if that well were perforated in the two upper sections, that it would be a high gas-oil ratio well, or possibly a gas well?

A Yes, sir.

Q Referring to your Exhibit No. 4, Mr. Yuronka, the left well on the exhibit is an oil well, and the right well is a gas well?

A Yes, sir.

Q Now, do you think if the left well, being the 714 No. 4, Sinclair Well, were perforated in the upper sections, that it would be a gas well?

A Yes, sir.

Q Now, you mentioned deliverability. Do you have any deliverability figure available for your No. 5 Well?

A No. 5 has been plugged and abandoned.

Q Was that opened in the Jalmat formation?

A Yes, sir, we -- I think if you will note Exhibit 2,

at the bottom, below the log on that well, we have a workover with the pertinent data involved. We worked the well over in January of 1952 and we plugged back to 3570 and perforated 3447-3563 with four shots per foot, and then we had a three batch hydro-frac job, which includes 9,494 gallons of oil and 1,200 pounds of sand with 750 pounds of gel, and we swabbed back 226 barrels of oil, which I think, is just approximately the load, and that was it, it was dry, and then we plugged and abandoned it in May of 1952.

Q That well is opened in all three sections, or is it now, or was opened?

A Yes, sir. Our belief on that well is the fact that there was some mechanical difficulty. This well, incidently, was drilled back, rather was completed on August the 4, 1930, and we have had experience not only with this well, but with other wells, although it does not show on our record, we know that they had some blowouts on these wells, they had to do quite a bit of squeezing and what have you in order to get the well completed properly, and consequently, well, at that time they were shooting for the oil zones below our gas pool, and consequently, we believe that the cement probably squeezed off our pay zone and we could not complete it as a gas well. We have another well like that up in Township 22 South, Range 36 East.

Q In this well N . 5, did you actually have a blowout and then had to squeeze it to shut it off?

A Yes, sir, during the drilling of it.

Q Do you believe that the re-perforations in 1952 failed to get through that cement squeeze that had been performed on the well during the drilling operation?

A Yes, sir, I do.

Q But if you had been successful in perforating through the cement, that you would have gotten a producing well?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Yuronka? If not, he may be excused.

MR. CAMPBELL: Just a moment. Mr. Yuronka, were these exhibits prepared by you or under your supervision?

A Yes, sir, they were.

MR. CAMPBELL: I would like to offer Exhibit 1, 2, 3, and 4 in this case.

MR. NUTTER: Is there objection to the introduction of T. P.'s Exhibits 1 through 4? If not, they will be received as evidence. Does anyone have anything further they wish to offer in Case 1611? Take the case under advisement and the hearing is adjourned.

STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO) ss

I, Josphe 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 and that the same was reduced to typewritten transcript by me and contains a true and correct record of said hearing, to the best of my knowledge, skill and ability.

DATED this 20th day of March, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete transcript of the proceedings in the Examiner's hearing of Case No. 1611 heard by me on March 11, 1959.

James A. [Signature] Examiner
 New Mexico Oil Conservation Commission