

SUGGESTED EXAMINATION FOR CASE NO. 2292
DIRECT EXAMINATION BY LAWYER
HUMBLE APPLICATION FOR INTERFERENCE TEST AND
ALLOWABLE TRANSFER - CHA CHA GALLUP POOL
HEARING SCHEDULED FOR MAY 24, 1961

Q. What is the nature of your request?

- A. We are asking permission to conduct an interference test on our Navajo Tribe of Indians "L" lease. This requires that we be permitted to transfer the allowable from an observation well to the other wells on the lease.

Q. What is the purpose of running an interference test?

- A. The proposed test will furnish data relative to the efficiency of drainage and oil recovery in Cha Cha Pool.

Q. Will you describe the test procedure you propose to follow.

- A. Humble's "L" lease is shown on Exhibit 1. We plan to shut in a selected observation well, "L" No. 4, and its four off sets for 72 hours in order to approach stabilized reservoir conditions around the observation well. Immediately upon shut-in, a 72-hour BHP bomb will be run in the "L" No. 4. Seventy-two hours following shut-in, the offset wells will be opened and routed through test facilities, and a second 72-hour BHP bomb will be run in the observation well. When the second 72-hour pressure bomb is pulled, a third will be run, after which single point pressure readings will be taken at weekly intervals until conclusive data regarding inter-well interference is collected. The allowable for the observation well will be transferred in approximate equal parts to those other wells on the lease which have an excess producing capacity.

Q. What is the producing rate and accumulated production from the "L" lease?

- A. During April the lease averaged 1,767 BOPD from 10 wells, including 4,096 barrels make-up. Cumulative production to the end of April was 208,353 barrels. (April net allowable was 1,711 barrels/day.)

Cum. Bbls 5-1-61

| | |
|------|----------------|
| L-1 | 30,433 |
| L-2 | 29,497 |
| L-3 | 26,499 |
| L-4 | 28,591 |
| L-5 | 23,458 |
| L-6 | 21,667 |
| L-7 | 16,436 |
| L-8 | 15,806 |
| L-9 | 12,966 |
| L-10 | 3,000 |
| | <u>208,353</u> |

Q. What is the producing GOR for the "L" lease?

A. The initial producing GOR averaged approximately 700 Scf/STB.
Current producing GOR is approximately 900 (first week of May).

Q. What is the BHP under the "L" lease?

A. The original BHP was 1560 psig at +400' datum. At the end of April the pressure was 1440 psig at +400'. (1415) for NW Unit area.)

Q. Is all production from the same source of supply?

A. Yes, all wells are productive from the Gallup formation.

Q. Will an increased production rate damage the reservoir or in any way violate conservation?

A. No sir.

Q. Will this application in any way violate correlative rights?

A. No sir.

Q. Have all offset operators been notified by registered mail of Humble's intent in this matter?

A. Yes, sir.