

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

July 6, 1961

EXAMINER HEARING

Case 2328

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing - Daniel S. NutterSanta Fe, NEW MEXICOREGISTERHEARING DATE July 6, 1961TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
Hal Freedman	Wolfson Oil Co.	Midland, Tex
John Yumonta	Texas Pacific C & O	Midland
German Ledbetter	Newmont Oil Co.	Artesia
Neil B. Watson	Nash, Windfall, Benson	Artesia
Jack M. Campbell	Campbell + Russell	Roswell
D. J. McArthur	U. S. G. S.	Farmington
L. C. White	Shell	Santa Fe
Ed Robinson	TEXACO Inc.	Midland
C. R. Block	TEXACO Inc.	Midland
W. R. Wood	Texaco Inc.	Farmington
A. L. Carter	OCC	Santa Fe
R. R. Anton	Franklin, Anton &	Roswell
Richard N. Gay	Fair Inc.	Tyler, Texas
Carl Westerman	Fair Oil Co.	Dallas, Texas
W. R. Kellon	Genex/American Oil Co	Artesia
Wm. Federico	Consultant	Santa Fe N. M.
Al Green	Benson - Moulton Greenberg & Co.	Farmington

NEW MEXICO OIL CONSERVATION COMMISSION

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Santa Fe, NEW MEXICO

ILLEGIBLE

REGISTER

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TIME: 9 a.m.

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Hal Freedman	Wolfsen Oil Co.	Midland, Tex
John Yumka	Texas Pacific C & O	Midland
German LeBette	Newmont Oil Co.	Artesia
Phil B. Watson	Nash, Winifred Brown	Artesia
Jack M. Campbell	Campbell + Russell	Roswell
D. J. McVey	V. S. G. S.	Farmington
H. P. White	SWG	Santa Fe
Ed Robinson	TEXACO Inc.	Midland
C. R. Block	TEXACO Inc.	Midland
W. R. Wood	Texaco Inc.	Farmington
A. L. Carter	OCC	Santa Fe
R. R. Anton	Franklin, Anton	Roswell
Richard L. Farg	Fair Oil Co.	Farmington, Texas
Carl D. Wintman	General American Oil Co.	Dallas, Texas
Dea. Kallen	Consultant	Artesia
Wm. Federico	Brown - Martin - Ketchum	Santa Fe, N.M.
Al Green		Farmington

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 6, 1961

EXAMINER HEARING

IN THE MATTER OF:)

Application of Texas Pacific Coal & Oil)
Company for two non-standard gas prora-)
tion units, Lea County, New Mexico.)
Applicant, in the above-styled cause,)
seeks the establishment of a 240-acre)
non-standard gas proration unit in the)
Jalmat Gas Pool consisting of the S/2)
NE/4 and the SE/4 of Section 14, Town-)
ship 24 South, Range 36 East, Lea County,)
New Mexico, to be dedicated to the Copper)
Well No. 5 located 1980 feet from the)
North line and 660 feet from the East line)
of said Section 14. Applicant further)
seeks the establishment of a 320-acre)
non-standard gas proration unit in said)
pool consisting of the SW/4 of Section 4)
and the NW/4 of Section 9, all in Town-)
ship 23 South, Range 36 East, Lea County,)
New Mexico, to be dedicated to the State A)
Account No. 1 Well No. 18 located 660 feet)
from the South and West lines of said)
Section 4.)

Case
2328

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: The Hearing will come to order, please.

The first case on the docket is Case Number 2328.

MR. MORRIS: Application of Texas Pacific Coal & Oil
Company for two non-standard gas proration units, Lea County,
New Mexico.

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MR. CAMPBELL: I am Jack M. Campbell, of Campbell and Russell, Roswell, New Mexico, appearing on behalf of the Applicant. Before proceeding with the evidence, I would like to move to dismiss that portion of Case 2328 which seeks the establishment of a 240-acre standard proration unit in the Jalmat Gas Pool consisting of the south half of the northeast quarter and the southeast quarter of Section 14, Township 24 South, Range 36 East, Lea County, New Mexico.

MR. NUTTER: And the remainder of the case would remain intact?

MR. CAMPBELL: Yes, it would. I might state that the reason for this is that this is one of the properties which the Applicant recently acquired from Olson Oil, Inc., and there is a considerable diversity of royalty ownership under the two tracts, and we desire to study it further and do some work in connection with volume pooling agreements before we seek the approval of the non-standard unit.

MR. NUTTER: That portion of the application dealing with the 240 acres will be dismissed and we will proceed with the remainder of the case.

MR. CAMPBELL: We have one witness to be sworn, Mr. Yuronka.

(Witness sworn.)

J O H N Y U R O N K A, called as a witness, having been first duly sworn, was examined and testified as follows:



DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you 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 and its Examiners in your professional capacity?

A I have.

MR. CAMPBELL: Are the witness' qualifications acceptable?

MR. NUTTER: Yes. You may proceed.

Q (By Mr. Campbell) Are you acquainted with the application of Texas Pacific Coal and Oil Company Case Number 2328 relating to a 320 acre non-standard proration unit in the southwest quarter, Section 4, and the northwest quarter of Section 9, Township 23, 32 East?

A Yes, I am.

Q I hand you what has been marked Applicant's Exhibit 1 and ask you to state what that is.

A Exhibit 1 is a plat of the area involved with the proposed non-standard proration unit outlined in red. In it, the contour intervals are contoured on top of the A with a loop of

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twenty-five feet.

Q Explain to the Examiner what the present situation is with regard to gas proration units in regard to the two wells which appear within the area marked in red.

A At the present time, the southwest quarter of Section 4, 160 acres, is dedicated to the State A Account Number 1, Well 18, and the northwest quarter, Section 9, 150 acres is presently dedicated to State A Account Number 1, Well 14.

Q In the event the application is approved, what do you intend to do with regard to a well to be used for the dedication to this acreage?

A We propose to produce the allocated production from Well Number 18 and shut in Well Number 14.

Q Are you acquainted with the completion data and the production history of the State A Account Number 1, Well Number 14, which you have stated you intend to abandon in the event this application is granted?

A Yes.

Q I hand you Applicant's Exhibit Number 2 and ask you to state what that is, please.

A Exhibit 2 is a sketch of the well bore of State A Account Well Number 14.

Q Referring to Applicant's Exhibit Number 2 and to the data which you may have available on the records of your office, will you state to the Examiner what the history of that particular



well has been?

A The well was completed in November of 1945 with five and a half inch casing set 3706 and T.D. 3725. The top of the Yates is 3155 and the top of the Seven Rivers is 3377. The perforation which was originally completed -- excuse me, that should be from 3595 to 3603 -- and potentialed 289 barrels oil. In workover in 1957 as the sketch shows, we had various perforated intervals and all of them produced sulfur water and eventually completed the well from 3380 to 3410 with the potential of 12,800,000 mcf. This watered out and December of '51, we completed another workover and the resulting perforations were 3145 to 3330, and 3310 to 3330.

However, during the course of a workover a plug was set between these two sets of perforations at 3305 and ten feet of sealing was placed on top of the plug which made the plug back T.D. 3595 which was then the upper set of the perforation. This well was hydrofacked from 3145 to 3295 and potential was 2,650 mcf per day.

Q What is your reason for seeking to abandon this well at this time?

A At the present time, the well has an allowable of 956 mcf per month. This well, in order to produce the well, it has to be swabbed and produce -- about five barrels of water approximately is swabbed out of it. Then the well will kick up and buck the line pressure for from eight to ten hours and it will

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load up again and die, and it has this marginal allowable and if it's produced constantly, it will produce a constant stream of fluid into the line.

Q What would be involved in reworking this well again?

A Well, the workover mentioned on this well in '51 cost \$16,042.00. Continental's Dance A 8 Number 2, in Section 5, 2336 -- pardon me, the Farney A 5 Number 2 in 5, 2336. Workover was attempted on that similar to what would have to be performed and in order to repair this well, your perforations would have to be squeezed, reperforated and fracked. In Farney A 5 Number 2, this was done and the well was swabbed and dry load was never recovered and it was temporarily abandoned.

MR. PORTER: Is this a Continental well?

THE WITNESS: Yes.

A We feel that in order to repair the well, these steps would have to be taken and we have never been able to repair a well under these circumstances.

Q (By Mr. Campbell) Have you made any studies with regard to unrecovered gas reserves under the tract now dedicated to the A 14 well?

A As shown in Exhibit 3.

Q I hand you Applicant's Exhibit Number 3 and ask you to state what that is, please.

A Exhibit Number 3 shows the present decline of State A Account 1, Well 14. Projecting this curve to an abandoned pres-



sure of 100 pounds, it shows that the reserve for this 160 acre tract are 2,620,000 mcf up to the present time. The well has produced 1,773,634 mcf which shows that the tract has approximately 850,000 mcf yet to be produced.

Q Now, you intend to use your Well Number 18 north of this Well 14 for the producing well on this 320 acre unit in the event it's approved?

A Yes.

Q Will you give the Examiner the information you have with regard to the examination data and production history of Well Number 18?

A Pardon me. It was completed in December '46 at 85 inch casing set at 3050 and T.D. at 3525. The top of the Yates, 3210, and the top of the Seven Rivers is 3455. The potential on it was 24,000 mcf per day. In October '54, workover was completed that plugged off the Seven Rivers formation to plug back T.D. of 3443 and the well potential is 4,760,000 mcf per day. The present deliverability test on Well 18, as taken in February, shows the well has a deliverability of 1849.

Q Do you believe if this well is dedicated to this acreage it will be able to produce the normal allowables for a 320 acre unit in the Jalmat Gas Pool?

A Yes.

Q Do you believe that correlative rights of owners of properties in the area will be protected adequate by this change-



over to a 320 acre unit and the use of Well 18?

A Yes, I do.

Q I'd like to ask you with regard to the ownership of this acreage in this unit. Is it all State acreage?

A Yes, it is.

Q Of course, the royalty is common?

A Yes.

MR. CAMPBELL: I'd like to offer in evidence Applicant's Exhibits 1, 2 and 3.

MR. NUTTER: Applicant's Exhibits 1, 2 and 3 will be entered in evidence.

MR. CAMPBELL: That is all the questions I have.

MR. NUTTER: Are there any questions of the witness?

MR. MORRIS: Yes.

CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Yuronka, what acreage has been dedicated to Well 14 prior to this Hearing?

A The northwest quarter, Section 9.

Q Just the northwest quarter?

A Yes.

Q What acreage has been dedicated to Well 18?

A The southwest quarter of Section 4.

Q Just the southwest quarter?

A Yes.



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Q Mr. Yuronka, do you know whether there are other non-standard proration units in the Jalmat Gas Pool in this area?

A Non-standard?

Q Yes.

A Yes.

Q Is there a non-standard unit in Section 4?

A No. There is in Section 5. I believe the Farney Continental A 5 Number 3 has 320 acres dedicated to the northeast of the northeast.

Q That being the east half of 5, or what?

A I don't know the exact dedication of the acreage. Since Number 2 has been a gas well, I would assume probably it would be the north half of the Section.

Q In Section 4, are there other Jalmat wells in Section 4 other than Number 18?

A Yes. We have two of them.

Q What is the dedication to those wells?

A Well, State A Account 1, Well 15, which is in the southeast of the northwest, has 160 acres dedicated to it, which is the northwest quarter of Section 4.

Q That would be a non-standard unit in the Jalmat, would it not?

A Yes.

Q There are other Jalmat gas wells in Section 4?

A Texas Pacific State A Account Number 1, Well 23.



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Q What is the acreage dedication to that well?

A 160 acres.

Q Being the northeast quarter of Section 4?

A That's right. A non-standard proration unit -- probably I call it 160; it's 640.

Q Would you say it would be completely impractical to dedicate 640 acres in Well 18 if it was a standard proration unit?

A I don't quite follow your questioning.

Q In other words, the Commission has established that 640 acres is a standard proration unit in the Jalmat, and I am asking if it would be impractical to dedicate 640 acres to your well number 18?

A No, it would not be impractical.

Q Then, why do you propose 320 rather than 640 acres?

A We have two producing wells right now. It can take care of 160 acres.

Q So, for that reason it would be impractical?

A Yes.

Q Down in Section 9, what is the -- are there Jalmat gas wells producing in Section 9 other than Number 14?

A Yes, sir. The State A Account Number 1, Well Number 1.

Q What is the acreage?

A The southwest quarter of Section 9 and State A Account Number 1, Well 12, the southeast quarter and in the south half of the northeast half, 240 acres are dedicated to that well.



Q For that reason, it would be impracticable to dedicate all or any part of this Section 9 other than what you're planning to dedicate to the Number 18 well except -- how about the north half of the northeast quarter, Section 9, is any of that dedicated to Jalmat gas wells?

A No. We have two Jalmat oil wells in there.

Q Those being which wells shown on the Exhibit?

A 36 and 41. 41 is a dual completion.

Q So, all of the -- wait a minute. Going back to Section 4, is there any dedication in the southeast quarter of Section 4 in the Jalmat Gas Pool?

A That lease belongs to Gulf and I have never -- from the records that are available -- I have never been able to find a gas well in that 160 acre tract.

Q Do you believe it is productive of gas in the Jalmat Gas Pool?

A Yes.

Q It might be possible therefore to include that 160 acres in a unit, possibly in your unit, would it not?

A We haven't approached Gulf on it. I wouldn't know.

Q With the exception, then, of the quarter section of Section 4, all of the other acreage in Section 4 and Section 9, then, are dedicated to some well in the Jalmat Pool?

A That's right.

MR. MORRIS: Thank you, sir.



CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Yuronka, I take it that it is your position that the southwest quarter of Section 4 is productive of gas?

A Yes.

Q And that the northwest quarter of Section 9 is also productive of gas, but because the mechanical difficulties and the cost of workover in Well 14, you find it advisable to plug this well and dedicate the acreage to Number 18?

A Yes. The entire 320 acres would be productive of gas.

MR. NUTTER: Are there any further questions of the witness?

If not, he may be excused.

(Witness excused.)

MR. NUTTER: Does anyone have anything they wish to offer in Case Number 2328?

The case will be taken under advisement.

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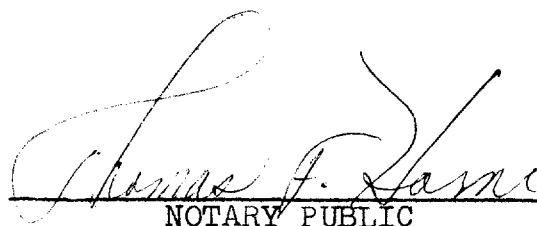


C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, THOMAS F. HORNE, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

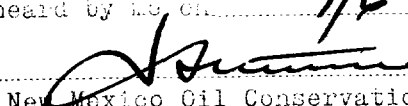
WITNESS my Hand and Seal, this, the 8th day of July, 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


 NOTARY PUBLIC

My commission expires:

May 4, 1965

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 2328,
 heard by me on 7/4, 1961.


 _____, Examiner
 New Mexico Oil Conservation Commission

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