

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
AUGUST 30, 1961

EXAMINER HEARING

IN THE MATTER OF:
CASE 2362

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
August 30, 1961

IN THE MATTER OF:

Application of Shell Oil Company for an exception to Rule 303, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303 to permit commingling of the production from the Brunson and Hare Pools on its State (Section 2) Lease located in Section 2, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further proposes to commingle the production from the Terry-Blinbry, Drinkard, Tubb and Wantz-Abo Pools on its said State (Section 2) Lease. Applicant proposes to allocate production to each pool on the basis of monthly well tests.

Case 2362

BEFORE:

Elvis A. Utz, Examiner

EXAMINER HEARING

MR. UTZ: Case 2362.

MR. MORRIS: Application of Shell Oil Company for an exception to Rule 303.

JOSEPH G. YOPE,

recalled as a witness herein, having been previously duly sworn on oath, was examined and testified further as follows:

DIRECT EXAMINATION

BY MR. SETH:

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Q Will you state your name, please.

A Joseph G. Yope.

Q You are the same witness that testified in Case 2361; are you not?

A That is correct.

MR. SETH: Will the record show that he is sworn.

MR. UTZ: Yes, sir.

Q (By Mr. Seth) Do you have a plat showing the area that is involved in this Application?

A Yes, sir. It is Exhibit 1, a general plat of the area.

Q State, generally, what the purpose of the Application is?

A Shell proposes to commingle crude oil from the Brunson and Hare zones on our State Section 2 Lease on the basis of monthly well tests, and sell this through one central battery to the pipeline through ACT, and are proposing a central battery to handle the production from Terry-Blinbry, Tubb Oil, and Drinkard Oil on the basis of monthly well tests, and to sell this through ACT system.

Q Now, is the royalty common in this lease?

A Yes, sir. It is all State land, and the royalty interest is common to all depths.

Q As shown on Exhibit 1, that is the portion outlined in red with the arrow --

A Yes, sir.



Q -- do you have a list of the wells and the estimated production?

A First, I will offer Exhibit 2, which is a diagrammatic sketch of our two systems involved on the State Section 2 Lease.

Q Now, what is Exhibit 2? Will you describe Exhibit 2 a little more fully?

A Exhibit 2 shows two systems: on the left being the Hare and Brunson commingled system where we have commingling, 7 Hare wells and 2 Brunson wells into a central battery, and then sell it through a ACT system. On the right of Exhibit 2, we have the central battery setup, metering facilities for a commingled battery to serve 7 Terry-Blinebry wells, 4 Drinkard wells, 1 Wantz-Abo well, and 1 Tubb well.

MR. UTZ: Is this all in this one lease?

THE WITNESS: Yes, sir. This is our 280-acre State Section 2 Lease, consisting of Lots 11, 12, 14, and the Southwest Quarter of Section 2, Township 21 South, Range 37 East.

Q (By Mr. Seth) Do you have the production figures?

A Yes, sir. A rundown of production on our Brunson: We have Well No. 5, 24-hour test production, 10 barrels of oil, got one per cent water. It is on pump, and that is pumping all we can get out of that well. No. 6, also the last 24-hour test, I have 30 barrels of oil, 20 barrels of water, and it is also on pump. I believe neither well, in this case, is capable of producing any more.



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MR. UTZ: Not even by enlarging the pump size?

THE WITNESS: No, sir; because that pump deficiency would be, oh, say, No. 5, there will be something like 10 per cent, and No. 6, it will be 40 per cent, in the neighborhood of. On our Hare zone, the Well No. 3, last test was 35 barrels of oil, 1 barrel of water. It is also on pump. Well No. 7, 24-hour test, 10 barrels of oil, got six tenths per cent water. It is on pump. Well No. 10, 24-hour test, 10 barrels of oil, two tenths per cent water. It is being gas lifted. Well No. 11, 24-hour test, 9 barrels of oil, got two tenths per cent water. It is being gas lifted. Well No. 12, 12 barrels of oil, got two tenths per cent water. It is being gas lifted. Well No. 14 is a flowing well, the only flowing Hare Well, flowed 12 barrels of oil, got two tenths per cent water with 110 tubing pressure through a sixteen sixty-fourths inch choke. Well No. 16, 24-hour test, 8 barrels of oil, cut two tenths per cent water. It is on gas lift. I believe that is all the artificial lifted wells, gas lift, and pump are not capable of producing much higher than the test indicates at this point.

The efficiencies involved here on these tests of the capacity of the equipment lifting them, are so low that we feel that the quantity of fluid being produced is all we can get. The Well No. 14 is flowing with 12 barrels of oil, as I stated. The tubing pressure is relatively low, but the choke size is low. However, our last bottom hole pressure on the well was 920, with a



productivity induction of .055; and we believe it is highly doubtful that this well will produce any appreciable amount more.

So in summary, the Hare and the Brunson, I submit that these wells definitely are in a marginal situation. We have highly doubtful ways of increasing the production from them.

On our second system on the right of your Exhibit 2, we have 3 Drinkard wells: Well No. 1 is on pump, 24 hours pumped 10 barrels of oil. Well No. 2 in on pump, 24 hours pumped 10 barrels of oil and 1 barrel of water. Well No. 4 is flowing, 24-hour test flowed 24 barrels of oil. It is on intermitter, flowing one hour on and shut-in one hour, with a maximum shut-in pressure of 180 PSI. Well No. 9 is pumping, 24-hour test 20 barrels of oil. In our Terry-Blinebry, we have Well No. 8, last 24-hour test flowed 20 barrels of oil, cut two tenths per cent water. It is on intermitter, 15 minutes flowing and one hour shut-in, maximum shut-in pressure 1,000 PSI through twenty eight sixty-fourths inch choke. Well No. 17 is on pump, 24-hour test, 12 barrels of oil, 1 per cent water. Well No. 18, 24-hour test, on pump, 23 barrels of oil. Well No. 19, is flowing, flowed 38 barrels of oil, got four tenths per cent water through a eighteen sixty-fourths inch choke, 200-pound tubing pressure. Well No. 20 flowing, 24-hour test, flowed -- excuse me, 33 barrels of oil. It has a 600-pound tubing pressure, maximum shut-in tubing pressure, I should say, on intermitter, flowing one and one half hours and shut-in one and one half hours, through a twenty four sixty-eighths

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inch choke. Well No. 21, 24-hour test, 25 barrels of oil, 1 barrel of water. It is pumping. Well No. 22, 24-hour test, it flowed 41 barrels of oil with a tubing pressure of 80 pounds.

In the Tubb, we have one well. That is Well No. 15. It is flowing, 24-hour test was 10 barrels of oil through a twenty-four sixty-fourths inch choke, 90 PSI tubing pressure.

In the Wantz-Abo, we have one well. It is Well No. 13. It is on pump, 24 hours, pumped 13 barrels of oil. That summarizes the latest production capacity of the wells that we have record of.

MR. UTZ: You actually have two wells in Terry-Blinebry capable of producing above top allowable, No. 19 and No. 22.

MR. PORTER: What are the capacities of those wells?

MR. UTZ: 32, and 39, and 41.

MR. PORTER: I believe your top allowable for the Tubb --

THE WITNESS: 46 for this past month.

MR. UTZ: You may proceed.

Q (By Mr. Seth) Do you have any further comments on the production figures?

A I believe the Drinkard is not capable of producing much more, particularly those on pump. And one thing characteristic of the Drinkard formation, normally a high bottom hole pressure, a low productivity index, and an intermittent flowing condition, on this basis, we think we are getting most of the oil we can, wherever possible; and I doubt whether any of those can be classi-



fied as very much greater capacity than these tests I have indicated. There is some doubt as to whether or not particularly those two Terry-Blinebry wells will make a top allowable. We don't know.

Q Well, you have been attempting to produce a top allowable, haven't you, up to this point?

A Yes, we have.

Q Have you experimented with these intermitters to determine the proper, or the most efficiency?

A Yes, sir; most people change the intermitters and choke sizes to try to maintain their production.

MR. UTZ: Do either of these wells have intermitters?

THE WITNESS: My records show only No. 8. No. 8 and No. 20 of the Terry-Blinebry are on intermittent flow.

Q (By Mr. Seth) Is there anything further?

A I would like to point out that we shall consider these things marginal from the economic standpoint, and if we are required to meter the various zones separately, we may not be able to do it because of the economics involved. I think if you notice here, the oil productions are not very great in either of the systems. The total throughput is approximately 275 barrels from the Terry-Blinebry, Drinkard, Wantz-Abo, and Tubb Central Battery, and 140 barrels a day for the Brunson and Hare side. So we do believe that this is a marginal situation from our standpoint, and certainly if we had to meter each zone we would have

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to re-evaluate our economics involved, and don't believe it would be justified.

MR. SETH: I believe that is all of our direct. We offer the Exhibits.

MR. UTZ: Without objection, Exhibits 1 and 2 will be entered into the record in this case.

(Whereupon Applicant Exhibits 1 and 2 received in evidence.)

MR. UTZ: Are there other questions?

MR. MORRIS: I have one.

Q (By Mr. Morris) Mr. Yope, now these figures that you have given on the production, there, from, I think they were all from 24-hour tests.

A Yes, sir.

Q They don't represent the allowable that the well has been producing, necessarily, do they?

A No, sir; they sure don't. In fact, I haven't even correlated them with the allowable in the book.

Q None of your wells, here, are marginal, only in the sense that they are penalized by a gas-oil ratio.

A Some of them are penalized by gas-oil ratio.

Q But not marginal just because of that reason.

A Well, just from total fluid involved, we would consider them marginal.

MR. SETH: They would be marginal even if they weren't

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penalized?

THE WITNESS: Right. I think if you would check this against the allowable record for August, No. 8 is capable of producing slightly more than its allowable of 15. On down the line there, some are under and some are over this 24-hour test data I gave you. Some are above and some are under and some are over the allowable for August.

Q (By Mr. Morris) The actual allowable is an allowable based, in this case, upon the penalty because of the GOR?

A Right.

Q I see. So, in order to determine which wells would be capable of producing more than their penalized allowable, we would have to go through these one at a time and compare the production figures to the actual allowable figures, wouldn't we?

A As to whether or not it is capable of producing its penalized allowable.

Q Greater than its penalized allowable?

A Right. Well, I could read those off into the record. Well, it is a matter of the Commission record, but I was just wondering if you concur with me in that observation?

Q Yes, sir.

MR. MORRIS: Thank you.

MR. PORTER: Mr. Yope, I was wondering if you have actual average production figures. Now, I realize that these are test figures, but do you have an observation that your average

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production runs below your test figures?

THE WITNESS: That is correct. I have here graphs of our well tests and monthly production data by well.

MR. PORTER: I don't think it is necessary to put that into the record.

MR. SETH: May we go off the record a moment?

MR. PORTER: Yes, let's do.

(Discussion off the record.)

MR. UTZ: Are there other questions of this witness?

MR. SETH: We have no further questions.

MR. UTZ: The witness may be excused. Are there other statements in this case.

THE WITNESS: I would like to make one statement, if I could: that based on this capability of making top allowable, we believe it is highly doubtful that any of the wells involved in this case can make top allowable, with that understanding of the marginal well.

MR. UTZ: Are you prepared to state so under oath, that none of these wells can make more than top allowable?

THE WITNESS: I say to the best of our information we believe it is not possible. There are, I'll admit, three doubtful wells here which we could probably re-test, or wide-open test, or something.

MR. UTZ: That would be your entire Blinbry, your Nos. 19 and 20, and what other one?

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THE WITNESS: It would be 4, 8, 19, 20, and 22.

MR. UTZ: I wonder if you would further evaluate those four wells and submit a report to us?

THE WITNESS: Yes, sir.

MR. UTZ: The case will be taken under advisement.

(Whereupon the Hearing of
Case 2362 was concluded.)

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, MICHAEL P. HALL, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill, and ability.

IN WITNESS WHEREOF, I have affixed my hand and notary seal this 30th day of August 1961.

Michael P. Hall
Court Reporter - Notary Public

My Commission expires:

June 20, 1965.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of case No. 2362,
heard by me on 8/30/61.

Michael P. Hall, Examiner
New Mexico Oil Conservation Commission

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