

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 20, 1961

EXAMINER HEARING

CASE 2382

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 20, 1961

IN THE MATTER OF:

Application of Morris R. Antweil for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 230.95-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of Lot 4 in Section 1, and Lots 1, 2, 3, 7 and 8 in Section 2, all in Township 21 South, Range 35 East, Lea County, New Mexico. Said unit is to be dedicated to applicant's L. W. White Well No. 1, located in the NE/4 NE/4 of said Section 2. Case 2382

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Hearing will come to order, please. The next case will be No. 2382.

MR. MCRRIIS: Application of Morris R. Antweil for a non-standard gas proration unit.

MR. CAMPBELL: Jack M. Campbell, Campbell & Russell, Roswell, New Mexico, appearing on behalf of the applicant. We have one witness.

(Witness sworn.)

BURTON VETETO,

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

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DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A Burton Veteto.

Q Where do you live?

A I live in Hobbs, New Mexico.

Q By whom are you employed?

A Morris R. Antweil.

Q In what capacity?

A Geologist.

Q Will you give the Examiner a brief summary of your educational background and experience?

A Yes. I received my degree in geology from the University of Texas, Texas Christian University, in 1949; was employed from 1949 to 1951, Fred M. Manning, capacity of geological engineer; 1951 to 1957 I was employed by Amalco Refineries, Inc. in various capacities, geological, production department. I am now presently employed with Morris R. Antweil in a supervisory capacity, geology, production and land.

Q In connection with your employment with Morris R. Antweil are you acquainted with his application in Case No. 2382 before the Examiner?

A Yes, I am.

Q Will you state generally what you are seeking?

A This is an application for a non-standard gas proration

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unit, Eumont Gas Pool, Lea County, New Mexico.

Q I hand you what has been identified as Applicant's Exhibit No. 1 and ask you to state what that is, please?

A This is a location plat showing the lease owners, showing Antweil existing proration unit colored in red, and the acreage in yellow to be dedicated to the same unit, same well, our L. W. White Well No. 1.

Q And the proposed well is in the presently existing unit, is it not?

A That is correct.

Q I now hand you what has been identified as Applicant's Exhibit No. 2 and ask you to state what that is, please?

A This is a structure contour map, the top of the Yates formation, along with the outlined existing proration units in the immediate area, along with the Antweil existing unit, and the acreage in yellow that which is open, or to be included in the Antweil unit.

Q Referring first to the structure contour on the top of the Yates, based upon the structure there, is it your opinion that the tract shown in yellow on Exhibit 2, which is to be added to the present unit if this application is approved, can reasonably be presumed to be productive of gas from this zone?

A Yes. As can be noted, the acreage is on strike with numerous proration units already established.

Q I note on Exhibit No. 2 you have shown some lines, north,



south, east, west lines through certain wells in the vicinity of the proposed unit. Will you explain to the Examiner what those lines indicate?

A Yes, sir, these lines from the Antweil No. 1 White, located in Lot 1, Section 2, extending south through the Wilson No. 1 Eumont State Well, continuing south to the Skelly No. 4 "W" Well, I refer to as my north-south cross section. Extending from east to west from the Amerada Well, which is the No. 3 "W.E.B." through the Wilson No. 1 Eumont State, through the Sinclair No. 2 State 407, I refer to as my east-west cross section, bringing it into that line of cross section the Gulf No. 2 White Well located in Lot 4, Section 1.

Q You have shown these wells on cross sections which we will subsequently discuss, have you not?

A That's right.

Q With further regard to Exhibit No. 2, is it true that the tracts shown in yellow on Exhibit No. 2 are the only tracts in the vicinity of your No. 1 Well which are not presently dedicated to a gas well in the Eumont Gas Pool?

A Yes, in the immediate area.

Q Is it also correct there are a number of non-standard gas proration units in this area?

A That is correct.

Q Now, you made reference to cross sections, particularly, first, the one running north-south from your present well through



the Wilson Well and down to the Skelly "W" 4 Well. I refer you to what has been identified as Applicant's Exhibit No. 3 and ask you to state if that is this cross section?

A Yes, it is.

Q Referring to Exhibit No. 3, will you advise the Examiner as to what this exhibit indicates and what information you have in connection with the completion of the wells shown on that exhibit?

A As can be noted, the well to the left, the Morris R. Antweil No. 1 White, this well is perforated, which is noted, 3,528, 3,556. I have carried that zone across on both cross sections and I have identified that zone as the Antweil gas producing zone, from this well south, you will note.

Q Which well is that, the Skelly Well?

A No, this is the Wilson. The next is the Wilson, which is in the middle of this cross section, Exhibit No. 3, which shows the perforations in this well, and an attempt was made in this well to complete this well in the same zone, without any success; extending further south, the Skelly No. 4, which is presently perforated in the same zone, Antweil Zone, and is producing gas.

Q Now, I hand you what has been marked as Applicant's Exhibit No. 4 and ask you to state what that is, please?

A As previously noted, I refer to this as my east-west cross section, beginning with the Amerada No. 3 "W.E.B.", bringing into line the Gulf No. 2 White, then to the Wilson No. 1 Eumont State Well; further down-dip to the Sinclair No. 2 State 407 Well,



then the Antweil gas producing zone, which is correlatable as identified in yellow.

Q Now, what is the status of this zone in the three wells, the Amerada, the Gulf and the Sinclair Wells?

A The Amerada Well is presently producing; it is dualled, producing gas from perforation 3,220, 3,285, 3,333 to 3,410; perforation 3,498, 3,856. The Gulf Well, which is noted is completed as an oil well, open hole section from 3,699 to 3,850; the so-called Antweil gas producing zone has not been perforated.

Q You previously testified about the Wilson Well. What is the situation on the Sinclair Well?

A The Sinclair Well is perforated as a gas well from 3,676, 3,685, 3,755, 3,768, 3,718 to 3,750.

Q So that, based upon Exhibits No. 3 and 4, the Wilson Well, which you have testified was not completed as a gas well in this zone, is surrounded on all four sides by producing gas wells from this zone, is that correct?

A That's correct.

Q Do you have any explanation for why that Wilson Well was not completed as a gas well in this zone?

A By conversation with the personnel of Wilson Oil Company it is my understanding that it was due to mechanical trouble, problems at the time of attempted completion.

Q Do you know what those mechanical troubles, or any of them, may have been?



A One in particular was that at the start, in the middle of the frac job, the nipple on the well head had broke, which released the pressure, sprayed oil, et cetera.

Q Based upon the structure map which you have prepared, based upon your knowledge of this producing zone and the wells surrounding the area involved in this application, is it your opinion that both of the tracts here involved, being Lot 4 of Section 1 and Lots 7 and 8 of Section 2, can reasonably be presumed to be productive of gas from this zone?

A Yes, sir.

Q Now, what is the status of the well which this acreage is to be dedicated, the producing capacity of this well?

A You are referring to the Antweil?

Q Antweil, the unit well here.

A The latest deliverability tests which were taken January 24, 1960 by John West Engineering Company at 100 PSIG, delivered 3,100,000 cubic feet of gas; 150 PSIG, the well would deliver 3,000,000 cubic feet of gas; at 250 PSIG, 2,800,0000 cubic feet; at 300 PSIG, 2,500,000 cubic feet of gas.

Q Was that deliverability test taken upon the same basis as required under the rules for the Eumont Gas Pool?

A Yes, sir.

Q Have you made any comparison of this deliverability with the normal allowables that would have, in the past, been assigned to an area in the Eumont Gas Pool of approximately 230.95 acres?



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A Yes, sir.

Q Based upon that, is it your opinion that if this unit is approved this well will be able to make its top unit allowable?

A Yes, sir.

Q Has this well experienced, recently, any serious decline in production that would raise any doubt about that in your mind?

A No, no decline at the present time.

Q Do you believe that if this unit is approved you can produce this gas well as the unit well without any waste of gas?

A Yes, sir.

Q Do you believe that the approval of this application will protect correlative rights of the owners of properties in this pool?

A I do.

Q For what reason?

A Because these are the two remaining open tracts undedicated in this immediate area at this time.

Q That is, which are surrounded by gas well producing zone?

A That's correct.

MR. CAMPBELL: I would like to offer Applicant's Exhibits 1, 2, 3 and 4, in evidence.

MR. NUTTER: The exhibits will be admitted in evidence.

MR. CAMPBELL: That is all the questions I have at this time, Mr. Examiner.

MR. NUTTER: Does anyone have any questions of Mr. Veteto:



CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Veteto, the acreage to the immediate east of your proposed unit, labelled "Amerada" there, I imagine it encompasses some 120 acres, is that a proration unit presently established?

A Yes, sir.

Q The remaining 40 acres there, designated "Gulf-White", being Lot 4, I suppose in this Section 1, was it included in any unit before the proposed application today to add it onto your existing unit?

A Not to my knowledge.

Q This particular lot was just sitting there, not dedicated to any well?

A That's correct.

Q Isn't that sort of an unusual situation here where the field has been pretty well developed all around it?

A We had been, for some time, negotiating with Gulf on that particular acreage.

Q Was the same true with regard to Lots 7 and 8 in Section 2?

A Yes, we had made an attempt to farm that out at an earlier date, and just completed negotiations recently.

Q It has not been dedicated to any other unit?

A No, sir, it has not.

MR. MORRIS: I believe that is all I have.

BY MR. NUTTER:

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Q Mr. Veteto, this Amerada Well on your Exhibit No. 4 is a dual completion, I presume; is that correct?

A Yes, sir, it is.

Q Producing gas in these upper perforations and oil in the lower perforations?

A That's correct.

Q The Gulf Well is producing oil from what formation, Mr. Veteto?

A The Seven Rivers-Queen formation.

Q So it is actually producing oil from the Eumont Gas Pool, then, is it not, although from a different zone than the Antweil-White Well?

A Yes, sir.

Q This Wilson Eumont State No. 1 is perforated all the way from 3,490 down to 3,920, off an on; are all those perforations open at the present time?

A At the present time they are all open.

Q Was this well classified as an oil well or gas well?

A Yes, sir, after the remedial work.

Q What was your answer?

A Oil well.

Q These perforations are open in the same section that the Antweil-White No. 1?

A Yes, they are.

Q Is that well making anything out of those perforations?



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A No, at the present time.

Q You said that the wellhead ruptured when they were fracing the well?

A Yes, sir.

Q Were they selectively fracing the well?

A Yes, sir, they were, with bridge plugs placed at 3,528, and, of course, 3,700, I suppose.

Q Had they already fraced these lower perforations in the range of 3,800 to 3,900?

A Yes, sir.

Q Then when they were attempting the fracing in the Antweil gas-producing zone is when the wellhead ruptured?

A That is correct.

Q What kind of a ratio does that well produce?

A The la st ratio, which was taken May the 10th, the Wilson Well, GOR of 375 to one.

Q Three hundred seventy-five?

A Yes, sir.

Q What was the oil production on that test?

A Oil production on that test was five barrels of oil per day.

Q So it is not making much of anything, actually, is it?

A No, sir.

Q Oil or gas. Is there any open hole producing here on this Sinclair Well, or is the total production coming from these perforations from 3,676 down to 3,768, something like that?



A No open hole at this time, and it is producing from perforations 3,676, 3,685, 3,755, 3,768, 3,728, 3,750.

Q And it is classified as a Eumont gas well, also?

A Yes, sir.

Q Wilson is the operator of the 80 acres being launched, 7 and 8?

A Yes, sir.

Q Has Antweil communitized that with Wilson?

A No, sir, not at this time. The arrangement is being made on a farm-out basis.

Q Are you communitizing with Gulf?

A No, sir, the same.

Q Taking that as a farm-out?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Veteto?

BY MR. UTZ:

Q Mr. Veteto, are the deliverabilities that you stated calculated from stabilized rate of flow?

A I believe so, Mr. Utz.

Q Will the wells stabilize two or three hours?

A Yes, sir, I believe they will, without definitely saying yes or no, I believe so.

Q John West ran the test, did he not?

A Yes, sir.

Q And to the best of your knowledge these were stabilized



flows?

A Yes, sir.

BY MR. NUTTER:

Q Mr. Veteto, on that gas-oil ratio test taken in May on the Wilson well, it made five barrels; was that five barrels per day or on the test?

A On the test.

Q How long was the test?

A Twenty-four hours.

MR. NUTTER: Any further questions? The witness may be excused. Do you have anything further, Mr. Campbell?

MR. CAMPBELL: No, I have nothing further, if I offered these exhibits. If I didn't, I now offer them.

MR. NUTTER: We have the exhibits in. Does anybody have anything they wish to offer in Case No. 2382? Take the case under advisement.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, JUNE PAIGE, 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.

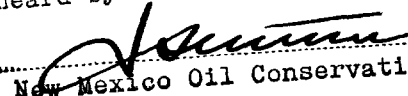
IN WITNESS WHEREOF I have affixed my hand and notarial seal this 2nd day of October, 1961.


Notary Public - Court Reporter

My commission expires:

May 11, 1964.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2382 heard by me on 7/20, 1961.

, Examiner
New Mexico Oil Conservation Commission

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