

BEFORE THE

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

April 16, 1969

REGULAR HEARING

IN THE MATTER OF:)

Application of W. H.)
McKinley for an exception)
to Order No. R-3221, as)
amended, Eddy County,)
New Mexico.)

Case No. 4102

BEFORE: A. L. Porter, Jr., Secretary-Director
Alex J. Armijo, Land Commissioner
George Hatch, Counsel

TRANSCRIPT OF HEARING

MR. PORTER: We will take up Case 4102.

MR. HATCH: Case 4102, application of W. H. McKinley for an exception to Order No. R-3221, as amended, Eddy County, New Mexico.

W. H. McKINLEY

the applicant herein, offered himself as a witness, being first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HATCH:

Q State your name and identify yourself.

A W. H. McKinley. I am from Roswell, New Mexico. I am in the oil business.

Q Do you have an ownership right in this well or lease? Do you have an ownership interest in this?

A Yes, I have the rights on it.

This is a map of that general area. It is a government map, and within a radius of four and a half miles --

MR. PORTER: What is the location of your oil well?

THE WITNESS: It is in the southeast of the southeast, Section 1, Township 17 South, Range 30 East, Eddy County, New Mexico.

Q Now, that is the southeast of the southeast.
Is your disposal pit located at that same 40 acres?

A No, it is in the southwest of the northeast.

Q Southwest of the northeast?

A Yes.

Q Now --

A I gave that wrong. It is southeast of the northeast.

Q The wells are in the southeast of the southeast?

A Southeast of the northeast. I made a mistake, I'm sorry.

Q And the pit is in the --

A Southwest of the northeast.

Q Southwest of the northeast. Would you proceed to tell us how many wells do you operate?

A There are two.

Q Two wells?

A Yes.

Q How much oil and how much water are they producing?

A Well, No. 1 makes about three barrels of water and oil a day. And No. 2 makes about twelve and a half a day, and seven barrels of oil. However, it's been shut down since the first of March.

Q I am confused. How much oil does each one make?

A Together?

Q How much oil do they make together?

A About nine barrels.

Q And they are producing in a common tank battery?

A Yes, sir.

Q How much water will the two produce a day?

A Well, twelve and a half barrels. But one of them doesn't make any more.

Q So the total water to the pit is approximately twelve and a half barrels a day?

A Yes, sir.

Q And you say that there are no fresh water wells nearer than four and a half miles in any direction?

A That's right. There is one well about six miles south and five miles east, the only well in that area. That is the closest well.

Q That is the nearest well?

A Yes, sir.

Q And what direction is it from your well?

A South and east.

MR. PORTER: Does anyone have any questions?

THE WITNESS: I would like to give you a little

further information.

MR. PORTER: Yes.

THE WITNESS: In the well that is making the water, there is a waterflood adjacent to it to the east, and all at once the well started making quite a bit of oil, about 45 barrels a day, and went to water pretty quick. That is the lower zone.

MR. PORTER: Your well apparently got a response from the waterflood?

THE WITNESS: Yes.

MR. PORTER: Up to 45 barrels a day?

THE WITNESS: Yes, sir, but it went to water pretty quick, and was making about 45 barrels of water. It was making 45 barrels of water and about seven barrels of oil. So I put in my packer, there are three zones in there, it is from the Premier Formation, there are about three zones in all those wells, and decreased that water to twelve and a half barrels of water, and eight barrels of oil. And I believe that with that waterflood heading, it is going to hit that other two formations, and hasn't hit it yet, and whether my packer is leaking, or whether some of that is water from that formation, and went into those upper two zones, I just don't know. But I would like to go in there and check that

a little while longer, and see if the water will decrease further. I believe I had a packer in there about, it was over a month, and pumping the well, and the water decreased. Then if it doesn't, I would like to set a packer above that, and try that upper zone.

Now, at about 2,300 or 2,400, I got about a million cubic feet of gas, which I would like to later on when I can't do anything more with the oil, is open that up. We have a gas line in there. They are taking the gas from what the wells make with the oil.

What I would like to do is be able to test that, run that water in that pit until I could find out just where the water was coming from.

MR. PORTER: Is there anything else you would like to add?

THE WITNESS: Well, it is a federal lease, and I have talked to Mr. Anderson, and he was agreeable what I had planned to do out there. Of course, it would be pretty expensive to make a setup there to get rid of my water, and I am just sure that that water will exhaust.

MR. PORTER: Mr. Nutter, I believe you indicated you had a question?

MR. NUTTER: Yes.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. McKinley, where in relation to the town of Loco Hills is your lease?

A It would be a guess. I imagine about six or seven miles east and north. I can tell you right away.

It is three and a half miles east, and about three miles north.

Q Now, there are some homes at Loco Hills, and also east of Loco Hills directly south of your lease, is that correct?

A Yes, sir.

Q What is the source of water to supply those houses?

A Well, I don't believe there is anybody living in the house in the field. I had my pumper check around there for water wells, and he has lived there 20 years.

Q And the nearest water well would be this one you mentioned earlier some six or seven miles away?

A Yes, sir.

Q And is it a fact, sir, that when these houses that are south of your lease were lived in, if they are not now, that most of the water to supply those houses was hauled in?

A That is what I understand, yes.

Q And the location of your lease is down off the cap rock, it is west of the cap rock?

A Yes.

MR. NUTTER: I believe that is all.

MR. PORTER: Does anyone else have a question?

Do you have anything else, Mr. McKinley?

THE WITNESS: No, I don't.

MR. PORTER: You may be excused. Does anyone have anything further to offer in this case?

THE WITNESS: I would like to leave you this letter, also.

MR. HATCH: Let's mark this as an exhibit.

Mr. McKinley is introducing here just a history of the well.

THE WITNESS: That is what I have done there. Would you care to have an electric log of that well, of that No. 2 Well?

MR. PORTER: Yes, please.

(Whereupon, Applicant's Exhibits Numbers 1 and 2, inclusive, were marked for identification.)

MR. HATCH: This Exhibit 2 is a map, a general map of the area, and he has marked the subject wells on it.

MR. PORTER: The location?

MR. HATCH: Yes.

(Whereupon, Applicant's Exhibit Number 3 was marked for identification.)

MR. HATCH: And Exhibit 3 is a log of which well, would you read it, please?

THE WITNESS: It is an electric log of McKinley No. 2 Federal, Square Lake.

MR. HATCH: That will be Exhibit Number 3. Would you like to move the introduction of Exhibits 1, 2, and 3?

THE WITNESS: Yes.

MR. PORTER: Witnout objection, Exhibits 1, 2, and 3 of the Applicant will be admitted. If there is nothing further to be offered in this case, the Commission will take it under advisement.

(Whereupon, Applicant's Exhibits Numbers 1, 2, and 3, were admitted in evidence.)

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

I, SAMUEL MORTELETTE, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


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