

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

December 19, 1972

EXAMINER HEARING

IN THE MATTER OF:

Case 4608 being reopened pursuant  
to the provisions of Order Number  
R-4213 which order established  
special rules and regulations  
for the Haystack Siluro-Devonian  
Pool, Chaves County, New Mexico.

Case No. 4608

BEFORE: Daniel S. Nutter,  
Examiner.

TRANSCRIPT OF HEARING

1 MR. NUTTER: We will run through the hearing  
2 docket and dispose of several cases, which will be continued  
3 or dismissed.

4 Case 4608: In the matter of Case 4608 being  
5 reopened pursuant to the provisions of Order Number R-4213,  
6 which order established special rules and regulations for  
7 the Haystack Siluro-Devonian Pool, Chaves County, New Mexico.

8 Are there any appearances in Case 4608?

9 (No response)

10 MR. NUTTER: This hearing today on Case 4608 is  
11 to permit all interested persons to appear and show cause  
12 why the Haystack Siluro-Devonian Pool should not be  
13 developed on 40-acre spacing units.

14 The Examiner will make the recommendation to the  
15 Commission that the wells revert to 40-acre units. We will  
16 take the case under advisement.

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8 Commission was reported by me; and that the same is a true  
9 and correct record of the said proceedings to the best of  
10 my knowledge, skill and ability.

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*Richard E. McCormick*

CERTIFIED SHORTHAND REPORTER

dearnley, meier & mc cormick

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1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
Tuesday, November 14, 1972

EXAMINER HEARING

IN THE MATTER OF:

Case 4608 being reopened pursuant to the  
provisions of Order No. R-4213 which order  
established special rules and regulations  
for the Haystack Siluro-Devonian Pool,  
Chaves County, New Mexico, including a  
provision for 80-acre spacing units.

Case No. 4608

BEFORE: Daniel S. Nutter,  
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: Case 4608, in the matter of Case 4608  
2 being reopened pursuant to the provisions of Order No. R-4213  
3 which order established special rules and regulations for the  
4 Haystack Siluro-Devonian Pool, Chaves County, New Mexico,  
5 including a provision for 80-acre spacing units.

6 At the request of an interested party, this case  
7 will be continued to the December 19, 1972, Examiner Hearing  
8 which is scheduled for this same place at 9:00 A.M. at which  
9 time we do expect to hear Case 4608.

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13 STATE OF NEW MEXICO )  
14 ) ss  
15 COUNTY OF BERNALILLO )

16 I, JOHN DE LA ROSA, a Court Reporter, in and for the  
17 County of Bernalillo, State of New Mexico, do hereby certify  
18 that the foregoing and attached Transcript of Hearing before  
19 the New Mexico Oil Conservation Commission was reported by me;  
20 and that the same is a true and correct record of the said  
21 proceedings to the best of my knowledge, skill and ability.

22 John De La Rosa  
23 COURT REPORTER  
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11/14  
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[Signature]

dearnley, meier & mc cormick  
209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

October 4, 1972

EXAMINER HEARING

IN THE MATTER OF:

Case 4608 being reopened pursuant  
to the provisions of Order No.  
R-4213.

Case No. 4608

BEFORE: Elvis A. Utz,  
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4608.

2 MR. HATCH: In the matter of Case 4608 being  
3 reopened pursuant to the provisions of Order Number R-4213  
4 which order established special rules and regulations for  
5 the Haystack Siluro-Devonian Pool, Chaves County, New Mexico,  
6 including a provision for 80-acre spacing units. The  
7 Applicant has requested the case be continued to November 15th.  
8 There are additional developments taking place, and they  
9 think that they will have some additional information by  
10 that time.

11 MR. UTZ: Case 4608 will be continued to November  
12 15th, 1972.

dearnley, meier & mc cormick

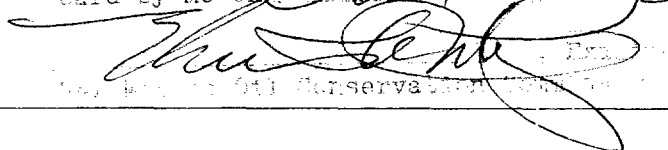
209 SIMMS BLDG. • P.O. BOX 1002 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 STATE OF NEW MEXICO )  
2 ) ss  
3 COUNTY OF BERNALILLO )

4 I, RICHARD E. McCORMICK, a Certified Shorthand  
5 Reporter, in and for the County of Bernalillo, State of New  
6 Mexico, do hereby certify that the foregoing and attached  
7 Transcript of Hearing before the New Mexico Oil Conservation  
8 Commission was reported by me; and that the same is a true  
9 and correct record of the said proceedings to the best of  
10 my knowledge, skill and ability.

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13 CERTIFIED SHORTHAND REPORTER

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23 I hereby certify that the foregoing  
24 is a correct record of the proceedings in  
the Executive hearing of Case No 4688  
heard by me on 6 of 4 1972

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New Mexico Oil Conservation Commission

1 MR. NUTTER: Case 4608, in the matter of Case 4608  
2 being reopened pursuant to the provisions of Order No. R-4213  
3 which order established special rules and regulations for the  
4 Haystack Siluro-Devonian Pool, Chaves County, New Mexico,  
5 including a provision for 80-acre spacing units.

6 At the request of an interested party, this case  
7 will be continued to the December 19, 1972, Examiner Hearing  
8 which is scheduled for this same place at 9:00 A.M. at which  
9 time we do expect to hear Case 4608.

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STATE OF NEW MEXICO )  
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I, JOHN DE LA ROSA, a 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.

*John De La Rosa*  
COURT REPORTER

*11/14*  
*[Signature]*

4608  
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1 STATE OF NEW MEXICO )  
 2 ) SS  
 3 COUNTY OF BERNALILLO )

4 I, RICHARD E. McCORMICK, a Certified Shorthand  
 5 Reporter, in and for the County of Bernalillo, State of  
 6 New Mexico, do hereby certify that the foregoing and attached  
 7 Transcript of Hearing before the New Mexico Oil Conservation  
 8 Commission was reported by me; and that the same is a true  
 9 and correct record of the said proceedings to the best of  
 10 my knowledge, skill and ability.

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13 CERTIFIED SHORTHAND REPORTER

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Roswell, New Mexico

October 13, 1971  
Examiner Hearing

-----  
IN THE MATTER OF: )  
)  
)

Application of Jack L. McClellan )  
for the creation of a new pool )  
and special pool rules, Chaves )  
County, New Mexico. )  
)  
-----)

Case No. 4608

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

1 MR. NUTTER: Call Case No. 4608

2 MR. HATCH: Case 4608. Application of Jack L.

3 McClellan for the creation of a new pool and special pool  
4 rules, Chaves County, New Mexico.

5 MR. KELLAHIN: If the Examiner please, Jason  
6 Kellahin, Kellahin and Fox, Santa Fe, appearing for the  
7 applicant. We have one witness I would like to have sworn.

8 (Witness sworn)

9 JOE JOHNSON

10 having been first duly sworn, according to law, upon his oath  
11 testified as follows:

12 DIRECT EXAMINATION

13 BY MR. KELLAHIN:

14 Q Would you state your name, please?

15 A Joe Johnson.

16 Q By whom are you employed, Mr. Johnson?

17 A I am employed as a partner in the Stevens Engineering,  
18 Wichita Falls, Texas, doing consultant work for Jack L.  
19 McClellan.

20 Q Have you ever testified before the Oil Conservation  
21 Commission in New Mexico?

22 A Not in New Mexico, no.

23 Q For the benefit of the Examiner, would you briefly outline  
24 your education and experience as an engineer?

25 A Graduated from Texas A & M College with a degree in --

1 B. S. degree in petroleum engineering and a B. S. degree  
2 in mechanical engineering in 1952, worked briefly with  
3 Phillips Petroleum Company, have worked for fourteen years  
4 with Stevens Engineering in a consulting capacity.

5 MR. KELLAHIN: Are the witness' qualifications  
6 acceptable?

7 MR. NUTTER: Yes, they are. Where did you say  
8 Stevens Engineering is?

9 THE WITNESS: Wichita Falls, Texas.

10 MR. NUTTER: Go ahead, Mr. Kellahin.

11 Q (Mr. Kellahin continuing) Have you in connection with  
12 your work as a consulting engineer done any work for J. L.  
13 McClellan involving the case now before the Examiner?

14 A Yes. I did some work on the completion phase of the  
15 subject well.

16 Q Are you familiar with the producing characteristics of  
17 the well insofar as the information that is presently  
18 available?

19 A Yes, I am.

20 Q Now, referring to what has been marked as the Applicant's  
21 Exhibit No. 1, would you identify that exhibit?

22 A This is the plat indicating the location of the Jack L.  
23 McClellan Bar-J Well No. 1. It is located in Section 15,  
24 6 South, 27 East.

25 Q And is that an orthodox well location for the Devonian?

1 A Yes.

2 Q What other information is shown on the exhibit?

3 A This indicates the other wells producing in the area.

4 These wells are completed in an upper interval, not the  
5 Sage interval, as that particular well, and are gas  
6 producing wells.

7 Q Are there any other Devonian oil wells in the area?

8 A No, there are not.

9 Q Are the other wells you refer to as gas wells completed in  
10 the Devonian?

11 A No, they are not.

12 Q They are in a different formation, are they not?

13 A Yes.

14 Q So this is a discovery well, is it not?

15 A Yes, it is.

16 Q Are there any other production within a mile of the well  
17 from the Devonian?

18 A No.

19 Q Now, what is the completion interval in the well?

20 A The well is completed from 6460, 6468.

21 Q Now, this is shown on Exhibit No. 2, is it not?

22 A Yes, it is.

23 Q The completion data?

24 A Yes.

25 Q And what other information would you like to point out which

1 is shown on the particular exhibit?

2 A Well, this indicates the -- Exhibit 2 indicates the  
3 completion information filed with the government, indicates  
4 4 ½ pipes set at 6479.

5 It also indicates a potential taken on the well  
6 indicating 360 barrels of oil a day and 240 barrels of  
7 water per day.

8 Gas-oil ratio is 555.

9 Q And have you made any comparison to this well with other  
10 Devonian wells?

11 A Yes. The nearest pool that we could find in this vicinity  
12 is the Twin Lakes Devonian pool located approximately 15  
13 miles to the southeast.

14 Q And are the producing characteristics of that well similar  
15 to the McClellan discovery well?

16 A To the best of our knowledge it is similar at this time. We  
17 really had very little production history on the McClellan  
18 well at this time but it appears similar.

19 Q Well, what did the Twin Lakes well do?

20 A Twin Lakes was a single well pool covered in May, 1963 by  
21 Mobil Oil Company and O'Brien C Well No. 1 was a discovery  
22 well.

23 Well potential for 176 barrels of oil per day,  
24 completed in the Devonian interval from 7180 to 7205.

25 Cumulative production from the well as of January 1,

1 1971 is 116,891 barrels.

2           1970 the well produced approximately 18,000 barrels of  
3 oil and 29,000 barrels of water. Present production is  
4 approximately 186 barrels of oil per month, 326 barrels of  
5 water per month.

6 Q Would you anticipate a similar productive history for the  
7 McClellan well?

8 A Yes. However, this well also -- there is another Devonian  
9 well north of this Mobil well that we are talking about that  
10 has been abandoned now.

11           This well was completed at approximately one mile to  
12           the north in December, 1950 and had a cumulative production  
13           on abandonment at 46,032 barrels, so I would say that the  
14           McClellan well would fall in this range.

15 Q Somewhere between the two?

16 A Yes.

17 Q Now, the Twin Lakes well is on 40-acre spacing, is it not?

18 A To the best of my knowledge, yes.

19 Q And Mr. McClellan is asking for 80-acre spacing and distance?

20 A This is correct.

21 Q Now, what is the porosity for this zone?

22 A The only measurement we have is off the log and indicates  
23 a proximity of seventy percent, also indicates a water  
24 saturation of fifty-seven percent.

25 Q What other information can you give that would give some

1 indication of possible recoveries of the well?

2 A Original bottom hole pressure on the well, we have had no  
3 pressure data since the completion, that was approximately  
4 2850. Porosity was eleven percent.

5 There appears to be about eight foot of sand or eight  
6 foot of productive zone in the Devonian with this fifty-  
7 seven percent water saturation, and assuming at fifty  
8 percent water drive recovery, we believe that the Devonian  
9 well indicated a water drive type mechanism.

10 We are looking at about 126 barrels here acre foot,  
11 assuming that eight foot of sand carries over a forty acre  
12 area, and we are looking at a recovery of approximately  
13 40,000 barrels.

14 Q And what is the cost of the Devonian well?

15 A Our estimates of cost on this well is \$135,000.

16 Q Now, have you filed a log with this well?

17 A Yes.

18 Q Have you requested that it be confidential as far as the  
19 rules of the U. S. G. S. and the Commission?

20 A Yes, they have.

21 Q But you have examined the log and that is the base of your  
22 porosity figures?

23 A This is correct.

24 Q In your opinion would it be economical to drill and develop  
25 this pool on 40-acre spacing?



1 A No, it wouldn't. I have a 40,000 barrels possible potential  
2 recovery.

3 Q Now, your 40,000 barrels is based on a 40-acre unit; is  
4 that correct?

5 A Yes, it is.

6 Q Would you estimate it would be approximately twice that on  
7 80 acres?

8 A Yes.

9 Q And do you feel that one well on the base of information  
10 presently available will economically drain and develop  
11 80 acres?

12 A Yes, with the water drive which we anticipate to be present  
13 in the zone, and judging from the data that we gathered  
14 during the completion, the well has apparently -- is in a  
15 fractured type reservoir.

16 Therefore, it has a considerable potential, relatively  
17 high water cut, but should drain 80 acres with no difficulty  
18 whatsoever.

19 Q If the Commission sees fit to grant the 80-acre spacing do  
20 you have any recommendation as to the pool rules that  
21 should be adopted in that connection? That is, should they  
22 be fixed locations or flexible or --

23 A We would request flexible well locations.

24 Q To drill in either 40-acre tract?

25 A Yes.

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1 Q And which way would you have the units run?

2 A North, south, east or west.

3 Q In other words, just dedicate any 240 acres within a  
4 governmental quarter-section?

5 A Yes, correct.

6 Q Were Exhibits 1 and 2 prepared by you or under your  
7 direction or supervision? Exhibit 1 was prepared by you or  
8 under your supervision?

9 A Yes.

10 Q And Exhibit 2 is the United States Department of the  
11 Interior Form 90330?

12 A This is correct.

13 MR. KELLAHIN: At this time I would like to offer in  
14 evidence Exhibits 1 and 2.

15 MR. NUTTER: Applicant's Exhibits 1 and 2 will be  
16 admitted in evidence.

17 MR. KELLAHIN: One further question, Mr. Johnson.  
18 What disposition is being made of the produced water?

19 A At the present time we have a disposal well which has been  
20 completed and water will be disposed into this interval  
21 when the necessary facilities have been installed.

22 MR. KELLAHIN: That's all I have, Mr. Nutter.

23 MR. NUTTER: That's all?

24 MR. KELLAHIN: Yes.

25

CROSS-EXAMINATION

BY MR. NUTTER:

Q Mr. Johnson, there was one other thing that was advertised in connection with this case which was not a part of the application.

Mr. Kellahin, it was a separate application, but for the discovery allowable.

MR. KELLAHIN: Discovery allowable.

MR. NUTTER: But we consolidated the two. Do you still want the discovery allowable?

A Yes.

Q (Mr. Nutter continuing) Mr. Johnson, this potential that you gave us here was taken back in July. What is the well presently producing?

A Present production is -- well, we have done some work on the well recently. In the upper zone in an effort to test the gas interval, we have tested the gas well or the gas section and established the fact that it is a gas producing interval and have now gone back and are looking at the oil production.

We are not -- this is not a twin site at the present time.

The present production is approximately 127 barrels of oil per day, I believe. However, this well has only been on one day, and it did make quite a bit of water, and

1 anticipate that this will improve.

2 Q I see. So --

3 A Past history has indicated that it will.

4 Q You mean it had been on production one day after being  
5 shut-in while you were working with the other zone?

6 A Yes, this is correct.

7 Q So you think after it has been produced a while it will  
8 dry up some of that water and get some more oil?

9 A Yes, sir, sure do.

10 Q I see. Now, your estimate of 40,000 barrels per 40 acre  
11 tract was based on your eight foot of productive zone?

12 A It is assuming an eight foot all the way across.

13 Q And eleven percent porosity?

14 A Yes.

15 Q Now, you have asked for a 32,000 barrel of discovery  
16 allowable.

17 A That is going just about -- we are going to go fast.

18 Q Discovery allowable is going to take the 40 acre reserves?  
19 These other wells that are in the area are Cisco gas wells,  
20 and I know they are connected. They are a connection for  
21 low pressure gas in here for the casinghead gas?

22 A Not at the present time, sir. Very little gas actually  
23 being produced from the Devonian.

24 Q I see. And you have been testing the Cisco zone in this  
25 well?

1 A Yes.

2 MR. NUTTER: Are there any further questions of  
3 Mr. Johnson?

4 MR. KELLAHIN: I would like to ask one further question  
5 about this Cisco zone.

6 REDIRECT EXAMINATION

7 BY MR. KELLAHIN:

8 Q Do you feel you have gas production from the Cisco?

9 A Yes. We have gas production from the Cisco.

10 Q Do you anticipate a dual completion, then?

11 A Eventually, yes.

12 MR. NUTTER: If there is no further question of Mr.  
13 Johnson he may be excused.

14 (Witness excused)

15 MR. NUTTER: Do you have anything further, Mr.  
16 Kellahin?

17 MR. KELLAHIN: No, Mr. Nutter.

18 MR. NUTTER: Does anyone have anything they wish to  
19 offer in Case 4608? Take the case under advisement.

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I N D E X

WITNESS

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E X H I B I T S

OFFERED IN EVIDENCE

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1 STATE OF NEW MEXICO )  
 2 )  
 3 COUNTY OF BERNALILLO )

4 I, LINDA MALONE, Court Reporter, do hereby certify that  
 5 the foregoing and attached Transcript of Hearing before the  
 6 New Mexico Oil Conservation Commission was reported by me;  
 7 that the same is a true and correct record of the said  
 8 proceedings, to the best of my knowledge, skill and ability.  
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11 Linda Malone  
 12 Court Reporter

21 I do hereby certify that the foregoing is  
 22 a complete record of the proceedings in  
 23 the Bernalillo hearing of Case No. 4608  
 24 heard by me on 10/13, 1971.

23 [Signature], Secretary  
 24 New Mexico Oil Conservation Commission

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