

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

23 August 1989

EXAMINER HEARING

IN THE MATTER OF:

Application of Phillips Petroleum Comp- CASE
any to amend Division Order R-3668-A, 9737
Lea County, New Mexico.

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

For Phillips Petroleum
Company:

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I N D E X

SUSAN COURTRIGHT

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Catanach 8

E X H I B I T S

Phillips Exhibit One, Plat 4

Phillips Exhibit Two, Amended C-108 6

Phillips Exhibit Three, Document Changes 6

1 MR. CATANACH: At this time
2 we'll call Case 9737. Application of Phillips Petroleum
3 Company to amend Division Order No. R-3668, Lea County, New
4 Mexico.

5 Appearances in this case?

6 MR. KELLAHIN: Mr. Examiner,
7 I'm Tom Kellahin of the Santa Fe law firm of Kellahin,
8 Kellahin & Aubrey, appearing on behalf of Phillips Petro-
9 leum Company and I have one witness.

10 MR. CATANACH: Will the wit-
11 ness please stand and be sworn in?

12
13 (Witness sworn.)

14
15 SUSAN COURTRIGHT,
16 being called as a witness and being duly sworn upon her
17 oath, testified as follows, to-wit:

18
19 DIRECT EXAMINATION

20 BY MR. KELLAHIN:

21 Q Ms. Courtright, would you please state
22 your name and occupation?

23 A Yes, my name is Susan Courtright and I
24 am a reservoir engineer for Phillips Petroleum Company.

25 Q Ms. Courtright, did you testify on

1 behalf of your company as a reservoir engineer in Case 9678
2 that resulted in the Division entering Order R-3668-A, that
3 approved the carbon dioxide pilot project in Lea County,
4 New Mexico, for your company?

5 A Yes, I testified in that hearing.

6 Q You're back again today for what
7 purpose?

8 A I need to request three new well loca-
9 tions for our injection well and our two observation wells.

10 Q What's the reason for the change in
11 location between the time you testified in May of 1989 and
12 today's hearing.

13 A Prior to the initial hearing we had not
14 staked nor mapped the initial well location. After having
15 these staked and mapped we realized that we are too close
16 to a high pressure pipeline and we have relocated our wells
17 so that they are a safe distance away from the obstacle.

18 Q Let's look at your Exhibit Number One --

19 A Yes.

20 Q -- and have you, first of all, identify
21 the exhibit.

22 A Exhibit Number One is a plat of our
23 pilot area. The area that I have colored in is our
24 specific 5-spot showing our -- with the pink dots, our
25 producing wells and in our orange dots are our injection

1 well, our two observation wells at the new locations that
2 we request, and shown in the green are the old locations.

3 Q Okay. Let's look at the old locations
4 and tell us why, after having them staked and surveyed,
5 they are not appropriate for the use to which you intend to
6 place them.

7 A For one, the Philmex No. 39, the old
8 location, is out of line and we wish to have our wells in a
9 straight line between injector and producer for our optimum
10 pilot evaluation. If this well was moved into a straight
11 line location it would place it far too close to the pipe-
12 line, which is shown.

13 Q Have you had the new proposed locations
14 staked on the ground?

15 A Yes, they are staked.

16 Q And do they meet all your requirements
17 or constraints for the topography of the immediate area?

18 A Yes, they are. They're safely 100 feet
19 away from the pipeline and the road, which are in the area.

20 Q And from an engineering prospect or
21 prospective, are they so located that they can serve a use-
22 ful purpose in evaluating the response from the carbon dio-
23 xide flood?

24 A Yes, we have assured ourselves that
25 these are in a straight line between the injector and pro-

1 ducer.

2 Q Let's turn to Exhibit Number Two, Ms.
3 Courtright. Would you describe for the Examiner what
4 you've done in this exhibit?

5 A Exhibit Number Two is the amended C-108
6 package. There is a star down at the bottom of the C-108
7 form that says that this information has been previously
8 submitted and may not be submitted again.

9 So we have only included that informa-
10 tion which is requested.

11 Q When we turn through the display, iden-
12 tify for us the document or portions of the document that
13 have changes in it.

14 A The second sheet is simply another map.
15 It is an identical map.

16 Next, under Item 3, is the well data.
17 The locations have changed for Philmex Well No. 38 and then
18 the two observation wells, Philmex Well No. 39 and No. 40.

19 Q All the other information and your plan
20 of operation is the same as you originally testified about
21 back in May of this year.

22 A Yes, it is.

23 Q Let's turn to Exhibit Number Three and
24 have you tell the Examiner what you've done with a copy of
25 the Commission Order 3668-A.

1 A On Exhibit Number Three we have high-
2 lighted the changes which we request to our order.

3 The first change appears on page 4 of
4 the order, does it?

5 A Yes, it does. And we wish to inject
6 carbon dioxide into the Grayburg/San Andres formation, not
7 simply the Grayburg formation.

8 Q All right, let's turn to page 4 of the
9 proposed redraft of the order and you originally had tes-
10 tified back in May about the inclusion, or the lack of
11 physical separation between the Grayburg and the San
12 Andres, did you not?

13 A Yes, that considered one formation.

14 Q And you're seeking to have the Examiner
15 include, then, San Andres in the phrasing of the order --

16 A Yes, since we have it clarified here.

17 Q And you've shown him where to make the
18 change in terms of the well location for the Philmex 38?

19 A That's correct.

20 Q As well as the 39?

21 A And the No. 40.

22 Q And the No. 40. Okay, when we turn to
23 page 5 you've proposed another change in the order?

24 A Yes, under item number 7 we do not have
25 a disposal operation. We've -- we'd like to have that

1 changed to injection equipment.

2 Q Are there any other changes or com-
3 ments with regards to the existing order?

4 A No, sir.

5 MR. KELLAHIN: That concludes
6 our presentation by Ms. Courtright.

7 We would move the introduc-
8 tion of her Exhibits One, Two and Three.

9 MR. CATANACH: Exhibits One,
10 Two and Three will be admitted as evidence.

11

12 CROSS EXAMINATION

13 BY MR. CATANACH;

14 Q Ms. Courtright, moving the Philmex 30-A,
15 that's the injection well, right?

16 A Yes.

17 Q Moving into the new location you didn't
18 have any additional area of review wells that we need to
19 look at here?

20 A No, I had already included a little ex-
21 tra on my area of review, anyway, so it did not include any
22 new acreage.

23 Q Okay.

24 MR. CATANACH: That's all I
25 have of the witness. She may be excused.

Anything further in Case 9737?

It will be taken under advisement.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C. S. R. DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division (Commission) was reported by me;
that the said transcript is a full, true and correct record
of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 937,
heard by me on August 23 1989.

David R. Catanzaro, Examiner
Oil Conservation Division