

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 June 1984

EXAMINER HEARING

8 IN THE MATTER OF

9 Application of Getty Oil Company
10 for an unorthodox gas well location,
11 Eddy County, New Mexico.

CASE
8202

12 BEFORE: Richard L. Stamets, Examiner
13

14 TRANSCRIPT OF HEARING
15

16 A P P E A R A N C E S
17

18
19
20 For the Oil Conservation
21 Division:

W. Perry Pearce
Attorney at Law
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

22 For the Applicant:

William F. Carr
Attorney at Law
CAMPBELL, BYRD & BLACK P.A.
Post Office Box 2208
Santa Fe, New Mexico 87501
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

2

I N D E X

WILLIAM H. SMITH

Direct Examination by Mr. Carr 3

Cross Examination by Mr. Stamets 8

E X H I B I T S

Getty Exhibit One, Contour Map 5

Getty Exhibit Two, Contour Map 6

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. STAMETS: Call next Case
8202.

MR. PEARCE: That case is on
the application of Getty Oil Company for an unorthodox gas
well location, Eddy County, New Mexico.

MR. CARR: May it please the
Examiner, my name is William F. Carr, with the law firm
Campbell, Byrd and Black, P. A., of Santa Fe, appearing on
behalf of Getty Oil Company.

I have one witness.

MR. PEARCE: Are there other
appearances in this matter?

(Witness sworn.)

WILLIAM H. SMITH,
being called as a witness and being duly sworn upon his
oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of
residence?

A William H. Smith, Midland, Texas.

Q Mr. Smith, by whom are you employed?

A Getty Oil.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Q And in what capacity?

A Geologist.

Q Have you previously testified before this Commission or one of its examiners?

A No.

Q Would you summarize your educational background and your work experience?

A I received a BS degree in geology from Muskingum College in 1977 in New Concord, Ohio.

Received an MS degree from Wright State University in Dayton, Ohio in 1980 and have been employed with Getty since.

Q Are you familiar with the application filed in this case on behalf of Getty?

A Yes.

Q Are you familiar with the subject well?

A Yes.

MR. CARR: Are the witness's qualifications acceptable?

MR. STAMETS: They are.

Q Will you briefly state what Getty seeks with this application?

A We're seeking permission to drill a well in a non-standard location in the Indian Basin Field.

Q Have you prepared certain exhibits for introduction in this case?

A Yes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Q Would you refer to what has been marked for identification as Getty Exhibit Number One and review this for Mr. Stamets?

A This is a contour map of the -- this portion of the Indian Basin Field, contoured on the top of the Upper Pennsylvanian carbonate.

 The blue circles indicate wells that have produced from the Pennsylvanian carbonate.

 The blue outline represents the original oil/water contact when the field was first discovered.

 The red outline indicates the present oil -- pardon me, I'm saying "oil", I mean gas/water --gas/water contact as it stands now.

 The red square in the center there in Section 32 represents the proposed location.

Q Now, what acreage is dedicated to the proposed well? Or will be dedicated?

A All 640 acres of Section 32.

Q Now this is a structure map on the Upper Penn.

A Yes.

Q How important is structure in terms of making a successful well in the Upper Pennsylvanian?

A It's very important in this case. This is a water drive gas reservoir and the higher up structure that you can get, the longer you'll be able to produce your well water free.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Q In your opinion is the proposed location the best location available to Getty to produce the reserves in this formation under Section 32?

A Yes, it is.

Q Would you now refer to what has been marked for identification as Getty Exhibit Number Two, identify this, and review it for Mr. Stamets?

A This is another contour map. This one is -- represents the top of the Morrow structure in the area.

The pink circles represent wells that have had poor -- that have poor Morrow reservoir properties as determined by drill stem tests or completion attempts.

The blue circles represent wells that are currently producing or have produced in the Morrow.

The orange outline represents a trend within the Morrow of production.

Q In your opinion could all of Section 32 contribute gas to the proposed well in the Morrow formation?

A Yes.

Q Is structure important in the -- in making a successful well in the Morrow?

A No.

Q Were there any topographical considerations that came into play in selecting this particular location?

A Yes. The area out there is quite hilly. We will, in fact, be on the edge of a ridge.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

The location is on a portion of the section that has the least amount of slope.

Q So it's your testimony that the location is -- has been selected based on three factors: Structure in the Upper Penn; a location in the pay in the Morrow; and also topographical considerations.

A That's right.

Q In your opinion will a well at this location enable you to produce your just and fair share of the reserves in both of these formations?

A Yes, it will.

Q In your opinion will granting this application be in the best interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes.

Q Were Exhibits One and Two prepared by you?

A Yes, they were.

MR. CARR: At this time, Mr. Stamets, we would offer into evidence Getty Exhibits One and Two.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further on direct.

CROSS EXAMINATION

BY MR. STAMETS:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Q Mr. Smith, the application is for the entire Pennsylvanian section. Do you anticipate any production in any zones other than the Upper Pennsylvanian or the Morrow?

A No, I do not.

Q On Exhibit Number One there are a number of wells in the pink area on the east side of the map that look as though they may be abandoned locations or shut-in wells.

Just say, for example, down to the south end of Section 8 there's an Amoco well. Is that well watered out now?

A They've stopped producing the wells, presumably because of increased water.

And it's the same with the rest of the wells in that pink trend.

Q And that would be true with the original Hanagan Well in this section.

A That's correct.

MR. STAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

MR. CARR: Nothing further, Mr. Stamets.

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

(Hearing concluded.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 Con-
servation Division was reported by me; that the said tran-
script is a full, true, and correct record of the hearing,
prepared by me to the best of my ability.

Sally W. Boyd CSR

I, the undersigned, being duly sworn, depose and say that
the Examination of Case No. 8202
heard by me on 6/7/84 at 10:54
Richard P. Starn, Examiner
Oil Conservation Division