

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

6 24 April 1985

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Union Oil Company
10 of California for an exception to
11 Division Order No. R-2212, Lea
12 County, New Mexico.

CASE
8585

13 BEFORE: Michael E. Stogner, Examiner

14 TRANSCRIPT OF HEARING

15 A P P E A R A N C E S

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18 For the Oil Conservation
19 Division:

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Energy and Minerals Department
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22 For the Applicant:

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I N D E X

MITCHELL ELKINS

Direct Examination by Mr. Carr	3
Cross Examination by Mr. Stogner	9

I N D E X

Union Exhibit One, Document	6
Union Exhibit Two, Base Map	7
Union Exhibit Three, C-102	8

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MR. STOGNER: Call next Case Number 8585, which is the application of Union Oil Company of California for an exception to Division Order No. R-2212, Lea County, New Mexico.

We will now call for appearances in this matter.

MR. CARR: May it please the Examiner, my name is William F. Carr, with the law firm of Campbell and Black, P. A., of Santa Fe. We represent Union Oil Company of California in this case.

I have one witness who needs to be sworn.

MR. STOGNER: Are there any other appearances?

Will the witness please stand and be sworn?

(Witness sworn.)

MITCHELL ELKINS,
being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Would you state your full name and place

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of residence?

A Mitchell Elkins, Midland, Texas.

Q Mr. Elkins, by whom are you employed?

A Union Oil Company of California.

Q Have you previously testified before this Division or one of its examiners and had your credentials accepted and made a matter of record?

A No, sir, I have not.

Q Would you summarize your educational background for Mr. Stogner?

A I attended one year at Angelo State University. I received approximately 100 hours in chemical engineering from New Mexico State University and will receive a degree in petroleum engineering from the University of Texas, Permian Basin, in May of this year.

Q Would you review your work experience for Mr. Stogner?

A I have held a variety of positions from laborer to construction foreman doing contract work for El Paso Natural Gas; worked two summers for Getty Oil Company as an engineering trainee, and have presently worked three and a half years for Union Oil Company of California as an engineering technician in Midland.

Q And you've been in Midland the entire three and a half years?

A Yes, sir, I have.

Q Are you familiar with the application

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filed in this case on behalf of Union?

A Yes, sir.

Q Have you performed or made a study of the subject area for Union?

A Yes, sir, I have.

Q Are you familiar with the proposed well?

A Yes, sir, I've been involved with the well since its initial recommendation to be drilled.

Q Did you recommend to your management that this well in fact be drilled?

A Yes, sir, I did.

Q And you've done all the lease work?

A Yes, sir.

MR. CARR: Are the witness' qualifications acceptable?

MR. STOGNER: They are.

Q Mr. Elkins, will you briefly state what Union seeks with this application?

A Union seeks an exception to special rules and regulations for the North Anderson Ranch Wolfcamp Pool set forth by Division Order No. R-2212, to authorize an unorthodox oil well location for its Brown State Unit Well No. 1, located 660 feet from the north line, 1980 feet from the west line of Section 28, Township 15 South, Range 32 East.

The west half of the northeast quarter of said Section 28 will be dedicated to this well.

Q Are you familiar with the special pool

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rules for the North Anderson Ranch Wolfcamp Pool?

A Yes, sir, I am.

Q And is a copy of those rules marked as Union Exhibit Number One in this case?

A Yes, sir, they are.

Q Would you review for Mr. Stogner the well location requirements as set forth in these rules?

A Rule No. 4 sets forth that the initial well on any 80-acre tract shall be located either in the northeast quarter or the southwest quarter of a governmental quarter section.

Q And where is the proposed well located?

A The proposed well is located in the northwest quarter of the governmental quarter section.

Q And what is the actual footage location for that well?

A As I stated, 660 feet from the north line, 1980 feet from the east line of Section 28.

Q And this puts it in the center of the quarter quarter section.

A Yes, sir, it does.

Q Did you seek to obtain administrative approval for the unorthodox location of this well?

A Yes, sir, we did, and we were informed by Mr. Carpenter of the Hobbs District that the application was being set for hearing.

Q And was that because of these special

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pool rules?

A Yes, sir, it was.

Q Would you give a brief history of this well, please?

A The well was originally drilled as a 12,500 foot Morrow test. Three intervals were tested in the Morrow, all testing wet.

Subsequently tests were made in the Canyon and Cisco horizons, both which tested wet, and the well was then completed in the Wolfcamp interval at its present --

Q What is the --

A -- depth.

Q What is the approximate depth of the producing interval?

A 980 -- I mean 9,830 feet.

Q When this well was originally drilled was it drilled at an orthodox location in the Morrow formation?

A Yes, sir, it was.

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

A Yes, sir, I have.

Q Would you refer to what has been marked as Union Exhibit Number Two, identify this, and review it for Mr. Stogner?

A Exhibit Number Two is a base map of the area with the subject well being shown in red.

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2 The wells in Section 21 immediately to
3 the north of the subject well are Morrow producers. The
4 wells to the south, in general, are either currently pro-
5 ducing from the Wolfcamp horizon or abandoned Wolfcamp pro-
6 ducers.

7 Q Is the subject well within the boundaries
8 of the North Anderson Ranch Wolfcamp Pool?

9 A No, sir, it is not; only the south half
10 of Section 28 is in the pool.

11 Q This well would be within a mile of that
12 pool and therefore governed by those rules.

13 A Yes, sir, it would.

14 Q Would you now refer to what has been
15 marked as Union Exhibit Number Three and identify this for
16 the Examiner?

17 A Exhibit Number Three is a Form C-102 sub-
18 mitted to the State Commission.

19 It shows the ownership of the acreage in
20 the north half of Section 28.

21 Q And it shows the ownership of all tracts
22 in the north half?

23 A Yes, sir, it does.

24 Q What is the status of the north half of
25 this section?

 A It has been unitized into a state unit
for all depths.

 Q Mr. Elkins, in your opinion will granting

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this application be in the best interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes, sir, it will.

Q Were Union Exhibits One through Three prepared by you or under your direction and supervision?

A Yes, sir, they were.

MR. CARR: At this time, Mr. Stogner, we offer into evidence Union Exhibits One through Three.

MR. STOGNER: Exhibits One through Three will be admitted into evidence.

MR. CARR: That concludes my direct examination of this witness.

MR. STOGNER: Thank you, Mr. Carr.

CROSS EXAMINATION

BY MR. STOGNER:

Q Mr. Elkins, when was this -- the Brown State Unit Well No. 1 drilled again?

A I'll have to check on that. I believe it was in September of '84.

Q What was the primary zone of completion when that was spudded?

A The Morrow sands at 12,500 feet.

Q So this was drilled at a standard loca-

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2 tion for a Morrow zone.

3 A Yes, sir, it was.

4 Q Has Union Oil of California recompleted
5 back up to the Wolfcamp or --

6 A Yes, sir, we have.

7 Q When did -- when did that recompletion
8 take place?

9 A In February, late February or early March
10 of this year.

11 MR. STOGNER: I have no further
12 questions of Mr. Elkins.

13 Are there any other questions
14 of this witness?

15 He may be excused.

16 Is there anything further in
17 Case 8585?

18 MR. CARR: Nothing further, Mr.
19 Stogner.

20 MR. STOGNER: If not, this case
21 will be taken under advisement.

22 (Hearing concluded.)
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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 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. 8585, heard by me on April 24 1985.

Michael E. Hoover, Examiner
Oil Conservation Division