

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
7
8 9 October 1985

9 EXAMINER HEARING

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13 IN THE MATTER OF:

14 Application of Benson-Montin-Greer CASE
15 Drilling Corp. for the extension 8724
16 of the vertical limits of the East
17 Puerto Chiquito-Mancos Pool, Rio
18 Arriba County, New Mexico.

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22 BEFORE: Gilbert P. Quintana, Examiner

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A P P E A R A N C E S

19 For the Division: Jeff Taylor
20 Attorney at Law
21 Legal Counsel to the Division
22 Energy and Minerals Dept.
23 Santa Fe, New Mexico 87501

24 For Benson-Montin-Greer: W. Thomas Kellahin
25 Attorney at Law
KELLAHIN & KELLAHIN
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I N D E X

ALBERT R. GREER

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Quintana 7

E X H I B I T S

BMG Exhibit One, Plat 4

BMG Exhibit Two, Logs 5

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3 MR. QUINTANA: We'll call next
4 Case 8724.

5 MR. TAYLOR: The application of
6 Benson-Montin-Greer Drilling Corporation for the extension
7 of the vertical limits of the East Puerto Chiquito Mancos
8 Oil Pool, Rio Arriba County, New Mexico.

9 MR. KELLAHIN: If the Examiner
10 please, I'm Tom Kellahin of Santa Fe, New Mexico, appearing
11 on behalf of the applicant.

12 I'd like the record to reflect
13 that Mr. Greer is already under oath, he continues under
14 oath, and he's been previously qualified as an expert
15 petroleum engineer.

16 MR. QUINTANA: Mr. Greer, you
17 may proceed and you're reminded you're under oath.

18 A Thank you.

19 ALBERT R. GREER,
20 being called as a witness and being previously sworn upon
21 his oath, testified as follows, to-wit:

22 DIRECT EXAMINATION

23 BY MR. KELLAHIN:

24 Q Mr. Greer, let me direct your attention
25

1
2 to the first exhibit, which is a plat of the Puerto Chiquito
3 Mancos Pools and have you, sir, identify for us, first of
4 all, the East Puerto Chiquito Mancos Oil Pool and its rela-
5 tionship to the unit of the same name.

6 A The boundary, the north and east boundary
7 and southeast boundary of the East Puerto Chiquito Mancos
8 Pool is shown in blue on this plat and on the north side of
9 the pool its western boundary is traced by a yellow line;
10 proceeding further to the south where it joins the West
11 Puerto Chiquito Mancos Pool the boundary is identified by
12 both a red and a yellow line; and within the pool I've shown
13 by parallel lines are the boundaries of the East Puerto Chi-
14 quito Mancos Unit in the north part of the pool.

15 Q What company operates the East Puerto
16 Chiquito Mancos Unit, Mr. Greer?

17 A Our company, Benson-Montin-Greer Drilling
18 Corp.

19 Q And what is the principal producing for-
20 mation involved in that unit?

21 A It's the Mancos formation.

22 Q What is the pool limits for the subject
23 pool and how do those differ from the vertical limits of the
24 unit itself?

25 A The vertical limits of the pool are lim-
26 ited to the Niobrara member of the Mancos formation. The

1
2 limits of the formation which are unitized -- formations
3 which are unitized, extend farther or deeper to include the
4 -- all members, the Carlile and Greenhorn members of the
5 Mancos.

6 Q All right, sir, let me direct your atten-
7 tion to Exhibit Number Two and have you locate for the Exa-
8 miner the difference between the unit vertical limits and
9 the pool vertical limits.

10 A The pool vertical limits are shown as in-
11 dicated. The Niobrara member of the Mancos that's on the
12 righthand well is from 1997 depth to 2887, whereas the pool
13 limits extend on down to through the Carlile and the Green-
14 horn to the base of the Greenhorn member shown at 3143 on
15 the righthand log.

16 Q What difficulty has occurred with regards
17 to wells in the pool because of this difference in vertical
18 limits between what is used by the unit and what is defined
19 as the vertical limits for the pool?

20 A We've carried a few wells on down to the
21 Greenhorn member and tested the Greenhorn; found it to be
22 productive but not commercially productive such that would
23 warrant either single well completion or even a dual comple-
24 tion, and we're then reduced to either asking for comming-
25 ling on an individual well basis or what seems more practi-
cal, just simply to extend the vertical limits of the pool.

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2 It's strictly an economic measure to pick
3 up a few extra barrels of oil that otherwise would not be
4 economically practical or feasible to recover.

5 Q Within this area is the Greenhorn member
6 or the Carlile member able by themselves to support a com-
7 mercial well?

8 A No, sir, the Carlile itself, we found no
9 production in it.

10 The Greenhorn, where we have found some
11 production, is not commercial from the standpoint of suppor-
12 ting either an individual well or dually completed well.

13 Q Are you aware of any reservoir informa-
14 tion or data that would cause you as an engineer to conclude
15 that you could not commingle production from the Carlile or
16 the Greenhorn with the Niobrara production?

17 A No, sir, I see no problem.

18 Q In your opinion is the most effective and
19 efficient method by which the pool can be produced and to
20 maximize the oil recovery one that would increase the verti-
21 cal limits so that they are consistent with the vertical
22 limits used by the unit?

23 A Yes, sir.

24 Q Were Exhibits One and Two prepared by you
25 or comiled under your direction and supervision?

 A Yes, sir.

1
2 MR. KELLAHIN: That concludes
3 our examination of Mr. Greer.

4 We move the introduction of Ex-
5 hibits One and Two.

6 MR. QUINTANA: Exhibits One
7 through Two will be entered as evidence.

8 CROSS EXAMINATION

9 BY MR. QUINTANA:

10 Q Mr. Greer, would you tell me the reason
11 why you presented this application before the Oil Conserva-
12 tion Commission -- Division?

13 A Yes, sir, just simply to save time and
14 effort, paperwork, than to go through the process of asking
15 for commingling each time, which appears to us to be the on-
16 ly other practical procedure.

17 We've tested a couple of wells for, oh,
18 two or three years now and there's just no question but
19 they're not -- not economically practical to handle it any
20 other way, and in the course of this time I think all we're
21 doing is causing confusion with the Oil Conservation Divi-
22 sion's records of producing wells, I hate to say illegally
23 but improperly. It's not quite in accordance with the
24 rules; we're reporting the production not quite in accor-
25 dance with the rules.

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Q Fine.

MR. QUINTANA: I have no questions, further questions of the witness.

Any further questions of the witness?

MR. KELLAHIN: No, sir.

MR. QUINTANA: I'd like to ask a question now from our District Representative from Aztec and I'd like him to present his views on the matter.

Just state your name for the record and your views, sir.

MR. BUSH: Yes. Ernie Bush.

I support the including the Greenhorn member into the Niobrara to create a common source of supply going through the process of downhole commingling.

Mr. QUINTANA: In your opinion would this create a more efficient wayl of handling this pool?

MR. BUSH: Yes.

MR. QUINTANA: Will it -- would it affect anybody's correlative rights or cause waste in this pool?

MR. BUSH: To not do this will cause waste in the pool.

MR. QUINTANA: Will it affect

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anybody's correlative rights?

MR. BUSH: No, not in my opinion.

MR. QUINTANA: I have no further questions.

Anything further in Case 8724?

MR. KELLAHIN: Mr. Quintana, I'm reminded that the vertical limits in this area are such that it would be unusual for ownership to be separated at this interval. As a matter of fact, the ownership is the same for the whole Mancos member, Mancos section, which includes the Greenhorn and Carlile and Niobraras.

MR. QUINTANA: Thank you, Mr. Kellahin.

If there is nothing further in Case 8724 it will be taken under advisement.

(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 (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. 8724, heard by me on October 9, 1985.

Jeffery S. Taylor, General Counsel
Oil Conservation Division, Examiner