

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

8 June 1988

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Texas Petroleum CASE
Corporation for an infill well find- 9402
ing, San Juan County, New Mexico.

BEFORE: David R. Catanach, Examiner

A P P E A R A N C E S

For the Division: Robert G. Stovall
Attorney at Law
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

1
2 MR. CATANACH: Call next Case
3 Number 9402.

4 MR. STOVALL: Application of
5 Union Texas Petroleum Corporation for an infill well find-
6 ing, San Juan County, New Mexico.

7 The applicant has requested
8 that Case No. 9402 be continued to 6 July 1988.

9 MR. CATANACH: Case No. 9402
10 will be continued to the Examiner Hearing scheduled for
11 July 6th, 1988.

12
13 (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. 9402,
heard by me on June 8 19 88.

David P. Cater, Examiner
Oil Conservation Division

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

6 July 1988

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Texas Petroleum CASE
Corporation for an infill well finding, 9402
San Juan 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:

Robert G. Stovall
Attorney at Law
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

1
2
3 MR. CATANACH: Call next Case
4 Number 9402.

5 MR. STOVALL: Application of
6 Union Texas Petroleum Corporation for an infill well find-
7 ing, San Juan County, New Mexico.

8 The applicant has requested
9 that Case No. 9402 be continued.

10 MR. CATANACH: Case No. 9402
11 will be continued to the Examiner Hearing July 20, 1988.

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13 (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
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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. 7403,
heard by me on July 6 1983.
David R. Catanzel, Examiner
Oil Conservation Division

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

20 July 1988

EXAMINER HEARING

IN THE MATTER OF:

Application of Union Texas Petroleum CASE
Corporation for an infill well find- 9402
ing, San Juan County, New Mexico.

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division: Robert G. Stovall
Attorney at Law
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant: Scott Hall
Attorney at Law
CAMPBELL and BLACK, P. A.
P. O. Box 2208
Santa Fe, New Mexico 87501

I N D E X

STERGIE G. KATIRGIS

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E X H I B I T S

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23 BY MR. HALL:

↓

24 Q Please state your name and tell us where

25 you live and who your employer is.

1 A My name is Stergie G. Katirgis. I live
2 in Farmington, New Mexico. I am currently employed by
3 Union Texas Petroleum.

4 Q And what do you do for Union Texas?

5 A I'm a production engineer.

Q And why don't you give the Examiner a
brief summary of your educational background and work ex-
perience?

9 A Okay. I received my BS degree in geo-
10 logy in 1973 from the State University of New York.

11 I received my BS in civil engineering in
12 '77 from the City University of New York.

13 I was first employed by Texaco in 1977
14 for two years.

15 I next worked for Northwest Pipeline
16 Corporation for three and a half years.

17 I worked for RAMCO (sic) for a short
18 period, one and a half years there, and since '84 I've been
19 employed by Union Texas Petroleum as a production engineer
20 in all those jobs.

21 Q And are you familiar with the lands and
22 the wells that are subject to this application today?

23 A Yes, I am.

24 MR. HALL: Mr. Examiner, are
25 the witness' credentials acceptable?

1 MR. STOGNER: They are.

2 Q Please explain what it is Union Texas
3 seeks by this application.

4 A Union Texas Petroleum is seeking an
5 infill well finding and NGPA 103 pricing category determin-
6 ation for the State Com Well No. 1-A, which is located 1028
7 feet from the north line and 1120 feet from the east line
8 of Section 16, Township 28 North, Range 9 West, San Juan
9 County, New Mexico.

10 Q All right, which pool was this well com-
11 pleted in?

12 A This well is completed in both the Mesa-
13 verde and the -- Blanco Mesaverde and Basin Dakota; however
14 the Basin Dakota is the subject of this hearing.

15 Q All right, and is your proration unit a
16 stand-up east half unit?

17 A Yes, it is.

18 Q Mr. Katirgis, has the Oil Commission is-
19 sued an order authorizing an infill well drilling program
20 on a pool wide basis for the Basin Dakota?

21 A Yes. That's Order No. R-1670-V-5.

22 Q All right. If you would, please, why
23 don't you give a brief outline of the development history
24 for this particular proration unit, and if it would help,
25 please refer to Exhibits One and Two.

1 A Okay. Exhibit One is the -- are the
2 sundry notices and completion reports on the three wells
3 that I'll describe in this drilling block and also Exhibit
4 Two are three decline curves of the same three wells.

5 The original well to be drilled in this
6 drilling block was the State Com No. 1, located 1913 feet
7 from the north line and 1776 feet from the east line of
8 Section 16. It was spudded July of '62.

9 The infill well in this drilling block
10 is the State Com No. 1-F, located 1062 feet from the south
11 line, 1606 feet from the east line of the same section.
12 That well was spudded December, '83.

13 Okay, the third well, the well in
14 question, the State Com No. 1-A, was spudded 8-22-86. Now,
15 the 1-A was also completed 10-14-86 and first delivered
16 January 16 of '87. Those dates are important here.

17 The State Com No. 1, the original well,
18 which was spudded, as I said, July 1st, '62, was, let's
19 see, completed 8-62, it had a cumulative production of
20 522,000 MCF and was plugged October 9th of '86.

21 I might add that the cumulative produc-
22 tion of the most recent well, the 1-A, is 50,000 MCF to
23 date. Now, the reason we plugged the original well, the
24 No. 1, is because it was no longer economic to produce it.
25 You can see that pretty clearly on the decline curve. The

1 main cause of that is due to casing leaks allowing water
2 into the wellbore. This well has had a history of casing
3 problems and casing repairs.

4 Q Let me ask you, the decline curve for
5 the No. 1, is that the first page of Exhibit Two?

6 A Yes.

7 Q Okay. Do you have anything further with
8 respect to these exhibits?

9 A I believe that is -- that's it.

10 Q All right. Mr. Katirgis, at any time
11 were there ever more than two wells simultaneously produc-
12 ing from the Dakota formation in this proration unit?

13 A No. The dates I just gave you indicated
14 that the 1-A, which was completed October 14th of '86, and
15 the original well, the No. 1, was plugged October 9th of
16 '86.

17 Q And as I understand it, the 1-A was
18 spudded before the plugging and abandonment of the No. 1,
19 is that correct?

20 A That's correct.

21 Q Was the 1-A drilled to protect the pro-
22 ration unit against drainage?

23 A No.

24 Q In your opinion is the 1-A necessary to
25 effectively and efficiently drain reserves from the prora-

1 tion unit which cannot be effectively and efficiently
2 drained by any single existing well within the proration
3 unit?

4 A Yes, I believe that's true.

5 Q Now, do you believe that the infill
6 drilling will increase recoverable reserves for the pool?

7 A Yes, I do.

8 Q And does Order No. R-1670-V have find-
9 ings and conclusions to that effect?

10 A Yes.

11 MR. HALL: At this point, Mr.
12 Examiner, we would request the incorporation of Order
13 R-1670-V by reference into your record of this case.

14 MR. STOGNER: Order No.
15 R-1670-V, as in Victor, and a subsequent order, R-8170,
16 will be taken administrative notice of.

17 Is that everything you have?

18 MR. HALL: A couple more for
19 clean-up.

20 Q Mr. Katirgis, will the State 1-A in-
21 crease the ultimate recovery from the proration unit?

22 A Yes. My calculations indicate we'll
23 recover an additional 314 MCF from this well.

24 Q Okay, are those reserves that would
25 otherwise go unrecovered?

1 A Yes.

2 Q To the best of your information, know-
3 ledge and belief, is the gas produced from the State Com 1-A
4 production from a new on-shore production well?

5 A Yes, it is.

6 Q In your opinion will the granting of the
7 application be in the interest of conservation, result in
8 the prevention of waste and protection of correlative
9 rights?

10 A Yes.

11 Q And were Exhibits One and Two prepared
12 by you?

13 A Yes, they were.

14 MR. HALL: We'd offer Exhibits
15 One and Two and that concludes our direct.

16 MR. STOGNER: Exhibits One and
17 Two will be admitted into evidence.

18

19 CROSS EXAMINATION

20 BY MR. STOGNER:

21 Q Did you say 313 MMCF?

22 A No, MCF is what I said.

23 Q And we're here today by virtue of the
24 wording in the rules and regulations of the FERC talking
25 about the infill well findings and this necessitated the

1 hearing, is that correct?

2 A Yes.

3 Q Okay. I have no further questions of
4 this witness. He may be excused.

5 MR. STOGNER: Is there any-
6 thing further in Case Number 9402?

7 Q No, sir.

8 MR. STOGNER: This case will
9 be taken under advisement.

10

11 (Hearing concluded.)

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the Examiner hearing of Case No. 7402,
heard by me on 20 July 1933.

Michael H. Stegner, Examiner
Oil Conservation Division