

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 6, 1971

EXAMINER HEARING

IN THE MATTER OF:

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Application of Pubco Petroleum Corporation)
for a unit agreement, Lea County, New Mexico.)
Applicant, in the above-styled cause, seeks) Case
approval of the Kemnitz-Lower Wolfcamp East) No.
Unit area comprising the southwest quarter') 4483
and west half southeast quarter of Section 22,)
the east half northwest quarter of Section 27,)
and the east half northeast quarter of Section) 28,
Township 16 south, Range 34 east, Kemnitz-) Lower Wolfcamp Pool, Lea County, New Mexico.)
-----)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XPAGECHARLES RAMSEY

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E X H I B I T SMARKEDOFFERED AND
ADMITTED INTO
EVIDENCE

Applicant's Exhibit Nos. 1-3	3	7
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MR. HATCH: This is Case No. 4483: It is the Application of Pubco Petroleum Corporation for a unit agreement, Lea County, New Mexico.

(Whereupon, Applicant's Exhibits Nos. 1 through 3 were marked.)

MR. SPERLING: I am James Sperling of Modrall, Seymour, Sperling, Roehl, Harris and Sisk, Albuquerque, attorneys for Pubco Petroleum Corporation.

CHARLES RAMSEY

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. SPERLING:

Q Your name has been given to the Reporter, Mr. Ramsey. What is your occupation and by whom are you employed?

A Manager of engineering for Pubco Petroleum in Albuquerque.

Q Are you a petroleum engineer?

A Yes.

Q Have you, on any previous occasions, testified before the Commission, and are your qualifications a matter of record with the Commission?

A Yes.

MR. SPERLING: Are Mr. Ramsey's qualifications

acceptable?

MR. NUTTER: Yes, they are.

BY MR. SPERLING:

Q You are familiar with the application in this matter?

A Yes, I am.

Q Please state what is sought by the Application?

A Pubco seeks to establish five wells in the east Kemnitz Field. These wells are produced by gas lift, and in order to effect an economic recovery of the reserves in these wells, we feel it is necessary to utilize this five-well area so that we can consolidate our gas lift operations.

Q Does Exhibit No. 1, as marked, indicate that area of the wells, of the five wells, that you have just referred to?

A Yes, it does. It also shows the salt water disposal which we are using in the north quarter section of Section 27.

Q Now, is this the unit agreement, Exhibit No. 2, as so marked?

A Yes.

Q Please give us a short history of this field and these particular wells?

A Now, these wells have been producing since about

• $\frac{1}{2} \log \frac{1}{2} = -0.5$ (base 2)

• $\frac{1}{4} \log \frac{1}{4} = -0.5$

• $\frac{1}{8} \log \frac{1}{8} = -0.5$ (base 2)

• $\frac{1}{16} \log \frac{1}{16} = -0.5$

• $\frac{1}{32} \log \frac{1}{32} = -0.5$

• $\frac{1}{64} \log \frac{1}{64} = -0.5$ (base 2)

• $\frac{1}{128} \log \frac{1}{128} = -0.5$ (base 2)

• $\frac{1}{256} \log \frac{1}{256} = -0.5$ (base 2)

• $\frac{1}{512} \log \frac{1}{512} = -0.5$ (base 2)

• $\frac{1}{1024} \log \frac{1}{1024} = -0.5$ (base 2)

• $\frac{1}{2048} \log \frac{1}{2048} = -0.5$ (base 2)

• $\frac{1}{4096} \log \frac{1}{4096} = -0.5$

• $\frac{1}{8192} \log \frac{1}{8192} = -0.5$ (base 2)

• $\frac{1}{16384} \log \frac{1}{16384} = -0.5$ (base 2)

• $\frac{1}{32768} \log \frac{1}{32768} = -0.5$

• $\frac{1}{65536} \log \frac{1}{65536} = -0.5$ (base 2)

• $\frac{1}{131072} \log \frac{1}{131072} = -0.5$ (base 2)

• $\frac{1}{262144} \log \frac{1}{262144} = -0.5$

• $\frac{1}{524288} \log \frac{1}{524288} = -0.5$ (base 2)

• $\frac{1}{1048576} \log \frac{1}{1048576} = -0.5$

• $\frac{1}{2097152} \log \frac{1}{2097152} = -0.5$

• $\frac{1}{4194304} \log \frac{1}{4194304} = -0.5$ (base 2)

• $\frac{1}{8388608} \log \frac{1}{8388608} = -0.5$ (base 2)

• $\frac{1}{16777216} \log \frac{1}{16777216} = -0.5$ (base 2)

1963 or '64. They flowed initially and they are producing from the Lower Wolfcamp Reservoir a production of 11,000 feet. The reservoir pressure has declined to the point where several years ago it was necessary to artificially lift them, and they were put on gas lift with individual compressors on each well, and since each of the five wells are producing from separate leases from the five working wells, the royalty ownership is in each individual well. This production from the wells was satisfactory, and followed a normal decline up to about the first, at which point, because of mechanical difficulties with the individual well's gas lift systems, we then ran into quite a bit of difficulty in producing with the wells that had individual gas lift systems on them.

Q You identified the Unit Agreement as Exhibit 2. Does that set forth the participation factors for each of the five wells in ownership thereof?

A Yes, I think on Exhibit A, the Unit Agreement, which is on page 20 of the Exhibit, it sets forth the participation of each tract in the unit.

Q In this participation, it is paid on 100 per cent on the remaining reserves assigned to each well based on the individual well decline curves. The

participants in the working-interest owners in this unit are Pubco with 11 1/2 per cent, Humble, 6.6 per cent, and also with an individual name, Mr. Towne, of approximately 3 per cent, and another individual named Mr. Willis. They all have a working interest ownership and have signed the Unit Agreement, and they all have acreage involved in the State acreage.

Q Now, you have referred to decline curves on these wells. Would you refer, now, to what has been marked as Applicant's Exhibit 3 and explain that exhibit, please?

A This is a decline curve of the oil production of these five wells. The oil production is shown on the scale on the left, and we can see that it started at approximately 23,000 gallons per month and our latest month of October, the gas declined to about 2,300 barrels per month. You see, on this decline curve at the beginning of 1963 we had a very substantial and sharp decrease in production which was caused by our operating difficulties with our individual gas lift systems, and in July of 1970 we arranged for some rental equipment and arranged for a gas purchase agreement with a nearby pipeline to put these wells on a more or less community gas lift system in order to determine for our working-

interest partners if a unitized gas lift system would solve our problem. The last months of production from July to October were satisfactory, and that by unitizing the area and going to a consolidated gas system, we can put wells back on a normal decline.

Q In other words, the granting of this Application, or the approving of the Application for the Unit Agreement will result in extension of the economic life of all five wells in this portion of the pool, is that correct?

A That is correct.

Q If these are not operated on a unitized basis, the economic life has been reached at this time?

A There will be approximately 8,000 barrels that we could produce out there if we aren't allowed to unitize.

Q As opposed to 75,000 barrels?

A Right.

Q Do you have anything further?

A No.

MR. SPERLING: I offer Applicant's Exhibits Nos. 1 through 3.

MR. NUTTER: Applicant's Exhibits 1 through 3 will be admitted.

CROSS EXAMINATION

There is a lot of information about the world, and it is important to know how to use it.

One of the most important things is to know how to find information.

There are many ways to find information, and it is important to know which one to use.

One way is to use a search engine, like Google or Bing.

Another way is to use a library or a database.

There are also many websites that provide information, and it is important to know which ones to use.

One of the most important things is to know how to evaluate the information you find.

There are many ways to evaluate information, and it is important to know which one to use.

One way is to look at the source of the information.

Another way is to look at the date of the information.

There are also many other ways to evaluate information.

One of the most important things is to know how to use the information you find.

There are many ways to use information, and it is important to know which one to use.

One way is to use it to learn something new.

Another way is to use it to solve a problem.

There are also many other ways to use information.

One of the most important things is to know how to share the information you find.

There are many ways to share information, and it is important to know which one to use.

One way is to write a book or an article.

Another way is to give a presentation.

There are also many other ways to share information.

One of the most important things is to know how to protect the information you find.

There are many ways to protect information, and it is important to know which one to use.

One way is to use a password.

Another way is to use a lock.

BY MR. NUTTER:

Q Mr. Ramsey, you have seen all of the leases that are involved?

A Here, yes.

Q They were formally either Humble or Pure?

A The leases originally were obtained from the State by those parties and were farmed out.

Q But you are the operator?

A Pubco is the operator.

Q You mentioned Humble had an interest?

A And two individuals, yes, working-interest owners. Humble and Sinclair have all of the overriding royalties.

Q Those individuals whom you mentioned, they have a working-interest ownership?

A Yes.

Q You say they have executed the Unit Agreement?

A Yes, they have.

MR. NUTTER: Are there any further questions of Mr. Ramsey?

BY MR. HATCH:

Q I think you said that these wells were producing from the east Kemnitz Pool, is that the name of the unit?

A I think they are actually in the Kemnitz Pool, but we will call them the East Kemnitz, which is a unit

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operated by Tenneco. This is the Kemnitz-Wolfcamp Pool.

MR. NUTTER: Are there any further questions of Mr. Ramsey? You may be excused.

We will take Case No. 4483 under advisement.

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings of the Executive Hearing of the Commission held on 11/6/72 at New Mexico Oil Conservation Commission.

1. The first part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom.

2. The second part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom.

3. The third part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom.

4. The fourth part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom.

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9. The ninth part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom.

10. The tenth part of the paper is devoted to a discussion of the general principles of the theory of the structure of the atom.