CASE 374 - REEVES UNIT

Replication, Transcript, Smill Exhibits, Etc.

#### REFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THDE WATER ASSOCIATED OIL COMPANY FOR AN ORDER GRANTING PERHISSION TO DUALLY COMPLETE O. L. COLEMAN NO. 3 WELL, EUNICE POOL, NE/4 NE/4 SECTION 17, TOWNSHIP 21 SOUTH, RANGE 36 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO,

COMES NOW, Tide Water Associated Oil Company, a Delaware Corporation, operating in New Mexico from a field office in Hobbs, New Mexico, and respectfully represents to the Oil Conservation Commission of the State of New Mexico that on October 7, 1934, it completed 0. L. Coleman No. 3 well located in the center of NE/4 NE/4 Section 17. Township 21 South, Range 36 East, N.M.P.H., Lea County, New Mexico, that said well is presently producing from the Grayburg-San Andres formation from open hole interval 3789 feet to total depth 3925 feet; and that the well is equipped with 7" casing set at 3789 feet and cemented with 310 sacks of cement; that an intermediate string of 9-5/8" casing was set and cemented at 2860 feet.

Applicant further represents that a high pressure gas zone exists in the Yates-Seven Rivers formation, present and producing in the open hole interval 2995-3480 feet in Skelly Oil Company's State "B" No. 7, an offset well located in SW/4 NW/4 Section 15, Township 21 South, Range 36 East, and from Bradenhead completions in Skelly Oil Company's State "B" No. 4 and Atlantic Refining Company's Coleman No. 1.

Applicant further represents that it is practical and economically feasible to dually complete their O. L. Coleman No. 3 to produce oil from the Grayburg-San Andres formation through the tubing and gas from the Yates-Seven Rivers gas zone through the tubing-casing annulus with proper packer and wellhead connections, and in such manner that there will be no commungling of fluids between the two reservoirs.

WHEREFORE, Applicant respectfully requests that this matter be set down for hearing on due notice, and that at such hearing it be authorized to dually complete said well in accordance with the foregoing petition and the rules and regulations of the Commission.

Attached hereto is a plat showing the location of the well proposed for dual completion and surrounding wells and leaseholds.

DONE at Houston, Texas, on this the 29th day of April, 1952.

Respectfully submitted,

TIDE WATER ASSOCIATED OIL COMPANY

B. Holloway





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#### OF LU JUNE OF MER TURIOR

IN FOR LANCE OF THE FEARING CALLED DE THE UNE CONSISTENT TON CONTESTED OF DEMILIERCO FOR THE FREESE OF DEMILIERCE:

> CASE No. 375 ORDER. No. R-173

THE APPLICATION OF THE MATTER ASSOCIATED OIL COMPANY FOR AN OPELE GRANTWIG FERRIESION WE DUALLY CONFLETE AND FRODUCE ITS O. L. COLLEAN, NO. 3 WELL IN THE MEATOR FOOD, LOCATED IN THE RE/4 HE/4 SECTION 17, TOMM-SHIP 21 SOUTH, RENE 30 HAST, FEPE, LEA COUNTY, NEW IEXNOO.

#### ORDER OF THE COLLESSION

#### BY THE COLDERSION:

This cause came on for hearing at 9 o'clock a. m. on June 19, 1952, at Santa Fe, New Lexico, before the Oil Conservation Correlation, hereinefter referred to as the "Correlation."

NOW, on this 16 day of July, 1952, the Coundission, a quorum being present, having considered the records and the testimory adduced, and being fully advised in the premises,

#### FinDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(2) That applicant's O. L. Coleran, No. 3 well, NE NM 17-215-361 NMPM, was completed in October, 1934 as an oil well producing from the Grayburg-San Andres formation in the open hole interval 3789-3925, having drilled through the Yates-Seven Rivers Gas zone, (3052-3927).

(3) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual/multiple completions of oil - gas wells, the Commission is unconvinced of the soundness, as a waste-prevention practice, of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.

#### IT IS THLEFURS OFDERED:

That the applicant herein, Fide Water Associated Oil Company, be, and it hereby is authorized to dually complete and produce it 0. L. Coleman No. 3 Well, NE ND Section 17, Township 21 South, hange 36 East, LMPD, in the Bunice Pool, Lea County, New Mexico, in such a manner that gas from the Yates-Seven Rivers formation may be produced through the annular space between the casing and the tubing, and oil from the Grayburg-San Andres formation through the tubing by proper perforations and installation of a proper packer or packers; Para & - Game No. 375 - Green No. 15-273.

<u>ROARD, Jacob</u>, The subject welt start be or deter, and thereafter produced, in such a transer that there is no even ingling within the well bore, either within or such de the easing of gas, of have gas, or oil produced from either or tobh of the science strate, and,

**<u>PROFILED FILTER</u>**, That that subject well for fuel completion and production shall be equipped in cuch a way that reservoir pressures may be determined separately for sach of the two specified strate, and i wither, be equipped with and necessary connections required to per it according seters to be installed and used, at one that natural just of required by the Condission or its representatives, in order that natural just, will, or officiand gus included separate strates may be necessary measured and the gas-oil reside thereof determined, and

<u>PRIVIDED withink</u>, That the operator explaient shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such memor as decred necessary by the Convission; the original and all subsequent tests shall be witnessed by representatives of the Convission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be fold with the Commission within ten (10) days after the completion of such test, and,

**PROVIDED** Fullture, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic shetch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum invediately following completion.

IT IS FURTHER CROENED, that jurisdiction of this cause is hereby retained by the Consission for such further order or orders as may seen necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

DONL at Santa Fe, New Mexico, on the day and year hereinabove designated.

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.F. SECRETARITY

STATE OF HEN PERICO OIL OURSLEWATION COLDERSTON

Edwin L. Hechen, Chairman

Guy Sherard, Membe

## OIL CONSERVATION COMMISSION P. O. BOX 371 SANTA FE, NEW MEXICO

July 24, 1952

Mr. J. B. Holloway Tide Water Associated Oil Company Houston, Texas

## RE: Order No. R-173 in Case 375

Dear Mr. Holloway:

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We are transmitting officially signed and sealed order in the captioned case, granting approval for your dual completion of O. L. Coleman No. 3, Eunice pool, Lea County, New Mexico.

Very truly yours,

Secretary and Director

## BEFORE THE

OIL CONSERVATION CONTISSION

STATE OF NEW LEXICO

## TRANSCRIPT OF PROCEEDINGS

CASE NO. 375

June 19, 1952

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E. E. C.REESON ADA DEARN LEY COURT REPORTERS 00X1302 PHONES 5-9422 AND 5-9546 ALBUQUERQUE, NEW MEXICO しい話

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### BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

#### JUNE 19, 1952

In the Matter of:

Tide Water's application for permission to dually complete its O. L. Coleman No. 3 well (oil-gas), Eunice Pool, NE NE 17-21S-36E, Lea County, New Mexico.

Case No. 375.

MR. SPURRIER: The meeting will come to order again. The next case on the Docket is Case 375.

(Notice of Publication read by Mr. White.)

MR. HOLLOWAY: I am J. B. Holloway, employed by Tide Water Associated Oil Company and have charge of the prorations department. The application that we filed for dual completion of our O. L. Coleman No. 3 well very well covers the subject. However, I might add to that.

Tide Water Associated Oil Company completed its O. L. Coleman well No. 3, located in the center of the NE/4 NE/4 Section 17, Township 21-S, Range 36-E, Eunice Field, Lea County, on October 7, 1934. The well originally and is presently producing oil from the Grayburg-San Andres formation from

> ADA DEARNLEY & ASSOCIATES COURT REPORTING ROOM 12, CROMWELL BLDG. PHONES 7-9643 AND 5-9548 ALBUQUERQUE, NEW MEXICO

open hole interval 3789 feet, the bottom of 7" casing, to 3925 feet, the total depth of the well. An intermediate string of 9-5/8" casing was set and cemented at 2860 feet. In drilling Coleman No. 3, gas zones were logged at several intervals commencing at 3052 feet through 3727 feet. The 7" producing string was cemented with 310 sacks of cement which theoretically should have circulated to within 1600 feet of the surface and which precludes any possibility of now making a bradenhead completion for the purpose of producing gas from the upper zones for lease use or for sale unless another string of casing is run inside the 7". Bradenhead completions are quite common in this area where a more moderate amount of cement is used in setting the producing string and such completions are possible.

It is our opinion that it is practical and economically feasible to dually complete the well in such manner that the Grayburg-San Andres formation would continue to be produced through the tubing and the gas zones, which are identified in this area as the Yates-Seven Rivers formation, would be produced through the annulus between the tubing and casing with no communication between the two producing formations.

If granted permission to dually complete the well, before

ADA DEARNLEY & ASSOCIATES COURT REPORTERS ROOM 12, CROMWELL BLDG. PHONES 7-9645 AND 5-9546 ALBUQUERQUE, NEW MEXICO

doing so we propose to test the 7" casing with 1500 pounds pressure by running a retrievable cement retainer equipped with a perforation above and bull plug below to a depth below 3000 feet and test casing above that depth. A radioactivity log would then be run through the gas section to provide correlation with the successful Skelly gas well completion in its State "B" well No. 7, located approximately 1900 feet southeast of our well. According to our information, Skelly's No. 7 well is producing from the Yates-Seven Rivers formation from open hole interval 2995-3480 feet. The 7" casing would then be perforated opposite the most permeable zones. The well would be completed by setting a Baker Model "D" retainer production packer set at 3750 feet in the 7" and the tubing run through the packer for production of the lower zone, or Grayburg-San Andres formation.

We further propose that prior to the time the well is dually completed, we shall furnish the Commission, for its approval, an electrical log showing the location and extent of each separate stratum yielding production above the casing shoe and the vertical footage location of the proposed perforations; and further upon the actual dual completion of the well, we shall submit to the Commission a diagrammatic sketch

> ADA DEARNLEY & ASSOCIATES COURT REPORTENS ROOM 12, CROMWELL BLDG. PHONES 7-9645 AND 5-9546 ALBUQUERQUE. NEW MEXICO

of the mechanical installation which was used to complete and produce the seal between the producing formations, together with a special report of production, gas-oil ratio and reservoir pressure determination of each producing zone immediately following completion, and to comply with any further order of the Commission which to the Commission seems necessary for the prevention of waste or protection of correlative rights.

The well was drilled so long ago that I was unable to find in my file any report made to the Commission covering the completion of this well so I have had a photostat made of our own well record which shows these gas shows by the driller's log. I would like to file one of these as an Exhibit.

I have also had prepared a diagramatic sketch showing our Coleman No. 3 well, upon which has been superimposed a copy of the electric log of Skelly's gas well which is based upon the assumption that we will find these formations more or less as depicted here (indicating.) Of course, upon the approval of the Commission and final dual completion of the well we shall file a simple diagram which is actually for the well itself. But for anyone that would like to examine it would show the packer setting and how we propose to eventually complete the well. I have also had a field check made, showing

> ADA DEARNLEY & ASSOCIATES COURY REPORTER ROOM 12, CROMWELL BLOG. PHONES 7-9648 AND 8-9846 ALBUQUERQUE, NEW MEXICC

the wells in the area that are producing gas from the Yates and Seven Rivers Sand, one of which is a dual well. Some are bradenhead completions and Skelly 7 is an individually completed well. I have indicated those with red stars. For the convenience of the Commission I file that with the Commission.

In my statement that we would obtain the approval of the Commission for the dual completion of this well by submission of cleatrie log showing where we proposed to perforate. I would like to ask that the Commission if it does grant this application, that we be permitted to obtain such approval from its' office at Hobbs. We ask that for the reason that when we have finished working on the well our expenses will be some six or seven hundred dollars a day and just for economical reasons why it would be most convenient to obtain the approval of the Commission's office there. That is all.

MR. SPURRIER: Does anyone have a question of this witness?

Q (By MR. MACY) Are you gas lifting the well now?

A No, sir, it is pumping. We have to change the installation.

Q You propose, after completion, you propose to gas lift?

ADA DEARNLEY & ASSOCIATES COURT REPORTANE ROOM 12, CROMWELL BLDG. PHONES 7-9645 AND 8-9845 ALBUQUERQUE, NEW MEXICO A That is correct. We don't have too much confidence in the efficacy of the permanent pack. There would be too much vibration. We will take out the pumping equipment and put in flow test and the gas casing head gas for the Phillip Petroleum Company.

MR. SPURRIER: Anyone else? Mr. Holloway, do you swear to all this testimony you have given?

A Yes, I sure do.

MR. SPUERIER: Very well. No further questions the witness will be excused.

(Witness excused.)

STATE OF NEW MEXICO ) : COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 375 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on June 19, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this  $\frac{26^{-4}}{26}$  day of June, 1952.

ADA DEARNLEY & ASSOCIATES COURT REPORTING ROOM 12, CROMWELL BLUG. PHONES 7-9645 AND 5-9946 ALBUQUERQUE, NEW MEXICO

