

CASE 5121: MEXICO OIL CORP.
101 S. 2nd St., Houston, Texas
COUNTY: New Mexico

CASE No.

5/51

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 16, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Penroc Oil
Corporation for a dual com-
pletion, Eddy County, New
Mexico.

Case No. 5151

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conser-
vation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the Com-
mission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:
(Penroc Oil Corporation)

Thomas W. Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico

I N D E X

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E X H I B I T S

	<u>Marked</u>	<u>Admitted</u>
Applicant's Exhibits Nos. 1 through 3	--	8

MR. STAMETS: Call the next case, Case 5151.

MR. DERRYBERRY: Case 5151. Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico.

MR. STAMETS: Call for appearances in this case.

MR. KELLAHIN: Thomas Kellahin, Kellahin and Fox, Santa Fe, New Mexico, appearing on behalf of the Applicant, Penroc Oil Corporation. I have one witness to be sworn.

(Witness sworn.)

STERLING J. TALLEY

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Talley, would you please state your name and by whom you are employed and in what capacity?

A My name is Sterling Talley, vice president of exploration, Penroc Oil Corporation, Midland, Texas.

Q Have you previously testified before this Commission?

A Yes, I have.

Q Are you familiar with the facts surrounding this Application by Penroc?

TALLEY-DIRECT

Page.....4.....

A Yes.

MR. KELLAHIN: If the Examiner please, are the witness' qualifications acceptable?

MR. STAMETS: They are.

BY MR. KELLAHIN:

Q Mr. Talley, we refer to what has been marked as Applicant's Exhibit No. 1, and identify it and state briefly what the Applicant seeks.

A Exhibit No. 1 is a map showing the Winchester-Wolfcamp gas pool, which has been drawn on scale of four inches equal one mile. It shows the leasehold ownership and all the wells drilled in the area that penetrated to the Wolfcamp or deeper. Now shallow wells have been shown on the map.

You might note there have been 12 wells drilled in Winchester-Wolfcamp gas pool to date resulting in four Morrow completions, one Atoka completion, two Strawn, four Wolfcamp, one dry hole and two wells currently in the process of being completed.

Now, the color code to identify what zones these wells were completed from is in the lower-left-hand corner of the map. The subject well where we requested dual completion from is from the Wolfcamp, in the Winchester-Wolfcamp

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TALLEY-DIRECT

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gas pool and from the Strawn in an undesignated Strawn pool. This is being a Penroc Dero-Federal A-Com Well No. 1 located in the southeast of the southwest, Section 35, 19 South, 28 East. It is identified by the two colors, red and blue.

Q Would you please refer to what has been marked as Applicant's Exhibit No. 2?

A Exhibit No. 2 is a schematic diagram of the proposed completion in Penroc Dero-Federal A-Com No. 1 and we might go down the thing and show that we have four-and-a-half inch casing in the well, which is set a 1,152. We are utilizing two and three-eighths inch tubing and we have a packer set at 120 below the Strawn purse. The Strawn purse being at 10,087 to 10,114 and then have a P.W. packer at which the tubing is latched at a depth of 995 above the Strawn perforations.

Then a third packer is in M.C.H. snap set at the depth of 8,910 above two separate sets of Wolfcamp perf. The perfs being 9,051 and 9,170 and 9.32 to 9,377. Now, we are utilizing an Otis concentric crossover in the well so it can produce one zone through tubing and one zone through the casing annulus. We've shown here by color, showing that the red product to be transmitted from the Strawn perf go up tubing through the concentric crossover and for the side

TALLEY-DIRECT

Page.....6.....

up to the annulus. The Wolfcamp perforations will provide products according to the blue line inside port up to the tubing.

Q Mr. Talley, is this a conventional type of dual completion that has been previously approved by the New Mexico Oil Conservation Commission?

A To my knowledge, yes.

Q With adequate separations between the two formations?

A Very adequately.

Q I don't recall if you testified or not what acreage would be dedicated to the Strawn and what would be dedicated to the Wolfcamp?

A The southwest quarter of Section 35 would be dedicated to the Wolfcamp and the south half of Section 35 to the Strawn.

Q All right. Would you please refer to what is marked Exhibit No. 3 and explain what it is?

A Exhibit 3 is simply a compensated acoustic velocity log that was run on this log. I'm now referring to the lower part of the Dero-Federal where we have shown the formation tops in blue. The first one being 9.029 being the top of the Wolfcamp. I've also shown on there the perforated intervals on the left side of the well bore in red and the drill

TALLEY-DIRECT

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stem test interval in the well bore over to the right in yellow is the portrayal porosity zones that were perforated. Also, in red on the right-hand side of the map is the amount of treatment given. The white-checkered area with the type-written information is the results of that drill stem test conducted on Wolfcamp and the same color scheme applies on down at 10,082, which is the top of the Strawn sand, 10,118 indicating the top of the Strawn line and those perforations and treatments are shown in red color.

Q What pressure data do you have with regard to Wolfcamp?

A Other than this bottom hole pressure you see on the drill stem test chart, which is 4,450 and final, just yesterday Phillips Petroleum Company conducted one four packer pressure test and calculated open flow of this well.

Q What was the result of that test?

A I just got those last night and I got the four point, which points out that the Wolfcamp flowed 2,000,000 cubic feet of gas per day on the 1664 choke and at the rate of 672 barrels of condensate per day.

Q I'm sorry, I missed the rate of production.

A At the rate of 672 barrels of condensate per day. With an 1,895 pound fluid tubing pressure.

TALLEY-DIRECT

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Q Then for the Strawn?

A For the Strawn it flowed 1,070, 000 cubic feet of gas per day at the rate of 288 barrels of condensate per day with a flowing tubing pressure of 1,485 pounds, so you can see there it runs from 410 pounds flowing tubing pressure of the two zones.

Q This type of dual completion is compatible with that quantity of pressure, is it not?

A Yes.

Q In your opinion, Mr. Talley, approval of this Application would be in the best interest of conservation and prevent waste and protect correlative rights of others?

A Yes, it would.

MR. KELLAHIN: That's all I have.

BY MR. KELLAHIN:

Q Were Exhibits 1 through 3 prepared by you or under your direction and supervision?

A They were.

MR. KELLAHIN: If the Examiner please, we move for the introduction of Applicant's Exhibits 1 through 3.

MR. STAMETS: Exhibits 1 through 3 will be admitted.

(Whereupon, Applicant's Exhibits

1 through 3 were admitted in

evidence.)

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TALLEY-CROSS

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CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Talley, 288 barrels of condensate to 2,000,000 feet of gas seems a pretty good bunch of liquids to be listing in that annular space there. Have you given that some consideration?

A I think you will find that by looking at some of the other wells, in particular the Dorchester Well to the north started out this way, but with the production the gas will increase and the liquid will drop off considerably which will be much lower than that.

Also, this well, of course, is not on the stream and won't be for quite some time for lack of pipeline connections. It had built a rather temporary well, of course. When you opened this Strawn part, it had quite a bit of fluid on it to flow back without a doubt. Almost the same period of production this well will hold that amount of fluid and I say that indefinite to the fact that the well to the south which is the only other dual completed well in the area, is also completed to Strawn and it's been flowing from there to about five months. We've seen the same thing happen there in Strawn, the amount of fluid drops off in production and finally reached a somewhat stable condition.

Q The two wells you referred to would be Dorchester Well in the north half of Section 35?

A Yes, sir, that's a Wolfcamp well.

Q Wolfcamp or Strawn?

A It's a Wolfcamp Well, DWU Federal 2, north half of 35. It's a Wolfcamp Well.

Q Now, the Hillin Well that you are referring to would be the well immediately to the south?

A Yes. It's a dual Strawn-Morrow.

Q That's the one that you say that production history indicates that liquid will decline?

A I see the same case in both formations to the north in the Wolfcamp and to the south in the Strawn-Hillon Well.

Q If you experienced production difficulties with this well, would you be able to run a string of macaroni tubing in there?

A I think we can in four-and-a-half. It would be rather small, but I think it could be effected.

Q How long would you estimate it would take to achieve some sort of stabilized production on this well after it goes on the line?

A Probably 30 days.

Q So, you could report to the Commission something,

TALLEY-CROSS

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say, 90 days after the well is on the line?

A Yes, sir.

Q At that time make a firm determination that is good?

A Yes. Like I say, bearing in mind, this probably wouldn't be on production for another 60 days.

Q Right.

MR. STAMETS: Anything further?

MR. KELLAHIN: That's it.

MR. STAMETS: You may be excused.

(Witness excused.)

MR. STAMETS: I will take the case under advisement and we adjourn the Hearing.

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 in the Executive Hearing of Case No. 5157 heard by me on Jan 16, 1974.
Richard L. Nye
Richard L. Nye, Examiner
New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

January 24, 1974

Re: CASE NO. 5151
ORDER NO. R-4712

Applicant:
Penroc Oil Corporation

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u> y </u>
Artesia OCC	<u> x </u>
Aztec OCC	

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5151
Order No. R-4712

APPLICATION OF PENROC OIL
CORPORATION FOR A DUAL
COMPLETION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 16, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of January, 1974, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, and being
fully advised in the premises,

FINDS:

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

(2) That the applicant, Penroc Oil Corporation, seeks
authority to complete its Dero-Federal A-Com Well No. 1, located
in Unit N of Section 35, Township 19 South, Range 28 East, Eddy
County, New Mexico, in such a manner as to produce gas from
the Winchester-Wolfcamp gas pool and gas from an undesignated
Strawn gas pool through tubing and the casing-tubing annulus,
respectively, by means of a crossover assembly.

(3) That the mechanics of the proposed dual completion
are feasible and in accord with good conservation practices
provided that the Strawn zone does not experience substantial
production of liquids.

(4) That the operator should file production data with
the Commission subsequent to the connection of the Strawn zone
to verify the efficiency of production from that zone.

(5) That approval of the subject application will prevent
waste and protect correlative rights.

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Case No. 5151
Order No. R-4712

IT IS THEREFORE ORDERED:

(1) That the applicant, Penroc Oil Corporation, is hereby authorized to complete its Dero-Federal A-Com Well No. 1, located in Unit N of Section 35, Township 19 South, Range 28 East, Eddy County, New Mexico, as a dual completion to produce gas from the Winchester-Wolfcamp gas pool and from an undesignated Strawn gas pool.

(2) That production from the Strawn formation shall be through 2 3/8-inch tubing set in a packer located at approximately 9995 feet, above the Strawn perforations, and thence, by means of a crossover assembly, through the casing-tubing annulus to the surface. Production from the Wolfcamp formation shall be through the casing-tubing annulus and thence, by means of a crossover assembly, through the 2 3/8-inch tubing to the surface. The crossover assembly shall be set in a packer located above the Wolfcamp perforations at approximately 8910 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with the provisions of this order.

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Winchester-Wolfcamp gas pool.

(3) That the applicant shall report to the Commission the flowing tubing pressure, the daily gas flow rate and the daily liquid production rate from the Strawn zone at 30 day intervals for the first 90 days following the connection of the well to a gas transportation facility.

(4) That should the data supplied under Order (3) above indicate inefficient annular flow, a hearing will be scheduled to permit the operator to appear and show cause why Order (1) of this order should not be rescinded.

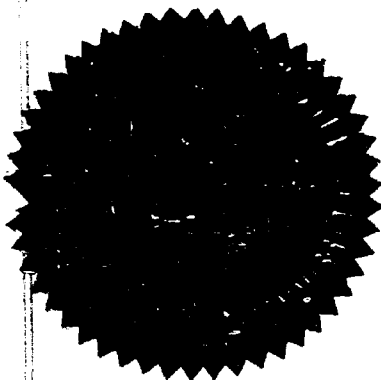
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

Case No. 5151
Order No. R-4712

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. B. Trujillo
I. B. TRUJILLO, Chairman

Alex J. Armiño
ALEX J. ARMIÑO, Member

A. L. Porter Jr.
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

5151

Approve Dual w/crossover
assembly, Wolfcamp up tubing
Straw up tubing to crossover
then up annulus.

Need finding & order like
B4677 to require tests
90 days after ~~20~~ connection
to determine that straw
is being efficiently produced.

CASE 5150: Application of Hanson Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through 10 wells in its Mescalero Ridge Unit Area in Sections 26 and 35, Township 19 South, Range 34 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 5151: Application of Penroc Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause seeks approval for the dual completion (conventional) of its Dero-Federal A-Com Well No. 1, located in Unit N of Section 35, Township 19 South, Range 28 East, Eddy County, New Mexico, in such a manner as to produce gas from the Winchester-Wolfcamp gas pool and an undesignated Strawn gas pool through the casing-tubing annulus and through tubing.

CASE 5152: Application of Petro-Lewis Corporation for a Special Depth Bracket Allowable, Media-Entrada Oil Pool, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks a special depth bracket allowable for the Media-Entrada Oil Pool, Township 19 North, Range 3 West, Sandoval County, New Mexico.

CASE 5140: (Continued from the January 3, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24. Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.

CASE 4956: (Reopened) (Continued from the January 3, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.

CASE 5145: Application of Texas Pacific Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 10,872 feet to 11,032 feet in its State "B" Well No. 2 located in Unit B of Section 11, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4969: (Reopened)

In the matter of Case No. 4969 being reopened pursuant to the provisions of Order No. R-4557, which order established a temporary special depth bracket allowable for the Tocito Dome-Pennsylvanian "D" Oil Pool, San Juan County, New Mexico. All interested parties may appear and show cause why the special allowable should be made permanent.

CASE 5146: Application of Midwest Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Target Unit Area comprising 5120 acres, more or less, of State and Federal lands in Townships 25 and 26 South, Range 25 East, Eddy County, New Mexico.

CASE 5147: Application of Mesa Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the S/2 of Section 12, Township 16 South, Range 35 East, North Shoe Bar Field, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location for said unit in Unit 0 of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5148: Application of Coquina Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox gas well location 990 feet from the North and East lines of Section 16, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 16 to be dedicated to said well.

CASE 5149: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 33, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard Pennsylvanian gas well location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

(Case 5112 continued from Page 1)

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5113: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the institution of gas prorationing in the Burton Flats-Atoka Gas Pool, Eddy County, New Mexico, and to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5124: (Continued from the November 28, 1973, Examiner Hearing)

Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 30, Township 20 South, Range 33 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1300 feet from the East line of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5143: Application of El Paso Natural Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its proposed Rocky Arroyo "D" Com. Well No. 2 in the center of Unit L of Section 4, Township 22 South, Range 22 East, Rocky Arroyo-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of said Section 4 to be dedicated to the well.

CASE 5144: Application of Depco, Inc. for two waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute two waterflood projects by the injection of water into the Grayburg-San Andres formation through six wells located on applicant's State 647 lease in Sections 31 and 32, Township 17 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, and through one well on the Kersey and Company Ramapo "A" Lease in said Section 32.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 16, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1974, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for February, 1974.

CASE 5110: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to include the S/2 of Section 28, Township 25 South, Range 24 East.

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5111: (Continued from the November 15, 1973, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Burton Flats-Morrow Gas Pool, Eddy County, New Mexico, to include the S/2 of Section 34, Township 20 South, Range 28 East, and the N/2 of Sections 8 and 9, and all of Section 10, Township 21 South, Range 27 East.

Also to be considered will be the institution of gas prorationing in said pool to provide for fixing the total allowable natural gas production from said pool to an amount equal to reasonable market demand and to the capacity of the gas transportation facilities. Also to be considered will be the adoption of special rules and regulations for said pool including a provision for allocating the allowable production among the wells in the pool.

CASE 5112: (Continued from the November 15, 1973, Examiner Hearing)

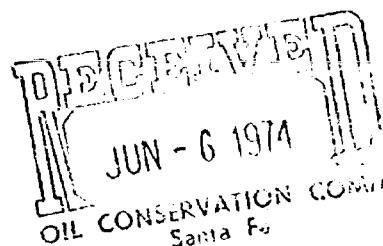
In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider extending the horizontal limits of the Burton Flats-Strawn Gas Pool, Eddy County, New Mexico, to include all of Section 10, Township 21 South, Range 27 East.

Case File 5157

RECEIVED

JUN 4 1974

As Per N.M.O.C.C. Order No. R-4712



D. E. C.
Re: Penroc Oil Corporation
Dero-Federal "A" Comm. #1
Unit N, Sec. 35, 19S, 28E
Eddy County, New Mexico

FINAL

30 day report on STRAWN zone: Beginning 4/27/74 Ending 5/26/74

Date	Flow Tubing Press.	Daily Gas Flow Rate	Daily Cond. Prod.
4/27/74	1150# 21/64" ch.	1.700	104
4/28	1150 "	1.700	108
4/29	1150 "	1.700	113
4/30	1150 "	1.700	111
5/1/74	1150 "	1.700	* 77
5/2	1200 "	1.628	117
5/3	1200 "	1.660	54
5/4	1200 "	1.694	107
5/5	1200 "	1.606	111
5/6	SITP 2250# Packer Leakage Test		
5/7	1200 21/64"	1.638	14 hours 70
5/8	SITP 2250# Packer Leakage Test		
5/9	1200 22/64	1.541	14 hours 75
5/10	1200 21/64	1.660	110
5/11	1200 "	1.660	89
5/12	1200 "	1.628	104
5/13	1200 "	1.628	91
5/14	1200 "	1.562	107
5/15	1200 "	1.562	97
5/16	1200 "	1.530	99
5/17	1200 "	1.530	100
5/18	1200 "	1.530	99
5/19	1200 "	1.530	85
5/20	1200 "	1.530	106
5/21	1200 "	1.530	85
5/22	1200 "	1.530	99
5/23	1200 "	1.530	91
5/24	1200 "	1.465	98
5/25	1200 "	1.500	60
5/26	1200 "	1.432	95

* Dump Valve failure

PENROC OIL CORPORATION
P. O. Drawer 831
Midland, Texas 79701

RECEIVED

MAY 6 1974

SF

San 5/8-1

As Per N.M.O.C.C. Order No. R-4712

O.C.C.
ARTESIA, OFFICE
Re: Penroc Oil Corporation
Dero-Federal "A" Comm. #1
Unit N, Sec. 35, 19S, 28E
Eddy County, New Mexico

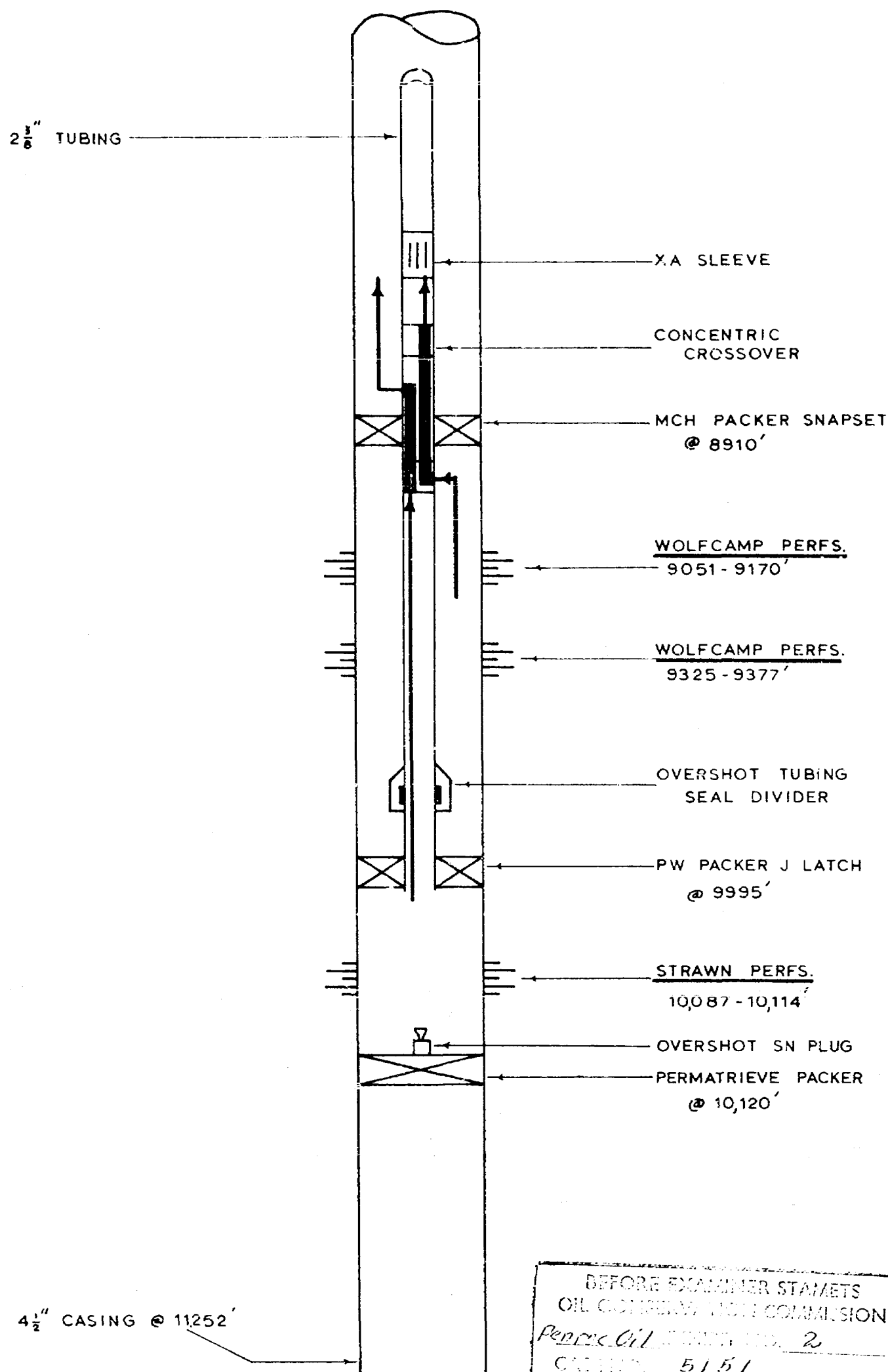
30 day report on STRAWN zone: Beginning 3/28/74 Ending 4/26/74

Date	Flow Tubing Press.	Daily Gas Flow Rate	Daily Cond. Prod.
		1550 MCF	130 Bbls.
3/28/74	1200# 21/64" ch.	1550 "	127 "
3/29	1200# 21/64"	1500 "	128 "
3/30	1200# 21/64"	1560 "	136 "
3/31	1200# 21/64"	1560 "	121 "
4/1/74	1200# 21/64"	1500 "	128 "
4/2	1200# 21/64"	1500 "	110 "
4/3	1200# 21/64"	1500 "	127 "
4/4	1200# 21/64"	1500 "	132 "
4/5	1200# 21/64"	1500 "	119 "
4/6	1200# 21/64"	1500 "	118 "
4/7	1200# 21/64"	1500 "	130 "
4/8	1200# 21/64"	1500 "	143 "
4/9	1175# 21/64"	1500 "	112 "
4/10	1175# 21/64"	1500 "	132 "
4/11	1175# 21/64"	1500 "	124 "
4/12	1175# 21/64"	1500 "	120 "
4/13	1175# 21/64"	1500 "	115 "
4/14	1175# 21/64"	1500 "	121 "
4/15	1175# 21/64"	1500 "	115 "
4/16	1150# 21/64"	1550 "	122 "
4/17	1150# 21/64"	1580 "	112 "
4/18	1150# 21/64"	1580 "	111 "
4/19	1150# 21/64"	1500 "	112 "
4/20	1150# 21/64"	1500 "	105 "
4/21	1150# 21/64"	1500 "	126 "
4/22	1150# 21/64"	1600 "	110 "
4/23	1150# 21/64"	1600 "	111 "
4/24	1150# 21/64"	1700 "	109 "
4/25	1150# 21/64"	1700 "	112 "
4/26	1150# 21/64"		

PENROC OIL CORPORATION
P. O. Drawer 831
Midland, Texas 79701

PENROC OIL CORP. Dero-Fed. 'A' Comm. No.1

Proposed Dual Wolfcamp & Strawn Completion



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Penroc Oil Corp. No. 2
Casing 5151
Submitted by *S. J. Talley*
Hearing Date *1-16-74*

Case 5151

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

December 14, 1973

Mr. A. L. Porter
New Mexico Oil Conservation Commission
P. O. Box 2008
Santa Fe, New Mexico 87501

Re: Application for Penroc Oil Corporation
for Dual Completion, Eddy County, N.M.

Dear Mr. Porter:

Enclosed please find an original and copies of
an application in behalf of Penroc Oil Corporation
for dual completion.

I would appreciate having this matter set for
the examiner hearing scheduled for January 16, 1974.

Very truly yours,



W. Thomas Kellahin

WTK:ks

Enclosure

cc: Sterling J. Talley

DOCKET MAILED

Date 1-4-74

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF PENROC OIL CORPORATION FOR A
DUAL COMPLETION, EDDY COUNTY,
NEW MEXICO.

A P P L I C A T I O N

COMES NOW, PENROC OIL CORPORATION and applies to the New Mexico Oil Conservation Commission for approval of a dual completion of its Dero-Federal Com 1-A Well located 1980 feet from the West line and 660 feet from the South line of Section 35, Township 19 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner and operator of the above well located as specified.
2. Applicant proposes to dually complete said well for production of gas from an undesignated Strawn gas pool and from the Winchester-Wolfcamp gas pool, through the casing-tubing annulus and through tubing, respectively.
3. The dual completion is in the interest of conservation, will result in the recovery of gas that would not otherwise be recovered, and the producing formation will not be damaged in making the completion as proposed.

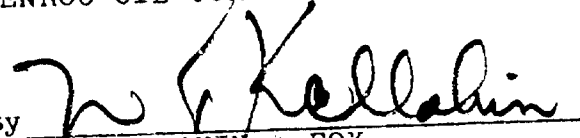
WHEREFORE applicant prays that this application be set

for hearing before the Commission or the Commission's
duly appointed examiner, and that after notice and hearing
as required by law, the Commission enter its order approving
the application as prayed for.

Respectfully submitted,

PENROC OIL CORPORATION

By



KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

DRAFT

TWD/jr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5151

Order No. R- 4712

APPLICATION OF PENROCC OIL CORPORATION
FOR A DUAL COMPLETION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 16,, 1974,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of January, 1974, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That the applicant, Penroc Oil Corporation, seeks authority to complete
its Dero-Federal A-Com Well No. 1, located in Unit N of Section 35, Township 19
South, Range 28 East, Eddy County, New Mexico in such a manner as to produce gas
from the Winchester-Wolfcamp gas pool and ³²⁴from an undesiganted Strawn gas pool
through tubing and the casing-tubing annulus, respectively, by means of a
crossover assembly.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices provided that the ~~Upper Pennsylvanian~~ zone does not experience substantial production of liquids.

(4) That the operator should file production data with the Commission subsequent to the connection of the ~~Upper Pennsylvanian~~ zone to verify the efficiency of production from that zone.

(5) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Penroc Oil Corporation, is hereby authorized to complete its Dero-Federal A-Com Well No. 1, located in Unit N of Section 35, Township 19 South, Range 28 East, Eddy County, New Mexico as a dual completion to produce gas from the Winchester-Wolfcamp gas pool and from an undesignated Strawn gas pool.

(2) That production from the Strawn formation shall be through 2 3/8-inch tubing set in a packer located ^{at approximately 9995 feet,} above the Strawn perforations, and thence, by means of a crossover assembly, through the casing-tubing annulus to the surface. Production from the Wolfcamp formation shall be through the casing-tubing annulus and thence, by means of a crossover assembly, through the 2 3/8-inch tubing to the surface. The crossover assembly shall be set in a packer located above the Wolfcamp perforations. ^{at approximately 8910 feet.}

(3) That the S/2 of said Section 35 shall be dedicated to the Strawn portion of the above-described well and that the SE/4 of said Section 35 shall be dedicated to the Wolfcamp portion of said well.

PROVIDED HOWEVER, that the applicant shall complete, operate and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with the provisions of this order.

-2-
CASE NO. 5151
Order No. R-

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Winchester-Wolfcamp gas pool.

(2) That the applicant shall report to the Commission the flowing tubing pressure, the daily gas flow rate and the daily liquid production rate from the ~~Upper Pennsylvanian~~ zone at 30 day intervals for the first 90 days following the connection of the well to a gas transportation facility.

(4) That should the data supplied under Order (3) above indicate inefficient annular flow, a hearing will be scheduled to permit the operator to appear and show cause why Order (1) of this order should not be rescinded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


E. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member



A. L. PORTER, Jr., Member & Secretary

S E A L

dr/