

Case No.

509

Application, Transcript,
Small Exhibits, Etc.

NO
CASE 509: Amerada Petroleum Corporation
Trial Completion Laughlin Well No. 1
NW NW 20-208-37E Lee County

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. 509
ORDER No. R-298

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR
AN ORDER GRANTING PERMISSION
TO DUALY COMPLETE AND PRODUCE
ITS LAUGHLIN WELL NO. 1, LOCATED
IN THE NW/4 NW/4 OF SECTION 9,
TOWNSHIP 20 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 21ST day of MAY, 1953, the Commission, a quorum being present, having considered the records and the testimony 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 Laughlin Well No. 1, NW/4 NW/4 Section 9, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, was completed in March 1937 as an oil well producing from the Grayburg-San Andres formation of the Eunice-Monument Pool in the open-hole interval 3800-3860, having drilled through the Seven Rivers-Queen formation of the Eumont Gas Pool at an approximate depth of 3170-3500.

(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 THEREFORE ORDERED:

That the applicant herein, Amerada Petroleum Corporation, be, and it hereby is authorized to dually complete and produce its Laughlin Well No. 1, NW/4 NW/4 Section 9, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that gas from the Seven Rivers-Queen formation of the Eumont Gas Pool may be produced through the annular space between the casing and the tubing, and oil from the Grayburg-San Andres formation of the Eunice-Monument Pool through the tubing by proper perforations and the installation of a proper packer;

PROVIDED, HOWEVER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, Form C-110, and Form C-122 outlining the information required on these forms by existing Rules and Regulations.

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and,

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission 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 filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch 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 immediately following completion.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mecham
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

R. R. Spurrer
R. R. SPURRER, Secretary

SEAL

AMERADA PETROLEUM CORPORATION
P. O. BOX 312
MIDLAND, TEXAS

Case 509

February 13, 1953

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Application to Dually Complete
Amerada Laughlin No. 1, Monument Field,
Lea County, New Mexico

Gentlemen:

By this letter of application the Amerada Petroleum Corporation wishes to state the following:

See 9

(a) That Amerada Petroleum Corporation Laughlin No. 1 located in NW/4 of NW/4, Section ~~20~~, Twp. 20-S, Rge. 37-E, Lea County, was completed March 28, 1937 at a total depth of 3860 feet. The attached Exhibit A shows the location of this and other wells on the Amerada Laughlin Lease together with the locations of all offset wells.

(b) That the subject well has 6 5/8 inch casing set at 3800 feet and cemented with 100 sacks of cement. The well is an oil well producing from the interval from 3800 to 3860 feet in the Grayburg-San Andres formation.

(c) That the applicant proposes to dually complete the well to produce oil from the Grayburg-San Andres and gas from the Seven Rivers - Queen formation in the following manner:

- (1) Perforate the 6 5/8 inch casing within the approximate interval of 3170 to 3500 feet opposite the Seven Rivers - Queen formation.
- (2) Set a production type packer below these perforations at approximately 3510 feet to separate the two pay zones.
- (3) Produce the Grayburg-San Andres oil through the tubing and the Seven Rivers - Queen gas through the tubing - casing annulus.

(d) That the granting of this application for permission to produce the well as a dual completion with gas from the Seven Rivers - Queen formation and oil from the Grayburg-San Andres formation is in the interest of conservation and the protection of correlative rights.

(e) That the applicant will comply with all rules and regulations of the New Mexico Oil Conservation Commission to maintain separations of production from the two pay zones.

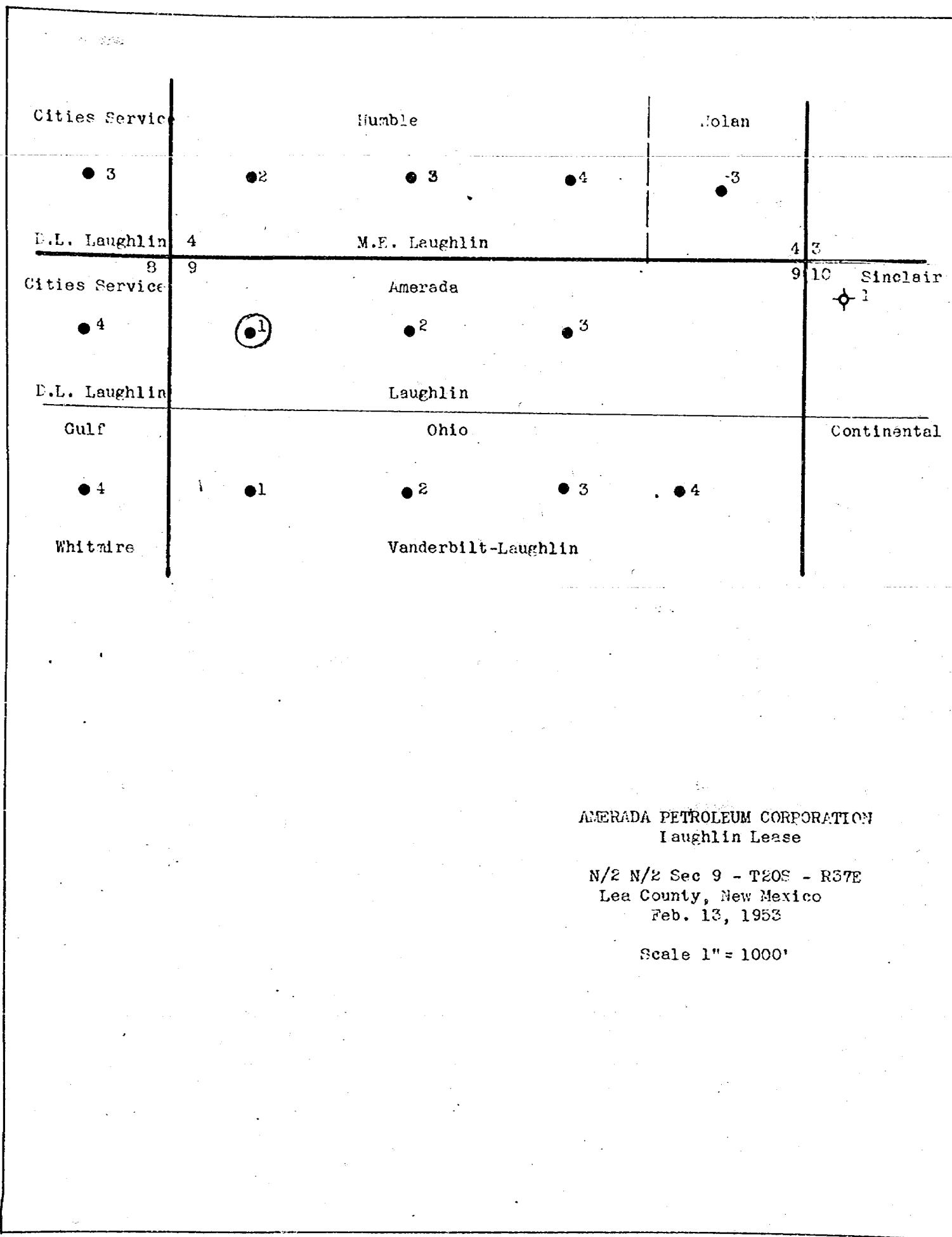
(f) That the manner and method of the proposed dual completion is mechanically feasible and practical.

Therefore, Amerada Petroleum Corporation requests that the Oil Conservation Commission set a certain day upon which this application may be heard and after said hearing to grant permission in order that the applicant may dually complete the subject well as proposed in this application.

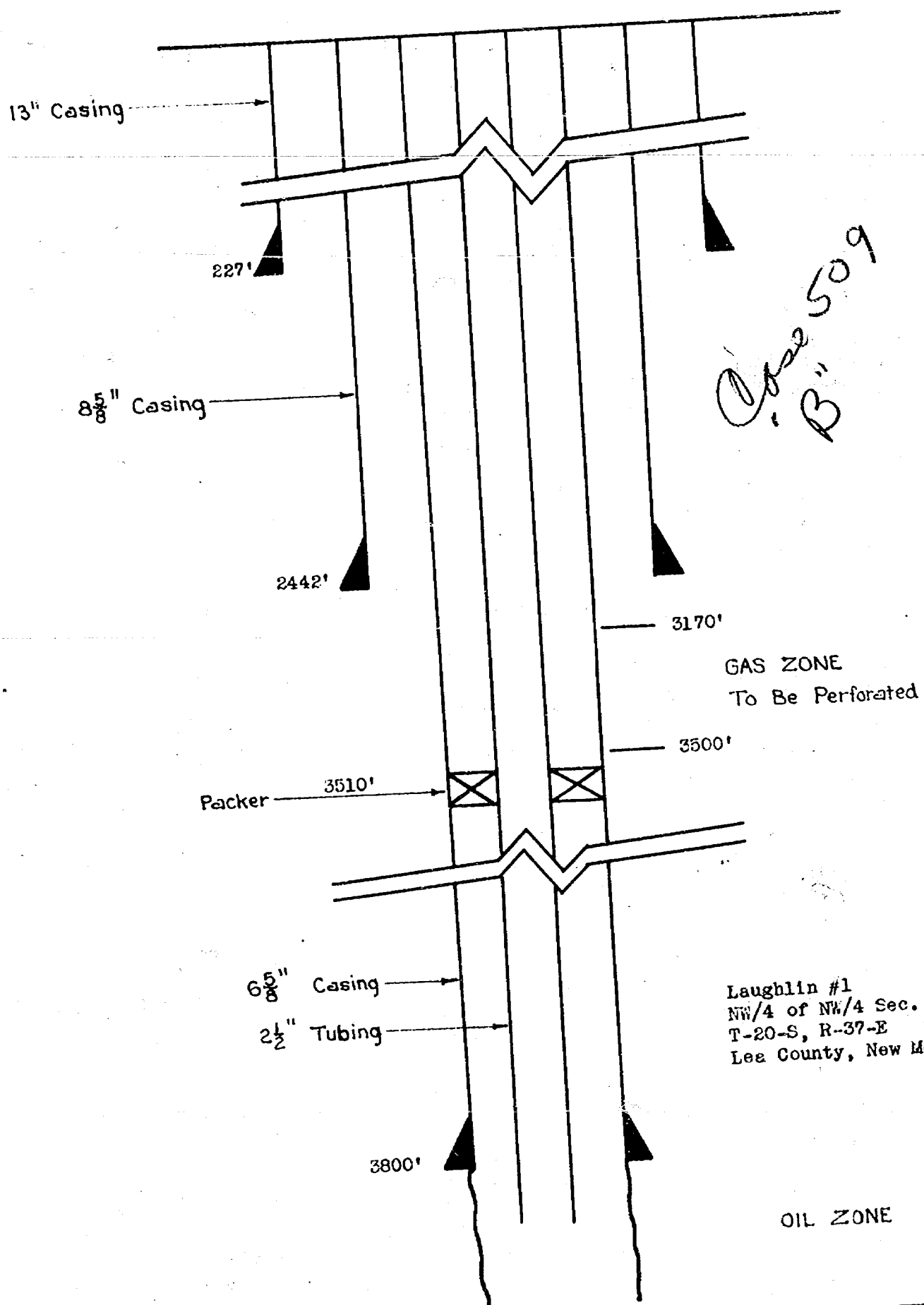
Respectfully Submitted,

AMERADA PETROLEUM CORPORATION

By: *J. C. Blackwood*
J. C. Blackwood



SCHEMATIC DIAGRAM OF PROPOSED DUAL COMPLETION AMERADA PETROLEUM CORPORATION



Memo

From
WILLIAM B. MACEY
Chief Engineer

To Money

Hold this order
as far as signature is
concerned until
official approval is
obtained

Ida - Please attach this
note to finalized order -
W.

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:

OK wpm
Finalized
3-27-53
CASE NO. 509
ORDER NO. R-298 *PK*

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION
FOR AN ORDER GRANTING PERMISSION
TO DUALY COMPLETE AND PRODUCE
ITS LAUGHLIN WELL NO. 1
LOCATED IN THE NW/4 NW/4 OF
SECTION 9, TOWNSHIP 20 SOUTH,
RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 17, 1953,
at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter
referred to as the "Commission".

NOW, on this day of , 1953, the Commission, a quorum being
present, having considered the records and the testimony 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.

37/ (2) That applicant's Laughlin Well No. 1, NW/4 NW/4 Section 9, Township 20 South,
Range East, NMPM, Lea County, New Mexico, was completed in March 1937 as an oil well pro-
ducing from the Grayburg-San Andres formation of the Eunice-Monument Pool in the open-hole
interval 3800 - 3860, having drilled through the Seven Rivers-Queen formation of the *Eunice*
Gas Pool at an approximate depth of 3170 - 3500.

(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.

Page 2
Case No. 509
Order No. R-298

IT IS THEREFORE ORDERED:

That the applicant herein, Amerada Petroleum Corporation, be, and it hereby is authorized to dually complete and produce its Laughlin Well No. 1, NW/4 NW/4 Sect. 9, Twp. 20 South, Rge. 37 East, NMPM, Lea County, New Mexico, in such a manner that gas from the Seven Rivers-Queen formation of the Eumont Gas Pool may be produced through the annular space between the casing and the tubing.

However
PROVIDED FURTHER, that upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, ~~and~~ Form C-110, and Form C-122 ~~outlining~~ the information required on these forms by existing Rules and Regulations.

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission 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 filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch 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 immediately following completion.

IT IS FURTHER ORDERED, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
EDWIN L. MECHEM, Chairman
GUY SHEPARD, Member
R. R. SPURRIER, Secretary

E. S. Walker

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PROVIDED, HOWEVER,

(Insert attached)

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and,

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
EDWIN L. MECHEM, Chairman
GUY SHEPARD, Member
R. R. SPURRIER, Secretary

E. S. Walker

Memo

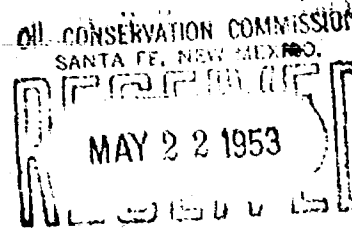
From
WILLIAM B. MACEY
Chief Engineer

To This seems to be
OK now
Shall the
Order be signed
& released?

Yes

AMERADA PETROLEUM CORPORATION

P. O. BOX 2040
TULSA 2, OKLAHOMA



Drawer D,
Monument, New Mexico,
May 19, 1953.

Re: Case 509 - Application to Dually
Complete Amerada Laughlin No. 1 Well,
Monument Field, Lea County, New Mexico.

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Attached to this letter are signed waivers from offset operators of our
Laughlin Lease, Monument Pool, Lea County, New Mexico. These waivers were neces-
sitated because of a typographical error in our original application dated Febru-
ary 13, 1953.

The waiver from the Gulf Oil Corporation was communicated to the Commission
by their letter of April 28, 1953.

Yours very truly,

AMERADA PETROLEUM CORPORATION

By: W. G. Abbott
W. G. Abbott

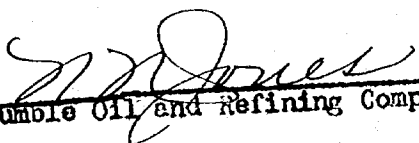
cc: Mr. R. S. Christie
Mr. J. C. Blackwood
File

W IVER

We hereby waive any objections to the proposed dual completion of the Amerada Laughlin No. 1, located in the NW/4 of NW/4 Section 9, Twp. 20-S, Rge. 37-E, Lea County, New Mexico.

Gulf Oil Corporation

Cities Service Oil Company


Humble Oil and Refining Company

Continental Oil Company

B. H. Nolan

Ohio Oil Company

Tennessee Production Company

WAIVER

We hereby waive any objections to the proposed dual completion of the Amerada Laughlin No. 1, located in the NW/4 of NW/4 Section 9, Twp. 20-S, Rge. 37-E, Lea County, New Mexico.

Gulf Oil Corporation

Cities Service Oil Company

Humble Oil and Refining Company

Continental Oil Company


B. H. Nolan

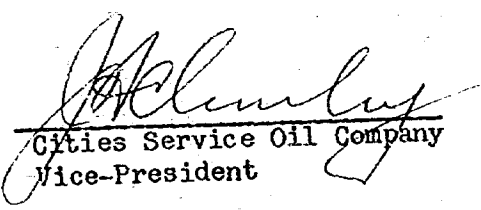
Ohio Oil Company

Tennessee Production Company

WAIVER

We hereby waive any objections to the proposed dual completion of the Amerada Laughlin No. 1, located in the NW/4 of NW/4 Section 9, Twp. 20-S, Rge. 37-E, Lea County, New Mexico.

Gulf Oil Corporation


Cities Service Oil Company
Vice-President

Humble Oil and Refining Company

Continental Oil Company

B. H. Nolan

Ohio Oil Company

Tennessee Production Company

WAIVER

We hereby waive any objections to the proposed dual completion of the Amerada Laughlin No. 1, located in the NW/4 of NW/4 Section 9, Twp. 20-S, Rge. 37-E, Lea County, New Mexico.

Gulf Oil Corporation

Cities Service Oil Company

Humble Oil and Refining Company

Robertson
Continental Oil Company

B. H. Nolan

Ohio Oil Company

Tennessee Production Company

WAIVER

We hereby waive any objections to the proposed dual completion of the Amerada Laughlin No. 1, located in the NW/4 of NW/4 Section 9, Twp. 20-S, Rge. 37-E, Lea County, New Mexico.

Gulf Oil Corporation

Cities Service Oil Company

Humble Oil and Refining Company

Continental Oil Company

B. H. Nolen

W. M. Kearley Jr.

Ohio Oil Company

Tennessee Production Company

WAIVER

We hereby waive any objections to the proposed dual completion of the Amerada Daughlin No. 1, located in the NW/4 of NW/4 Section 9, Twp. 20-S, Rge. 37-E, Lea County, New Mexico.

Gulf Oil Corporation

Cities Service Oil Company

Humble Oil and Refining Company

Continental Oil Company

B. H. Nolan

Ohio Oil Company

E. L. H. Hall
Tennessee Production Company



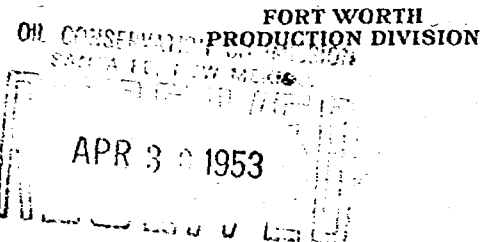
PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

GORDON H. FISHER
ASSISTANT TO THE VICE-PRESIDENT
FOR PRODUCTION

April 28, 1953



Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Case 509 Application To
Dually Complete Amerada
Laughlin No. 1 Well,
Monument Field, Lea County,
New Mexico

Gentlemen:

We have been advised that due to a typographical error in Amerada's application for authorization to dually complete their Laughlin No. 1 Well, located in the NW/4 of the NW/4 Section 9, T-20-S, R-37-E, Lea County, New Mexico, it will be necessary to have waivers from offset operators in lieu of a rehearing before the Commission.

The Gulf Oil Corporation is agreeable to the proposal, and we hereby waive any objections to this gas/oil dual completion.

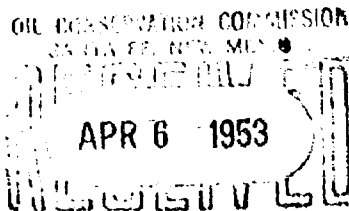
Yours very truly,

GULF OIL CORPORATION

By: G. H. Fisher
Attorney-in-Fact

JDW:crs

cc: Amerada Petroleum Corporation
Drawer D
Monument, New Mexico



Drawer D,
Monument, New Mexico,
March 24, 1953.

Cities Service Oil Company
Box 97
Hobbs, New Mexico,

Continental Oil Company
Box 427
Hobbs, New Mexico,

Gulf Oil Corporation
Box 1667
Hobbs, New Mexico

Humble Oil and Refining Company
Box 2347
Hobbs, New Mexico,

B.H. Nolan
Box 326
Hobbs, New Mexico,

Ohio Oil Company
Box 2107
Hobbs, New Mexico,

Tennessee Production Company
Box 1031
Midland, Texas.

Dear Sirs:

On the original application before the New Mexico Oil Conservation Commission, to dually complete the Amerada, Laughlin No. 1, Monument Field, Lea County, New Mexico, there has been a typographical error. This application dated February 13, 1953, and assigned case number 509, reads the following:

- (a) That Amerada Petroleum Corporation Laughlin No. 1 located in NW/4 of NW/4 Section 20, Twp. 20-S, Rge. 37-E, Lea County, was completed ...

The corrected application should read:

- (a) That Amerada Petroleum Corporation Laughlin No. 1 located in NW/4 of NW/4 Section 19, Twp. 20-S, Rge. 37-E, Lea County, was completed ...

It will be appreciated if the attached waiver be executed and returned to this office.

Yours very truly,

Amerada Petroleum Corporation
By:

W. G. Abbott
W. G. Abbott

Enc. 1

cc: Mr. R. R. Spurrier, Secretary
Oil Conservation Commission
Santa Fe, New Mexico
File -

WAIVER

We hereby waive any objections to the proposed dual completion of the Amerada Laughlin No. 1, located in the NW/4 of NW/4 Section 9, Twp. 20-S, Rge. 37-E, Lea County, New Mexico.

Gulf Oil Corporation

Cities Service Oil Company

Humble Oil and Refining Company

Continental Oil Company

B. H. Nolan

Ohio Oil Company

Tennessee Production Company