

CASE 1134: Neville G. Penrose, Inc. applica-
tion for dual completion, Hinton #10 Well,
Blinebry Oil Pool & Tubb Gas Pool.

Case No.

1134

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1134

TRANSCRIPT OF PROCEEDINGS

August 22, 1956

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
August 22, 1956

IN THE MATTER OF:

CASE NO. 1134: Application of Neville G. Penrose, Inc. for permission to dually complete its Hinton No. 10 Well in the Blinebry Oil Pool and the Tubb Gas Pool, Lea County, New Mexico, in exception to Rule 112-A (a) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order permitting the dual completion of its Hinton No. 10 Well located in the NW/4 NW/4 of Section 13, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant proposes to produce oil on top from the Blinebry Oil Pool, through the casing-tubing annulus and gas on the bottom from the Tubb Gas Pool through the tubing.

BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: The next case on the docket will be Case No. 1134.

MR. GURLEY: Application of Neville G. Penrose, Inc. for permission to dually complete its Hinton No. 10 Well in the Blinebry Oil Pool and the Tubb Gas Pool, Lea County, New Mexico, in exception to Rule 112-A (a) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order permitting the dual completion of its Hinton No. 10 Well located in the NW/4 NW/4 of Section 13, Township 22 South, Range 37 East, Lea County,

New Mexico. Applicant proposes to produce oil on top from the Blinebry Oil Pool, through the casing-tubing annulus and gas on the bottom from the Tubb Gas Pool through the tubing.

MR. CAMPBELL: Jack M. Campbell, Campbell and Russell, Roswell, New Mexico, appearing on behalf of the applicant. I have one witness to be sworn, Mr. McNaughton. (Witness is sworn.)

J O H N M C N A U G H T O N

called as a witness on behalf of the applicant, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A John McNaughton.

Q Where do you live and by whom are you employed?

A Fort Worth, Texas; I am employed by the Neville G. Penrose, Inc.

Q In what capacity?

A Vice President.

Q You are acquainted with the application of Neville G. Penrose, Inc., in Case No. 1134 before the Examiner, relating to a proposed dual completion in the Blinebry Oil Pool and the Tubb Gas Pool?

A I am.

Q Mr. McNaughton, what well do you propose to use in connection with the dual completion?

A Our Hinton No. 10.

Q Where is that located?

A In the NW/4 of the NW/4 of Section 13, Township 22 South, Range 37 East, Lea County.

Q And do you propose to complete that as an oil well producing in the Blinebry Oil Pool and the gas well producing in the Tubb Gas Pool?

A That is correct.

MR. CAMPBELL: Will you mark the top one Exhibit 1 and the bottom one Exhibit 2? (Applicant's Exhibit 1 and Exhibit 2 marked for identification.)

Q (By Mr. Campbell) I show you what has been marked Penrose Exhibit No. 1 and ask you to state what that is.

A That is a plat showing the lease ownership surrounding the Hinton No. 10.

Q And does that plat also show the location of the Hinton No. 10 well?

A It does.

Q Where is that well located with reference to the boundaries of Section 13?

A I believe that is 660 from the north and west lines of Section 13.

Q It appears that it might be 330.

A It does, but I can't verify that. May I correct myself there? It is 660 from the north and 330 from the west lines.

Q I refer you, now, to what has been marked Penrose Exhibit 2 and ask you to state what that is.

A That is a diagrammatic sketch showing the original status or present status of the well conditions and the proposed status after we complete through the Tubb section.

Q Will you state to the Examiner briefly the history of this Hinton No. 10 well dually?

A The Hinton No. 10 was drilled to a full depth of 6,555 feet in November of 1946, at which time $5\frac{1}{2}$ inch casing was set at 6,372 feet, cemented with 250 sacks of cement and an attempt was made to complete this well from Drinkard section and it was given a total of 15,000 gallons of acid in the Drinkard section in the open hole, but commercial production was not established and the well was plugged back, was cemented in $5\frac{1}{2}$ inch casing. It was then perforated, the $5\frac{1}{2}$ inch casing was opposite the Blinebry section and that section was treated in three stages with a total of 10,000 gallons of acid and the well has been producing oil from the Blinebry section since that time.

Q Now, referring to Penrose Exhibit No. 2, will you state to the Examiner and for the record, what you propose to do to dually complete this well in accordance with your application if it is granted?

A We propose to perforate the $5\frac{1}{2}$ inch casing opposite the Tubb section at the zones 6,036 to 6,077 and 6,090 to 6,108. A Baker Model D, Production Packer will be set just below the Blinebry perforations and a Tubb string will be run with dual control valves on it. We will allow it to produce from the Blinebry oil through the tubing casing annulus and Tubb gas through the tubing.

Q Why is it, Mr. McNaughton, that you do not propose to use two strings of tubing in this well?

A You will notice that I mentioned that we had $5\frac{1}{2}$ inch casing in the well and it would be very difficult to run two strings of tubing in there without getting special equipment.

Q In your opinion, if you dually complete this well as you propose and as shown on your Exhibit No. 2, you believe that you can produce the well so that there will be no co-mingling of the gas and oil from the two different zones and there will be no waste of oil or gas?

A Yes, sir.

Q In the event the Commission should approve this application, you are, of course, willing to comply with any test that the Commission may from time to time require in connection with the dual completion or any of the production practices in this well?

A Yes, sir.

MR. CAMPBELL: That is all.

MR. NUTTER: Has anyone any more questions?

MR. REIDER: Would you care to comment on the lift efficiency of Blinebry oil to the tubing case annulus?

A I am not just sure what you mean, Mr. Reider, by lift efficiency.

Q Well, sir, isn't it true that as we try to lift oil through the casing tubing it would take a considerable volume of gas -- the greater the area requiring greater energy?

A I think it would be correct -- to take more gas to lift the oil through the annulus.

Q Has any consideration been given to the probable use of two packers with the Baker crossover?

A Yes, we had considered that, but we would like to eliminate that type of hookup if at all possible. First is the economics. We feel that this is a small well; it presently is producing 6 barrels of oil. We plan to treat the Blinebry section

and we hope that we can increase the production from the Blinebry section to possibly ten to fifteen, maybe even twenty barrels of oil a day, but in the event we are unable to do so, we feel that the added expense by having run this extra packer would not be consistent with the amount of revenue that we would obtain. Secondly, we feel that it would be much simpler operating if we can get by with producing oil through the tube casing annulus. By getting by I don't mean anything that is ordered by the Commission but I think it would be easier to operate the well, that is all.

Q Mr. McNaughton, in regard to the event that the production of this well in the manner that you propose results in an increased gas-oil ratio to the point where it might exceed the ratio from that Blinebry pool, I assume then that you would have to make a decision as to whether to abandon that Blinebry oil zone or go into some other type of dual completion which would reduce the amount of gas required to produce the oil, is that correct?

A Well, I would like to elaborate just a little bit there. Actually, the gas-oil ratio is in excess of that allowed by the Commission, but the allowable oil is such that it does not make as much gas as would be allowed for the Blinebry section.

Q Is it correct that the present rule in that pool permits you to produce the equivalent amount of gas as the gas-oil ratio times the top allowable for that particular well?

A That is my understanding, yes, sir.

Q And this well is now producing considerably less than that amount of gas, is it not? A Yes, sir.

Q And when I refer to the gas-oil ratio I was referring to

that end figure of the total amount of gas permitted under the pool rule in that area.

A That is correct, certainly, if we find that we are producing gas which would cause waste by producing more than according to my figure, 312,000 cubic foot of gas, we would have to take such steps as are necessary to run a crossover packer or shut in the Blinbry section.

MR. GURLEY: Did your company notify all of the offset operators in your property here, sir?

A It is my understanding that we did not because of the fact that the case was to be advertized prior to the hearing. Is that correct, Russ or Mr. Campbell?

MR. CAMPBELL: That is correct. The requirement with reference to notifying the offset operators is, as I understand it, in connection with the administrative approval of the dual completions under conditions that now are not present here inasmuch as the hearing is required, the notice -- that the public notice that is given, I have always considered was equivalent of the actual notice required under the administrative approval of dual completions.

MR. GURLEY: My reason for asking that is whether or not there has been any objection received by them, by the companies?

A I have talked to the Gulf Oil Corporation in Fort Worth, who hold the lease on the west, and they told me they had no objection. They are the only ones I did contact.

MR. NUTTER: And who owns the quarter section southwest of the northwest quarter?

A That is owned by Roan Oil Company.

MR. NUTTER: You have not contacted --

A I should have said that I have contacted them because we had an interest in the gas that is being produced from that well but not any oil and I have contacted Roan and they have no objection.

MR. NUTTER: Anyone else have any further questions of the witness? Mr. McNaughton, what is the depth of the top of that plug?

A I am sorry, I can't give that to you, sir. I endeavored to find that out. This well was worked on some eight years ago, and our records don't show that information. It is my intention to go into the well and find that plug before we plug back and, if necessary, an additional plug will be set in the bottom of the well. I have no reason to think that the plug is in unsatisfactory condition, but it hasn't been bothered for eight years and as a matter of good procedure it will be necessary to find that plug. That will be reported, of course, in our reports.

MR. NUTTER: Now, on Exhibit No. 2 in the sketch illustration, the present status of the well you show the intervals the Blinebry is presently perforated, is that right?

A Yes, sir.

Q On the proposed status you indicated where the Blinebry will be perforated, but the actual figures are not there. Will the perforations be the same?

A They will be the same. I laid a rule across there and I didn't think it was necessary -- probably I should have.

Q Now, these Tubb perforations, are they pretty firm?

A Yes, sir.

Q How did you establish those, from the electric log?

A From the electric log and re-examination of the samples by our geologist and that recommendation has come to us in a letter.

Q And the principle reason that you haven't considered -- well, you did consider, but you haven't proposed to use two packers with this crossover on there?

A That, and the fact that I feel the less equipment we put in the well the better off we will be, if it works, without incurring waste, I feel that it will be much easier to take care of it.

Q What is the present GO recovery on that Blinbry zone?

A I have a recent test here which I believe was turned in in May or June to the Commission -- produced 36 barrels of oil, 101,300 cubic feet of gas, gas over oil ratio of 16,883. It also produced one barrel of water on that test.

Q You lost me on those figures.

A Thirty-six barrels of oil, one barrel of water, 101,300 cubic feet of gas and a gas over oil ratio of 16,883.

MR. NUTTER: Anyone have any questions of the witness?

MR. REIDER: Mr. McNaughton, do I understand it correctly if by production of this well through the casing tubing annulus the ratio raises, say, about double and the oil production falls off, will you then, immediately, if it classifies the gas well, would you then consider abandonment of that section?

A Yes, I would say that we would consider abandoning it. There is no other way that we could produce it efficiently. Before we would shut in a six barrel oil well, I would probably try and put a crossover packer in there.

Q Well, that was part of the reason of my question. In other words, if by the possibility of the less efficient lift this well might be plugged and abandoned, then I think it might be given some consideration in the hearing. However, if some effort would be made to keep the well on production such as possibly the use of packers, I think that ought to also be brought out.

A Well, I believe I mentioned awhile ago that we would resort to crossover packers if we thought that it was either that or plug the well, assuming that the well continued to indicate that it would produce oil at a reasonable rate. I checked up this morning, I believe the well had produced only a total of 20,000 barrels of oil in its life. I am also aware that the oil section in this Roan Oil Company well in the southwest of northwest of 13 south is making somewhere around sixteen barrels of oil a day.

Q Averaging 18.

A With a gas-oil ratio of about 10,000 to one.

Q Twelve thousand to one.

A Well, I don't know as I could even make a fair estimate as to how much the gas-oil ratio will increase, producing into the tubing casing annulus as compared to production through the tubing, but even if the gas ratio doubles and we could end up with a well as good as theirs, I say it would be economical and no waste.

Q Could you tell me this, is any of your acreage presently dedicated to the Elliott B 13 for gas?

A It is all presently dedicated.

MR. NUTTER: Was that Elliott well completed as a dual completion?

A It is a dual completion from the Blinebry oil section to Blinebry gas section. That dual completion was approved about two years ago, I believe, before the owners were written for the Blinebry gas pool.

MR. NUTTER: How is it producing?

A It is producing much in the same mechanical manner as indicated on the proposed status. They have a Baker production packer set between the Blinebry gas section and the Blinebry oil section and the Blinebry oil section is producing through the tubing, itself, the lower section, and the Blinebry gas section is producing through the tubing casing annulus and there is apparently an allowable for both the gas and oil.

MR. REIDER: Mr. McNaughton, has your company and the Elliott, the Roan, made any discussions as to the removal of your acreage from the Elliott well for the Roan-Elliott B 13?

A You mean to cut us off?

Q No, if this well in the northwest of the northwest is completed as a Blinebry oil well, the current rules of the orders require that you cannot have dual dedication and would require the removal of that quarter section from the dedication to the Elliott B 13.

A I believe maybe you misunderstood what I intended,

Mr. Reider, our 120 acres is dedicated to the gas section of the Roan-Elliott B 13 No. 1. We have no interest in their oil that is being produced in the oil section. They have an allowable for oil which they alone are the recipients of and we have the allowable for oil from our Hinton 10. It states in rather a round about way that exactly what exists on the Roan-Elliott B 13, cannot be.

Q I am aware of that. In other words, it says that you can have a dual completion between the Blinebry oil and Blinebry gas, which prompted my question to the effect that by the same token you could not dedicate simultaneously this acreage.

MR. CAMPBELL: Mr. Examiner, I don't think that follows. There has been a great deal of discussion about dual dedication of acreage, and there is no rule which prevents it at this station whether or not the orders on the other cases involving the other well, having been entered prior to the time of the entry of these new orders. The effect of that is something else, but as it stands there is a valid order permitting the production of the Roan well in the manner in which it is being produced and as long as that order is in existence I can't see that there is any question involved into this well; that is two different things. They are producing gas from the Blinebry gas zone and this acreage is dedicated to it. Penrose proposes to produce a Blinebry oil well on the 160 acre tract and I know of nothing in the Blinebry oil rules that prohibits that at this stage of the development. I know it has been discussed a number of times, but it has never been issued by the Commission to my knowledge. If it has I sure

missed something that I have been watching for. I would like to state that the Elliott B 13 is not under consideration here at this time, only in so far as the NW/4 of the NW/4 is presently dedicated to this acreage.

MR. REIDER: Of course, if there is no question then but that the entire 160 acre tract allowables will be taken from two wells instead of one, you wouldn't get any additional gas allowable if this did become a gas well by virtue of the gas being freed from the zone, but I don't think at this time the question of the other well there seems to me is removed because the order is in existence in the Commission, and, of course, has control over that phase of it. Should that be brought up or changed, why, it could indirectly affect this well. I would like to submit that I feel that possibly some interpretation should be given to the orders inasmuch as the wording, as a matter of opinion, but I feel that the wording might possibly deny the dual dedication of this acreage.

MR. NUTTER: Mr. Reider, is it your idea that the 160 acres is already dedicated to a gas producing well?

MR. REIDER: Yes, sir.

MR. NUTTER: It is your feeling that it can't be -- you can't re-dedicate that to a gas producing well in a Tubb?

MR. REIDER: No, no, the acreage can be dedicated to the Tubb gas well without any question, but the Blinebry oil well that they will complete or that this whole dealing, is dealing with, which they have presently in production -- but the Blinebry oil well possibly might be in conflict with the orders to an

extent. At the time the order states that there will not be a Blinebry oil and a Blinebry dual completion, and that is my opinion that it is the intent of the order; that you cannot simultaneously remove a gas well from the same section, quarter section, or tract of land.

MR. NUTTER: Well, the fact still remains, does it, Mr. Reider, that we presently have 160 acres dedicated to this Roan-Elliott B 13 gas, producing gas from the Blinebry gas pool, and this Penrose Hinton No. 10 is presently completed into the Blinebry?

MR. REIDER: That is correct. But if I may, Mr. Examiner, if both wells were granted their allowables and assigned their allowables prior to the effective date of the order No. R-610 and the validity of the allowables assigned to them is controlled by the orders that were in existence or were not in existence prior to 610, we are presently considering the case with 610 in full force and effect. It is my opinion, at the present time, in the consideration of this case, that 610 does have a bearing, and is in effect and can most certainly be applied at this time to this well.

MR. CAMPBELL: Mr. Examiner, just one thought on that. The point is apparent, but I would like to say that it seems to me quite obvious that Penrose should not be penalized in his application because a well was completed properly and under proper and valid orders of the Commission prior to the time these rules were put into effect. The second thing is if that is the construction that is to be placed upon this and other orders in other gas pools in Lea County, the Commission had better stand by

for a lot of hearings, for there are a number of cases which are, if not identical, certainly parallel with this, with the exception of the fact that in most instances you don't have a well completed prior to the time that these rules were adopted but it doesn't seem to me to be fair to penalize Penrose because of some action of another party prior to the time that these orders went into effect, but, of course, the Commission will have to consider all of those aspects in connection with this application.

MR. NUTTER: Well, the well came into the hearings with an allowable and the hearing is for the purpose of considering a dual completion to get an allowable for the Tubb pool.

MR. CAMPBELL: Well, now he has an oil allowable, that is correct.

MR. NUTTER: Are there any further questions of the witness? Does anyone have any statement they wish to make? Mr. Campbell, do you want to offer those exhibits?

MR. CAMPBELL: Does the record show that I offered Penrose Exhibit 1 and 2 in evidence?

MR. NUTTER: Is there any objection to the introduction of Penrose Exhibit 1 and 2? If not, they will be received. The witness may be excused and we will take the case under advisement.

(Witness excused.)

REPORTER'S CERTIFICATE

I, LOUIS R. GUEVARA, do hereby certify that the foregoing and attached Transcript of Proceedings, pages numbered 2 through 16, were reported by me in Stenograph at the time and place aforesaid; that the same was reduced to typewritten transcript by me and contains a true and correct record of said proceedings to the best of my knowledge, skill and ability.

DATED this 29th day of August, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Louis R. Guevara
LOUIS R. GUEVARA, Court Reporter

DOCKET: EXAMINER HEARING AUGUST 22, 1956

New Mexico Oil Conservation Commission 10:00 a.m., Hobbs, New Mexico

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 1132: Application of Stanley L. Jones for an unorthodox location and the assignment of an allowable for the Jones and Watkins Platt Well No. 1 in the Dayton Pool, Eddy County, New Mexico, in exception to Rule 104 (c) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting an unorthodox location for the Jones and Watkins Platt Well No. 1 at a point 75 feet from the South line and 125 feet from the West line of Section 26, Township 18 South, Range 26 East, Eddy County, New Mexico, and further that said well be assigned an oil allowable. Said well was initially drilled prior to the promulgation of spacing and well location rules in the area and was later recompleted in the Dayton Pool.
- CASE 1133: Application of Ohio Oil Company for an order granting an unorthodox location and the assignment of a normal unit allowable for its proposed well in the Dean-Devonian Pool, Lea County, New Mexico, in exception to Paragraphs 3, 5 and 6 of the Special Rules and Regulations for the Dean-Devonian Pool as set forth in Order R-707. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox location for its proposed well at a point 1650 feet from the North line and 330 feet from the East line of Section 34, Township 15 South, Range 36 East, Lea County, New Mexico. Applicant further seeks authorization of full allowable for said well notwithstanding its unorthodox location.
- CASE 1134: Application of Neville G. Penrose, Inc. for permission to dually complete its Hinton No. 10 Well in the Blinebry Oil Pool and the Tubb Gas Pool, Lea County, New Mexico, in exception to Rule 112-A (a) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order permitting the dual completion of its Hinton No. 10 Well located in the NW/4 NW/4 of Section 13, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant proposes to produce oil on top from the Blinebry Oil Pool, through the casing-tubing annulus and gas on the bottom from the Tubb Gas Pool through the tubing.
- CASE 1135: Application of The Texas Company for permission to dually complete its A. H. Blinebry (NCT-1) Well No. 3 in the Blinebry Oil Pool and the Tubb Gas Pool, Lea County, New Mexico, in exception to Rule 112-A (a) of the New Mexico Oil Conservation Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order permitting the dual completion of its A. H. Blinebry (NCT-1) Well No. 3 located in the SE/4 NW/4 of Section 29, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant proposes to produce oil on top from the Blinebry Oil Pool and gas on the bottom from the Tubb Gas Pool by means of parallel strings of tubing.
- CASE 1136: Application of Amerada Petroleum Corporation for permission to dually complete its Cagle "C" No. 1 Well as a gas-gas dual in the Jalmat Gas Pool and the Langlie-Mattix Pool, Lea County, New Mexico, in compliance with Rule 112-A (a) of the New Mexico Oil Conservation Commission Rules

and Regulations. Applicant, in the above-styled cause, seeks an order authorizing a gas-gas dual completion for its Cagle "C" No. 1 Well located 990 feet from the North and West lines of Section 3, Township 26 South, Range 37 East, Lea County, New Mexico; said well is to have gas production from the Yates and Upper Seven Rivers formations of the Jalmat Gas Pool and gas production from the Lower Seven Rivers formation of the Langlie-Mattix Pool. A small portion of the uppermost perforations in the lower gas pay falls within the vertical limits, of the Jalmat Gas Pool as well as the Langlie-Mattix Pool.

CASE 1137:

Application of Humble Oil and Refining Company for permission to convert its State "A" Well No. 2 into a salt water disposal well in the San Andres formation of the Hobbs Pool in accordance with New Mexico Oil Conservation Commission Statewide Rule 701. Applicant, in the above-styled cause, seeks an order granting permission to convert its previously abandoned State "A" Well No. 2 into a salt water disposal well; said well is located 330 feet from the South and East lines of Section 25, Township 18 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject salt water below the oil-water contact of the San Andres formation in the Hobbs Pool.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 28, 1956

C
O
P
Y

Mr. Jack M. Campbell
Campbell & Russell
P.O. Box 721
Roswell, New Mexico

Dear Sir:

On behalf of your client, Neville G. Penrose, Inc., we enclose two copies of Order R-882 issued September 27, 1956, by the Oil Conservation Commission in Case 1134, which was heard on August 22nd at Hobbs.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

brp
Encls.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1134
Order No. R-882

APPLICATION OF NEVILLE G. PENROSE,
INC., FOR AN ORDER PERMITTING DUAL
COMPLETION OF ITS HINTON NO. 10
WELL IN THE BLINEBRY OIL POOL AND
THE TUBB GAS POOL, SAID WELL BEING
LOCATED IN THE NW/4 NW/4 OF SECTION
13, TOWNSHIP 22 SOUTH, RANGE 37 EAST,
NMPN, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m.
on August 22, 1956, at Hobbs, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the New Mexico Oil Conservation Com-
mission, hereinafter referred to as the "Commission," in accord-
ance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of September, 1956, the Com-
mission, a quorum being present, having considered the application,
the evidence adduced and the recommendations of the Examiner,
Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Neville G. Penrose, Inc., is
the owner and operator of an oil well known as the Hinton No. 10
Well located in the NW/4 NW/4 Section 13, Township 22 South, Range
37 East, NMPN, Lea County, New Mexico.

(3) That the applicant, Neville G. Penrose, Inc.,
proposes to dually complete the said Hinton No. 10 Well in the
Blinebry Oil Pool and the Tubb Gas Pool by producing Blinebry Oil
through the casing-tubing annulus, and Tubb gas through the tubing.

(4) That the production of oil through the casing-
tubing annulus would be inefficient and that underground waste
would result if said dual completion were permitted.

IT IS THEREFORE ORDERED:

That the application of Neville G. Penrose, Inc.,
for permission to dually complete its Hinton No. 10 Well, located

-2-

Order No. R-882

in the NW/4 NW/4 Section 13, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, so as to produce oil from the Blinebry Oil Pool through the casing-tubing annulus and gas from the Tubb Gas Pool through the tubing be and the same is hereby denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms

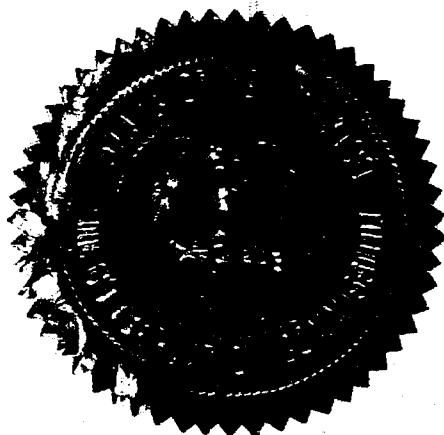
JOHN F. SIMMS, Chairman

E. S. Walker

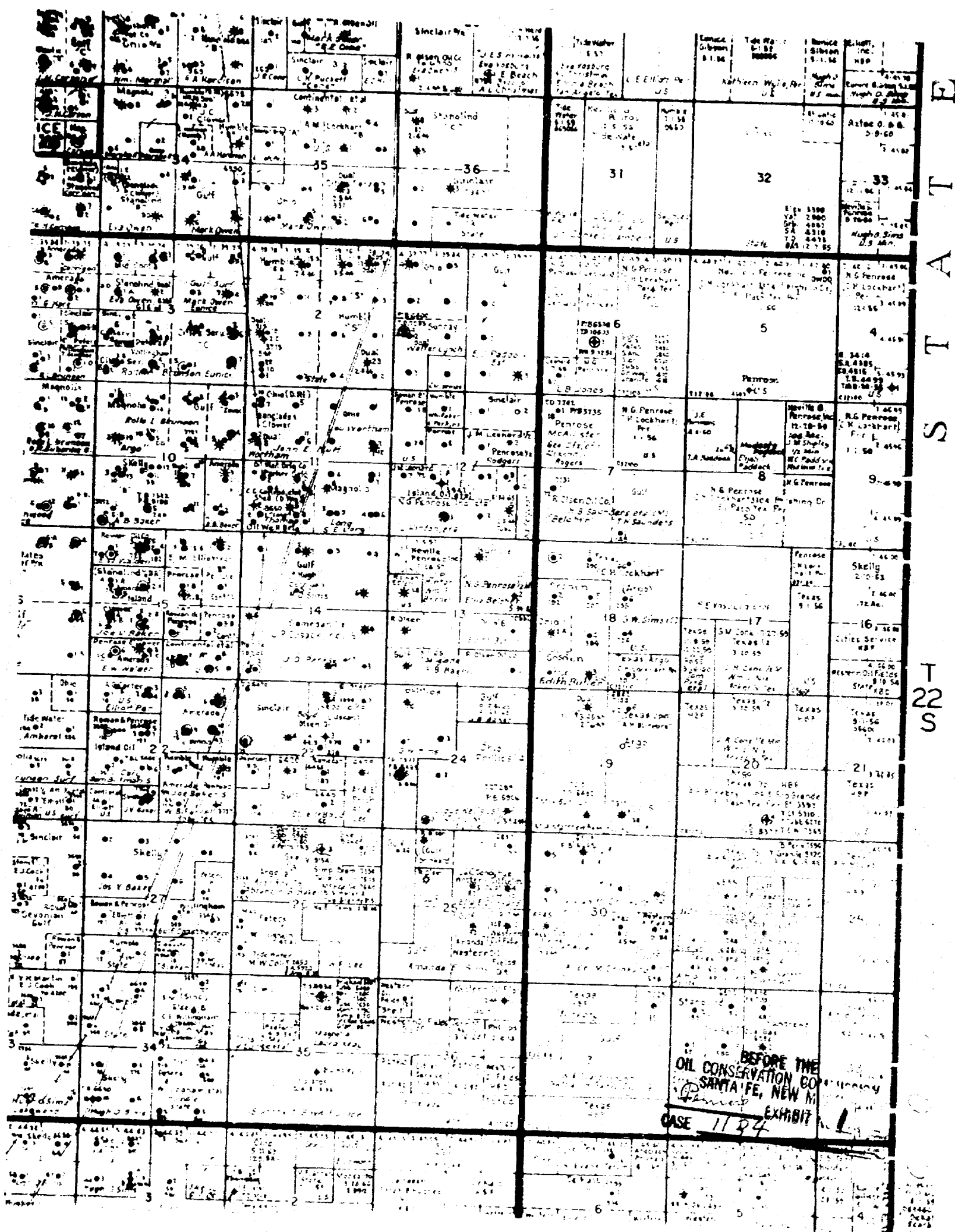
E. S. WALKER, Member

A. L. Porter, Jr.

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

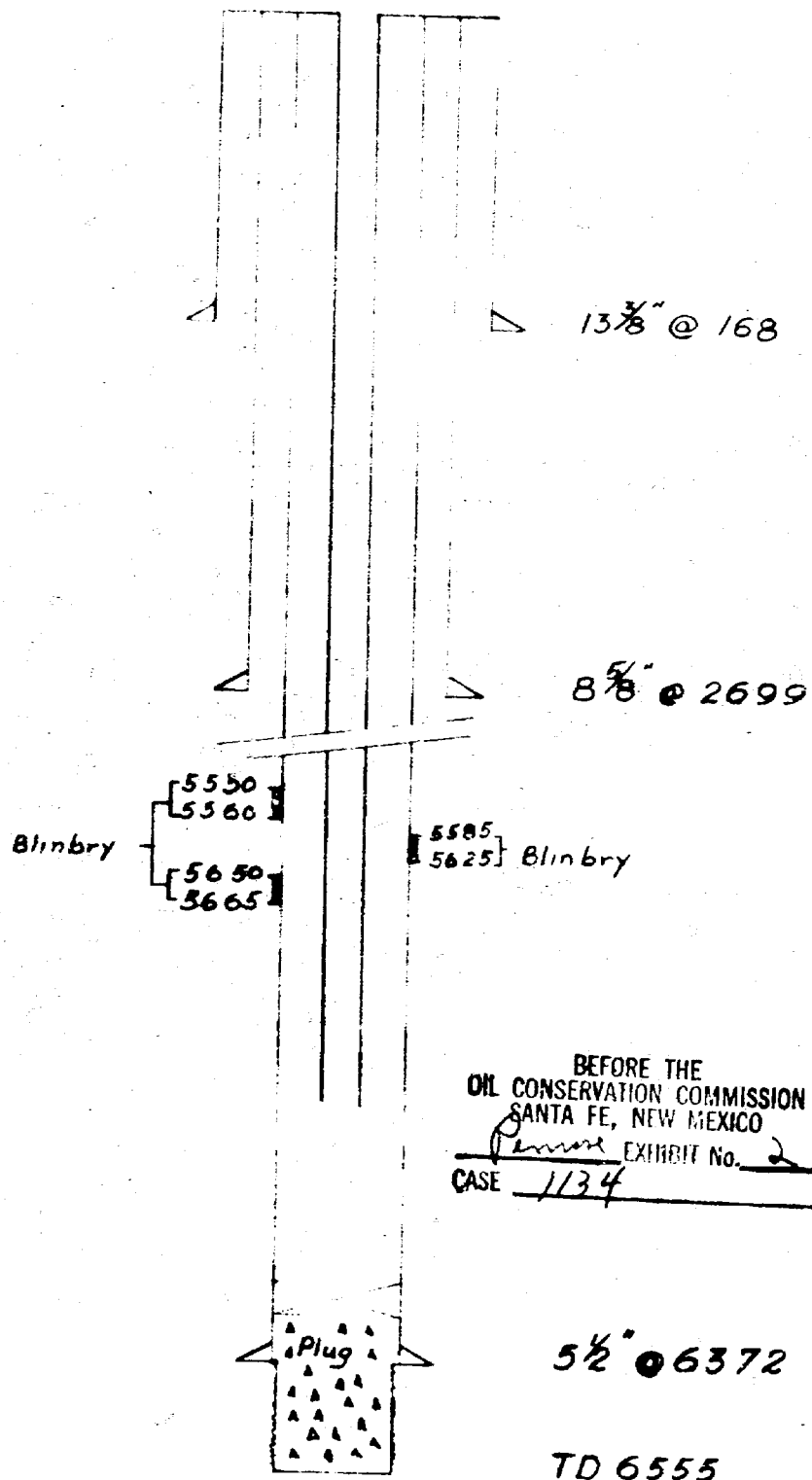


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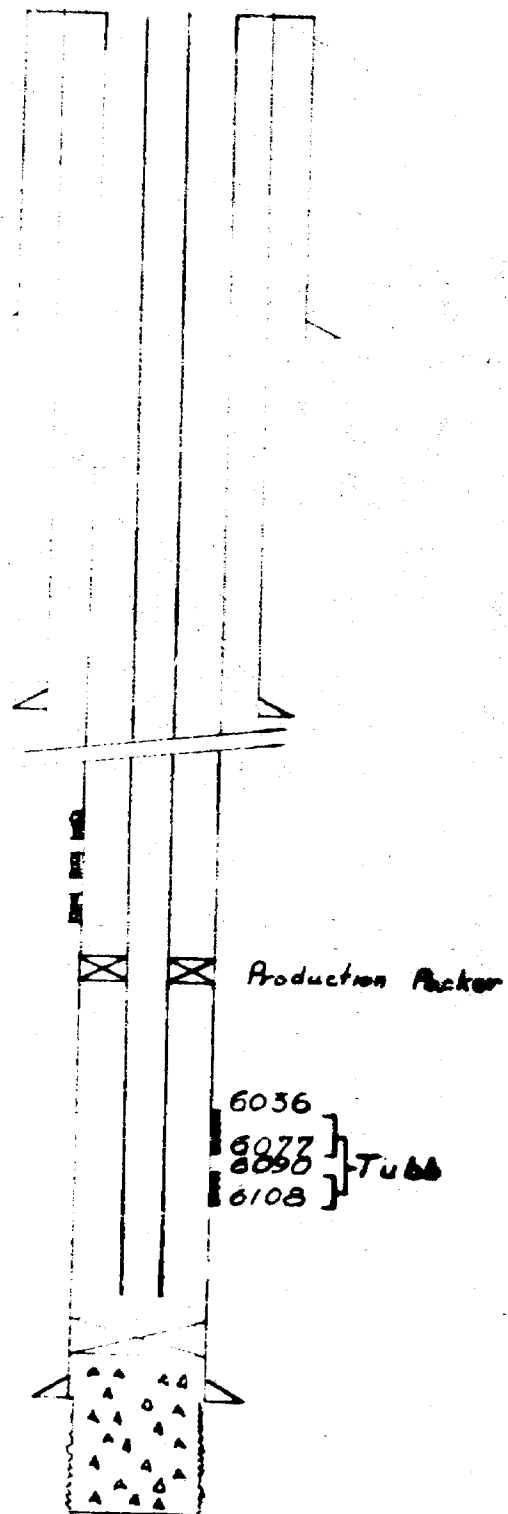


NEVILLE G. PENROSE, INC.
Clinton #10, NW/4 NW/4, Section 13, T22S-R37E

PRESENT STATUS



PROPOSED STATUS



MAIN OFFICE OCC

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BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
NEVILLE G. PENROSE, INC., FOR AN
ORDER PERMITTING DUAL COMPLETION
OF ITS HINTON #10 WELL IN THE
BLINEBRY OIL POOL AND THE
TUBB GAS POOL, SAID WELL BEING
LOCATED IN THE NW/4 NW/4, SEC. 13,
T. 22-S, R. 37-E, NMPM, LEA COUNTY

NO. 1134

APPLICATION

COMES NOW, NEVILLE G. PENROSE, INC., by its attorneys,
CAMPBELL & RUSSELL, Roswell, New Mexico, and applies to the
Commission for permission to dually complete its Hinton #10
Well, located NW/4 NW/4, Section 13, Township 22-South,
Range 37-East, Lea County, New Mexico, as an oil well
producing oil in the Blinebry oil pool and a gas well
producing gas from the Tubb Gas Pool, Lea County, New Mexico,
and as its grounds therefore states:

1. Applicant is the owner and operator of its Hinton
#10 well situated in the NW/4 NW/4, Section 13, Township
22-South, Range 37-East, Lea County, New Mexico.

2. Applicant proposes to dually complete the above
described well producing Blinebry oil through the casing
annulus, and Tubb gas through the tubing.

3. Applicant submits with this application its
Exhibit A, showing the location of wells on Applicant's
lease and all offset wells on offset leases.

4. Applicant submits herewith its Exhibit B, being
a diagrammatic sketch of the present status and proposed
status of its Hinton #10 well.

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Sent copy to
Docket
Comp. Sec.
John McLaughlin

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5. Applicant can produce the said well in such a manner that there will be no commingling within the well bore, either within or outside the casing, of oil or gas produced from either or both of the separate strata involved.

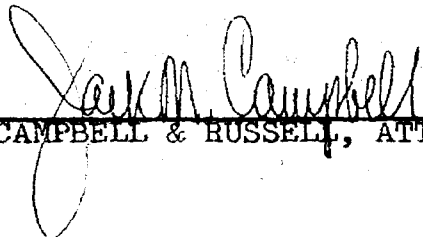
6. If this application be granted, Applicant will make all required tests, and furnish all required information to the Commission concerning the operation of the proposed dually completed well.

WHEREFORE, Applicant requests that the Commission enter its order permitting Applicant to dually complete its Hinton #10 well as a Blinbry oil well and Tubb gas well.

Respectfully submitted,

NEVILLE G. PENROSE, INC

By


CAMPBELL & RUSSELL, ATTORNEYS

Section		Twp		Range		County		State		City		Address		Phone		Fax		E-mail		Web		Notes	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48
49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72
73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120

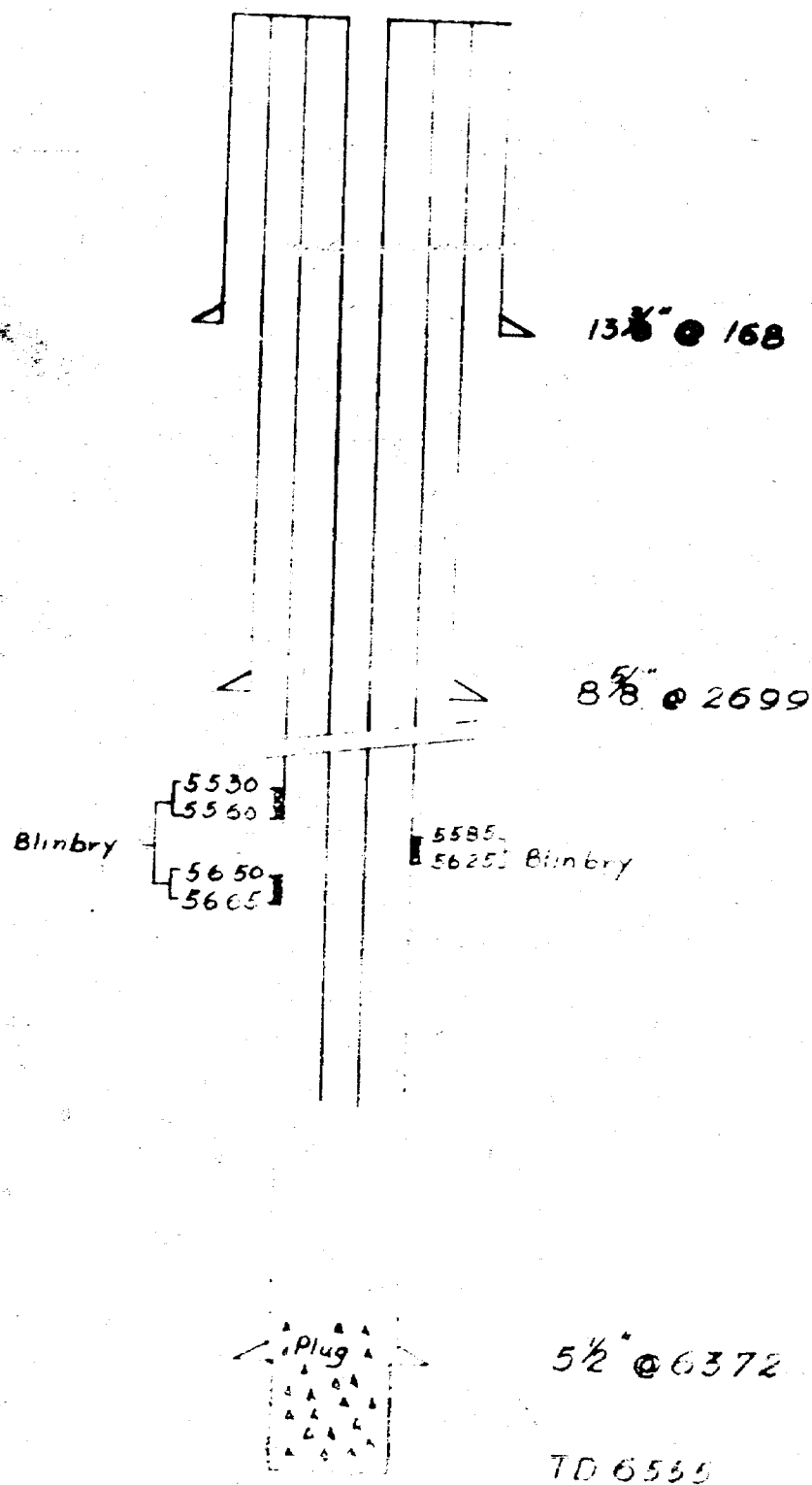
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NEVILLE G. PENROSE, INC.
Hinton #10, NW/4 NW/4, Section 13, T22S-R37E

PRESENT STATUS



PROPOSED STATUS

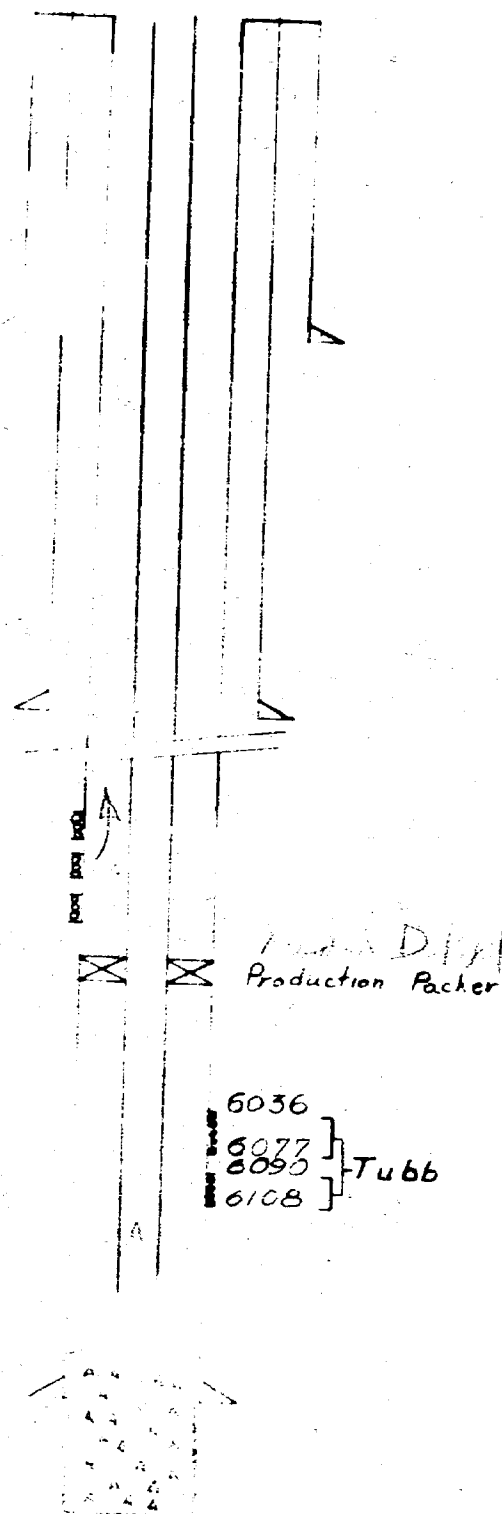


Exhibit B