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Application
for a well in Arlee-Fruitland Gr. Pool
San Juan County, without tubing, Rule 107 (c)

Case No.

1284

Application, Transcript,
Small Exhibits, Etc.

Horace F. McKay, Jr.
800 Loma Linda Place N.E.
Albuquerque, New Mexico

July 5, 1957

McKay - Payne

Bearden #1

Mr. A. L. Porter
The Oil Conservation Commission
Box 871 Santa Fe, New Mexico

Dear Sir;

I would like to have an Examiner hearing set in Santa Fe at the earliest possible date for the purpose of asking the exception to Rule 107 paragraph C.

The well is located in NW $\frac{1}{4}$ Sec 19-29N-10W. This well was drilled to the PC and turned to water before being hooked up to the line. One hundred sacks of cement were pumped into the well and a plug set at 1626 feet.

We then perforated the casing in the fruitland sand from 1581 to 1559 then 1555 to 1539 feet using 3 shots to the foot. When this was done it was necessary to pump water in the hole to try to quiet the well in order to set a different head on the well for fracing. Since the well was trying to blow at this point it was decided it would be extremely hazardous to run the tubing back in the well and thought we should defer the frac job.

As soon as the frac job was completed the well blew in and made it impossible to put any tubing into the well.

Since there is no danger in the formation I am requesting that rule 107 paragraph C be waived (until a later date. After the well has been produced a while and is not so hazardous, I will have tubing run into this well.

Yours truly,

Horace F. McKay
168

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Docket mailed to
McKay 7-11-57
J.P.

well is

1750' FNL

840' FNL

Artes Fruitland Gas Pool

For your info

DOCKET EXAMINER HEARING JULY 24, 1957

Oil Conservation Commission 9:00 a.m., Mabry Hall, State Capitol, Santa Fe

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

CASE 1284:

Application of Horace F. McKay, Jr. for permission to produce a well in the Aztec-Fruitland Gas Pool, San Juan County, New Mexico, without tubing in exception to Rule 107 (c) of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting permission to produce the McKay-Payne Bearden No. 1 Well located 1750 feet from the North line and 890 feet from the West line of Section 19, Township 29 North, Range 10 West, San Juan County, New Mexico, without setting tubing in said well.

CASE 1285:

Application of Harry Bass Drilling Company and Champlin Oil and Refining Company for an order authorizing directional drilling to a predetermined point in the Echol-Devonian Pool, Lea County, New Mexico, in exception to Rule 111 of the Commission Rules and Regulations. Applicants in the above-styled cause, seek an order authorizing them to re-enter their State "A" Well No. 1 located 660 feet from the South line and 1980 feet from the East line of Section 32, Township 10 South, Range 37 East, Lea County, New Mexico, for the purpose of directionally re-drilling said well to a 50 foot target area, the center of which is located 2018 feet from the East line and 355 feet from the South line of said Section 32.

ir/

OK
to
approve 1/29/57
JWW

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 12-28

CASE 1284

Hearing Date 1-2-57

My recommendations for an order in the above numbered cases are as follows:

1. That the applicant be allowed to produce the Mc-Kay & Payne - Beardon #1 1750/N, 880/W-19-29 N-10 W, within 1 mile of the center, P&H Smithland gas pool, thru the 4' casing without running tubing in the well. (exception to Rule 109 (c))
2. A provision should be made in the order to the effect that the communication must be sufficient to ensure the tubing of this well without water seeping.
3. No ~~water~~ waste will accrue at this time by producing without tubing.

When sufficient
liquids are produced
in the future

Thos. H. Hays
Staff Member

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 7/26/57

CASE 1284

Hearing Date 7/24/57

ASN @ SF @ 9:00 am

My recommendations for an order in the above numbered cases are as follows:

Enter an order authorizing
applicant to produce its
McKay - Payne Bearden well No 1,
located 1750' FNL & 890' FWL
Sec 19, T29N, R10W, San Juan
County, New Mexico through $4\frac{1}{2}$ "
casing in exception to Rule 107(c).
^{well file and}
It should for name of new operator
(partnership of McKay and others)

Order should provide that authority
to produce well through casing and
without tubing is granted only for
such a period of time as the
well's production is essentially
liquid-free

Sam Miller
Staff Member
Examiner

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 9, 1957

Mr. Horace F. McKay, Jr.
800 Loma Linda Place, SE
Albuquerque, New Mexico

Dear Sir:

We enclose a copy of Order R-1028 issued August 7, 1957, by the Oil Conservation Commission in Case 1284, which was heard on July 24th at Santa Fe.

Yours very truly,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

C
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Y

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1284
Order No. R-1026

IN THE MATTER OF THE APPLICATION
OF HORACE F. McKAY, Jr., FOR
PERMISSION TO PRODUCE A WELL IN
THE AZTEC-FRUITLAND POOL, SAN JUAN
COUNTY, NEW MEXICO, WITHOUT
TUBING, IN EXCEPTION TO RULE 107 (c)
OF THE COMMISSION RULES AND
REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 24, 1957, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th day of August, 1957, the Commission, 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 cause and the subject matter thereof.
- (2) That the applicant, Horace F. McKay, Jr., proposes to produce the McKay-Payne-Zachry Bearden No. 1 Well, located 1750 feet from the North line and 890 feet from the West line of Section 19, Township 29 North, Range 10 West, NMPM, Aztec Fruitland Pool, San Juan County, New Mexico, through the 4-1/2 inch casing, without setting tubing, due to hazards occasioned by the high pressures presently existing in said well.
- (3) That approval of the subject application will not cause waste nor impair correlative rights.
- (4) That the Commission should require tubing to be set in the said McKay-Payne-Zachry Bearden No. 1 Well when the same can be safely accomplished.

IT IS THEREFORE ORDERED:

That the applicant, Horace F. McKay, Jr., be and the same is hereby authorized to produce his McKay-Payne-Zachry Bearden No. 1 Well, located 1750 feet from the North line and 890 feet from the West line of Section 12, Township 29 North, Range 10 West, NMPM, Astec Fruitland Pool, San Juan County, New Mexico, through the 4-1/2 inch casing, without setting tubing until such time as the Commission determines that said well can be tubed without undue hazard.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



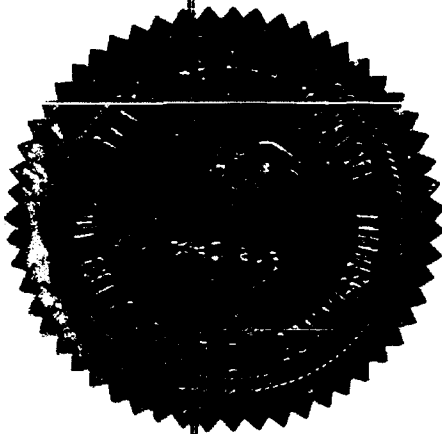
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
July 24, 1957.

CASE NO. 1284

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-2211

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.
July 24, 1957.

IN THE MATTER OF:

Application of Horace F. McKay, Jr. for permission to produce a well in the Aztec-Fruitland Gas Pool, San Juan County, New Mexico, without tubing in exception to Rule 107 (c) of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting permission to produce the McKay-Payne Bearden No. 1 Well located 1750 feet from the North line and 890 feet from the West line of Section 19, Township 29 North, Range 10 West, San Juan County, New Mexico, without setting tubing in said well.) Case 1284

MABRY HALL, STATE CAPITOL,
SANTA FE, NEW MEXICO.

BEFORE:

Daniel S. Nutter, EXAMINER.

TRANSCRIPT OF HEARING

MR. NUTTER: We will proceed with Case Twelve Eighty-four. Next case, Twelve Eighty-four.

MR. COOLEY: Case Twelve Eighty-four: Application of Horace F. McKay, Junior for permission to produce a well in the Aztec-Fruitland Gas Pool, San Juan County, New Mexico, without

taking in exception to Rule One-Zero-Seven (c) of the Commission Rules and Regulations.

MR. NUTTER: Is there a representative of Applicant in this case present?

A Yes, sir.

MR. NUTTER: Would you identify yourself?

A Horace McKay, Junior.

MR. NUTTER: Are you going to be the only witness, Mr. McKay?

A Yes, sir.

(Witness sworn.)

HORACE MCKAY, JUNIOR

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

DIRECT EXAMINATION

BY MR. COOLEY:

Q State your name and position, please.

A Horace F. McKay, Junior. I guess it would be Operator. It's a Partnership, comprising of three people, in this well.

Q Operator, McKay-Payne Bearden Number One?

A Right.

Q Mr. McKay, would you state for the Examiner, please, your educational background and experiences you have had in the

oil industry?

A Well, I'm no expert, and my testimony is not to be considered expert testimony.

Q Your testimony is not offered as expert testimony?

A No.

Q We will dispense with the qualifications. Will you proceed?

A This well was drilled -- originally a Pictured Cliff well completed some time in the latter part of January -- and we put an intermediary on the well, and it continued -- this Pictured Cliffs continued -- making more and more water. The top of Pictured Cliffs was seventeen eighty-five, and we bottomed at eighteen-zero-three, and it finally just turned to water, period; so we used a hundred sacks of cement and cemented it over -- set a plug at sixteen twenty-six and went on to complete in the Fruitland Sand. Then we had Fruitland from fifteen thirty-nine to fifteen eighty-one. We perforated, using three shots -- the total of a hundred eighteen shots -- in that particular section of Fruitland. We had the tubing by the well, and intended to, after perforating the casing, to run the tubing. When it was perforated, the well went out on us -- started going out -- and we were not able to run the tubing back in. Empire State drilled a well, and Jim Laurence had his rigging on there at the time, and felt that if

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ve fracked the well, he thought it would kill it; so we proceeded to frack it -- used twenty-two thousand five hundred pounds of sand, and thirty thousand gallons of water on the frack, and as quick as that was completed, it took off. We didn't have a chance to run the tubing back in there; and we feel it's too hazardous to run tubing in. We ran four and a half inch casing, C.D., to begin with, and there's not enough water weight to hold her down; and to go in now and attempt to kill the well, might really do a lot of damage to the well. So our request is to produce it as it is, for until such time as the pressure will allow us to run tubing in. It's a dry formation, so we don't have any water problem other than condensation, which might develop. We've got about forty-five feet, I guess, of open hole in the bottom, below the bottom of the formation, somewhere around there; I didn't figure it out exactly -- thirty-three feet it is -- of open rat hole.

MR. NUTTER: Where is this thirty-three feet of open hole?

A It's below the -- from the top of the plug to the bottom of the Fruitland. The bottom of the Fruitland is fifteen eighty-one, and the plug is at sixteen twenty-six.

MR. NUTTER: And where is the casing shoe?

A We ran casing originally to seventeen eighty-five, and cemented the casing in, circulated it with four hundred sixty-

five sacks of cement, originally. That's when we were trying to produce in Pictured Cliffs.

MR. NUTTER: How did you have this open hole then?

A Well, I mean it's just that. I don't mean open hole; it's space below the formation to the top of the plug in there, and the plug is set at sixteen twenty-six.

MR. NUTTER: I see.

A And the bottom of the producing formation is fifteen eighty-one, this thirty-three, thirty-four, thirty-five feet.

MR. NUTTER: Do you have anything further?

A No, sir.

MR. NUTTER: Does anyone have questions of the witness?

MR. COOLEY: For the sake of clarification of the record, the well to which all of your testimony has referred, is the McKay-Payne Bearden Number One well, located seventeen hundred fifty feet from the North line, and eight hundred ninety feet from the West line of Section Nineteen, Township Twenty-nine North, Range Ten West, San Juan County, New Mexico?

A That is correct.

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

MR. UTZ: Yes, sir.

MR. NUTTER: Mr. Utz.

MR. UTZ: Mr. McKay, you have a shut in pressure on

Q This well?

A Six hundred and twenty-seven pounds.

Q That's surface absolute?

A That's absolute.

Q Have you made an absolute open flow test on this well?

A Three million, eight twenty-eight.

Q Do you know whether any other wells in the Aztec-Fruitland Gas Pool are producing any water?

A Not that I know of.

Q The whole pool, you believe, is pretty dry?

A Yes, sir.

Q And you don't anticipate any liquid troubles of any nature by producing through the, I believe, four and a half inch casing?

A Right. No, we don't anticipate any.

Q If at any time you did encounter liquid troubles, would you tube this well?

A We would.

Q And the reason that you don't want to tube it now is because you are afraid by killing the well, you may injure the deliverability?

A That is correct.

Q Would you be receptive to a provision in the order,

if the well encountered liquid trouble later on, you would be required to tube it?

A I would. That would be all right.

MR. UTZ: That's all I have.

MR. MANKIN: Floyd Mankin, Oil Commission. Might I, for the record, show the last gentleman speaking was Mr. Utz of the Oil Commission. Mr. McKay, you indicated this was not producing any vapor but possibly could not have condensate. Do you have any knowledge of the amount of condensate with this three point eight million?

A No, I don't. I don't have any idea what that might be.

Q You have no testimony as to the quantity?

A No.

Q Was this test of three point eight million, a three hour test through three-quarter choke, or what?

A Three-quarter choke.

Q Is this shut-in surface pressure of six hundred twenty-seven pounds a normal pressure for other Fruitland wells in the Aztec-Fruitland Pool?

A I don't know.

Q You don't know how this compares with the other Fruitland pressures?

A No, I don't.

MR. HANKIN: That's all.

MR. NUTTER: Anyone else have any questions of the witness? If not, the witness may be excused.

(No response.)

(Witness excused.)

MR. NUTTER: Does anyone have anything further they wish to offer in Case Twelve Eighty-four? No statements or offerings?

(No response.)

MR. NUTTER: We will take the case under advisement, and the hearing is adjourned.

C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, CALVIN BEVELL, Court Reporter, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand this 30th day of July, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Calvin Bevell

Calvin Bevell, Court Reporter.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1284 heard by me on 7-24, 1957.

Janice A. Austin Examiner.
New Mexico Oil Conservation Commission

C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, CALVIN BEVELL, Court Reporter, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

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Calvin Bevell
Calvin Bevell, Court Reporter.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1284, heard by me on 7-24, 1957.
James A. Miller Examiner.
New Mexico Oil Conservation Commission