

1366: Signal Oil & Gas Co. Application
Oil-gas dual completion in Skaggs Pool &
Designated Drinkard gas pool, Lee County.

Case No.

1366

Application, Transcript,
Small Exhibits, Etc.

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 8, 1958

IN THE MATTER OF: Case No. 1366

TRANSCRIPT OF PROCEEDINGS

DEARNLEY . MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

Application of Signal Oil and Gas Company for an oil-gas dual completion in the Skaggs Pool and an undesignated Drinkard gas pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Fred Turner No. 1 well located 660 feet from the South line and 560 feet from the East line of Section 6, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Skaggs Pool and gas from an undesignated Drinkard gas pool through parallel strings of tubing.

Case 1366

TRANSCRIPT OF PROCEEDINGS

MR. COOLEY: Case 1366: Application of Signal Oil and Gas Company for an oil-gas dual completion in the Skaggs Pool and an undesignated Drinkard gas pool in Lea County, New Mexico.

MR. CAMPBELL: Jack M. Campbell, Campbell and Russell,
Roswell, New Mexico, appearing on behalf of the Applicant. I have
one witness.

(Witness sworn.)

NORMAN E. GODBE,

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

DIRECT EXAMINATION

By MR. CAMPBELL:

Q Will you state your name, please?

A Norman E. Godbe.

Q By whom are you employed and what capacity?

A I am employed by Signal Oil and Gas Company in Fort Worth, Texas, as Chief Division Engineer.

Q Mr. Godbe, will you please give the Examiner a brief history of your educational and professional background?

A I was graduated from the University of California in June of 1951 with the Degree of Bachelor of Science in Petroleum Engineering. Immediately upon graduation I was employed by Signal Oil and Gas Company. I worked until the latter part of 1955 as a drilling and production engineer in our West Coast Division. The latter part of '55 I was transferred to the West Texas and New Mexico District of the Mid-Continent Division. I worked as a drilling and production engineer until the mid-part of 1956, at which time I assumed the title of District Engineer. My responsibilities during that period were the handling of all drilling and production engineering for leases in those areas. The District responsibilities included the supervision of that type work.

In the middle part of 1957 I was transferred to our Division Office with the title of Chief Division Engineer, at which time I assumed the responsibility of supervision of all engineering work in our Mid-Continent Division. I'm a registered petroleum engineer

in the State of Texas.

Q Have you had occasion to appear before the Oklahoma Corporation Commission in your professional capacity?

A Yes, sir, I testified before that group.

Q Mr. Godbe, are you acquainted with the application of Signal Oil and Gas Company in this case?

A Yes, I am.

(Applicant's Exhibit No. 1
marked for identification.)

Q I'll hand you what has been identified as Applicant's Exhibit No. 1 and ask you to state what that is.

MR. CAMPBELL: I might say I inadvertently do not have additional copies of the same plat. However, it is the same plat attached to the application on file with the Commission and of which I furnished three copies. It is identical.

MR. NUTTER: That is good.

Q Will you please refer to that Exhibit No. 1 and state what it is?

A This plat is a plat of the area surrounding Signal Oil and Gas Fred Turner No. 1 Well. Said well is located in the southeast quarter of the southeast quarter of Section 6, Township 20 South, Range 30 East, Lea County, New Mexico.

MR. NUTTER: I believe that is Range 38 East.

A Pardon me, Range 38 East. The exact location is 660 from the South line and 560 from the East line of Section 6. The plat

also indicates the ownership of working interests surrounding the well and on leases surrounding the Signal leases; in addition, producing wells are shown in the area.

Q Have all of the owners of working interests surrounding that well been furnished with copies of this application, to your knowledge?

A Yes, they have.

Q Mr. Godbe, will you please refer to the records that you have available and give the Examiner a brief history of the well which is involved in this application?

A Yes, sir. Signal's Fred Turner No. 1 commenced drilling on March 9 of 1955. Said drilling was completed June 4, 1955. During the drilling of the well we encountered oil shows throughout the Grayburg formation, and subsequently set eight and five-eighths inch 32 pound casing to a depth of 4150 feet. We then continued drilling to the McKee which was found to be wet. Total depth of 7,014 feet was reached, and the well was plugged back to 7,000 feet. During the drilling of the lower portion of the well, we encountered what appeared to be gas pay sections from 6898 to 6962 feet. This interval was tested on a drill stem test from 6932 to 6968 and produced on drill stem test 10,500 MCF per day rate. It was a 58 minute test. 30 minute shut-in pressure indicated a bottomhole of 2715 pounds. A Baker Model "D" type permanent production packer was set at 4300 feet. The well was subsequently completed through perforations in the Grayburg oil producing zone.

Q During the time that that packer has been set above the gas zone, have you had any indications whatsoever of any leakage of gas from the lower zone?

A No, we haven't. I should point out that upon completion in the Grayburg producing zone, we took a 53-hour, I believe, shut-in pressure test and found the pressure of that zone to be 1209 pounds; so we have a differential pressure in excess of 1500 pounds. In addition, it should be brought out that we performed water shut-off tests both above and below the Drinkard zone, and water shutoff tests at the bottom portion of the Drinkard zone was from an interval 6990 to 91. We took in a portion of the gas zone itself and had a rate of flow of 295 MCF per day. A bottomhole pressure of 2785 pounds. Those perforations were not squeezed off, and the lower portion of the well, that is, the Drinkard zone packer itself has been subjected to that 2785 pounds, or possibly greater, since that time. There has been no evidence that there has been any packer leakage either around the exterior portion of the packer or from the center flap.

Q Now, Mr. Godbe, I hand you what has been identified as Applicant's Exhibit No. 2 and I will ask you to state what that is.

(Applicant's Exhibit No. 2
marked for identification.)

This is the same as the Exhibit "B" attached to the application; I think that has already been marked. Will you state what that is, and referring to it, explain to the Examiner the proposed

method of dual completion of this well.

A This is a proposed dual completion sketch prepared under my supervision. This is a no-scale sketch which indicates merely mechanics of the operation. It is our proposal to run two and three-eighths inch tubing through the model D production packer, landing that tubing with a model D landing assembly. We then propose to run a tubing gun and perforate the perforations indicated on our sketch; namely, 6898, 6904; 6915, 6922; and 6934 to 6962. We will then complete the well and produce the well through the two and three-eighths inch tubing.

Q Will this procedure that you have outlined and as indicated on the diagrammatic sketch, Exhibit 2, alter in any way the procedures to be used in pumping the upper oil producing zone?

A No, it will not. Upon completion of the running of the tubing for the lower zone, we will run the production string for the upper zone, landing it in approximately the same position which is currently producing. The same pumping equipment which we are now utilizing will be run, and the well will be produced in its normal fashion. The only change is moving the pumping equipment back a few inches to allow for the dual completion head.

Q During the time that you were making the initial test of the gas zone, did you make any gas analysis at that time?

A Yes, we did. We made a gas analysis from the gas received on the water shutoff test. That analysis indicated that gas was relatively dry and free of corrosion.

Q You were not able to find any substantial amount of liquid in the tests that you ran in connection with this gas zone, is that correct?

A That is correct, we did not find any appreciable amount.

Q Based on your experience as an engineer, and considering the method that you propose to use here with regard to the production of this well, do you believe that these two zones can be produced separately without any commingling of the gas in the lower zone and the oil or gas in the upper zone?

A Yes, I do. We feel that the Baker Model "D" permanent type production packer will form an effective seal and the dual equipment tubing head installation which we plan on using has been used in this area successfully without any commingling.

Q Have you undertaken negotiations for the marketing of the gas, should the application be granted and the well tested to produce sufficient amounts of gas to justify it?

A Yes, we have had correspondence with El Paso Natural Gas, that they agree to accept the gas at this time.

Q Is there an El Paso Natural Gas Company line within a reasonable distance of this well at this time?

A Yes, there is now a line in that area, and my recollection is it is approximately three-quarters of a mile distant from the well.

Q Of course, I assume that other than testing, you would not intend to produce such gas until such time as the well was completed,

for marketing gas?

A That's right. We wouldn't produce any gas other than the gas that was required for El Paso's tests.

Q Were the Exhibits 1 and 2 prepared by you or under your supervision?

A They were.

MR. CAMPBELL: I would like to offer Signal's Exhibits 1 and 2 in evidence.

MR. NUTTER: Without objection, Signal's Exhibits 1 and 2 will be received.

MR. CAMPBELL: That's all the questions I have at this time.

MR. NUTTER: Does anyone have any questions of Mr. Godbe? Mr. Utz.

CROSS EXAMINATION

By MR. UTZ:

Q Mr. Godbe, the Signal offsets to the east and the west, what zone are they completed in? That is east and west offsets from you Signal No. 1 which is the application subject to this hearing.

A These wells to my knowledge are all completed in the Grayburg producing zone.

Q Is there any other Drinkard gas wells in the immediate area?

A No, sir, there aren't.

Q Is there any other Drinkard oil wells in the area?

A No, sir.

Q I assume that since this is a non-prorated gas pool, that you would produce whatever gas you could sell?

A That's correct.

Q And there would be no need of dedicating any acreage to the Drinkard zone?

A That's correct.

MR. UTZ: That's all the questions I have.

MR. CAMPBELL: I might say at such time as this is designated as a gas pool, I think it would be necessary to establish pool rules for it, at which time a determination of the size, the spacing requirements or proration units, at such time as it is a prorated gas pool, would become pertinent. I felt that at this time the only matter would be the question of the dual completion of the well, and that at such time as it is designated, it would then be a question of pool rules for that Drinkard Gas Pool.

MR. UTZ: Before such time, though, wouldn't it be subject to the statewide rules?

MR. CAMPBELL: It would be subject to the statewide rules, such as they are, yes. The 160-acre provisions of the statewide spacing rules, I would say, would apply until such time as the pool rules to the contrary are established. As to proration units, they wouldn't be necessary until such time as proration was established.

By MR. PORTER: Are there other Drinkard gas wells in the area?

A No, sir, there are not.

Q There are several oil wells?

A Yes, there are Grayburg oil wells surrounding our well.

Q You do have some Skaggs-Drinkard oil wells, but I suppose they are not in that immediate vicinity?

A No, sir, they are not in the area involved in this particular pool, to my knowledge.

MR. NUTTER: The Skaggs-Drinkard Pool is approximately a mile and a half away, Mr. Porter.

MR. PORTER: It doesn't underlie this Skaggs Pool?

MR. CAMPBELL: No, sir.

MR. NUTTER: Not this portion of it.

MR. COOLEY: Back to this question of spacing, Mr. Godbe, in the event that 160-acre spacing is established for this Drinkard Gas Pool which the well has been discovered, what acreage would Signal have to dedicate to it?

A We would have the two 80's to the north.

Q Oh, you can dedicate the entire southeast quarter of Section 6?

MR. CAMPBELL: That is correct.

A That's right.

MR. NUTTER: The Wire and Moran threw me for a while; they would be three different leases?

MR. CAMPBELL: We would not like to be in a position at this stage, before the well is tested, before we know the amount

of potential gas production over a period of time, to be in the position of committing ourselves to 160-acre proration units insofar as this area is concerned. I think that is a question that we reserve the right to be left open. It may be all right or it may require, in an economic sense, a larger spacing for the gas zone. There is sufficient acreage available to Signal for either 160 or larger.

MR. COOLEY: 160 or larger?

MR. CAMPBELL: Yes.

MR. COOLEY: That is 660 --

A 660 from the south line and 560 from the east.

MR. COOLEY: 560?

A I don't recall why we deviated, I think it was either a power line or an oil line.

MR. COOLEY: Are you aware, Mr. Godbe, that the standard locations for gas wells under the statewide 160-acre spacing rules provide for 660 - 660 location?

MR. CAMPBELL: That is correct, and we intend to -- I think we are in a position because of the rules to request administrative approval of that, and that is what we would have to do. I think it is a topographic situation, but the reason, the circumstances surrounding the 560 acres, the position, I'm not just certain of at this time.

MR. UTZ: Do you have topographic conditions in Lea County?

MR. CAMPBELL: I don't know if a high line is topographic

condition or not.

MR. PORTER: You have occasions where you have a pipe line and oil lease houses, such things as that --

MR. COOLEY: Off the record.

(Discussion off the record.)

MR. CAMPBELL: We would like to request that the Commission order, should it issue an order approving the application, include authorization for an unorthodox location for the Fred Turner No. 1 Well at a point 660 from the south line and 560 feet from the east line of Section 6, Township 20 South, Range 38 East.

MR. COOLEY: The offset that you are crowding, Mr. Godbe, would be your own, is that correct?

A That is correct. We have the acreage to the east.

MR. COOLEY: Immediately offsetting to the east?

A That is correct.

MR. NUTTER: Then inasmuch as the case was advertised for a dual completion of a gas well 560 from the east line and 660 from the south line of Section 6, Township 20 South, Range 38 East, and inasmuch as Signal Oil and Gas Company is the owner of the acreage offsetting this subject well to the east, even though the royalty ownership may be varied, the Commission order if entered in this case, will authorize an unorthodox location for the gas well.

Does anyone have any further questions of Mr. Godbe?

MR. UTZ: Yes.

MR. NUTTER: Mr. Utz.

By MR. UTZ:

Q Why did we have to drill an unorthodox location?

A I don't recall the exact details on that, but I believe it was either due to an oil line or power line in the area. Actually we didn't intend this to be a gas well. We were drilling for a McKee test.

MR. CAMPBELL: It would have been a standard oil location.

MR. PORTER: Standard oil location within a hundred feet of the center.

MR. NUTTER: Any further questions of Mr. Godbe?

By MR. NUTTER:

Q Mr. Godbe, is the cement around the five and a half inch liner circulated?

A Yes, sir. That's, I believe, indicated on the diagrammatic sketch. It was circulated and the splice was tested for, yes, the splice was tested at 1,000 pounds.

Q The seal at the liner hanger --

A Yes, sir.

Q -- proved satisfactory with 1,000 pound test?

A Yes, sir.

Q What's the top of the cement on your eight and five-eighths inch pipe?

A The top of the cement is at 2370.

Q So you feel that all zones are adequately protected by a

column of cement outside the pipe?

A Yes, that is correct, and we have performed a water shutoff test satisfactorily.

MR. NUTTER: Any further questions of Mr. Godbe? If not, he may be excused.

(Witness excused.)

MR. CAMPBELL: We have nothing further.

MR. NUTTER: For the record, let us show that Mr. Godbe was qualified for an expert witness.

MR. CAMPBELL: I figure if anybody wants to challenge that, they will.

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1366?

MR. COOLEY: Yes, the Commission has received a letter from the De Kalb Production Association, Inc., offices in Lubbock, Texas, to the effect, and I quote: "This will notify you that we have no objections to the dual completion of the Fred Turner Well No. 1 located in the SE/4 SE/4 of Section 6, Township 20 South, Range 38 East, Lea County, New Mexico, operated by Signal Oil and Gas Company." Signed, Jack L. Brown, Production Superintendent for the De Kalb Production Association Corporation.

MR. NUTTER: Anything further in Case 1366? If not, we will take the case under advisement.

* * * * *

C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, 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 and Seal this 11th day of February, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
 NOTARY PUBLIC

My commission expires:

June 19, 1959.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 9366
 heard by EC 65 78 19 58
Adrian Examiner
 New Mexico Oil Conservation Commission

DEARNLEY, MEIER & ASSOCIATES
 INCORPORATED
 GENERAL LAW REPORTERS
 ALBUQUERQUE, NEW MEXICO
 3-6691 5-9546

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. 1366
Order No. R-1116

APPLICATION OF SIGNAL OIL AND GAS
COMPANY FOR AN ORDER AUTHORIZING
AN OIL-GAS DUAL COMPLETION IN THE
SKAGGS POOL AND AN UNDESIGNATED
DRINKARD POOL IN LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 7, 1958, at Santa Fe, New Mexico, before Daniel S. Mutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 28th day of January, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Mutter, 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, Signal Oil and Gas Company, is the owner and operator of the Fred Turner No. 1 Well, located 660 feet from the South line and 560 feet from the East line of Section 6, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described Fred Turner No. 1 Well in such a manner as to permit the production of oil from the Skaggs Pool and the production of gas from an undesignated Drinkard gas pool through parallel strings of tubing.
- (4) That the said Fred Turner No. 1 Well is an orthodox oil well location but an unorthodox gas well location, and that the applicant seeks approval of said unorthodox gas well location.
- (5) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (6) That approval of the subject application will not cause waste nor impair correlative rights.

(7) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the unorthodox gas well location of the Signal Oil and Gas Company Fred Turner No. 1 Well at a point 660 feet from the South line and 560 feet from the East line of Section 6, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, be and the same is hereby approved.

(2) That the applicant, Signal Oil and Gas Company, be and the same is hereby authorized to dually complete the above-described Fred Turner No. 1 Well, in such a manner as to permit the production of oil from the Skaggs Pool and the production of gas from an undesignated Drinkard gas pool through parallel strings of tubing.

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,

PROVIDED HOWEVER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks exist. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

PROVIDED FURTHER, That upon the actual dual completion of such subject well applicant shall submit to the appropriate District Office of the Commission copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110, and Form C-122, outlining the information required on those forms by existing Rules and Regulations, and two copies of the electric log of the well.

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 or gas-liquid ratio thereof determined, and

PROVIDED FURTHER, That the operator shall make any and all tests, including segregation and packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Skaggs Pool, commencing in the year 1959, and whenever the packer is disturbed, but not excluding any other tests and/or determinations as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed 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, shall be filed with the Commission within fifteen (15) days after the completion of such tests, and further, that applicant shall file with the Commission in duplicate a packer-setting affidavit, which affidavit shall be due within fifteen (15) days of the dual completion or whenever the packer is disturbed, 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 or gas-liquid ratio, and reservoir pressure determination for 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 herein-above designated.

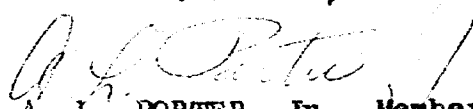
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



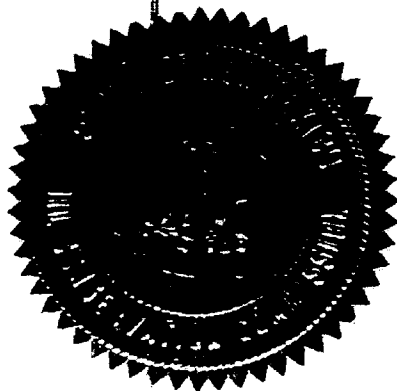
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

January 28, 1958

C
O
P
Y

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

Dear Mr. Campbell:

On behalf of your client, Signal Oil & Gas Company, we enclose two copies of Order R-1116 issued January 28, 1958, by the Oil Conservation Commission in Case 1366, which was heard on January 7th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

DEKALB

Agricultural Association, Inc.

COMMERCIAL PRODUCERS AND DISTRIBUTORS OF AGRICULTURAL PRODUCTS

HOBBES TEXAS - NEW MEXICO OIL DIVISION

ROOM 306 LUBBOCK NATIONAL BANK BUILDING
TELEPHONE PO Box 5-5704 - LUBBOCK, TEXAS

1957 NOV 11 PM 2:34

November 8, 1957

New Mexico Oil Conservation Commission
Hobbs, New Mexico

Gentlemen:

This will notify you that we have no objections to the dual completion of the Turner #1 well located in the SE 1/4 of the SE 1/4 of Section 6, T-20-S, R-38-E, Lea County, New Mexico, operated by Signal Oil and Gas Company.

Yours very truly,

DEKALB AGRICULTURAL ASSN., INC.
Texas-New Mexico Oil Division

John L. Brown
John L. Brown
Production Mgr.

JLS/cc

FEDERAL ABSTRACT CO.

Name

Address

Ph.

Remarks:

R 37 E

R 38 E

3	2	1	6	5	4
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T
21
S

T R State
or County

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-7-58

CASE 1366

Hearing Date 1-7-58

DSN SF 9 am

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

Enter order approving the oil-gas
dual completion sought by
Signal in the subject
case, also the unorthodox
location of the well as a
gas well in an undesignated
gas pool.

Jan Hutter
Staff Member
Examiner

NEW MEXICO
OIL CONSERVATION COMMISSION
P. O. Box 871
Santa Fe, New Mexico

Date November 22, 1957

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

Gentlemen:

Your application for Signal Oil & Gas Company dual completion of Fred
Turner No. 1

dated November 7, 1957 has been received, and has been tentatively
scheduled for hearing before an Examiner on
January 7, 1958

A copy of the docket will be forwarded to you as soon as the matter is
advertised.

Very truly yours,


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

ga

[illegible]

No.

Thank You

1. Applicant is the owner and operator of its Fred Turner #1 Well situated 660 feet from the south line and 560 feet from the east line of Section 6, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

2. Applicant proposes to dually complete the above described well through the use of twin tubing to produce oil from the Grayburg Oil Producing Zone and gas from the Drinkard Gas Zone, in a manner set out in the diagrammatic sketch attached hereto and marked Exhibit "A".

3. Applicant attaches hereto its Exhibit "B", being a plat of a portion of Township 20 South, Range 38 East, Lea County, New Mexico, showing the location of wells on applicant's lease and the location of offset wells on offset leases.

4. Applicant can produce the said well so that there will be no commingling within the well bore of oil or gas produced from either or both of the separate strata involved.

5. Applicant is furnishing copies of this application directly to all offset operators.

WHEREFORE, Applicant requests the Commission to set this matter down before an examiner at a time and place designated by it; to publish notice as required by law, and after hearing, enter its order permitting Applicant to dually complete its Fred Turner #1 Well.

Respectfully submitted,

SIGNAL OIL AND GAS COMPANY

By:


CAMPBELL & RUSSELL

P. O. Box 721

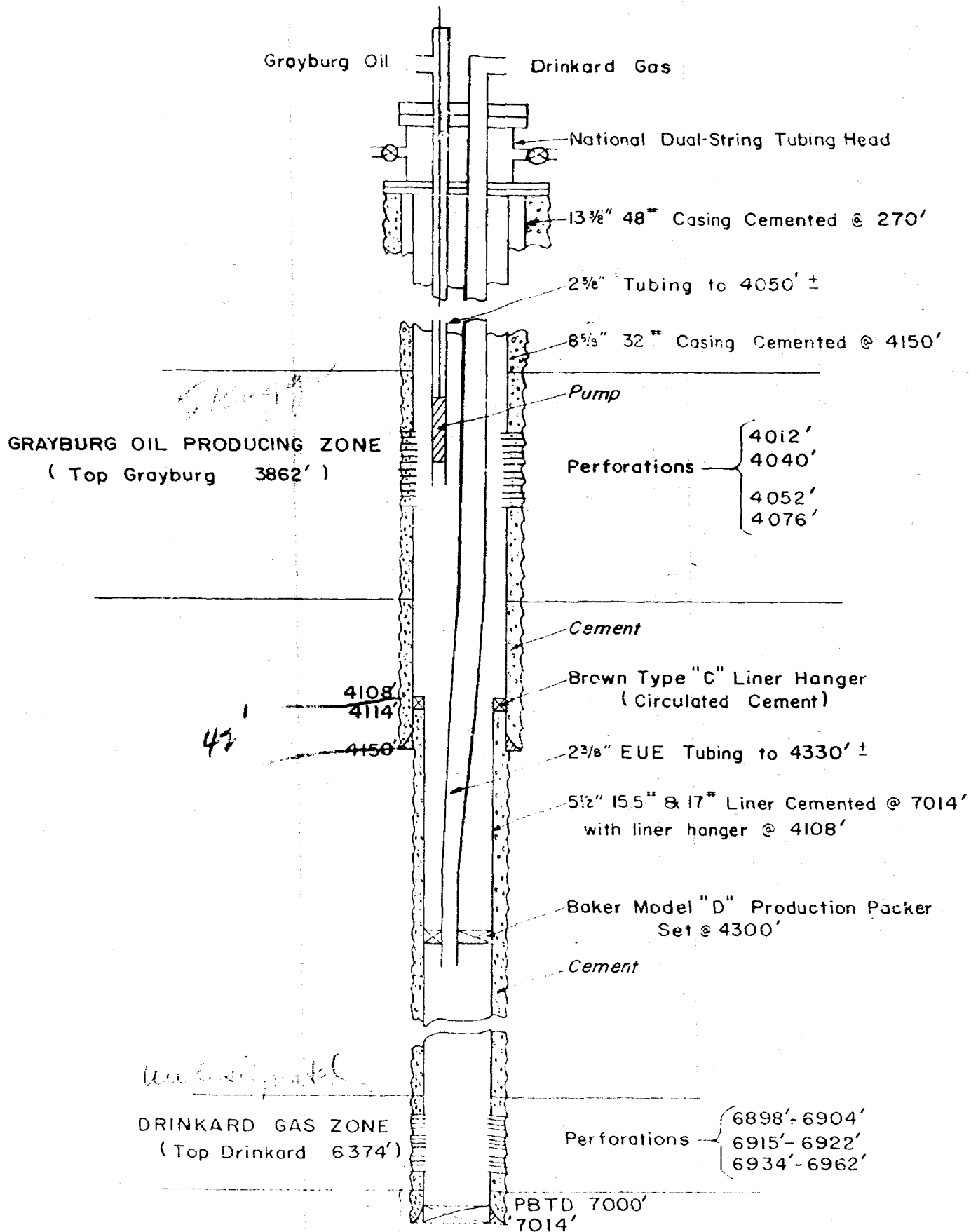
Roswell, New Mexico

Attorneys for Applicant

SIGNAL OIL & GAS CO.
TURNER NO. 1

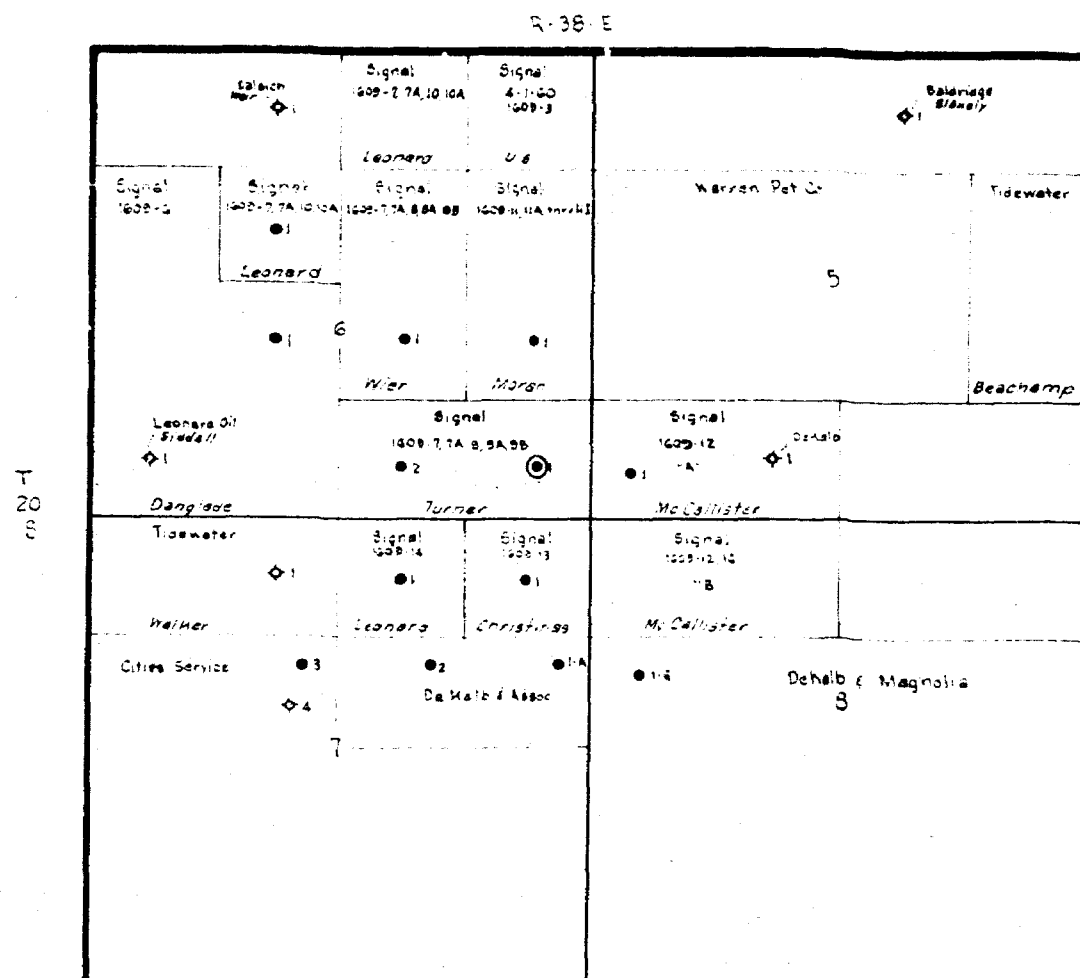
EXHIBIT "A"

Proposed Dual Completion



(Note: No scale)

EXHIBIT "B"



- CASE 1365: Application of Cabot Carbon Company for an oil-oil dual completion in the King-Devonian Pool and King-Wolfcamp Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its H. L. Lowe "B" Well No. 1, located 467 feet from the South line and 850 feet from the East line of Section 26, Township 13 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from both the King-Devonian Pool and King-Wolfcamp Pool through parallel strings of $1\frac{1}{2}$ inch tubing.
- CASE 1366: Application of Signal Oil and Gas Company for an oil-gas dual completion in the Skaggs Pool and an undesignated Drinkard gas pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Fred Turner No. 1 Well located 660 feet from the South line and 560 feet from the East line of Section 6, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Skaggs Pool and gas from an undesignated Drinkard gas pool through parallel strings of tubing.
- CASE 1367: Application of Felmont Oil Corporation for approval of its Etcheverry Unit Agreement in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order approving its Etcheverry Unit Agreement embracing 1,920 acres, more or less, of State of New Mexico lands consisting of S/2 Section 32, S/2 Section 33, Township 14 South, Range 34 East, and all of Sections 4 and 5, Township 15 South, Range 34 East, Lea County, New Mexico.
- CASE 1368: Application of Ambassador Oil Corporation for an order granting approval of applicant's proposed pilot water flood project in the Square Lake Pool in Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its proposed pilot water flood project for the purpose of secondary recovery in which water will be injected into the Grayburg and San Andres formations through six injection wells located in the SW/4 NW/4, SW/4 SW/4, NE/4 SW/4, and SW/4 SE/4 of Section 29, and NE/4 SE/4 of Section 30, and the NE/4 NW/4 of Section 32, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico.

CASE 1361: Application of The Texas Company for an order suspending the cancellation of underage accrued to two gas wells in the Eumont Gas Pool and Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order suspending the cancellation on January 1, 1958, of the underage accrued to the following gas wells in the Eumont and Jalmat Gas Pools:

Texas Company Riddel Well No. 2, NE/4 NE/4
Section 12, Township 21 South, Range 36 East;

Texas Company State of New Mexico "B" (NCT-2)
Well No. 3, NW/4 NW/4 Section 16, Township 23
South, Range 36 East;

all in Lea County, New Mexico.

CASE 1362: Application of Schermerhorn Oil Corporation for an order suspending the cancellation of underage accrued to one well in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order suspending the cancellation on January 1, 1958, of the underage accrued to the following named gas well in the Eumont Gas Pool:

Schermerhorn Oil Corporation Gulf-State
No. 1 Well, SE/4 SW/4 Section 31, Township
18 South, Range 37 East,

Lea County, New Mexico.

CASE 1363: Application of J. C. Watson Drilling Company for an order authorizing the use of vacuum pumps on certain wells in the Roberts Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the use of vacuum pumps on its Trimble No. 1 Well located in the NE/4 NE/4 Section 11, Township 17 South, Range 32 East, and its Trimble No. 2 Well located in the SE/4 NE/4 of said Section 11, in the Roberts Pool, Lea County, New Mexico.

CASE 1364: Application of Cities Service Oil Company for an oil-oil dual completion in the Vacuum Pool and Vacuum-Seven Rivers Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "K" No. 2 Well located 1980 feet from the North line and 660 feet from the East line of Section 27, Township 17 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Vacuum Pool through one inch tubing and oil from the Vacuum-Seven Rivers Pool through two inch tubing.

CASE 1359 continued

order extending the time allowed for making annual deliverability and shut-in pressure tests, and requesting allowables for 237 gas wells in the Blanco Mesaverde, Fulcher Kutz-Pictured Cliffs, West Kutz-Pictured Cliffs, Aztec-Pictured Cliffs, South Blanco-Pictured Cliffs, Ballard-Pictured Cliffs, Otero, Canyon Largo, East Companero Dakota, Tapacito, West Kutz-Fruitland, North Los Pinos-Fruitland, and South Los Pinos-Fruitland Gas Pools and in undesignated Fruitland, Pictured Cliffs, and La Ventana gas pools in San Juan and Rio Arriba Counties, New Mexico.

CASE 1360:

Application of Gulf Oil Corporation for an order suspending the cancellation of underage accrued to eight gas wells in the Eumont, Jalmat, Tubb, and Blinebry Gas Pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order suspending the cancellation on January 1, 1958, of the underage accrued to the following gas wells in the Eumont, Jalmat, Tubb, and Blinebry Gas Pools:

Eumont Pool

Bell-Ramsay St. "C" No. 1, NW/4 SE/4 Section 34,
Township 20 South, Range 37 East

Jalmat Pool

Arnott-Ramsay "E" No. 2, SW/4 SE/4 Section 16,
Township 25 South, Range 37 East

Arnott-Ramsay "E" No. 5, SW/4 NW/4 Section 16,
Township 25 South, Range 37 East

J. R. Holt "A" No. 2, SE/4 SW/4 Section 16,
Township 24 South, Range 37 East

Tubb Pool

Hugh No. 7, NE/4 NW/4 Section 14, Township 22
South, Range 37 East

Harry Leonard "E" No. 4, NE/4 NE/4 Section 16,
Township 21 South, Range 37 East

Blinebry Pool

J. N. Carson "A" No. 4, SW/4 SE/4 Section 28,
Township 21 South, Range 37 East

H. Leonard "E" No. 4, NE/4 NE/4 Section 16,
Township 21 South, Range 37 East

all in Lea County, New Mexico.

DOCKET: EXAMINER HEARING JANUARY 7, 1958

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

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

- CASE 1356: Application of Cities Service Oil Company for permission to institute a pilot water flood project in Township 14 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pilot water flood project in the Caprock-Queen Pool, Chaves County, New Mexico, by injecting water into the Queen formation through the following intake wells:
- Government "B" No. 5, NW/4 NE/4 Section 10;
Government "B" No. 6, SE/4 SE/4 Section 3;
Government "B" No. 10, NE/4 SE/4 Section 3;
Government "B" No. 14, SE/4 SW/4 Section 3,
- all in Township 14 South, Range 31 East.
- CASE 1357: Application of Standard Oil Company of Texas for an order authorizing the production into a common tank battery of all oil produced from five leases in the Atoka Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the production into a common tank battery of all oil produced from the Atoka Pool from the following described leases: SW/4 SE/4, NW/4 NW/4, NW/4 SE/4, SE/4 NW/4, and SW/4 NE/4 of Section 12, Township 18 South, Range 26 East, Eddy County, New Mexico.
- CASE 1358: Application of Magnolia Petroleum Company for an order cancelling Order R-984, and granting authority to commingle the liquid hydrocarbons produced from the Pictured Cliffs and Mesaverde formations into central tank batteries located on certain leases in the Blanco Mesaverde Gas Pool, Tapacito-Pictured Cliffs Gas Pool and certain undesignated Pictured Cliffs and Mesaverde gas pools in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order cancelling Order No. R-984, and granting authority to commingle the liquid hydrocarbon production from the Pictured Cliffs and Mesaverde formations into central tank batteries located on certain of the applicant's leases in Township 26 North, Range 2 West; Township 26 North, Range 3 West; Township 27 North, Range 2 West, and Township 27 North, Range 3 West, in Rio Arriba County, New Mexico.
- CASE 1359: Application of El Paso Natural Gas Company for an order extending the time allowed for making annual deliverability and shut-in pressure tests, and requesting allowables for 237 gas wells in certain prorated, non-prorated, and undesignated gas pools in San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an

LAW OFFICES OF
CAMPBELL & RUSSELL
J. P. WHITE BUILDING
ROSWELL, NEW MEXICO
7 November 1957

JACK M. CAMPBELL
JOHN F. RUSSELL

TELEPHONES
MAIN 2-4641
MAIN 2-4642

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Exchg 1-7-58

OFFICE 603

Dear Sir:

Enclosed please find, in triplicate, Application of Signal
Oil and Gas Company for a dual completion.

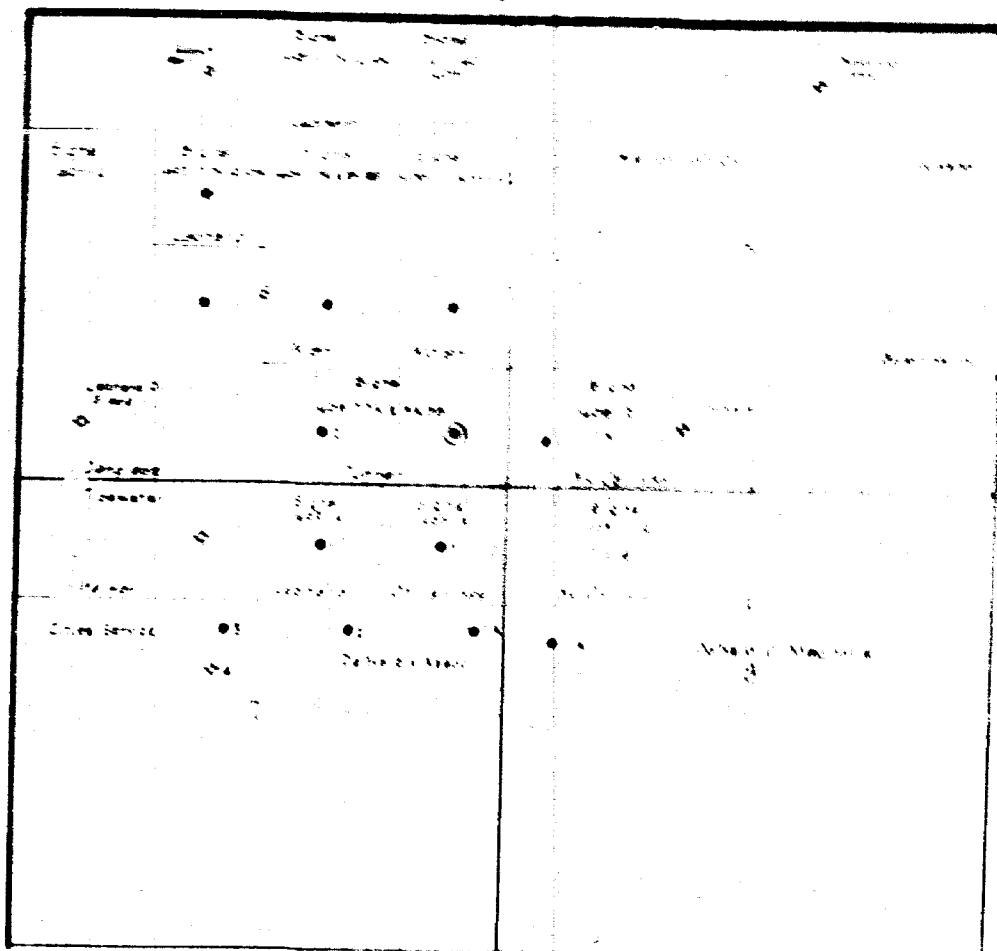
We would appreciate it if you would advise us as to the
date on which an Examiner hearing on this matter may be held.

Very truly yours,

CAMPBELL & RUSSELL

Jack M. Campbell
Jack M. Campbell

JMC:bb
Enclosures



SIGNAL OIL & GAS COMPANY

Proposed Gas Unit

Lee County, New Mexico

Scale 1" = 1000'

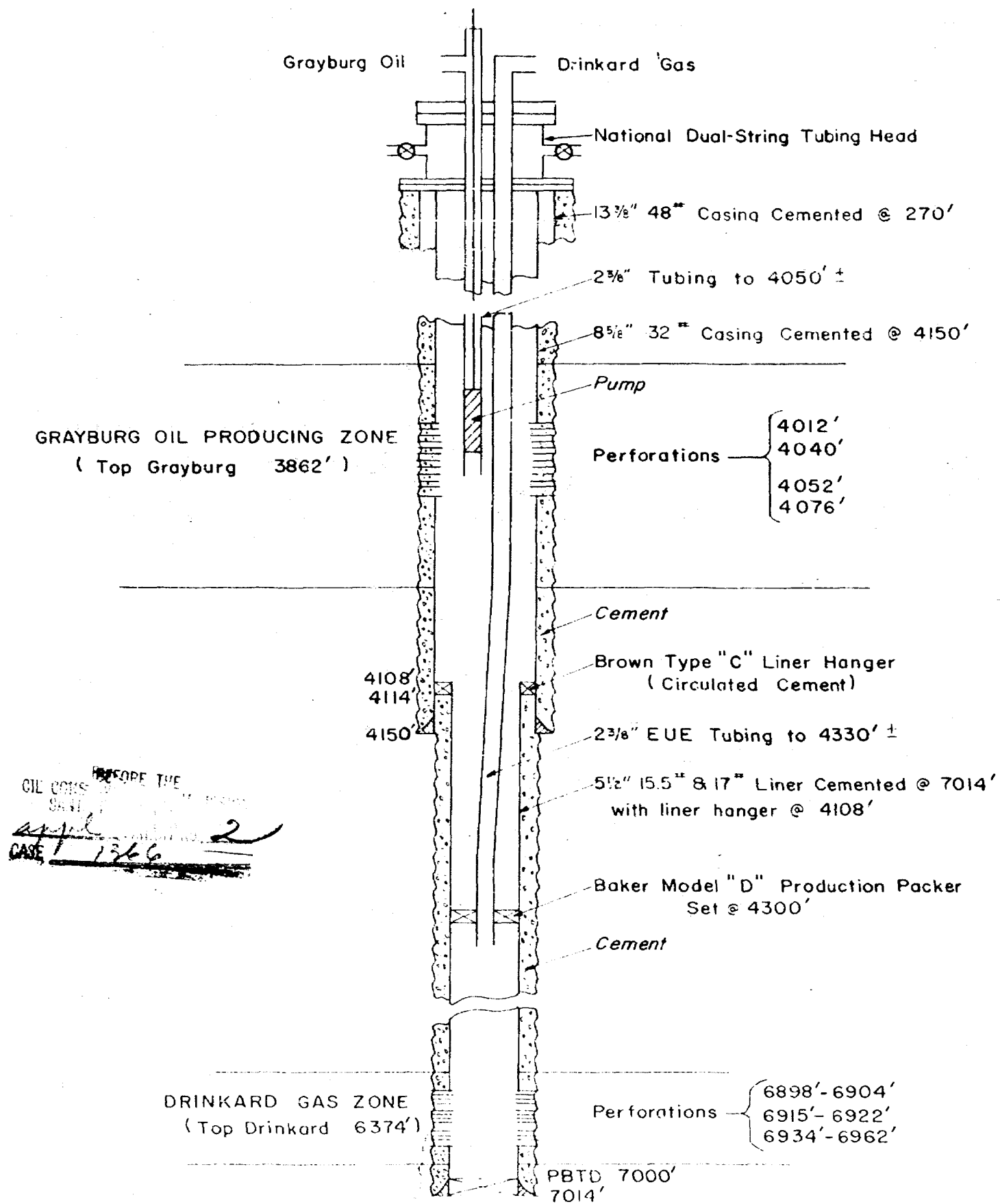
BEFORE THE
OIL & GAS COMMISSION
SANTA FE, NEW MEXICO

EXHIBIT No. 1
CASE 1366

(*) Proposed Unit

SIGNAL OIL & GAS CO.
TURNER NO. 1

Proposed Dual Completion



OIL CORP. BEFORE THE
STATE OF TEXAS
APPROVED
CASE 1366 2