

Case No.

1/8

Application, Transcript,
Small Exhibits, Etc.

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

22 April 1948

Col. J. T. Atwood
Attorney At Law
Roswell, New Mexico

Dear Mr. Atwood:

In accordance with your recent request, please find inclosed copy of the Order No. 740, in Cause 118, in the matter of the Ohio Oil Company dual completions.

I am sure that order was signed, a copy of the order was furnished the Ohio Company direct and we apologise for not having sent you a copy of such order.

Very truly yours,

GEORGE A. GRAHAM
ATTORNEY
OIL CONSERVATION COMMISSION

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42-118

SPECIAL ORDER GRANTING THE OHIO OIL COMPANY
PERMISSION TO DUALY COMPLETE ITS J. L. MUNCY
No. 2 WELL IN THE DRINKARD FIELD, LEA COUNTY,
NEW MEXICO

agent of the Comm. will be notified

WHEREAS, after due notice, The Oil Conservation Commission of New Mexico held a public hearing on February 17, 1948, to consider the application of The Ohio Oil Company to dually complete its J. L. Muncy No. 2 well in the Drinkard Field, Lea County, New Mexico; and

WHEREAS, pursuant to evidence adduced at said hearing, the Commission is of the opinion and finds that mechanical devices are available which are designed to permit the concurrent production of fluids from two different strata without commingling the fluids from the two separate strata within the bore of the well; and that said application should be granted as herein provided.

THEREFORE, IT IS ORDERED by The Oil Conservation Commission of New Mexico that, effective February 17, 1948, The Ohio Oil Company be and is hereby granted permission to dually complete and produce its J. L. Muncy No. 2 well in the Drinkard Field, Lea County, New Mexico, in such manner that oil and gas is produced through the tubing from the Drinkard zone stratum between 6370 and 6410 feet, and that gas and/or gas and distillate is produced through the annular space between the tubing and casing from the Blinbry zone stratum between 5410 and 5520 feet.

Provided, however, that said well shall be completed and produced in such manner that there is absolutely no commingling within the bore of the well of fluids produced from any two separate strata encountered in said well. In order to prevent any commingling of reservoir fluids within the well bore, this dual completion shall be made in the following manner: The well has already been completed in the Drinkard zone through casing perforations from 6390 to 6410 feet. The upper zone to be produced shall be perforated and a formation test made of this horizon. This test and subsequent tests, if any, shall be witnessed by a ~~representative of an offset operator or an agent of the Commission.~~ In the event intercommunication between zones behind the casing is indicated by the formation test, corrective measures shall be applied and formation tests continued until it is indicated that there is no intercommunication between zones behind the casing. If the test or tests indicate that there is no intercommunication between the zones on the outside of the casing, the operator may proceed with the dual completion as outlined below.

A packer shall be set so as to effectively prevent the migration of reservoir fluids from one zone into another. The well shall be tubed through the packer. Since this dual completion involves only a gas productive zone in the upper horizon, it shall not be necessary for operator to install a circulating port above the packer, though he may do so if he desires, but in case of non-installation above the packer the circulating device shall be incorporated in the packer. The packer shall be properly tested for leakage at the time the well is recompleted and shall be re-tested ~~each~~ May and November thereafter.

W. L. Muncy

The original and all subsequent tests shall be witnessed by ~~two offset operators or one offset operator~~ and a representative of the Commission, and the results of each test properly attested to by operator and all witnesses shall be filed with the Commission within ~~five~~ ⁽⁵⁾ days after completion of the test. In the event intercommunication between the reservoirs is found or is suspected by any witness as a result of any test, the well shall be immediately closed in, the Commission notified, and immediate action shall be taken by operator to prevent intercommunication, following which a re-test for leakage shall be made forthwith.

The tests for intercommunication between zones herein required shall be made in the following manner:

Both zones shall be simultaneously closed in and kept closed a sufficient length of time to reach stabilization as determined by a dead weight tester. A recording depth pressure gauge shall then be run at the maximum depth possible; the zone open to the annulus shall be produced at a maximum safe rate until stabilized flow conditions are obtained. In the event a significant decrease in pressure is shown by the recording pressure gauge, intercommunication shall be deemed to exist.

The applicant having at the hearing furnished the Commission with an electrical log showing the position and thickness of the sands encountered, together with the designation of each sand and the description of the two sands to be dually produced, no further requirement therefor is made. However, upon the dual completion being finished operator shall furnish the Commission with a drawing or diagrammatic sketch showing the method of completing the well, showing the procedure followed in producing each completion and the equipment employed to effect separation of the productive horizons.

IT IS FURTHER ORDERED that the failure of the operator to comply with any provision or provisions of this order shall immediately terminate this order and all permission granted herein in its entirety.

IT IS FURTHER ORDERED that this cause be held open on the docket for such other and further orders as may be necessary.

THE OIL CONSERVATION COMMISSION OF NEW MEXICO

By _____

WITNESSED:

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea

I, Robert L. Summers

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a

period of _____

one issue _____ weeks.

beginning with the issue dated _____

February 2, _____, 19 48

and ending with the issue dated _____

Robert L. Summers 19_____
Publisher.

Sworn and subscribed to before me

this 7th _____ day of _____

February _____, 19 48

Nellie Jones
Notary Public.

My commission expires _____

January 7, _____, 19 51

(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICES

Feb. 2, 1948
**NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION**

The State of New Mexico, by its Oil Conservation Commission, hereby gives notice, pursuant to law, of the following public hearings to be held February 17, 1948, beginning at 10:00 o'clock a. m. on that day in the City of Santa Fe, New Mexico:

STATE OF NEW MEXICO TO:
All named parties in the following cases, and notice to the public:

Case No. 118

In the matter of the application of the Ohio Oil Company for the issuance of a special order permitting production through a single well bore of oil and gas from the Drinkard zone between 6,370 feet and 6,410 feet, and gas and/or gas and distillate from the Blinberry zone between 5,410 feet and 5,520 feet in Ohio Oil Company, J. L. Muncy No. 2, located 1980 feet from the south and west lines of section 24, township 22 S,

range 37 E, N.M.P.M., Lea County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on January 26, 1947.

**STATE OF NEW MEXICO,
OIL CONSERVATION COM-
MISSION**

By R. R. Spurrier, Secretary

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. 118

ORDER NO. 740

IN THE MATTER OF THE APPLICATION OF
THE OHIO OIL COMPANY FOR A SPECIAL
ORDER PERMITTING PRODUCTION THROUGH
A SINGLE WELL BORE OF OIL AND GAS
FROM THE DRINKARD ZONE BETWEEN 6370
FEET AND 6410 FEET AND/OR GAS AND
DISTILLATE FROM THE BLINEBRY ZONE
BETWEEN 5410 FEET AND 5525 FEET IN
J. L. MURCY NO. 2 LOCATED 1980 FEET
FROM THE SOUTH AND WEST LINES OF
SECTION 24, TOWNSHIP 22 SOUTH, RANGE
37 EAST, N.M.P.M., LEA COUNTY, N. M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m., February 17, 1948,
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico
hereinafter referred to as the "Commission."

NOW, on this 8th day of March, 1948, the Commission having before it
for consideration the testimony and other evidence adduced at the hearing of
said case, together with the application of petitioner and being fully
advised in the premises:

FINDS:

1. That due public notice of hearing upon said application having been
given as required by law fixing the 17th day of February, 1948, at Santa Fe,
New Mexico, as the time and place for hearing, the Commission has jurisdiction
of the case;
2. That considering the record in Cause No. 92, admitted in this case,
the Commission is doubtful that mechanical devices are available to absolutely
prevent comingling of gas and fluid hydrocarbons from two or more different
strata through a single well bore;
3. That the evidence adduced at said hearing establishes that both the
gas and fluid hydrocarbons in the Murcy No. 2 well are characterized as
"sweet" and that the element of corrosion is therefore minimized;
4. That additional evidence as to the efficiency of mechanical packers
and devices for dual production by single well bore in the Drinkard Pool
could be had by granting the application of the petitioner.

IT IS THEREFORE ORDERED BY THE COMMISSION that effective February 17, 1948,
the Ohio Oil Company, Petitioner, be and is hereby granted permission to
fully complete and produce its J. L. Murcy No. 2 well in the Drinkard Pool,
Lea County, New Mexico, in such manner that oil and gas is produced through
the tubing from the Drinkard zone strata between 6370 feet and 6410 feet,
and that gas and/or fluid hydrocarbons is produced through the annulus or
space between the tubing and casing of said well from the Blinebry zone
strata between 5410 feet and 5525 feet;

PROVIDED, FURTHER, that said well shall be completed and secured in such manner that there is absolutely no coning or mixing of the gas and fluid hydrocarbons produced from the Drinkard zone and Lindsey zone or from any two or more separate strata encountered in said well. In order to prevent any coning or mixing of gas and fluid hydrocarbons within the said well bore, the dual completion thereof shall be made as follows: The well having heretofore been completed in the Drinkard zone through casing perforations at from 6370 feet to 6410 feet, the upper zone in like manner may be completed by perforation at the proper level and the zone or formation tested. Such test and subsequent tests shall be witnessed by an agent of the Commission and by representatives of any offset operator. In event intercommunication between the zones behind the casing is indicated by the formation tests, corrective measures shall be applied and such tests continued until it is indicated that there is no intercommunication between the respective zones behind the casing. Should the test or tests indicate that there is no intercommunication between the zones on the outside of the casing, the petitioner herein may proceed with the dual completion of said well as follows: A packer shall be so set as to effectively prevent the migration of reservoir gas and fluid hydrocarbons from one zone to another within the casing; the well shall be tubed through the packer, provided, however, it shall not be necessary for petitioner to install a circulating port or choke above the packer since the instant dual completion involves only a gas productive zone in the upper horizon. However, nothing herein shall be construed to preclude the installation of such port above the packer, but in case of non-installation above the packer the circulating device shall be incorporated in the packer.

PROVIDED, FURTHER, that any packer installed in said well shall be properly tested for leakage at the time of the recompletion and shall be carefully retested at six-month intervals thereafter. The original and all subsequent tests shall be witnessed by a representative of the Commission and by representatives of offset operators, if any there be, and the results of each test properly attested to by the petitioner and all the witnesses shall be filed with the Commission within ten days after completion of such test.

IT IS FURTHER PROVIDED that in the event intercommunication between the zones is found within or without the casing, or is suspected by any witness as a result of any test, the well shall be immediately closed in, the Commission notified, and prompt and immediate action shall be taken by the petitioner herein to prevent such intercommunication, following which a retest for leakage shall be made forthwith and witnessed as aforesaid.

IT IS FURTHER PROVIDED that intercommunication tests between zones required by this Order shall be made as follows: Both zones shall be simultaneously closed in and kept closed a sufficient length of time to reach stabilization as determined by a dead weight tester. A recording depth pressure gauge shall then be run at the maximum depth possible; the zone open to the annulus shall be produced at a maximum safe rate until stabilized flow conditions are obtained. In event a significant decrease in pressure is shown by the recording pressure gauge on the tubing, intercommunication shall be deemed to exist.

PROVIDED, FURTHER, that said well must be equipped in such manner that reservoir pressures may be determined on each of the two specified strata separately, and further that said well must be equipped with all necessary connections required to permit recording meters to be installed and used at any time, so that when such meters are installed all natural gas produced from each separate stratum may be accurately measured and the gas-oil ratio determined.

The applicant having at the hearing furnished the Commission with an electrical log showing the position and thickness of the sands encountered, together with the designation of each sand and the description of the two sands to be dually produced, no further requirement hereafter is made.

PROVIDED, HOWEVER, that upon the final completion of said dual completion of said well the petitioner herein shall furnish the Commission with an accurate diagrammatic sketch or drawing clearly showing the method of well completion and the step by step procedure followed in producing each zone completion and the equipment and devices used and employed to effect separation of the productive horizons.

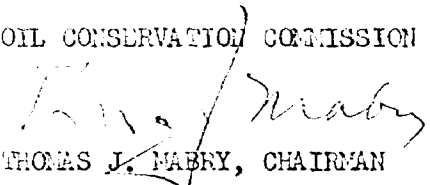
IT IS FURTHER ORDERED that upon failure of the petitioner herein to comply with any provision or provisions of this Order then the authorization hereunder shall immediately terminate.

IT IS FURTHER ORDERED that this cause be, and it is hereby held open on the Docket for such order and further orders as may be necessary or convenient.


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

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION


THOMAS J. MABRY, CHAIRMAN

JOHN E. MILES, MEMBER


R. R. SPURRIER, SECRETARY

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico, by its Oil Conservation Commission, hereby gives notice, pursuant to law, of the following public hearings to be held February 17, 1948, beginning at 10:00 o'clock a.m. on that day in the City of Santa Fe, New Mexico:

STATE OF NEW MEXICO TO:

All named parties in the following cases,
and notice to the public:

Case No. 118

In the matter of the application of the Ohio Oil Company for the issuance of a special order permitting production through a single well bore of oil and gas from the Drinkard zone between 6,370 feet and 6,410 feet, and gas and/or gas and distillate from the Blinbry zone between 5,410 feet and 5,520 feet in Ohio Oil Company, J. L. Huncy No. 2, located 1980 feet from the south and west lines of section 24, township 22 S, range 37 E, N.M.P.M., Lea County, New Mexico

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on January 26, 1947.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

By


R. R. SPURRLER, Secretary

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P. O. Box 371
January 26, 1943

The Hobbs Daily News-Sun
Hobbs, New Mexico.

RE: Cases 117 and 118 - Notice of Publication

Gentlemen:

With reference to Case 117, will you please prepare galley-proof and return to our office in Santa Fe for our approval before publication?

In publishing Case 118, please proof-read the notice carefully and send a copy of the paper carrying such notice. Upon completion of the publication, please send publisher's affidavit in duplicate.

Please return your statement in duplicate, accompanied by signed original voucher. Necessary blanks are enclosed.

Very truly yours,

W. H. A. HILL,
Attorney

WHL

cc: Roy Yarbrough

ILLEGIBLE

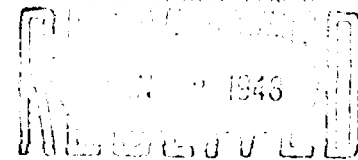
The Ohio Oil Co.

~~XXXXXXXXXXXXXXXXXXXX~~

~~HOUSTON TEXAS~~

Box 552
Midland, Texas

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
THE OHIO OIL COMPANY FOR THE ISSUANCE OF)
A SPECIAL ORDER PERMITTING PRODUCTION)
THROUGH A SINGLE WELL BORE OF OIL AND)
GAS FROM THE DRINKARD ZONE BETWEEN 6370')
AND 6410' AND GAS AND/OR GAS AND DISTILLATE)
FROM THE BLINEBRY ZONE BETWEEN 5410' AND)
5520' IN OUR J. L. MUNCY NO.2 LOCATED 1980')
FROM THE SOUTH AND WEST LINES OF SECTION)
24-22S-37E, LEA COUNTY, NEW MEXICO.)

Case No. 118

PETITION

Comes now The Ohio Oil Company and states:

1. That it is engaged in the production of oil and gas in Lea County and other areas in the State of New Mexico, and in the drilling of wells for such production.
2. That Petitioner has completed its J. L. Muncy No. 2, located 1980' from south and west lines of Section 24-22S-37E, Lea County, New Mexico through perforations in 5-1/2" casing from 6390' to 6410' in the Drinkard Zone and that in a drillstem test of the Blinebry Zone between 5413' and 5533' approximately 6,000 MCF of gas and an undetermined amount of distillate was found. Said well is presently offset directly to the west by a well producing sweet gas and/or gas and distillate from the Blinebry Zone between the depths of 5459' and 5484', and diagonally offset to the northwest by a well producing oil and gas from the Drinkard Zone between the depths of 6375' and 6395'. Both offset wells are owned and operated by the Phillips Petroleum Company and are known as their Sins No. 1 and No. 2 respectively.
3. That the base of the Blinebry Zone and the top of the Drinkard Zone below are separated by approximately 890' as shown by an electrical log. The interval between these two zones is approximately the same in nearby wells as shown by electrical logs.
4. That the production of oil and/or gas or both from two separate producing zones through the same well bore is sometimes desirable in the interests of the



conservation of natural resources and the prevention of physical waste since the economics of drilling and completion favor the production of two separate zones from one well bore and that through such dual completion oil and/or gas or both may be extracted from a producing zone that otherwise cannot economically be developed.

5. That mechanical equipment is available and in use which permits the practice of dual completion to be carried out without commingling of fluids or gas in the well bore or in the reservoirs and which also permits the separate determinations of bottom hole pressures and gas-oil ratios from each zone and that such equipment will be used in Muncy No. 2 if applicants petition is granted.

WHEREFORE, Petitioner asks that a hearing be ordered on this Petition as soon as possible, and that the Petitioner and all other interested parties be permitted to present evidence at such hearing.

Respectfully submitted,

THE OHIO OIL COMPANY

December 30, 1947

BY

A. E. Dean
District Superintendent