

1620 CASE 1620: Sunset International Petr. Corp
application for oil-gas dual of SIPCO Kutz
A Fed. Well #1, 32-28N-10W, San Juan Co.

Casa No.

1620

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OLD CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1620

TRANSCRIPT OF HEARING

MARCH 25, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case 1620 Application of Sunset International Petroleum Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its SIPCO Kutz A Federal Well No. 1, located in the NE/4 SW/4 of Section 32, Township 28 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Angels-Peak Dakota Gas Pool through parallel strings of 2-1/16 inch Hydrill tubing.

Mabry Hall
Santa Fe, New Mexico
March 25, 1959

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be 1620.

MR. PAYNE: Case 1620, "Application of Sunset International Petroleum Corporation for an oil-gas dual completion."

MR. SETH: Oliver Seth appearing for the applicant. We have one witness, Mr. Popp.

(Witness sworn in.)

MR. UTZ: Would you spell your name for the reporter, please?

MR. POPP: P-O-P-P.

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MR. UTZ: Are there any other appearances to be made in this case?

If not, you may proceed.

THOMAS F. POPP

a witness, being first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. SETH:

Q State your full name, please, Mr. Popp?

A Thomas F. Popp.

Q And by whom are you employed?

A Sunset International Petroleum Corporation.

Q And would you state for the Examiner, please, something of your educational background and your practical experience?

A I have an Engineering Degree from the University of Wisconsin, have been in drilling and completion work fairly steady except for attending college and time in the service. Since 1948, I have been in dual completions and workovers fairly consistent.

Q Your principal experience has been in well completions is that correct?

A Yes, sir.

Q And have you had experience in well completions in San Juan County, New Mexico?

A YES SIR, I HAVE HAD SIX DAKOTA WELLS IN LINE COMPLETED.

Q And what have you actually done in connection with these completions, just tell us a little bit more about what your position involves.

A I have supervised the drilling and completion all the way through to putting them on production and designing the batteries and production methods, just complete supervision of them.

Q Your experience before that was in Wyoming?

A In Wyoming.

Q For approximately how long a period of time?

A About ten years overall.

MR. SETH: May be testify as a Mechanical Engineer?

MR. UTZ: His qualifications are acceptable.

Q (By Mr. Seth) Are you familiar with the application of Sunset in this case, with the particular well involved?

A Yes, sir.

Q Would you state for the Examiner, please, the description of the well and a little bit of the completion practice that was followed in this well?

A I have some diagrammatic sketches of the completion.

(Thereupon, the document was marked as Sunset's Exhibit No. 1 for identification.)

Q (By Mr. Seth) Referring to what has been marked as

Applicant's Exhibit Number One, would you state, please, what that describes, what it is and what it shows?

A We have this set at --

Q Would you describe what the exhibit is, what it does, what it --

A This is a diagrammatic sketch of the dual completion of our Kutz 1-A Federal.

Q What is the location of this well?

A Section 32, T 28 North, Range 10 West, San Juan County.

Q Now, would you in detail describe, please, what the exhibit shows?

A It shows the packer setting, the dual description of tubing and out installation of gas lift valves in the Gallup side of the tubing, and showing they are all in relation to the perforations and our --

Q Would you describe first the casing, what casing was used in the completion of this well?

A 10 3/4, 32-pound surface pipe set at 245 feet and 7 5/8, 2640 pound, 7 5/8 landed at 4465, and it was cemented with 200 sacks of cement, and there is a stage collar at 2126 KV below the Pictured Cliffs and it was cemented with 100 sacks of cement, and we hung a lipper 5 1/2 inch, 1550-pound casing from the bottom of the intermediate string, it's actually hung at 4365 from the intermediate string and it was cemented with 400

6
sacks and it is landed at 6597 FC. This is a base positive action type of liner hanger.

Q Is this a type of completion that is fairly common in the San Juan Basin at the present time?

A Yes sir, it is. It's used quite a bit south of us, in that general area.

Q Is there anything unusual, any unusual problems encountered in the completion of the well as far as the casing is concerned or anything else?

A Nothing unusual, and it is a common practice to set an intermediate string through troublesome formations where you have circulation troubles or sluffing or such.

Q Give us the approximate depths of the two producing horizons, the tops of those?

A The top of the Gallup formation, 5581, and the top of the Dakota is 6306.

Q You have encountered some oil in the Gallup, is that right?

A Yes sir, we attempted to go off from under intermediate with gas drilling and in the Gallup formation at 5750, I believe it was, we ran into oil and were unable to continue gas drilling. There was too much fluid to keep the hole clean and we had to mud up and continue the hole with mud.

Q And is that a designated oil pool under the rules of the Commission?

A It is undesignated as yet.

Q And where was the gas encountered?

A The gas was encountered in the Dakota formation with a show of gas in the Gallup.

Q This gas is in the Angels-Peak Dakota gas pool, is that correct?

A Yes sir, Angels-Peak.

Q Now, would you describe then next the proposed dual completion?

A The completion itself, we went in and perforated and sand fraced the Dakota formation, tested it, and went in and sat a packer above it and bridge-plugged above it also and perforated and sand fraced the Gallup, went back in and cleaned out the bridging plug, set a Baker Model "D" Production Packer between the two formations and run a string of two-inch Hydrill tubing into the Dakota formation and a dual string with four gas lift valves down through the Gallup perforations.

Q This is a Baker Model "D" Packer, did you say?

A Yes, it's a Baker Model "D" Production Packer.

Q That's a permanent type packer?

A Permanent type packer.

Q Have you run any pressure, any packer leakage tests?

A Yes, I ran and submitted a packer leakage test to the Aztec Office and we had about a thousand pounds differential across the packer and no indication of any leaks on testing both

sides of the packer.

Q Describe this test in a little more detail. How long was it shut in, the Dakota formation?

A The Dakota was shut in for thirty-two days prior to a three-hour flow test on the Dakota side, and it maintained a static pressure of 1946 pounds, and during the three hour flow test, it calculated 1500 MCF per day; flowing with your Gallup side shut in, the deadweight readings on the Gallup side showed a formation pressure and the casing pressure held at 996 pounds throughout the test, and after the three-hour flow period the well was shut in again until the Gallup side, the Dakota side stabilized and it was hut in three days and the Gallup was open to a twenty-four hour production test. During that test, the Dakota was also deadweighted and showed a pressure buildup to 1946 pounds and remained there throughout the test. During the twenty-four hour flow period, the initial pressure on the Gallup was 996 pounds and immediately on opening, the pressure dropped to 704 pounds. While the tubing was opened, the well was on a meter flowing fifteen minutes per hour. At the conclusion of the twenty-four hour test, the pressure had dropped to 558 pounds and the Dakota had remained at 1946. During that twenty-four hour flow period I recovered 53 barrels of oil load and submitted 50,000 cubic feet of gas during the test.

Q In your opinion, will the mechanical features of this completion be such as to prevent any communication between the

two producing zones?

A As far as we can tell, we have no communication between the zones. The packer test definitely shows that we have no communication through there, and during the completion the casing was tested to 4500 pounds and there were no leaks in the casing, and we have cement logs and temperature surveys to show that we have good cement between the formations and during the completion of both zones, it clearly indicated that we could have no communication between the zones.

Q Could you give the size of the tubing that was used?

A Yes sir, 2 1/16 OD Hydrill type CS tubing.

Q Now, is this type of completion less expensive than the drilling of separate wells to each of the producing horizons?

A Yes sir, dual completions on the one well would be about two thirds the cost of two wells.

Q And will that lead to and permit a later abandonment date and be in the interests of conservation oil and gas if it is a dual completion?

A If for any reason one side is no longer productive, it is relatively simply to go in and squeeze off the dead production zone and continue producing the well as a single completion.

Q Is the completion such that tests may be made from time to time if requested by the Commission?

A Yes sir, we can run a test at any time the Commission desires.

MR. SETH: That's all the direct; we would like to offer Exhibit Number One, if the Commission please.

MR. UTZ: Is there objection to the entrance of Exhibit Number One?

If not, it will be so entered.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Popp, do you have the GOR for the Gallup formation or have you tested the well since the packer leakage test?

A I haven't run an official IP on the Gallup side. I was talking with Mr. Arnold of your office in Aztec and he recommended that we not turn in an IP on it until we recovered all of our load oil. We have approximately 2500 barrels of load oil in and we have only recovered 1180 barrels as of the 24th of this month.

Q Is the Dakota making any liquid?

A The Dakota has been shut in, and other than the two or three hour flow tests, I have no measure of the liquids, although it is wet gas and from all indications, it will be a distillate, a condensate well.

Q Do you have any gravity information on those two zones?

A The gas on the Dakota is .68 gravity and the wells in that area make between 50 and 60 gravity condensate. The Gallup crude is 34 API gravity and I haven't measured the Gallup gas.

Q The gravity is 240. Do you have any bottomhole pressures?

A Yes sir, we have run bottomhole pressures on the Dakota side and I don't have one on the Gallup side because of the gas lift valves.

Q What is the bottomhole pressure for the Dakota?

A I am sure it was 2540-something, approximately.

Q 2540, did you say?

A I am sure that's what it was.

Q And you have no idea what the bottomhole pressure is on the Gallup?

A No, sir; from estimating the curb, I would say it is about 1500 pounds buildup.

Q This 1500 MCF of gas that you produced on your three-hour packer leakage tests, was that through a two-quarter inch choke?

A That was a three-quarter inch choke.

Q What was the absolute flow?

A The rate of flow was --

Q The rate of flow was 327?

A Yes, sir.

Q Do you remember what the working pressure was?

A On that test itself, I didn't work that out, but from the initial potential, the working pressure was 2,002 pounds and the pressure on the choke was 436 pounds. During the test, the

same pressures were--during the packer leakage test, the pressures were 1945 pounds and 408 pounds on the choke.

MR. UTZ: Are there other questions of the witness?

If there are none, the witness may be excused.

(Witness excused.)

MR. UTZ: Are there other statements to be made in this case?

If not, the case will be taken under advisement.

MR. SETH: Thank you.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner's hearing of Case No.
heard by me on, 19.....

....., Examiner
New Mexico Oil Conservation Commission

STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

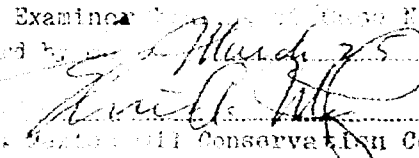
I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing were reported by me in Stenotype, and that the same was reduced to typewritten transcript by me and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

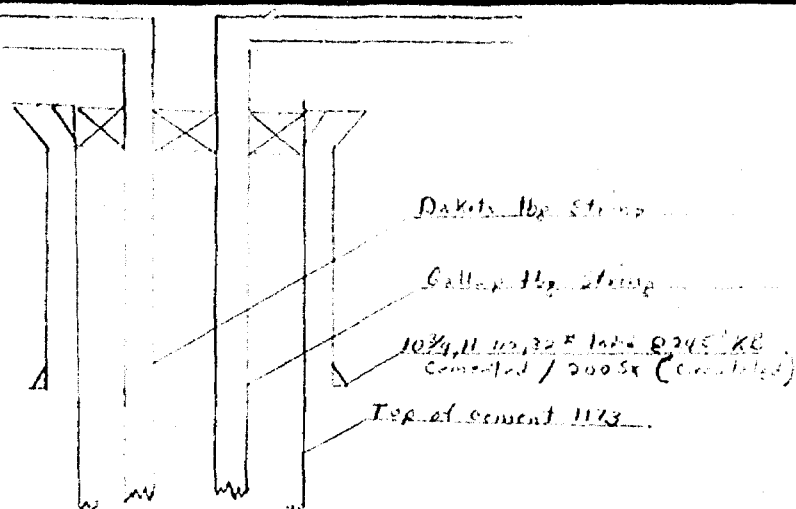
DATED this 28th day of March, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public

My Commission Expires:

January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examination of the State of New Mexico, No. 1620, dated March 25, 1959, and by  examiner for the State of New Mexico Conservation Commission



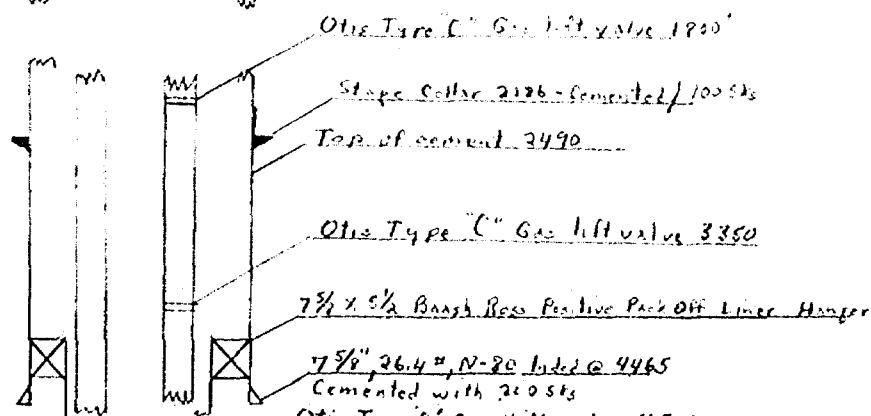
Dakota 1bp string

Gallup 1bp string

10 3/4" 11.25 # 10-20 Ind @ 8245 KB
Cemented / 200 SK (Cemented)

Top of cement 1173

Both Straps: Hydr 1, N-20, Type C 2 1/2" OD



Otis Type C Gas lift valve 1900

Stops Collar 2126 - Cemented / 100 SKs

Top of cement 3490

Otis Type C Gas lift valve 3350

7 1/2" x 5 1/2" Brush Box Positive Pack Off Liner Hanger

7 5/8" 26.4 # N-20 Ind @ 4465
Cemented with 200 SKs

Otis Type C Gas lift valve 4500

Otis Type C Gas lift valve 5500

Top of good cement 5507 KB

Top of Gallup Form 5591 KB

Top Gallup Perfs 5659 KB



Bottom Gallup Perfs 5765

Gallup Tbp Ind @ 6085 KB

Top of Dakota 6306

Otis Side Door Choke 6381

Baker Model "D" Prod Packer @ 6384 KB

Top Dakota Perfs 6401

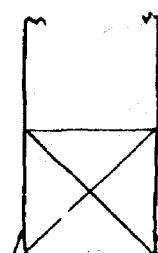
Dakota 1bp Ind @ 6449 KB

Bottom Dakota Perfs 6507

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 1620

Sunset Petroleum "A" #1

SUNSET INTERNATIONAL
PETROLEUM CORPORATION
DIAGRAMMATIC SKETCH
OF DUAL COMPLETION
1842' FWL & 1773' FSL
SEC 32 T28N R10W
SAN JUAN CO. NEW MEXICO



PSTD 6532 KB

5 1/2" Csg Ind at 6597 KB
15.5" T-55 Cemented / 400 SKs

DOCKET: EXAMINER HEARING MARCH 25, 1959

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

The following cases will be heard before ELVIS A. UTZ, Examiner:

CASE 1548: Application of Shell Oil Company for an amendment of Order R-1290. Applicant, in the above-styled cause, seeks an order amending Order R-1290 to eliminate the restriction requiring separate metering of production from each lease prior to commingling, since all interests are common except for small override on one lease and the holder of this interest has waived objection to commingling prior to metering.

CASE 1620: Application of Sunset International Petroleum Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its SIPCO Kutz A Federal Well No. 1, located in the NE/4 SW/4 of Section 32, Township 28 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Angels Peak-Dakota Gas Pool through parallel strings of 2-1/16 inch Hydril tubing.

CASE 1621: In the matter of the application of Humble Oil & Refining Company for an order reclassifying the Four Lakes-Devonian (Oil) Pool in Lea County, New Mexico, as a gas pool.

CASE 1622: Application of Gulf Oil Corporation for two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in both the Tubbs Gas Pool and the Blinebry Gas Pool, each to comprise the SE/4 NW/4, NW/4 SE/4, and the N/2 SW/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, and to be dedicated to applicant's Scarborough Estate Well No. 4 located 1980 feet from the North and West lines of said Section 31 which well is dually completed in the aforementioned pools.

CASE 1623: Application of Wellshire Development Company for an unorthodox oil well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location in the Bisti-Lower Gallup Oil Pool for its Wellshire No. 1 Federal Well located 530 feet from the South line and 2110 feet from the East line of Section 35, Township 25 North, Range 10 West, San Juan County, New Mexico.

CONTINUED CASES

CASE 1573: Application of Southwestern, Inc. Oil Well Servicing for permission to make a "slim hole" completion. Applicant, in the above-styled cause, seeks an order authorizing it to utilize the "slim hole" method of completion for a well located in the SE/4 NW/4 Section 32, Township 16 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant proposes to utilize 2 1/2 inch tubing as a substitute for casing in the above-described well.

CASE 1590: Application of Rex Moore for an order authorizing a gas injection project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing it to inject gas into the Gallup formation of the Bisti-Lower Gallup Oil Pool through its Scott No. 5 Well located 2115 feet from the South line and 2080 feet from the West line of Section 3, Township 24 North, Range 10 West, San Juan County, New Mexico. Applicant further proposes that special rules and regulations be promulgated to govern the above-described project, which rules would provide for the transfer of the allowable from the injection well to producing wells, transfer of allowables from wells which have been shut-in for observation or to increase the efficiency of the project, operation of the wells on a net gas-oil ratio basis giving allowance for gas injected, and such other rules and regulations as the Commission deems necessary.

ir/

Case 1620

Hearing File

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

ALEX CLARKE, JR.
DIVISION ENGINEER

FORT WORTH, TEXAS

March 18, 1959

File: GWK-3187-986.510.1

Subject: Waiver of Objection to Dual
Completion of Sunset International
Petroleum Corporation Kutz No. 1-A
Federal, SW/4, Section 32,
T-28-N, R-10-W, San Juan
County, New Mexico

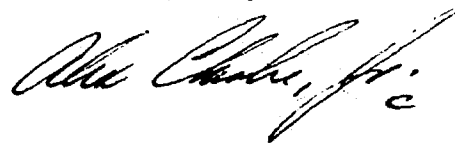
New Mexico Oil Conservation Commission
Capitol Annex Building
Santa Fe, New Mexico

Gentlemen:

The undersigned, being a duly authorized representative of the offset operator, has been informed by Sunset International Petroleum Corporation of its application for dual completion of its Kutz No. 1-A Federal in an undesignated Gallup Oil Pool and the Angels Peak Dakota Gas Pool, and hereby waives all objections.

It is our understanding that this well is located in the NE/4 of the SW/4 of Section 32, T-28-N, R-10-W, San Juan County, New Mexico.

Very truly yours,



AJI:lj

cc: Sunset International Petroleum Corporation
P. O. Box 1527
Denver 1, Colorado

2-23-59

Gentlemen:

THE FIRST COPY OF THIS LETTER WAS SENT TO THE WRONG
WESTERN NATURAL GAS COMPANY IN MONTANA. THE
ADDRESS HAS BEEN CORRECTED AND WE ARE SENDING YOU
A COPY OF THE LETTER SENT TO THE CORRECT WESTERN
NATURAL GAS COMPANY IN HOUSTON, TEXAS

Sunset International Pet. Corp.

W

Case 1670

SUNSET INTERNATIONAL PETROLEUM CORPORATION

ROCKY MOUNTAIN, MID-CONTINENT AREA OFFICE

P. O. BOX 1527

DENVER 1, COLORADO

February 16, 1959

Western Natural Gas Company
1906 South Main
Houston, Texas

Subject: SIPCO Kutz #1 A Federal
SW/4, Sec. 32, T 28 N, R 10 W

Gentlemen:

Enclosed is a copy of Sunset International Petroleum Corporation's application to dually complete the described well in the Dakota and Gallup formations. This application was filed this 16th day of February, 1959, with the New Mexico Oil Conservation Commission and you, as an offset operator are hereby and henceforth notified of this application to dually complete said well in accordance with the Rules and Regulations of the New Mexico Oil Conservation Commission. A copy of this letter of transmittal is being sent to the Commission, along with application.

Yours very truly,

SUNSET INTERNATIONAL PETROLEUM CORPORATION

E. B. Mays

E. B. Mays
Div. Prod. Mgr.

EBM:nr

Enclosure

cc: New Mexico Oil Conservation Commission ✓
Santa Fe, New Mexico

New Mexico Oil Conservation Commission
Aztec, New Mexico

*Docket mailed
2-11-59
BP*

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR DUAL COMPLETION

7-3-58

Field Name Angels Peak County San Juan Date 2-13-59
 Operator Sunset International Pet. Corp. Lease SIPCO Kutz A Federal Well No. 1
 Location of Well Unit K Section 32 Township 28 N Range 10 W

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
 2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	<u>Gallup</u>	<u>Dakota</u>
b. Top and Bottom of Pay Section (Perforations)	<u>5659' to 5765' KB</u>	<u>6402' to 6507' KB</u>
c. Type of production (Oil or Gas)	<u>oil</u>	<u>gas</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>	<u>Flowing</u>

4. The following are attached. (Please mark YES or NO)

- yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
no b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
yes c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application. * **Letters of Transmittal of Applications to Offset Operators.**
yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Southern Union Gas Company, Burt Building, Dallas, Texas

Pan American Petroleum Corporation, P. O. Box 1410, Fort Worth, Texas

El Paso Natural Gas Company, P. O. Box 1492, El Paso, Texas

Three States Natural Gas Company, P. O. Box 730, Price, Utah

Western Natural Gas Company, P. O. Box 1387, Anaconda, Montana

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification 2-13-59

CERTIFICATE: I, the undersigned, state that I am the representative of the Sunset International Pet. Corp (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

J. A. Jones
Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
 NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Angels Peak		County San Juan		Date 2-13-59
Operator Sunset International Pet. Corp.		Lease SIPCO Kutz A Federal		Well No. 1
Location of Well	Unit K	Section 32	Township 28 N	Range 10 W

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____ ; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Gallup	Dakota
b. Top and Bottom of Pay Section (Perforations)	5659' to 5765' KB	6402' to 6507' KB
c. Type of production (Oil or Gas)	oil	gas
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

4. The following are attached. (Please mark YES or NO)

- yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- no b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- yes c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application. * **Letters of Transmittal of Applications to Offset Operators.**
- yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Southern Union Gas Company, Burt Building, Dallas, Texas

Pan American Petroleum Corporation, P. O. Box 1410, Fort Worth, Texas

El Paso Natural Gas Company, P. O. Box 1492, El Paso, Texas

Three States Natural Gas Company, P. O. Box 730, Price, Utah

Western Natural Gas Company, P. O. Box 1387, Anaconda, Montana

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO ____ . If answer is yes, give date of such notification 2-13-59

CERTIFICATE: I, the undersigned, state that I am the representative of the Sunset International Pet. Corp. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

J. A. Jones
Signature J. A. Jones

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

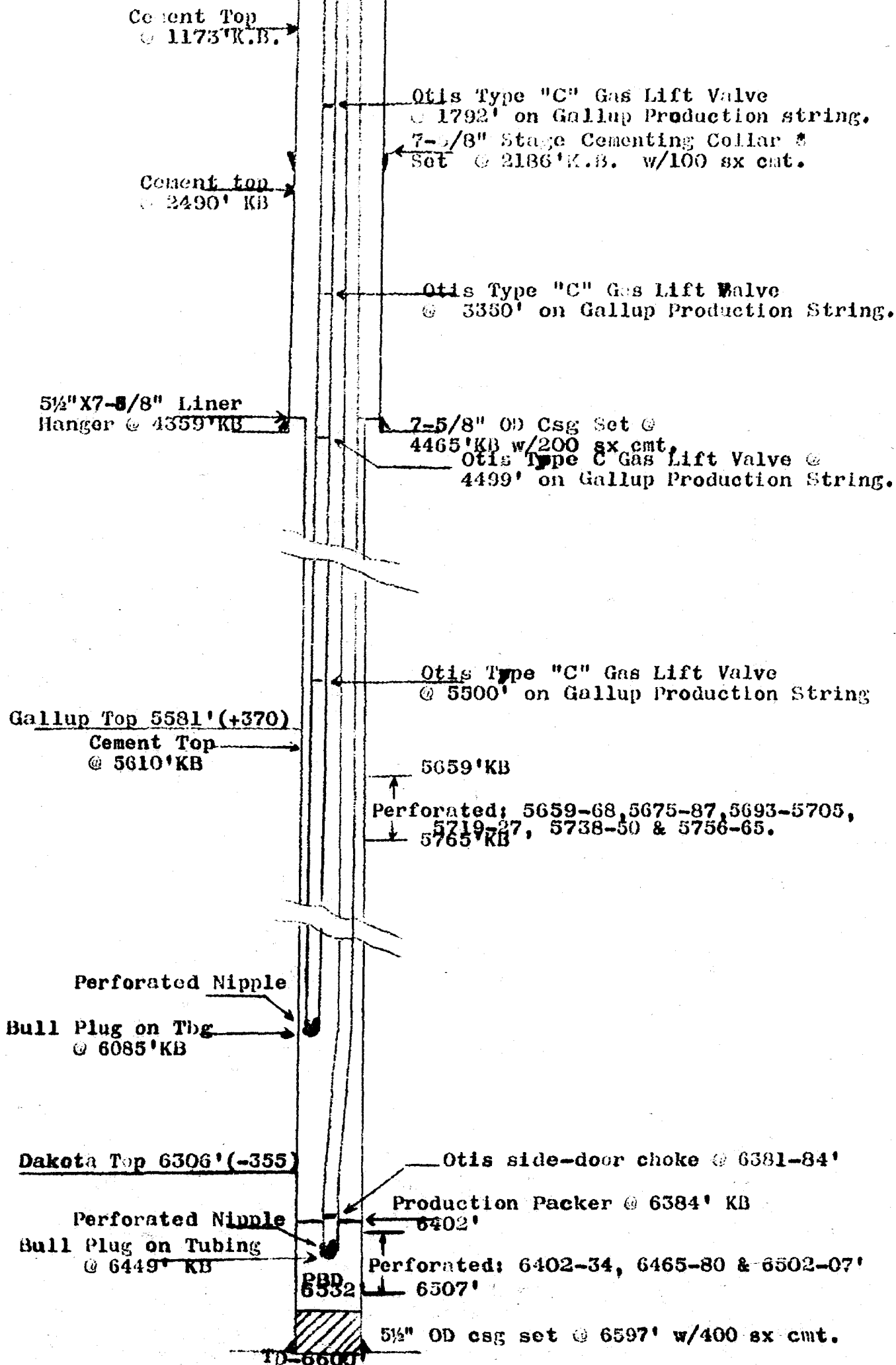
DIAGRAMMATIC SKETCH OF DUAL COMPLETION

10 1/4" O.D. Csg set @ 245' K.B.
w/200 sacks cement.

ELEV2: 5951'KB, 5939'GL

All measurements given are from KB

NOTE: Both strings of tubing in this well
are 2-1/16" OD Hydril "CS" Tubing.



10 3/4" O.D. Csg set @ 145'KB.
w/200 sacks cement.

EEV2: 5251'KB, 5269'KB.

All measurements given are from KB

NOTE: Both strings of tubing in this well
are 2-1/16" OD Hydril "CS" Tubing.

Cement Top
@ 1173'KB

Otis Type "C" Gas Lift Valve
1792' on Gallup Production string.

7-5/8" stage Cementing Collar
Set @ 2136'KB. w/100 sx cmt.

Cement top
@ 2490' KB

Otis Type "C" Gas Lift Valve
@ 3350' on Gallup Production String.

5 1/2" X 7-5/8" Liner
Hanger @ 4359'KB

7-5/8" OD Csg set @
4465'KB w/200 sx cmt.
Otis Type "C" Gas Lift Valve @
4499' on Gallup Production String.

Gallup Top 5581'(+370)
Cement Top
@ 5610'KB

Otis Type "C" Gas Lift Valve
@ 5300' on Gallup Production String

5659'KB

Perforated: 5659-68, 5675-87, 5693-5703,
5719-27, 5738-50 & 5756-65.
5765'KB

Perforated Nipple

Bull Plug on Tbg
@ 6035'KB

Dakota Top 6306'(-355)

Otis side-door choke @ 6381-84'

Perforated Nipple

Production Packer @ 6384' KB
6402'

Bull Plug on Tubing
@ 6449' KB

Perforated: 6402-34, 6465-80 & 6502-07'
6532' 6507'

5 1/2" OD csg set @ 6597' w/400 sx cmt.
TD-6600'

SUNSET INTERNATIONAL PETROLEUM CORPORATION

ROCKY MOUNTAIN, MID-CONTINENT AREA OFFICE

P. O. BOX 1527

DENVER 1, COLORADO

February 16, 1959

Western Natural Gas Company
P. O. Box 1387
Anaconda, Montana

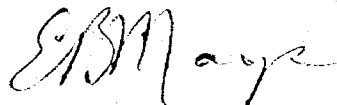
Subject: SIPCO Kutz #1-A Federal
SW/4, Sec. 32-T28N-R10W

Gentlemen:

Enclosed is a copy of Sunset International Petroleum Corporation's application to dually complete the described well in the Dakota and Gallup formations. This application was filed this 16th day of February, 1959, with the New Mexico Oil Conservation Commission and you, as an offset operator are hereby and henceforth notified of this application to dually complete said well in accordance with the Rules and Regulations of the New Mexico Oil Conservation Commission. A copy of this letter of transmittal is being sent to the Commission, along with application.

Yours very truly,

SUNSET INTERNATIONAL PETROLEUM CORPORATION



E. B. Mays
Div. Prod. Mgr.

EBM/ss

Encls.

cc: New Mexico Oil Conservation Commission ✓
Santa Fe Office

New Mexico Oil Conservation Commission
Altec, New Mexico, Office

SUNSET INTERNATIONAL PETROLEUM CORPORATION

ROCKY MOUNTAIN, MID-CONTINENT AREA OFFICE

P. O. BOX 1527

DENVER 1, COLORADO

February 16, 1959

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

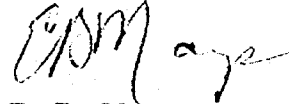
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E. B. Mays
Div. Prod. Mgr.

EBM/as
Encs.

cc: New Mexico Oil Conservation Commission
Santa Fe, New Mexico, Office

New Mexico Oil Conservation Commission
Altec, New Mexico, Office

SUNSET INTERNATIONAL PETROLEUM CORPORATION

ROCKY MOUNTAIN, MID-CONTINENT AREA OFFICE

P. O. BOX 1527

DENVER 1, COLORADO

February 16, 1959

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas

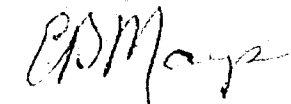
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SUNSET INTERNATIONAL PETROLEUM CORPORATION



E. B. Mays
Div. Prod. Mgr.

EBM/as
Encls.

cc: New Mexico Oil Conservation Commission ✓
Santa Fe, New Mexico, Office

New Mexico Oil Conservation Commission
Altec, New Mexico, Office

SUNSET INTERNATIONAL PETROLEUM CORPORATION

ROCKY MOUNTAIN, MID-CONTINENT AREA OFFICE

P. O. BOX 1527

DENVER 1, COLORADO

February 16, 1959

Southern Union Gas Company
Burt Building
Dallas, Texas

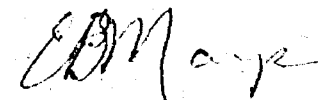
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SW/4, Sec. 32-T28N-R10W

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Yours very truly,

SUNSET INTERNATIONAL PETROLEUM CORPORATION



E. B. Maya
Div. Prod. Mgr.

EBM/ee
Encls.

cc: New Mexico Oil Conservation Commission ✓
Santa Fe, New Mexico, Office

New Mexico Oil Conservation Commission
Astec, New Mexico, Office

SUNSET INTERNATIONAL PETROLEUM CORPORATION

ROCKY MOUNTAIN, MID-CONTINENT AREA OFFICE

P. O. BOX 1527

DENVER 1, COLORADO

February 16, 1959

Three States Natural Gas Company
P. O. Box 730
Price, Utah

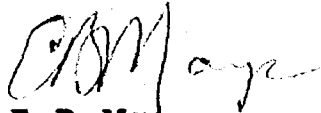
Subject: SIPCO Kutz #1-A Federal
SW/4, Sec. 32-T28N-R10W

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SUNSET INTERNATIONAL PETROLEUM CORPORATION



E. B. Mays
Div. Prod. Mgr.

EBM/rs
Encls.

cc: New Mexico Oil Conservation Commission
Santa Fe, New Mexico, Office

New Mexico Oil Conservation Commission
Alto, New Mexico, Office

RECEIVED
FEB 17 1959
6:27

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 3-25-59

CASE NO. 1620

HEARING DATE 3-25-59

My recommendations for an order in the above numbered case(s) are as follows:

1. Grant ~~application~~ Sunset Petroleum's application for a oil over Gas ~~usual~~ completion.
2. The upper oil completion is Gallup and the lower is Dakota Gas.
3. The well is the Sunset Petroleum - ^{Lipso Duty} Federal "A" No. 1 located 1842/W and 1773/S line of sec. 32, 28N-10W.
4. Two strings of 2 1/2" Hydril will be used with a Baker Model D permanent type packer.
5. The usual Dual order otherwise.

Thos. A. W. J.

Staff Member

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 2, 1959

Mr. Oliver Seth
Seth, Montgomery, Federici & Andrews
P.O. Box 828
Santa Fe, New Mexico

Dear Mr. Seth:

On behalf of your client, Sunset International Petroleum Corporation, we enclose two copies of Order R-1360 issued April 2, 1959, by the Oil Conservation Commission in Case 1620, which was heard on March 25th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
O
P
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 NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 1620
Order No. R-1360

APPLICATION OF SUNSET INTERNATIONAL
PETROLEUM CORPORATION FOR AN OIL-GAS
DUAL COMPLETION IN AN UNDESIGNATED
GALLUP OIL POOL AND IN THE ANGELS
PEAK-DAKOTA GAS POOL IN SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 25, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, 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 2nd day of April, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, 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, Sunset International Petroleum Corporation, is the owner and operator of the SIPCO Kutz "A" Federal Well No. 1, located 1773 feet from the South line and 1842 feet from the West line of Section 32, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described SIPCO Kutz "A" Federal Well No. 1 in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Angels Peak-Dakota Gas Pool through parallel strings of 2-1/16 inch Hydril tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

-2-

Case No. 1020
Order No. R-1360

(5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

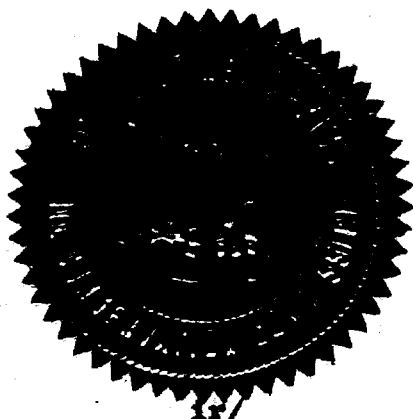
That the applicant, Sunset International Petroleum Corporation, be and the same is hereby authorized to dually complete its SIPOO Kutz "A" Federal Well No. 1, located 1773 feet from the South line and 1842 feet from the West line of Section 32, Township 28 North, Range 10 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Angels-Peak Dakota Gas Pool through parallel strings of 2-1/16 inch Hydril tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Angels Peak-Dakota Gas Pool.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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