

CASE 1626: Pan American Petr. Corp.  
Application for oil-gas dual of Gallegos Canyon Unit Well #83, 26-28N-12W, San Juan Co.

Case No.

1626

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
CITY COMMISSIONERS COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1626

TRANSCRIPT OF HEARING

APRIL 8, 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 No. 1626 Application of Pan American Petroleum Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of it's Gallegos Canyon Unit Well No. 83 located 990 feet from the North and East lines of Section 26, Township 28 North, Range 12 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 an undesignated Dakota gas pool through parallel strings of 2-3/8 inch tubing.

Room 109  
Santa Fe, New Mexico  
April 8, 1959

BEFORE:

E. J. Fischer, Examiner.

TRANSCRIPT OF HEARING

MR. FISCHER: We will take up next Case 1626.

MR. PAYNE: Case 1626, "Application of Pan American Petroleum Corporation for an oil-gas dual completion."

MR. NEWMAN: Kirk Newman of Atwood and Malone of Roswell, New Mexico representing the applicant. We have one witness.

MR. FISCHER: Are there any other witnesses to be presented in this case? Proceed.

(Witness sworn in.)

CHARLES R. MARSHALL

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

DIRECT EXAMINATION

BY MR. NEWMAN:

Q Will you state your name and your employment, please, sir?

A My name is Charles R. Marshall, I am employed by Pan American Petroleum Corporation as a Petroleum Engineer in Farmington.

Q Have you previously testified as an expert before this Commission?

A Yes, I have.

MR. NEWMAN: Are the witness' qualifications acceptable?

MR. FISCHER: They are.

Q (By Mr. Newman) Would you state the nature and purpose of this application?

A Pan American seeks approval to dually, to produce as a dual completion their Gallegos Canyon Unit No. 83 located 990 feet from the north line and 990 feet from the east line of Section 26, T 28 North, Range 12 West.

Q What's the reason that application was not made for administrative approval of this dual completion?

A The dual completion of this well met all the requirements

for administrative approval except for the fact that it is located more than one mile from any other dual completion.

(Thereupon, the documents were marked Pan American's Exhibits One, Two and Three for identification.)

MR. NEWMAN: Would you pass out these exhibits?

Q (By Mr. Newman) Would you refer to what has been marked Pan American's Exhibit Number One and state what is shown thereon?

A Pan American's Exhibit Number One is a map of a portion of the Gallegos Canyon Unit on which I have circled in red the Gallegos Canyon Unit No. 83.

Q Is there another well on there also circled in red?

A Yes, the Gallegos Canyon Unit No. 84, which is the next application on this hearing where we are applying for dual completion, that is also circled in here.

Q Are you the operator of this Gallegos Canyon Unit No. 83 Well?

A Yes, Pan American operates it.

Q Would you refer now to what has been marked as Pan American's Exhibit Number Two, which is the log of the well, and state what it shows?

A Pan American's Exhibit Number Two is an electrical log on the Gallegos Canyon Unit No. 83 which indicates the tops of

various formations, and perforations in this well as well as perforated intervals and complete log information. This log indicates that the Gallup in this well, which the top is approximately 5243, was perforated with two shots per foot between 5940 and 5920 and simulated with a sand-oil fracture treatment. The Dakota formation was perforated between 6200 and 6230 and 6280 and 6294 and simulated with a sand-water fracture treatment. The potential of the Gallup treatment was 35 barrels of oil in eight hours through a three-quarter inch choke and on a temperature gauge, the Dakota gauged 1250 MCF of gas daily.

Q Mr. Marshall, what is the present status of this well?

A This well is producing from the Gallup pay and the Dakota pay is shut in; it is pumping from the Gallup.

Q Would you now refer to what has been marked as Pan American's Exhibit Number Three and state what that exhibit shows?

A Exhibit Number Three is a diagrammatic sketch of the equipment in the hole in the Gallegos Unit No. 83 showing that the surface casing is set at 523 feet with 9 5/8, 33.3 pound casing. The cement was circulated to the surface. The seven-inch oil string was set at 6342 and cemented by the two-stage method and the top of the cement of the upper stage was at 1200 feet by a semiton log at 4432 in the lower stage. This exhibit also indicates that a Baker Model D Production Packer is set at 6110 and the Dakota is tubed to 6206 with two and three eighths inch 4.7 pound

and is with turned down couplings with a diameter of 2.51. Also the 30/30 is lined with two and three eighth inch 4.7 pound tubing with turned down couplings.

Q Will there be any communication between the production from the two prospective producing horizons?

A No, there would be no communication. The packer leakage test was conducted on this well and it has subsequently been approved by the Commission's Aztec office, which indicated that no communication, either at the surface or the packer existed between the two producing intervals.

Q Mr. Marshall, will the permission for a dual completion of this well result in any waste?

A The dual completion of this well would have no bearing on waste except for the fact that economic waste would be prevented by preventing the necessity of drilling an unnecessary well.

Q Are correlative rights in any way affected:--

A No, they are not.

Q --by this dual completion?

A No.

Q Were these exhibits prepared by you or at your direction?

A Exhibits One and Two, and Exhibit Three is a Schlumberger electrical log.

MR. NEWMAN: We would like to offer Pan American's



Exhibits One, Two and Three.

MR. FISCHER: If there is no objection, they will be so received.

MR. NEWMAN: That's all we have.

MR. FISCHER: Any questions of Mr. Marshall?

CROSS EXAMINATION

BY MR. FISCHER:

Q Mr. Marshall, these two strings of tubing, it isn't shown here, but are they bull plugged on the bottom?

A I am not sure whether they are bull plugged or --

Q Pin collared?

A --or cross pinned.

Q You have some sort of a stop down there, is that right?

A Yes, I believe that's correct.

Q Is the long string of tubing a continuous string without sleeves or chokes?

A Yes, I believe there may be a sidedoor choke above the packer.

Q Is there a safety joint in there?

A Not to my knowledge.

Q Just the Chevron packing?

A Yes.

Q Could you tell us the location of this other dual completion in these zones that's more than a mile away, or the

closest one?

A Do you mean to 85?

Q Yes, sir.

A The nearest well that I know about is No. 84, which is the next case.

Q I thought it was possibly just outside of a mile away

A No, it is just outside of the West Kutz Dakota Field. However, I don't beleive there is a dual completion in that.

MR. FISCHER: Thank you. Any other questions?

The witness may be excused.

(Witness excused)

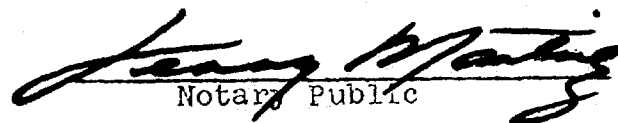
MR. FISCHER: Any statements to be made?

The case will be taken under advisement.

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

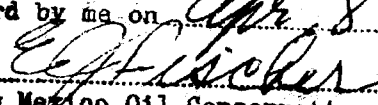
I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing were reported by me in Stenotype, and that the same was reduced to typewritten transcript by me and contains a true and correct record of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

DATED this 15th day of April, 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 Examiner hearing of Case No. 1226  
heard by me on Apr. 8, 1959.  
  
Examiner  
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 14, 1959

Mr. Kirk Newman  
Atwood & Malone  
P.O. Box 867  
Roswell, New Mexico

Dear Mr. Newman:

On behalf of your client, Pan American Petroleum Corporation, we enclose two copies of Orders R-1368 and R-1369 issued April 13, 1959, by the Oil Conservation Commission in Cases 1626 and 1627, respectively, which were both heard on April 8th before an examiner.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

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Y

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 1626  
Order No. R-1368

APPLICATION OF PAN AMERICAN PETROLEUM  
CORPORATION FOR AN ORDER AUTHORIZING  
AN OIL-GAS DUAL COMPLETION IN AN  
UNDESIGNATED GALLUP OIL POOL AND IN  
THE WEST KUTZ-DAKOTA GAS POOL, 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 April 8, 1959, at Santa Fe, New Mexico, before E. J. Fischer, 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 13<sup>th</sup> day of April, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, E. J. Fischer, 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, Pan American Petroleum Corporation, is the operator of the Gallegos Canyon Unit Well No. 83, located 990 feet from the North line and 990 feet from the East line of Section 26, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico.

(3) That the applicant proposes to dually complete the above-described Gallegos Canyon Unit Well No. 83 in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the West Kutz-Dakota Gas Pool through parallel strings of 2-3/8 inch tubing.

(4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

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

-2-

Case No. 1826  
Order No. R-1368

IT IS THEREFORE ORDERED:

That the applicant, Pan American Petroleum Corporation, be and the same is hereby authorized to dually complete its Gallegos Canyon Unit Well No. 83, located 990 feet from the North line and 990 feet from the East line of Section 26, Township 28 North, Range 12 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 West Kutz-Dakota gas pool through parallel strings of 2-3/8 inch 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 West Kutz-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.

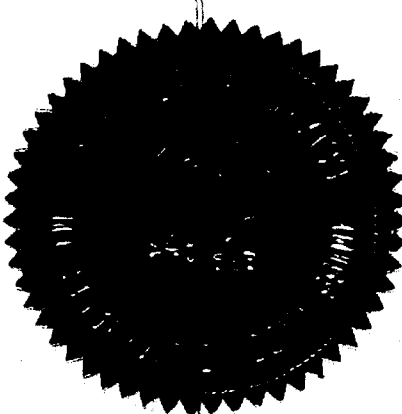
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN BURROUGHS, Chairman

  
MURRAY E. MORGAN, Member

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



lr/

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date April 8, 1959

CASE NO. 1626

HEARING DATE April 8, 1959

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

Recommend Approval —  
Dual Completion of Pan American Petr. Corp.  
Gallegos Canyon Unit Well No. 83  
located 990 feet from the No. line and  
990' feet from the Eastline in Sect. 26,  
T-28-N, R-12-W. Parallel strings of  
tubing. <sup>west Kent-Dakota</sup>  
Underlying oil over ~~Dakota~~ gas.  
Annual Packer Leak Test During  
Annual Deliverable test period of the  
W. Kent ~~Dakota~~ Gas Zone.

E. Fische  
Staff Member

BEFORE EXAMINER FISCHER

OIL CONSERVATION COMMISSION

Exhibit No. 25

Case No. 1626

Reference Point - RDB El. 5819'

12'

Ground Level El. 5807'

523' of 9-5/8" 32.3# casing in  
13-3/4" hole (cemented to surface)

Top of cement 1200'

← 2-stage cementing tool at 1883'

Top of Cement 4432'

Gallup Perforations - 2 shots per foot  
5548-5620

5632' of 2-3/8" 4.7# tubing (with  
2.910" O.D. tapered couplings)

5586' of 3/4" sucker rods and pump

6110' Baker Model "D" Retainer  
production packer

Dakota Perforations - 4 shots per  
foot 6200-6230 6280-6294

PBD - 6325'

TD - 6343' - 7" 23# & 20# casing in  
8-3/4" hole

BEFORE EXAMINER FISCHER

OIL CONSERVATION COMMISSION

Exhibit No. 3

Case No. 1626

6206' of 2-3/8" 4.7# tubing (with  
2.910" O.D. tapered couplings) with  
Baker Model "E" Anchor Tubing Seal  
Assembly

PAN AMERICAN PETROLEUM CORPORATION

GALLINOS CANYON UNIT NO. 83 - DIAGRAMATIC SKETCH OF DUAL COMPLETION EQUIP.

SCALE: None

FHH 3/12/59

Des.  
No.



Case 1626

**PAN AMERICAN PETROLEUM CORPORATION**Box 487, Farmington, New Mexico  
March 18, 1959

File: B-2075-400.1

Subject: Application for Gallup-Dakota  
Dual Completion  
Gallegos Canyon Unit No. 83Mr. A. L. Porter (3)  
New Mexico Oil Conservation Commission  
P. O. Box 1901  
Santa Fe, New Mexico

Dear Sir:

In accordance with the provisions of Order No. R-1214 dated July 3, 1958, amending Rule 112-A for multiple completions, Pan American Petroleum Corporation respectfully requests a hearing for the purpose of obtaining approval for a Gallup oil zone over a Dakota gas zone dual completion of our Gallegos Canyon Unit No. 83, located 990' from the north line and 990' from the east line, Section 26, T28N, R12W, San Juan County, New Mexico.

We are submitting the attached Application For Dual Completion together with a diagrammatic sketch of the dual completion equipment, plat showing applicable well locations, and a copy of the electrical log. A packer leakage test of the Gallegos Canyon Unit No. 83 has been submitted to the District Office in Aztec, New Mexico, and was approved February 26, 1959. There are no offset operators to this well.

By separate application we are requesting a similar hearing for the Gallegos Canyon Unit No. 84, and it would be appreciated if these applications were placed on the same docket.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

*L. O. Speer, Jr.*  
L. O. Speer, Jr.  
Field SuperintendentFHH:ep  
Attach.

cc: E. C. Arnold - NMOCC (1)

*Docket Mailed  
3-25-59  
BR*

# NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

## APPLICATION FOR DUAL COMPLETION

Field Name <u>Undesignated Gallup-Undesignated Dakota</u>		County <u>San Juan</u>	Date <u>March 13, 1959</u>
Operator <u>Pan American Petroleum Corporation</u>		Lease <u>Gallegos Canyon Unit</u>	Well No. <u>83</u>
Location of Well <u>A</u>	Unit <u>26</u>	Township <u>28N</u>	Range <u>12W</u>

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 ☒
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>5548-5620</u>	<u>6200-6294</u>
c. Type of production (Oil or Gas)	<u>Oil</u>	<u>Gas</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Pump</u>	<u>Flow</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.
- Yes 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.
- None 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.\*
- 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.

None

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☐ NO ☐ . If answer is yes, give date of such notification \_\_\_\_\_

CERTIFICATE: I, the undersigned, state that I am the Field Superintendent of the Pan American Petroleum Corporation (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.

L. O. Sullivan  
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.

Reference Point - RDB El. 5819'

12'

Ground Level El. 5807'

523' of 9-5/8" 32.3# casing in  
13-3/4" hole (cemented to surface)

Top of cement 1200'

← 2-stage cementing tool at 1883'

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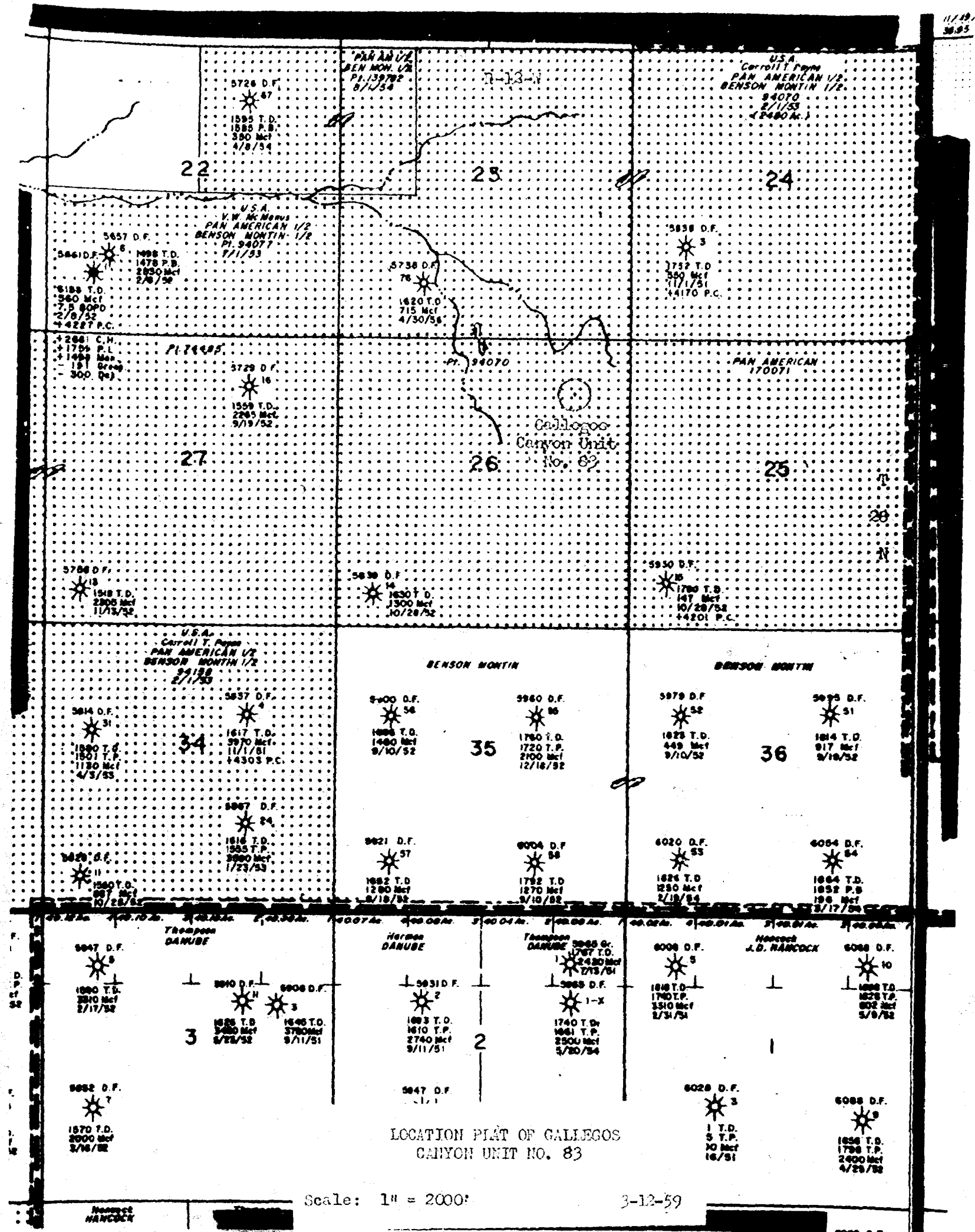
PAN AMERICAN PETROLEUM CORPORATION

GALLEGOS CANYON UNIT NO. 83 - DIAGRAMATIC SKETCH OF DUAL COMPLETION EQUIP.

SCALE: None

FHH 3/12/59

Dwg.  
No.



## PAN AMERICAN PETROLEUM CORPORATION

Box 487, Farmington, New Mexico  
March 13, 1959

File: B-2072-400.1

Subject: Packer Setting Affidavit  
Gallegos Canyon Unit No. 83  
Dakota-Gallup Dual  
NE/4 SE/4 Section 26, T28N, R12W  
San Juan County, New Mexico

Mr. E. C. Arnold (2)  
New Mexico Oil Conservation Commission  
1000 Rio Brasos Road  
Asteas, New Mexico

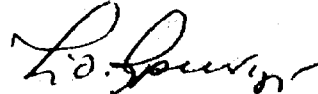
Dear Sir:

In accordance with the rules and regulations of the New Mexico Oil Conservation Commission Order No. R-1214, dated July 3, 1958, a packer setting affidavit for the Gallegos Canyon Unit No. 83 is attached.

The packer leakage test was submitted and approved February 26, 1959.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION



L. O. Speer, Jr.  
Field Superintendent

FHM:ep

cc: Mr. A. L. Porter (2)

COPY

STATE OF NEW MEXICO }

COUNTY OF SAN JUAN }

I, Mack Mahaffey, being first duly sworn upon my oath depose and say as follows:

I am an employee of Baker Oil Tools, Inc., and that on January 30, 1959, I was called to the location of the Pan American Petroleum Corporation's Gallegos Canyon Unit No. 83, Well located in the Unit A of Section 26, Township 28N, Range 12W, N. M. P. M. for the purpose of installing a production packer. Under my direct supervision a Baker Model D production packer was set at 6110 feet. The production packer was properly set in accordance with the usual practices and customs of the industry.

Mack Mahaffey

Baker Oil Tools, Inc.

Subscribed and sworn to before me, a Notary Public in and for San Juan County, New Mexico, the 15th day of March, 1959.

Langdon H. Hall  
Notary Public in and for San Juan  
County, New Mexico

My Commission Expires Oct. 29, 1962  
My commission expires