

CASE 1627: Pan American Petr. Corp.
application for oil-gas dual of Gallegos Can-
yon Unit Well #84, 26-28N-13W.

Casa No.

1627

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OLD CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1627

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. 1627 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 its Gallegos Canyon Unit Well No. 84 located 990 feet from the North and West lines of Section 26, Township 28 North, Range 13 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 the next case, 1627.

MR. PAYNE: Case No. 1627, "Application of Pan American Petroleum Corporation for an oil-gas dual completion."

MR. NEWMAN: We have one witness, Mr. Marshall.

MR. PAYNE: It won't be necessary to swear him again, Mr. Newman.

CHARLES R. MARSHALL

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

DIRECT EXAMINATION

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

MR. FISCHER:

Q Are you the same Mr. Marshall? as identified in the previous case?

A Yes, I am.

MR. NEWMAN: Is the identity and the qualifications as an expert of Mr. Marshall accepted?

MR. FISCHER: They are.

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

A In this case, Pan American seeks permission to dually produce the Gallegos Canyon Unit No. 84 located 990 feet from the north line and 990 feet from the west line of Section 26, Township 28 North, Range 13 West.

(Thereupon, the document was marked as Pan American's Exhibit Number One for identification.)

Q (By Mr. Newman) Would you refer to Pan American's Exhibit Number One and explain what that shows?

A 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. 84.

Q Is this Unit Well No. 84 located within the boundaries of any present field?

A No, it isn't.

Q Are you the operator of the well?

A Pan American is the operator?

A Pan American is the operator and with the exception of Aztec Oil and Gas Company's acreage in Section 22, T 26 N, R 13 W, the unit surrounds this well.

(Thereupon, the document was marked as Pan American's Exhibit Number Two for identification.)

Q (By Mr. Newman) Would you refer to what has been marked as Pan American's Exhibit Number Two, which is the log of this well, and state what it shows, please, sir?

A Pan American's Exhibit Number Two is an electrical log of the Galloges Canyon Unit Number 84 showing the tops of formations perforated, the producing intervals and the completion information on this well. It has shown that the Gallup formation was perforated with two shots per foot, 5648 and 5730, simulated with a sand count type of oil fracture treatment. The Dakota was perforated over two intervals between 6306 and 6384 and simulated with a sand-water fracture treatment. The Gallup potential was 70 barrels of oil in twenty-four hours and the Dakota tested 2971 MCF of gas daily.

Q What's the present status of this well?

A This well is presently producing from the Gallup formation with the Dakota or lower pay shut in.

(Thereupon, the document was marked as Pan American's Exhibit Number Three for identification.)

Q (C. Mr. Newman) Would you refer to what has been designated as Pan American's Exhibit Number Three and state what it shows, please, sir?

A Exhibit Number Three is a diagrammatic sketch of the equipment in the Gallegos Canyon Unit No. 84, indicating that 502 feet of 9 5/8 inch, 32.3 pound surface casing was set and cemented to the surface and that seven-inch casing was set at 6433 feet and cemented and the top of the cement, by temperature survey, was found at 5105. It also indicates that a Baker Model D Production Packer is set at 6220. The Dakota formation is tubed with 6290 feet of two and three eighths inch 4.7 pound tubing and the Gallup formation is also tubed with two and three eighths inch 4.7 pound tubing set at 5748.

Q Is this a standard dual completion procedure?

A Yes, it is.

Q Will there be any communication of production from these two prospective producing horizons?

A No, there will not. A packer leakage test was conducted on this well, filed with the Aztec office, and subsequently approved.

Q Will there be any communication at the surface or

Will standard equipment be used?

A A standard dual completion wellhead will be used and there will be no communication at the surface.

Q Will the dual completion of this well result in waste?

A No, it will not.

Q Will there be any saving of waste?

A The dual completion of this well will avoid economic waste by virtue of making the drilling of another well unnecessary.

Q Will correlative rights in any way be affected by this dual completion?

A No, they will not.

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

A Yes, Exhibits One and Two were prepared by me and Exhibit Number Three is an electrical log from the Schlumberger Corporation.

MR. NEWMAN: That's all; we will offer Exhibits One, Two and Three in evidence.

MR. FISCHER: Without objection, they will be so accepted.

Any questions of Mr. Marshall?

CROSS EXAMINATION

BY MR. FISCHER:

Q Mr. Marshall, is that a dual stringhead on this well?

A Yes, it's a Cameron dual string.

Q Can you blank it off at the head, or do you blank it off in the head or down in the tubing.

A Well, it can be done either way there, I believe. There are two valves on the head, on either side.

Q I mean, if you ran a blanking tool in there, would it set in the head, up near the head or down in the--

A The tubing, the opening through the head is full size all the way through.

Q Are these tubing strings bull plugged or pin collared in any way that you know?

A To my knowledge--of course, there's a pump in the tubing of the Gallup and I am not sure, but I believe there is a cross pin or a bull plug in the Dakota tubing string.

Q This is upset, external upset tubing, is it not?

A Yes, with the turned down joints.

MR. FISCHER: If there are no other questions, the witness will be excused.

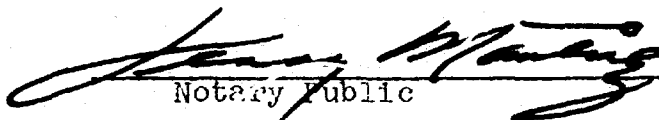
(Witness excused.)

MR. FISCHER: The case will be taken under advisement.

STATE OF NEW MEXICO)
)ss
COUNTY OF BERNALILLO)

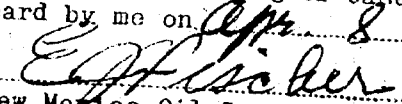
I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing were reported by me in Stenotype, and that the same was reduced to typewritten transcript by me and contains a true and correct record of 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 Comission 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. 1627 heard by me on Apr 8, 19 59.
 Examiner.
New Mexico Oil Conservation Commission

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1627 heard by me on Apr 8, 19 59.
Examiner.
New Mexico Oil Conservation Commission

Reference Point - RDB El. 6069'

BEFORE EXAMINER FISCHER

OIL CONSERVATION COMMISSION

Pan Am Exhibit No. 3

Case No. 1627

April 8, 1959

14'

Ground Level El. 6055'

502' of 9-5/8" 32.3# casing in
12-1/4" hole (cemented to surface)

Top of Cement 5105'

Gallup Perforations - 2 shots
per foot

5648-5730

5748' of 2-3/8" 4.7# tubing (with
2.910" O.D. tapered couplings)

5647' of 3/4" sucker rods and pump

6292' of 2-3/8" 4.7# tubing (with
2.910" O.D. tapered couplings) with
Baker Model "E" Anchor Tubing Seal
Assembly

6433' of 7" 23# & 20# casing in
8-3/4" hole

6220' Baker Model "D" Retainer
production packer

Dakota perforations - 4 shots per foot
6306-6320 6332-6356 6372-6384

PBD - 6393'

TD 6440'

PAN AMERICAN PETROLEUM CORPORATION

GALLEGOS CANYON UNIT NO. 84 - DIAGRAMATIC SKETCH OF DUAL COMPLETION EQUIP.

SCALE: None

FHH 3/12/59

DWG.
No.

DOCKET: EXAMINER HEARING APRIL 8, 1959Oil Conservation Commission Office, Room 109, State Capitol, Santa Fe

The following cases will be heard before E. J. FISCHER, Examiner:

- CASE 1420: Application of Caulkins Oil Company and El Paso Natural Gas Products Company for an amendment of Order No. R-1191, for approval to convert two wells to water injection, for establishment of an administrative procedure for extending the South Blanco water injection project and for including new wells in said project, for an unorthodox gas well location and for a dual completion. Applicants, in the above-styled cause, seek an order amending Order No. R-1191 to extend the project area of the South Blanco water injection project to include acreage in Sections 6, 7, and 8, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, and for the establishment of an administrative procedure whereby the project area may be extended and new wells included without notice and hearing. Applicants further seek permission to convert two wells located in said Sections 6 and 7 to water injection, and to dually complete the Caulkins Well No. T-123 located in the NW/4 NE/4 of said Section 7 in such a manner as to permit production from the Dakota formation and production from, or water injection into, the Tociito formation, and for approval of an unorthodox gas well location for said well.
- CASE 1624: Application of El Paso Natural Gas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Huerfano Unit Well No. 103 located in the NE/4 NW/4 of Section 3, Township 26 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Angels Peak-Gallup Oil Pool and the production of gas from the Dakota formation adjacent to the Angels Peak-Dakota Gas Pool through parallel strings of two-inch tubing.
- CASE 1625: Application of El Paso Natural Gas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Huerfano Unit Well No. 105 located in the SE/4 SE/4 of Section 29, Township 27 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation adjacent to the Angels Peak-Gallup Oil Pool and the production of gas from the Dakota formation adjacent to the Angels Peak-Dakota Gas Pool through parallel strings of two inch tubing.
- CASE 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 its 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.

CASE 1627: 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 its Gallegos Canyon Unit Well No. 84 located 990 feet from the North and West lines of Section 26, Township 28 North, Range 13 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.

CASE 1628: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its A. B. Coates "C" Well No. 22 located in the NW/4 NE/4 Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinbry Oil Pool and the production of oil from the Justis-Montoya Oil Pool through parallel strings of 2-3/8 inch tubing.

CASE 1629: Application of Humble Oil & Refining Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 18 and the NE/4 of Section 19, Township 22 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's State "M" Well No. 1 located 1980 feet from the South and East lines of said Section 18.

CASE 1630: Application of Hill and Meeker for the creation of a new oil pool and the establishment of allowables therefor. Applicant, in the above-styled cause, seeks an order creating a new oil pool for Delaware production to be designated the El Mar-Delaware Pool and to consist of the NW/4 NW/4 of Section 36, Township 26 South, Range 32 East, Lea County, New Mexico, alleged by applicant to be an extension of the El Mar (Delaware) Field in Loving County, Texas. Applicant further seeks the promulgation of pool rules governing the establishment of allowables for said pool.

Case 1637

PAN AMERICAN PETROLEUM CORPORATION

Box 487, Farmington, New Mexico
March 18, 1959

File: B-2076-400.1

Subject: Application for Gallup-Dakota
Dual Completion
Gallegos Canyon Unit No. 84

Mr. 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. 84, located 990' from the north line and 990' from the west line of Section 26, T-28-N, R-13-W, 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. 84 is presently being conducted and will be submitted to the District Office in Aztec, New Mexico, upon completion. Offset operators are being furnished copies of this letter and dual completion application by registered letter this date.

By separate application we are requesting a similar hearing for the Gallegos Canyon Unit No. 83, 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 Superintendent

FHI:ep
Attach.

cc: E. C. Arnold - NMOCC (1)
Aztec Oil & Gas Co. - Farmington, N.M.
Aztec Oil & Gas Co. - Dallas, Texas

*Docket Mailed
3-25-59
EP*

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Undesignated Gallup-Undesignated Dakota		County San Juan	Date March 13, 1959
Operator Pan American Petroleum Corporation		Lease Gallegos Canyon Unit	Well No. 84
Location of Well D	Unit 26	Township 28N	Range 13W

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)	5648-5730	6306-6384
c. Type of production (Oil or Gas)	Oil	Gas
d. Method of Production (Flowing or Artificial Lift)	Pump	Flow

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.
- 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.*
- 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.

Aztec Oil & Gas Company, Box 786, Farmington, New Mexico

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 Registered letter MAR 18 1959

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.

[Signature]
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 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.

Reference Point - RDB El. 6069'

14'

Ground Level El. 6055'

502' of 9-5/8" 32.3# casing in
12-1/4" hole (cemented to surface)

Top of Cement 5105'

Gallup Perforations - 2 shots
per foot

5648-5730

5748' of 2-3/8" 4.7# tubing (with
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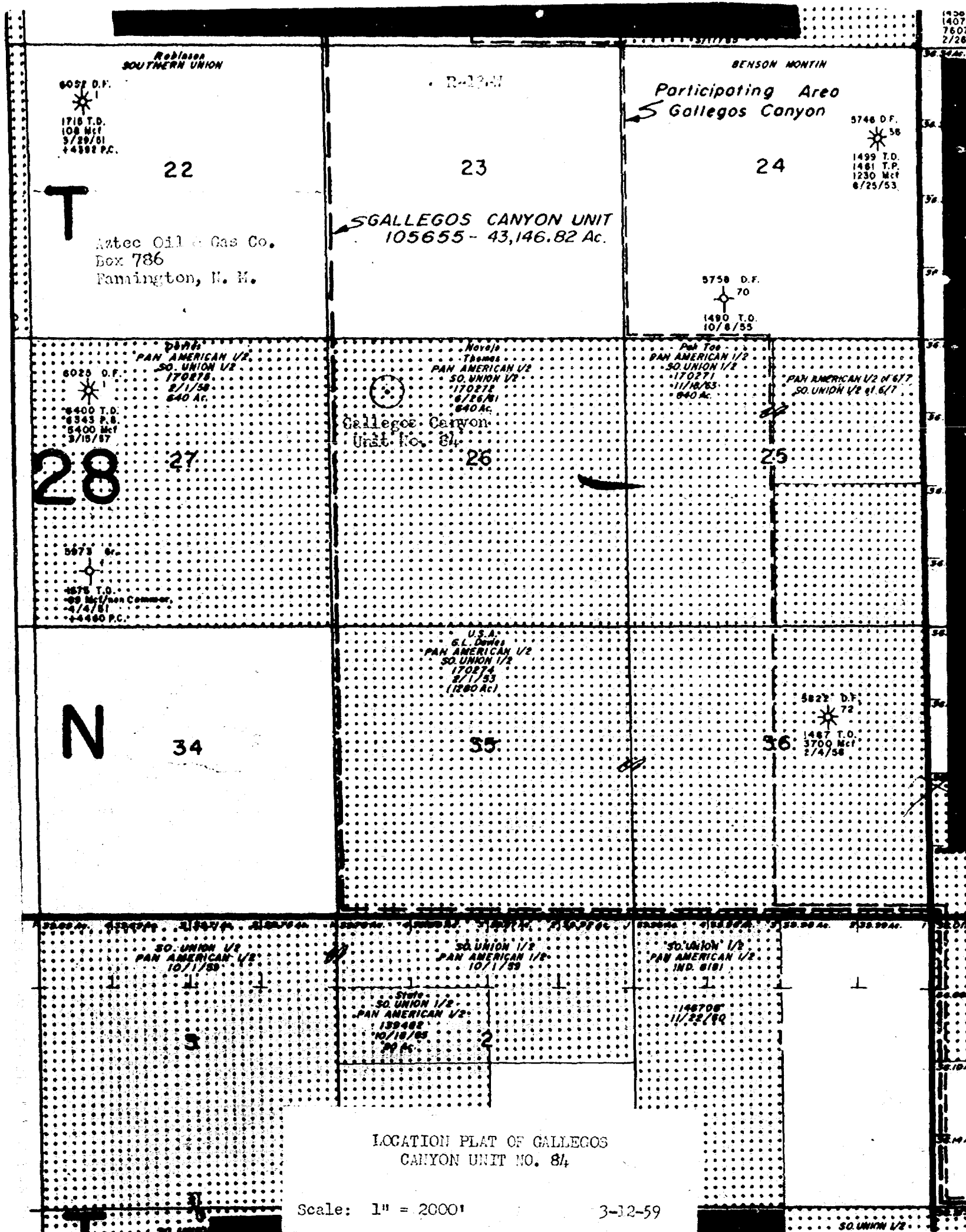
PAN AMERICAN PETROLEUM CORPORATION

GALLEGOS CANYON UNIT NO. 84 - DIAGRAMATIC SKETCH OF DUAL COMPLETION EQUIP.

SCALE: None

FHH 3/12/59

Dra.
No.



OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date April 8, 1959

CASE NO. 1627

HEARING DATE April 8, 1959

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

Recommend approval ~~of~~ ^{oil/gas} for
Recal Completion of San American
Petr. Corp. Gallegos Canyon Unit Well
No. 84 in NW 1/4 NW 1/4, Section 26,
T-28-N, R-13-W, San Juan Co.,
N.M., in such a manner as to permit
the prod. of gas from an Undesign.
Dakota Formation and prod. of oil from
an Undesign. Gallegos Formation
through parallel strings of log.
Per Leak Test during Annual
Deliverability Test period for Dakota
Gas zone

E. J. Fischer
Staff Member

DOCKET. EXAMINER HEARING APRIL 8, 1959

Oil Conservation Commission Office, Room 109, State Capitol, Santa Fe

The following cases will be heard before E. J. FISCHER, Examiner:

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- ✓
CASE 1625: Application of El Paso Natural Gas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Huerfano Unit Well No. 105 located in the SE/4 SE/4 of Section 29, Township 27 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation adjacent to the Angels Peak-Gallup Oil Pool and the production of gas from the Dakota formation adjacent to the Angels Peak-Dakota Gas Pool through parallel strings of two inch tubing.
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CASE 1630: Application of Hill and Meeker for the creation of a new oil pool and the establishment of allowables therefor. Applicant, in the above-styled cause, seeks an order creating a new oil pool for Delaware production to be designated the El Mar-Delaware Pool and to consist of the NW/4 NW/4 of Section 36, Township 26 South, Range 32 East, Lea County, New Mexico, alleged by applicant to be an extension of the El Mar (Delaware) Field in Loving County, Texas. Applicant further seeks the promulgation of pool rules governing the establishment of allowables for said pool.

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. 1627
Order No. R-1369

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR AN ORDER AUTHORIZING
AN OIL-GAS DUAL COMPLETION IN AN
UNDESIGNATED GALLUP OIL POOL AND IN
AN UNDESIGNATED 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 13th 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. 84, located 990 feet from the North line and 990 feet from the West line of Section 26, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant proposes to dually complete the above-described Gallegos Canyon Unit Well No. 84 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.

(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. 1627
Order No. R-1369

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. 84, located 990 feet from the North line and 990 feet from the West line of Section 26, Township 28 North, Range 13 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 an undesignated Dakota gas pool through parallel strings of 2-3/8 inch tubing.

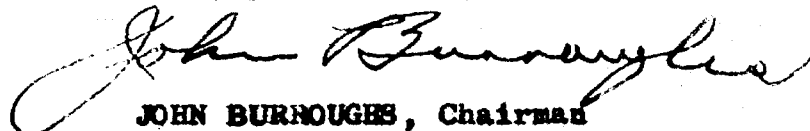
PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Dakota zone of the subject well.

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.

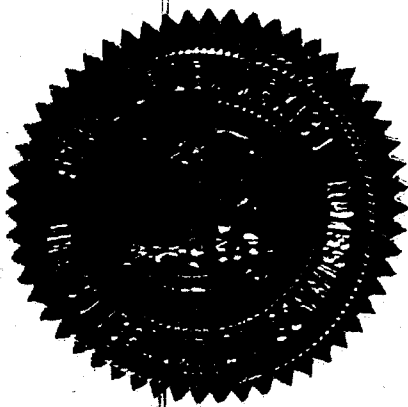
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURNOUGHES, Chairman


MURRAY E. MORGAN, Member


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



ir/

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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