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### 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. 2026 Order No. R-1742

APPLICATION OF THE BRITISH AMERICAN OIL PRODUCING COMPANY FOR AN ORDER AUTHORIZING A "SLIM-HOLE" COMPLETION IN THE DAKOTA PRODUCING INTERVAL, 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 July 27, 1960, at Santa Fe, New Mexico, before Daniel 8. Nutter, 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 4th day of August, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 is the owner and operator of the Fullerton Well No. 7, located 1850 feet from the South line and 1850 feet from the West line of Section 11, Township 27 North, Range 11 West, HMPM, San Juan County, New Mexico.
- (3) That the applicant proposes to complete the abovedescribed well as a 'slim-hole" completion in the Dakota Producing Interval, utilizing 2-7/8 inch OD tubing set at approximately 6345 feet, which type of completion method requires an exception to Rule 107(e) of the Commission Rules and Regulations.
- /4) That according to the applicant's testimony there are no known pressure or corrosion problems to be anticipated in the subject area which cannot be adequately controlled in a "slimhole" type completion.
- (5) That the evidence indicates that all potential producing intervals above the completion interval will be adequately protected provided the coment on the subject well is brought back

-2-CASE NO. 2025 Order No. R-1732

from total depth to approximately 5200 feet, and provided further that a cementing stage collar be installed at approximately 2000 feet and cement brought back from that depth to approximately 1500 feet, and provided further that casing centralizers are installed throughout, and to a point 100 feet above, the Dakota Producing Interval at 30-foot intervals.

(6) That all fresh water zones should be adequately protected by surface casing set at approximately 300 feet on which the cement will be circulated.

### IT IS THEREFORE ORDERED:

That the applicant, The British American Oil Producing Company, be and the same is hereby authorized to complete its Fullerton Well No. 7, located 1850 feet from the South line and 1850 feet from the West line of Section 11, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico, as a "slim-hole" completion in the Dakota Producing Interval at a total depth of 6350 feet, utilizing 2-7/8 inch OD tubing as casing.

PROVIDED HOWEVER, That casing centralizers should be installed at 30-foot intervals throughout and to a point 100 feet above the Dakota Preducing Interval.

PROVIDED FURTHER. That the applicant shall use sufficient cement in the subject well to cause the cement to be brought back from total depth to approximately 5200 feet and that a cementing stage collar shall be installed at approximately 2000 feet and cemented from that depth to approximately 1500 feet.

PROVIDED FURTHER, That the applicant shall take whatever measures are necessary to properly control any pressure or corrosion problems which may be encountered in completing or producing the subject well.

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

08T/

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

# State of New Mexico Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

P. O. BOX 871 SANTA FE

August 4, 1960

Mr. Burns Errebo P. O. Box 466 Albuquerque, New Mexico

Re: Case No. 2028

Order No. R-1742

Applicant:

British American Oil Producing Co.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

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

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC X

Other

## OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

	Tuly 28, 1960 anta Fe, 9 a.m. 7/27
	anta Fe, 9 a.m. 7/27
My recommendations for an order in the above numbered case	
	es are as follows:
Approve slim hole completion of British American C Company's Fullerton Well No. 7, 1850 feet from the and 1850 feet from the West line of Section 11-27Nort West. Require that centralizer be used through the and 100 feet above the top of same.	e South line h, Range II
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#### DOCKET: EXAMINER HEARING JULY 27, 1960

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, Attorney, as alternate Examiner:

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CASE 2018: Application of Continental Oil Company for an order authorizing the triple completion of its Jicarilla Apache Well No. 27-2, located in the NW/4 NW/4 of Section 27, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation, the production of oil from the Greenhorn formation and the production of oil from the Dakota formation through parallel strings of 4½ inch, 2 7/8 inch, and 4½ inch casing cemented in a common well bore. Applicant proposes to install tubing to the Gallup and the Dakota formations.

Application of Continental Oil Company for an order authorizing the triple completion of its Northeast Haynes Apache Well No. 9-1, located in the NW/4 SW/4 of Section 9, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Mesaverde formation, the production of gas from the gallup formation and the production of gas from the Greenhorn formation through parallel strings of 2 7/8 inch, 4½-inch, and 4½-inch casing respectively, cemented in a common well bore. Applicant also proposes to install tubing in the latter two zones.

Application of Amerada Petroleum Corporation for an order authorizing the triple completion of its Wimberly Well No. 13, located in Unit M, Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Langlie Mattix Pool, the disposal of salt water into the Grayburg and San Andres formations in the interval from 3500 feet to 4200 feet, and the production of oil from the Justis-Blinebry Pool by means of two parallel strings of 3½-inch casing cemented in a common well bore. Applicant would dispose of the salt water through one string of casing, produce the Blinebry oil through 1½-inch tubing set in the second string of casing, and produce Langlie Mattix gas through the annulus of the 1½-inch tubing and the second casing string.

-2-Docket No. 21-60

CASE 2021: Application of Shell Oil Company for authority to recomplete its State BUA Well No. 2 (formerly its Bluitt Unit Well No. 2) at an unorthodox oil well location in the Pennsylvanian formation within one mile of the Bluitt Pennsylvanian Pool. Said well is located 1980 feet from the North line and 660 feet from the West line of Section 16, Township 8 South, Range 37 East, Roosevelt County, New Mexico.

CASE 2022: Application of Sinclair Oil & Gas Company for an order authorizing the dual completion of its Turner "B" SP Well No. 67, located in Unit L, Section 20, Township 17 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Grayburg-Jackson Pool and the production of oil from an undesignated Abo pool through parallel strings of 2-inch tubing.

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CASE 2027:

Application of Hondo Oil & Gas Company for an amendment of Order No. R-1643 to provide an alternative to the fail-safe features required in the automatic custody transfer system authorized therein for the Hondo-Western-Yates State 647 lease, Empire-Abo Pool, Eddy County, New Mexico.

CASE 2028:

Application of Pan American Petroleum Corporation for an order authorizing it to commingle the production from the Empire-Abo Pool from all wells on eight separate leases in Sections 27 and 34, Township 17 South, Range 28 East, Eddy County, New Mexico. Applicant also seeks authorization of an automatic sustody transfer system to handle said commingled production.

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Application of Pan American Petroleum Corporation for an amendment of Order R-1399 to permit the commingling of Empire-Abo Pool production from Federal Lease No. IC-064050-A, E/2 SE/4 of Section 34 and NW/4 SW/4 of Section 35, Township 17 South, Range 27 East, with the Empire-Abo Pool production from those leases for which commingling was approved by paragraph one of said order and to permit the commingling of Empire-Abo Pool production from Federal Lease No. NM-025602, NW/4 and N/2 SW/4 of Section 15, Township 18 South, Range 27 East with the Empire-Abo Pool production from those leases for which commingling was approved by paragraph two of said order. Applicant also seeks an amendment of Order No. R-1399-A to permit production from the above-described leases in Eddy County, to be handled by the automatic custody transfer systems authorized in said order.

CASE 2030:

Application of Pan American Petroleum Corporation for permission to commingle the Empire-Abo Pool production from eleven separate State leases in Townships 17 and 18 South, Range 28 East, Eddy County, New Mexico. Applicant further seeks permission to install automatic custody transfer facilities to handle said commingled production.

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Application of Union Oil Company of California for approval of its South Caprock Queen Unit Agreement, which unit is to embrace 9526 acres in Townships 14 and 15 South, Ranges 30 and 31 East, Caprock Queen Pool, Chaves County, New Mexico.

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The following cases will not be heard before 9 a.m. on July 28, 1960

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Application of Gulf Oil Corporation for an order authorizing the dual completion of its J. N. Carson Well No. 6, located 330 feet from the South line and 965 feet from the East line of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Penrose-Skelly Pool and the production of gas from the Blinebry Gas Pool through parallel strings of 2 3/8-inch tubing.

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Application of Charles Loveless, Jr., for the establishment of a 280-acre non-standard gas unit in the Atoka-Pennsylvanian Gas Pool consisting of the NE/4, N/2 NW/4 and SW/4 NW/4 of Section 21, Township 18 South, Range 26 East, Eddy County, New Mexico. Applicant proposes that said unit be dedicated to the Brunner No. 1 Dayton Townsite Well to be located on an unorthodox location at a point 1650 feet from the North line and 2310 feet from the East line of said Section 21.

CASE 2037:

Application of Sun Oil Company for the creation of a new oil pool for Wolfcamp production to be designated as the Jenkins-Wolfcamp pool and to consist of Sections 2, 3, 4, 8, 9, 10 and 11 of Township 9 South, Range 34 East, Lea County, and Sections 34 and 35, Township 8 South, Range 34 East, Roosevelt County, New Mexico. Applicant further seeks the promulgation of special rules and regulations for said pool including a provision for 80-acre drilling and proration units.

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Application of Southwest Production Company for approval of an unorthodox oil well location in the Gallegos-Gallup Oil Pool for its Rummel Federal Well No. 1, located 790 feet from the North line and 1190 feet from the West line of Section 36, Township 27 North, Range 12 West, San Juan County, New Mexico.

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### BETTSH-AMERICAN ON PRODUCING COMPANY DENVER CLUB BUILDING 胡 35 38 DENVER 1, COLORADO PRODUCTION & ENGINEERING DEPT. POST OFFICE BOX 180

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July 5, 1960

New Mexico Oil Conservation Commission P. 0. Box 871 Santa Fe, New Mexico

Attention: Mr. Dan Nutter Chief Engineer

Re: Application For The British-American Oil Producing Company

Proposed Slim Hole Completion, Fullerton #6,

San Juan County, New Mexico

Gentlemen:

The British-American Oil Froducing Company herein requests that we be included on the Docket For Hearing July 27, 1960 for authority to "slim hole" complete a Dakota gas well.

We propose to drill the Fullerton #6 at a location 1850' NSL and 1850' EWL of Section 11-27N-11W. San Juan County. New Mexico. We pro-

1850' EWL of Section 11-27N-11W, San Juan County, New Mexico. We propose to drill a 7-7/8" hole to the approximate top of the Dakota gas sand and then a 6-1/4" hole to a T.D. of approximately 6350'. The estimated Dakota gas sand interval will be from 6286-6316' depth. It is possible that we will drill the 7-7/8" hole to T.D. A string of 2-7/8" O.D. tubing will be set through the Dakota pay and cement will be circulated to a depth above the Gallup sand. A cementing stage collar will be utilized to cement the Pictured Cliffs zone. For your information, British-American, et al owns all of Section 11.

Very truly yours,

THE BRITISH-AMERICAN OIL PRODUCING COMPANY

Thomas M. Hogan

District Superintendent

Mr. F. A. Norris Mr. N. R. Stone

Mr. Burns Errebo

#### DOCKET: EXAMINER HEARING JULY 27, 1960

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

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-5-Docket No. 21-60

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BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico July 27, 1960.

### IN THE MATTER OF:

APPLICATION OF THE BRITISH AMERICAN OIL PRODUCING COMPANY for an order authorizing the "slim-hole" completion of its Fullerton Well No. 7, located 1850 feet from the South and West lines of Section 11, Township 27 North, Range 11 West, Dakota Producing Interval, San Juan County, New Mexico, utilizing 2 7/8-inch tubing as casing.

CASE

NO. 2026

BEFORE:

Hon. Daniel S. Nutter, Examiner.

### TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: The hearing will come to order, please. Next case will be Case 2026.

MR. PAYNE: Case 2026. Application of The British American Oil Producing Company for an order authorizing the "slimhole" completion of its Fullerton Well Number 7.

MR. ERREBO: Burns H. Errebo of Modrall, Seymour, Sperling, Roehl and Harris, appearing for the applicant. We will have one witness.

(Witness sworn.)

a witness, called by the Applicant, hav-FRANK RENARD,



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ing been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

#### BY MR. ERREBO:

- Q Would you state your name, please?
- A Frank Renard.
- Q Mr. Renard, where are you located, in what position, and who do you work for?
- A I work for British American Oil Company. I am a Field Engineer, and I am in Farmington.
- Q Mr. Renard, have you ever testified before this Commission?
  - A No, sir.
- Q Would you give the staff a brief resume of your education and your experience?
- A I received my B.S. degree from the University of Tulsa in Petroleum Engineering. I worked for Sunray for four years on well completion work, and general engineering duties. I worked for two years for Forrest Oil Corporation on well completion work and general engineering duties. I have worked approximately four years for British American as a Field Engineer doing reservoir engineering work and some well completion work.
  - MR. ERREGO: Are the witness' qualifications acceptable?

    MR. NUTTER: Yes. Please proceed.
- Q (By Mr. Errebb) Mr. Remard, are you familiar with the application which is being heard here today?



- Has this well commenced its drilling? Q
- No, sir, it has not.
- This is the Fullerton Number 7, is that correct?
- Yes, sir.

(Whereupon, Applicant's Exhibits 1 and 2 marked for identifica-

- (By Mr. Errebo) Will you refer to your Exhibit Number 1, and state what it shows?
- Exhibit Number 1 is a plat showing the location of the proposed slim-hole completions; it also shows locations of all wells within a 1-mile radius of this proposed slim-hole completion
  - In what Pool, if any, is this well located?
  - It's undesignated in the field.
- Now, refer to Exhibit Number 2, if you will, please, and state what this exhibit depicts?
- Exhibit 2 is a schematic drawing showing our proposed completion procedure of this Fullerton Number 7.
- Actually, your procedure is as commonly known as a slimhole completion, is it not?
  - Yes, sir.
- Where will the base of your uppropost string of casing be set?
- We will set surfacing -- it will be set at approximately 300 feet.



- How many sacks of cement, or how much cement will be Q used?
  - Sufficient cement to circulate cement to the surface.
- What else does this exhibit reflect, which is pertinent Q to your application here today?
- We propose to utilize 2 7/8 OD tubing for our casing string. We propose to drill 7 7/8 inch hole down to the approximate top of the Dakota formation, reduce the hole size to 6 1/4 inch, drill through the Dakota pay, set 2 7/8 tubing to within a few feet of bottom, cement with sufficient cement there to bring, to protect the Gallup formation. Then we will have a second stage cement job through a stage collar located approximately 50 feet below the Pictured Cliffs formation. Sufficient cement will be used there to protect the Pictured Cliffs formation.
- This being a Dakota completion, and you planning to set your -- to put cement opposite some of the upper formations, do you have any plans for the use of centralizers?
- We have. We will definitely use centralizers through the Dakota formation. If the Gallup formation shows productive possibilities within this interval, centralizers will be used there
- You are familiar, are you not, with the policy rules applicable to this hearing here today?
  - Yes, sir.
  - And actually the rule which requires the hearing is that



any slim-hole completions below a depth, I believe, of 5,000 feet do require a hearing on that administrative approval. is that correct?

- Yes, sir: - A
- Have you calculated what, if any, saving will be accomplished by the granting of this application?
- The saving should be approximately 20 percent, or roughly \$15,000.00 over what it would cost if we ran 5 1/2 inch casing.
- Do you have anything further with regard to your application which you desire to state to the Commission at this time?
  - No, sir. A

MR. ERREBO: That is all we have from this witness.

MR. NUTTER: Anyone else have any questions of Mr. Renard?

### CROSS-EXAMINATION

### BY MR. PAYNE:

- Q Do you anticipate any pressure problems that would make the slim-hole pressures undesirable in this area?
  - No, sir.
  - Do you have anticipation of corrosion problems?
  - No. sir.

MR. PAYNE: Thank you.

### QUESTIONS BY MR. NUTTER:

Mr. Remard, you have no plans to attempt to produce the Gallup from this well, in the event it was productive in the area,



do you?

A That is one reason for drilling the 7 5/8 hole down as far as the top of the Dakota. After we get onto TD to run our logs, if the Gallup shows productive possibility, we will probably ask for a dual completion hearing, and recommend the Dakota -- recommend that it be 7.7/3, and run 5.1/2 inch casing.

- If you did encounter that in the Group here, you would effect a standard type dual completion?
  - Yes.sir.
- Now, I think you stated that the stage cementer would be some 50 feet below the base of the Pictured Cliffs?
  - Yes, sir.
- It would appear there is a discrepancy there. The base of the Pictured Cliffs is 1950, and the stage cementer at 2050.
- Yes, sir. I had not noticed the economic interval on this. Our standard completion out there, we run our stage collar approximately 50 feet below the base.
  - <sup>⊘</sup>Q So this cementer, this stage 2, maybe is about 2,000?
  - A These depths are all approximate.

MR. NUTTER: Any further questions of Mr. Renard? (No response.)

MR. NUTTER: You may be excused.

MR. ERREBO: Just a moment, I would like to ask a question.

#### REDIRECT EXAMINATION



### BY MR. ERREBO:

Q I would like to ask if these exhibits were prepared by you, or under your direct supervision, or if you know the information shown thereon is true and correct?

A The exhibits were not prepared by me, but they are correct.

MR. ERREBO: I would like to offer them into evidence at this time.

MR. NUTTER: British American Exhibits 1 and 2 will be entered into evidence. You may be excused.

Does anyone else have anything further for Case 2026?
(No response.)

MR. NUTTER: We will take the case under advisement.



STATE OF NEW MEXICO SS. COUNTY OF BERNALILLO

I, LLEWELYN NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this the 1st day of August, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Seurlya & Nelson NOTARY PUBLIC.

My Commission Expires: June 14, 1964.

> T do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2026

New Mexico Oil Conservation Commission



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO PHONE CH 3-6691

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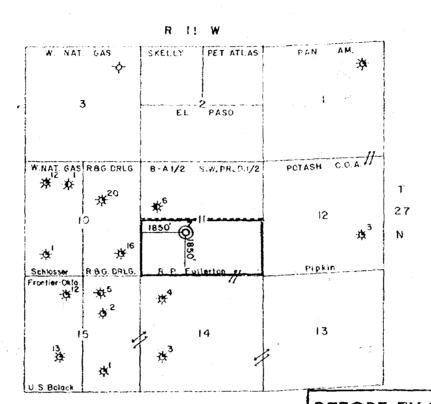
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THE BRITISH AMERICAN OIL PRODUCING COMPANY FULLERTON No. 7 WELL
1850' NSL 8 1850' EWL EXHIBIT #2 SEC. 11-27N-11W SAN JUAN COUNTY, NEW MEXICO **PROGNOSIS** -7 7/8" HOLE TOP CEMENT AT 1500' TOP PICTURED CLIFFS AT 1744' BASE PICTURED CLIFFS AT 1950' STAGE CEMENTER AT 2050 2000 CEMENT W/115 SX. Confraigers Anne Option of property When I productive in TOP CEMENT WILL SAVING OF ONE BEFORE EXAMINED NUTTER

AMONT 15000 ON BEFORE EXAMINED NUTTER

OIL CONSERVATION 0 0 CASE NO. TOP DAKOTA AT 6286' BASE DAKOTA AT 6316' 0 6 1/4" HOLE .2 7/8" E.U.E. AT 6345' W/235 SX. \* (ALL DEPTHS ESTIMATED) TD 6350' DATE: 7-11-60



SCALE: 1" = 4000"

BEFORE EXAMINER NUTTER

OIL CONSERVATION OF MALL IN

CASE M.

2026

### CASING AND TUBING REQUIREMENTS RULE 107

PLAT SHOWING BRITISH AMERICAN OIL PRODUCING CO. PROPOSED FULLERTON NO. 7 LOCATED 1850' NSL ,& 1850' EWL OF SECTION 11-T27N-R11W, SAN JUAN COUNTY, NEW MEXICO. AND ALL OFFSET WELLS ON OFFSET LEASES.

- O LOCATION
- PICTURED CLIFFS
- FRUITLAND
- DAKOTA & GALLUP
- PROPOSED UNIT

DRFTG: C.G.M.

DATE: 7-11-60