

Case No.

2034

Application, Transcript,
and Exhibits. Etc.

MAIN OFFICE OCC
1960 AUG 17



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. Box 2167
Hobbs, New Mexico

FORT WORTH
PRODUCTION DIVISION

August 10, 1960

*File
Case 2034*

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

Attention: Mr. Dan Nutter

Dear Sir:

As per your request during the examiner hearing Case No. 2034 on July 28, 1960, you are advised that the GOR from the Elinebry completion of our J. N. Carson "C" No. 6 is 61,739 from the high pressure separator and 707 from the low pressure separator.

Yours very truly,

J. L. McGill
Petroleum Engineer

JLM:ptg

13-3/8" csg at 306'

Both tbg strings are 2-3/8"
OD EUE and short string has
2.910" OD cplgs

9-5/8" csg at 2900'

contd w/300 sax - circulated

drill Comp 119,000

oil & complete Penros Skelly
\$38,000

over \$19,000

contd w/1300 sax
Top at 1220' per T.S.

Proposed Penrose-Skelly Perfs

1200 psi BHP
4-8000/1 GOR est.
35.2° grav est.

3619'

Baker Parallel Tbg String Anchor
at approximately 3600'

3712'

Baker Receptacle Seal Assy at
approximately 3773'

Baker Model "D" Prod Pfr at
approximately 3775'

5436'

Blinberry Gas Perfs

5652'

Circ Valve at approx 5600' (open)

Tubing bull plugged at approx 5630'

PBTD 5971'

PB w/BP at 5980' w/2 sax
cont on top BP

7" OD 23 1/2 csg at 7365'

contd w/700 sax
Top at 3475' per T.S.

2400 psi BHP
Gas Liq Ratio
63.7° grav.

TD 7500'

NOTE

Drawing not to scale

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

App EXHIBIT NO. 3
CASE NO. 7034

Case No. 2034
Exhibit No. 3

PROPOSED MECHANICAL INSTALLATION
OIL-GAS DUAL COMPLETION
J. H. CARSON (NCT-C) NO. 6

BLINBERRY GAS AND
PENROSE-SKELLY OIL POOLS
LEA COUNTY, NEW MEXICO

Gulf Oil Corp.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-400)

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

LA030 DA100

1900 JUL 29 AM 7

D NDA011 PB=MIDLAND TEX 20 01BA CST=

NEW MEXICO OIL CONSERVATION COMMISSION=

SANTA FE 1114=

IN REFERENCE TO CASE 19000 ATLANTIC HAS BEEN NOTIFIED OF
WILFRED'S INTENT TO DUALLY COMPLETE BETWEEN THE PERMOG
SKELLY AND BLINEDRY GAS POOLS IN ITS J E CARSON #6. WE
HAVE NO OBJECTION TO SUCH DUAL COMPLETION=

R E HOWARD MEMORIAL PET ENGINEER

THE ATLANTIC REEF CO=

#2034 76.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

**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. 2034
Order No. R-1739**

**APPLICATION OF GULF OIL CORPORATION
FOR AN OIL-GAS DUAL COMPLETION IN THE
PENROSE-SHELLEY POOL AND IN THE BLINZ-
BRY GAS POOL, LEA 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 S. Hutter, 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. Hutter, 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, Gulf Oil Corporation, is the owner and operator of the J. W. 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, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described well in such a manner as to permit the production of oil from the Penrose-Shelley Pool and the production of gas from the Blinzbury Gas Pool through parallel strings of 2-3/8 inch OD EUE 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 neither cause waste nor impair correlative rights.

-2-
CASE No. 2034
Order No. R-1739

IT IS THEREFORE ORDERED:

That the applicant, Gulf Oil Corporation, be and the same is hereby authorized to dually complete its J. M. 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, NEPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Penrose-Shelly Pool and the production of gas from the Blinbry Gas Pool through parallel strings of 2-3/8 inch OD KUE tubing.

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

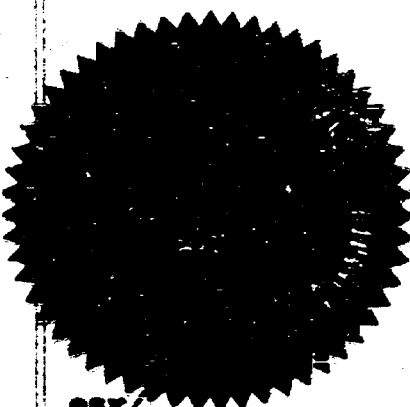
PROVIDED FURTHER, That the applicant shall take sealer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Penrose-Shelly Pool, and at such other times as the Secretary-Director may prescribe.

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 the applicant to comply with any requirement of this order, the Commission may terminate the authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest 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

OSK/

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. Bill Kastler
Box 669
Roswell, New Mexico

Re: Case No. 2034
Order No. R-1739
Applicant:
Gulf Oil Corporation

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

Other



PETROLEUM AND ITS PRODUCTS

ROSWELL DISTRICT

W. A. SHELLSHEAR
District Manager

F. O. MORTLOCK
District Exploration Manager

M. I. TAYLOR
District Production Manager

G. A. PRICE
District Services Manager

GULF OIL CORPORATION

P. O. DRAWER 688 • ROSWELL, NEW MEXICO

June 22, 1960

Case 2034

Re: Application for Approval to Recomplete
J. N. Carson (NCT-C) Well No. 6 as an
Oil-Gas Dual, Penrose-Skelly Oil and
Blinbry Gas Pools, Sections 28 and 33,
T-21-S, R-37-E, Lea County, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

Gulf Oil Corporation respectfully submits application for permission to oil-gas dually complete subject well utilizing two strings of tubing, and requests that the Commission set this matter for Examiner Hearing at an early date. A hearing is being requested for this oil-gas dual completion as the two zones involved have not previously been approved by the Commission.

The following facts are offered in support of this application:

- (1) Gulf Oil Corporation is the owner and operator of the 120-acre J. N. Carson (NCT-C) Lease, which consists of the E/2 of SE/4 of Section 28 and the NE/4 of NE/4 of Section 33, all in T-21-S, R-37-E, Lea County, New Mexico. Subject well is located 965 feet from the east line and 330 feet from the south line of said Section 28.
- (2) The 13-3/8" casing in Gulf's J. N. Carson (NCT-C) Well No. 6 was set at 306 feet and the cement circulated. The 9-5/8" casing was set at a depth of 2900 feet and cemented with 1300 sacks, and the 7" casing was set at a depth of 7365 feet and cemented with 700 sacks. Applicant proposes to perforate the Penrose-Skelly pays in the interval 3619 to 3712 feet. The Blinbry gas perforations are in the interval 5436 to 5652 feet.
- (3) If approved, the subject well will be dually completed through the use of parallel strings of tubing as shown in the diagrammatic sketch attached hereto. The two producing intervals will be separated by means of a Baker Model "D" Packer set at approximately 3775 feet, which is capable of withstanding any differential in pressures expected to be encountered between the two producing formations.

June 22, 1960

The manner and method of the proposed dual completion is mechanically feasible and practical and the granting of this application is in the interest of conservation and the protection of correlative rights. Applicant will comply with all rules and regulations of the New Mexico Oil Conservation Commission to maintain separation of production from the two pays.

By copy of this letter of application, all offset operators are notified of the proposed dual completion.

Respectfully submitted,

GULF OIL CORPORATION



W. A. Shellshear

Attachment

FWM:dd

cc: Oil Conservation Commission
State of New Mexico
Post Office Box 2045
Hobbs, New Mexico

Socony-Mobil Oil Company
Post Office Box 2406
Hobbs, New Mexico

Ohio Oil Company
Post Office Box 2107
Hobbs, New Mexico

Continental Oil Company
825 Petroleum Building
Roswell, New Mexico

Two States Oil Company
1303 16th Street
Eunice, New Mexico

**OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO**

Date July 28, 1960

CASE NO. 2034

HEARING DATE DSN-Santa Fe, 9 a.m. 7/27

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

Approve the application of Gulf Oil for dual completion of its J. N. Carson Well No. 6 as an oil-gas dual producing oil from the Penrose Skelly and gas from the Blinebry through parallel strings of 2 3/8 inch OD EUE tubing. You might mention that application has previously obtained a 120-acre Blinebry gas unit under Order R-1253 dated 9/29/58.

Staff Member

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:

CASE NOS. 2023 through 2033 will not be heard before 1 p.m. on July 27, 1960.

CASE NOS. 2034 through 2040 will not be heard before 9 a.m. on July 28, 1960.

CASE 2017: Application of Continental Oil Company for an order authorizing an automatic custody transfer system to handle the Maljamar Pool production from its Miller "BX" lease comprising in pertinent part the E/2 of Section 14, Township 17 South, Range 32 East, Lea County, New Mexico.

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.

CASE 2019: 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.

CASE 2020: 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-Elinebry 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 Elinebry 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.

CASE 2021: Application of Shell Oil Company for authority to recomplete its State BUA Well No. 2 (formerly its Bluiitt Unit Well No. 2) at an unorthodox oil well location in the Pennsylvanian formation within one mile of the Bluiitt 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.

The following cases will not be heard before 1 p.m. on July 27, 1960:

CASE 2023: Application of Honolulu Oil Corporation for an order authorizing it to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool by the injection of water into the Gallup formation through its Navajo Well No. 4, located in the SE/4 SE/4 of Section 5, Township 31 North, Range 17 West, San Juan County, New Mexico; applicant further seeks the adoption of special rules governing the operation of said project.

CASE 2024: Application of Humble Oil & Refining Company for an order authorizing it to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool by the injection of water into the Gallup formation through 29 wells located in Sections 3, 4, 9, 10, and 11, Township 31 North, Range 17 West, San Juan County, New Mexico; Applicant further seeks the adoption of special rules governing the operation of said project.

CASE 2025: Application of Socony Mobil Oil Company for permission to convert to water injection its Navajo "A" Well No. 9, located in NE/4 NW/4 of Section 14, Township 31 North, Range 17 West, Rio Arriba County, New Mexico, in conjunction with a proposed adjacent pressure maintenance project in the Horseshoe-Gallup Oil Pool.

CASE 2026: 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 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.
- CASE 2029: 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. LC-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.
- CASE 2031: 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.
- CASE 2032: Application of Union Oil Company of California for an order authorizing it to institute a waterflood project in the Caprock-Queen Pool on its proposed South Caprock Queen Unit by the injection of water into the Queen formation through ten wells located in Township 15 South, Range 31 East, Chaves County, New Mexico, and for authority to drill a water injection well at an unorthodox location, being 330 feet West of the East line and 1320 feet South of the North line of Section 18, Township 15 South, Range 31 East.

CASE 2033: Application of Cabeen Exploration Corporation for permission to complete its State 1-K Well located 1980 feet from the South and West lines of Section 11, Township 10 South, Range 32 East, in an undesignated Permo-Pennsylvanian pool in Lea County, New Mexico as a "slim-hole" completion, using 2-7/8 inch casing.

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

CASE 2034: 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.

CASE 2035: Application of Gulf Oil Corporation for an order authorizing the dual completion of its W. T. McCormack Well No. 12, located 554 feet from the North line and 1674 feet from the East line of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard Pool and the production of oil from the Wantz-Abo Pool through parallel strings of 2 3/8-inch tubing.

CASE 2036: 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.

CASE 2038: Application of Benson-Montin-Greer Drilling Corporation for an order authorizing the dual completion of the Jones Well No. 1, located in Unit P, Section 17, 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 Pool and the production of gas from the West Kutz-Dakota Pool through parallel strings of 1½-inch OD tubing.

CASE 2039: 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.

CASE 2040: Application of Neville G. Penrose, Inc., for an order authorizing the dual completion of its Grizzel Well No. 1, located in Unit G, Section 5, Township 22 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Tubb Gas Pool and the production of oil from the Drinkard Pool through the casing-tubing annulus and 2 3/8-inch tubing respectively.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 28, 1960

EXAMINER HEARING

IN THE MATTER OF:)

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.)

Case 2034

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The next case on the docket will be Case
2034.

MR. PAYNE: 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.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



MR. KASTLER: If the Commission please, my name is Bill Kastler, and I am from Roswell, New Mexico, representing Gulf Oil Corporation. Our witness in this case is Mr. J. L. McGill.

(Witness sworn)

J. L. MCGILL

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

DIRECT EXAMINATION

BY MR. KASTLER:

Q Will you please state your name and address?

A I am J. L. McGill, Hobbs, New Mexico.

Q How do you spell McGill?

A Capital Mc, capital G-i-l-l.

Q What is your position, Mr. McGill, and with whom are you associated?

A I'm a petroleum engineer for the Gulf Oil Corporation.

Q Have you previously appeared before the New Mexico Oil Conservation Commission and testified as a petroleum engineer?

A I have not.

Q Will you please outline your educational background and what degrees you have received?

A I attended the A. and M. College at Texas and was graduated from that school in 1950 with a B.S. in geological engineering and a B.S. in petroleum engineering.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CM 3-6691

ALBUQUERQUE, NEW MEXICO



Q Since graduation what has been your experience in the field of geological and petroleum engineering?

A I have been continually employed by the Gulf Oil Corporation since October 3rd, 1950, with the exception of a nine-month period of time with the United States Army during the Korean War. The last seven and a half years have been spent in Roswell, New Mexico in Gulf's production office, where I have performed all phases of production work that pertain to workover, new well completion and dual completions.

Q In your work for Gulf Oil Corporation at Hobbs, New Mexico have you become familiar with the completion and producing equipment as well as the oil well and proposed dual completion well known as J. N. Carson Well No. 6?

A I have.

MR. KASTLER: Are the witness's qualifications admissible?

MR. NUTTER: Yes, sir.

Q Will you please state briefly what Gulf is seeking in its application, Case 2034, oil over gas or gas over oil and in what pay zones?

A On the J. N. Carson C Well No. 6 we have a Blinebry gas completion and we wish to dually complete with the Penrose-Skelly oil zone.

Q Now, Mr. McGill, I wish to call your attention to a lease plat which has been marked for introduction into evidence

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



in this case and labeled Exhibit No. 1. Will you state what is shown and indicated on this plat?

A Exhibit No. 1 is a lease plat showing the J. N. Carson C Lease outlined in green and described as being the East Half of the Southeast Quarter of Section 28, Township 21 South, Range 37 East, and the Northeast Quarter of the Northeast Quarter of Section 33 of the same township and range, Lea County, New Mexico.

Q Does Gulf's J. N. Carson C Lease consist of 120 acres?

A That is correct.

Q Is the subject well, Well No. 6?

A It is Well No. 6.

Q How is Well No. 6 indicated on this plat?

A As stated earlier, it has been circled in red.

Q Does this plat also show the offset operators and their wells completed in this area?

A It does.

Q Will you please give the well history of Well No. 6?

A It's located 965 from the East line and 330 feet from the South line of Section 28. It was originally completed on April 16, 1949 in the Ellenburger formation, Brunson Pool, at a total depth of 7500 feet. In July, 1958, it was plugged back and re-completed in the Blinebry Gas Pool and has a plug back total depth of 5971 feet.

Q Is this well now a Blinebry gas producer?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A It is.

Q It's dedicated to a unit?

A That is right. It is the same acreage that comprises the J. N. Carson C Lease.

Q Do you happen to know the Oil Commission order number and date for that unit?

A It was R-1253, dated September 29, 1953.

Q Now, is this well also capable of completion in the Penrose-Skelly Pool?

A Yes, sir, it is.

Q Mr. McGill, have the offset operators been notified of Gulf's application in this case for dual completion?

A They have by copy of this letter of application, all offsets with the exception of the Atlantic Refining, who offset us on the West, who were notified by phone call yesterday afternoon, and I understand have sent a telegram to the Commission.

MR. KASTLER: Mr. Examiner, has a telegram been received from Atlantic relative to this case?

MR. NUTTER: Yes, sir, Atlantic advises they have no objection to the dual completion.

Q I now wish to call your attention to a log which has been labeled Case 2034, Exhibit No. 2. Will you briefly state what is shown on this log pertinent to this case?

A Exhibit No. 2 is a log of the J. N. Carson C No. 6,



showing the perforated intervals in the Blinebry gas pay and the proposed intervals to be perforated in the Penrose-Skelly. The Blinebry is perforated in the interval 5436 to 5652 feet, and it is proposed to perforate the Penrose-Skelly from 3619 to 3712 feet. Upon completion, the Blinebry gas zone flowed on a 15 minute test at the rate of 4,540 MCF of gas per day with 1100 pounds back pressure, and the estimated open flow potential was 7,900 MCF of gas per day.

Q Have you taken any more recent tests than the Blinebry test?

A We have, but I do not have that information here.

Q If desired, could that information be submitted by letter?

A It could be.

Q You have marked on this Exhibit No. 2 the proposed perforations in the Penrose-Skelly Pool.

A It is.

Q But those have not been perforated or tested?

A Those have not been perforated, they're only proposed.

Q I now wish to call your attention to what is marked as Exhibit No. 3, which is a schematic diagram of your proposed dual completion. Referring to Exhibit No. 3, would you please state the proposal in great detail?

A Exhibit No. 3 is a schematic sketch of the proposed mechanical installation for the dual completion. It shows that



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

there is 13-3/8 inch casing set at 306 feet, cemented with 300 sacks of cement and circulated to the surface. It has 9-5/8 O.D. casing set at 2900 feet and cemented with 1300 sacks of cement, and the top of the cement behind the 9-5/8 inch casing is at 122 feet as per a temperature survey. The 7 inch O.D. oil string is at 7365 feet and cemented with 700 sacks of cement, whose top is behind the 7 inch casing at 3475 feet as per a temperature survey. Total depth of the well is 7500 feet. It has a plug back total depth now of 5971 feet.

It is proposed that a Baker Model D production packer be set at approximately 3775 feet. This model packer has been used quite extensively by Gulf on other dual completions approved by the Commission. It is planned to use two strings of an OD upset tubing. However, the short string will have machined and beveled couplings having an OD of 2.910 inches. Below the packer, the long string will be bull plugged on bottom and set at approximately 5630 feet and will contain a circulating valve at approximately 5600 feet in the open position for production in the Blinebry. Immediately above the Baker Model D production packer will be a Baker receptacle seal assembly whose primary purpose is to part the long tubing string for any work to be conducted above the packer. With the circulating valve below the packer in the closed position, the Blinebry is effectively and temporarily plugged off. Also to be included in the long string of tubing will be a Baker parallel



tubing string anchor to be set at approximately 3600 feet for anchoring of the short string.

We anticipate a static bottom hole pressure of the Blintry gas zone to not exceed 24,000 psi, and it is anticipated that the static bottom hole pressure of the Penrose will not exceed 1,200 psi.

Q 1,200?

A That is right.

Q With this proposed Baker Model D production packer, do you anticipate that complete separation between zones would be assured?

A Yes, sir, we do.

Q In the event the proposal is allowed, would Gulf perform all necessary tests and conform with all requirements of the New Mexico Oil Conservation Commission?

A We have and we will.

Q Will you testify as to the relative saving and cost of dually completing this well as opposed to drilling a new well for the Penrose-Skelly production?

A The estimated cost to drill and complete a new well to the Penrose-Skelly oil zone is \$38,000, whereas the estimated cost to dually complete the J. N. Carson C No. 6 in the Penrose-Skelly Oil Pool is \$19,000; therefore, an indicated savings of \$19,000 is offered.

Q In your opinion, Mr. McGill, would the rights of any



royalty owner or offset operator be adversely affected by the granting of this proposal?

A No, I don't believe it would.

Q Were Exhibits 1, 2 and 3 prepared by you or at your direction and under your supervision?

A It was, sir.

MR. KASTLER: I would like to move the introduction of Exhibits 1, 2 and 3. This concludes my testimony.

MR. NUTTER: Gulf's Exhibits 1, 2 and 3 will be admitted. Any questions of Mr. McGill?

MR. PAYNE: No questions.

CROSS EXAMINATION

BY MR. NUTTER:

Q What is the gas-liquid ratio in the Blinebry for this well?

A Sir, I do not have that information, but it can be obtained.

Q What is your expected gas-oil ratio on the Penrose-Skelly?

A I would say, based on other wells completed in the area, it would be on the order of 48,000 to 1.

Q They have been running rather high in there, is that correct?

A That is right.

Q What about the gravity of the Penrose-Skelly?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A We anticipate that to be around 35.2 degrees corrected and that, again, is based on other wells completed in the immediate area.

Q What's the gravity of the liquids in the Blinebry?

A 63.7 degrees corrected, that is actual.

Q When you get home will you furnish us the gas-liquid ratio in the Blinebry, please?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. McGill? You may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Kastler?

MR. KASTLER: No, I haven't.

MR. NUTTER: Does anyone have anything further for Case 2034? If not, we will take the case under advisement and call for Case 2035.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
 : SS
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 2nd day of August, 1960.

Ada Dearnley
 Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is
 a complete and correct transcript of the proceedings in
 the case of 2034
 heard by me on 7/27, 1960.

Burtum, Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

