

CASE 2025: Application of AETEC OIL &
GAS FOR A GAS-GAS DUAL COMPLETION of
its HENRIE WELL NO. 12-B.

Casa No.

2055

Application, Transcript,
Small Exhibits, Etc!

**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. 2053
Order No. R-1777**

**APPLICATION OF ANTEC OIL & GAS
COMPANY FOR A GAS-GAS DEAL
COMPLETION IN THE FULCHER KUTS-
PICTURED CLIFFS POOL AND 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 September 21, 1940, at Santa Fe, New Mexico, before Daniel S. Mutter, 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 3rd day of October, 1940, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Mutter, 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, Antec Oil & Gas Company, is the owner and operator of the Hanks Well No. 12-D, located in Unit E, Section 7, Township 27 North, Range 9 West, NMM, San Juan County, New Mexico.

(3) That the applicant proposes to finally complete the said Hanks Well No. 12-D in such a manner as to permit the production of gas from the Fulcher Kuts-Pictured Cliffs Pool through a string of 2 7/8-inch casing and the production of gas from the Dakota Producing Interval through 2 3/8-inch tubing installed within a parallel string of 4 1/2-inch casing, cemented in a common well bore.

(4) That sufficient cement should be used to provide a 950-foot fill-up from total depth, and that sufficient cement should be used to provide a fill-up from a cement basket set below the

-2-

CASE No. 2055
Order No. R-1777

base of the Pictured Cliffs formation to a point 350 feet above the shoe of the 2 7/8-inch casing.

(5) That the mechanics of the proposed dual completion are feasible and in accord with sound conservation practices, provided adequate centralizing or tubelining equipment is used.

(6) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Luter Oil & Gas Company, Inc. and the same is hereby authorized to dualy complete its Lease Well No. 13-D, located in Block 8, Section 7, Township 29 North, Range 9 West, N.M., San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Mesa-Pictured Cliffs pool through a string of 2 7/8-inch casing and the production of gas from the Dakota Producing Interval through 2 1/2-inch tubing installed within a parallel string of 4 1/2-inch casing, cased in a cement well bore.

PROVIDED HOWEVER, That centralizers or tubeliners shall be installed at 30-foot intervals throughout the producing formations and to a point 100 feet above such formations.

PROVIDED FURTHER, That sufficient cement shall be used to provide a 950-foot fill-up from total depth, and that sufficient cement shall be used to provide a fill-up from a cement basket not below the base of the Pictured Cliffs formation to a point 350 feet above the shoe of the 2 7/8-inch casing.

PROVIDED FURTHER, 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 communication tests upon completion and annually thereafter during the Deliverability Test Period for the Dakota zone, or as prescribed by the Secretary-Director of the Commission.

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 the protection of correlative rights; upon failure of the applicant to comply with any requirement of this order, the Commission may terminate the

-3-
Case No. 3055
Order No. R-1777

authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-well production in the interest of conservation.

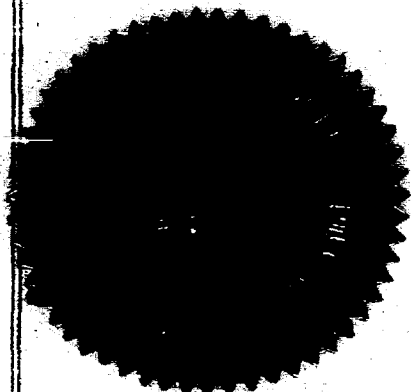
WELL at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

W. H. Meyer
W. H. MEYER, Member

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



002/

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

Mr. Jason Hellahin
Hellahin & Son
Box 1713
Santa Fe, New Mexico

Re: Case No. 2086
Order No. E-1777
Applicant:

Aztec Oil & Gas Company

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

Case 2055

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

MAIL ROOM

July 19, 1960

1960 JUL 27 PM 1 35

LAND DEPARTMENT
H. L. SNIDER, JR., MANAGER
KENNETH A. SWANSON, ATTORNEY

REGISTERED MAIL

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application of Aztec Oil & Gas
Company for Multiple Completion
Hearing Relating to Hanks #12-D
Well, San Juan County, New
Mexico

Dear Sir:

Enclosed, in triplicate, is Aztec Oil & Gas Company's Application for Dual Completion, as required by Rule 112-A IV, for the purpose of approval of completion of the captioned well in the Pictured Cliffs and Dakota formations. It is expected that both formations will be productive of gas. The completion technique for which approval is sought will employ the setting of $4\frac{1}{2}$ " casing in the Dakota formation and 2-3/8" tubing inside such casing for the production of Dakota gas. The Pictured Cliffs gas will be produced from a parallel string of 2-7/8" casing set, cemented and perforated in the Pictured Cliffs formation, having been run in the well bore outside such $4\frac{1}{2}$ " casing.

It is respectfully requested that this application be set for hearing at an early date.

Yours very truly,

Kenneth A. Swanson

KAS/et
Enclosures

*Don't
M. W. L. S.
8-16-60*

DOCKET: EXAMINER HEARING, WEDNESDAY, SEPTEMBER 21, 1960

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

* Case Nos. 2083 through 2089 will not be heard before 1 p.m.

CASE 2055: (Continued)

Application of Aztec Oil & Gas Company for a gas-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hanks Well No. 12-D, located in Unit H, Section 7, Township 27 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Kutz-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 4 1/2-inch casing cemented in a common well bore. Applicant proposes to install 2 3/8-inch tubing to produce the Dakota gas.

NEW CASESCASE 2073:

Application of Aztec Oil & Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hanks Well No. 18-D, located in Unit B, Section 5, Township 27 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Kutz-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 4 1/2-inch casing cemented in a common well bore. Applicant also proposes to install 2 3/8-inch tubing to produce the Dakota gas.

CASE 2074:

Application of Aztec Oil & Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hanks Well No. 16-D, located in Unit K, Section 6, Township 27 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Kutz-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 4 1/2-inch casing cemented in a common well bore. Applicant also proposes to install 2 3/8-inch tubing to produce the Dakota gas.

CASE 2075:

Application of Aztec Oil & Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hanks Well No. 15-D, located in Unit B, Section 6, Township 27 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Kutz-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 4 1/2-inch casing cemented in a common well bore. Applicant also proposes to install 2 3/8-inch tubing to produce the Dakota gas.

CASE 2076:

Application of Aztec Oil & Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hare Well No. 15-D located in Unit D, Section 10, Township 29 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Aztec-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 4 1/2-inch cemented in a common well bore. Applicant also proposes to install 2 3/8-inch tubing to produce the Dakota gas.

CASE 2077:

Application of El Paso Natural Gas Company and Sinclair Oil & Gas Company for two non-standard gas proration units. Applicants, in the above-styled cause, seek an order establishing two 191-acre non-standard gas proration units in the South Blanco-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico, one comprising the NE/4 and lots 1 and 2 of Section 18, the other comprising the SE/4 and lots 3 and 4 of said Section 18, both in Township 24 North, Range 3 West. Said units are to be dedicated respectively to the Tonkin Federal Well No. 3, located 1470 feet from the North line and 1750 feet from the East line of said Section 18 and to the Tonkin Federal Well No. 4, located 1500 feet from the South line and 990 feet from the East line of said Section 18.

CASE 2078:

Application of Chambers & Kennedy for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Monterey State Well No. 2, Unit D, Section 32, Township 18 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from an undesignated Yates oil pool and the production of oil from the North Shugard Queen-Grayburg Pool through parallel strings of 1 1/2-inch and 2 3/8-inch tubing respectively.

CASE 2079:

Application of Socony Mobil Oil Company for a "slim-hole" oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its E. O. Carson Well No. 23, located 760 feet from the South line and

860 feet from the West 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 Paddock Pool and the production of oil from the Wantz-Abo Pool using parallel stings of 2 7/8-inch tubing cemented in a common well bore.

CASE 2080:

Application of W. H. Swearingen for an amendment of Order No. R-1748. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1748 to include the SE/4 NW/4 of Section 21 with the remainder of the N/2 of said Section 21, both in Township 18 South, Range 26 East, Eddy County, New Mexico, to form a standard 320-acre gas unit in the Atoka-Pennsylvanian Gas Pool. Applicant further seeks a determination of the well costs which are to be paid by the parties.

CASE 2081:

Application of Phillips Petroleum Company and Phillips Chemical Company for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from the Vacuum Pool from all wells on the following-described portions of three State leases:

State Lease No. B-2073, SE/4 NE/4 of Section 19

State Lease No. B-2388, NW/4 SE/4 of Section 20

State Lease No. B-1501, NE/4 NW/4 of Section 29

all in Township 17 South, Range 35 East, Lea County, New Mexico.

CASE 2082:

Application of Pan American Petroleum Corporation for off-lease storage of oil. Applicant, in the above-styled cause, seeks an order authorizing it to store the Empire-Abo Pool production from its Malco "N" Lease (NW/4 and N/2 SW/4 of Section 15) in a separate tank battery to be located on its State "BR" Lease (NE/4 NE/4 of Section 16), both in Township 18 South, Range 27 East, Eddy County, New Mexico.

The following cases will not be heard before 1 p.m. on September 21, 1960.

CASE 2083:

Application of Gulf Oil Corporation for a 160-acre non-standard gas proration unit and for an order force-pooling the mineral interests therein. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests within the vertical limits of the Tubb Gas Pool in a 160-acre

non-standard gas proration unit consisting of the W/2 E/2 of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, including the following non-consenting interest owners. J. M. Newton, Ronald J. Byers, Robert E. Byers, and Constance E. Byers. Said unit is to be dedicated to the Naomi Keenum Well No. 2, located 660 feet from the South line and 1980 feet from the East line of said Section 14.

CASE 2084:

Application of Gulf Oil Corporation for permission to commingle the production from several separate pools and for permission to install two automatic custody transfer systems. Applicant, in the above-styled cause, seeks permission to commingle the production from the Brunson-Ellenburger Pool with production from the Hare Pool, and to commingle the production from the Terry-Blinebry Pool with the production from the North Paddock Pool, on its Harry Leonard "F" Lease, consisting of the E/2 of Section 2, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to install two automatic custody transfer systems to handle the aforesaid commingled production.

CASE 2085:

Application of Gulf Oil Corporation for permission to commingle the production from several separate pools and for permission to install two automatic custody transfer systems. Applicant, in the above-styled cause, seeks permission to commingle the production from the Brunson-Ellenburger Pool with production from the Hare Pool, and to commingle the production from the Wantz-Abo Pool, Paddock Pool, Penrose-Skelly Pool and Drinkard Pool with the gas condensate production from the Tubb Gas Pool and the Blinebry Gas Pool, from all wells on its Eunice King Lease consisting of the N/2 of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to install two automatic custody transfer systems to handle the aforesaid commingled production.

CASE 2086:

Application of Gulf Oil Corporation for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Gladiola (Devonian) Pool production from all wells presently completed or hereafter drilled on the M. M. Harris Lease comprising the NW/4 of Section 8, Township 12 South, Range 38 East, Lea County, New Mexico.

CASE 2087:

Application of Gulf Oil Corporation for an automatic custody transfer system. Applicant, in the above-styled cause seeks an order authorizing the installation of an automatic custody transfer system to handle the Gladiola (Devonian) Pool production from all wells presently completed or hereafter drilled

Docket No. 27-60

-5-

on the Lea-State "AV" Lease comprising the NW/4 of Section 19, Township 12 South, Range 38 East, Lea County, New Mexico.

CASE 2088:

Application of Tennessee Gas Transmission Company for an amendment of Order No. R-1755. Applicant, in the above-styled cause, seeks an order amending Order No. R-1755 to expressly designate the applicant as operator of the unit pooled in said order with all powers incidental to the proper operation of the unit including the power and authority to market the production from the unit well.

CASE 2089:

Application of Val R. Reese & Associates, Inc. for the promulgation of special rules and regulations governing the Escrito-Gallup Oil Pool. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations governing the drilling, spacing and production of oil and gas wells in the Escrito-Gallup Oil Pool, Rio Arriba County, New Mexico and further, to extend said pool to include all of Section 25, Township 25 North, Range 7 West.

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Cont to 9/21

Sept 21st
Oct 5-

AZTEC OIL & GAS COMPANY

MAIN OFFICE
920 MERCANTILE SECURITIES BLDG.

DALLAS TEXAS 14
1960 AUG 22

LAND DEPARTMENT
H. L. SNIDER, JR., MANAGER
KENNETH A. SWANSON, ATTORNEY

August 19, 1960

Cont. to 2d
Ex. hearing
in Sept.

AIR MAIL

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Case No. 2055, Application
for Dual Completion, Aztec-
Hanks #12-D Well

Dear Mr. Porter:

The captioned Case has been set for hearing before an examiner on August 24. We anticipate filing with your office several more applications of a similar nature early next week.

If possible, we would prefer having all applications considered the same day and, therefore, request that Case No. 2055, Application for Dual Completion Approval, Aztec-Hanks #12-D, be postponed and reset for hearing along with the applications to be filed next week.

Should you know the date of the next Examiner Hearing following that of August 24, I would appreciate having such information.

Thank you for your consideration of this request.

Yours very truly,

Kenneth A. Swanson

KAS/et

Do not
mail
9-9-60
QZ

No. 24-60

DOCKET: EXAMINER HEARING AUGUST 24, 1960

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

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

CASE 2053: Application of Continental Oil Company for a triple completion utilizing three strings of casing. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its Jicarilla 22-22 Well No. 1, located in the NW/4 SE/4 of Section 22, 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 respectively, cemented in a common well bore. Applicant proposes to install tubing to the Gallup and Dakota formations.

CASE 2054: Application of Continental Oil Company for a triple completion utilizing three strings of casing. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its Jicarilla 28-27 Well No. 3, located in the NW/4 SE/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 respectively, cemented in a common well bore. Applicant proposes to install tubing to the Gallup and Dakota formations.

-2--

Docket No. 24-60

CASE 2056: Application of Gulf Oil Corporation for permission to commingle the production from all wells on several leases in Townships 21 and 22 South, Range 36 East, Lea County, New Mexico, and for approval of two automatic custody transfer facilities to handle said commingled production from the Arrowhead Pool, Eumont Pool, Eunice-Monument Pool, South Eunice Pool and Jalmat Pool, all in Lea County, New Mexico.

CASE 2057: Application of Kay Kimbell for an order force-pooling all interests in a 320-acre standard gas unit in the Dakota Producing Interval. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Dakota Producing Interval in a 320-acre standard gas unit consisting of the W/2 of Section 22, Township 29 North, Range 11 West, San Juan County, New Mexico.

CASE 2058: Application of Anderson-Prichard Oil Corporation for a triple completion and for a 181-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the triple completion of its Western-Federal Well No. 1, located 330 feet from the North and West lines of Section 5, Township 23 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Blinebry Pool, the production of gas from the Tubb Gas Pool and the production of oil from the Drinkard Pool through parallel strings of 2 3/8-inch tubing, 2 1/16-inch tubing, and 2 3/8-inch tubing respectively. Applicant, further seeks the establishment of a 181-acre non-standard gas proration unit in the Tubb Gas Pool consisting of Lots 1, 2, 3, and 4 of said Section 5, to be dedicated to the said Western-Federal Well No. 1.

-3-

Docket No. 24-60

CASE 2060:

Application of Drilling and Exploration Company, Inc., for approval of a unit agreement. Applicant, in the above-styled cause seeks approval of its Mescalero Unit Agreement, which unit is to embrace approximately 4829 acres of Federal and State land in Townships 18 and 19 South, Ranges 33 and 34 East, Lea County, New Mexico.

CASE 2061:

Application of Ralph Lowe for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its Northeast Maljamar Unit Agreement, which unit is to embrace approximately 800 acres in Townships 16 and 17 South, Range 33 East, Lea County, New Mexico.

CASE 2040:

(Continued)

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.

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NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

APPLICATION FOR DUAL COMPLETION

Field Name **Fulcher Kutz - Undesignated Dakota** County **San Juan** Date **July 8, 1960**
Operator **Aztec Oil and Gas Company** Lease **Hanks** Well No. **12-D**
Location of Well Unit **H** Section **7** Township **27N** Range **9W**

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	Pictured Cliffs	Dakota
b. Top and Bottom of Pay Section (Perforations)	2470 - 2510' estimated	6900 - 7080' estimated
c. Type of production (Oil or Gas)	Gas	Gas
d. Method of Production (Flowing or Artificial Lift)	Flow	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.
NO 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.*
NO 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.
Petro-Atlas % Mr. Harry Mill, P.O. Box # 2159, Dallas, Texas.

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 _____.

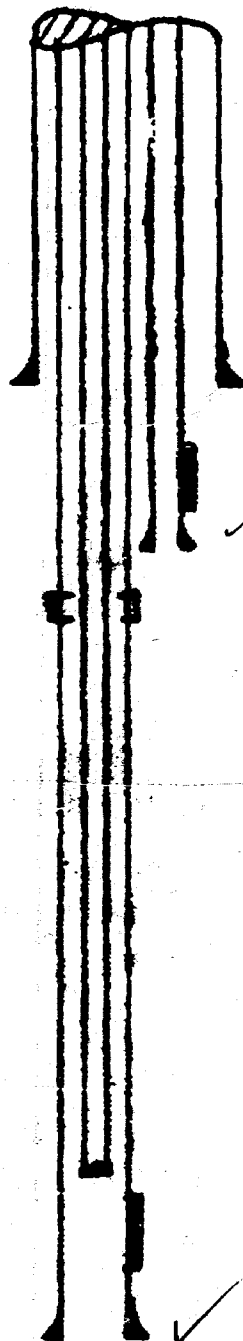
CERTIFICATE: I, the undersigned, state that I am the District Superintendent of the Aztec Oil & Gas Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Joe C. Salmon
Signature **Joe C. Salmon**

* 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.

AZTEC OIL AND GAS COMPANY
Hanks well # 12-D
Application for dual completion

EXHIBIT "A"



13 1/8" surface casing set at 321'
cement circulated

Pictorial Cliffs perforation 2470-2510' *

2 7/8" casing set at 2700' * with 200 sacks cement

D V tool at 2750' * cemented with 100 sacks

2 1/2" tubing landed at 6350' *

Pin collar

Delta perforations 6900 - 7000' *

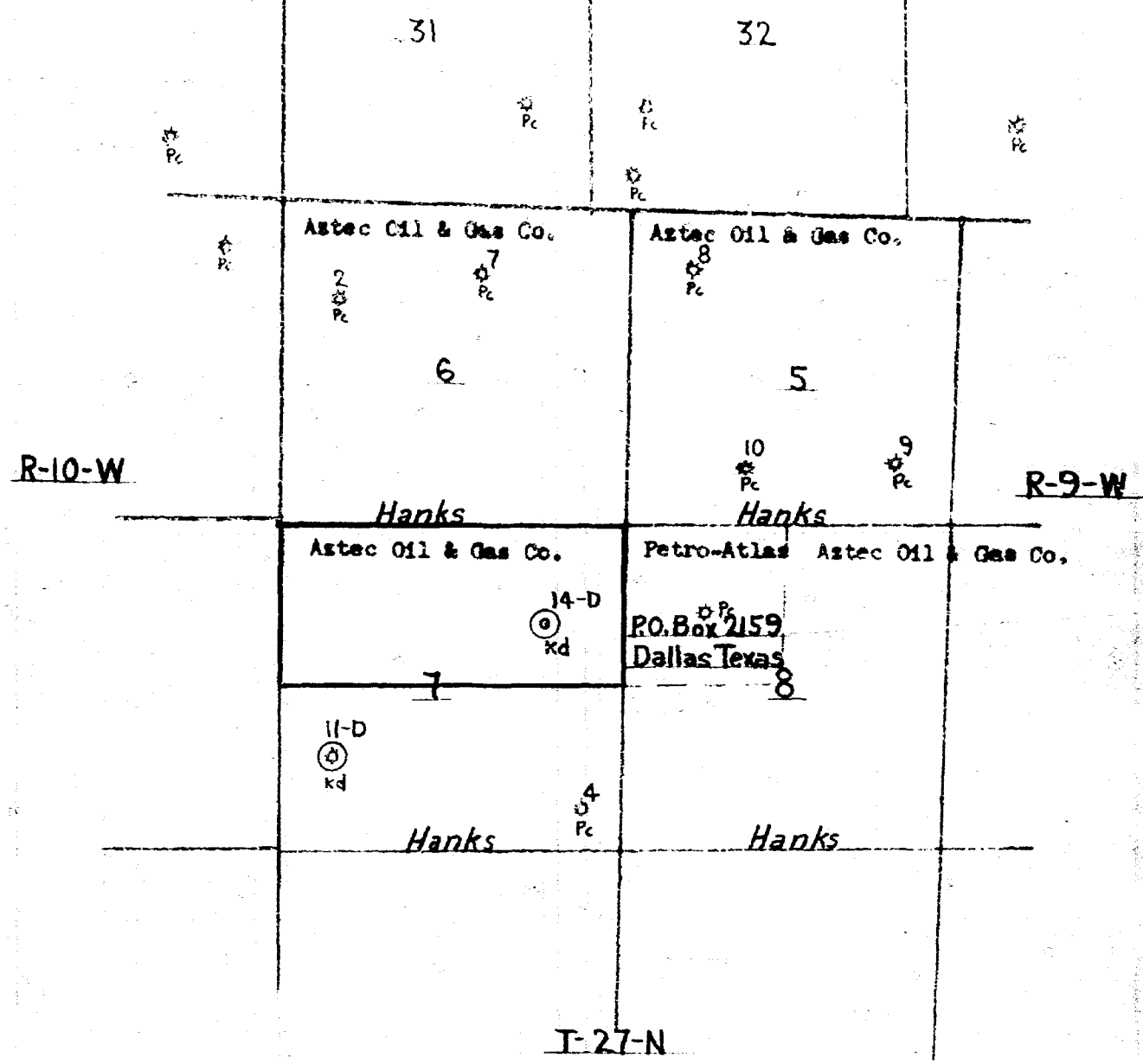
1 1/2" casing set at 7150' * with 300 sacks

* suggested depths

120-41-27 FM 1 35

OFFICE COPY

T-28-N.



Picture Cliffs
Dakota

Exhibit "B"

BEFORE THE
OIL CONSERVATION COMMISSION
MABRY HALL
Santa Fe, New Mexico
August 24, 1960

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for a gas-
gas dual completion utilizing two strings of cas-
ing. Applicant, in the above-styled cause, seeks
an order authorizing the dual completion of its
Hanks Well No. 12-D, located in Unit H, Section 7,
Township 27 North, Range 9 West, San Juan County,
New Mexico, in such a manner as to permit the pro-
duction of gas from the Fulcher Kutz-Rictured Cliffs
Pool and the production of gas from the Dakota Pro-
ducing Interval through parallel strings of 2 7/8 inch
and 4 1/2 inch casing cemented in a common well bore.
Applicant proposes to install 2 3/8 inch tubing to
produce the Dakota gas.

Case 2055

BEFORE:

Daniel Nutter

TRANSCRIPT OF HEARING

MR. NUTTER: We will go back now and call Case 2055.

MR. PAYNE: The applicant has asked that this case be
continued to the second examiner hearing in September which will
be September 21st.

MR. NUTTER: Case No. 2055 will be continued to September
the 21st before the same examiner.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS

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

DATED this 4th day of September, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn I. Nelson
NOTARY PUBLIC

My Commission Expires:

June 14 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2655 heard by me on 8/24, 1960.
[Signature] Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing - Daniel S. NutterSanta Fe, NEW MEXICOREGISTERHEARING DATE September 21, 1960 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
Ganett Whitworth	EPNG	El Paso
Jerry Hildegar	EPNG	El Paso
Leech	Kilbuck White + Albert	Santa Fe
JH Roney	EPNG	El Paso
J.C. Gordon, Jr	Mobil	Hobbs
MTB Thresher	"	Midland
Burns Erbe	Modrall, Seymour, Spaulding Roehl + Harris	Albuquerque
L.M. Stevens	Astec Oil & Gas Co.	Farmington
K A Swanson	"	Dallas
T.F. McKenna	Chambers + Kennedy	Santa Fe
W. J. Alexander	Chambers + Kennedy	Odessa
F. C. Morgan	Phillips Pet. Co.	Hobbs
Ch. Chapman	Atty.	Albuquerque, N.M.
Albert H Green	Pan American Petr	Lubbock
Frank Newman	Steward + Mather	Roswell
John E. Collins	Standard of Texas	Houston
FRED C. HANNAHS	Seth, Montgomery, Federici + Andrews,	Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing - Daniel S. Nutter

Santa Fe, NEW MEXICO

REGISTER

HEARING DATE September 21, 1960 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
C.C. Loveless, Jr.	Self	Roswell
Joan Kellahin	Kellahin & Fox	Santa Fe, N.M.
William D. Foster	Gulf	Roswell
J.H. Hoover	✓	✓
Louie C. Smith	✓	Hobbs
S. L. Flossheim	Darffman Prod. Co.	Dallas, Tex.

BEFORE THE
OIL CONSERVATION COMMISSION
September 21, 1960

Examiner Hearing

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for a gas-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hanks Well No. 12-D, located in Unit H, Section 7, Township 27 North, Range 9 West, San Juan County, New Mexico. In such a manner as to permit the production of gas from the Fulcher Kutz-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 4 1/2-inch casing cemented in a common well bore. Applicant proposes to install 2 3/8-inch tubing to produce the Dakota gas.

CASE NO.
2055

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hanks Well No. 18-D, located in Unit B, Section 5, Township 27 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Kutz-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 4 1/2-inch casing cemented in a common well bore. Applicant also proposes to install 2 3/8-inch tubing to produce the Dakota gas.

CASE NO.
2073

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing

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the dual completion of its Hanks Well No. 16-D, located in Unit K, Section 6, Township 27 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Kutz-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 1 1/2-inch casing cemented in a common well bore. Applicant also proposes to install 2 3/8-inch tubing to produce the Dakota gas.

CASE NO.
2074

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hanks Well No. 15-D, located in Unit B, Section 6, Township 27 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Kutz-Pictured Cliffs Pool through parallel strings of 2 7/8-inch and 1 1/2-inch casing cemented in a common well bore. Applicant also proposes to install a 2 3/8-inch tubing to produce the Dakota gas.

CASE NO.
2075

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hare Well No. 15-D located in Unit D, Section 10, Township 29 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Aztec-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch and 1 1/2-inch casing cemented in a common well bore. Applicant also proposes to install 2 3/8-inch tubing to produce the Dakota gas.

CASE NO.
2076

BEFORE:

Daniel S. Nutter, Examiner
Oliver E. Payne



TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: The hearing will come to order.

MR. PAYNE: Case 2055. Application of Aztec Oil & Gas Company for a gas-gas dual completion utilizing two strings of casing.

MR. WHITE: Charles White of Gilbert, White and Gilbert, appearing as local counsel for the Aztec Oil & Gas Company. We have with us Mr. Kenneth Swanson, the attorney out of Dallas, who will present the testimony. And if the Examiner please, may the record show the same appearance in cases 2073 through 2076.

MR. NUTTER: Do you anticipate consolidating for the purpose of the hearing?

MR. WHITE: We will also call cases 2073 and 2074.

MR. NUTTER: All these cases are for dual completion, and the appearances are the same as in the first.

MR. SWANSON: We have one witness to permit testimony for Aztec in all these cases, he is Mr. Elliot Stevens.

(Witness sworn.)

ELLIOT STEVENS

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

DIRECT EXAMINATION

BY MR. SWANSON:

Q Mr. Stevens, will you state by whom you are employed and your position with the company?

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A District Engineer with the Aztec Oil & Gas Company.

Q Have you previously testified before this Commission?

A Yes, I have.

Q Do you wish to have the witness further qualified?

MR. NUTTER: No. How is your name spelled?

A S-t-e-v-e-n-s.

MR. NUTTER: Your initials, please?

A L. M.

Q (By Mr. Swanson) These five cases are involved with applications for approval of dual completions for the Fulcher Kutz-Pictured Cliffs and for the Fulcher Kutz-Pictured Cliffs, Aztec or South Blanco Pools. The completion procedures requirements for all cases are similar, we believe they are feasible, they will effect considerable savings.

Mr. Stevens, if you will please outline in general the practice that we plan to follow in completing these wells?

A We propose to set about 300 feet of 13 3/8-inch service casing and drill out from under that with 12 1/4-inch hole, continue with that size hole to about 100 feet below the base of the Pictured Cliffs with holes reduced to 7 7/8-inch hole and drilled through the Dakota formation. 4 1/2-inch casing will be run through the Dakota formation with a DV end 4 1/2 space about 50 feet below the Pictured Cliffs then this casing is mounted on the mandrel, then 2 7/8-inch is run along side the 4 1/2-inch and run through the Pictured Cliffs down to around 2500 feet. We then



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cement the 4 1/2-inch with about 200 sacks of cement and 100 sacks of neat cement which gives us fill of about 950 feet. After waiting twelve hours on the first state of the cement job we then cement the 2 7/8-inch casing and the job is timed so that the first cement that leaves the bottom of the 2 7/8 and could insure the arrival at the shoe of the level of cement which is being displaced off the DT Tool in the 4 1/2. We displace 100 sacks through the DV Tool and 100 sacks through the 2 7/8 which gives us 200 sacks of neat cement and gives us about 350 feet. We then wait forty-eight hours on the cement and then perforate the 2 7/8-inch casing with a oriented gun with four jets per foot. After perforating we pressure up on the 4 1/2 to be sure there are no leaks and then if everything is in order we perforate the Dakota formation with four jets per foot. The Dakota is fracked with 2,000 gallons of water, 80,000 pounds of sand, tubing is run and swabbed in. We then frack the Picture with 1400 gallons of water and 60,000 pounds of sand.

Q The result of this type of completion procedure would be that you have the casing landing below the proceeding interval in each case and have cement fill up raising from 900 feet approximately to 300 feet above the top of the formation?

A That is correct.

Q In your opinion you effect complete separation of the formation?

A Yes, sir.



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Q Is it anticipated that a savings in cost will be obtained from this proceeding?

A It is more economical, we would save about \$7500.00 over single completions and about \$3500.00 over a dual completion in the regular manner.

Q This will conclude our testimony in the cases.

MR. MUTTER: Any questions of Mr. Stevens?

BY MR. MUTTER:

Q Mr. Stevens, you stated that you would have a 950 foot fill up on the cement job in the 4 1/2?

A Yes, sir.

Q Where will all this cement be in relation to the bottom of the Dakota?

A That brings it up to well into the lower bank of this perforation shale, the lamus, lower mancos shale.

Q Taking one well as typical, the Hanks 18-D, you expect your perforations would be 7500 to 7625, total depth would be. Now is the 4 1/2 set at total depth?

A Yes, sir.

Q So your total depth would be approximately 7730, you would have 950 fill up?

A Yes, sir.

Q Which would be approximately 6780 feet, be the top of the cement, assuming the Dakota perforation would be 7500 feet, how many feet would be of the uppermost perforation?



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A About 700 feet.

Q Now, where will the bottom of the cement be that is displaced through the DV Tool?

A They will go to the shoe of the 4 1/2, right to the bottom. We run an automatic fill up collar and a guide shoe usually.

Q And you will have a continuous cement sheath then from below the DV Tool to a point --

A You are speaking of the DV Tool?

Q Yes, sir.

A The cement will go approximately one joint below the DV Tool, we set a cement basket one joint.

Q One joint below?

A Yes, sir.

Q You will have a continuous cement sheath from that basket to approximately 350 feet above the shoe of the 2 7/8?

A Yes, sir.

Q Is there any Mesa Verde production in this area?

A No, sir, none at all.

Q What about centralizers, Mr. Stevens?

A We run usually three centralizers through the Dakota section and one centralizer below the DV Tool on the 4 1/2. We can't run any below, it interferes of the running of 2 7/8 inch.

Q No centralizer on the 2 7/8?

A None run on it.



Q You are not using centralizers on turbolizers then in the upper section of the pay?

A No, sir.

MR. SWANSON: Does the Commission feel that is advisable in dual cases?

MR. NUTTER: Yes, sir. In many instances prior to this application the Commission has required centralizers or turbolizers throughout the pay, usually one centralizer or turbolizer on each joint of pipe throughout the pay and three joints above the pay.

MR. SWANSON: I am sure we will be glad to comply with any such instructions from the Commission.

Q (By Mr. Nutter) What type of oriented gun does Aztec propose to use?

A Lane wells or Schlumberter.

Q Radio-activity that determines the orientation. And all of these dual completions are for the Pictured Cliffs and the Dakota formation, is that correct?

A That is correct.

Q What average pressure do you expect in the Pictured formation?

A Bottom hole will be around five or six hundred pounds.

Q How about the Dakota?

A The Dakota will average about 2300 pounds bottom hole pressure.

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Q What is the possibility of having oil in the Dakota in that area?

A There will be oil, I am sure, in the Dakota. All the rest of our Dakota wells do have oil in them. It is a gas distillate rather than crude.

Q If this develops in the oil area, would it be possible to efficiently lift the oil from the Dakota with this type of installation, if that would become necessary?

A Yes, it would.

MR. NUTTER: Any further questions of Mr. Stevens? Mr. Payne.

BY MR. PAYNE:

Q Do you anticipate any corrosion problems in either one of these?

A No, sir, we anticipate none.

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

(Witness excused.)

MR. NUTTER: Do you have any further testimony?

MR. SWANSON: No, sir.

MR. NUTTER: Does anyone have anything in Cases Numbers 2055, 2073, 2074, 2075 or 2076? If not, we will take these cases under advisement and call Case 2077.



STATE OF NEW MEXICO)
 : ss
 COUNTY OF BERNALILLO)

I, LEW 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 Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision 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 28 day of September, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lew Nelson
 NOTARY PUBLIC

My Commission Expires:
 June 14, 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2055 2073 2074 heard by me on 2/24/2075, 1960 2075 and 2076
[Signature], Examiner
 New Mexico Oil Conservation Commission

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ALBUQUERQUE, NEW MEXICO



INDEX

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>
ELLIOT STEVENS		
By Mr. Swanson	3	
By Mr. Matter		6

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