

CASE 2065: Application of TEXACO INC.
FOR AN OIL-GAS DUAL of its H. J. LOE
FEDERAL "B" WELL NO. 3.

Case No.

2065

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. 2065
Order No. R-1768**

**APPLICATION OF TEXACO INC.
FOR A "SLIM-HOLE" OIL-GAS
WELL COMPLETION IN AN UN-
DESIGNATED GALLUP OIL 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 7, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, 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 16th day of September, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Texaco Inc., is the owner and operator of the H. J. Lee Federal "B" Well No. 3, located in Unit M, Section 23, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico.

(3) That the applicant proposes to dually complete the said H. J. Lee Federal "B" Well No. 3 in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Dakota Producing Interval through parallel strings of 2-3/8 inch casing and 4-1/2 inch casing, respectively, cemented in a common well bore. Applicant proposes to produce the Dakota gas through 2-3/8 inch tubing installed within the 4-1/2 inch casing.

CASE No. 2065
Order No. R-1768

(4) That in order to protect the productive horizons, cement should extend from total depth to a point 600 feet above the top of the Gallup formation, and from a depth of 1700 feet to a point 200 feet above the top of the Pictured Cliffs formation.

(5) That centralizers or turbolizers should be installed at 30-foot intervals throughout the Dakota, Gallup, and Pictured Cliffs formations and to a point 100 feet above said formations.

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

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

IT IS HEREBY ORDERED:

That the applicant, Texaco Inc., be and the same is hereby authorized to finally complete its M. J. Lee Federal "B" Well No. 3, located in Unit H, Section 23, Township 19 North, Range 12 West, NEPM, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool through 2-3/8 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.

PROVIDED HOWEVER, That cement shall extend from total depth to a point 600 feet above the top of the Gallup formation, and from a depth of 1700 feet to a point 200 feet above the top of the Pictured Cliffs formation.

PROVIDED FURTHER, That centralizers or turbolizers shall be installed at 30-foot intervals throughout the Dakota, Gallup, and Pictured Cliffs formations and to a point 100 feet above said formations.

PROVIDED FURTHER, That the applicant shall take communication tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Dakota Producing Interval.

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 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.

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CASE No. 2065
Order No. R-1768

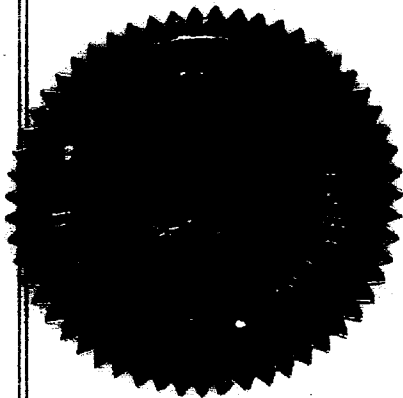
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

W. H. Morgan
W. H. MORGAN, Member

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



ONE/

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



P. O. BOX 871
SANTA FE

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

September 16, 1960

Mr. Becker Kelly
Gilbert, White & Gilbert
Box 787
Santa Fe, New Mexico

Re: Case No. 2066
Order No. B-1768
Applicant:
Texaco Inc.

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

Date 9-8-60

CASE NO. 2065

HEARING DATE 9-7-60

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

1. Grant Texaco's request for a skin hole
Dual for its W.J. Fox, Fed. 'B' No. 3, 790 S.W.
23 - 29 N - 12 W.
2. Dakota Gas will be produced thru ~~4 1/2~~ O.D.
2 7/8 inside 4 1/2 O.D. casing set @ 6229.
Gallup Oil or Gas will be produced thru
2 7/8 set @ 5430.
3. Cement shall be as follows:
6229 to 600 ft. above Dakota.
5330 to 600 ft. above Gallup.
1700 to 200 ft. above. Pictured Cliff.
4. ~~Compensations~~ Tests - at Dk. Del. test.
5. ~~Compensations~~ or testologers at least 100 ft.
above Dk + Gallup + P.C.
Smith. H.

Staff Member

CASE 2066: Application of Humble Oil & Refining Company for an oil-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Kathleen Steckel Well No. 1, located in the NW/4 NE/4 of Section 19, Township 18 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce oil from an undesignated Abo pool and gas from an undesignated Pennsylvanian pool through 4½-inch casing and 2 7/8-inch casing respectively cemented in a common well bore. Applicant proposes also to install tubing for the Abo production.

CASE 2067: Application of Dorfman Production Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Elizabeth Federal Well No. 1, located in Unit H, Section 18, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Escrito-Gallup Oil Pool and the production of gas from the Dakota Producing Interval.

CASE 2068: Application of Gulf Oil Corporation for three non-standard gas proration units in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order establishing the following-described non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico:

(1) A 320-acre unit consisting of the E/2 of Section 4, Township 22 South, Range 36 East, to be dedicated to the J. F. Janda "F" Well No. 13, located 660 feet from the South and East lines of said Section 4.

(2) A 480-acre unit consisting of the SE/4 of Section 33 and the SW/4 of Section 34, both in Township 21 South, Range 36 East and the NW/4 of Section 3, Township 22 South, Range 36 East, to be dedicated to its W. A. Ramsay "A" Well No. 1, located 330 feet from the South and West lines of said Section 34.

(3) A 160-acre unit consisting of the SW/4 of Section 4, Township 22 South, Range 36 East, to be dedicated to the J. F. Janda "F" Well No. 7, located 1980 feet from the South and West lines of said Section 4.

DOCKET: EXAMINER HEARING, WEDNESDAY, SEPTEMBER 7, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.
The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

CASE 2062: Application of Continental Oil Company for approval of an automatic custody transfer system to handle commingled production. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from the Weir Pool and the Cass Pool from certain wells located on that portion of the Southeast Monument Unit comprising Sections 15 and 23, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 2063: Application of Texas National Petroleum Company for a gas-oil dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Government Well No. 1, to be located 790 feet from the South and East lines of Section 16, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Gallegos-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch tubing and 4 1/2-inch casing respectively cemented in a common well bore. Applicant proposes to also install 2 3/8-inch tubing for the Dakota production.

CASE 2064: Application of Anderson-Prichard Oil Corporation and Amerada Petroleum Corporation for an extension of the vertical limits of the Justis-Drinkard Pool. Applicants, in the above-styled cause, seeks an order extending the vertical limits of the Justis-Drinkard Pool, to include the perforated intervals in its Carlson "A" Well Nos. 1 and 3, located respectively in Units J and N of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico, and perhaps to include additional intervals in said pool.

CASE 2065: Application of Texaco Inc. for an oil-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its H. J. Loe Federal "B" Well No. 3, located in Unit M, Section 23, Township 29 North, Range 12 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 3/8-inch casing and 4 1/2-inch casing respectively, cemented in a common well bore. Applicant proposes to also install tubing for the Dakota production.

GILBERT, WHITE AND GILBERT
ATTORNEYS AND COUNSELORS AT LAW
MAIN OFFICE 000

BISHOP BUILDING

SANTA FE, NEW MEXICO

CARL H. GILBERT
L. C. WHITE
WILLIAM W. GILBERT
SUMNER S. KOCH
WILLIAM S. KELLY

1960 AUG 17 AM 8:13

August 16, 1960

Case
2065

New Mexico Oil Conservation Commission
State Capitol Building
Santa Fe, New Mexico

Attention: Ralph Trujillo

Gentlemen:

Enclosed is Texaco's application to finally complete its H. J.
Loe Federal "B" Number 3 well. It would be appreciated if
this could be set down for hearing at the earliest examiner's
hearing.

Very truly yours,

L. C. White

L. C. WHITE

LCW/ab
Encls.

*Rechecked
Mailed
Aug. 24, 1960
JH*

MAJ OFFICE CCG

1939 AUG 17 AM 13

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
TEXACO INC. TO DUALY COMPLETE ITS
H. J. LOE FEDERAL "B" NUMBER 3 WELL
LOCATED IN SECTION 23, TOWNSHIP 29
NORTH, RANGE 12 WEST, SAN JUAN COUNTY,
NEW MEXICO.

Case No. 2065

APPLICATION

Comes now Texaco Inc. and makes application to dualy complete its H. J. Loe Federal "B" Well Number 3 within a Wildcat (Gallup) Pool and in an Undesignated (Dakota) Pool and respectfully states:

1. In support of the application to dualy complete the subject well reference is made to Exhibit "A" which is incorporated herein by reference.

2. A plat showing the location of the lease to subject well and all the off-set operators so far as known to applicant is attached hereto marked Exhibit "B" and made a part hereof by reference.

3. That the proposed manner and method of installing the dual completion is as follows: A string of 4 1/2 inch O. D. casing and a string of 2 3/8 inch O. D. casing will be cemented in a common bore hole. The 4 1/2 inch long string will be used as the casing string for the Dakota. It is anticipated the Dakota formation will produce gas which will be produced through a string of 2 3/8 inch tubing which will be run inside the 4 1/2 inch casing. It is anticipated the Gallup formation will produce oil and will be produced through the 2 3/8 inch casing set outside the 4 1/2 inch casing but cemented within the common bore hole. The Gallup completion will be a tubingless completion and will flow through the 2 3/8 inch casing.

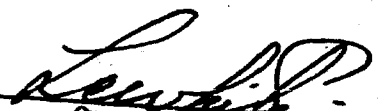
WHEREFORE, Applicant prays that this matter be set down for hearing before

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

1 an examiner, that notice be given in accordance with law and that the applica-
2 tion be granted upon such terms and conditions as may be just and reasonable
3 in the premises.
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GILBERT, WHITE AND GILBERT

By 
One of Its Attorneys

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Case 2065

Field Name Wildcat (Gallup) & Undesignated (Dakota)		County San Juan		Date August 12, 1960
Operator TEXACO Inc.		Lease H. J. Loe Federal "B"		Well No. 3
Location of Well M	Unit M	Section 23	Township 29 North	Range 13 East

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	Gallup	Dakota
b. Top and Bottom of Pay Section (Perforations)	5551-5601	6135-6265
c. Type of production (Oil or Gas)	Oil	Gas
d. Method of Production (Flowing or Artificial Lift)	Flow	Flow

4. The following are attached. (Please mark YES or NO)

- No 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.

Ted M. White, 115 7th St. N.W., Albuquerque, New Mexico

Claude M. Carroll, Farmington, New Mexico

C. E. Aikman, 601 Midland Nat'l. Bank Bldg., Midland, Texas

R&G Drilling Co., 6813 W. 3rd Street, Los Angeles, California

Pan-American Petroleum Corp., Box 268, Lubbock, Texas

Monsanto Chemical Corp., South Coast Life Bldg., Houston, Texas

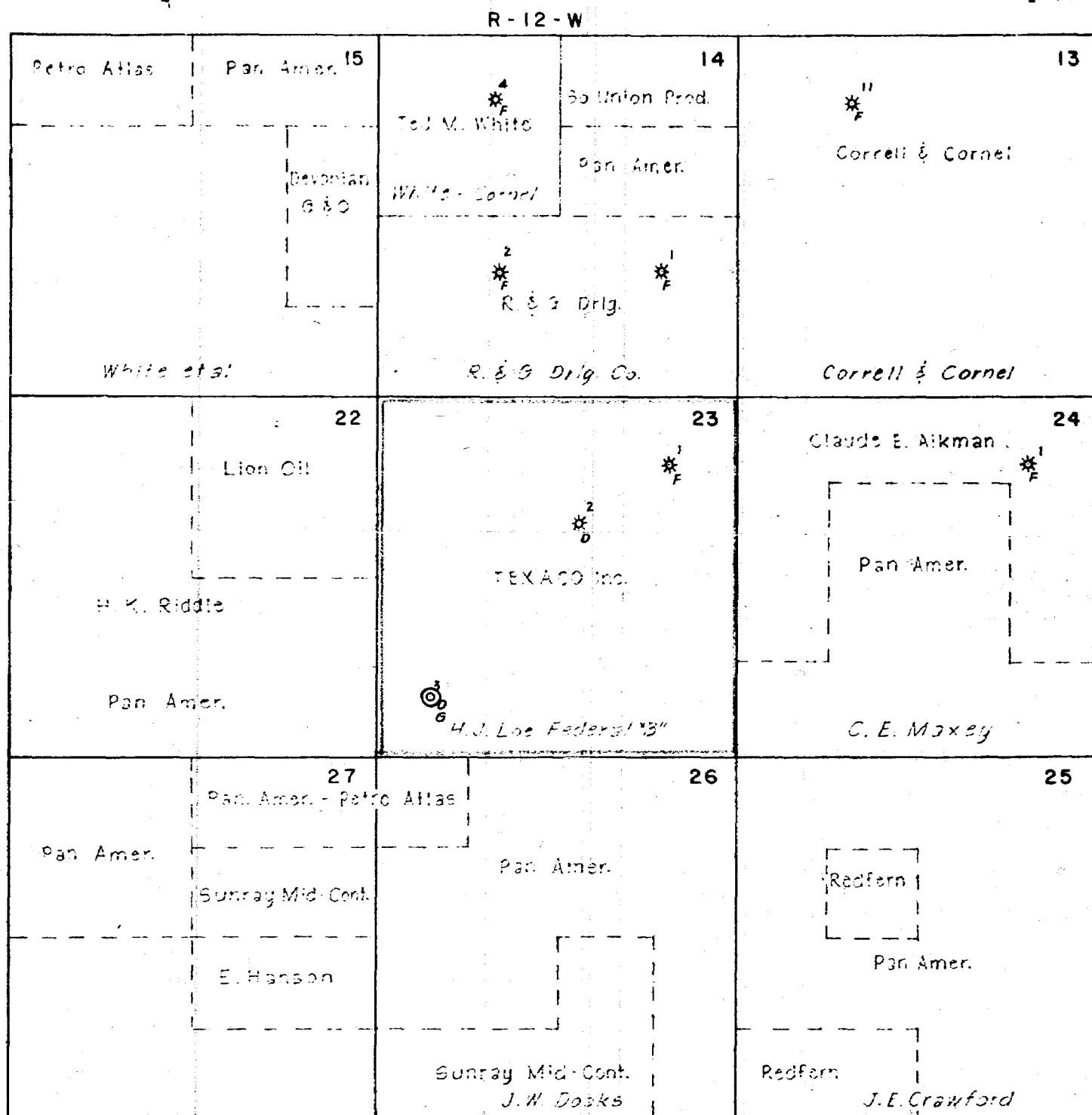
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☐ NO ☒. If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the Div. Proration Engr. of the TEXACO Inc. (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.

J. E. Robinson, Jr.
J. E. Robinson, Jr. Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

EXHIBIT "A"



PLAT OF TEXACO Inc. H. J. LOE FEDERAL "B" LEASE AND OFFSET LEASES

San Juan County, New Mexico

Scale: 1" = 2000'

JER, Jr. 8-12-60

LEGEND

F...Fulcher-Kutz Pictured Cliffs
D...Undesignated-Dakota
G...Wildcat-Gallup

OFFSET OPERATORS

Ted M. White, 115 7th St. N.W., Albuquerque, NM
Claude M. Carroll, Farmington, N. M.
C. E. Aikman, 601 Midland Nat'l. Bank,
Midland, Texas
R&G Drig. Co., 6813 W. 3rd St., Los Angeles, Cal.
Pan-American Pet. Corp., Box 268, Lubbock, Tex.
Monsanto Chem. Corp., South Coast Life Bldg.
Houston, Texas

EXHIBIT "B"

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

In the Matter of:

CASE 2065 Application of Texaco, Inc., for an oil-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its H. J. Loe Federal "B" Well No. 3, located in Unit M, Section 23, Township 29 North, Range 12 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 3/8-inch casing and 4 1/2 inch casing respectively, cemented in a common well bore. Applicant proposes to also install tubing for the Dakota production.

Mabry Hall
September 7, 1960

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 2065.

MR. PAYNE: Case 2065, "Application of Texaco, Inc., for an oil-gas dual completion utilizing two strings of casing."

MR. KELLY: Booker Kelly with Gilbert, White and Gilbert, Santa Fe, for the Applicant, Texaco, Inc. I have one witness that has to be sworn.

(Witness sworn in.)

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

PAGE 2

I N D E X

WITNESS

PAGE

J. E. ROBINSON, JR.

Direct Examination by Mr. Kelly
Examination by Mr. Utz
Examination by Mr. Payne

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MR. UTZ: No other appearances in this case? You may proceed.

(Thereupon, the documents were marked as Applicant's Exhibits One and Two for identification.)

J. E. ROBINSON, JR.

a witness, called by and on behalf of the Applicant, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name and position, please?

A I am J. E. Robinson, Junior, I am employed by Texaco, Inc. as proration engineer in our Midland, Texas, Division.

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

A Yes sir, I have.

Q Would you please tell the Commission briefly what Texaco plans to do by this application?

A This is the application of Texaco, Inc., to dually complete their H. J. Loe Federal "B" Well Number Three by running parallel strings, consisting of 4 1/2 and 2 3/8 inch casing cemented in a common well bore, and by producing the Dakota gas through the 4 1/2-inch casing through 2 3/8-inch tubing, and producing the Gallup Formation through the 2 3/8-inch casing as a tubingless completion.

Q Referring to what has been marked Exhibit One, would you

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CN 3-4691



explain that to the Commission?

A Exhibit Number One is a plat of the area, showing Texaco's H. J. Loe Federal "B" Lease outlined in yellow, which consists of all of Section 23, Township 29 North, Range 12 West; it also shows all offsetting leases, with the offset operators' address, and the wells, in what formation they are completed. To the immediate north of Texaco's lease, there are four wells, they are completed in the Fulchur-Kutz Pictured Cliffs Field, and there is also a well to the east located in the same field. Texaco's Loe Federal "B" Well Number 1 is completed in the Fulchur-Kutz Pictured Cliffs; our Well Number 2 is a Dakota well, it is in an undesignated field at the present time, and we are proposing to drill our Well Number 3 to be dually completed in the Wildcat Gallup Field and in the undesignated Dakota Field. Of course, we have Dakota production on this lease; the nearest Gallup production is Pan American's Number 83 Gallegos Canyon Unit located in Section 26, Township 28 North, Range 12 West, which is approximately seven miles south of this location.

Q Now, referring to what has been marked Exhibit Two, would you explain that to the Commission?

A Exhibit Number Two is a diagramatic sketch of the proposed dual completion installation. We will drill a 12 1/4-inch hole to 200 feet where we will set 9 5/8-inch casing at 200 feet and cement with a sufficient amount of cement to circulate back to the surface of the ground. After we go out under the 9 5/8-inch casing, the



hole will be reduced to an 8 3/4-inch hole, we will drill this 8 3/4-inch hole to a TD of 5550, which is approximately 90 feet below the bottom of the Gallup Formation. We will then reduce the hole size to a 6 3/4-inch hole and drill to a TD of 6629, which is estimated to be the base of the Dakota. After drilling the well to TD, we will then run as the first string the long string of 4 1/2-inch casing; on the bottom of the casing through the Dakota interval, we have run centralizers centralizing the 4 1/2 entirely through the Dakota Formation; also, on the long string, we will have a stage collar at 1700 feet. After we run the 4 1/2, we will then run our short string of 2 3/8-inch casing to be set through the Wildcat Gallup Field. On the 2 3/8-inch casing, we will have Baker turbolizers on each joint through the Gallup and also through the Pictured Cliffs.

Q Would you explain to the Commission the function of the Baker turbolizers?

A Well, I think this has been brought up before. Actually, the Baker turbolizer is about a foot long and it is a spiral rubber that acts as both a centralizer, and also it breaks up any channeling that might be occurring as the cement is moving up the hole. We are proposing to install turbolizers both through the Gallup and through the Pictured Cliffs also so that we can get an effective cement job. Now, the Pictured Cliffs is productive on this lease; however, it is not a good well. We do not expect the Pictured Cliffs to be productive in this well. However, we are



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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

using all precautions in insuring that the Pictured Cliffs is adequately cemented. The anticipated pressure of the Pictured Cliffs if it is productive is only 2360 pounds; the Gallup has a pressure anticipated as being 1500 PSI, and the Dakota will be somewhere slightly above 2,000 pounds. Now, after we set both strings, we will then cement by pumping plug down the 4 1/2-inch casing. We will cement with a sufficient volume to bring the top of the cement up 600 feet above the top of the Gallup. After we have cemented the first stage, we will then open our stage collar and stage cement the Pictured Cliffs Formation with a sufficient amount of cement to come to approximately 200 feet above the Pictured Cliffs, or roughly 1300 feet. After we cement the strings in the hole, we will then run a temperature survey where we will be able to pick the top of the cement above the Gallup and also above the Pictured Cliffs. The Gallup will be completed by use of line wells directional perforating, and I am sure the Commission is familiar with this method of perforating. The Gallup, after being perforated, will be fractured with a sand-oil treatment. We anticipate that this completion will be an oil completion. The gravity will run roughly between 37 and 41 Degrees API with a gas-oil ratio of somewhere in the neighborhood of 700 to 800 to 1. The crude is a reasonably sweet or an intermediate sweet type crude in this area. The Dakota will be perforated in a conventional manner. We will water-frac the Dakota interval, and then we will run 2 5/8-inch tubing inside the 4 1/2-inch casing, where we will



produce the Dakota gas up through the tubing.

Q Has this well been started at all?

A No sir, we are waiting approval of the Commission for permission to complete the well in the prescribed manner before we spud the well.

Q Now, have Exhibits One and Two been prepared by you or under your direction?

A Yes sir, they were.

MR. KELLY: I move for the introduction of the exhibits in evidence.

MR. UTZ: Without objection, Exhibits One and Two will be entered into the record.

MR. KELLY: That's all.

EXAMINATION BY MR. UTZ:

Q Mr. Robinson, how far are you going to run centralizers above the Dakota?

A Normally, we run from two to three joints above the formation; roughly, it would run, oh, seventy to ninety feet.

Q And the same for your turbolizers?

A Yes, sir.

Q And you were going to have 600 feet of cement above the Dakota?

A 600 feet above the top of the Gallup.

Q I see; your first stage then will be from TD to 600 feet above the Gallup?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Yes sir, that is correct.

Q And from 1700 to 200 feet above the Pictured Cliffs?

A Yes, sir.

Q And from 300 feet above the Pictured Cliffs to 200 feet, or the bottom of the 8 3/4 will be on that?

A Yes sir, that is correct.

Q Do you know whether or not there's any producing zone, such as Farmington, Fruitland, in this area?

A No sir, there is none that I know of; of course, this interval does produce in certain parts, but not in this immediate area.

Q And you feel that two hundred feet of surface casing will adequately shut off all the surface water?

A Yes sir, we will protect any fresh water in this area. I believe the--we have made, on our Number 1, we set, I believe, 207 feet of surface, and in our Number 2, we set 289 feet, and that adequately protected our fresh water.

Q And will your turbolizers on your 2 7/8 or 2 3/8 give you approximately a one-inch sheath between your 4 1/2 and your 2 5/8?

A Mr. Examiner, personally I don't know. We have the OD on a collar of 4 1/2-inch casing as five inches; in the OD of the collar on a 2 3/8-inch upset casing, it's 3.06, so we are drilling an 8 3/4-inch hole, so we have at least eight inches, slightly over eight inches of steel, so we wouldn't have a one-inch sheath between the two. Roughly, it would vary I would say between



the collars; if collars were laying next to each other, of course we wouldn't set the casing so it would, but if it did, then the maximum that we could have would be $3/4$ of an inch.

Q You think that's enough cement to adequately protect?

A Yes sir, I believe so.

MR. UTZ: Are there other questions?

EXAMINATION BY MR. PAYNE:

Q Mr. Robinson, actually you should have more than $3/4$ of an inch since you are not going to set your collars opposite each other?

A That is correct, they would not be set opposite each other, so it's possible that you'd have a cement sheath, roughly, you could have one to two inches of cement sheath between the two; it's just according to where your pipe would be laying.

Q Will you be able to artificially lift the Gallup in this particular completion?

A Yes sir, it would be more or less a conventional tubingless completion where we could set a pump and pump the Gallup by using the casing string as the tubing.

MR. PAYNE: Thank you.

MR. UTZ: You would be willing to run any communication tests required by the Commission?

A Yes sir, we will run the standard packer leakage tests to see that we do not have communication between these two intervals.

MR. UTZ: Are there other questions? The witness

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



may be excused.

(Witness excused.)

MR. UTZ: Other statements in this case? The case will be taken under advisement.

* * *

STATE OF NEW MEXICO)
: SS
COUNTY OF BERNALILLO)

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

Dated at Albuquerque, New Mexico, this 10th day of September, 1960.

Jerry Martinez
Notary Public

My Commission Expires:
January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2065, heard by me on Sept. 7, 1960.
Thurston Examiner
New Mexico Oil Conservation Commission

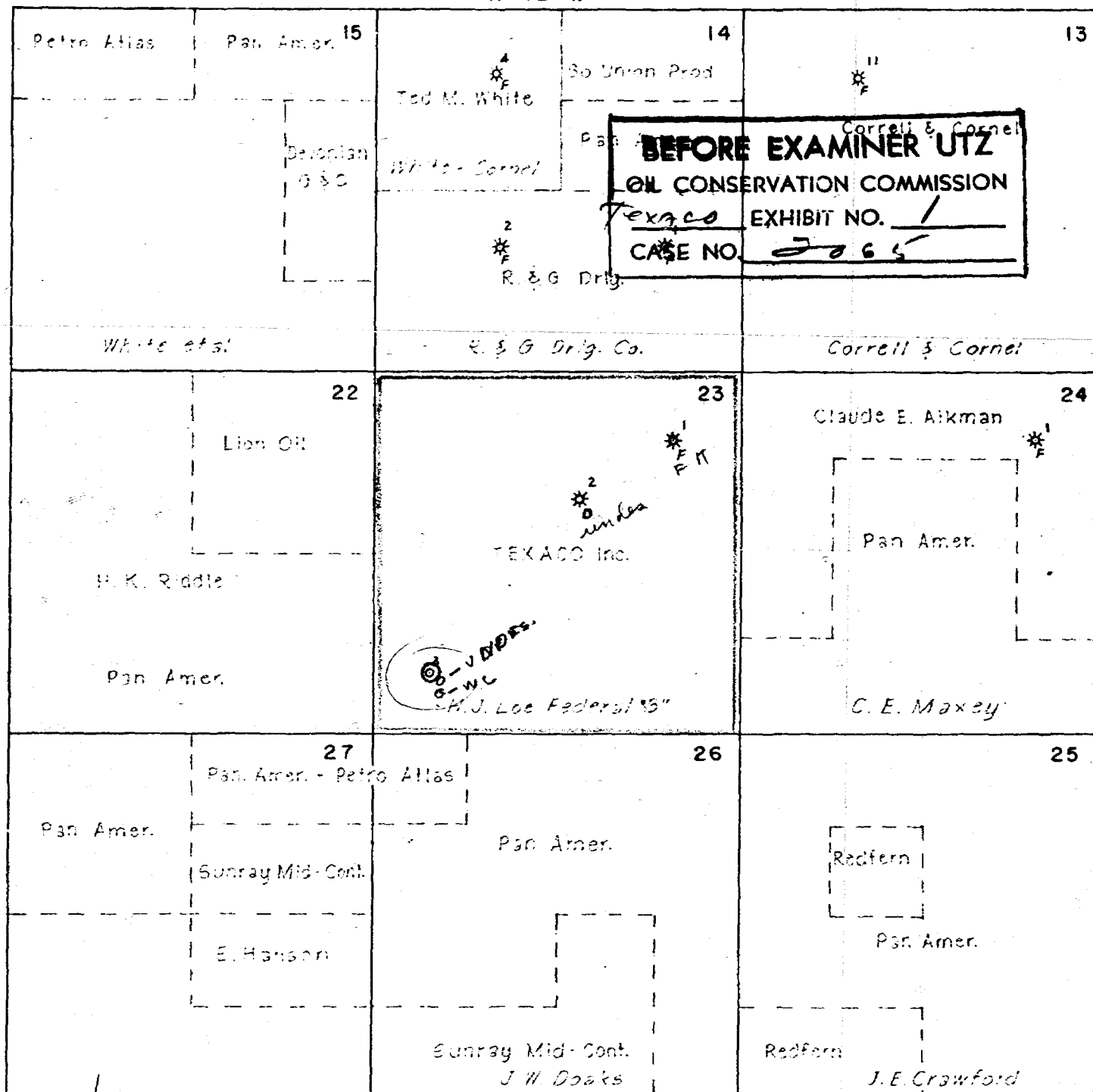
DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CM 3-6691

ALBUQUERQUE, NEW MEXICO



R-12-W



PLAT OF TEXACO Inc. H. J. LOE FEDERAL "B" LEASE AND OFFSET LEASES
San Juan County, New Mexico

Scale: 1" = 2000'
JER, Jr. 8-12-60

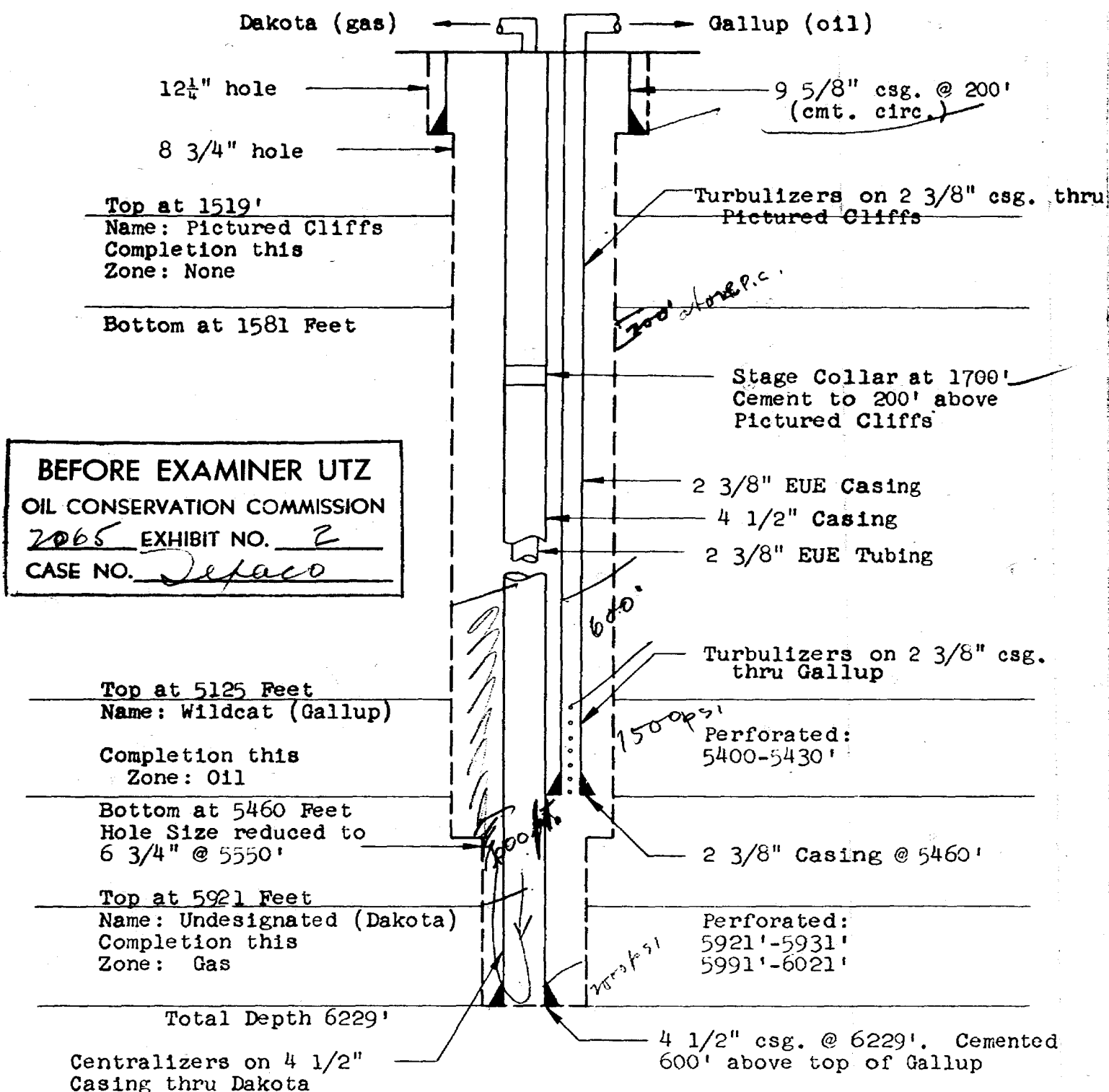
LEGEND

F...Fulcher-Kutz Pictured Cliffs
D...Undesignated-Dakota
G...Wildcat-Gallup

OFFSET OPERATORS

Ted M. White, 115 7th St. N.W., Albuquerque, NM
Claude M. Carroll, Farmington, N. M.
C. E. Aikman, 601 Midland St. 1. Bank,
Midland, Texas
R&G Drig. Co., 6813 W. 3rd St., Los Angeles, Cal.
Pan-American Pet. Corp., Box 268, Lubbock, Tex.
Monsanto Chem. Corp., South Coast Life Bldg.
Houston, Texas

DIAGRAMMATIC SKETCH OF DUAL COMPLETION INSTALLATION



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
2065 EXHIBIT NO. 2
CASE NO. Texaco

Company: TEXACO Inc.
Lease: H. J. Loe Federal "B" No. 3
Field: Wildcat (Gallup) and Undesignated (Dakota)
Date: 9-2-60