

CASE 2074: Application of AZTEC OIL &
GAS FOR A GAS-GAS DUAL OF ITS HANKS
WELL NO. 16-D, IN UNIT K.

Case No.

2074

Application, Transcript,
all 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. 2074
Order No. R-1779**

**APPLICATION OF ASTEC OIL & GAS
COMPANY FOR A GAS-GAS DEAL
COMPLETION IN THE FULCHER NATS-
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, 1960, 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, 1960, 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, Astec Oil & Gas Company, is the owner and operator of the Hanks Well No. 16-D, located in Unit K, Section 6, Township 27 North, Range 9 West, NMPN, San Juan County, New Mexico.

(3) That the applicant proposes to finally complete the said Hanks Well No. 16-D in such a manner as to permit the production of gas from the Fulcher Nats-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

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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 turbolining 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, Atlas Oil & Gas Company, be and the same is hereby authorized to dually complete its Hanks Well No. 16-D, located in Unit X, Section 6, Township 27 North, Range 9 West, NMM, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Fulcher Hanks-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.

PROVIDED HOWEVER, That centralizers or turboliners 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 set 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

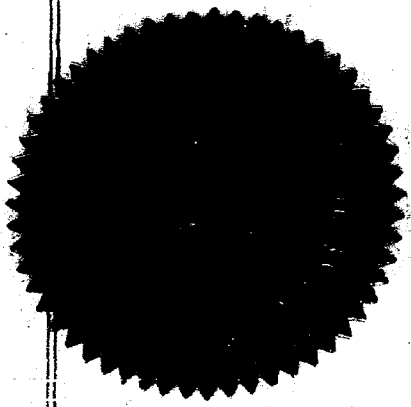
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CASH No. 2074
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authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-well production in the interest of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

*John T. Burroughs*
JOHN BURROUGHS, Chairman

Murray E. Hume
MURRAY E. HUME, Member

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

ccx/

MAIN OFFICE OCC
1960 AUG 25 AM 8:55

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

August 18, 1960

Case
2074

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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 #16-D
Well, San Juan County, New Mexico

Dear Mr. Porter:

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 $2\frac{3}{8}$ " tubing inside such casing for the production of Dakota gas. The Pictured Cliffs gas will be produced from a parallel string of $2\frac{7}{8}$ " 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,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

Docketed
Mailed
9-9-60
JS

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Case 2074

Field Name Fulcher Kutz-Pictured Cliffs; Undesignated Dak.		County San Juan	Date August 18, 1960
Operator Aztec Oil & Gas Company		Lease Hanks 55	Well No. 16-D
Location of Well Unit K	Section 6	Township 27-N	Range 9-W

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)	2550' - 2600'	6900' - 7025'
c. Type of production (Oil or Gas)	Gas	Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

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

- Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Yes c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application. *
- 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.

Three States Natural Gas Company	El Paso Natural Gas Company
Corrigan Tower Building	P. O. Box 197
Dallas, Texas	Farmington, New Mexico

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 August 22, 1960.

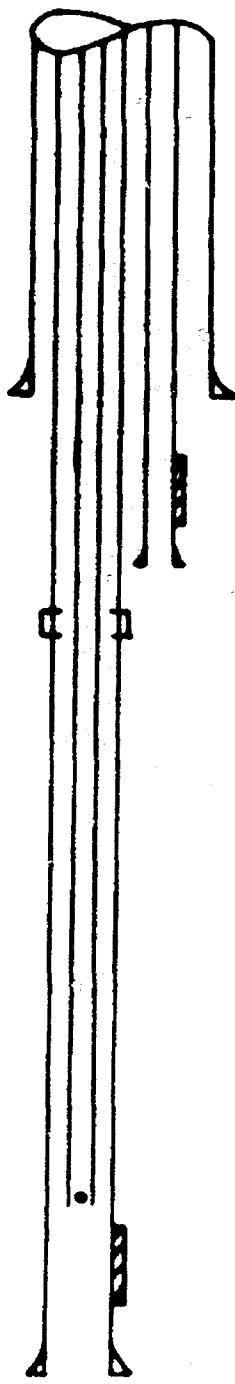
CERTIFICATE: I, the undersigned, state that I am the Attorney of the Aztec Oil & Gas Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to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

Kennell A. Swanson
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.

Case 2074

EXHIBIT " A "



Surface casing: 13-3/8" set at 300', cement circulated

Pictured Cliffs perforations at 2550 - 2600' in
2-7/8" casing set at 2752' with 100 sacks cement

DW tool at 2800' cemented with 100 sacks cement

2752
350
2402

2-3/8" tubing landed at 6850'

Pin collar

Dakota perforations at 6900 - 7025' in

4 1/2" casing set at 7161' with 300 sacks cement

All depths estimated

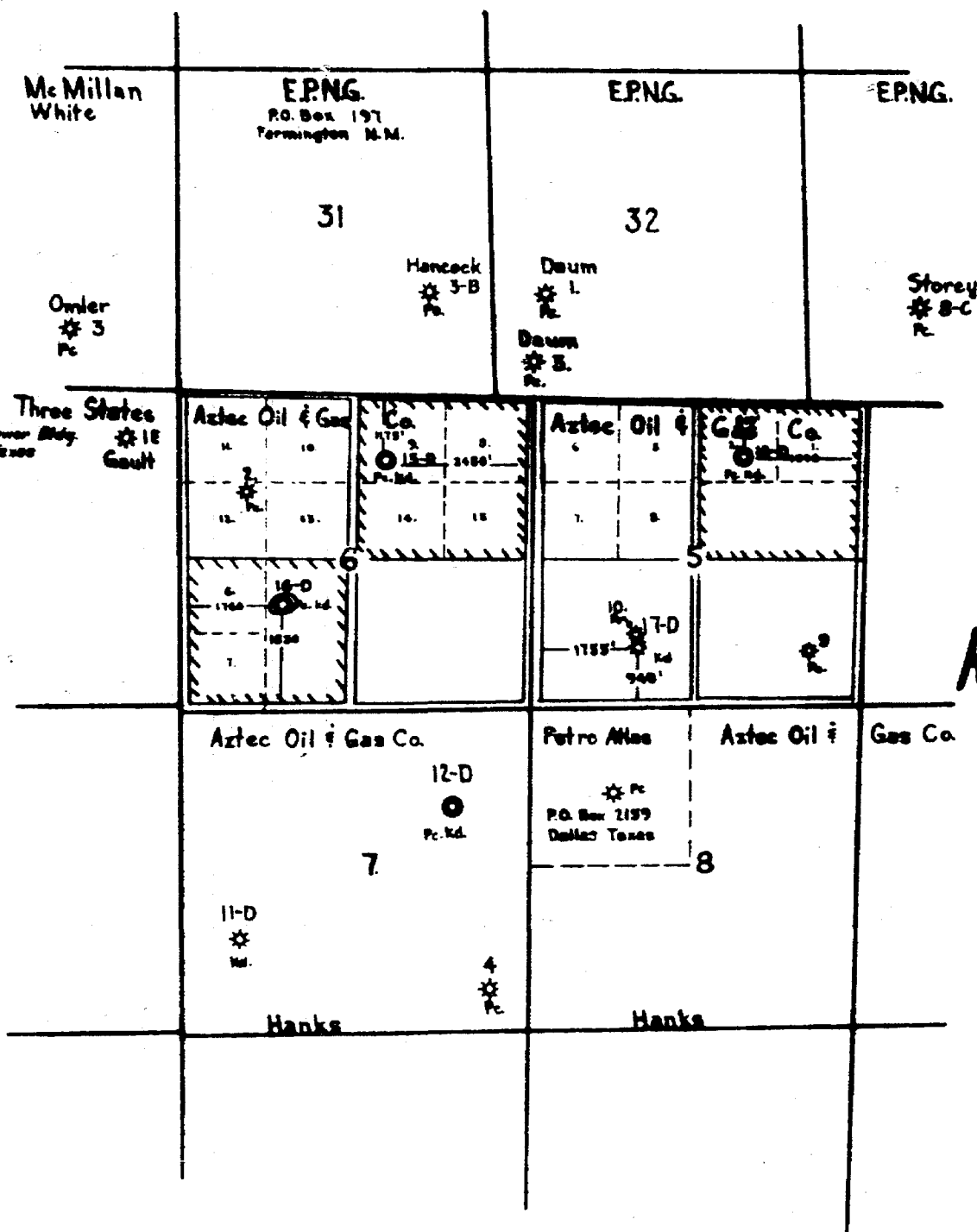
AZTEC OIL & GAS COMPANY

Hanks #16-D

T-28-N

R-10-W

R-9-W



T-27-N

Single Camp. — *

Dual Camp. — ○

Exhibit - "B"

AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

August 22, 1960

*Case
2074*

Three States Natural Gas Company
Corrigan Tower Building
Dallas, Texas

**Re: Application of Astec Oil & Gas
Company for Multiple Completion
Hearing Relating to Banks 16-B
Well, San Juan County, New
Mexico**

Gentlemen:

Enclosed is a copy of Astec's Application for Dual Completion relating to the captioned well. It is contemplated that this Application will be heard at the next regularly scheduled Examiner Hearing of the New Mexico Oil Conservation Commission.

Should you desire copies of the plat and schematic drawing which accompanied our Application made to the Commission, we shall be happy to furnish them.

Yours very truly,

Kenneth A. Swanson

KAS/et
Enclosure

AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

August 22, 1960

El Paso Natural Gas Company
P. O. Box 197
Farmington, New Mexico

Re: Application of Aztec Oil & Gas
Company for Multiple Completion
Hearing Relating to Wells 16-3
Well, San Juan County, New
Mexico

Gentlemen:

Enclosed is a copy of Aztec's Application for Dual Completion
relating to the captioned well. It is contemplated that this Ap-
plication will be heard at the next regularly scheduled Examiner
Hearing of the New Mexico Oil Conservation Commission.

Should you desire copies of the plat and schematic drawing
which accompanied our Application made to the Commission, we
shall be happy to furnish them.

Yours very truly,

Kenneth G. Swanson

KGS/et
Enclosure

27-60

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 CASES

CASE 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

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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.