

CASE 2175: Application of SUNRAY
~~MID-CONT.~~ for an OIL-OIL DUAL OF
ITS STATE "Y" WELL NO. 1.

Case No.

2175

Application, Transcript,
Small Exhibits, Etc.

No. 4-61

DOCKET: EXAMINER HEARING - WEDNESDAY, FEBRUARY 8, 1961

OIL CONSERVATION COMMISSION - 9 A. M., CONFERENCE ROOM - STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

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

- CASE 2171: Application of Amerada Petroleum Corporation for permission to commingle the production from several separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the production from the Justis-Blaine, Justis-Drinkard, Justis-Fusselman, and an undesignated 5000 foot pay zone from all wells presently completed or hereafter drilled on the Ida Wimberley Lease comprising portions of Sections 24, 25 and 26, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.
- CASE 2172: Application of Rice Engineering & Operating, Inc. for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its Gulf Houston Well No. 1, located 1980 feet from the South and East lines of Section 19, Township 12 South, Range 38 East, Lea County, New Mexico, with injection to be in the Devonian formation in the interval from 12,200 feet to 12,500 feet.
- CASE 2173: Application of Yates Petroleum Corporation for an order force-pooling a 322.4-acre gas proration unit in the Atoka-Pennsylvanian Gas Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Atoka-Pennsylvanian Gas Pool in the S/2 of Section 21, Township 18 South, Range 26 East, Eddy County, New Mexico. Interested parties include J. N. Hawkins, J. W. Potter, William H. Swearingen, Smith B. Crane, Frank F. Cook, A. F. Escobar, Olive E. Harrison, Pan American Petroleum Corporation, Mayme Ressinger, J. R. Raymond, Isabell Gallegos, Alice Heck Martin, Maze Heck Pinnell, Wave Heck Hill.

CASE 2174: Application of Yates Petroleum Corporation for an order force-pooling a 322.2-acre gas proration unit in the Atoka-Pennsylvanian Gas Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Atoka-Pennsylvanian Gas Pool in the N/2 of Section 28, Township 18 South, Range 26 East, Eddy County, New Mexico. Interested parties include William H. Swearingen, Alice Heck Martin, Maze Heck Pinnell, Wave Heck Hill, J. W. Potter, James W. Hall and Mrs. Lucille Ruddell South.

CASE 2175: Application of Sunray Mid-Continent Oil Company for an oil-oil dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "Y" Well No. 1, located in Unit G, Section 32, Township 18 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Culwin-Yates Pool and the production of oil from the North Shugart Queen-Grayburg Pool through parallel strings of 2 7/8-inch casing cemented in a common well bore.

CASE 2176: Application of Honolulu Oil Corporation for a pressure maintenance project. Applicant, in the above-styled cause, seeks an order authorizing it to install a pressure maintenance project in the Horseshoe-Gallup Oil Pool by the injection of water into the Gallup formation through its Navajo Well No. 4, located in the SE/4 SE/4 of Section 5, Township 31 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks the adoption of special rules governing the operation of said project.

CASE 2177: Application of Phillips Petroleum Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the Corbin-Abo Pool production from all wells presently drilled or hereafter completed on the Eilliams Federal Lease comprising portions of Sections 33 and 34, Township 17 South, Range 33 East, Lea County, New Mexico.

CASE 2178: Application of Humble Oil & Refining Company for permission to commingle the production from several separate leases and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the

CASE 2178: (Cont.)

Horseshoe-Gallup Oil Pool production from all wells presently completed or hereafter drilled on the Navajo "F" lease, comprising all of Sections 3, 4, 9, and 10, the Navajo "G" lease, comprising all of Sections 1, 2, 11 and 12; and the Navajo "M" lease, comprising the NE/4 of Section 5, all in Township 31 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

CASE 2179:

Application of Drilling and Exploration Company, Inc. for approval of the Mescalero Ridge Unit Agreement. Applicant, in the above-styled cause, seeks approval of the Mescalero Ridge Unit Agreement, which unit embraces 7521 acres of Federal and State lands in Township 19 South, Range 34 East, Lea County, New Mexico.

CASE 2180:

Application of Great Western Drilling Company for an order force-pooling a 40-acre proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Eumont Gas Pool in the SE/4 NE/4 of Section 32, Township 19 South, Range 37 East, Lea County, New Mexico. Interested parties include Dr. Hans May, B. A. Bowers, Estate of George F. Henneberry, William R. Kershaw, C. B. Neal, Fred Manley, Mae Williams, and W. L. Crutchfield.

CASE 2181:

Application of Gulf Oil Corporation for approval of the Hackberry Hills Unit Agreement. Applicant, in the above-styled cause, seeks approval of the Hackberry Hills Unit Agreement, which unit embraces 13,920 acres in Townships 21 and 22 South, Ranges 25 and 26 East, Eddy County, New Mexico.

WV
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 2/13/61

CASE NO. 2175

HEARING DATE 2/8/61 9am DSA@SF

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

Enter an order authorizing Summary Well-Contentment to drilley complete its State "y" No 1 located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec 32, T18S, R31E in such a manner as to produce oil from the Culwin Yates Pool and oil from the H. Shugart Qu - GB Pool three parallel strings of 2 $\frac{7}{8}$ " csg cased in a common well bore.

Provide that centralizers or turbo-izers shall be used on each joint of tubing thru out both pays and at least 3jts above the top thereof and also provide that the cement shall come to at least ^{Staff Member} 600 ft above the Yates pay.

Surf. csg shall be circulated.

Provide that applicant shall submit ^{electric} log ^{perfs} upon completion of well, with pays ^{marked thereon}

Sunray Mid-Continent

NM St Y #1

Case #2175

1st Station

Chambers & Kennedy

#3 Monterey St

Loc N & W

Q-G GOR 38

Y GOR TSTM

Gravity ^{C&K} Lower zone 32°

Upper zone 35-36°

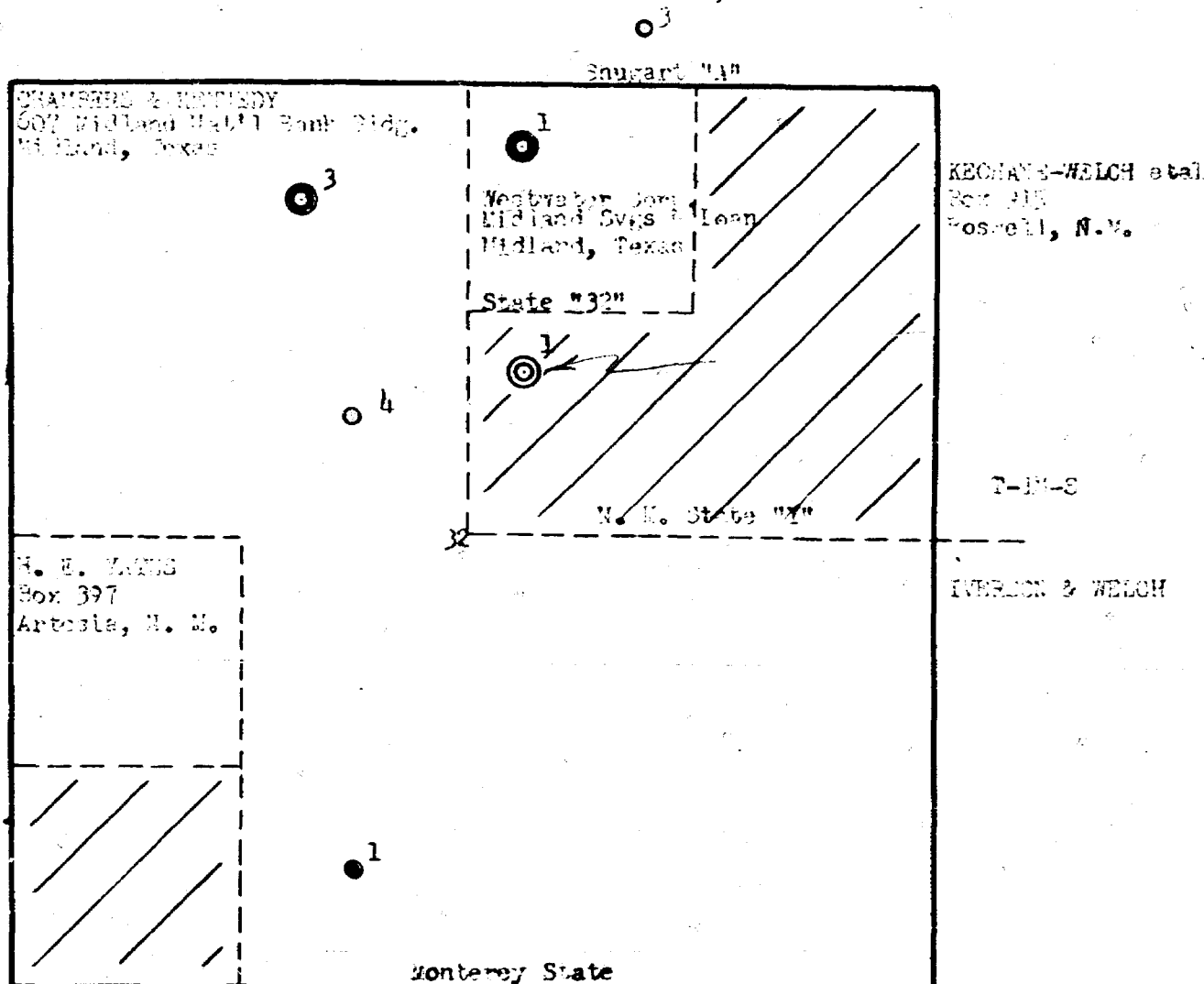
BHP

All wells pumping

1 flowing Y FTP - 150 #

LOCATION MAP
SUNRAY MID-CONTINENT OIL COMPANY N. M. STATE "Y" NO. 1
PROPOSED TUBINGLESS DUAL COMPLETION
N. SHUGART GREEN-BRYBE POOL AND YATES UNDESIGNATED POOL
EL PASO COUNTY, NEW MEXICO

IVERSON & WELCH
106 Booker Bldg.
Artesia, N. M.
8-21-4.



NEIL SALSICH
716 First Nat'l Bank
Midland, Texas
Pan Am Federal

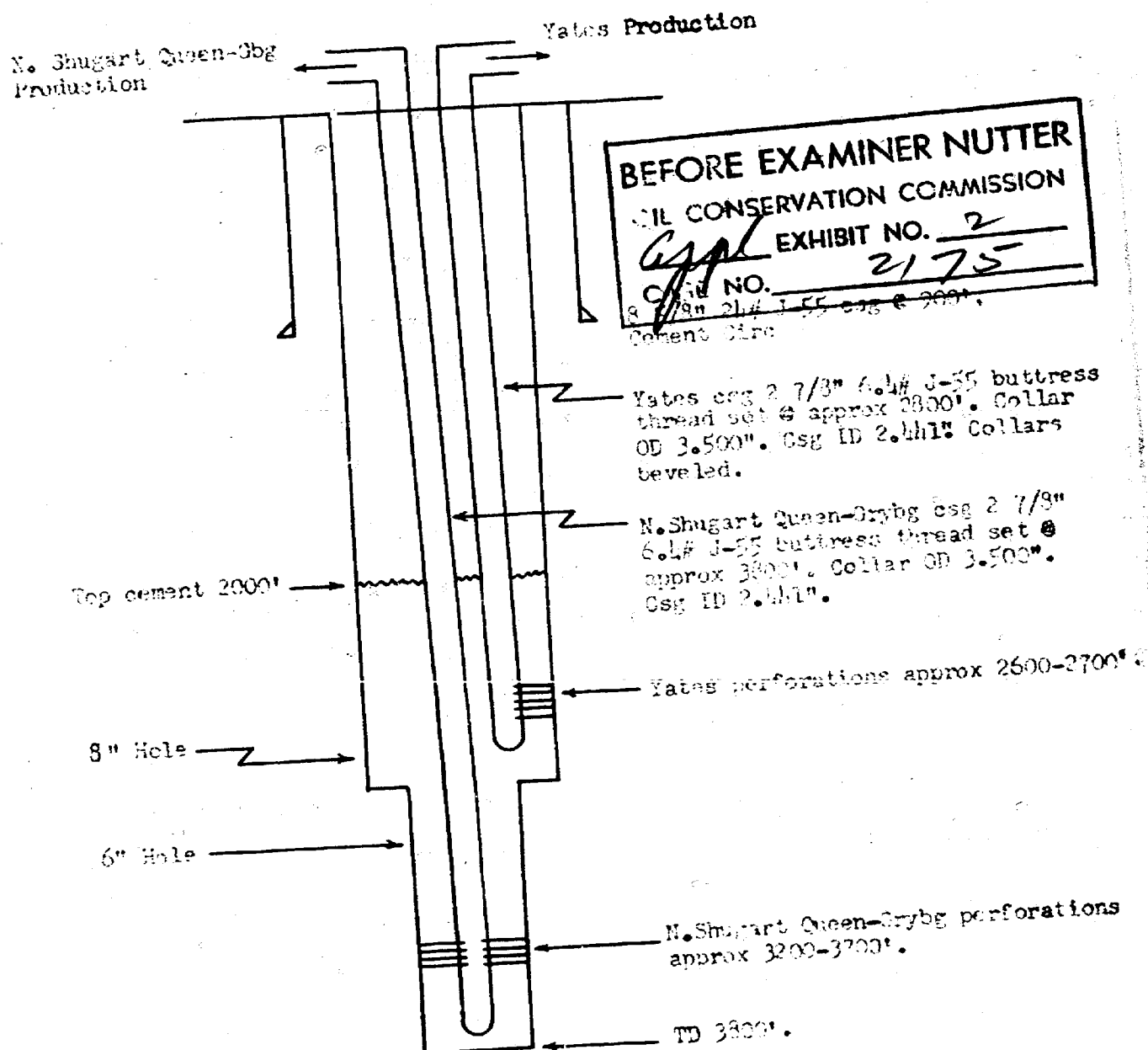
Scale: 1" = 1000'

- N. Shugart Green-Brybe Pool
- Yates Undesignated Pool
- Dual in Yates Undesignated Pool and N. Shugart Green-Brybe Pool
- ▨ Sunray Mid-Continent Oil Co. N. E. State "Y" Lease

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1
CASE 2175

DIAGRAMATIC SKETCH
SUNRAY MTS-CONFINEMENT OIL COMPANY N. M. GRADE "W" NO. 1
PROPOSED TUBINGLESS DUAL COMPLETION
N. SHUGART QUEEN-GRAYBURG POOL AND YATES UNDESIGNATED POOL
BUDY COUNTY, NEW MEXICO



1. Centralizers will be used on 30' spacing from ID up to 100' above Queen-Grayburg pay.
2. Turbulizers will be used on each joint of both strings from bottom of Yates casing to 100' above Yates pay.
3. Fill cement down long string with sufficient cement to bring cement up to short string and then cement down Yates casing with sufficient cement to bring cement 600' above Yates zone.

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HERRING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

**CASE No. 2175
Order No. R-1875**

**APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR AN OIL-OIL DUAL
COMPLETION IN THE CULMIN-YATES POOL
AND IN THE NORTH SHUGART QUEEN-
GRAYBURN POOL, EDDY COUNTY, NEW
MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 8, 1961, at Santa Fe, New Mexico, before Daniel S. Hutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of February, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Hutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Sunray Mid-Continent Oil Company, proposes to dually complete its State "Y" Well No. 1, located in Unit 6, Section 32, Township 18 South, Range 31 East, NEM, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Culmin-Yates Pool and the production of oil from the North Shugart Queen-Grayburn Pool through parallel strings of 2 7/8-inch casing cemented in a common well bore.
- (3) That centralizers or turbolizers should be installed on each joint of tubing throughout the producing intervals and on at least three joints above each such interval.
- (4) That cement should extend from total depth to a point at least 600 feet above the top of the Yates producing interval.
- (5) That upon completion of the well, the applicant should submit to the Commission electric logs indicating the producing zones and perforations.

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CASE No. 2175
Order No. R-1875

(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 THEREFORE ORDERED:

That the applicant, Sundry Mid-Continent Oil Company, is hereby authorized to dually complete its State "Y" Well No. 1, located in Unit 6, Section 32, Township 18 South, Range 31 East, NEPM, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Culvin-Yates Pool and the production of oil from the North Stuart Queen-Graybury Pool through parallel strings of 2 7/8-inch casing cemented in a common well bore.

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 centralizers or turbolizers shall be installed on each joint of tubing throughout the producing intervals and on at least three joints above each such interval.

PROVIDED FURTHER, That cement shall extend from total depth to a point at least 600 feet above the top of the Yates producing interval.

PROVIDED FURTHER, That upon completion of the well, the applicant shall submit to the Commission electric logs indicating thereon the producing zones and perforations.

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. 2175
Order No. R-1875

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. J. McLaughlin

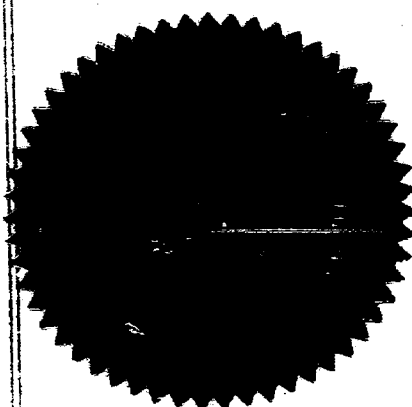
ERWIN L. McLAUGHLIN, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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



enc/

SUNRAY MID-CONTINENT OIL COMPANY

P. O. BOX 126
HOBBS, NEW MEXICO

March 6, 1961

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

Attention: Mr. Daniel S. Nutter

Gentlemen:

In accordance with the provisions of Order No. R-1875, we are submitting herewith radioactive log for N. M. State "Y" No. 1, Unit C, Section 32-T18S-R31E, Eddy County, New Mexico. This log is marked to show formation tops and the perforated intervals in this tubingless dual completion.

Sincerely,

SUNRAY MID-CONTINENT OIL COMPANY

H. E. Statton
H. E. Statton
District Engineer

DEB/db

cc: NMOCC, Artesia w/markd log
File

File
Case 2175

RECEIVED
MAR 7 1961

RECEIVED
MAR 7 1961

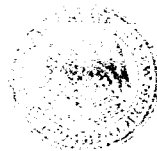


D-X SUNRAY OIL COMPANY IS A WHOLLY-OWNED REFINING & MARKETING SUBSIDIARY

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

February 17, 1961

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

Re: Case No. 2178
Order No. 2-1575
Applicant:
Sunray Mid-Continent

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 ☒
Artesia OCC ☒
Aztec OCC ☐

Other ☐

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

Case 2175

January 20, 1961

*Do not
Mail
1-20-61
J*

Sunray Mid-Continent Oil Company
P. O. Box 128
Hobbs, New Mexico

Attention: Mr. R. E. Statton

Re: Application for Dual Completion
NM State "Y" Well No. 1, located
in the SW/4 NE/4 Section 32,
Township 18 South, Range 31 East,
MPM.

Gentlemen:

Your application for authorization to dually complete
your NM State "Y" Well No. 1 in the North Shugart Pool and an
undesignated Yates Pool cannot be processed by administrative
procedure and has been set for the Examiner Hearing to be held
February 8, 1961.

Very truly yours,

J. E. KAPTEIMA
Engineer

JEK/eg

C
O
P
Y

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Case 2175
7-3-58

APPLICATION FOR DUAL COMPLETION**

Field Name <u>N. Shugart Queen-Grayburg and Undesignated Yates</u>		County <u>Eddy</u>	Date <u>1-17-61</u>
Operator <u>Sunray Mid-Continent Oil Company</u>		Lease <u>N. M. State #Y#</u>	Well No. <u>1</u>
Location of Well <u>G</u>	Section <u>32</u>	Township <u>18S</u>	Range <u>31E</u>

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 X NO
2. If answer is yes, identify one such instance: Order No. E-1784; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	<u>Yates</u>	<u>Queen & Grayburg</u>
b. Top and Bottom of Pay Section (Perforations)	<u>2600-2700</u>	<u>3200-3700</u>
c. Type of production (Oil or Gas)	<u>Oil</u>	<u>Oil</u>
d. Method of Production (Flowing or Artificial Lift)	<u>Flow</u>	<u>Artificial lift</u>

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. Plan 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.

Westwater Corporation, Midland Savings and Loan Bldg., Midland, Texas

Chambers and Kennedy, 607 Midland National Bank Bldg., Midland, Texas

Iverson and Welch, etal, c/o B. F. Welch, 100 Booker Bldg., Artesia, New Mexico

Keohane and Welch, etal, P. O. Box 915, Roswell, New Mexico

Gulf Oil Corporation, P. O. Box 2167, Hobbs, New Mexico

H. B. Yates, P. O. Box 397, Artesia, New Mexico

Neil Salsich, 716 First National Bank Bldg., Midland, 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 Notice given by registered mail 1-17-61

CERTIFICATE: I, the undersigned, state that I am the District Engineer of the Sunray Mid-Continent Oil 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.

** Utilizing two strings of 2 7/8" OD tubing in common wellbore for casing.

*** Will submit log as per Rule 112-A

R. E. Statton 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 perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 8, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Sunray Mid-Continent Oil Company for
an oil-oil dual completion utilizing two strings of
casing. Applicant, in the above-styled cause, seeks
an order authorizing the dual completion of its
State "Y" Well No. 1, located in Unit G, Section 32,
Township 18 South, Range 31 East, Eddy County, New
Mexico, in such a manner as to permit the production
of oil from the Culwin-Yates Pool and the production
of oil from the North Shugart Queen-Grayburg Pool
through parallel strings of 2 7/8-inch casing cemen-
ted in a common well bore.

Case
2175

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Case No. 2175.

MR. MORRIS: Application of Sunray Mid-Continent Oil Com-
pany for an oil-oil dual completion.

MR. WHITE: Charles White, Gilbert, White & Gilbert,
appearing on behalf of Sunray Mid-Continent. We have one witness
to be sworn.

(Witness sworn.)

ROBERT E. STATTON

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



DIRECT EXAMINATION

BY MR. WHITE:

Q Will you state your name, occupation, and by whom you are employed?

A Robert E. Statton, District Engineer, Sunray Mid-Continent Oil Company, in Hobbs, New Mexico.

Q Have you previously testified before this Commission as an engineer and have your qualifications been accepted?

A Yes, sir.

Q Are you familiar with the subject application?

A Yes, sir.

Q Are you also familiar with the proposed completion of the well which is the subject of this hearing?

A Yes, sir.

Q Have you also prepared an exhibit which shows the location of this well?

A Yes, sir. I have prepared an exhibit which shows the location of our lease, the well location, being 1650 from the north line and 2310 from the east line, Section 32, Township 18 South, 31 East, Eddy County.

Q Have you prepared an exhibit which portrays the plan of completion which you propose?

A Yes, sir.

Q That has been marked, I believe, as Exhibit No. 2. Will you now explain to the Examiner the type of completion which you

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6591

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

propose?

A Exhibit No. 2 is a diagrammatic sketch showing this will be a tubingless completion in which two strings of parallel casing will be cemented in a common well bore; 8 5/8-inch surface casing at 900 feet; 8-inch hole drilled through the upper pay; 6-inch hole drilled on to T. D. The purpose of the 6-inch hole reduction is to reduce the amount of cement that must be penetrated while perforating the upper zones of completion, the Yates, approximately 2600 feet, the lower zone, Queen-Grayburg, approximately 3200 to 3700 feet. Two strings of casing, 2 7/8-inch, buttress thread, I.D. 2.441, collar O.D. 3.500. This will leave a total clearance of one inch between casing collars and the well bore. The guide shoes and baffle plate will be used on both strings of casing. Centralizers used on 30-foot spacing from T. D. up to 100 feet above the lower pay, and turbolizers used on every joint of both strings for an effective spacing of 15 feet from the short string casing point up to 100 feet above the upper pay.

We plan to cement the long string first, to bring cement up to the short string, and then cement the short string to bring cement up to 2,000 feet. I do not anticipate any channelling since this will be a cable tool hole and it will be essentially dry, or, at worst, contain some amount of oil or water, never conducive to channelling as is rotary mud. We plan to penetrate the lower zone with conventional-type tubing gun, and the upper zone in conjunction with an orientation tool for perforating the long string. In cem-



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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

enting we plan to use a latch-end down-plug on both strings, and we plan to clean all cementing lines before starting to pump down the pump down plugs, and use separate pumps to pump the plugs, all to insure approximately 40-foot clean casing below our proposed perforation.

The casing points will be approximately 70 feet below the proposed perforations of each zone. We plan to fracture both zones with refined oil and sand. I anticipate ten barrels per minute injection at 6,000 pounds surface pressure. Internal yield of casing, 7260 pounds. At such time as artificial lift is needed we will use conventional sucker rod pumps with retrievable-type setting device for each zone. In the event gas interference becomes a problem we can use sucker rods to effect bottomhole separation of gas and formation fluids.

I anticipate very little water production from the upper zone. Allowable production of 35 barrels per day, and somewhere between 35 to 1 or 150 barrels fluid per day from the lower zone. These volumes can be handled with the type of artificial lift we propose.

Q In your opinion, will both zones be effectively separated by this proposed completion?

A Yes, sir.

Q Are both of these pools oil pools?

A Yes, sir.

Q Do you anticipate any corrosion in these wells?

A Both crudes are classified as intermediate. From my



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experience in this Queen area I do not anticipate any corrosion problems of a significant degree.

Q Has the Commission previously approved the dual completion of these two pools?

A Yes, sir, Order No. R-1784 and 1807, the latter, Chambers & Kennedy Monray State No. 3, one location north and one location west of our well.

Q Has the Commission previously approved a dual completion similar to the one you have proposed today?

A Yes, sir, 1785, Socony's Carson 23 is similar with the exception it was deeper and an 8 1/2-inch hole instead of 8-inch.

Q What are the economic advantages of this type of completion, if any?

A The estimated cost of our proposed completion is \$40,850. This is some \$7500 less than a 5 1/2 by 2 dual, \$30,000 less than the cost of drilling separate wells to each one. I would not at this time recommend drilling separate wells, at least a well to the lower zone. However, I would recommend drilling this well to the lower zone for test purposes before completing in the Yates formation.

Q Were Exhibits 1 and 2 prepared by you or under your supervision?

A Yes, sir.

MR. WHITE: At this time we offer the exhibits.

MR. NUTTER: Sunray's Exhibits 1 and 2 will be entered in evidence.



MR. WHITE: That concludes our testimony.

BY MR. NUTTER: Any questions of the witness?

BY MR. PAYNE:

Q Mr. Statton, this well hasn't been completed yet, has it?

A No, sir, it is now drilling.

Q You propose to recirculate the cement on your surface string to the surface?

A We have already set that surface pipe and cement did not circulate. We used 180 sacks and then went in from the surface and cemented with 20 sacks, and we did have the Commission approval for this, Artesia Commission.

Q You feel that protects the fresh waters in that interval?

A Yes, sir.

Q Did you encounter any fresh waters in that interval?

A Yes, we did.

Q Is there any significance in the fact your diagrammatic sketch shows your casing string to the lower formation to be other than vertical?

A No, sir.

Q It doesn't mean you expect to get a crooked hole?

A No, sir.

BY MR. NUTTER:

Q Mr. Statton, you have already run your surface pipe; what is it, in fact, set at: 900?

A 904 feet.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



Q When you have completed this well and have logged it, will you furnish the Commission with a copy of the electric log of the well with the perforated intervals marked thereon?

A Yes, sir.

Q This Yates production you are anticipating there, that is an extension of the Culwin-Yates pool?

A Yes, sir. Our exhibit shows an undesignated zone; however, it is in the Culwin-Yates.

Q What are the expected GOR's for the upper and lower zones, sir?

A Mr. Examiner, I am not sure. I have observed the production on the ground. It did appear to be fairly gassy, not exceptionally so. I would say below 2,000, but I didn't see the figure.

Q There are offsetting wells completed in both zones?

A Yes, sir, the West Yates.

Q Would you determine what the GOR's in each zone are in the offsetting wells, the bottomhole pressure and the gravities of the fluids from the two zones and furnish that to the Commission?

A The gravity of the fluids is about 35 degrees in both zones.

Q How about bottomhole pressures?

A I doubt if we can get those. I don't think they have been run on the offset wells.

Q They are not extremely high in either zone?



A No, sir, low bottomhole pressures.

Q You can determine the GOR's in the offsetting wells?

A Right.

Q And also that log, it will be part of the case file.

Any other questions of Mr. Statton? He may be excused. Do you have anything further, Mr. White?

MR. WHITE: Thank you. No.

MR. NUTTER: Does anyone have anything further in Case 2175? We will take the case under advisement.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 13th day of February, 1961.

June Paige
Notary Public - Court Reporter

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the case of Case No. 2175 heard by 2/8, 1961.

James, Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



I N D E X

WITNESS

ROBERT E. STATTON
 Direct Examination by Mr. White
 QUESTIONS by Mr. Payne
 QUESTIONS by Mr. Nutter

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E X H I B I T S

NUMBER
 Ex.#1
 Ex.#2

EXHIBIT
 Location map
 Diagrammatic Sketch

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OFFERED
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ADMITTED
 5
 5

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DRAFT

RSM/esr
February 13, 1961

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. 2175
Order No. R-1875

APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR AN OIL-OIL DUAL
COMPLETION IN THE CULWIN-YATES POOL
AND IN THE NORTH SHUGART QUEEN-
GRAYBURG POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 8, 1961, 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 _____ day of February, 1961, 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, Sunray Mid-Continent Oil Company, proposes to dually complete its State "Y" Well No. 1, located in Unit G, Section 32, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Culwin-Yates Pool and the production of oil from the North Shugart Queen-Grayburg Pool through parallel strings of 2 7/8-inch casing cemented in a common well bore.

(3) That centralizers or turbolizers should be installed on each joint of tubing throughout the producing intervals and on at least ^{three} joints above each such interval.

(4) That cement should extend from total depth to a point at least 600 feet above the top of the Yates producing interval.

(5) That upon completion of the well, the applicant should submit to the Commission electric logs indicating the producing zones and perforations.

(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 THEREFORE ORDERED:

That the applicant, Sunray Mid-Continent Oil Company, is hereby authorized to dually complete its State "Y" Well No. 1, located in Unit G, Section 32, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Culwin-Yates Pool and the production of oil from the North Shugart Queen-Grayburg Pool through parallel strings of 2 7/8-inch casing cemented in a common well bore.

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

PROVIDED FURTHER, That centralizers or turbolizers shall be installed on each joint of tubing throughout the producing intervals and on at least ^{three} ~~A~~ joints above each such interval.

PROVIDED FURTHER, That cement shall extend from total depth to a point at least 600 feet above the top of the Yates producing interval.

PROVIDED FURTHER, That upon completion of the well, the applicant shall submit to the Commission electric logs indicating ^{thereon} the producing zones and perforations.

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.

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