

CASE 2463: Application of AMERADA
for a dual of its L. M. LAMBERT
WELL NO. 2 - Lea County, N. Mex.

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2-463

ation, Transcript,
all Exhibits, Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



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

P. O. BOX 871
SANTA FE

January 17, 1962

Re: CASE NO. 2463 and 2464
R-2163 and R-2164

ORDER NO. _____

APPLICANT:

AMERADA

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

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.
A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC _____
Aztec OCC _____

OTHER _____

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. 2463
Order No. R-2163

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR A DUAL COMPLETION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 4, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 January, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Amerada Petroleum Corporation, is the owner and operator of the L. M. Lambert Well No. 2, located in Unit G of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks permission to complete said L. M. Lambert Well No. 2 as a dual completion (conventional) in such a manner as to permit the production of hydrocarbons from the Grayburg formation of the Eunice-Monument Pool through a string of 1 1/2-inch tubing and from the Monument-McKee Pool through a parallel string of 2 3/8-inch tubing, separation of zones to be by packer.

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

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

-2-

CASE No. 2463
Order No. R-2163

IT IS THEREFORE ORDERED:

(1) That the applicant, Amerada Petroleum Corporation, is hereby authorized to complete its L. M. Lambert Well No. 2, located in Unit G of Section 6, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) in such a manner as to permit the production of hydrocarbons from the Grayburg formation of the Eunice-Monument Pool through a string of 1 1/2-inch tubing and from the Monument-McKee Pool through a parallel string of 2 3/8-inch tubing, separation of zones to be by packer.

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

PROVIDED FURTHER, That the operator shall conduct packer-leakage tests upon completion and annually thereafter during the Annual Test Period for the McKee zone, and at such other times as the Secretary-Director of the Commission may prescribe.


(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman


E. S. WALKER, Member
A. L. PORTER, Jr., Member & Secretary
esx/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-8-62

CASE 2463

Hearing Date Jan 1-8-62

DSN@SK

My recommendations for an order in the above numbered cases are as follows:

Approve the DC (conv) requested by Amenda
in this case. Will produce hydrocarbons
from the GB formation of the Eunice
Monument Pool thru $1\frac{1}{2}$ " tbg and
from the Monument McKee Pool thru
 $2\frac{3}{8}$ " ~~tbg~~ tbg. Separation of the
zones to be ~~there~~ by Packer. Packer
leakage tests, on completion and
the annual shut-in pressure test for
the McKee

Stumm

Staff Member

No. 1-62

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 4, 1962

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

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, as alternate examiner:

CASE 2448: (Continued)

Application of Pan American Petroleum Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project on its C. J. Holder, State Holder Oil Unit, State "CA", State Oil Unit and Gallegos Canyon Unit Leases, San Juan County, New Mexico, in the Cha-Gallup Oil Pool with water injection initially to be through five wells located in Sections 8 and 16, Township 28 North, Range 13 West, and Section 23, Township 28 North, Range 12 West, and requests adoption of special rules to govern the operation of said project.

CASE 2449: (Continued)

Application of Pan American Petroleum Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project on its Navajo Tribal "H" and Gallegos Canyon Unit Leases, San Juan County, New Mexico, in the Totah-Gallup Oil Pool with water injection initially to be through five wells located in Section 35, Township 29 North, Range 13 West, Section 12, Township 28 North, Range 13 West, and Sections 13 and 24, Township 29 North, Range 14 West, and requests adoption of special rules to govern the operation of said project.

CASE 2429: (Continued)

Application of Standard Oil Company of Texas for approval of the Jurnegan Point Unit Agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jurnegan Point Unit Agreement embracing 10,240.84 acres, more or less, of State and fee lands in Township 24 South, Ranges 24 and 25 East, Eddy County, New Mexico.

CASE 2452: (Continued)

Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the W/2 of Section 7, Township 30 North, Range 11 West, San Juan County, New Mexico. Interested parties include Maleta Y. Brimhall, Phoenix, Arizona, and Barbara Brimhall Burnham, Aztec, New Mexico.

CASE 2463:

Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its L. M. Lambert Well No. 2, located in Unit G of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in the Grayburg and McKee zones in the Monument Field, with the production of gas from the Grayburg zone to be through a string of 1 1/2-inch tubing and the production of gas from the McKee zone to be through a parallel string of 2 3/8-inch tubing.

CASE 2464:

Application of Amerada Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State NJ "A" Well No. 1, located in Unit A of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico, as a triple completion (combination) in the McKee, Fusselman and Ellenburger zones in the North Justis Field, with the production of oil from the Fusselman and Ellenburger zones to be through tubing installed within parallel strings of 3 1/2-inch casing and the production of oil from the McKee zone to be through a parallel string of 2 7/8-inch casing, all of said casing strings to be cemented in a common well bore.

CASE 2465:

Application of Skelly Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Hobbs "N" Well No. 1, located in Unit D of Section 8, Township 18 South, Range 35 East, Lea County, New Mexico, as a dual completion (conventional) in the Vacuum-Abo Pool and in an undesignated Drinkard pool, with the production of oil from both zones to be through parallel strings of 2 1/16-inch tubing.

CASE 2466:

Application of Shell Oil Company for a 320-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to establish a

320-acre non-standard gas proration unit in the Eumont Gas Pool, comprising the S/2 of Section 22, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the Turner Well No. 7, located at an unorthodox location 1650 feet from the South line and 330 feet from the West line of said Section 22.

CASE 2467:

Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Livingston Well No. 12, located 4620 feet from the South line and 660 feet from the East line of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, as a dual completion (tubingless) in the Drinkard and Blinebry Oil Pools, with the production of oil from both zones to be through parallel strings of 2 7/8-inch casing cemented in a common well bore.

CASE 2468:

Application of Shell Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Livingston Well No. 11, located 3300 feet from the South line and 660 feet from the West line of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion (tubingless) in the Drinkard Oil, Tubb Gas and Blinebry Oil Pools, with the production of oil from the Drinkard and Blinebry zones and the production of gas from the Tubb zone to be through parallel strings of 2 7/8-inch casing cemented in a common well bore.

CASE 2469:

Application of El Paso Natural Gas Company for an order establishing special rules and regulations for the Lusk-Strawn Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing special rules and regulations for the Lusk-Strawn Pool, Lea County, New Mexico, including provisions for 160-acre proration units and a limiting gas-oil ratio of 4000 to 1.

CASE 2470:

Application of J. R. Cone for a 40-acre non-standard gas proration unit and for an exception to Order No. R-1670, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 40-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the NE/4 SE/4 of Section 21, Township 21 South, Range 37 East, Lea

County, New Mexico, said unit to be dedicated to the Anderson Well No. 2, located 1650 feet from the South line and 330 feet from the East line of said Section 21. Applicant further seeks an exception to Rule 34 (A) of the special rules and regulations for the Blinebry Gas Pool as contained in Order No. R-1670, to permit the gas produced from said Anderson Well No. 2 to be produced into a low-pressure separator only.

CASE 2471: Application of Leonard Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Federal Ginsberg Well No. 8, located in Unit M of Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, as a dual completion (conventional) in the Langlie-Mattix and Justis-Blinebry Pools, with the production of oil from both zones to be through parallel strings of 2 3/8-inch tubing, separation of the zones to be by a liner re-entry shoe seal assembly.

CASE 2472: Application of Newmont Oil Company for approval of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Loco Hills Grayburg No. 4 Sand Unit Agreement, covering 5320 acres, more or less, in Townships 17 and 18 South, Ranges 29 and 30 East, Eddy County, New Mexico.

CASE 2473: Application of Newmont Oil Company for expansion of its Loco Hills Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to expand its Loco Hills Waterflood Project to include the proposed West Loco Hills Grayburg No. 4 Sand Unit Area, comprising 5320 acres, more or less, in Townships 17 and 18 South, Ranges 29 and 30 East, Eddy County, New Mexico.

November 24, 1961

IN THE MATTER OF THE APPLICATION
OF AMERADA PETROLEUM CORPORATION
FOR AN ORDER PERMITTING THE DUAL
COMPLETION OF ITS L. M. LAMBERT
WELL NO. 2, LOCATED IN UNIT G,
SECTION 6-T20S-R37E, LEA COUNTY,
NEW MEXICO, IN THE MONUMENT MCKEE
AND MONUMENT GRAYBURG POOLS.

CASE NO. 2463

A P P L I C A T I O N

Applicant, Amerada Petroleum Corporation states that:

1. Applicant is the owner and operator of the L. M. Lambert Lease composed of the NE/4 Section 6-T20S-R37E, Lea County, New Mexico.
2. Subject 160 acre lease currently has three Monument Grayburg oil wells, one Monument Grayburg gas well, four Monument Blinbry oil wells, two Monument Paddock oil wells and one Eumont gas well.
3. Applicant proposes the conventional dual completion of its L. M. Lambert No. 2 as a Grayburg gas over McKee gas well. Location for both zones is standard, being 1980' from the north section line and 1980' from the east section line.
4. Proration unit ^{SW/4 NE/4} for the Grayburg Zone is 40 acres, consisting of the SE/4 NE/4 Section 6. Unit for the McKee Zone would be a standard 160 acre tract composed of the NE/4 of Section 6.
5. No dual completions between the Monument McKee and Monument Grayburg exist in the area.
6. A plat of the area, a schematic diagram of dual equipment and the Commission Dual Completion form are attached.

Applicant requests that this matter be set for hearing before an examiner, that notice of the hearing be given as required by law and that, after notice and hearing, the Commission enter an order authorizing the proposed dual completion.

Respectfully submitted,

AMERADA PETROLEUM CORPORATION

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1713
Santa Fe, New Mexico
Attorneys for Applicant

*Docket Mailed
12-20-61
JK*

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Monument		County Lea	Date November 24, 1961
Operator Amerada Petroleum Corporation		Lease L. M. Lambert	Well No. 2
Location of Well G	Unit G	Section 6	Township 20S
		Range 37E	

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 ☒ X
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	Monument Grayburg	Monument McKee
b. Top and Bottom of Pay Section (Perforations)	3703' - 3713'	9568' to 9786'
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.

Sinclair Oil & Gas Co.	520 E. Broadway	Hobbs, New Mexico
Gulf Oil Corporation	P. O. Box 2167	Hobbs, New Mexico
Ohio Oil Company	P. O. Box 2107	Hobbs, New Mexico
Union Texas Natural Gas Corp.	1111 Petroleum Life Building	Midland, Texas
Texaco, Inc.	P. O. Box 458	Hobbs, New Mexico

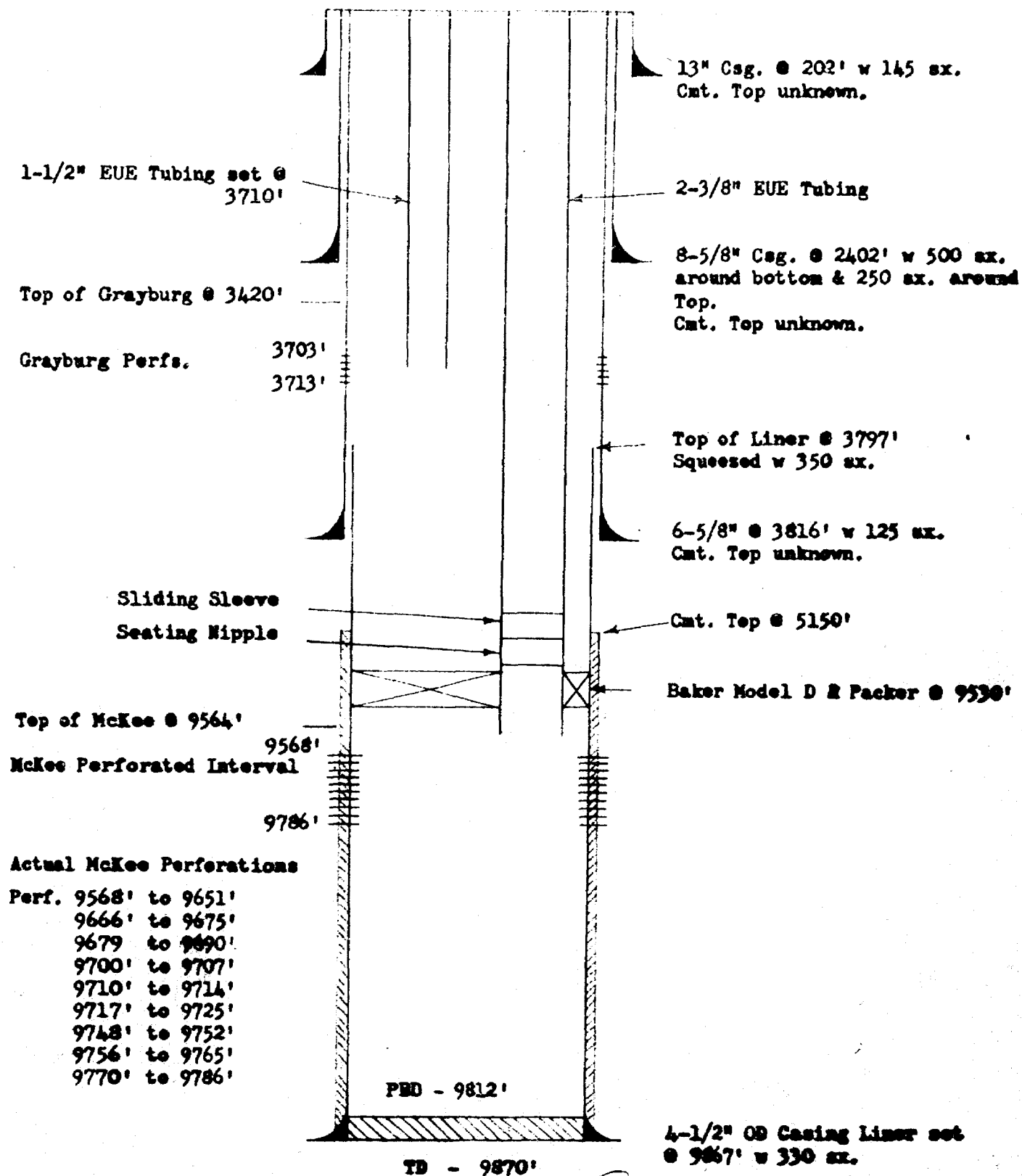
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO ☒ X. If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the District Engineer of the AMERADA PETROLEUM CORPORATION (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.

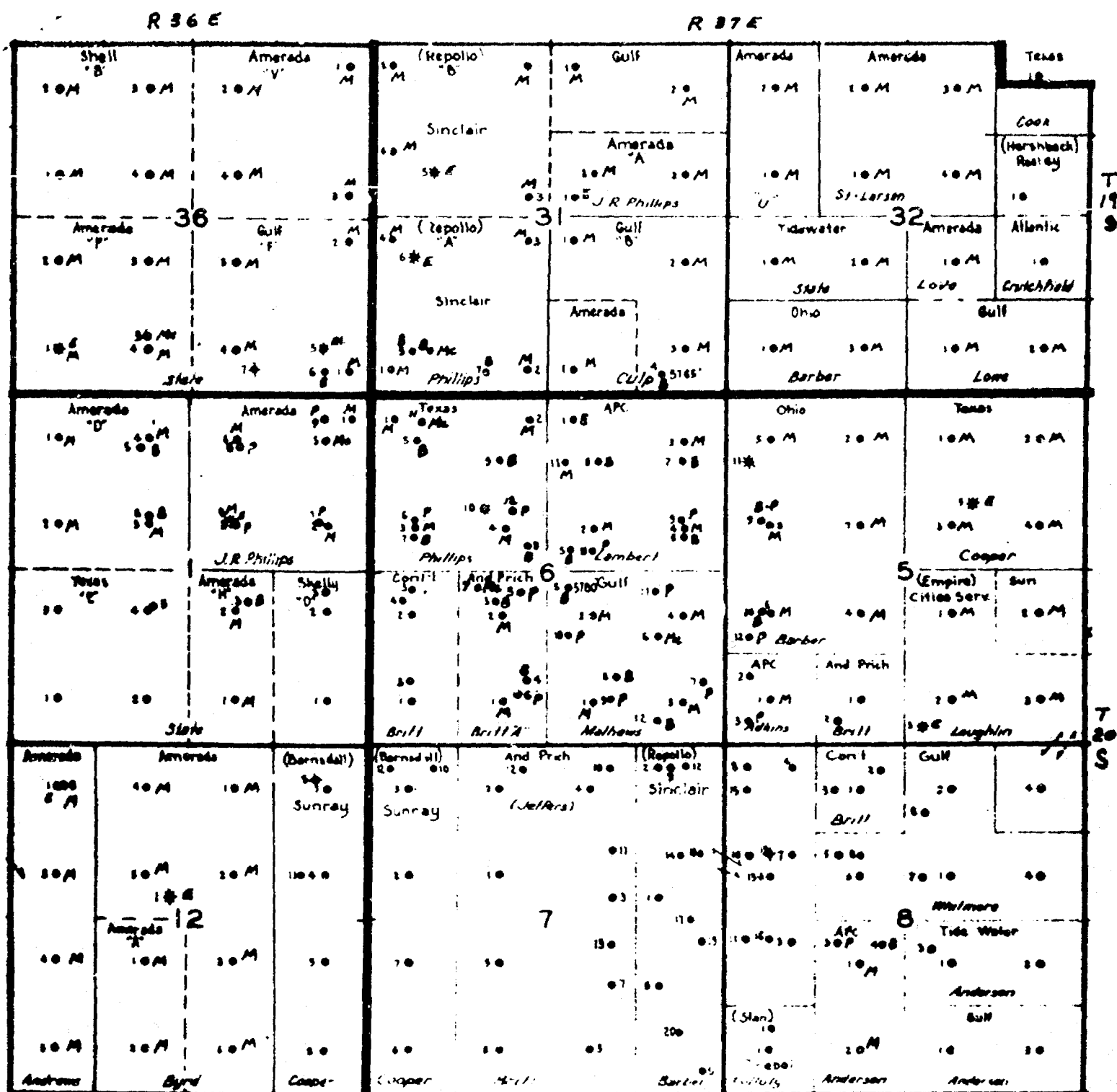
A. E. Snyder
Signature

- * 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.

AMERADA PETROLEUM CORPORATION
 L. M. LAMBERT NO. 2
 UNIT G, SEC. 6-T208-R37E, LEA COUNTY, NEW MEXICO
 DIAGRAMMATIC SKETCH OF MULTIPLE COMPLETION



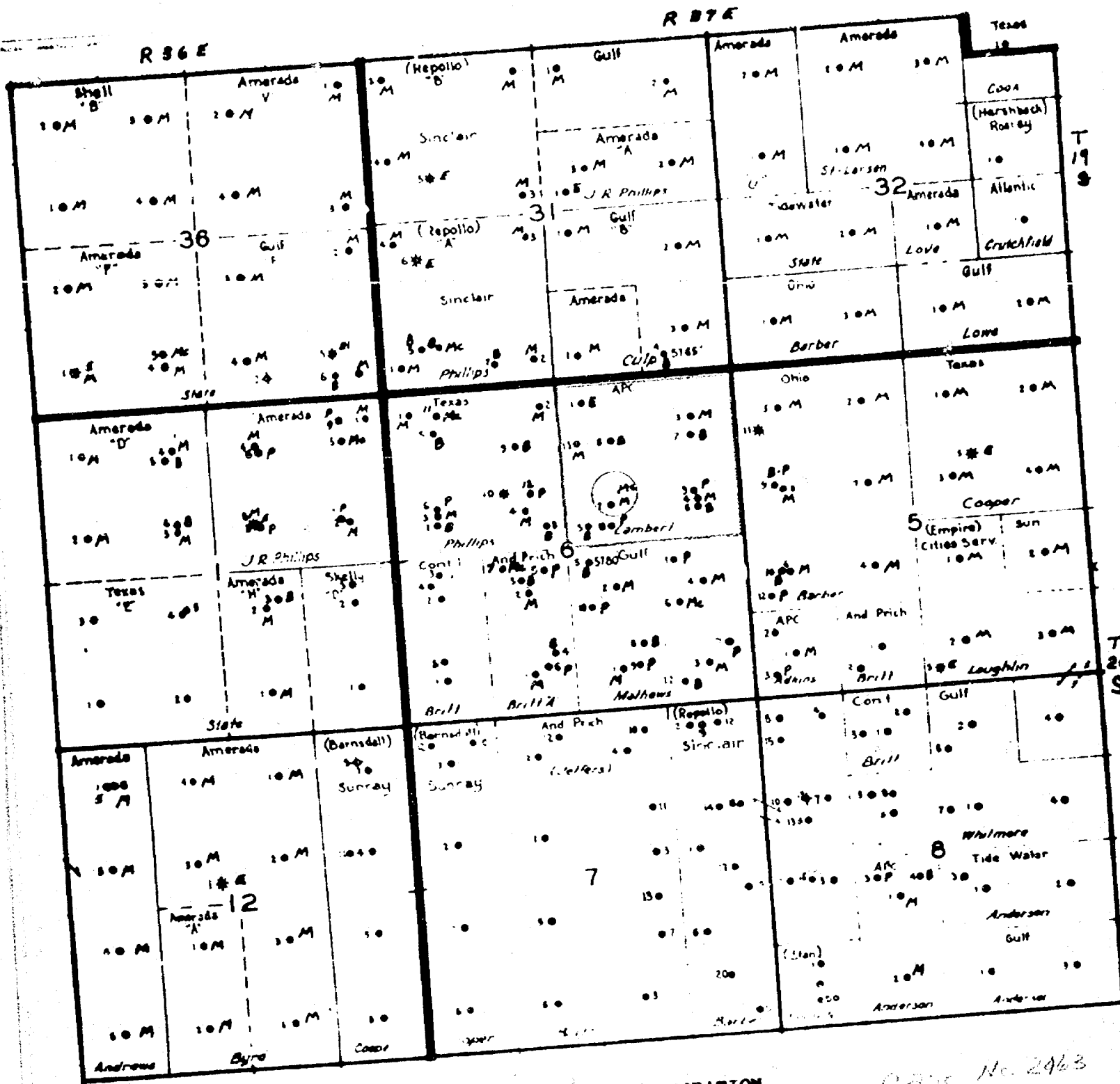
Case 2463



AMERADA PETROLEUM CORPORATION
MONUMENT AREA
LEA COUNTY, NEW MEXICO

LEGEND:

B BLINERY
E EUMONT
EL ELLENBURGER
N MONUMENT
Mc MCKEE
P PADDOCK



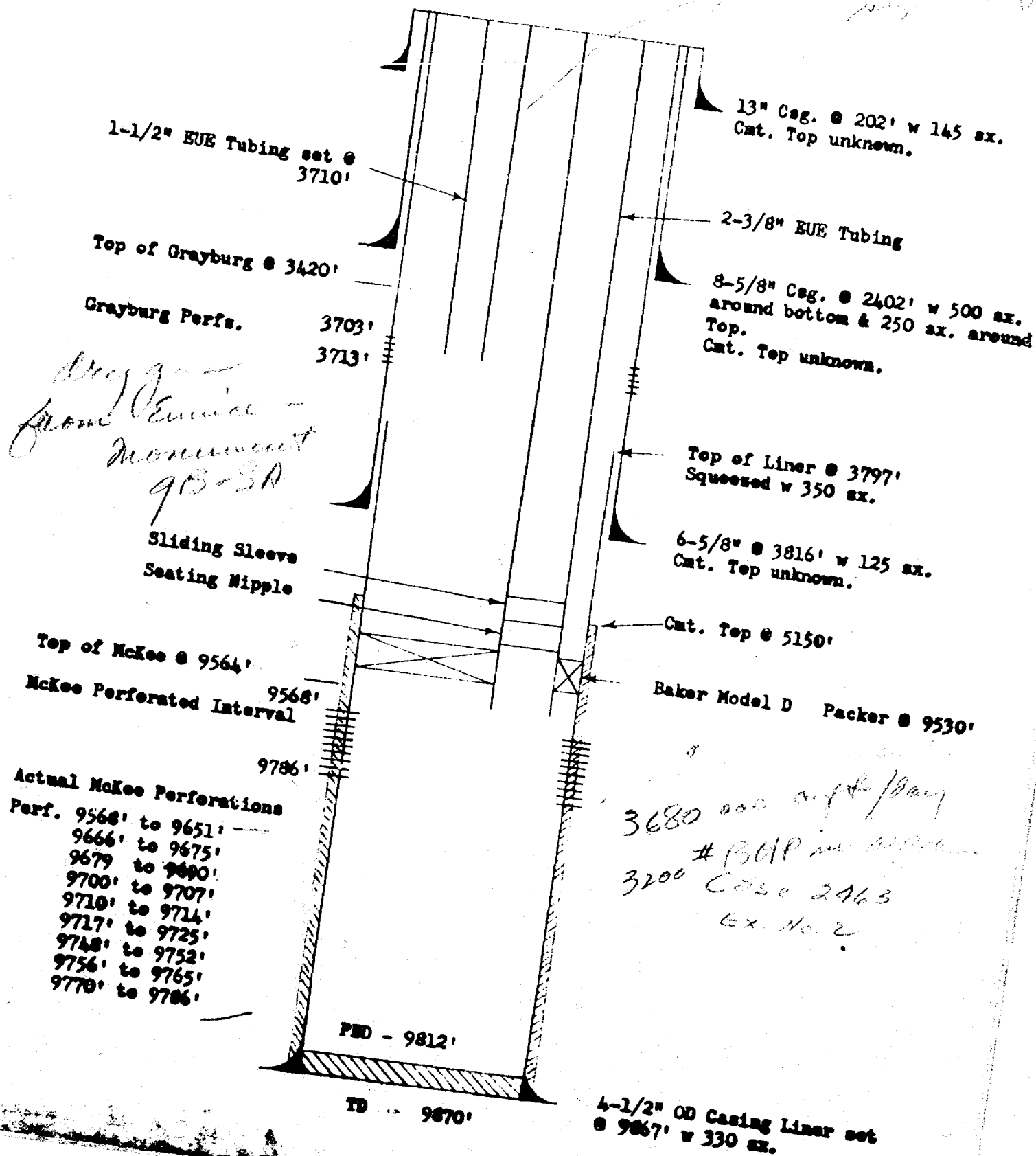
AMERADA PETROLEUM CORPORATION
MONUMENT AREA
LEA COUNTY, NEW MEXICO

LEGEND:

- B BLINEBRY
- E EUMONT
- EL ELLENBURGER
- M MONUMENT
- Mc McKEE
- P PADDOCK

Case No. 2463
Ex. No. 1

AMERADA PETROLEUM CORPORATION
 L. M. LAMBERT NO. 2
 UNIT G, SEC. 6-T209-B37E, LEA COUNTY, NEW MEXICO
 DIAGRAMMATIC SKETCH OF MULTIPLE COMPLETION



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 4, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its L. M. Lambert Well No. 2, located in Unit G of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in the Grayburg and McKee zones in the Monument Field, with the production of gas from the Grayburg zone to be through a string of 1 1/2-inch tubing and the production of gas from the McKee zone to be through a parallel string of 2 3/8-inch tubing.

CASE NO.
2463

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We'll call next case, 2463.

MR. WHITFIELD: Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, representing the applicant. I have one witness.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1112

ALBUQUERQUE, N. M.
PHONE 243-6691



(Witness sworn.)

MR. KELLAHIN: If the Examiner please, at this time we would like to make an amendment in the application for the purpose of correcting an error which was not reflected in the advertising, so I don't think it would affect the presentation of the case but in Paragraph 4 of the application where a proration of the unit for Grayburg is 40 acres consisting of the Southeast of the Northeast Quarter we ask that be corrected to read one Southwest Quarter of the Northwest Quarter.

MR. NUTTER: Southwest Northwest?

MR. KELLAHIN: Southwest Northeast. The advertising on the case was correct.

MR. NUTTER: The application in this case has been amended and it's not reflected in the advertisement of the case.

MR. KELLAHIN: No, it was correctly advertised as being Unit G.

MR. NUTTER: Would you proceed.

A. E. SNYDER,
called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A A. E. Snyder.

Q By whom are you employed and what position?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

A I'm employed by Amerada Petroleum as District Engineer in Hobbs, New Mexico.

Q Have you previously testified before the New Mexico Oil Conservation Commission as a Petroleum Engineer, and made your qualifications a matter of record?

A Yes, sir.

MR. KELLAHIN: Are the witnesses qualifications acceptable?

MR. NUTTER: Yes, sir.

Q (By Mr. Kellahin) Are you familiar with the application of Amerada Petroleum Corporation in Case 2463?

A Yes, sir.

Q Would you state briefly what is proposed by Amerada in this case?

A In this case Amerada proposes the dual completion of an old well, Lambert No. 2, located in Unit G, Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, by deepening the old well from the Grayburg pay to the McKee pay and making a dual gas completion between the Grayburg and the McKee.

Q Do you have an exhibit showing the area involved in this application?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

Q Referring to what has been marked as Amerada's Exhibit



No. 1, will you discuss the information shown on that exhibit, please?

A Exhibit 1 is a plat of the area concerned. Amerada Lambert Lease composed of the Northeast Quarter of Section 6, Township 20, Range 37 East, is enclosed by a red line of the well in question, the Well No. 2, is circled in red and all off-set wells with their completion intervals are noted.

(Whereupon, Applicant's Exhibit No. 2 marked for identification.)

Q Now, referring to what has been marked as Exhibit No. 2, would you identify that exhibit and discuss the information shown thereon?

A Exhibit No. 2 is a schematic diagram of this proposed dual completion showing 13-inch casing set at 202 feet, 145 sacks of cement; 8 5/8-inch set at 2402 feet with 500 sacks of cement around the bottom and 250 sacks around the top; 6 5/8-inch casing at 3816 feet with 125 sacks of cement and 4 1/2-inch O.D. casing liner set from 3797 to 9867, with 330 sacks of cement around the bottom and 350 sacks squeezed around the top. This also shows the McKee perforated interval from 9568 to 9786 with a Baker Model D packer set at 9530, 2 3/8-inch tubing string for the McKee production; the Grayburg perforations from 3703 to 3713, with 1 1/2-inch tubing set at 3710 feet for the Grayburg production.

Q There are no dual completions in the Grayburg and

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FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691



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FARMINGTON, N. M.
PHONE 325-1152

ALBUQUERQUE, N. M.
PHONE 243-6691

McKee in this immediate area, are there?

A No, sir.

Q Does the tubing program you propose here conform to the requirements for administrative approval?

A No, sir, this 1 1/2-inch tubing string is a little too small for administrative requirements.

Q What is the reason for requesting that in the Grayburg?

A Two different reasons. The tubing fit our casing program better there and we happen to have this 1 1/2-inch tubing in stock, we didn't have to buy it.

Q Otherwise, this is a standard dual completion heretofore approved by this Commission?

A Yes, sir.

Q Do you have any information on the pressures?

A The McKee zone in this area has about 3200 pounds bottom hole pressure and the Grayburg about 900 pounds.

Q Do you have any information on the fluids in the well?

A Both zones are gas zones in this particular well. The McKee zone produces gas with condensate of about 60 degrees API gravity. The Grayburg perforations, although the Grayburg is an oil reservoir, it is completed high in the oil reservoir in a gas cap and it produces dry gas at the present time.

Q In your opinion, will the completion as you propose here add equal protection to producing zones?

A Yes, sir.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

Q Do you have a log of the well?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 3 marked for identification.)

Q Referring to what has been marked as Exhibit No. 3, will you discuss that exhibit?

A Exhibit No. 3 is a composite log of the well, the old well which was drilled some 25 years ago, We have a gamma ray neutron log on that part of it showing the top of the Grayburg zone at 3420 feet, the Grayburg perforations, 3703 to 3713, then the new hole that has recently been drilled. We have an induction electric log on it and down near the bottom we show the top of the McKee at 9564, with the McKee perforations, 9568 to 9786, the entire interval and their selective perforations in that interval.

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

A Yes, sir.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits 1, 2, and 3.

MR. NUTTER: Amerada Exhibits 1 through 3 will be admitted in evidence.

(Whereupon, Applicant's Exhibits 1 through 3 admitted in evidence.)

Q (By Mr. Kellahin) In your opinion is this application in the interest of conservation and the prevention of waste?

A Yes, sir.

MR. KELLAHIN: That's all we have to offer at this time.



MR. NUTTER: Any questions of Mr. Snyder?

CROSS EXAMINATION

BY MR. NUTTER:

Q What was this well potential in the McKee?

A We have not taken a potential on it, a very short test just to clean it up a little bit. It flowed at the rate of 3,680,000 cubic feet per day on a 10-64 inch choke.

Q It makes 60 degree condensate?

A Yes, it may change it some from that when we get it finally cleaned up but it will be somewhere close to that.

Q Do you have any pressure on that yet?

A We took no pressure on this particular well. The other wells are about 3200 pounds bottom hole pressure.

Q How about up in the Grayburg, is this well definitely a gas well, or is it just one of those marginal cases?

A It's definitely a dry gas well. We have produced it; we have had an allowable for it for some two years now.

Q It produces on the limiting ratio for the Eunice Monument Pool times top allowable?

A Yes.

Q You would assign the 40 acre tract to the Grayburg perforations and the 160 acres being the Northeast Quarter of Section 6 to the McKee?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Snyder? He

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6541



may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all.

(Witness excused.)

MR. NUTTER: Does anyone have anything they wish to offer in Case 2463? We will take the case under advisement.

* * * *

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

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

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 4th day of January, 1962.

Ada Dearnley
COURT REPORTER-NOTARY PUBLIC

My commission expires:

June 19, 1963

I do hereby certify that the foregoing is a correct record of the proceedings in the New Mexico Oil Conservation Commission of Case No. 2463, heard by me on 1-4, 1962.

[Signature] Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

