

CASE 2777: Application of CONSOLI-  
DATED OIL & GAS for an unorthodox  
location - (Apache Well No. 2-16)

1952/10.

2771

petition, Transcript,  
all Exhibits, Etc.

DRAFT

JMD/esr  
April 2, 1963

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. 2777

Order No. R- 2463

APPLICATION OF CONSOLIDATED OIL & GAS, INC.,  
FOR AN UNORTHODOX LOCATION, RIO ARriba COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
March 20, 1963, 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 \_\_\_\_\_ day of April, 1963, 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, Consolidated Oil & Gas, Inc., seeks  
authority to complete its Apache Well No. 2-16 in the Blanco-  
Mesaverde Pool at an unorthodox location 790 feet from the North  
line and 1850 feet from the West line of Section 16, Township 26  
North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant commenced drilling operations at the  
above location with the intention of completing the subject well  
as a Basin Dakota-Tapacito Pictured Cliffs dual completion; that  
the applicant lost junk in the hole below 5992 feet; and that it is  
not now economically feasible to complete the subject well in the  
Basin-Dakota formation.

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

(5) That approval of the subject application will prevent economic waste caused by the drilling of unnecessary wells.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to complete its Apache Well No. 2-16 at an unorthodox location in the Blanco-Mesaverde Pool 790 feet from the North line and 1850 feet from the West line of Section 16, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(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

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. 2777

3W

<p>CONSOLIDATED</p> <p>PC 12 DK</p> <p>8</p> <p>PC 11 MV</p> <p>"Tribz IC"</p>	<p>SOCONY</p> <p>PC</p>	<p>OCCIDENTAL</p> <p>9</p>	<p>CONSOLIDATED (GXY)</p> <p>"Jicorilla"</p> <p>10</p> <p>TD 6085'</p> <p>PC-MV Drilling</p>	<p>NW PROD</p> <p>PC 12 MV</p>
<p>SOCONY</p> <p>17</p>	<p>PC 12 MV</p>	<p>CONSOLIDATED</p> <p>1850' - 2</p> <p>16</p> <p>PC-OK Drilling</p> <p>"Apache"</p>	<p>CONSOLIDATED (NWP)</p> <p>15</p> <p>PC 12 MV</p>	
<p>SOCONY</p> <p>20</p> <p>PC 12 MV</p>		<p>OCCIDENTAL (NWP)</p> <p>21</p> <p>PC 12 MV</p>	<p>CONSOLIDATED (GXY)</p> <p>22</p>	

26N

CONSOLIDATED OIL & GAS, INC.  
NMOGCC Case 2777 - 3-20-63



MAIL OFFICE 000

Case 2777

**Mobil Oil Company**

1963 MAR 11 AM 8:35

Division of Socony Mobil Oil Company, Inc.

10737 SO. SHOEMAKER ROAD, SANTA FE SPRINGS, CALIF.

Santa Fe Springs District Office  
March 5, 1963

Oil & Gas Conservation Commission  
State of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico

Attention: A. L. Porter, Jr.

CONSOLIDATED OIL & GAS, INC.  
REQUEST FOR HEARING  
UNORTHODOX BLANCO-MESAVERDE  
COMPLETION, CONSOLIDATED  
APACHE NO. 2-16, 790' FNL,  
1,850' FWL, SEC. 16-T26N-R3W,  
RIO ARriba COUNTY, NEW MEXICO

Gentlemen:

Please be advised that Socony Mobil Oil Co., Inc., an offset operator, has reviewed this request by Consolidated Oil and Gas Co. and has no objection to this unorthodox completion.

Very truly yours,

*H. H. Carrick, Jr.*

H. H. Carrick, Jr.  
Santa Fe Springs District  
Producing Superintendent

FMBurback/ds

cc: Consolidated Oil & Gas, Inc.  
Occidental Petroleum Co.  
Northwest Production Co.

*Case 2777*

NORTHWEST PRODUCTION CORPORATION

351 MYRTLE AVENUE POST OFFICE BOX 1796

EL PASO 49, TEXAS

1963 FEB 27 PM 1:36

February 25, 1963

*[Signature]*

Mr. A. L. Porter, Jr.  
Oil and Gas Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Re: Proposed Unorthodox Blanco-MV Completion  
Consolidated Apache No. 2-16  
790' FNL, 1850' FWL, Sec. 16-T26N-R3W  
Rio Arriba County, New Mexico

Dear Mr. Porter:

We have no objection to the captioned unorthodox Blanco-Mesaverde completion.

Very truly yours,

NORTHWEST PRODUCTION CORPORATION

*R. H. Nordhausen*  
R. H. Nordhausen, Manager  
Land Department

RHN/jap  
cc: Consolidated Oil & Gas, Inc.  
4150 East Mexico Avenue  
Denver 22, Colorado

EXECUTIVE OFFICES

10889 WILSHIRE BOULEVARD, SUITE 1460  
LOS ANGELES 24, CALIFORNIA

MAIN OFFICE 000

1963 FEB 23 AM 8:29

# OCCIDENTAL PETROLEUM CORPORATION

5000 STOCKDALE HIGHWAY  
BAKERSFIELD, CALIFORNIA  
FA 1-7351

February 26, 1963

Mr. A. L. Porter  
Oil and Gas Conservation Committee  
State of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico

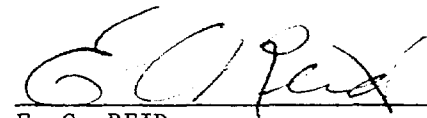
Re: Unorthodox Blanco-Mesaverde Completion  
Consolidated Apache No. 2-16  
790' FNL, 1850 FWL, Sec. 16  
Township 26 North, Range 3 West  
Rio Arriba County, New Mexico

Dear Mr. Porter:

Occidental Petroleum Corporation has no objection to the unorthodox location proposed by Consolidated Oil and Gas, Inc., for their Apache No. 2-16 in the Northwest quarter of Section 16, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.

Very truly yours,

OCCIDENTAL PETROLEUM CORPORATION



E. C. REID  
Executive Vice President

WSC:np

cc: Consolidated Oil and Gas, Inc.  
1700 Broadway  
Denver 2, Colorado

Northwest Production Company  
5520 Simms Building  
Albuquerque, New Mexico



WELL:

APACHE NO. 2-16

790' F/NL, 1850' F/WL, Sec. 16, T26N-R3W

FIELD:

Basin Dakota, Tapicito Pictured Cliffs

COUNTY:

Rio Arriba

STATE: New Mexico

ELEVATIONS:

7030.6'

GL

7042.6'

KB

1/31/63

Moving in rotary rig.

2/1/63

Finished moving in rotary and rigged up. Present operation, drilling rat hole.

2/2/62

Depth 310'. Drilled 310' of 15" surface hole. Present operation, circulating, waiting on cementing equipment.

2/3/62

Depth 380'. Drilled 70'. Rigged up and ran 10 joints 9 5/8" surface pipe. Total pipe 319', set at 308' KB. Cemented with 270 sx. regular cement, 4% CaCl<sub>2</sub>. Good returns. Drilled out of pipe, pipe started to shift in hole. Present operation, cementing pipe from top of hole.

2/4/63

Depth 1497'. Drilled 1117' of sand and shale. Making trip for Bit 2. Mud 8.9. Vis. 38. Dev. 1/2° at 800', 1° at 1250'. Recemented top of surface with 26 sx. Everything OK now.

2/5/63

Drilling at 2435'. Drilled 938' of sand and shale. Drilling with Bit 2. Mud 9.2. Water loss 7.4. Dev. 1 1/2° at 1550', 2° at 2050'.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	<u>2</u>
CASE NO.	<u>2777</u>

WELL:

APACHE NO. 2-16

2/6/63

Depth 3030'. Drilled 697' of sand and shale. Drilling with Bit 4. Mud 9.3. Vis. 38. Dev. 1° at 2550', 1° at 2900'.

2/7/63

Depth 3432'. Drilled 400' of sand and shale. Present operation, drilling with Bit 5. Mud 9.5. Vis. 36. Dev. 1 1/2° at 3235'.

2/8/63

Depth 3862'. Drilled 430' of sand and shale. Present operation, drilling with Bit 6. Mud 9.3. Vis. 40. Dev. 27° at 3600'.

2/9/63

Depth 3950'. Drilled 88', logging tool hit bridge at 3100'. Went back in hole with drill pipe and conditioned hole to TD. Ran logs. Present operation, coming out of hole with logging tool and preparing to run casing.

2/10/63

Ran 97 joints 7" 23#, 8-round casing, total pipe 3955.76', less above KB 9.00', float collar at 3904.76' KB, pipe set at 3946.76' KB. One centralizer on shoe joint, one centralizer at 3350' KB. Cemented with 144 sx. regular 4% gel. Good returns on cement job, present operation, going in hole blowing down at 1800'.

2/11/63

Finished blowing hole to 3807', hit cement, blew and dried hole up. Drilled 140' of cement. Present operation, drilling at 3938', well dusting.

2/12/63

Depth 5080'. Drilled 1130'. Drilling with Bit 7. Dev. 1° at 4350', 3/4° at 4820'.

2/13/63

Depth 5498'. Drilled 418' of sand and shale. Present operation, blowing hole in prep to pressure up, had some moisture at 5468'. From 5468' to 5478' well dusted some, 5478' to 5498' no dust. Have been blowing hole five hours, hole indicates trying to dry up. Have hit no visible moisture, no show of gas.

WELL:

APACHE NO. 2-16

2/14/63

Depth 5552'. Drilled 54', no dust, Present operation, pulling out of hole at present will drill pipe in preparation to squeeze.

2/15/63

Went back to bottom, cleaned up hole, came out of hole, put Baker retainer on, set packer at 5436' KB. After setting packer, pulled 20,000#, then set 45,000# down on packer, stayed OK. Loaded drill pipe with water. Pressured up hole below packer, started taking fluid at 600#. Pumped 6 bbls. water into open hole below Baker packer, started leaking, shut pressure down, pulled 20,000# on Baker packer, packer held. Set back down on packer 45,000#, could not move packer. Started pumping down drill pipe, packer still leaking, got loose from packer, came out of hole. Present operation, blowing hole down at 3900'.

2/16/63

Depth 5633'. Drilled 83', cleaned out to packer, drilled packer. Well dusted for 83', stopped dusting. Went in hole with drill pipe, open end and spotted 200 sx. regular cement with 2% CaCl<sub>2</sub>. Present operation, WOC. Spotted 1000' of water on top of cement.

2/17/63

After spotting cement, went back in hole with drill pipe and bit, found top of cement at 4536'. Blew and dried up at this depth, started drilling cement, drilled to 5100', no cement from 5100' to 5300' (200'). Present operation, blowing hole at 5300', trying to get well to dust.

2/18/63

Depth 5485'. Blowing hole, drilled 185' of cement. Have been flowing at this depth for 4 hours. Well started to show a little dust.

2/19/63

Cleaned out, drilled cement from 5485' to 5535', 50'. Came out of hole with drill pipe, very muddy and dirty. Went back in hole with drill pipe, worked and cleaned hole up, started injecting soap at 5535' (1 qt. per 4 gals. water every 15 minutes). Drilled cement from 5535' to 5640' (original TD), total 115'. Pipe dragging heavy, blew and cleaned hole. Drilled from 5640' to 5648', 8' of new hole, well trying to dust. Present operation, making connection to drill ahead.

WELL:

APACHE NO. 2-16

2/20/63

Depth 5906'. Drilled 258'. Used 10 gal. OK Chemical and 1 gal. T-99. Present operation, flushing hole with soap and water.

2/21/63

Depth 6366'. Drilled 460' of sand and shale. Dev. 1° at 5950'. Used 6 gal. OK and 2 gal. T-99. Present operation, thawing out stern pipe and rotary hose and making trip for Bit 11.

2/22/63

Went back in hole with no bit. Hale had 150' of fillup. Cleaned out to 6286', picked up to make connection. Hole sluffed in on top of bit. Worked pipe for 3 hours, got pipe loose, came up into intermediate with bit. Started blowing hole down. Present operation, blowing and cleaning hole at 5856', 510' off of bottom. As soon as hole is cleaned will come out of hole with drill pipe to run casing.

2/23/63

Conditioned hole and ran total of 2256.49 4 1/2" casing, 2043' of 10.5# 213 of 11.6#, set at 6005' KB, float collar at 5972' KB, top of liner at 3747' KB., cemented with 361 sx. 50-50 Pozmix, 4% Gel, plug down at 5:30 a.m., 2-23-63. Present operation coming of hole with drill pipe.

2/24/63

Finished coming out of hole, lay down hanger tool. Go back in hole with drill pipe, found top of cement at 3600'. Laid down drill pipe, shut rig down, waiting on roads to dry up.

2/25/63

Shut down due to muddy roads.

2/26/63

Shut down due to bad weather and road conditions.

2/27/63

Shut down due to muddy roads.

WELL:

APACHE NO. 2-16

2/28/63

Shut down due to road conditions.

3/1/63

Shut down due to road conditions.

3/2/63

Shut down due to mud.

3/3/63

Shut down due to mud.

3/4/63

Will start up today.

3/5/63

Starting up rig. Put 6 1/4" bit on, started picking up 2 3/8" tubing at 4 p.m. March 4. Hit first bridge of cement at 2900'. Rig up pump broke circulation and cleaned hole up. Ran tubing on to 3150'. Present drilling cement at 3150'.

3/6/63

Found top of liner at 3740'. Drilled float collar and cleaned out to 5992'. Pressured up to 1300 lbs. Present operation logging. Log indicates base of Mesaverde at 5977'.

3/7/63

Finished logging. Released rotary rig 9:30 a.m. March 6, 1963.



*Executive Offices*

4150 EAST MEXICO AVENUE  
DENVER 22, COLORADO  
PHONE 757-5441

*Consolidated Oil & Gas, Inc.*

Case 2777  
MAIL OFFICE OCC  
FEB 25 AM 9:19

February 22, 1963

Mr. A. L. Porter, Jr.  
Oil & Gas Conservation Commission  
State of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

Re: Request for Hearing  
Unorthodox Blanco-Mesaverde Completion  
Consolidated Apache No. 2-16  
790' FNL, 1,850' FWL, Sec. 16-T26N-R3W,  
Rio Arriba County, New Mexico

This is to request permission for the above-referenced unorthodox completion to vary from that prescribed by R-1670, Par. A, Rule 2 of Section II of the Rules and Regulations, Oil Conservation Commission of the State of New Mexico.

Reason for this request is due to severe down-hole drilling conditions that would cause excessive expense to drill to the Dakota formation.

An early hearing date for this request would be very much appreciated. Off set Operators are being notified of this request.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.

*Robert B. Tenison*

Robert B. Tenison, Vice President

GEF:pe

cc: Socony Mobil Oil Company, Durango, Colorado  
Occidental Petroleum Co., Los Angeles, California  
Northwest Petroleum Co., Albuquerque, New Mexico

DOCKET MAILED

3/8/63

Case 2777

Heard 3-20-63

Rec. 4-1-63.

1. Grant Consolidated's request for an unorthodox location in Blanco-M.V. Pool to be located 780/N, 1850/W lines sec. 16-26 N-3W.

2. The well was drilling to the Dakota for a Pictured Cliffs - Dakota sand when the pipe stuck & the hole was lost below ~~hole depth~~ 5992'. This caused the decision to complete in the M.V. and is a legitimate reason for an unorthodox location.

3. Well name is appropriate, Apache 2-16.

Thurs. R.

County		Pool	
TOWNSHIP	RANGE	NEW MEXICO PRINCIPAL MERIDIAN	
26	3		
1	2		
3	4		
5	6		
7	8		
9	10		
11	12		
13	14		
15	16		
17	18		
19	20		
21	22		
23	24		
25	26		
27	28		
29	30		
31	32		
33	34		
35	36		

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
C. B. JOHNNY WALKER  
MEMBER

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

P. O. BOX 871  
SANTA FE

April 5, 1963

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1713  
Santa Fe, New Mexico

Re: Case No. 2777  
Order No. R-2463  
Applicant:  
Consolidated Oil & Gas, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, JR.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC   x  

Artesia OCC           

Astec OCC   x  

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. 2777  
Order No. R-2463**

**APPLICATION OF CONSOLIDATED OIL  
& GAS, INC., FOR AN UNORTHODOX  
LOCATION, RIO ARRIBA COUNTY,  
NEW MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on March 20, 1963, 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 5th day of April, 1963, 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, Consolidated Oil & Gas, Inc., seeks authority to complete its Apache Well No. 2-16 in the Blanco-Mesaverde Pool at an unorthodox location 790 feet from the North line and 1850 feet from the West line of Section 16, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant commenced drilling operations at the above location with the intention of completing the subject well as a Basin Dakota-Tapacito Pictured Cliffs dual completion; that the applicant lost junk in the hole below 5992 feet; and that it is not now economically feasible to complete the subject well in the Basin-Dakota formation.

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

-2-  
CASE No. 2777  
Order No. R-2463

(5) That approval of the subject application will prevent economic waste caused by the drilling of unnecessary wells.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to complete its Apache Well No. 2-16 at an unorthodox location in the Blanco-Masaverte Pool 790 feet from the North line and 1850 feet from the West line of Section 16, Township 26 North, Range 3 West, NMPN, Rio Arriba County, New Mexico.

(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

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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



esr/

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 20, 1963

IN THE MATTER OF:

Application of Consolidated Oil  
& Gas, Inc., for an unorthodox  
location, Rio Arriba County, New  
Mexico. Applicant in the above-  
styled cause, seeks approval of  
its Apache Well No. 2-16 at an  
unorthodox location 790 feet from  
the North line and 1850 feet from  
the West line of Section 16,  
Township 26 North, Range 3 West,  
Blanco Mesaverde Pool, Rio Arriba  
County, New Mexico.

Case No. 2777

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2777.

MR. DURRETT: Application of Consolidated Oil & Gas  
Inc., for an unorthodox location, Rio Arriba County, New Mexico.

MR. KELLAHIN: Jason Kellahin of Kellahin and Cox,  
representing Consolidated Oil & Gas Inc. We have one witness.

(Witness sworn)

MR. UTZ: Are there any other appearances in this case?  
You may proceed.

GEORGE FARMER

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 George Farmer.

Q By whom are you employed and in what position are you employed?

A I am employed by Consolidated Oil & Gas. I am assistant to the president.

Q Are you a petroleum engineer?

A Yes.

Q Have you previously testified before the Oil Conservation Commission and made your qualifications a matter of record?

A Yes.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. UTZ: Yes, they are.

Q (By Mr. Kellahin) Mr. Farmer, are you familiar with Consolidated Oil & Gas' application in Case Number 2777?

A Yes.

Q Would you state briefly what is proposed by Consolidated Oil & Gas in this case?

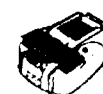
A We propose to complete our Number 2-16 Apache Well, located in the Northwest quarter of Section 10, in Rio Arriba County as a Mesaverde Pictured-Cliff completion. This well was originally filed as a Pictured-Cliff-Dakota Producer.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6091



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691

However, in drilling the well, difficulties were encountered while drilling through the Mesaverde which in the opinion of engineers and management was extremely hazardous and they elected to not take the risk to try and drill it deeper.

Q Before we get to that, would you refer to what has been marked as Exhibit Number 1 and identify that exhibit and state what is shown thereon?

A Exhibit Number 1 is a plat showing the nine townships and ranges and sections which include all of the sections surrounding Section 16, in which this well is located and this plat shows the offset operators to be Socony-Mobil Oil Company, Occidental Petroleum and Northwest Production Company, insofar as Northwest Production Company is farming out the acreage marked Consolidated in some areas in which we have not yet received the assignment.

Q That would apply to Section 15?

A Yes, in Section 15 we have to drill a dekota test, that is before we can get the assignment, that is WPH.

Q And 21?

A That is Occidentals. They are under a contract with Northwest in which we are also involved and I don't think this is pertinent. All those operators are involved at this point.

Q The operators involved are Northwest Production, Socony-Mobile and Occidental?

A Yes.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243 6631

Q And, they are the only ones effected by this application?

A That is correct.

Q Now, the plat shows two Mesaverde Wells on Socony acreage. Do you know anything about that?

A I believe it shows one on Section 17 which is an offset to our Number 2-16 but is a very marginal Mesaverde. I don't believe that it is any longer producing from the Mesaverde. The other one to the south in Section 20 has an initial potential of 2 million and something and it is presently producing from the Mesaverde.

Q Then on that basis, you want to move to the north end of the section to get a better location?

A Not by any means.

Q You stated that in drilling the wells, difficulties have been encountered. Do you have an exhibit showing a report on the well?

A Yes, an Exhibit Number 2, which is a daily drilling report as recorded in our office unedited at this point.

Q Is that a record kept in the ordinary course of your business?

A This is a regular daily drilling report, yes.

Q Would you discuss for the benefit of the Examiner just what difficulties were encountered and the reason why you should not attempt to deepen this well?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

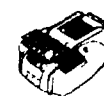
FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

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A This well was drilled to a depth below the Pictured-Cliff formation at which point, 7" casing was run. The exact depth being 3947 feet. From there on, it was attempted to drill the well using gas as a drilling fluid and all went well until the depth of approximately 5498, at which point the well ceased dust and there was evidence of moisture in the hole. Drilling was continued to a depth of 5552 and with no returns, and at that point, it was attempted to try to cement off this water by setting a skees packer. However, the skees packer leaked and it was not prudent to cement with a leaky skees packer. So, it was drilled down to 6633 at which point 200 sacks of cement were placed through the drill pipe to the bottom of the hole, and after spouting cement, it was drilled out and considerable difficulties were encountered. They are all in this exhibit here and I will not detail them all. However, the result was by the time they got to a total depth of 6636, severe sluffing took place and the bit was temporarily stuck on the bottom. At this point it appeared that the holes were so drilled as to better be drilled with gas. The holes began to throat and some other unusual things happened, so it was decided not to go any deeper. The decision was also made not to mud up for fear the problem would only increase. It was decided to run casing. We were sufficiently through the point look-out to complete a Mesaverde Well.

Q You had some experience in a mud-up. Which well was it?



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A It was a Caplain 235 which was located in Township 27 North. We were mudded up and stuck for many days and had a very severe fishing job and it never did hold to the Dakota.

Q And, on the basis of that experience, you did not attempt to mud up this Dakota?

A That is correct.

Q Was Exhibit 1 prepared by you or under your supervision?

A Yes.

Q And Exhibit No. 2 is a well log kept by Consolidated Oil & Gas, Inc. in the ordinary course of your business?

A That is correct.

MR. KELLAHIN: At this time, Applicant wishes to offer Exhibits 1 and 2.

MR. UTZ: Without objection, Exhibits 1 and 2 will be made a part of the record.

MR. KELLAHIN: If the Commission please, I have letters from Occidental Petroleum Corporation, Northwest Production Corporation and from Socony-Mobil Oil Company Inc., stating that none of these companies have any objection to the proposed unorthodox location and that includes all of the offset operators as shown by the testimony and Exhibit No. 1.

MR. UTZ: Copies of the letters are in the record.

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





CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Farmer, have you made any tests on this well yet?

A There was a small natural flow from the Mesaverde. That is all the casing setting is waiting on for completion.

Q You didn't make any grasscap tests or any initial tests at all?

A Of course the well having this trouble indicated in the log here, indicating there was a flow of gas in the Mesaverde, it was not measured, however, it was a noticeable flow.

Q Where would you--first, let me ask you: Do you know whether or not it is your company's intention to drill another Mesaverde Well on Section 16?

A It is the intention to drill another Mesaverde Well in Section 16 provided this particular well turns out and there we are also drilling a Mesaverde Well in Section 10 and it would depend on the result of those two wells. If they are satisfactory, there would be another one drilled.

Q You don't know yet where you want to drill it?

A Well, the way this is--I understand we have not yet filed an acreage dedication plat to cover the Mesaverde. It might be possible that we would wish to reverse the tract from the Dakota from an east-west unit and drill again in the South-west quarter for another Mesaverde Well, rather than in the Northeast quarter. I don't believe that decision has been

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made yet.

Q It is your intention to make a Mesaverde-Pictured Cliff?

A We will attempt to do so.

MR. UTZ: Any other questions of the witness? The witness may be excused. Any other statements in this case? The case will be taken under advisement.

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STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, STEVEN McCRYSTAL, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission of 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 6th day of May, 1963.

*Stephen McCrystal*  
NOTARY PUBLIC  
COURT REPORTER

My Commission Expires:

I do hereby certify that the foregoing is a complete record of the proceedings in the Exh. of Case No. 2777 heard by the Mar. 20, 1963.  
*Glenn D. [Signature]*, Examiner  
New Mexico Oil Conservation Commission

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