

CASE 2783: Application of PAN AMER.
for triple completion of its SOUTH-

NO. 2.

Case No. 183

Application, Transcript,
and Exhibits, Etc.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 4/15/63

CASE 2783

Hearing Date 9am 4/10/63

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

Enter an order approving the
triple completion of its
Southland Royalty "A" Well no 8
located 660' FSL & 1980' FEL of
Sec 4 T21S R37E Lea Co Texas
to produce oil from the
Phineas Oil Pool, the Tuna Gun Pool
and the Drinkard Pool through
parallel strings of logs, separation
the three productive zones to
be achieved by means of
permanent type packers set at
approximately 6579' and at 6400'.
Specify packer leakage tests upon
completion & annually during
the GOR test period for the
Drinkard Pool.

Handwritten Signature
SEAL

Set for hearing

MAIL ROOM

PAN AMERICAN PETROLEUM CORPORATION

Lubbock, Texas
March 11, 1963

Case 2783

1963 MAR 15 PM 1:34

File: WJS-3186-986.510.1

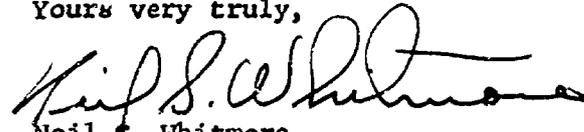
Subject: Application for Permission
To Triple Complete
Pan American Petroleum Corporation's
Southland Royalty "A" Well No. 8
in the Drinkard (Oil), Tubb (Oil)
and Blinebry (Oil) Pool
Lea County, New Mexico

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Dear Sir:

In accordance with provisions of Statewide Rule 112, Pan American Petroleum Corporation respectfully requests that you schedule a hearing to consider its application for permission to triple complete (conventional) the subject well in the pools specified above. As shown on the attached plat, this well is located in Unit "W" of Section 4, T-21-S, R-37-E, Lea County, New Mexico. This completion will be a conventional completion utilizing separate tubing strings to produce each of the horizons. The well has 7" casing set at 6703'. Packers will be utilized to effect separation of the three zones in the well bore. The Southland Royalty "A" No. 8 is offset by properties operated by Continental, Western Oil Fields, Inc., Texaco, Inc., Shell Oil Company and Humble Oil and Refining Company. Copies of this application are being furnished these operators.

Yours very truly,



Neil S. Whitmore
District Superintendent

RES/jn
Attachment

cc: Offset Operators
(Listed on Application for Multiple Completion)

DOCKET MAILED

Date 3/29/63

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Pan American Petroleum Corporation		County Lea	Date 3-11-63
Address P. O. Box 268, Lubbock, Texas		Lease Southland Royalty "A"	Well No. 8
Location of Well	Unit W	Section 4	Township 21S
		Range 37E	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES NO
2. If answer is yes, identify one such instance: Order No. **R-2343**; Operator, Lease, and Well No.:

Pan American Petroleum Corporation - Southland Royalty A-2

3. The following facts are submitted:

	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Blinebry	Tubb	Drinkwater
b. Top and Bottom of Pay Section (Perforations)	5837-5983	6229-6327	6646-6618
c. Type of production (Oil or Gas)	oil	oil	oil
d. Method of Production (Flowing or Artificial Lift)	Pump	Flow	Pump

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

- No a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbo-lifters and location thereof, quantities used and 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 multiple 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.)

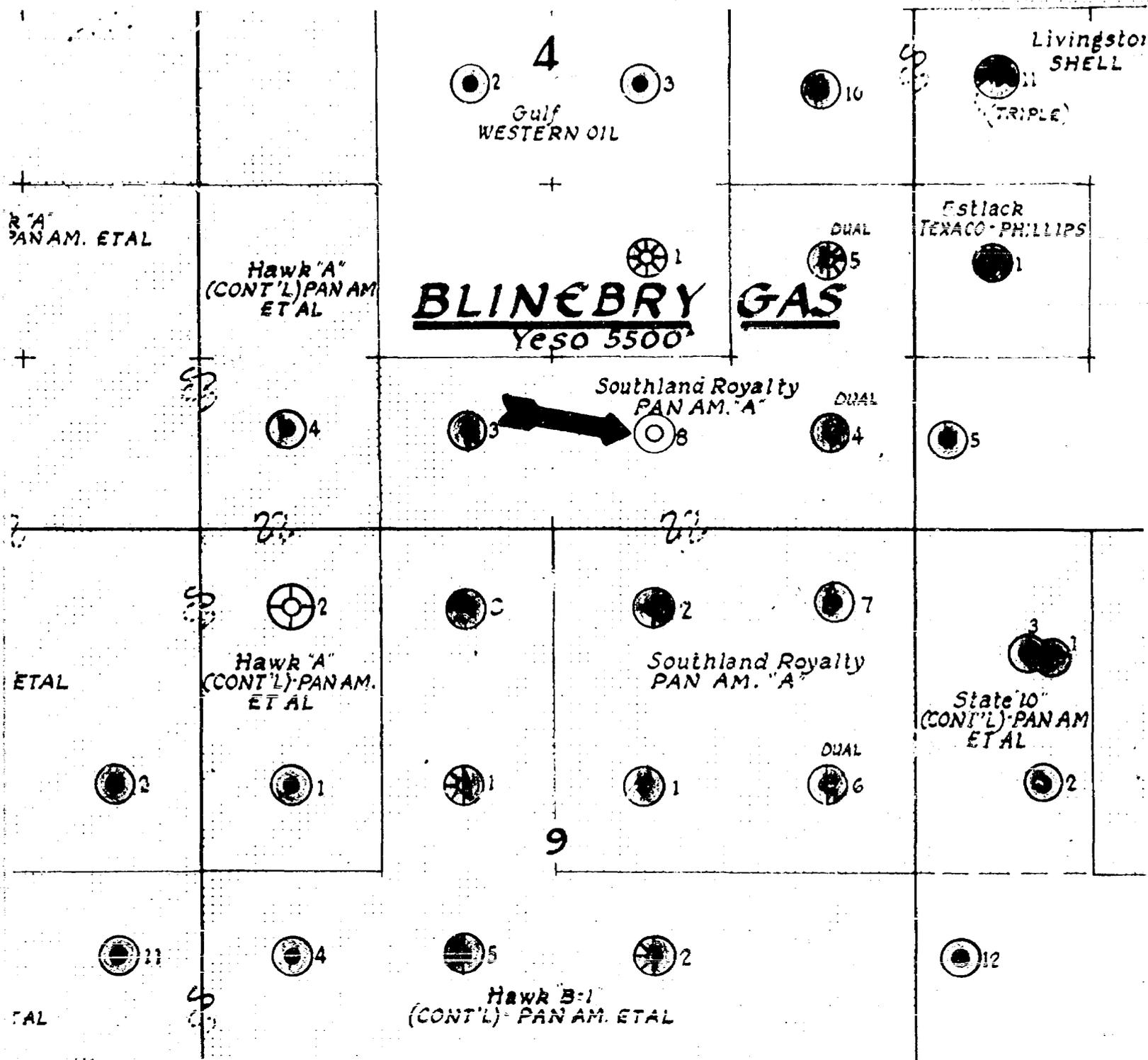
5. List all offset operators to the lease on which this well is located together with their correct mailing address.
- Continental Oil Co., Attn: Mr. W. A. Mead, 825 Petroleum Bldg., Roswell, N. M.**
- Western Oil Fields, Inc., Attn: Mr. R. H. Swarthout, Box 1147, Hobbs, N. M.**
- Texaco, Inc., Attn: Mr. W. C. Lentz, Box 3109, Midland, Texas**
- Shell Oil Company, Attn: Mr. R. L. Rankin, Box 845, Roswell, N. M.**
- Humble Oil & Refining Co., Attn: Mr. H. L. Hensley, Box 1600, Midland, Texas**

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES NO . If answer is yes, give date of such notification **March 11, 1963**

CERTIFICATE: I, the undersigned, state that I am the **District Engineer** of the **Lubbock District** **Pan American Petroleum 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. J. Inderrieden
Signature
A. J. Inderrieden

- * 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 multiple 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.



- BLINEBRY & TERRY BLINEBRY OIL
- BLINEBRY GAS
- TUBB OIL WELL
- TUBB GAS WELL
- PADDOCK OIL
- DRINKARD OIL
- WANTZ ABO OIL
- BRUNSON & HARE POOL

Pan American Petroleum Corp
 Lubbock District
EUNICE AREA
 T-21-S R-37-E
 Lead County, New Mexico
 Scale 1" = 1000'

No. 11-63

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 10, 1963

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 2780: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Petroleum Consultants and all other interested parties to appear and show cause why the State Well No. 1 located 660 feet from the South and East lines of Section 2, Township 1 North, Range 20 East, De Baca County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2781: Application of John H. Trigg Company for three water injection wells, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Federal Trigg Wells Nos. 17-9, 26-9, and 28-9, located in Units N, L, and D respectively, Section 9, Township 14 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico, to water injection off-setting Phillips Petroleum Company's West Caprock waterflood project.
- CASE 2782: Application of Texaco Inc., for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the E/2 SW/4, S/2 SE/4, NE/4 SE/4, E/2 NE/4, and W/4 NE/4 of Section 12, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Roy Ridgel Well No. 1 located in Unit N of Section 12.
- CASE 2783: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Southland Royalty "A" Well No. 8, located in Unit W, Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) to produce oil from the Blinebry Oil Pool, Tubb Gas Pool, and Drinkard Pool through parallel strings of tubing.
- CASE 2784: Application of Continental Oil Company for authority to conduct interference tests, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to shut-in one Oil Center Blinebry well on its Meyer B-4 Lease, Section

4, Township 21 South, Range 36 East, Lea County, New Mexico, to observe pressure behavior and to transfer said well's allowable to other wells on said lease for a period not to exceed 90 days.

CASE 2785: Application of DOB Oil Properties, Inc., for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northeast Anderson Ranch Unit Area, comprising 1680 acres of State land in Township 15 South, Range 32 East, Lea County, New Mexico.

CASE 2786: Application of Apache Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Maljamar North Unit Area, comprising 1600 acres of State land in Township 16 South, Ranges 32 and 33 East, Lea County, New Mexico.

CASE 2787: Application of Cabot Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of its John R. Thompson Well No. 1 at a point 1980 feet from the South line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, North Bagley-Wolfcamp Pool, Lea County, New Mexico.

CASE 2788: Application of Ralph Lowe for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of his Indian Basin "A" Well No. 1, located in Unit J of Section 22, Township 21 South, Range 23 East, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Indian Basin-Upper Pennsylvanian Gas Pool and the Indian Basin-Morrow Gas Pool through parallel strings of tubing.

CASE 2789: Application of Sam Boren Oil for a salt water disposal dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Robinson Well No. 1, located in Unit H, Section 23, Township 9 South, Range 33 East, Lea County, New Mexico, in such a manner as to produce oil from the Bough "C" zone of the Pennsylvanian formation and to dispose of produced salt water through the intermediate casing annulus into the open-hole interval from 4184 feet to approximately 5700 feet.

GOVERNOR
JACK M. CAMPBELL
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

April 18, 1963

Mr. Charles Malone
Atwood & Malone
Attorneys at Law
Box 700
Roswell, New Mexico

Re: Case No. 2783
Order No. E-2465
Applicants:
Pan American Petroleum Corp.

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER Mr. Guy Buell

EXHIBIT
PAN AMERICAN PETROLEUM CORPORATION
APPLICATION FOR PERMISSION TO TRIPLE
COMPLETE ITS SOUTHLAND ROYALTY "A" NO. 8
UNIT "W", SECTION 4, T-21-S, R-37-E
LEA COUNTY, NEW MEXICO, IN THE DRINKARD
TUBE AND BLINEBRY POOLS OF
LEA COUNTY, NEW MEXICO

CASE 2783
APRIL 10, 1963

DISCUSSION

Pan American Petroleum Corporation respectfully requests that NMOCC grant permission to triple complete its Southland Royalty "A" No. 8 in the oil zone of the Drinkard, Tubb and Blinebry Pools of Lea County, New Mexico. The Southland Royalty "A" No. 8 is located in Unit W, 1980' from the East Line and 660' from the south line, Section 4, T-21-S, R-37-E, which is approximately four miles north of Eunice, New Mexico.

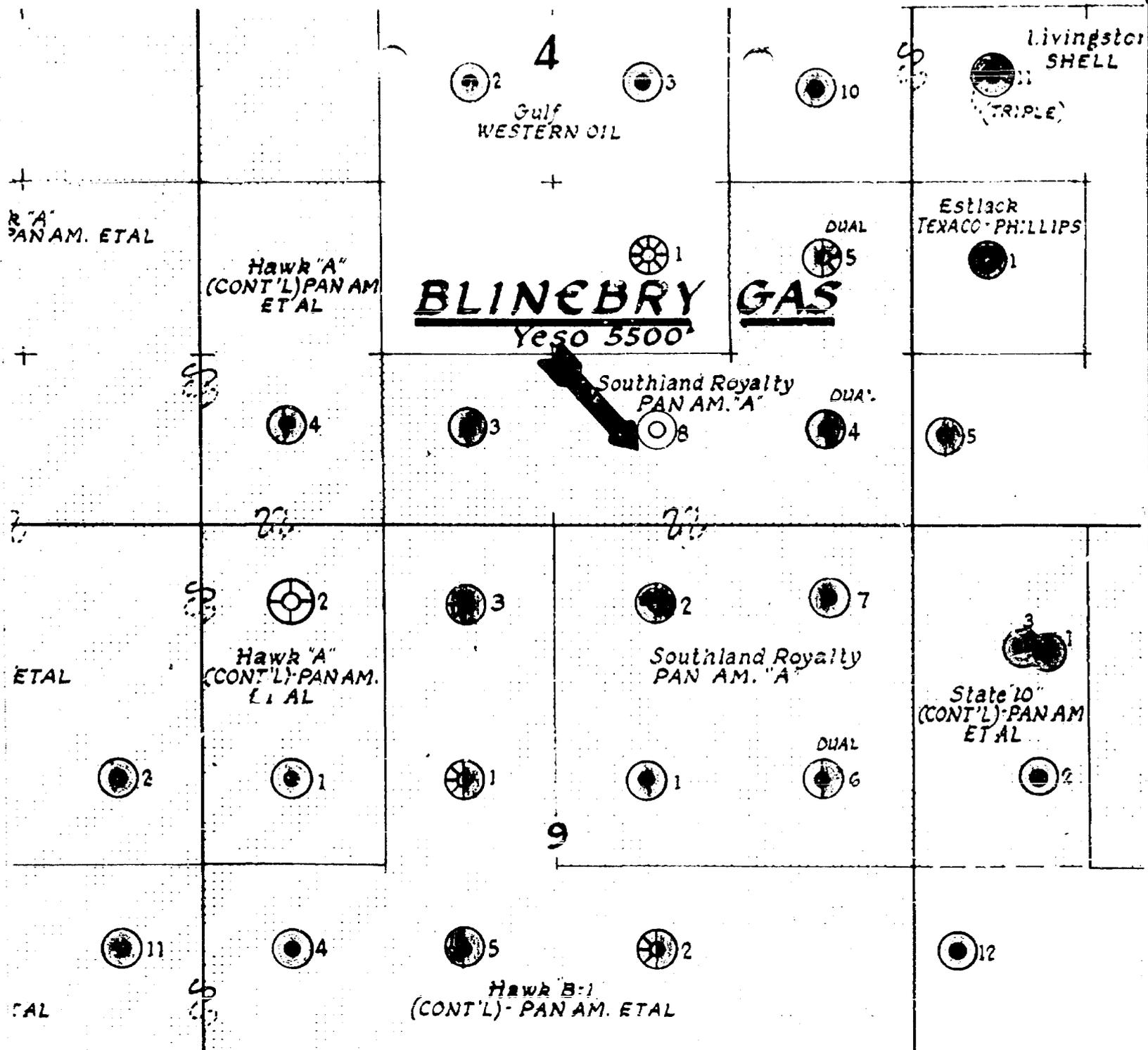
The well is located in a multiple pay area as depicted in Attachment I, a plat of the area. The east offset is the Pan American Southland Royalty "A" No. 4, a dual Drinkard (oil), Tubb (gas) well. The south offset is Pan American's Southland Royalty "A" No. 2, a triple completion in the Drinkard and Blinebry oil zone and the Tubb gas. This well was recently granted permission to recomplete as a triple by NMOCC Order No. 2343. The east offset is Pan American's Southland Royalty "A" No. 3 which is dually completed in the oil zones of the Tubb and Drinkard pool. Tubb gas for Unit W, Section 4, is dedicated to Southland Royalty "A" No. 4 and if permission is granted to produce Well No. 8, as a triple, subject acreage is to be removed from the 120 acre Tubb Proration Unit currently assigned to Well No. 4.

Attachment II is a diagrammatic sketch showing the mechanical aspects of the proposed triple completion. This is a conventional triple completion utilizing separate tubing strings to produce each zone separately and packers to maintain separation in the well bore. The installation will permit safe and efficient production of oil from these three reservoirs. At the present time, testing has indicated that both the Blinebry and Drinkard will require artificial lift equipment to produce these zones, and we are installing dual pumping units and subsurface pumps to effect same. Testing indicated that the Tubb will flow. However, arrangements are being made to install a third pumping unit, if required.

Attachment III is an Acoustilog of the Southland Royalty "A" No. 8 with top and bottom of the producing zones and the perforated intervals shown in red. For convenience, Attachment IV is a copy of Pan American's application for a multiple completion of the Southland Royalty "A" No. 8. A copy of this application was furnished each offset operator.

RRS/jm

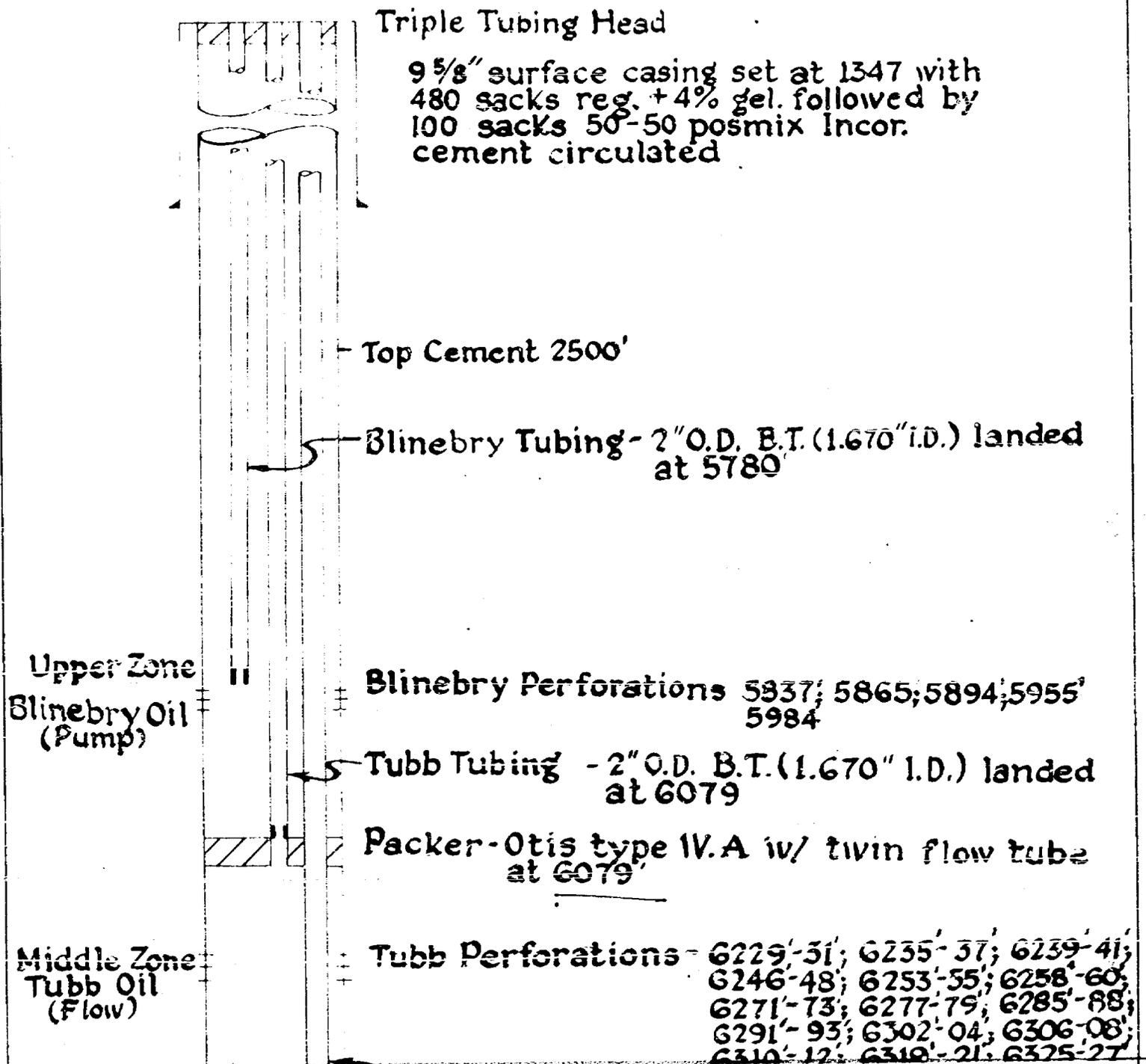
BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	<i>1</i>
CASE NO.	<i>2783</i>



- BLINEBRY & TERRY BLINEBRY OIL
- BLINEBRY GAS
- TUBB OIL WELL
- TUBB GAS WELL
- PADDOCK OIL
- DRINKARD OIL
- WANTZ ABO OIL
- BRUNSON & HARE POOL

ATTACHMENT I
 Pan American Petroleum Corp
 Lubbock District
EUNICE T-21-S R-37-E **AREA**
 Lea County, New Mexico
 Scale 1" = 1000'

Triple Completion



Southland Royalty Co.
 "A" No. 8

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Pan American Petroleum Corporation		County Lea	Date 3-11-63
Address P. O. Box 268, Lubbock, Texas		Lease Southland Royalty "A"	Well No. 8
Location of Well	Unit W	Section 4	Township 21-S
		Range 37-E	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES NO

2. If answer is yes, identify one such instance: Order No. **R-2343**; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Blinebry	Tubb	Drinkard
b. Top and Bottom of Pay Section (Perforations)	5837-5984	6229-6327	6619-6644
c. Type of production (Oil or Gas)	Oil	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Pump	Flow	Pump

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

- a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and 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.
- 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.
- c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- 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.

Continental Oil Co., Attn: Mr. W. A. Mead, 825 Petroleum Bldg., Roswell, New Mexico

Westerr Oil Fields, Inc., Attn: Mr. R. H. Swarthout, Box 1147, Hobbs, New Mexico

Texaco, Inc., Attn: Mr. W. C. Lentz, Box 3109, Midland, Texas

Shell Oil Company, Attn: Mr. R. L. Rankin, Box 845, Roswell, New Mexico

Humble Oil & Refining Co., Attn: Mr. H. L. Hensley, Box 1600, Midland, Texas

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES NO . If answer is yes, give date of such notification **March 11, 1963**.

CERTIFICATE: I, the undersigned, state that I am the **District Engineer** of the **Lubbock District** **Pan American Petroleum 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. J. Inderrieden 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 multiple 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.

ATTACHMENT IV

DRAFT

JMD/esr
April 16, 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. 2783

Order No. R- 2465

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR A TRIPLE 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 April 10, 1963, 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 day of April, 1963, 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, Pan American Petroleum Corporation, seeks authority to complete its Southland Royalty "A" Well No. 8, located in Unit W of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as a triple completion (conventional) to produce oil from the Blinbry Oil Pool, ^{and also from the} Tubb Gas Pool, ~~and~~ ^{and to produce oil from the Drinkard Pool through parallel strings of 2 3/8 inch tubing.} Drinkard Pool through parallel strings of 2-inch tubing, with separation of zones by packers set at approximately 6079 feet and 6400 feet.

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

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to complete its Southland Royalty "A" Well No. 8, located in Unit W of Section 4, Township 21 South, Range 27 East, NMPM, Lea County, New Mexico, as a triple completion (conventional) to produce oil from the Elinebry Oil Pool ^{and the} Tubb Gas Pool, ~~and Brinkard Pool~~ through parallel strings of 2-inch tubing, ~~and to produce oil from the Brinkard Pool through a parallel string of 2 3/8 inch tubing~~ ^{inch tubing}, with separation of zones by packers set at approximately 6079 feet and 6800 feet. ^{permanent type}

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 insofar as said rule is not inconsistent with this order.

PROVIDED FURTHER, That the applicant shall take pressure ~~leakage~~ tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Brinkard Pool.

(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

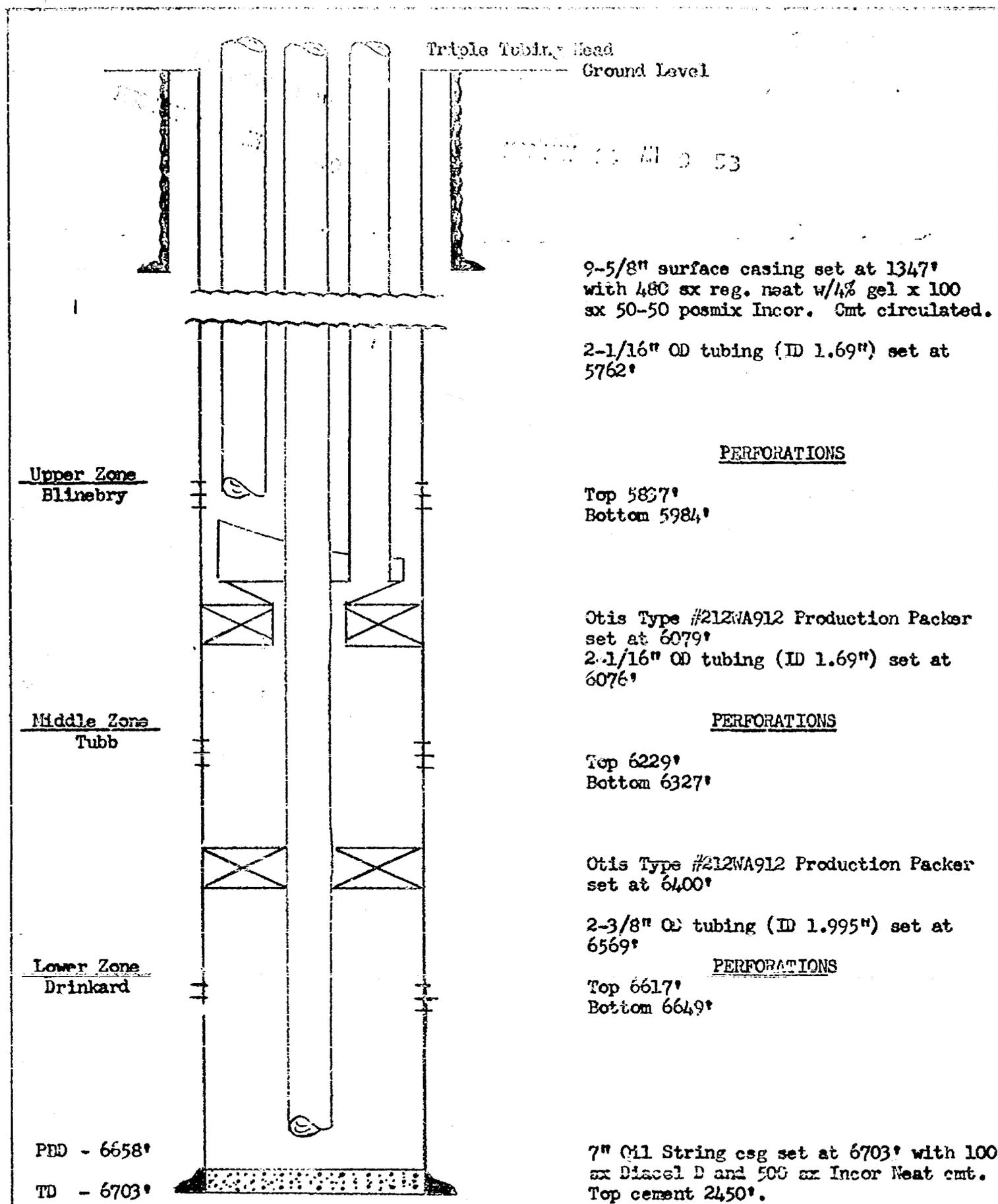
JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

Application of Pan American
Petroleum Corporation
for a Triple Completion
Lea County, New Mexico

Applicant, in the above styled case,
seeks approval of its Southland Royalty
"A" Well No. 8, located in Unit W,
Section 4, Township 21 South, Range
37 East, Lea County, New Mexico,
as a triple completion (conventional)
to produce oil from the Phil Ebery
Oil Pool, Tubbs Gas Pool, and Drinkard
Pool through parallel strings of tubing.



PAN AMERICAN PETROLEUM CORPORATION

Diagrammatic Sketch - Multiple Completion Installation
Southland Royalty Co. "A" No. 8, Unit W, Section 4, T-21-S, R-37-E, Lea County, New Mexico

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. 2783
Order No. R-2465

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR A TRIPLE 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 April 10, 1963, 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 18th day of April, 1963, 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, Pan American Petroleum Corporation, seeks authority to complete its Southland Royalty "A" Well No. 8, located in Unit W of Section 4, Township 21 South, Range 37 East, NMDM, Lea County, New Mexico, as a triple completion (conventional) to produce oil from the Blinbry Oil Pool and the Tubb Gas Pool through parallel strings of 2-inch tubing, and to produce oil from the Drinkard Pool through a parallel string of 2 3/8-inch tubing, with separation of zones by packers set at approximately 6079 feet and 6400 feet.
- (3) That the mechanics of the proposed triple completion are feasible and in accord with good conservation practices.
- (4) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

CASE No. 2783
Order No. R-2465

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to complete its Southland Royalty "A" Well No. 8, located in Unit W of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as a triple completion (conventional) to produce oil from the Blinebry Oil Pool and the Tubb Gas Pool through parallel strings of 2-inch tubing, and to produce oil from the Drinkard Pool through a parallel string of 2 3/8-inch tubing, with separation of zones by permanent type packers set at approximately 6079 feet and 6400 feet.

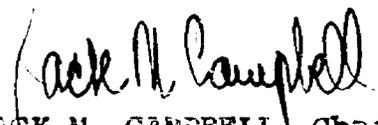
PROVIDED HOWEVER, That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

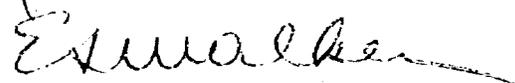
PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Drinkard Pool.

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

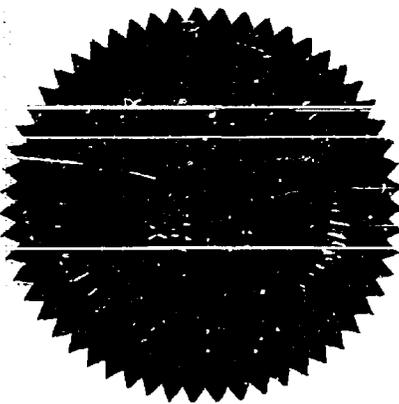
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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


esr/

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 10, 1963

EXAMINER HEARING

IN THE MATTER OF:)

Application of Pan American Petroleum Cor-)
poration for a triple completion, Lea)
County, New Mexico. Applicant, in the)
above-styled cause, seeks approval of its)
Southland Royalty "A" Well No. 8, located)
in Unit W, Section 4, Township 21 South,)
Range 37 East, Lea County, New Mexico, as)
a triple completion (conventional) to pro-)
duce oil from the Blinbry Oil Pool, Tubb)
Gas Pool, and Drinkard Pool through parallel)
strings of tubing.)

Case 2783

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 2783.

MR. DURRETT: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico.

MR. MALONE: May it please the Commission, Charles Malone of Atwood and Malone, for the applicant. We have one witness and one exhibit.

(Witness sworn.)

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

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



ROBERT E. SMITH

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

DIRECT EXAMINATION

BY MR. MALONE:

Q Would you state your name, please?

A Robert E. Smith.

Q Your address?

A Lubbock, Texas, Pan American Petroleum Corporation.

Q What is your position with Pan American in the Lubbock Office, please?

A I'm a petroleum engineer, Senior Grade.

Q For how long have you been a petroleum engineer with Pan American?

A Eleven years.

Q What is the jurisdiction of the Lubbock Office of Pan American, please?

A We follow the operations in the western part of Texas and southeastern New Mexico.

Q Is the land described in the application under your jurisdiction as a petroleum engineer?

A Yes, it is.

Q Have you previously testified before this Commission in

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matters of petroleum engineering?

A Yes, I have.

MR. MALONE: Would the qualifications of this witness be acceptable?

MR. NUTTER: Yes, sir, they are. Please proceed.

Q (By Mr. Malone) Would you describe the purpose in making this application, Mr. Smith?

A Our purpose is to triple complete a well which we are currently completing in the oil zones of the Drinkard, Tubb and Blinebry Pools.

Q Is this a new well or a workover?

A It is a new well.

Q Would you please go now to Attachment No. I, which appears to be a plat in your exhibit, and describe what that shows?

A Yes. This plat, with the arrow pointing to our Southland Royalty "A" Well No. 8 in our application here, shows it is completed in an area of multiple completions. The immediate west offset is currently a Drinkard oil dual, Tubb gas well. The south offset is a Southland Royalty No. 2, which is a triple Drinkard oil, and Blinebry and Tubb gas. This well was granted permission to recomplete by New Mexico Oil Conservation Commission Order 2343. The east offset is a Tubb-Drinkard oil dual completion.

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Q Are the offset operators shown on this plat in receipt of notice of your application?

A Yes, upon requesting application for hearing, we submitted on March 11, this year, a notice to all the offset operators.

Q Has your office received any objection or other communication opposing this application from any offset operator?

A No, we have not.

Q Will you go to Attachment No. II and describe what it shows?

A Attachment II is a diagrammatic sketch showing the mechanical aspects of the proposed triple completion. This is to be a conventional triple, utilizing separate tubing strings to produce each zone separately, and packers maintaining the separation in the well bore.

The well, as shown on the Attachment II, is equipped with 7" casing set at total depth of 6703 with a plug-back depth of 6658. We propose to separate by setting, or we have set packers between the Tubb perforations and the Drinkard perforations, and between the Blinebry perforations and the Tubb perforations. We have run one string, our long string into the Drinkard, which is a 2-3/8" O.D. EWE tubing. The Blinebry string and the Tubb string are 2" O.D. buttress thread tubing.

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Q How will these three zones be produced if the application is granted?

A Based on testing to date, it appears that it will be necessary to pump the Blinebry and the Drinkard, and the Tubb will flow.

Q Will you be able to pump the Drinkard through a 2-3/8" O.D. tubing?

A Yes. We will be able to pump it satisfactorily, and we have ordered a special pump, 1-1/2 O.D. pump to pump the Blinebry.

Q You show the use of Otis type W.A. packers separating the Blinebry from the Tubb and the Tubb from the Drinkard. Is that a standard type of packer that is accepted in the industry?

A Yes, it is.

Q Has the experience of your company with this packer proved that it is effective for its purpose?

A It has.

Q Would you describe the cement which exists in connection with this attachment?

A Yes, the 7" oil string was set with 100 sacks of Incor. containing 400 sacks of Neat cement, which brought the top of the cement behind the 7" casing to 2500 feet.

Q And the Blinebry perforations, which are the highest



perforations, rather they begin at about 5837 feet, is that correct?

A That's true.

Q So you have a solid cement job behind the casing at all points below 2500 feet?

A Right. Yes, sir.

Q Is there anything further that you wish to discuss with respect to Attachment No. II?

A I believe it's been adequately covered.

Q Would you describe Attachment No. III, please?

A Attachment III is an Acoustilog of the well with the perforations in the three zones shown in red, and the top and base of the zones also shown in red.

Q Is there anything further that should be pointed out in connection with this attachment?

A I think not.

Q If this application should be granted, would expense be prevented that would otherwise be necessary?

A Yes, if we were not granted permission to triply complete this, the zone which would be eliminated in order to develop it, it would require a separate well, which would incur additional unnecessary expense.

Q Now, then, with respect to the discussion shown in the

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front of your exhibit, would you describe the situation as to classification of oil and gas wells and the action which would be taken by Pan American if this application is granted?

A Yes, currently the Tubb, at this 40-acre location, is dedicated to 120-acre Tubb gas allowable currently assigned to our Southland Royalty "A" 4. If we are permitted to produce the Tubb in Well No. 8 as an oil well, the 40 acres will be removed from this gas proration schedule currently assigned No. 4.

Q Do you have anything further to add to your testimony in this case?

A I think that covers it.

Q Was this exhibit prepared by you or under your direct supervision?

A It was.

MR. MALONE: If it please the Commission, we offer Exhibit No. 1.

MR. NUTTER: Pan American's Exhibit No. 1 will be admitted in evidence.

(Whereupon, Applicant's Exhibit No. 1 was offered and admitted in evidence.)

MR. NUTTER: Any questions?

MR. DURRETT: Yes, I have one.



CROSS EXAMINATIONBY MR. DURRETT:

Q Referring to the Otis type packer, did you--

A Yes.

Q -- did you state that was a permanent type packer?

A I did not state, but it is a permanent type packer.

BY MR. NUTTER:

Q I am having a little difficulty figuring out what acreage is dedicated to what, the No. 1 directly north of the 8 is Blinebry gas?

A Yes.

Q What acreage is dedicated to that well?

A That well, I believe, is Western Oil.

Q That is not your well?

A No, that is not our well. That well is shown in the stippling that covers our acreage.

Q Now, the No. 5 up here is an indicated Drinkard and Blinebry gas dual?

A Yes.

Q What acreage is dedicated to it?

A The Blinebry gas is the 160 acres being everything, well, let's see, it's described as the East Half of the -- well, this is one of those long sections, but it's the acreage shown

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in Wells No. 5, 4, 8 and 3.

Q And that well has 160 acres dedicated to it in the Blinebry Gas Pool?

A Yes, sir, I'm sure that's right.

Q Well, then, if the No. 8 well is completed as a Blinebry oil well, then it would necessitate reducing that?

A Yes, I failed to mention that.

Q To reducing the proration unit by 80 acres?

A Yes, by 80 acres. I failed to mention that.

Q You have 120 acres dedicated to No. 4 as a Tubb gas well?

A Yes.

Q What is the acreage there?

A It's the 40 acres for Wells No. 5, 4 and 8. See, when we completed Well No. 3 as a Tubb, we removed 40 acres there, leaving us 120.

Q So, completion of this Well No. 8 as a Tubb oil well will leave you an 80-acre Tubb gas unit also?

A Yes.

Q Have you actually made this completion yet, Mr. Smith?

A We have adequately tested it to know that it's going to be a commercial well in all zones.

Q Have you tested it far enough to know that the

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Blinebry will be an oil classification?

A Yes, sir. It's pumping, I don't recall the gas-oil ratio right now, but it will be a low ratio well and will qualify as a Blinebry oil well.

Q How about the Tubb?

A The Tubb is flowing with a high ratio, but the oil gravity is less than 45 degrees, it's in the neighborhood of 39.

Q As a matter of fact, that's what I was going to ask you next, if you had any bottom hole pressure, GOR and gravity data for each of the three zones.

A The Drinkard gas-oil ratio--we do not have any bottom hole pressure data on any of the zones yet. The Drinkard gas-oil ratio are less than 2,000. I don't recall the exact number; and the Blinebry ratio, these are not exact numbers. I don't have the exact numbers, but they're in the neighborhood of, I believe, I just don't recall the Blinebry at all, but the Tubb ratio was in the neighborhood of twelve, fourteen thousand. That was on preliminary test.

Q Have the wells been cleaned up yet?

A No, sir. They're still in the process. We just completed putting in our triple completion and they're now testing the Drinkard.

Q Have you taken your packer leakage tests yet?

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A No, sir, we have not.

MR. NUTTER: Any further questions of Mr. Smith?

Q (By Mr. Nutter) Oh, another thing, was the top of the cement at 2500, was that a temperature survey?

A No, it was not.

Q Was that an estimate?

A It was an estimate, but I believe it's a 150% theoretical fill.

Q On the 500 sacks that you used?

A That's right.

MR. NUTTER: Any further questions of Mr. Smith?

He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Malone?

MR. MALONE: Nothing further except that if the Commission would wish to have anything further on GOR or gravity we'll be happy to furnish it.

MR. NUTTER: I think most of that data will be available on the packer leakage tests. Does anyone have anything to offer in Case 2783? We will take the case under advisement, and call 2784.



