

11 plug 1 1/4" top

CASE 3273: Application of CAULKINS  
OIL COMPANY for dual completion  
of its BREECH "A" WELL NO. 229.

CASE NO.

3273

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

K-2939 3273  
STATE OF NEW MEXICO )

COUNTY OF SAN JUAN )

I, J. W. DAMRON, being first duly sworn upon  
my oath depose and say as follows:

I am an employee of Baker Oil Tools, Inc., and that on AUGUST 21, 1965  
I was called to the location of the CAULKINS OIL Company

A-229 Well located in the NW 1/4  
(Well Number)  
of Section 17, Township 26N, Range 6W, N.M.P.M., for  
advisory service in connection with installation of a production packer. In  
my presence, a Baker Model D Production Packer was set in this well  
at 6948' feet in accordance with the usual practices and customs of  
the industry.

Jerry W. Damron

Subscribed and sworn to before me, a Notary Public in and for San Juan  
County, New Mexico, the 13 day of Nov, 1965.

Phillips on Hensford

Notary Public in and for San Juan  
County, New Mexico

My commission expires MY COMMISSION EXPIRES APRIL 5, 1967.

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CASE No. 3273

Order No. R-2939

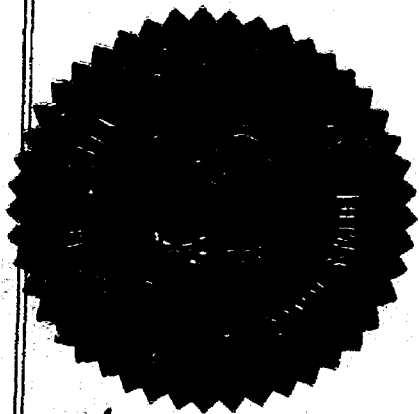
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

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

*Sutton B. Hays*  
SUTTON B. HAYS, Member

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



enr/

-2-

CASE No. 3273

Order No. R-2939

parallel strings of 1 1/4-inch tubing, with separation of zones by a packer set at approximately 6950 feet.

(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 afford the applicant the opportunity to produce its just and equitable share of the gas in the pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

**IT IS THEREFORE ORDERED:**

(1) That the applicant, Caulkins Oil Company, is hereby granted an exception to the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool to complete its Breech "A" Well No. 229 at an unorthodox location 1170 feet from the North line and 970 feet from the West line of Section 17, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant is hereby authorized to complete the subject well as a dual completion (conventional) to produce gas from the Blanco-Mesaverde and Basin-Dakota Gas Pools through parallel strings of 1 1/4-inch tubing, with separation of zones by a packer set at approximately 6950 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 Deliverability Test Period for the Basin-Dakota Pool.

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

**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. 3273  
Order No. R-2939**

**APPLICATION OF CAULKINS OIL COMPANY  
FOR A DUAL COMPLETION AND AN UNORTHODOX  
WELL 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 July 7, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Wutter.

Now, on this 15th day of July, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Caulkins Oil Company, seeks an exception to the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool to complete its Breech "A" Well No. 229 at an unorthodox location 1170 feet from the North line and 970 feet from the West line of Section 17, Township 26 North, Range 6 West, MNPM, Rio Arriba County, New Mexico.

(3) That the applicant also seeks authority to complete the subject well as a dual completion (conventional) to produce gas from the Blanco-Mesaverde and Basin-Dakota Gas Pools through

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

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

P. O. BOX 2088  
SANTA FE

July 15, 1965

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 3273  
Order No. R-2939  
Applicant:  
Caulkins Oil Company

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 x

OTHER

Docket No. 19-65

DOCKET - EXAMINER HEARING - WEDNESDAY - JULY 7, 1965

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

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

CASE 3273: Application of Caulkins Oil Company for a dual completion and an unorthodox well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Breech "A" Well No. 229 to produce gas from the Dakota and Mesaverde formations through parallel strings of 1-1/4 inch tubing. Said well is located at an unorthodox location for the Blanco Mesaverde Pool 1170 feet from the North line and 970 feet from the West line of Section 17, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.

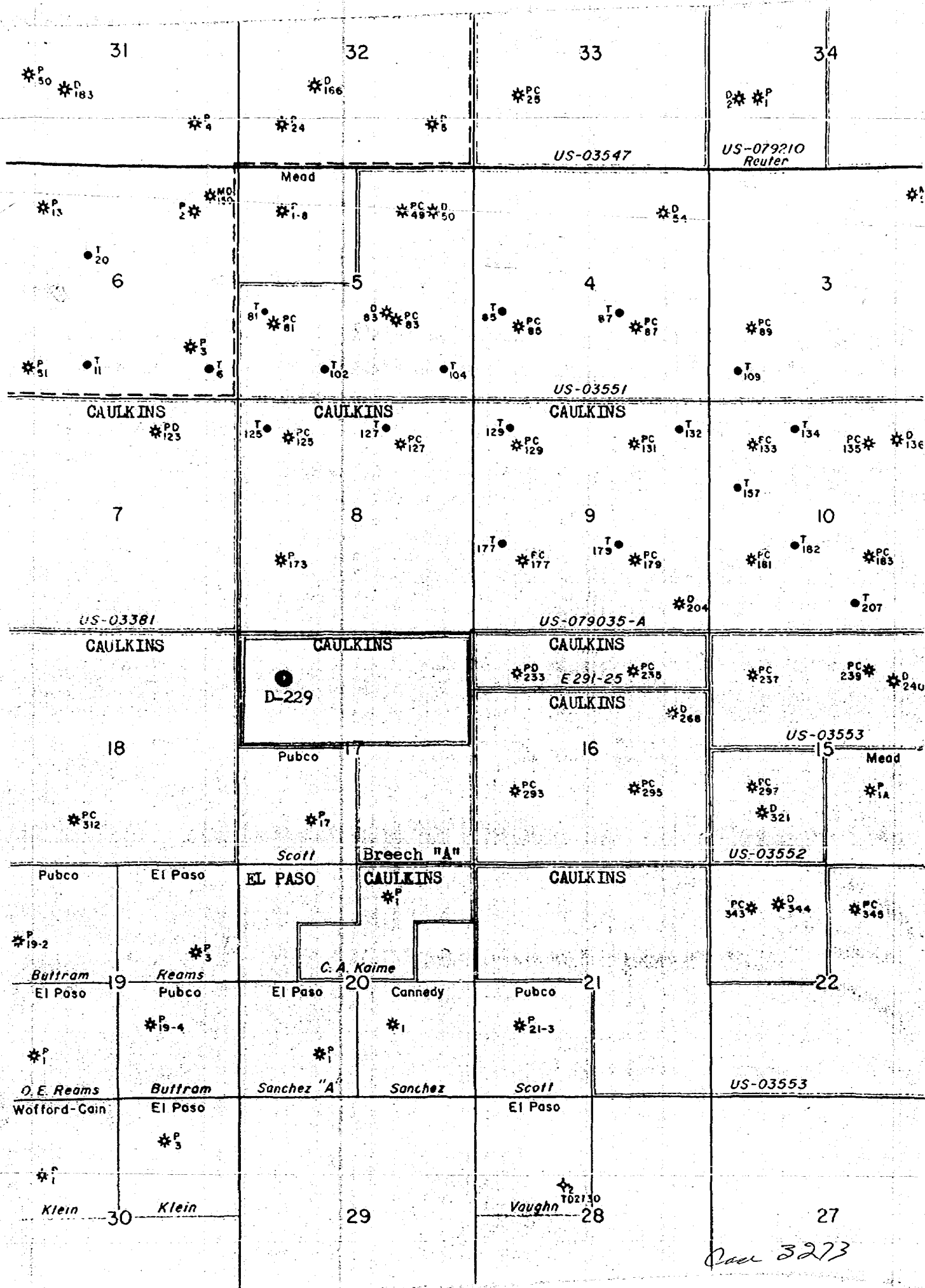
CASE 3274: Application of Continental Oil Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Skaggs Pool Waterflood Project by the conversion to water injection of 9 additional wells located in Sections 13, 14, and 24, Township 20 South, Range 37 East, and Section 18, Township 20 South, Range 38 East, Skaggs Pool, Lea County, New Mexico.

CASE 3275: Application of Odessa Natural Gasoline Company for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 360-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 23, SW/4 of Section 24, N/2 NW/4 of Section 25, and NE/4 NE/4 of Section 26, Township 20 South, Range 29 East, Getty Morrow Gas Pool, Eddy County, New Mexico, said unit to be dedicated to its Federal Dooley Well No. 1 located at an unorthodox location 560 feet from the South and West lines of said Section 24.

CASE 3072 (Reopened):

In the matter of Case No. 3072 being reopened pursuant to the provisions of Order No. R-2746, which order established 80-acre spacing for the Flying "M" San Andres Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.





4. That approval of this application is in the interests of conservation, will prevent waste, and correlative rights will be protected.

WHEREFORE, applicant respectfully requests that this application be set for hearing before the Commission's duly appointed Examiner, and that after notice and hearing as required by law, the Commission enter its order granting the order sought in this application.

Respectfully submitted,

CAULKINS OIL COMPANY

By Jason W. Kellahin  
Jason W. Kellahin  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF CAULKINS OIL COMPANY FOR APPRO-  
VAL OF A DUAL COMPLETION AND AN  
UNORTHODOX WELL LOCATION, RIO  
ARRIBA COUNTY, NEW MEXICO.

A P P L I C A T I O N

Comes now Caulkins Oil Company and applies to the Oil Conservation Commission of New Mexico for approval of a dual completion for production of oil or gas or both from the Dakota formation and the Mesa Verde formation from a well located in the NW/4 of Section 17, Township 26 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. Applicant further applies for approval of the Commission for an unorthodox well location for said well for Mesa Verde production, and in support thereof would show:

1. Applicant is the operator of the area involved in this application.
2. Applicant's well is located 1170 feet from the North line, and 970 feet from the West line, Section 17, Township 26 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico.
3. That a plat is attached hereto and made a part hereof, showing the well location, and lease ownership, and offsetting wells and leases.

DOCKET MARKED

6-23-65

(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 afford the applicant the opportunity to produce its just and equitable share of the gas in the pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caulkins Oil Company, is hereby granted an exception to the Special Rules and Regulations governing the Blanco-Mesaverde Gas Pool to complete its Breech "A" Well No. 229 at an unorthodox location 1170 feet from the North line and 970 feet from the West line of Section 17, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant is hereby authorized to complete the subject well as a dual completion (conventional) to produce gas from the Blanco Mesaverde and Basin Dakota gas Pools through parallel strings of 1 1/4-inch tubing, with separation of zones by a packer set at approximately 6950 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 Deliverability Test Period for the Basin Dakota Pool.

(3) 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.

DRAFT  
JMD/esr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CF Subj. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

CASE No. 3273

Order No. R- 2939

*See*  
APPLICATION OF CAULKINS OIL COMPANY  
FOR A DUAL COMPLETION AND AN UNORTHODOX  
WELL 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  
July 7, 1965, at Santa Fe, New Mexico, before Examiner  
Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of July, 1965, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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, Caulkins Oil Company, seeks an  
exception to the Special Rules and Regulations governing the  
Blanco-Mesaverde Gas Pool to complete its Breech "A" Well No.  
229 at an unorthodox location 1170 feet from the North line and  
970 feet from the West line of Section 17, Township 26 North,  
Range 6 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant also seeks authority to complete  
the subject well as a dual completion (conventional) to produce  
gas from the Blanco-Mesaverde and Basin-Wakaba gas Pools  
through parallel strings of 1 1/4-inch tubing, with separation  
of zones by a packer set at approximately 6950 feet.

## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE JULY 7, 1965 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
<i>J.D. Bray</i>	<i>Caulkins Oil Co</i>	<i>Farmington, N.M.</i>
<i>Jason Kellahin</i>	<i>Kellah &amp; Fox</i>	<i>Santa Fe</i>
<i>John B. Mason</i>	<i>Odessa Nat. Gasoline Co.</i>	<i>Odessa, Texas</i>
<i>Lee Ayer</i>	<i>El Paso Nat. Gas Products</i>	<i>Odessa, Texas</i>
<i>Poland L. Hamblin</i>	<i>El Paso Nat. Gas Products</i>	<i>Odessa, Texas</i>
<i>Ronald M. Williams</i>	<i>Continental Oil Co.</i>	<i>Hobbs, N.M.</i>
<i>Bob Kristy</i>	<i>Hinkle, Bondurant &amp; Christy</i>	<i>Roswell, N.M.</i>
<i>T.M. Carroll Station</i>	<i>Crane Sales &amp; Serv. Co.</i>	<i>Abilene, Tex</i>
<i>Jack R. McGraw</i>	<i>Coastal States Gas</i>	<i>Abilene, Texas</i>
<i>B.F. Brawley</i>	<i>Sunray DX Oil Co.</i>	<i>Roswell, N.M.</i>
<i>Frank E. Ivy</i>	<i>State Engr. Office</i>	<i>Santa Fe</i>
<i>R.B. Jones</i>	<i>Arkla Exploration Co</i>	<i>Holbrook, Ariz</i>

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I N D E X

WITNESS

PAGE

FRANK O. GRAY

Direct Examination by Mr. Kellahin

2

Cross Examination by Mr. Nutter

7

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 3273,  
heard by me on 7/7, 1965.

[Signature]  
New Mexico Oil Conservation Commission

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COURT CONVENTIONS

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MR. NUTTER: Are there futher questions of Mr. Gray? You may be excused. (Witness excused) Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No.

MR. NUTTER: Does anyone have anything they wish to offer in this case? We will take the case under advisement and call Case 3274.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I, Denny Watts, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 19th day of August, 1965.

*Denny Watts*  
DENNY WATTS

My Commission Expires  
April 9, 1969.

I do hereby certify that the foregoing is a complete record of the proceedings at the Examiner hearing of Case No. \_\_\_\_\_ heard by me on \_\_\_\_\_, 19\_\_\_\_\_.  
\_\_\_\_\_, Examiner  
New Mexico Oil Conservation Commission



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PAGE 9

have not done. However, as far as the Mesaverde is concerned we know we have it covered and while we used a low strength cement to bulk, to keep it way down and try to get the cement column high, we did run one hundred sacks of neat cement which would run up about four hundred feet and cover the Mesaverde Zone that we are interested in. That would give us high strength cement over the zone that we plan to perforate.

Q Now, what about the Picture Cliffs, is it covered by cement?

A No, sir, it is not. The amount of cement that we used above the stage collar is about, approximately, one hundred sixty percent of the volume calculated to be required to cover the Picture Cliffs. However, it didn't cover it because we did run a temperature survey.

Q Isn't it a requirement up there in the Basin that the Picture Cliff be cemented off?

A Not that I know of. We used enough cement to cover it and apparently already had leakage into some of the sands that kept the cement column from rising high enough to cover it. However, we did use enough cement that normally it would be covered.

Q But the top of the cement was determined to be at two hundred?

A Yes, sir, that's right.

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A Yes, sir.

Q Now, on the dual completion, Mr. Gray, what is the top of the cement of that four and a half inch?

A Thirty-two hundred feet. Now, that's the top of the cement from the second stage, it was two staged.

Q What is the top of the lower stage?

A We have no record of it.

Q You didn't run a temperature survey?

A We just haven't been able to run it because your multi-pull stage tool would prevent it from getting below 277. The amount of cement used below the stage collar is a little over one hundred percent of the calculated amount figured to fill back to the stage collar.

Q Now, the stage collar- -

A Was at 277.

Q So, it's below the surface?

A Yes, sir.

Q So, you are sure of the cement separation between the Mesaverde and the Dakota?

A I don't know that we have separation. All we do is figure the one hundred percent and go ahead and cement it. It's rarely, however, we acknowledge conditions whereby we could actually determine the top of the lower cement without running a cement bond log or something like that, which we

operators be affected by this?

A No.

Q Were Exhibits One, Two and Three prepared by you or under your supervision?

A Yes sir.

MR. KELLAHIN: I would like to offer in evidence Exhibit's One, Two, and Three?

MR. NUTTER: Applicant's Exhibit One, Two and Three will be admitted into evidence.

MR. KELLAHIN: That's all we have.

MR. NUTTER: Does any one have any question of Mr. Gray?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Gray, what are Caulkins plans for the development of the remainder of the acreage there in Section 17, or do you have any plan?

A At the present time, if they have any plans, I don't know about them. However, we don't own, that is Caulkins doesn't own all of the south half of the section. It would have to be some sort of a communitiazation deal worked out with Pubco.

Q It is your plan to dedicate the north half of the section to the well then?

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well, is that correct?

A Yes, sir.

Q And is there any other Mesaverde production in this vicinity?

A There is a Mesaverde producer in the northeast of Section 16, Township 26 North, Range 7 West.

Q On the basis of your experience in this area, Mr. Gray, would a single completion of a Mesaverde be justified?

A We don't think so, with the knowledge we have of the Mesaverde in that area at this time.

Q Do you anticipate that the Mesaverde will be a prolific producer or a fair well, or what would be your estimate?

A We believe that we have a good chance to develop enough gas to make it profitable to be operated as a Mesaverde-Dakota well. With the dual it would cost approximately one third what it would cost to drill a new well. So, while we can justify drilling it, we can not hardly justify drilling a Mesaverde well just straight down.

Q Then would you say that approval of the application would result in the prevention of waste and the recovery of the gas that would not otherwise be recovered?

A Yes, sir.

Q Would the correlative rights of any of the offset

were used.

Q But it shows the present state of the well. The well has not been completed with the tubing and packer as yet, has it?

A No, it's standing cased but nothing more has been done to it, right at this time.

Q Is this a conventional completion for a dual in this area?

A Yes, sir.

Q The only difference is the size of the tubing, is that correct?

A The size of the tubing is smaller than we have used heretofore. However, we are told by the Baker Oil Tool people that the two strings will run satisfactory inside the four and a half inch casing. The rule of thumb method of determining whether it is feasible or not, is to subtract three sixteenth of an inch from the theoretical ID of the casing which is four point O six and if the remainder is greater than the sum of the maximum OD the true strength to be run will run satisfactory. The OD of the inch and a quarter, the box OD which is the largest part of the ID tubing on one point eighty-eight. So, we have the three sixteenth leaway that they recommended.

Q This well is at an orthodox location for a Dakota

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A Yes, as a Dakota well.

Q In drilling the well then you did test the Mesaverde, is that correct?

A There were no tests made of either the Mesaverde or the Dakota zones, however, there were electric log tests.

Q That would be Exhibit Number 2, is that correct?

A Exhibit Number 2.

Q The electric log shows what? The Schlumberger people's analysis or interpretations show it to be a probable Mesaverde Gas Zone. You have marked the tops of the formations of that log?

A The tops of the formations are marked, and the zones that they feel are productive are also marked.

Q And that is the zone which you want to complete in this well?

A Yes, sir.

Q Now, referring to what has been marked Exhibit Number 3, will you identify that exhibit and discuss it, please?

A Exhibit Number 3 is a sketch showing the proposed down hole mechanical arrangement of the dual.

Q And is that - - Go ahead.

A It shows the present condition of the well with four and a half inch casing cemented at 731 feet with the cementing record and record of various cementing methods that

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accepted?

MR. NUTTER: Yes, they are.

Q Mr. Gray, are you familiar with the application of Caulkins Oil Company in Case 3273?

A Yes, sir.

Q Will you describe briefly what Caulkins proposes in this application?

A They seek the approval of an unorthodox Mesaverde 1,170 feet from the north line and 970 feet from the west line of Section 17, Township 26 North, Range 6 West. Also the approval of a dual completion of this well to produce from the Mesaverde and the Dakota formation through parallel strings of 1-1/4 inch tubing separation down hole by a Baker Model D retainer production packer.

Q Referring to what has been marked as Exhibit Number 1, will you identify that exhibit?

A Exhibit Number 1 is a map of the general area with the acreage to be dedicated to the Mesaverde location marked in red. The well is circled in red.

Q And why was the well located as it was, Mr. Gray?

A It was put on the west side of the section because a well located in that part of the section would prove up more Dakota productive area if the well is productive.

Q Was the well projected primarily as a Dakota?

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PAGE 2

MR. NUTTER: We will hear first this morning Case Number 3273.

MR. DURRETT: Application of Caulkins Oil Company for a dual completion and an unorthodox well location, Rio Arriba County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox representing the applicant. We have one witness. (Witness sworn)

(Whereupon, Applicant's Exhibit 1, 2, 3, marked for identification)

FRANK O. GRAY

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Frank O. Gray.

Q By whom are you employed and in what position, Mr. Gray?

A I am employed by Caulkins Oil Company as Superintendent of their Farmington, New Mexico operation.

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

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications



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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXHIBIT TESTIMONY, DAILY COPY, CONVENTIONS

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PAGE 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

July 7, 1965

EXAMINER      HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company  
for a dawl completion and an unorthodox well  
location, Rio Arriba County, New Mexico.

Case No. 3273

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING