

CASE 3736: Application of AMER-  
ICAN TRADING & PRODUCTION CORP.  
FOR A DUAL COMPLETION.

Case No.

3736

Application, Transcript,  
Small Exhibits, Etc.

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

P. O. BOX 2088  
SANTA FE

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

March 25, 1968

Mr. Clarence Hinkle  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: Case No. 3736  
Order No. R-3392  
Applicant:  
American Trading & Production

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

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC       

Aztec OCC       

Other \_\_\_\_\_

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 3736  
Order No. R-3392

APPLICATION OF AMERICAN TRADING  
& PRODUCTION CORPORATION FOR A  
DUAL COMPLETION, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 20, 1968,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of March, 1968, 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, American Trading & Production  
Corporation, seeks authority to complete its New Mexico State  
26 Well No. 1, located in Unit J of Section 26, Township 20  
South, Range 35 East, NEEM, Lea County, New Mexico, as a dual  
completion (conventional) to produce gas from an undesignated  
Wolfcamp gas pool and oil from an undesignated Devonian oil  
pool through parallel strings of 2 3/8-inch tubing, with  
separation of zones by a packer set at approximately 14,510  
feet.

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

(4) That approval of the subject application will prevent  
waste and protect correlative rights.

-2-

CASE No. 3736

Order No. R-3392

IT IS THEREFORE ORDERED:

(1) That the applicant, American Trading & Production Corporation, is hereby authorized to complete its New Mexico State 26 Well No. 1, located in Unit J of Section 26, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce gas from an undesignated Wolfcamp gas pool and oil from an undesignated Devonian oil pool through parallel strings of 2 3/8-inch tubing, with separation of zones by a packer set at approximately 14,510 feet;

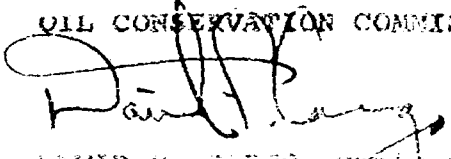
PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

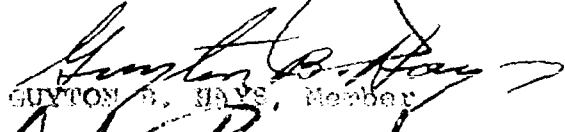
PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Devonian zone of the dual completion.

(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

  
DAVID E. GARCO, Chairman

  
GUYTON S. HAYS, Member

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

ear/

AMERICAN TRADING AND PRODUCTION CORPORATION

PETROLEUM LIFE BLDG. ♦ P. O. DRAWER 992

AREA CODE 915-MUTUAL 4-4463

MIDLAND, TEXAS 79701

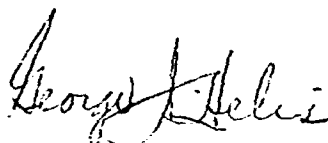
February 23, 1968

*Case 3734*

Gentlemen:

In accordance with the rules and regulations of the New Mexico Oil Conservation Commission, requiring notice to offset operators, we are enclosing a copy of our "Application for Multiple Completion" covering our Well No. 1 NM State "26", a wildcat well, located in the SE/4 of Section 26, T20S, R35E, in Lea County, N. M.

Yours very truly,



George J. Helis  
General Manager  
Oil and Gas Division

GJH/ads  
Enclosure

Marathon Oil Company,  
P. O. Drawer 1398,  
Roswell, N. M. 88201

Superior Oil Company,  
P. O. Box 1900,  
Midland, Texas 79701

Humble Oil & Refining Co.,  
P. O. Box 1600,  
Midland, Texas 79701

Pan American Petroleum Corp.,  
P. O. Box 1410,  
Ft. Worth, Texas 76101

Phillips Petroleum Company,  
P. O. Box 791,  
Midland, Texas 79701

Sinclair Oil & Gas Company,  
P. O. Box 1470,  
Midland, Texas 79701

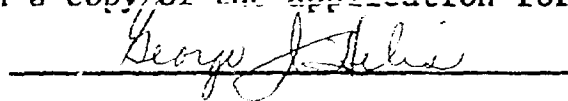
Gulf Oil Corporation,  
P. O. Box 1938,  
Roswell, N. M. 88201

Ralph Lowe Estate,  
P. O. Box 832,  
Midland, Texas 79701

Texaco, Inc.,  
P. O. Box 2248,  
Roswell, N. M. 88201

Southern Minerals Corporation,  
P. O. Box 1816,  
Midland, Texas 79701

I hereby certify that this notice was mailed to all parties indicated together with a copy of the application form.



DOCKET NO. 9-68

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 20, 1968

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, Alternate Examiner:

CASE 3724: (Continued from the February 28, 1968, Examiner Hearing)

Application of El Paso Natural Gas Company for a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its San Juan 27-4 Unit Well No. 30 (GD) located in Unit N of Section 32, Township 27 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Gallup formation and the Basin-Dakota Pool through tubing and the casing-tubing annulus, respectively, by means of a cross-over.

CASE 3733: (Continued from the February 28, 1968, Examiner Hearing)

Application of Daryl Davis to re-enter a well, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the State "A" Well No. 1 located 1980 feet from the South and West lines of Section 1, Township 4 South, Range 26 East, Chaves County, New Mexico, and attempt to complete said well as a producer from the San Andres formation.

CASE 3578: (Reopened)

Application of Texas Pacific Oil Company for an amendment to Order No. R-3264, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3264 to permit the re-dedication of acreage to its State "A" A/c-2 Wells Nos. 40 and 38, located in Units A and K, respectively, of Section 9, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico. Applicant proposes to dedicate a 320-acre non-standard unit comprising the N/2 of said Section 9 to Well No. 40 and to dedicate a 160-acre non-standard unit comprising the SW/4 of said Section 9 to Well No. 38. It is further proposed that said Order No. R-3264 be amended to require that the effective date of the proration units authorized therein be contingent upon new plats being filed.

CASE 3736: Application of American Trading & Production Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its New Mexico State 26 Well No. 1 located in Unit J of Section 26, Township 20 South, Range 35 East, Lea County, New Mexico, in such a manner as to produce gas from an undesignated Wolfcamp gas pool and oil from an undesignated Devonian oil pool through parallel strings of tubing.

- CASE 3737: Application of Southland Royalty Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its O. D. McCoy Well No. 2 at an unorthodox oil well location 800 feet from the South line and 2120 feet from the East line of Section 28, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.
- CASE 3738: Application of Pan American Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres and Yeso formations in the interval 2190 feet to 3450 feet in its State "CF" SWD Well No. 1 located in Unit I of Section 13, Township 11 South, Range 26 East, Chisum-Devonian Pool, Chaves County, New Mexico.
- CASE 3739: Application of New Mexico Salt Water Disposal Company, Inc., for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the interval from approximately 13,128 feet to 13,207 feet in its Trainer-Springs Well No. 1, located in Unit H of Section 11, Township 11 South, Range 34 East, Sand Springs-Devonian Pool, Lea County, New Mexico.
- CASE 3740: Application of David Fasken for lease commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to meter the wet gas stream from his Ross-Federal Well No. 1, the Shell-Federal Well No. 1, and the Skelly-Federal Well No. 1, located in Sections 4, 5, and 9 respectively, Township 21 South, Range 24 East, North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico, prior to separation and dehydration, allocating condensate production to each well on the percentage of each well's wet gas stream to the total combined wet gas volume.



CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. G. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER  
  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY, JR.

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY  
600 HINKLE BUILDING  
ROSWELL, NEW MEXICO 86201

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) MU 3-4891  
OF COUNSEL: HIRAM M. DOW

March 6, 1968

TELEPHONE (505) 622-6510  
POST OFFICE BOX 10

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

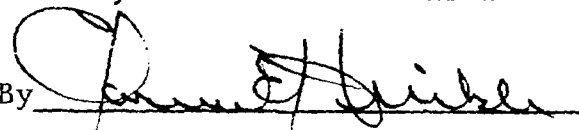
Attention: Mr. Dan Nutter

Gentlemen:

We enclose herewith in triplicate application of American Trading and Production Corporation for approval of dual completion of New Mexico State "26" Well No. 1 located in Unit J Section 26, Township 20 South, Range 35 East, Lea County in the Southeast Lea Unit Area. This is the completion which the writer discussed with Mr. Dan Nutter over the telephone and it is our understanding that it will appear on the examiner's hearing docket for March 20. There is also enclosed one copy of the electrical log referred to in the application. If you desire two additional copies of the log, these will be furnished to you at the time of the hearing.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

By 

CEH:cs

Enc.

cc: J. T. Dickerson

Case 3736  
Mar 7 AM 8:30

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

Application of American Trading and Production Corporation for approval of dual completion of New Mexico State "26" Well No. 1 located in Unit J Section 26, Township 20 South, Range 35 East, Lea County in the Wolfcamp formation as a gas-condensate well and in the Devonian formation as an oil well, the dual completion to be effected by running two strings of tubing.

NOT RECORDED

6 MAR 7 AM '68

Page 3734

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

Comes American Trading and Production Corporation, acting by and through the undersigned attorneys, and hereby makes application for the dual completion of New Mexico State "26" Well No. 1 located in Unit J of Section 26, Township 20 South, Range 35 East, N.M.P.M. Lea County, New Mexico as a well capable of producing gas-condensate in paying quantities from the Wolfcamp formation and oil from the Devonian formation and in support of such application respectfully shows:

1. American Trading and Production Corporation is the unit operator under the Southeast Lea Unit Agreement embracing lands of the State of New Mexico situated in Sections 25, 26, 27, 35 and 36 in Township 20 South, Range 35 East, Lea County, New Mexico. That applicant as unit operator caused to be drilled a test well pursuant to the terms of the unit agreement located 1980 feet from the South and East lines of Section 26, Township 20 South, Range 35 East, said well being completed on or about February 20, 1968 at a total depth of 14,644 feet. Gas and condensate in paying quantities were encountered in the Wolfcamp formation and oil in paying quantities in the Devonian formation. There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A" a plat showing the location of the well, the boundaries of the Southeast Lea Unit Area and all wells which have been drilled within a radius of two miles of the discovery well.

2. Said well has been completed as a dual well by the running of two strings of tubing, through one of which gas-condensate will be produced from the Wolfcamp formation and through the other oil from the Devonian formation. There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "B" application of applicant for multiple completion on Form C-107 giving all the information required under the rules of the Commission.

3. There is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "C", a diagrammatic sketch showing the manner in which the well has been completed, showing the casing strings, including diameters and setting depths; centralizers and location thereof; quantities used and tops of cement; perforated intervals; tubing strings and setting depths; location of packers; and other pertinent information.

4. That all of the offset operators to the lease upon which the well is located have been furnished with copies of applicant's application for multiple completion, as shown by form C-107 which is attached hereto, said operators being Marathon Oil Company, Humble Oil & Refining Company, Phillips Petroleum Company, Gulf Oil Corporation, Texaco Inc., Superior Oil Company, Pan American Petroleum Corporation, Sinclair Oil & Gas Company, Ralph Lowe Estate and Southern Minerals Corporation.

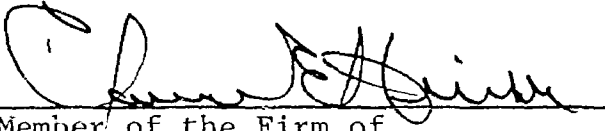
5. That there is also filed herewith Borehole Compensated Sonic Log - Gamma Ray of the well.

6. Applicant requests that this matter be set down for hearing at the last examiner's hearing in March, 1968.

Respectfully submitted,

AMERICAN TRADING AND PRODUCTION CORPORATION

By

  
Member of the Firm of  
HINKLE, BONDURANT & CHRISTY  
Attorneys for Applicant  
Box 10  
Roswell, New Mexico

dearnley-meier reporting service, inc.

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 20, 1968  
EXAMINER HEARING

IN THE MATTER OF:

Application of American Trading &  
Production Corporation for a dual  
completion, Lea County, New Mexico.

Case 3736

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Next will be Case 3736.

MR. HATCH: Case 3736. Application of American Trading & Production Corporation for a dual completion. Lea Coutny, New Mexico.

MR. HINKLE: Mr. Examiner, Clarence Hinkle, Hinkle, Bondurant & Christy, Roswell, New Mexico, appearing on behalf of American Trading & Production Corporation. We have one witness we would like to have sworn.

(Witness sworn)

MR. HINKLE: Mr. Examiner, in filing the application we only filed one copy of the electric log. They were so voluminous I didn't feel like mailing two additional copies, but we have them if you would like to have them.

MR. NUTTER: One more will be sufficient.

JIM W. VIDRINE

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

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name?

A Jim W. Vidrine.

Q By whom are you employed?

A American Trading & Production Corporation.

Q Where do you reside?

A Midland, Texas.

MR. NUTTER: Mr. Vidrine, will you spell your last name, please?

A V-i-d-r-i-n-e.

Q Are you a Petroleum Engineer?

A Yes, I am a Petroleum Engineer.

Q What is your official position with the company?

A I am District Petroleum Engineer for the Permian Basin area operation.

Q Are you a graduate Engineer?

A Graduate Petroleum Engineer.

Q You haven't previously testified before the Commission?

A No, I haven't.

Q What college did you graduate from?

A Graduate Petroleum Engineer from Louisiana State University 1952.

Q State briefly what you have done professionally since your graduation?

A I have been employed by American Trading 14 years in the capacity of drilling and production and reservoir engineer, supervisor and in the areas of Louisiana, Texas.

and New Mexico.

Q Are you familiar with the operations of American Trading in New Mexico?

A Yes, I am.

Q Are you familiar with the application that they have filed in this case?

A Yes, I am.

Q What is American Trading seeking by this application?

A They are seeking permission to dually complete the New Mexico State 26. It was formerly called Southeast Lea County Unit, but the well name now is New Mexico 26 State, Well No. 1 and we are seeking permission to dually complete the Wolfcamp condensate and Devonian oil section.

Q Is this a discovery well on the Southeast Lea Unit?

A Yes, it is the discovery well.

Q Is American Trading the operator of the unit?

A American Trading is the operator of the unit.

Q And the unit has been previously approved by the Oil Conservation Commission?

A And the unit was previously approved in July, 1967.

Q Give briefly the history of this well when it was commenced, completed, the depth, and so forth.

A The well was commenced in August '67, setting a surface string of thirteen and three-eighths from zero to 833 feet and 850 cubic feet of cement circulated to the surface.

Q Well, do not go into the casing program; we'll get into that on the diagrammatic sketch, but just the depth.

A We commenced drilling in August '67 and completed drilling, bottomed in the Devonian in February '68 at 14,644 feet.

Q What formation were you bottomed in?

A In the Devonian.

Q Did you make drillstem tests and feel that you had a discovery in one or more formations?

A While drilling through the Wolfcamp we tested the interval 11,330 to 11,530 and had a flowing drillstem test for two hours of approximately 70 barrels of 55 gravity oil per hour with a gas-oil ratio of 400 to 1. Flowing pressure was 6,140 pounds.

MR. NUTTER: Again, please.

A Bottom flowing pressure was 6,140, surface pressure flowing was 4,100 pounds. the gas-oil ratio was 400 to 1. We recovered about 70 barrels of liquid 55 gravity condensate per hour during the two hour test. Our static bottom hole



pressure was 6,616 pounds. We tested the Devonian on a DST at the interval 14,518 to 644, two hour test, and recovered 35 barrels of 53 gravity green oil. Our flowing pressure was -- at two hours, was 2,554 pounds. Those are bottom hole flowing pressures. And gas was too small to measure at the surface and we recovered 160 feet of salt water.

Q Have you filed Application Form C-107 with the Commission for multiple completion of this well?

A Yes, we have.

MR. NUTTER: That Wolfcamp drillstem test was a two hour test and recovered at the rate of 70 barrels per hour. The Devonian test was a two hour test, was that recovery 35 barrels for the two hours or per hour?

A That was total recovery.

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

Q Refer to your Exhibit Number 1 and explain to the Commission what this is and what it shows.

A Exhibit 1 is a schematic diagram of the actual casing program we set going down and the type of equipment we used and also the parallel tubing strings we propose to use as a dual method of production. The surface string set from zero to 833 feet, used 850 cubic feet of 12 per cent gel cement plus 150 cubic feet of in-core which circulated

to the surface and the casing was tested before drilling out with 1,000 pounds for thirty minutes and the hole was drilled down to 5,500 feet and an intermediate string was set at that depth and cemented with 700 sacks of cement circulated to the temperature survey of 3,490 which was 100 feet into the base of the salt section. Casing was tested at 2,000 pounds with 10 pound brine and tested okay. Drilling proceeded to 12,090 feet where protective string was set, seven inch protective string was set through the Wolfcamp and cemented in two stages, the first stage cement from 12,090 to the DV2, which we don't show on here at 10,660. Second stage from 10,660 back to the top of the temperature survey of 7,950 and the casing was tested with 2,000 pounds 12 pounds fluid inside and tested okay.

We continued drilling to the top of the Devonian at 14,542, a liner was set in place at 14,556 into the top of the Devonian and was landed inside the seven inch, at 11,846 feet and cement circulated around the liner into the seven inch. The liner was tested at 2,000 pounds hydrostatic pressure with nine and a half pound mud inside and tested okay. The Devonian was drilled open hole to a depth of 14,644. Now, we propose --

Q Before dually completing this well, did you discuss

the method of completing it with the engineer for the Oil Conservation Commission in Hobbs?

A Yes, sir, I did with Supervisor Joe Ramey.

Q And you went over in detail the plan you propose to use in completing it?

A Yes, sir.

Q Did he indicate his approval or objection to it?

A He approved, indicated approval.

Q All right. Go ahead now and explain how it was completed.

A The parallel tubing string -- first of all, this bottom packer which is an Otis WV Packer is a permanent packer and is set with a wire line and underneath the packer we have a provision for a plug seat and we set this wire line packer and ran the long string which is the Devonian string with the seven inch hydraulic Otis hydraulic packer attached in the long string and set this long string inside the permanent production packer on top of the Devonian, which is set at 14,510 feet and then a wire line plug was set into the bottom of the packer to isolate the Devonian from the Wolfcamp during this procedure.

The circulating sleeves were closed and the tubing tested at 2,000 pounds and the packer sealed at that point.

The short string Wolfcamp tubing string was run and located in the upper packer and a plug was set in place below the packer, permanent setting packer seat, plug seat, and the upper packer hydraulically set with 2,000 pounds of hydraulic pressure.

The circulating sleeve immediately above the short string packer was opened; the circulating sleeve above the lower packer was opened and the drilling mud circulated around displaced by water. The Wolfcamp had been perforated before the long string was set in there with 12 pound mud on top of the Devonian packer. We displaced the 12 pound mud and circulated water around and closed both sleeves and pulled the plug out of the long string, making the Devonian straight through and making the Wolfcamp straight through a short string and the wells were tested on an open flow test. Do you want that test?

Q Yes, go ahead and give it.

A The open flow on the Wolfcamp was fifteen and a half million calculated open flow, the last rate being 5.6 million and a liquid recovery of 1,250 barrels per day.

Q Of condensate?

A Of 55 gravity condensate. The Devonian was tested and flowed between seven and eight -- I mean seven and fifteen

barrels of fluid cut thirty per cent water.

Q That's an hour?

A That's an hour.

MR. NUTTER: Now, what was that rate again?

A Seven to fifteen.

MR. NUTTER: Seven to fifteen?

A Yes, sir.

MR. NUTTER: What was that cut again?

A Thirty per cent water. And the test on the Devonian is not complete. We are going to submit the potential later. We have provided for artificial lifting of the Devonian because of the water cut and we will have to submit a potential with a gas lift, artificial lift on it.

Q Have you filed with the Commission the forms which indicate the tests and the results of the tests that were made?

A We have completed a packer leakage test which was done in March 18th, completed March 18th and we haven't had time to submit it, but we will submit a packer leakage test. This packer leakage test results that during the flow of the Wolfcamp the lower Devonian pressure increased from 65 to 15 pounds while the upper Wolfcamp was being flowed, decreased 4,385 pounds at the surface to 3,895 at

the end of this test. The lower Devonian packer leakage pressure test, while the Devonian was open it flowed and died, the pressure decreased from 80 pounds to 10 pounds and the Wolfcamp being shut in, pressure increased from 3,895 pounds to 4,248, building up .

Q You will file with the Commission the results of these tests?

A Yes, sir, we will.

Q In your opinion, will this completion, the way it was completed prevent communication between the two zones?

A Yes, this packer leakage test indicated there is no communication between packers, lower and upper packer, or between zones or in that matter, I didn't bring in the casing annulus between tubing strings; pressure remained constant there, 315 pounds during all these tests. We have a record of this in here.

Q Before dually completing the well, did you give notice to the offset operators of your intention to dually complete?

A Notice was given to all offset operators, Marathon Oil, Humble Oil, Phillips Petroleum, Gulf Oil, Texaco, Superior. Pan American, Sinclair, Ralph Lowe,

Southern Minerals.

Q Did you have any objection from any of these parties?

A We did not have any objection.

Q In your opinion, is the completion of this well in the interest of conservation and prevention of waste?

A Yes, it is. This is the only way we could economically produce this.

MR. HINKLE: I would like to offer in evidence Applicant's Exhibit 1.

MR. NUTTER: Applicant's Exhibit 1 will be admitted in evidence.

(Whereupon, Applicant's Exhibit 1 was offered and admitted in evidence.)

MR. NUTTER: Are there any questions of Mr. Vidrine?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Vidrine, you said that the fourth point on your Wolfcamp was 5.6 million a day?

A Yes, sir.

Q Now, this 1,250 barrels of distillate is that

at that rate or that's at the calculated absolute open flow of fifteen and a half million?

A No, sir, it was at that rate. It was flowing at the rate of 52.1 barrels per hour on the fourth point. The open flow liquid ratio would be 243 barrels per million.

MR. NUTTER: Are there any other questions of the witness? He may be excused.

(Witness excused.)

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

MR. HINKLE: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 3736? We will take the case under advisement and call a fifteen minute recess.



STATE OF NEW MEXICO    )  
                                   ) ss  
 COUNTY OF BERNALILLO    )

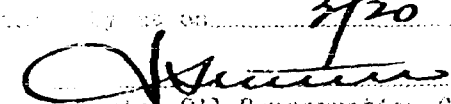
I, KAY EMBREE, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings,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

Witness my Hand and Seal this 27th day of March, 1968.

  
 NOTARY PUBLIC

My Commission Expires:

November 19, 1971

Notary Public for the State of New Mexico  
 My Commission Expires on 11/19/71  
 3736  
 2/20/68  
  
 Kay Embree, Notary Public  
 for the New Mexico Oil Conservation Commission

AMERICAN TRADING AND  
PRODUCTION CORPORATION

#1 NEW MEXICO STATE "26"

MCNVOY 5000 MCC DUAL TREE

13  $\frac{3}{8}$ " - 18" CONDUCTOR SET @ 833'  
CEMENT CIRCULATED. 850

833'  
2  $\frac{3}{8}$ " - 4.6#, NU, Tubing  
" " " " "

TOP OF CEMENT @ 3490'

9  $\frac{5}{8}$ " - INTERMEDIATE SET @ 5502'  
TOP OF CEMENT @ 3490' *Cent w/*  
4 Centralizers at 5492, 5452, 5412 and 5370'.

9 Centralizers at 10800, 10890, 10980,  
11330, 11420, 11510, 11600, 12040, 12080'.  
5502'

TOP OF PROTECTIVE CEMENT @ 7950'

7" - 32# PROTECTIVE STRING @ 12090'.  
GRADE - P-110

OTIS SLIDING SLEEVE @ 11343'

OTIS "RDH" HYDRAULIC SET DUAL PACKER @ 11350'  
O.D. = 5.95"  
I.D. (PRIMARY) = 1.94"  
I.D. (SECONDARY) = 1.94"

TOP OF PERFORATIONS @ 11400'  
END OF SHORT STRING TUBING @ 11368'  
BOTTOM OF PERFORATIONS @ 11470'

TOP OF LINER @ 11846'

BOTTOM OF PROTECTIVE @ 12090'

5" - 15# LINER @ 14556'

GRADE P-110

CEMENT CIRCULATED. *from bottom into*

OTIS SLIDING SLEEVE @ 14507'

OTIS "WB" PACKER @ 14510'

O.D. = 4.11"  
I.D. = 2.55"

24 Centralizers from 11848 to 14546'  
at 120' intervals.

END OF LONG STRING TUBING @ 14534'

END OF LINER @ 14556'

4 1/2" OPEN HOLE FROM 14556' - 14644'

- CEMENT -

INTERMEDIATE - 700 SACKS

PROTECTIVE - 1200 SACKS

LINER - 317 SACKS

BEFORE EXAMINER NUTTER

CI OBSERVATION

EXHIBIT NO.

CASE NO.

3726

*apex from 243*

*6.6 MM 54.1 15 1/2 MM 1250*

*317 500  
225 feet  
7-15 1/2" 30% w/c  
per hour  
well in 1/2 hr*

*11350' 7950' 12090'*

*14510' 14556'*

## NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

## APPLICATION FOR MULTIPLE COMPLETION

EXHIBIT "B"  
5-1-61

Case 3736

Operator American Trading and Production Corporation		County Lea		Date February 23, 1968	
Address P. O. Drawer 992, Midland, Texas 79701		Lease New Mexico State "26"		Well No. 1	
Location or Well	Unit J	Section 26	Township 20 South	Range 35 East	

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 X
2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_; Operator, Lease, and Well No.: \_\_\_\_\_

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Wolfcamp		Devonian
b. Top and Bottom of Pay Section (Perforations)	11,400-11,470 (Perforations)		14,556-14,644 (Open hole)
c. Type of production (Oil or Gas)	Gas-Condensate		Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

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

- X 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.
- X 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.
- X 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.\*
- X 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 142-A.3 SH 2 37)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Marathon Oil Company P. O. Drawer 1328, Roswell, N.M. 88201	Superior Oil Company P. O. Box 1900, Midland, Texas 79701
Humble Oil & Refining Company P. O. Box 1600, Midland, Texas 79701	Pan American Petroleum Corporation P. O. Box 1410, Ft. Worth, Texas 76101
Phillips Petroleum Company P. O. Box 791, Midland, Texas 79701	Sinclair Oil & Gas Company P. O. Box 1470, Midland, Texas 79701
Gulf Oil Corporation P. O. Box 1938, Roswell, N.M. 88201	Ralph Lowe Estate P. O. Box 832, Midland, Texas 79701
Texaco Inc. P. O. Box 2248, Roswell, N.M. 88201	Southern Minerals Corporation P. O. Box 1816, Midland, Texas 79701

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO \_\_\_\_\_. If answer is yes, give date of such notification February 23, 1968.

CERTIFICATE: I, the undersigned, state that I am the General Manager of the Oil & Gas Division, American Trading and Production Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

George L. Litch  
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 proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

Maps

L