

CASE 6539: CONTINENTAL OIL COMPANY FOR
A DUAL COMPLETION, EDDY COUNTY, NEW
MEXICO

CASE NO.

6539

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
9 May 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company for) CASE
a dual completion, Eddy County, New Mexico.) 6539

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87503

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S.O.E.) 471-2462
Santa Fe, New Mexico 87501

I N D E X

MARK WHITAKER

Direct Examination by Mr. Kellahin 3

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E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Application 5

Applicant Exhibit Three, Diagrammatic Sketch 5

Applicant Exhibit Four, Log Portion 6

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Santa Fe, New Mexico 87501

1 MR. NUTTER: We'll call next Case 6539.
2 MR. PADILLA: Application of Continental
3 Oil Company for a dual completion, Eddy County, New Mexico.
4 MR. KELLAHIN: Tom Kellahin of Santa Fe,
5 New Mexico, appearing on behalf of the Applicant. I have
6 one witness.
7 (Witness sworn.)
8
9 MARK WHITAKER
10 being called as a witness and having been duly sworn upon
11 his oath, testified as follows, to-wit:
12
13 DIRECT EXAMINATION
14 BY MR. KELLAHIN:
15 Q Would you please state your name and by
16 whom you're employed?
17 A My name is Mark Whitaker. I'm employed
18 by Continental Oil Company in Hobbs.
19 Q Mr. Whitaker, in what capacity are you
20 employed?
21 A I am in the Reservoir Engineering Section.
22 Q Have you previously testified before the
23 Oil Conservation Division?
24 A No, sir.
25 Q Would you state for the Examiner when and

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1 where you obtained your degree?

2 A. A B.S. in mechanical engineering from New
3 Mexico University.

4 Q. And in what year did you obtain that?

5 A. 1975, and I've been employed with Conti-
6 nental since June of 1976.

7 Q. Have you made a study of and are you
8 familiar with the facts surrounding this particular appli-
9 cation?

10 A. Yes, sir.

11 MR. KELLAHIN: We tender Mr. Whitaker as
12 an expert witness.

13 MR. NUTTER: Mr. Whitaker is qualified.

14 Q. (Mr. Kellahin continuing.) Would you
15 please refer to what we've marked as Exhibit Number One,
16 identify that and explain what Continental Oil is seeking
17 to accomplish?

18 A. Yes, sir. Continental Oil drilled the
19 James Ranch Unit Well No. 7 in Unit G, Section 6 of Township
20 23 South, Range 31 East, Eddy County, New Mexico, to a total
21 depth of 14,590 feet, and completed in the Morrow formation
22 in January of 1976.

23 The Atoka formation was indicated to be
24 productive in this well from log analysis, so Conoco at-
25 tempted to drill an offset to this well to develop the zone.

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1 The offset well was to be located in the proposed WIPP zone,
2 and after lengthy negotiations with the U. S. Government
3 we were denied the right to drill this well.

4 We are therefore requesting permission
5 to dually complete the No. 7 Well in the Atoka formation
6 through perforations from 13,066 to 13,076 feet.

7 Q You made reference to a proposed second
8 well to test the Atoka. Where was that well to be located?

9 A It was to be located in Section 31 of 22
10 South, 31 East.

11 Q Excuse me, let me refer you back to the
12 existing well, what evidence do you have other than the log
13 analysis to indicate that the Atoka formation is productive?

14 A The zone we intend to dual complete in
15 was correlated with the producing interval in Shell's James
16 Ranch Unit No. 1, which is located approximately 6000 feet
17 northwest of our No. 7 Well in Section 36 of 22 South, 30
18 East.

19 Q Please refer to Exhibit Number Two and
20 identify it.

21 A Exhibit Two is the Application for Multiple
22 Completion form, which has been filed with the Commission.

23 Q And would you refer to Exhibit Number
24 Three and identify it?

25 A Exhibit Three is the diagrammatic sketch

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1 of all the downhole equipment, showing casing string sizes,
2 setting depths, cement data, packer, et cetera. I'd like
3 to note that we do propose to produce both zones through
4 tubing.

5 Q Now, Exhibit Number Three is the way the
6 well will be recompleted if the application is approved?

7 A Yes, sir, that is correct.

8 Q How is it currently completed?

9 A The currently producing 3-7/8ths tubing
10 under a packer set at 13,900 feet, the Morrow perforations
11 are from 14,062 to 14,244 feet.

12 Q Okay. Summarize for me how then you'll
13 recomplete the well.

14 A We will isolate the Morrow zone, perfor-
15 ate the Atoka, and see if it is productive, and if it is,
16 we will then run our dual equipment and produce the zones
17 separately.

18 Q All right. Would you refer to Exhibit
19 Number Four and identify it?

20 A Exhibit Four is log section from the
21 well, showing the present producing interval in the Los
22 Medanos Morrow Pool and the intended completion interval in
23 the Los Medanos Atoka Pool.

24 Q In your opinion, Mr. Whitaker, does the
25 proposed method for recompleting this well as a dual Atoka-

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1 Morrow completion conform to sound engineering practices?

2 A. Yes, sir, I believe so.

3 Q. And in your opinion will the method for
4 recompletion insure that no communication occurs between
5 the two zones?

6 A. Yes, sir.

7 Q. Were Exhibits One through Four prepared
8 by you or compiled under your direction and supervision?

9 A. Yes, sir.

10 Q. In your opinion will approval of this
11 application prevent waste and protect correlative rights?

12 A. Yes, sir.

13 MR. KELLAHIN: This concludes our exam-
14 ination. We move the introduction of Exhibits One through
15 Four.

16 MR. NUTTER: Exhibits One through Four
17 will be admitted in evidence.

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19 CROSS EXAMINATION

20 BY MR. NUTTER:

21 Q. Mr. Whitaker, now was any drill stem test
22 or anything made of the Atoka in the No. 7 when it was com-
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24 A. No, sir, they were not.

25 Q. Just examination of the logs and the com-

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3 Q. -- is what makes you think that the Atoka
4 is productive?

5 Now, it looks like you've got a liner
6 hung in the well and that the diameter of that is probably
7 about five inches, so one string of tubing only can be run
8 down into the lower portion of the well.

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10 Q. So, actually, this is going to require a
11 tubing setting exception -- a tubing depth -- tubing setting
12 depth exception, also, apparently, because it looks like
13 your tubing for the Atoka would be hung at 11,500 and the
14 perforations in the Atoka are going to be in the neighbor-
15 hood of 13,000 feet, is that correct?

16 A. Yes, sir.

17 Q. And the existing -- and the packer that
18 will separate these zones is the existing packer today,
19 this Baker Model DB at 13,900?

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21 MR. NUTTER: Are there any further ques-
22 tions of this witness? He may be excused.

23 MR. KELLAHIN: Mr. Examiner, in your
24 opinion, do you believe it necessary to re-advertise our
25 case for the tubing depth exception?

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2 something that's going to have to be included in the order
3 because we do have administrative authority to grant these
4 tubing exceptions without notice to anyone, so I'm sure we
5 can grant it after a hearing without notice to anyone, also.

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12 We'll take the case under advisement.

13 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd CSR
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6539 heard by me on 5/9 1979.

[Signature], Examiner
Oil Conservation Division

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STATE OF NEW MEXICO
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(Witness sworn.)

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DIRECT EXAMINATION

BY MR. KELLAHIN:

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A My name is Mark Whitaker. I'm employed by Continental Oil Company in Hobbs.

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2 something that's going to have to be included in the order
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3020 Plaza Blanca (808) 471-2462
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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6539 heard by me on 5/9 1979.

 Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2452
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6539
Order No. R-6010

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A DUAL COMPLETION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on May 9, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of May, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks authority to complete its James Ranch Unit Well No. 7, located in Unit G of Section 6, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Morrow and Atoka formations, Los Medanos Field, through parallel strings of tubing with separation of the zones to be achieved by means of a packer set at approximately 13,900 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. 6539
Order No. R-6010

IT IS THEREFORE ORDERED:

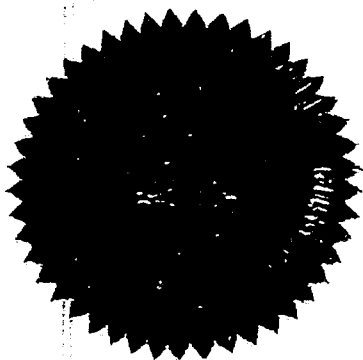
(1) That the applicant, Continental Oil Company, is hereby authorized to complete its James Ranch Unit Well No. 7, located in Unit G of Section 6, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Morrow and Atoka formations, Los Medanos Field, through parallel strings of tubing with a packer set at approximately 13,900 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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 Wellhead Shut-in Pressure Test Period for the Los Medanos-Morrow Gas Pool.

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

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

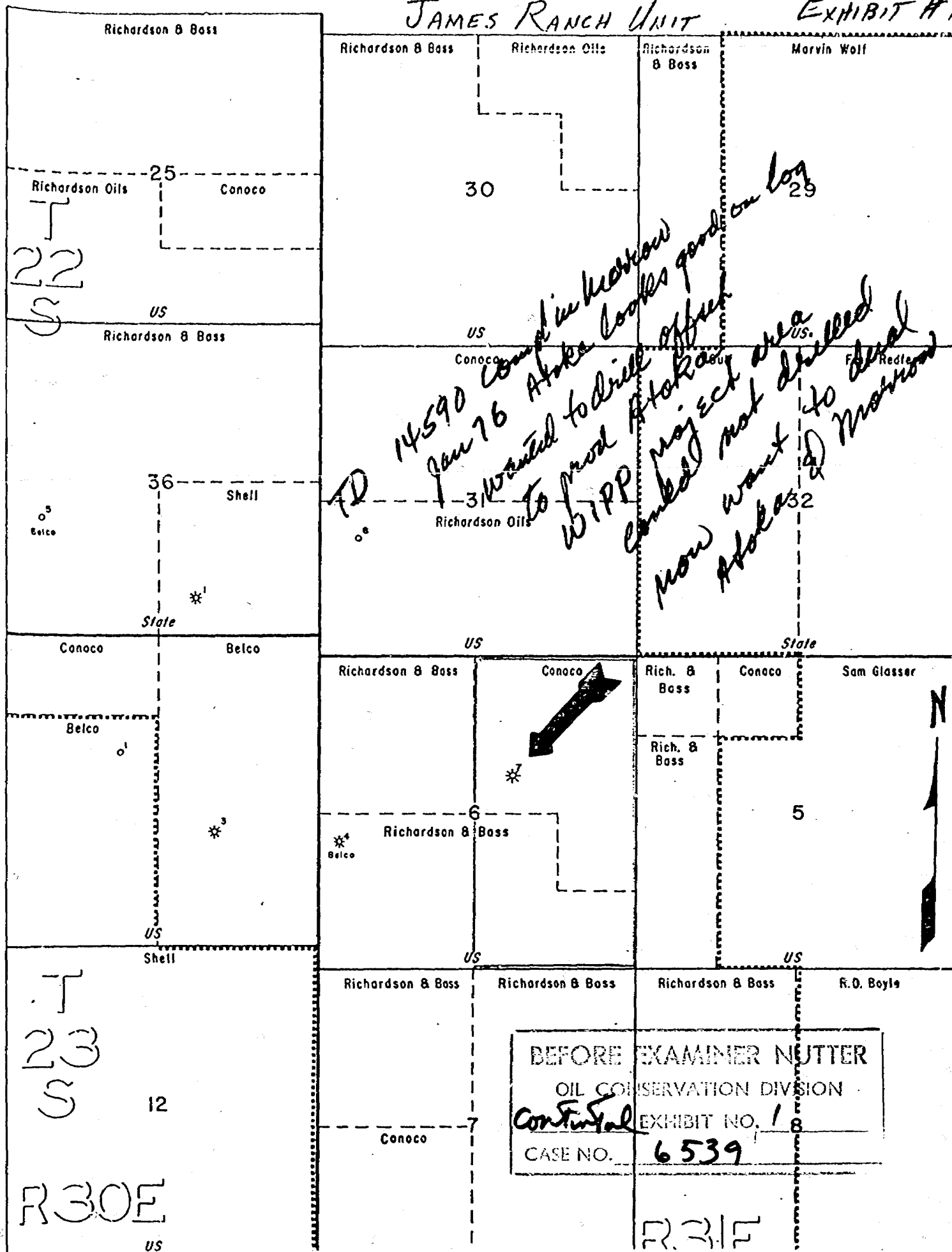


STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

dr/

EXHIBIT #1



NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

EXHIBIT #2

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator		County	Date
Continental Oil Company		Eddy	4-12-79
Address		Lease	Well No.
P. O. Box 460, Hobbs, New Mexico 88240		James Ranch Unit	7
Location	Unit	Section	Township
or Well	G	6	23-S
			Range
			31-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 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	Los Medanos Atoka		Los Medanos Morrow
b. Top and Bottom of Pay Section	13,066'		14,062'
(Perforations)	13,076'		14,244'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)			Flowing

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.
- 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.

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
<u>Continental</u> EXHIBIT NO. <u>2</u>
CASE NO. <u>6539</u>

* Will be furnished at later date.

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 4-12-79

CERTIFICATE: I, the undersigned, state that I am the Asst. Division Manager of the Continental Oil Company (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.

John R. Kemp
Signature

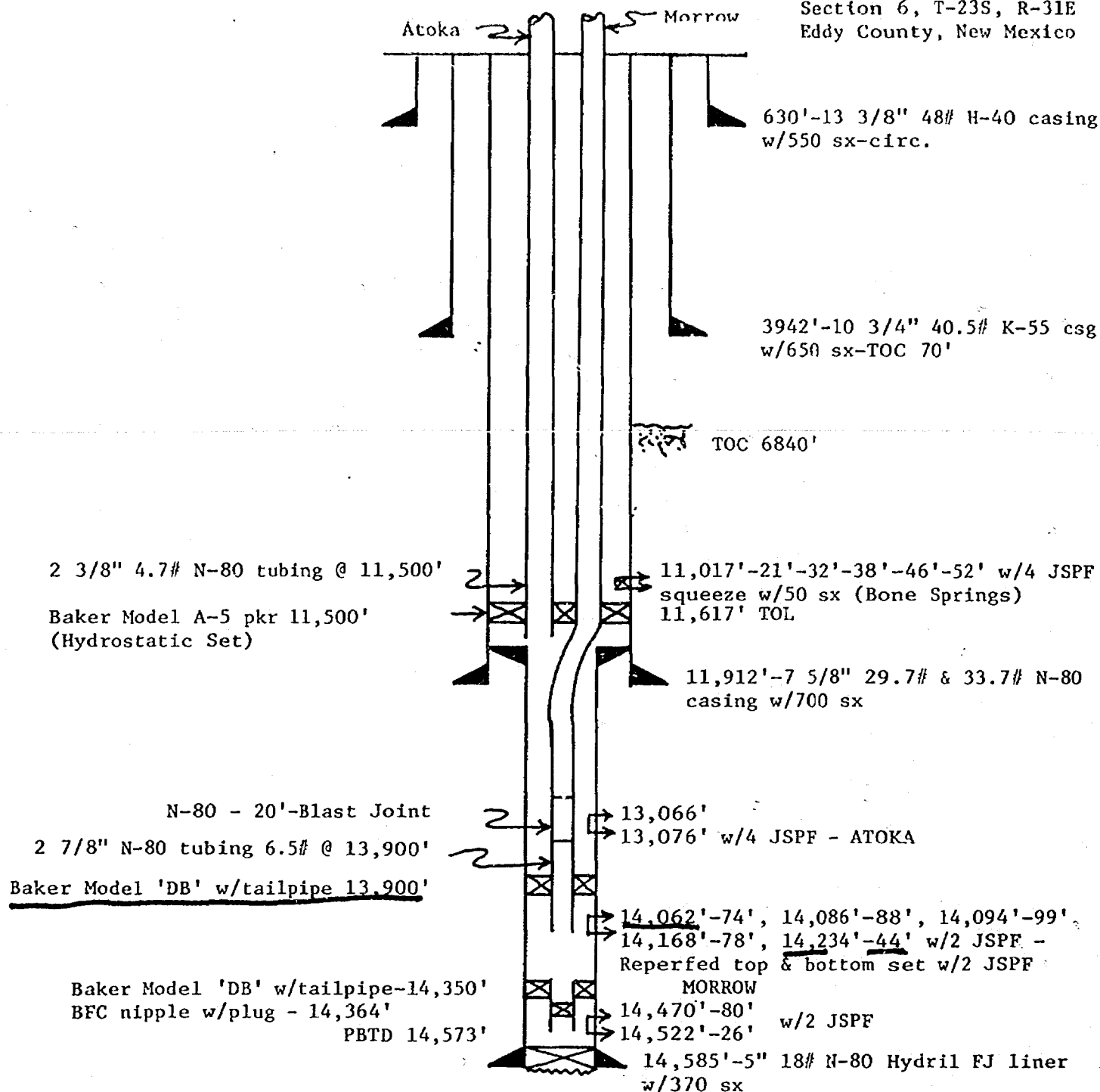
* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest 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.

Elev: 3319' GL

'0'-19' AGL

1980' FNL & 1980' FEL
Section 6, T-23S, R-31E
Eddy County, New Mexico



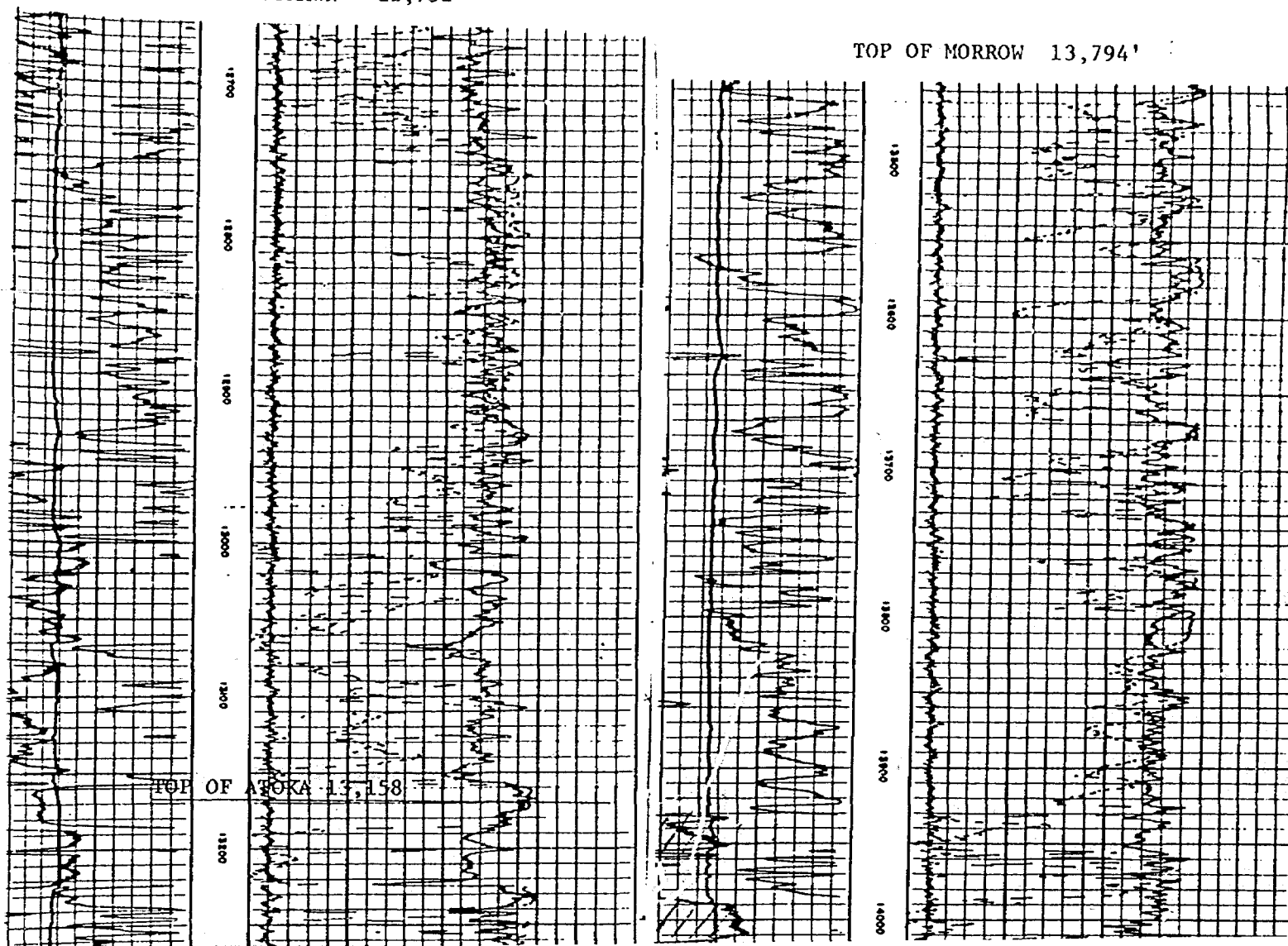
REPORT EXAMINER NUTTER	
OIL COMMISSION DIVISION	
CONFIDENTIAL	3
CASE NO.	6539
JAMES RANCH UNIT WELL NO. 7	

PROPOSED COMPLETION

*tubing setting
depth exception*

CONTINENTAL OIL COMPANY
JAMES RANCH UNIT NO. 7
1980' FNL & EL 6-23S-31E
LOS MEDANOS ATOKA AND MORROW POOLS
COMPENSATED NEUTRON FORMATION DENSITY LOG

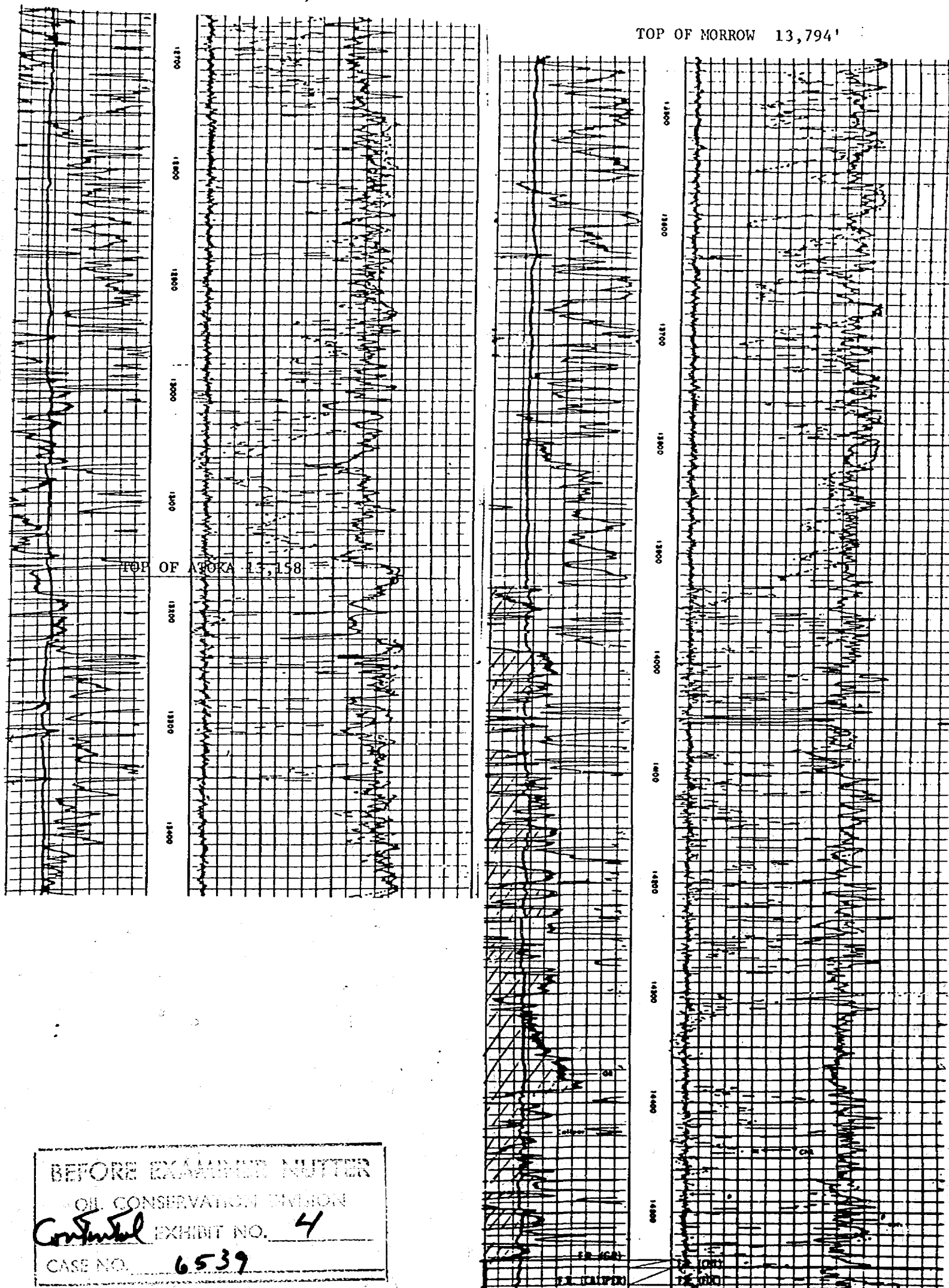
TOP OF STRAWN - 12,752'



CONTINENTAL OIL COMPANY
 JAMES RANCH UNIT NO. 7
 1980' FNL & EL 6-23S-31E
 LOS MEDANOS ATOKA AND MORROW POOLS
 COMPENSATED NEUTRON FORMATION DENSITY LOG

TOP OF STRAWN - 12,752'

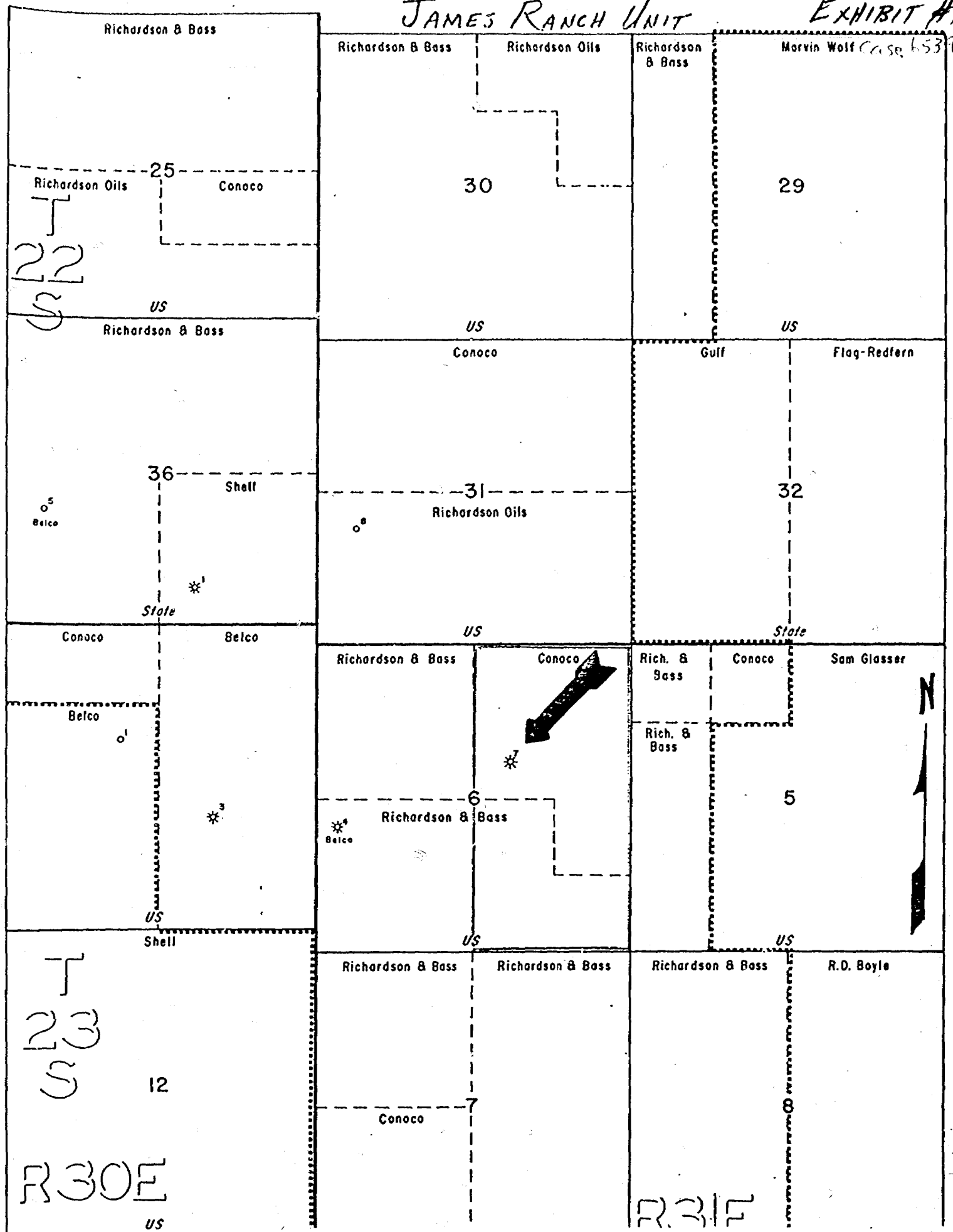
TOP OF MORROW 13,794'



BEFORE EXAMINED MUTTER
 OIL CONSERVATION DIVISION
Confidential EXHIBIT NO. 4
 CASE NO. 6539

JAMES RANCH UNIT

EXHIBIT #1



NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

EXHIBIT #2

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Eddy		Date 4-12-79
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease James Ranch Unit		Well No. 7
Location or Well	Unit G	Section 6	Township 23-S	Range 31-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 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	Los Medanos Atoka		Los Medanos Morrow
b. Top and Bottom of Pay Section (Perforations)	13,066' 13,076'		14,062' 14,244'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)			Flowing

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.
- 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.

* Will be furnished at later date.

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 4-12-79.

CERTIFICATE: I, the undersigned, state that I am the Asst. Division Manager of the Continental Oil Company (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.

John R. Kemp
Signature

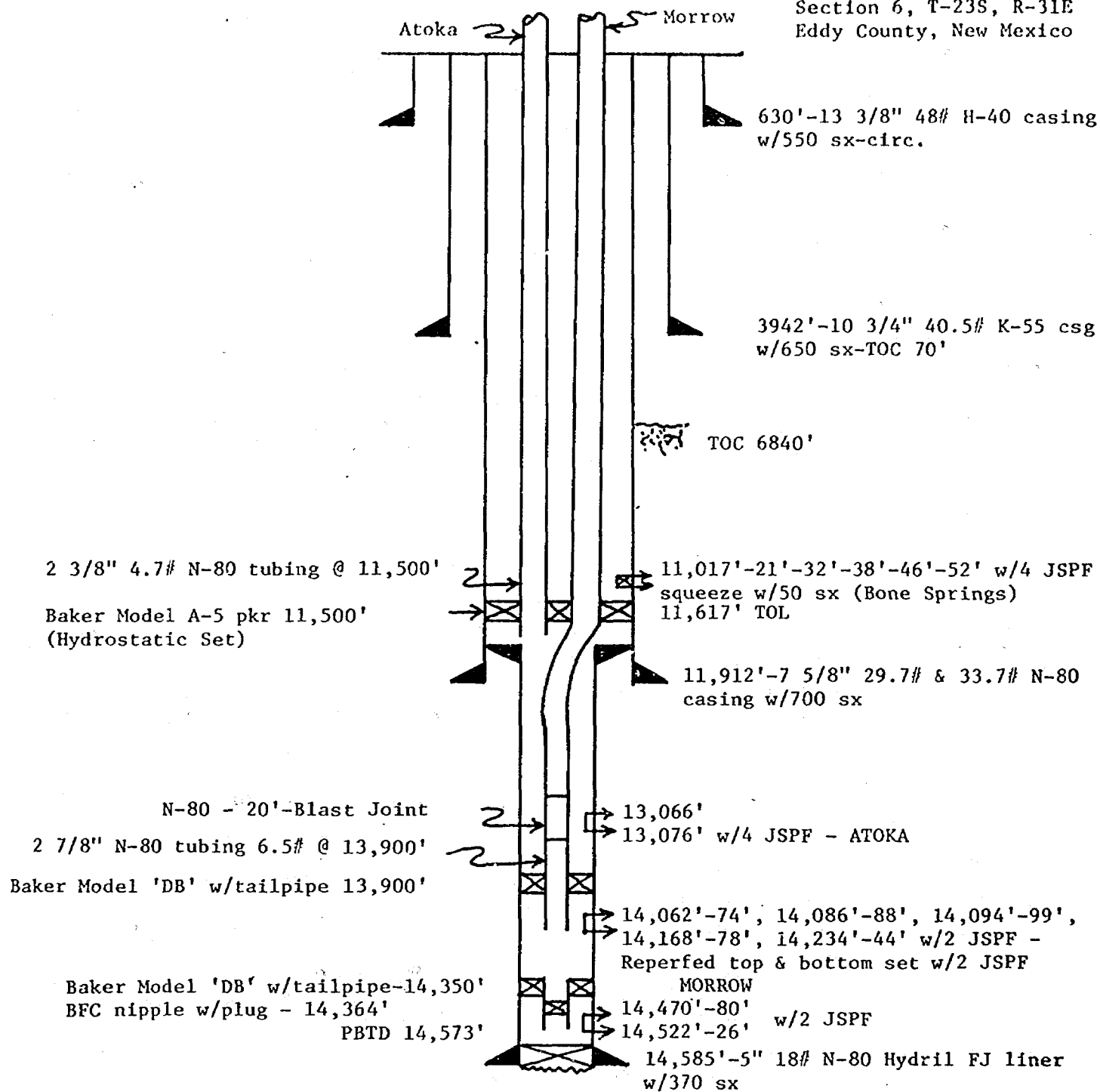
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NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

Elev: 3319' GL

'0'-19' AGL

1980' FNL & 1980' FEL
Section 6, T-23S, R-31E
Eddy County, New Mexico

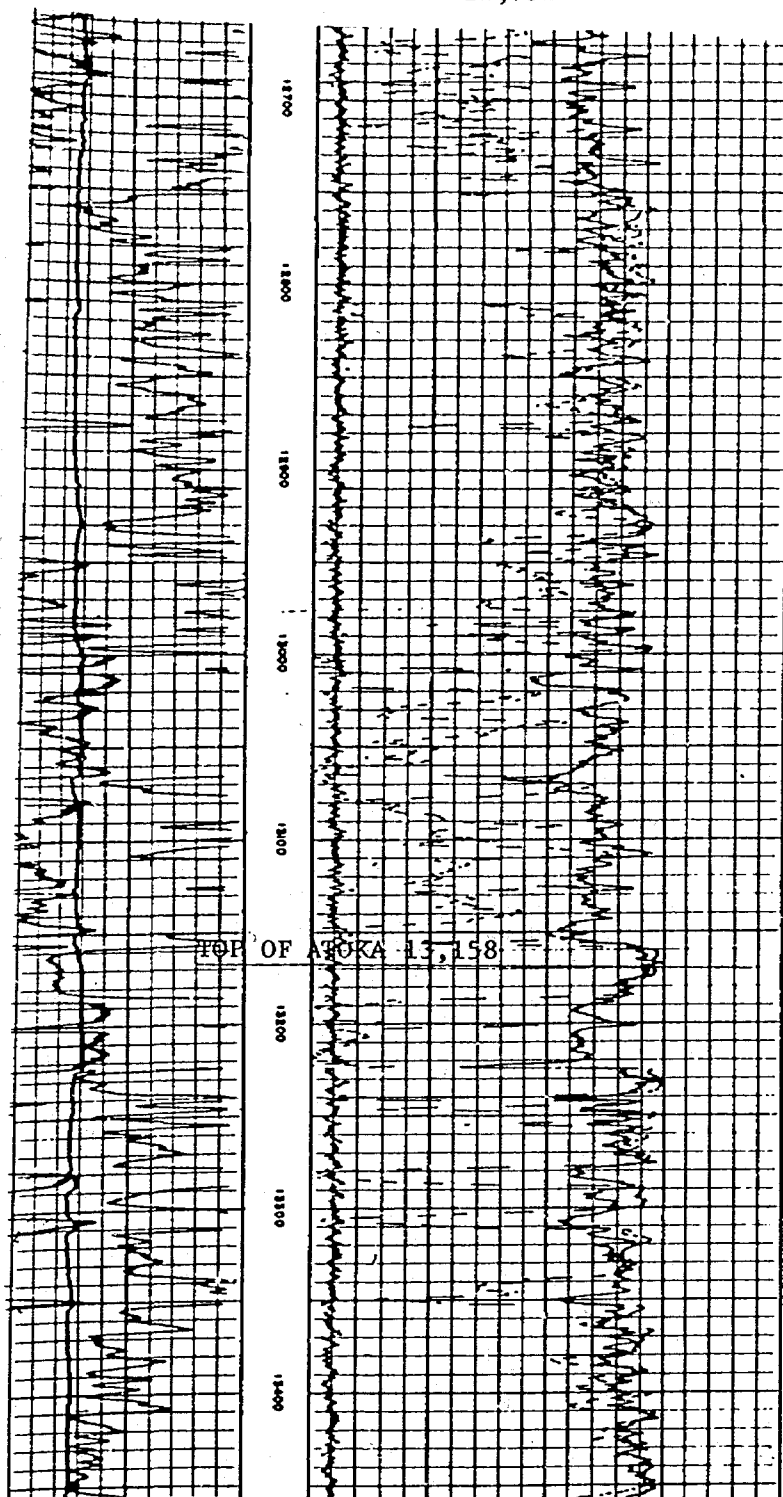


PROPOSED COMPLETION

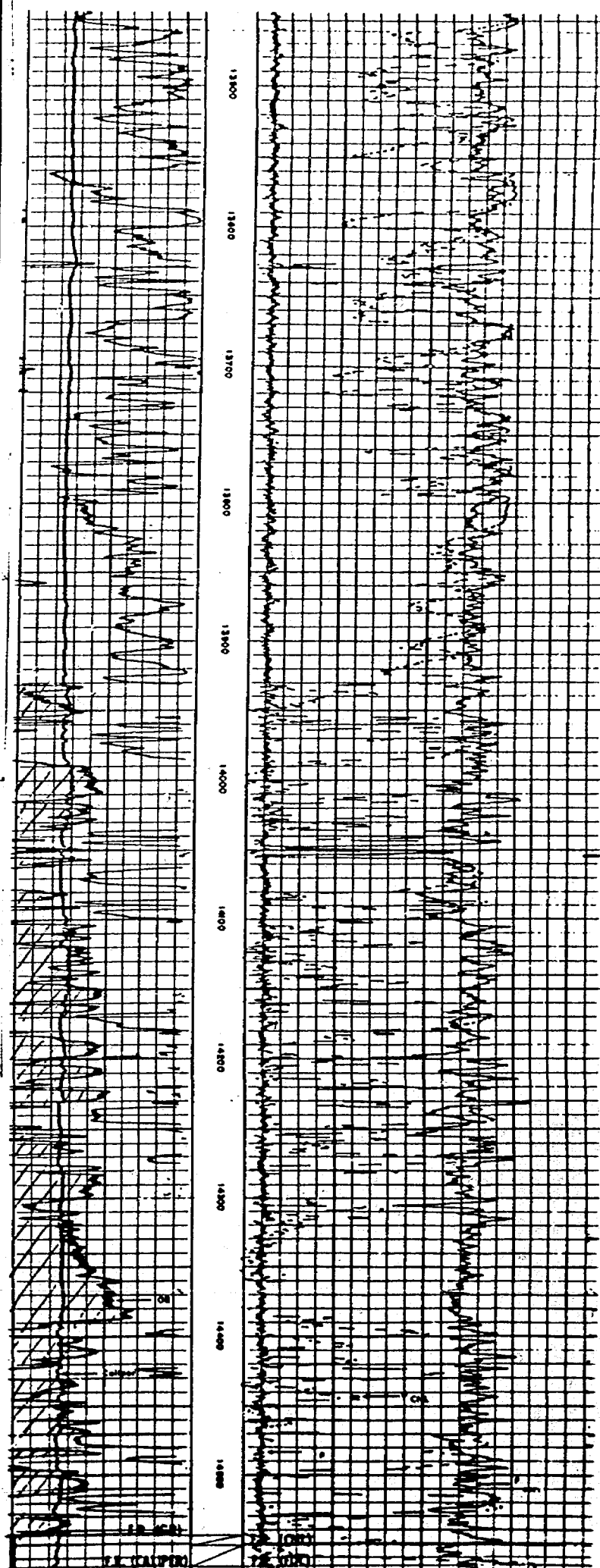
JAMES RANCH UNIT WELL NO. 7

CONTINENTAL OIL COMPANY
JAMES RANCH UNIT NO. 7
1980' FNL & EL 6-23S-31E
LOS MEDANOS ATOKA AND MORROW POOLS
COMPENSATED NEUTRON FORMATION DENSITY LOG

TOP OF STRAWN - 12,752'

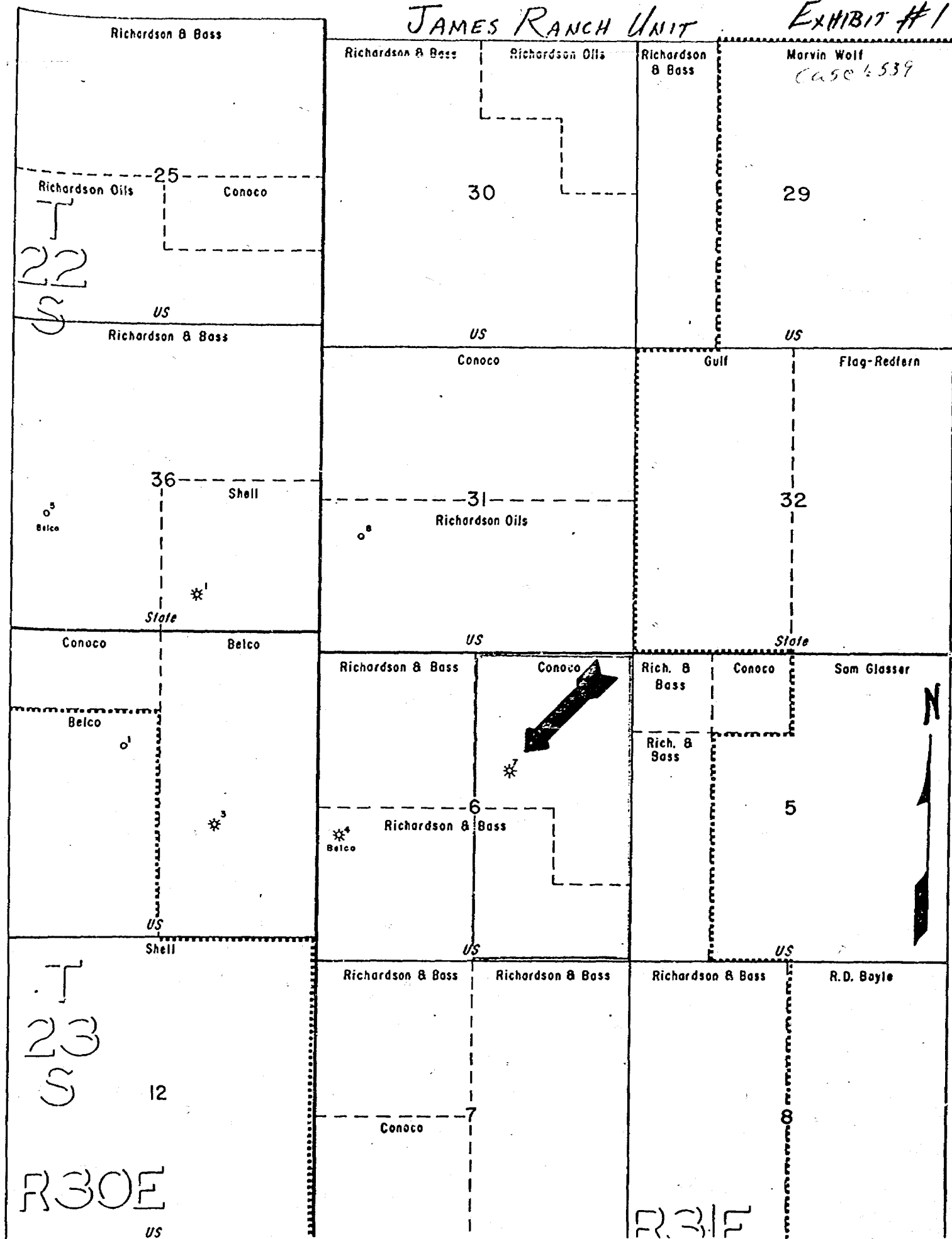


TOP OF MORROW 13,794'



JAMES RANCH UNIT

EXHIBIT #1



NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

EXHIBIT #2

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Eddy	Date 4-12-79
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease James Ranch Unit	Well No. 7
Location or Well	Unit G	Section 6	Township 23-S
		Range 31-E	

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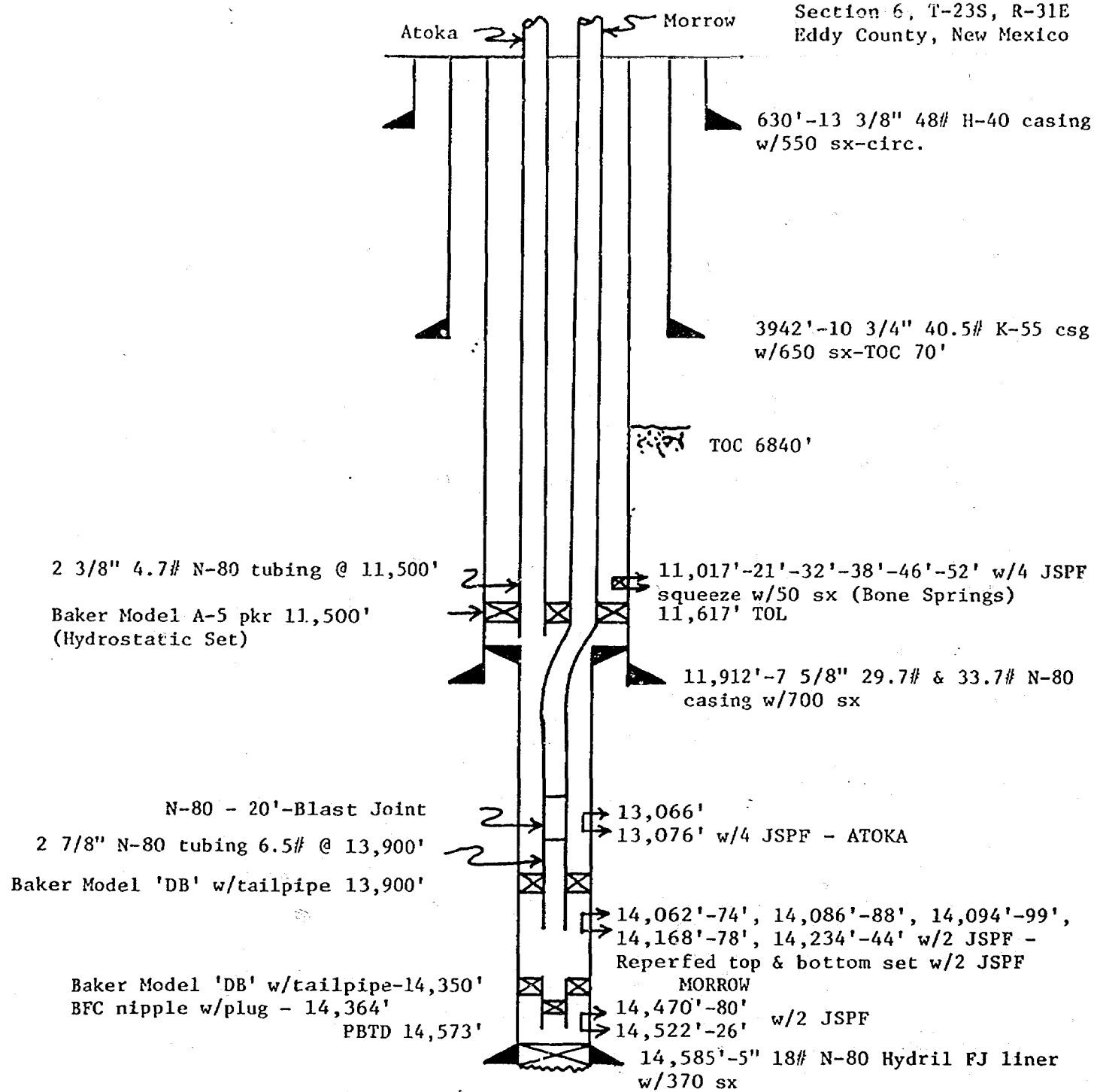
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Signature

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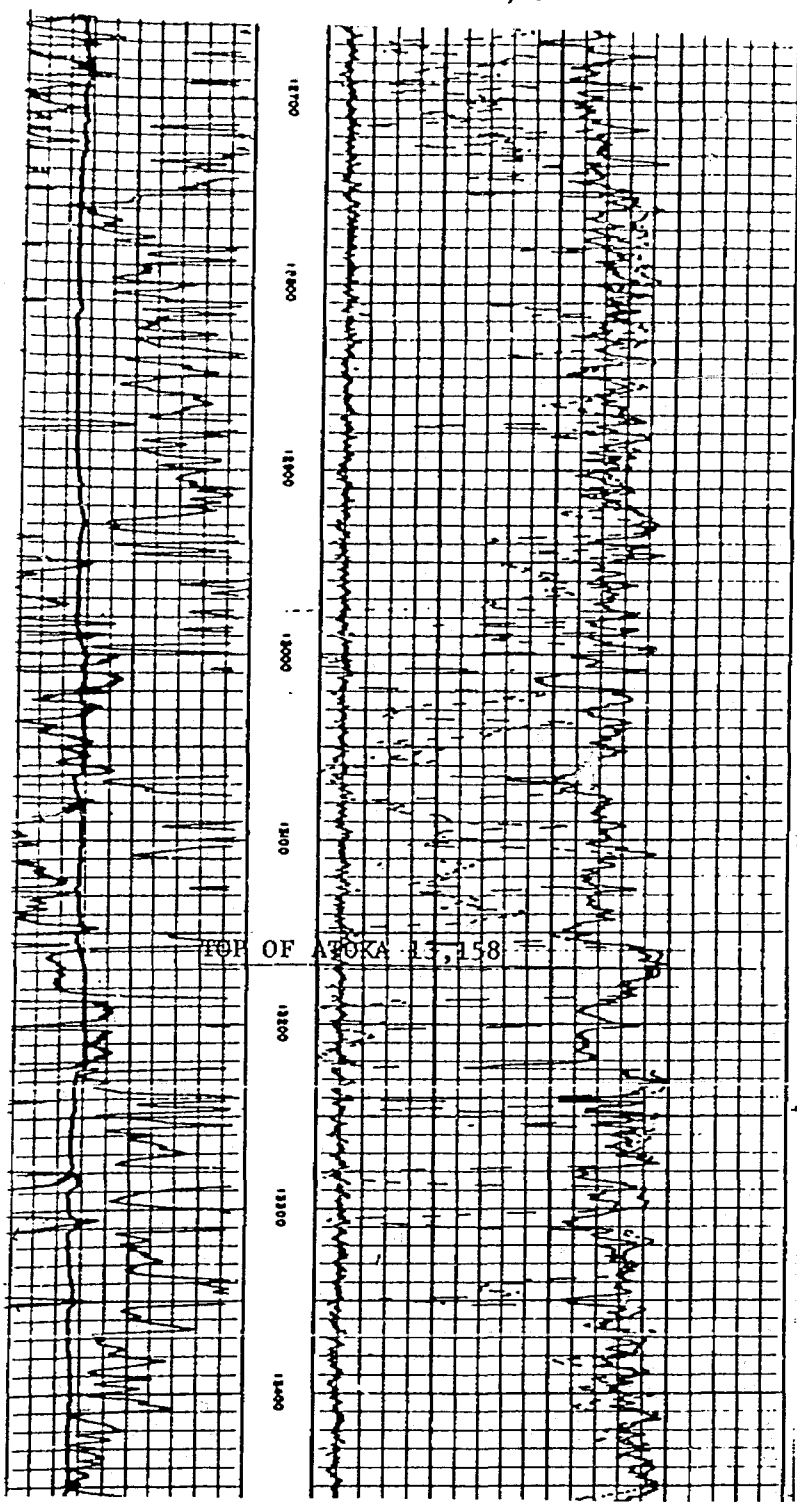
Elev: 3319' GL

'0'-19' AGL

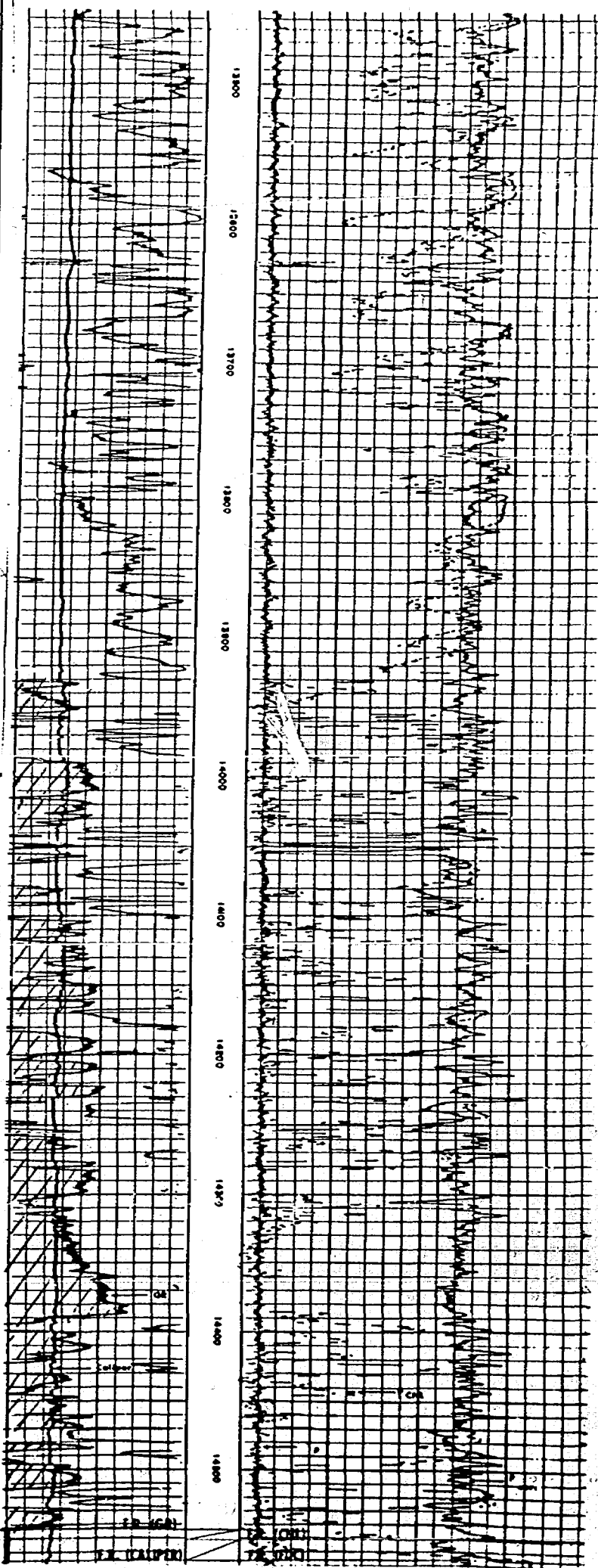
1980' FNL & 1980' FEL
Section 6, T-23S, R-31E
Eddy County, New MexicoPROPOSED COMPLETIONJAMES RANCH UNIT WELL NO. 7

CONTINENTAL OIL COMPANY
 JAMES RANCH UNIT NO. 7
 1980' FNL & EL 6-235-31E
 LOS MEDANOS ATOKA AND MORROW POOLS
 COMPENSATED NEUTRON FORMATION DENSITY LOG

TOP OF STRAWN - 12,752'



TOP OF MORROW 13,794'



H. A. Ingram



To DAN

Date

4-19-79

I appreciated your call
yesterday about the James
Ranch #7 application to dual.
Here are four copies of the
well bore diagrams, "before"
and "after."

If you should need anything
more, please let me know.

Regards,
Hugh Ingram

Dockets Nos. 20-79 and 21-79 are tentatively set for hearing on May 23 and June 13, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 9, 1979

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

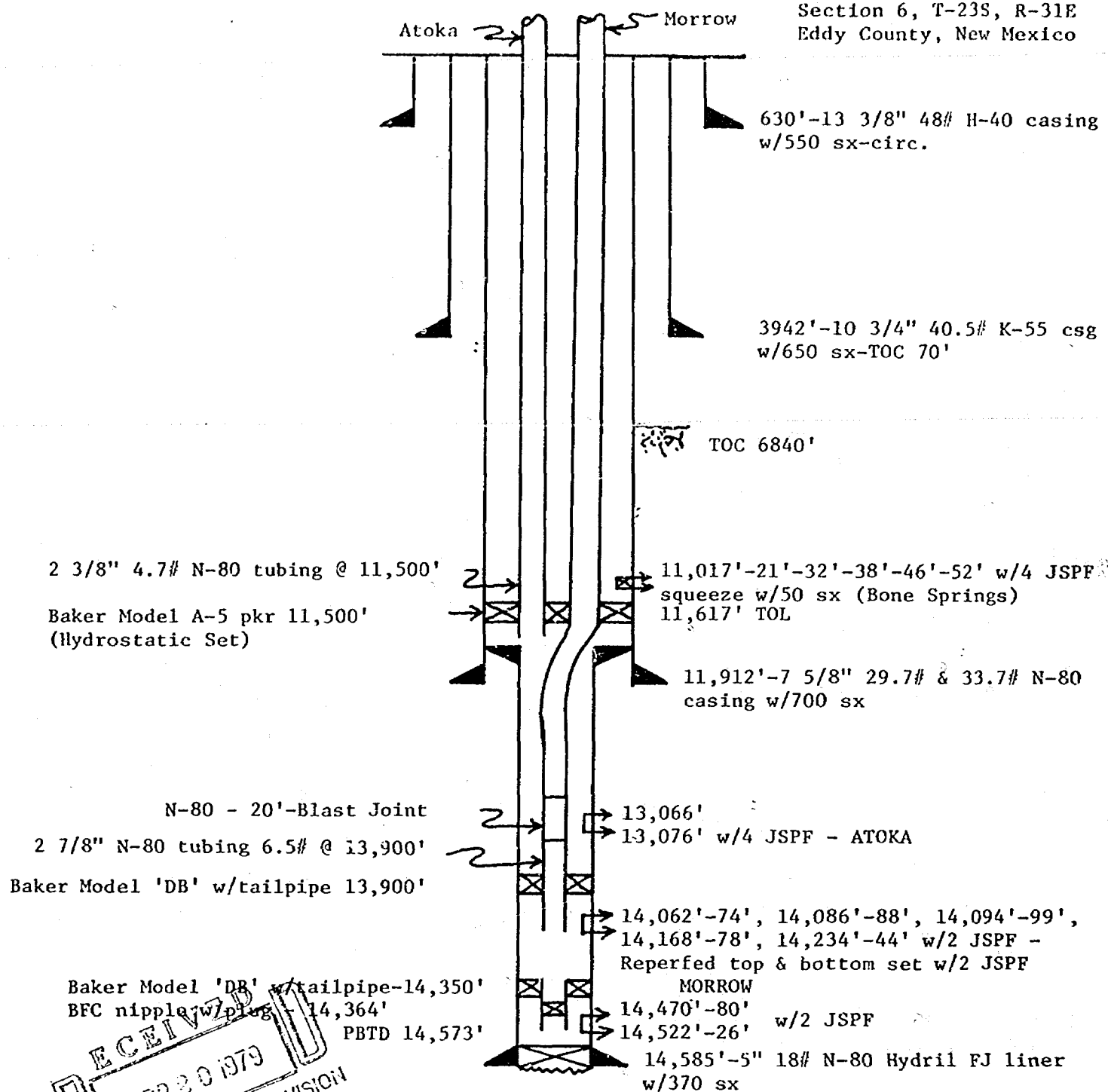
The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 6544: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Geologic Resources, Inc., United States Fire Insurance Company, and all other interested parties to appear and show cause why the B. T. Godec Strat. Test Well No. 1 located in Unit I of Section 25, Township 12 North, Range 8 East, Santa Fe County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6492: (Continued from April 25, 1979, Examiner Hearing)
Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6534: Application of Amoco Production for simultaneous dedication and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of its Gilluly Fed. Well No. 17 at an unorthodox location in Unit H of Section 24, Township 20 South, Range 36 East, Eumont Gas Pool, along with the three wells now dedicated to the previously approved 480-acre unit comprising the N/2 and SE/4 of said Section 24.
- CASE 6535: Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.
- CASE 6536: Application of Black River Corp. for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalnat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to applicant's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well NO. 3 located in Unit P.
- CASE 6537: Application of Harper Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its West Ranger Lake Unit Area, comprising 1,120 acres, more or less, of State lands in Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 6538: Application of Bedford, Inc., for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its Ram Well No. 1-A located in Unit G of Section 8, Township 26 North, Range 12 West, WAW Fruitland-Pictured Cliffs Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6539: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Unit Well No. 7 located in Unit G of Section 6, Township 23 South, Range 31 East, Eddy County, New Mexico, to produce gas from the Morrow and Atoka formations, Los Medanos Field, through parallel strings of tubing.
- CASE 6540: Application of Caulkins Oil Company for an NGPA determination, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a Section 108 stripper gas well determination for its State B Well No. 233 located in Unit D of Section 16, Township 26 North, Range 6 West, South Blanco-Pictured Cliffs Pool, Rio Arriba County, New Mexico.
- CASE 6541: Application of Sun Oil Company for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its State H Well No. 17, 1328 feet from the North line and 1336 feet from the East line of Section 16, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico.

Elev: 3319' GL

'0'-19' AGL

1980' FNL & 1980' FEL
Section 6, T-23S, R-31E
Eddy County, New Mexico



RECEIVED
APR 20 1979
OIL CONSERVATION DIVISION
SANTA FE

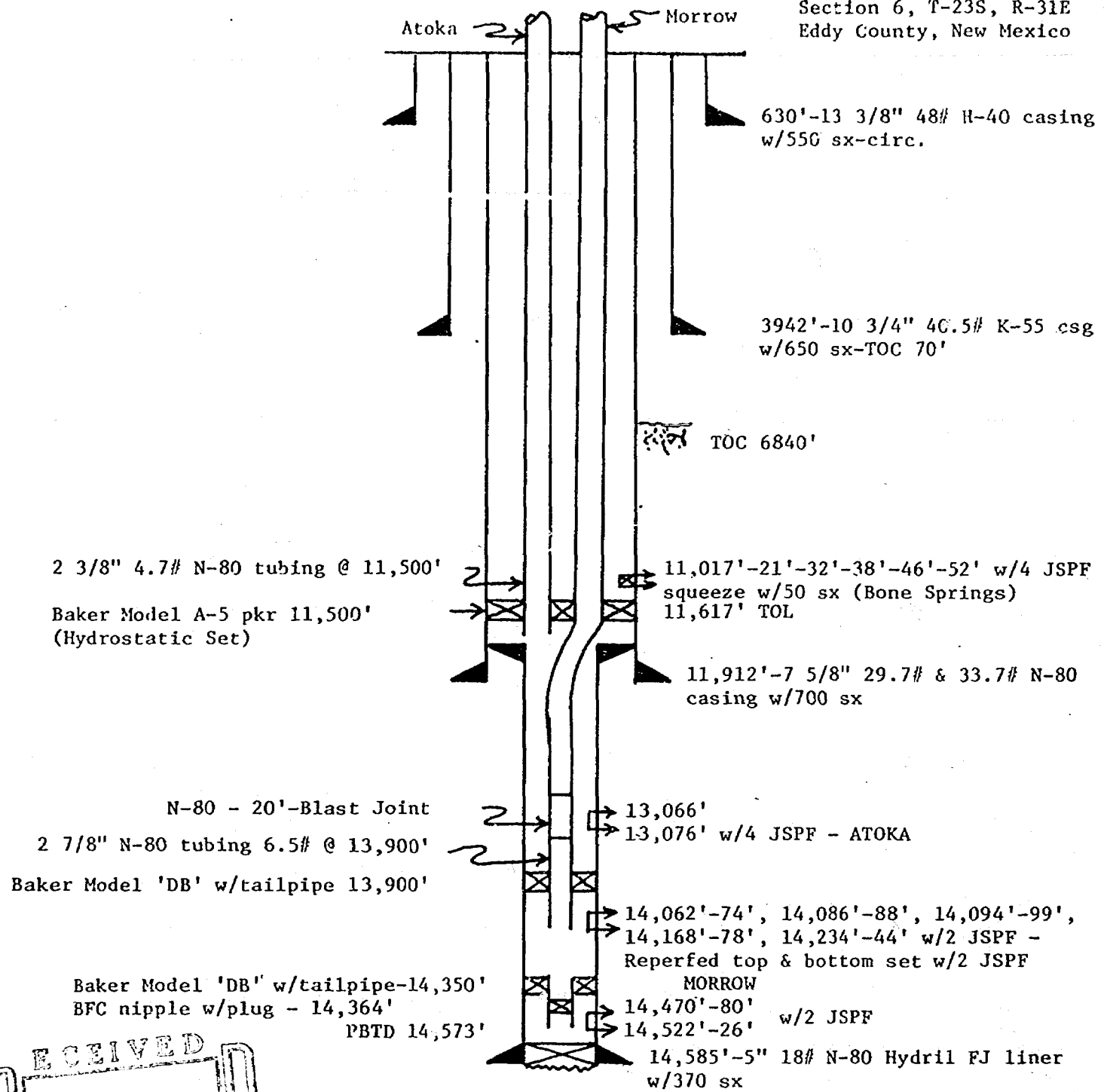
PROPOSED COMPLETION

JAMES RANCH UNIT WELL NO. 7

Elev: 3319' GL

0'-19' AGL

1980' FNL & 1980' FEL
Section 6, T-23S, R-31E
Eddy County, New Mexico



RECEIVED
APR 30 1979
OIL CONSERVATION DIVISION
SANTA FE

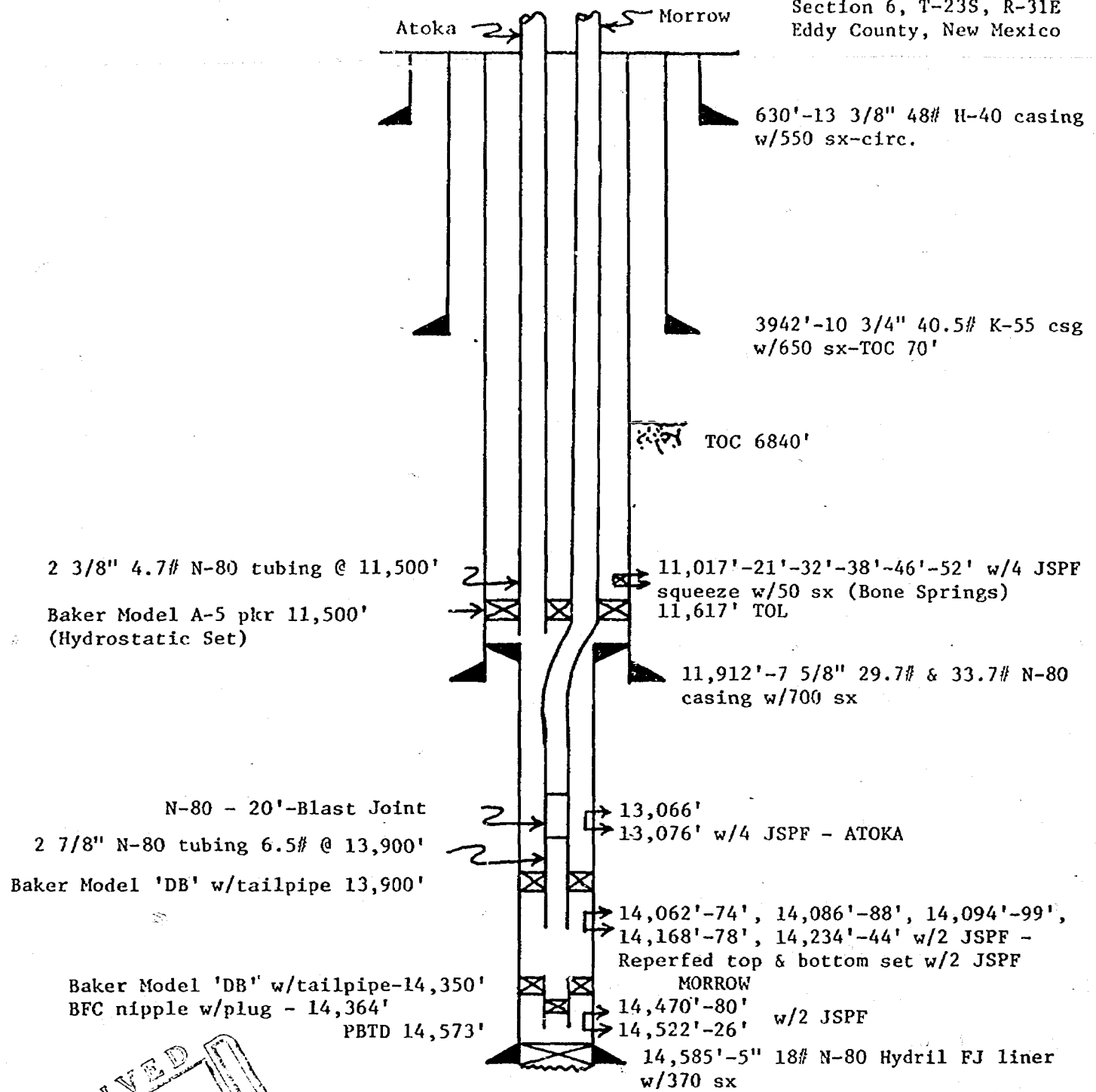
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Section 6, T-23S, R-31E
Eddy County, New Mexico



RECEIVED
APR 20 1975
OIL CONSERVATION DIVISION
SANTA FE

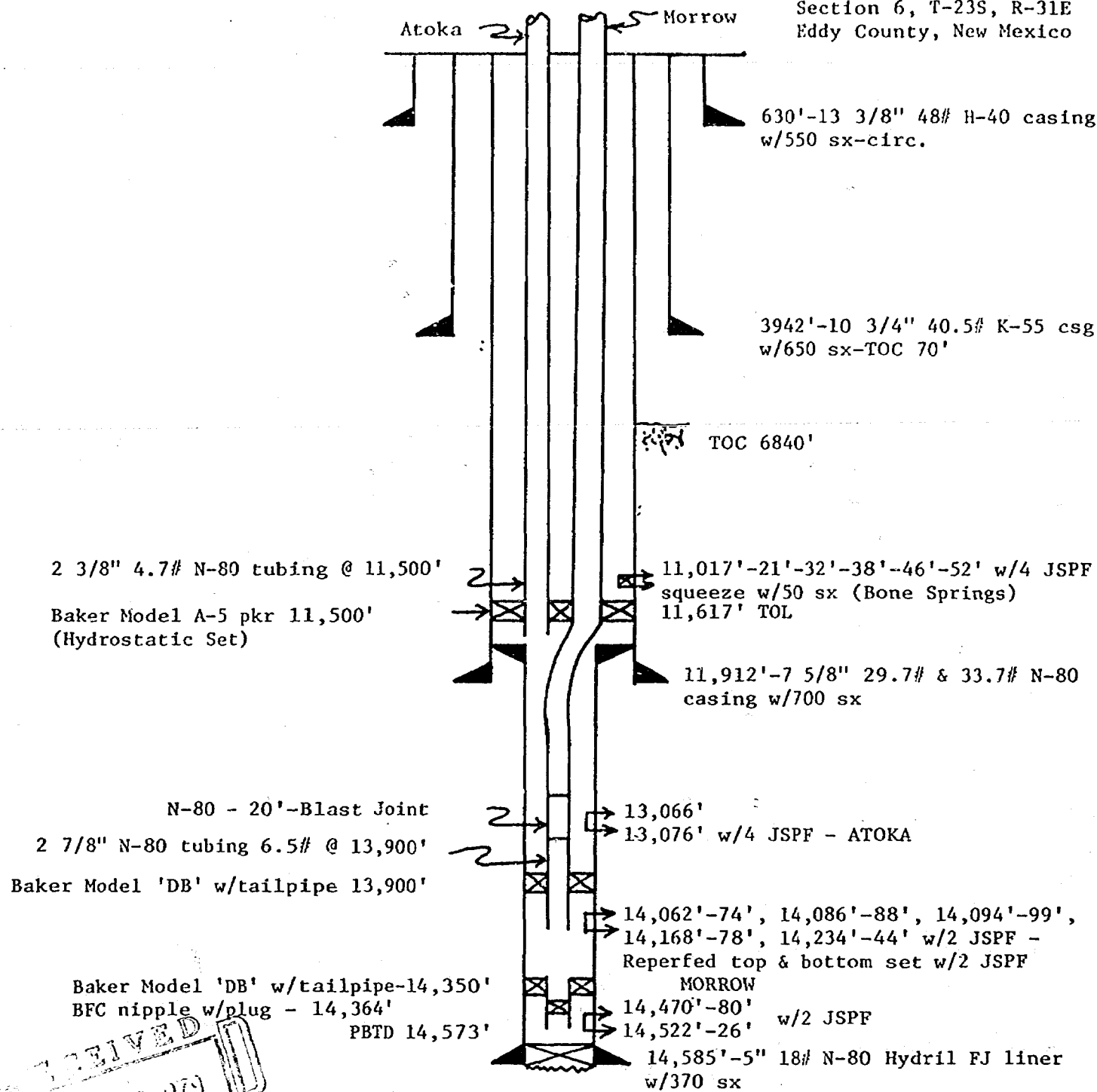
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Eddy County, New Mexico



RECEIVED
APR 20 1979
OIL CONSERVATION DIVISION
SANTA FE

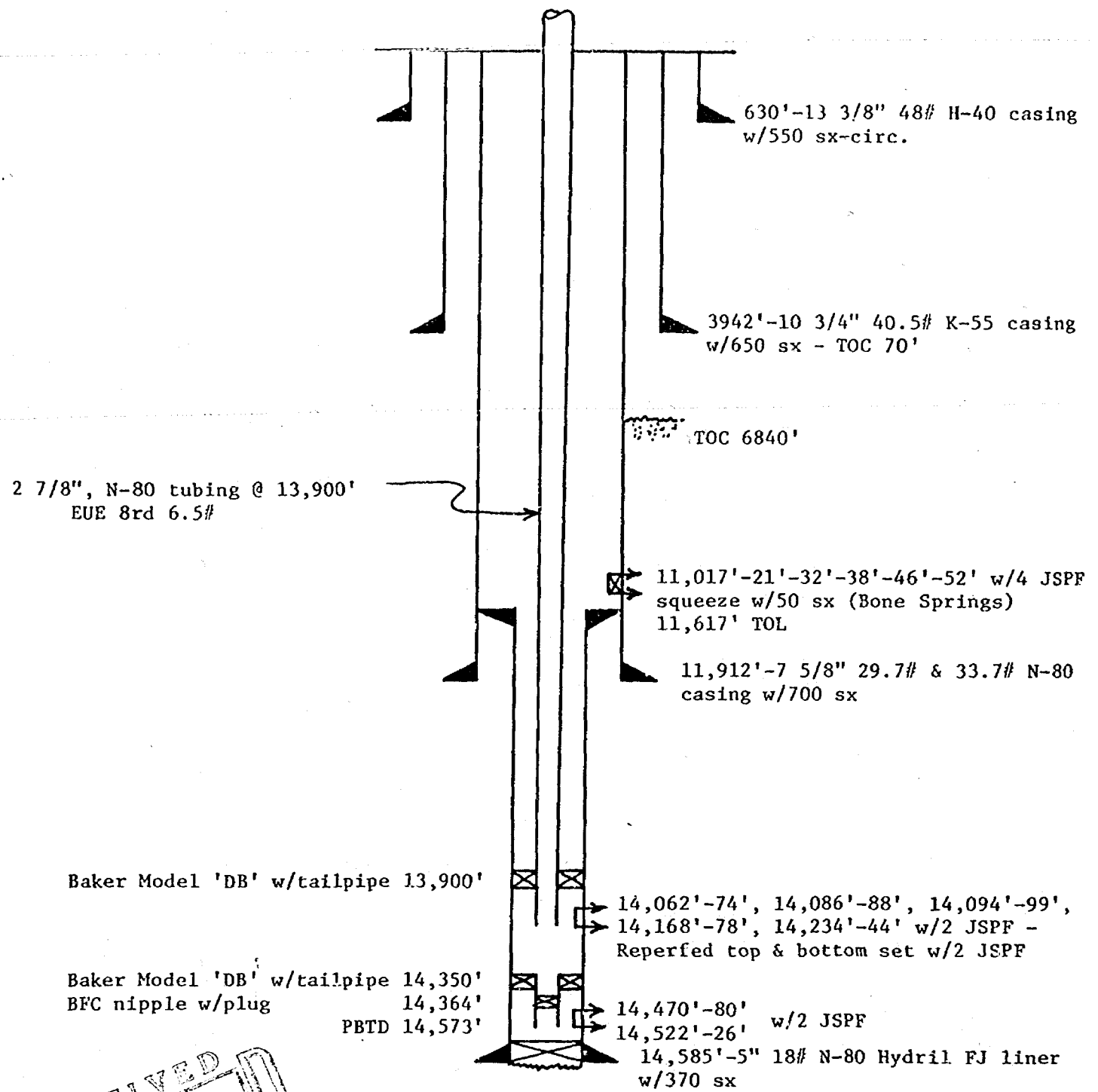
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Section 6, T-23S, R-31E
Eddy County, New Mexico



RECEIVED
OCT 10 1979
OIL CONSERVATION DIVISION
SANTA FE

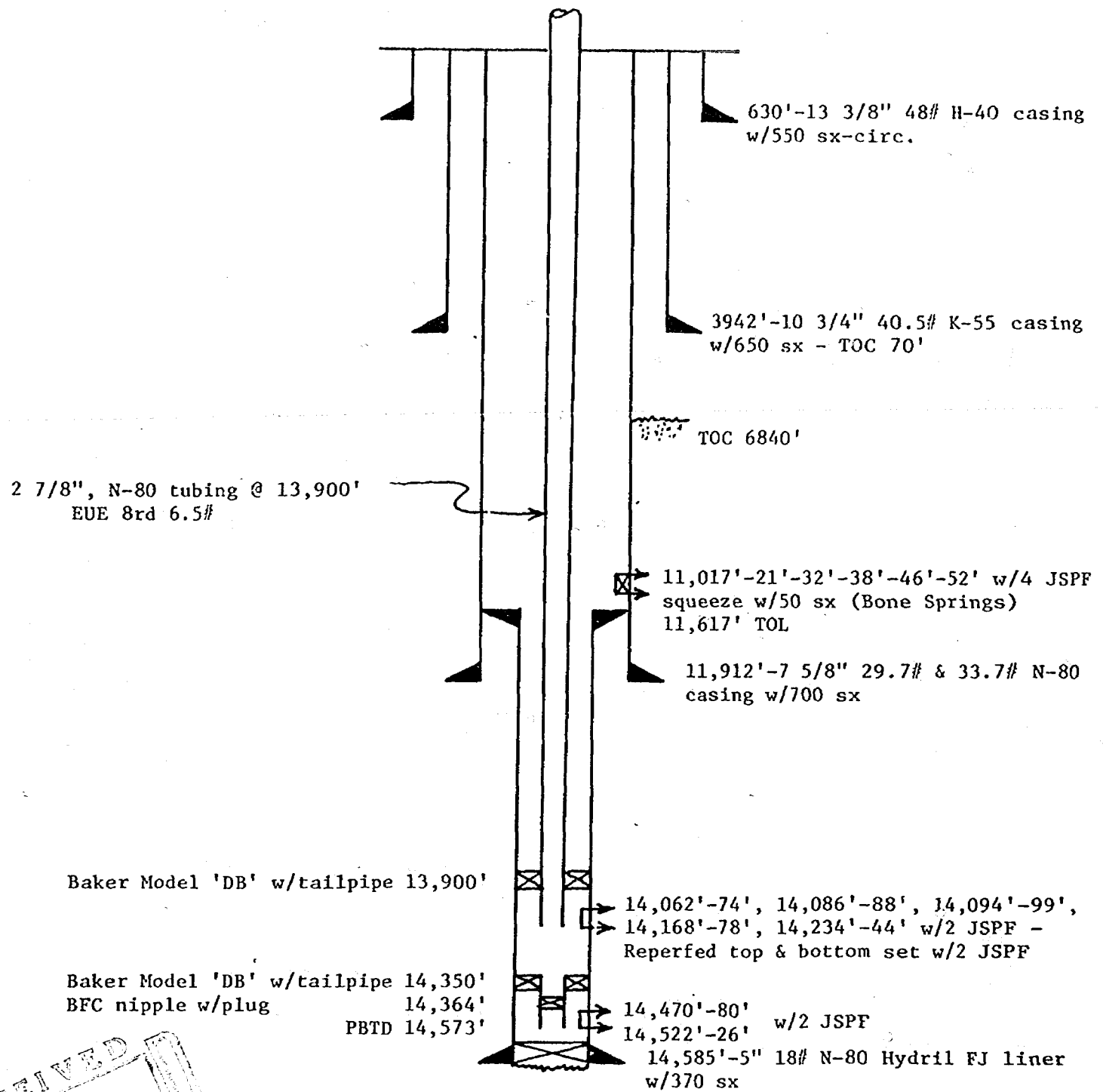
PRESENT COMPLETION

JAMES RANCH UNIT WELL NO. 7

Elev: 3319' GL

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Section 6, T-23S, R-31E
Eddy County, New Mexico



RECEIVED
APR 10 1973
OIL CONSERVATION DIVISION
SANTA FE

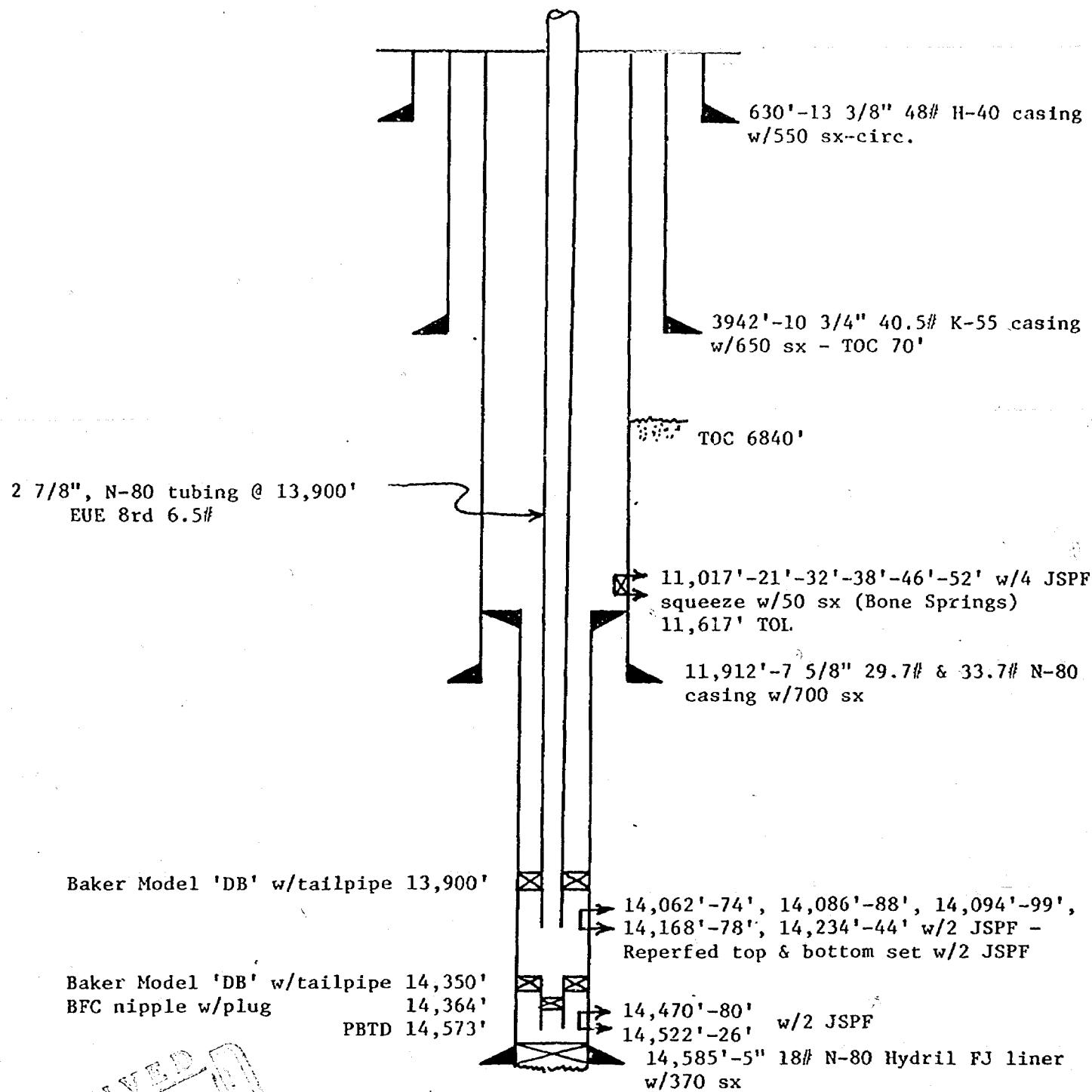
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Eddy County, New Mexico



RECEIVED
JUL 11 1979
OIL CONSERVATION DIVISION
SANTA FE

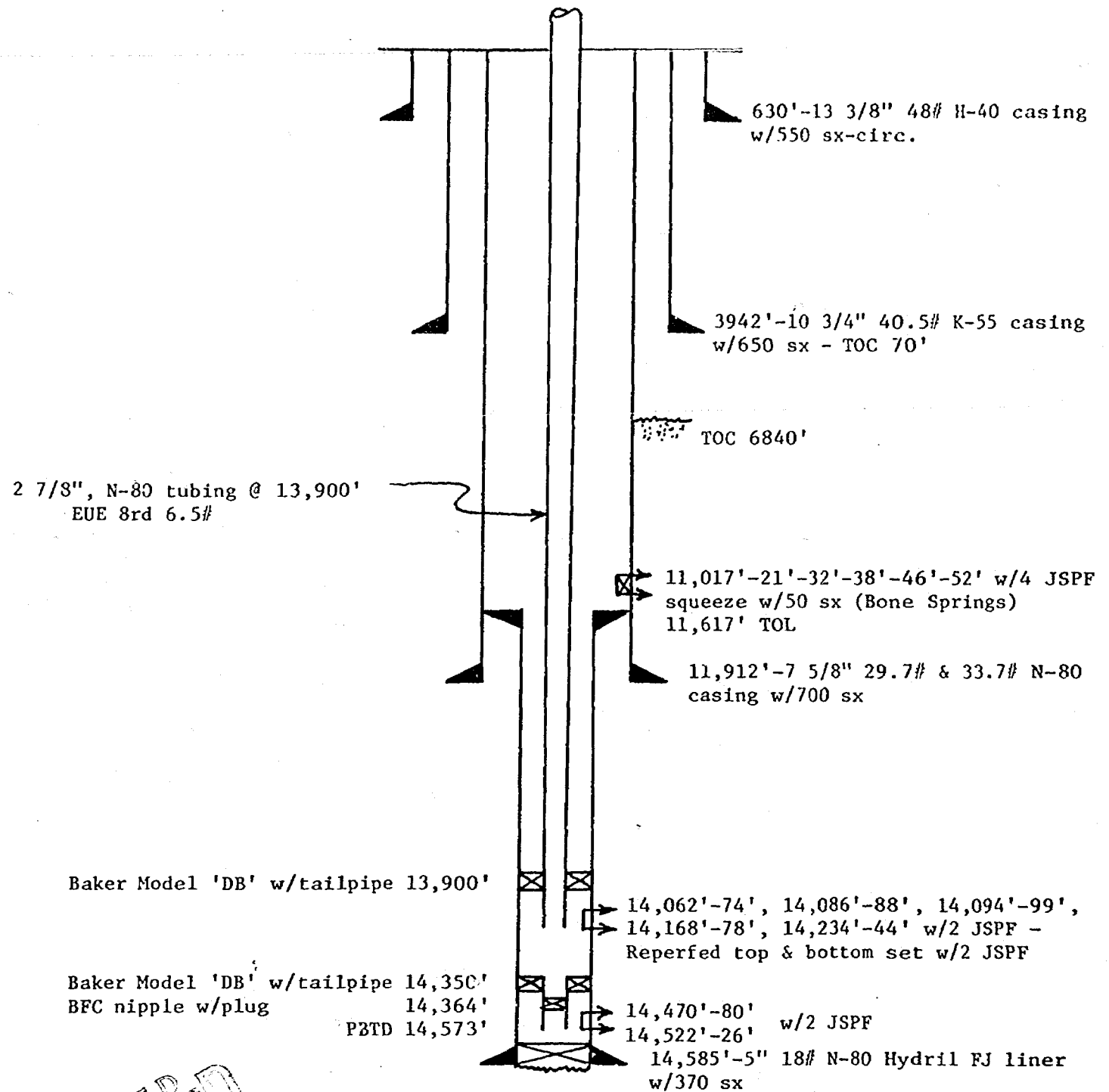
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Section 6, T-23S, R-31E
Eddy County, New Mexico



RECEIVED
JUL 10 1983
OIL CONSERVATION DIVISION
SANTA FE

PRESENT COMPLETION

JAMES RANCH UNIT WELL NO. 7



L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

April 12, 1979

Case 6539

Oil Conservation Division
Department of Energy & Minerals
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gentlemen:

Application for Multiple Completion - James Ranch Unit Well No. 7,
Section 6, T-23-S, R-31-E, Eddy County, New Mexico

Attached in triplicate is Continental Oil Company's application for multiple completion of the above named well.

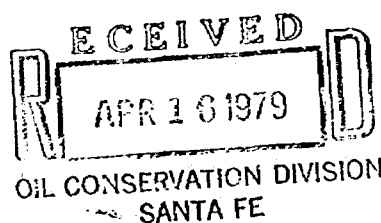
Please set this matter for hearing on the earliest available examiner docket.

Yours very truly,

John R. Kemp

HAI: cab
Enc.

cc: J. W. Kellahin, Santa Fe
VTL, Houston



BEFORE THE OIL CONSERVATION DIVISION
OF THE
NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
TO DUALY COMPLETE ITS JAMES RANCH
UNIT WELL NO. 7 IN THE LOS MEDANOS
MORROW GAS AND THE LOS MEDANOS ATOKA
GAS POOLS, LOCATED IN UNIT "G" OF
SECTION 6, T-23-S, R-31-E, EDDY
COUNTY, NEW MEXICO.

Case 6939

APPLICATION

Applicant, CONTINENTAL OIL COMPANY, respectfully requests authority to
dually complete in the Los Medanos Morrow Gas and Los Medanos Atoka Gas Pools its
James Ranch Unit Well No. 7, located in Unit "G" of Section 6, T-23-S, R-31-E,
Eddy County, New Mexico, and in support thereof will show:

1. Applicant is operator and co-owner of the James Ranch Unit, which in
addition to other lands includes the E/2 of Section 6, T-23-S, R-31-E, Eddy
County, New Mexico.
2. Applicant has drilled and completed in the Los Medanos Morrow Gas Pool
its James Ranch Unit Well No. 7, located in Unit "G" of said Section 6 on said
lease.
3. That dual completion in the Los Medanos Atoka Gas Pool will recover
reserves that would not otherwise be recovered.
4. That the granting of this application will prevent waste and will not
impair correlative rights.

WHEREFORE, applicant respectfully requests that this application be set for
hearing before the Division's duly appointed examiner and, upon hearing, an
order be entered authorizing the dual completion of the James Ranch Unit Well
No. 7, as described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By John R. Kemp
JOHN R. KEMP
Assistant Division Manager of Production

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Eddy	Date 4-12-79
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease James Ranch Unit	Well No. 7
Location or Well	Unit G	Section 6	Township 23-S
		Range 31-E	

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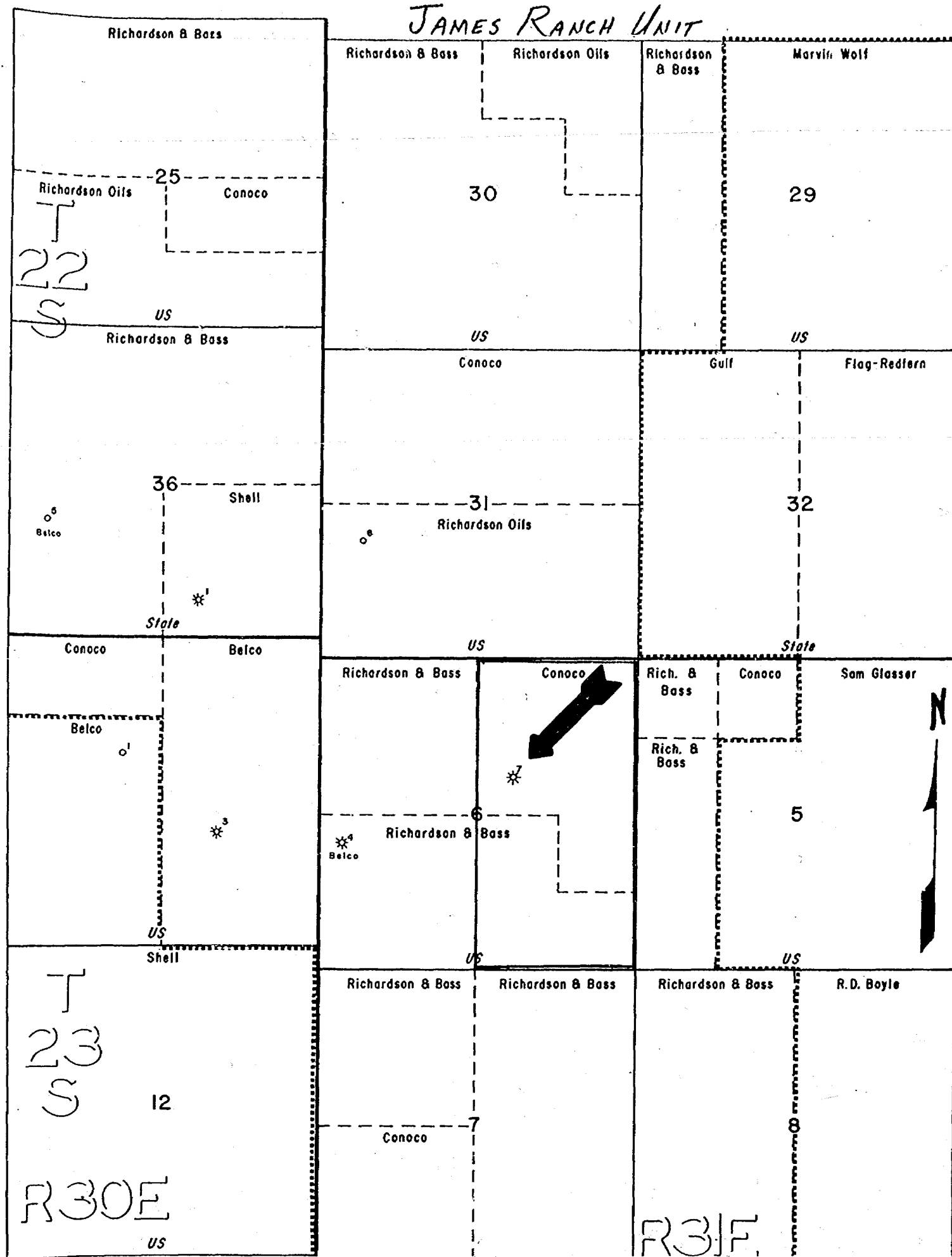
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NMOCD (3), File (3), VTL

JAMES RANCH UNIT





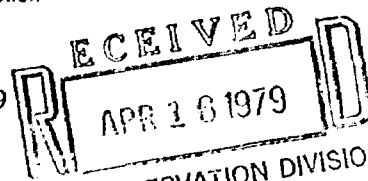
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Division Manager

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Production Department
Hobbs Division
North American Production

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

April 12, 1979



Oil Conservation Division
Department of Energy & Minerals
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gentlemen:

Application for Multiple Completion - James Ranch Unit Well No. 7,
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Yours very truly,

HAI: cab
Enc.

cc: J. W. Kellahin, Santa Fe
VTL, Houston

Case 6539

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OF THE
NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
TO DUALY COMPLETE ITS JAMES RANCH
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GAS POOLS, LOCATED IN UNIT "G" OF
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1. Applicant is operator and co-owner of the James Ranch Unit, which in
addition to other lands includes the E/2 of Section 6, T-23-S, R-31-E, Eddy
County, New Mexico.
2. Applicant has drilled and completed in the Los Medanos Morrow Gas Pool
its James Ranch Unit Well No. 7, located in Unit "G" of said Section 6 on said
lease.
3. That dual completion in the Los Medanos Atoka Gas Pool will recover
reserves that would not otherwise be recovered.
4. That the granting of this application will prevent waste and will not
impair correlative rights.

WHEREFORE, applicant respectfully requests that this application be set for
hearing before the Division's duly appointed examiner and, upon hearing, an
order be entered authorizing the dual completion of the James Ranch Unit Well
No. 7, as described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By John R. Kemp
JOHN R. KEMP
Assistant Division Manager of Production

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Eddy	Date 4-12-79
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease James Ranch Unit	Well No. 7
Location or Well Unit G	Section 6	Township 23-S	Range 31-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 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	Los Medanos Atoka		Los Medanos Morrow
b. Top and Bottom of Pay Section (Perforations)	13,066'		14,062'
	13,076'		14,244'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)			Flowing

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.
- 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.

* Will be furnished at later date.

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 4-12-79.

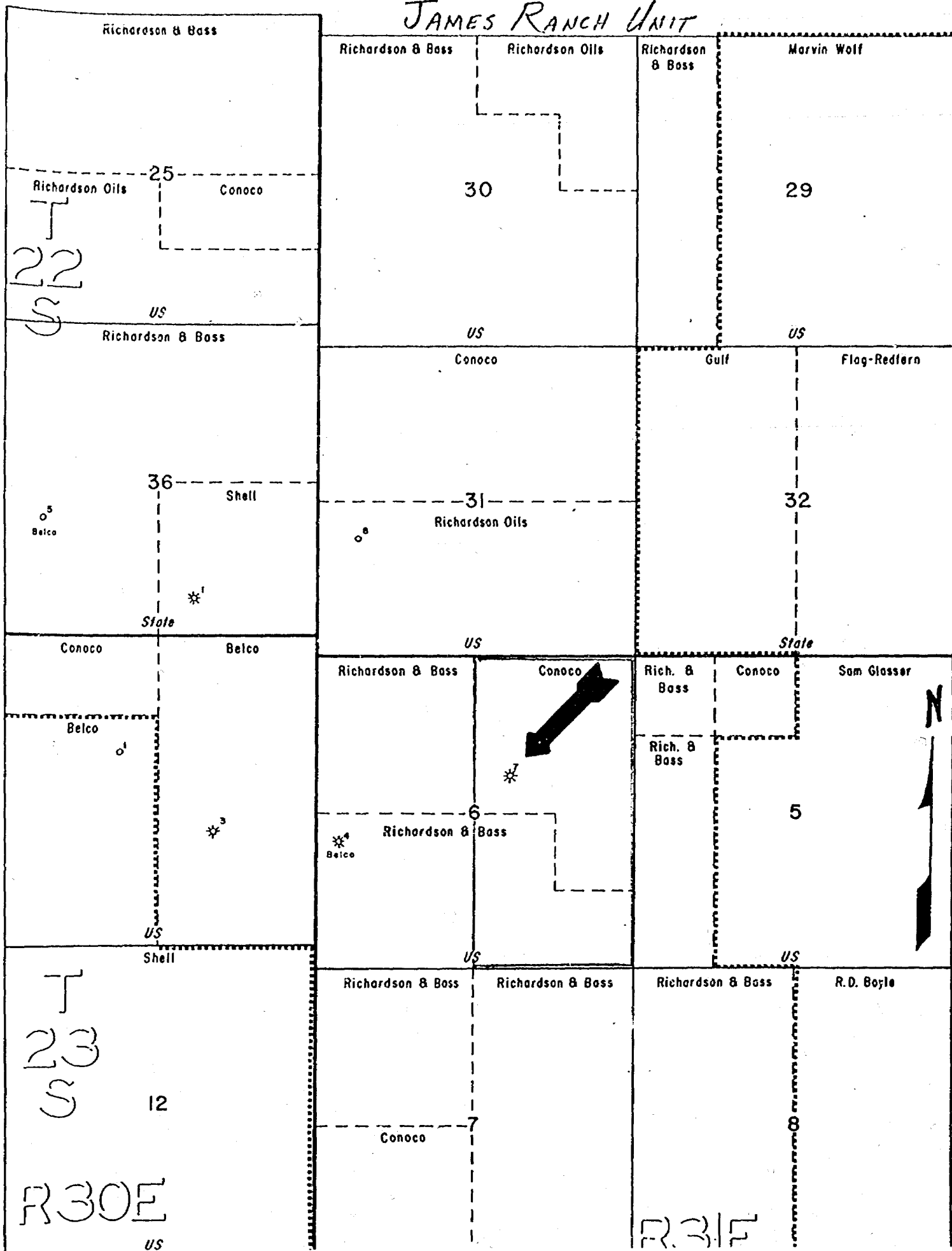
CERTIFICATE: I, the undersigned, state that I am the Asst. Division Manager of the Continental Oil Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct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

John R. Kemp
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.

JAMES RANCH UNIT



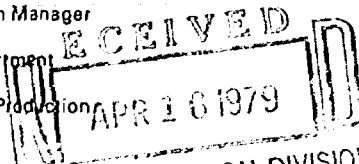
conoco

L. P. Thompson
Division Manager

John R. Kemp
Assistant Division Manager

Production Department
Hobbs Division
North American Production

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141



April 12, 1979
OIL CONSERVATION DIVISION
SANTA FE

Case 6539

Oil Conservation Division
Department of Energy & Minerals
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gentlemen:

Application for Multiple Completion - James Ranch Unit Well No. 7,
Section 6, T-23-S, R-31-E, Eddy County, New Mexico

Attached in triplicate is Continental Oil Company's application for
multiple completion of the above named well.

Please set this matter for hearing on the earliest available examiner
docket.

Yours very truly,

HAI: cab

Enc.

cc: J. W. Kellahin, Santa Fe
VTL, Houston

BEFORE THE OIL CONSERVATION DIVISION
OF THE
NEW MEXICO DEPARTMENT OF ENERGY & MINERALS

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
TO DUALLY COMPLETE ITS JAMES RANCH
UNIT WELL NO. 7 IN THE LOS MEDANOS
MORROW GAS AND THE LOS MEDANOS ATOKA
GAS POOLS, LOCATED IN UNIT "G" OF
SECTION 6, T-23-S, R-31-E, EDDY
COUNTY, NEW MEXICO.

APPLICATION

Applicant, CONTINENTAL OIL COMPANY, respectfully requests authority to
dually complete in the Los Medanos Morrow Gas and Los Medanos Atoka Gas Pools its
James Ranch Unit Well No. 7, located in Unit "G" of Section 6, T-23-S, R-31-E,
Eddy County, New Mexico, and in support thereof will show:

1. Applicant is operator and co-owner of the James Ranch Unit, which in
addition to other lands includes the E/2 of Section 6, T-23-S, R-31-E, Eddy
County, New Mexico.
2. Applicant has drilled and completed in the Los Medanos Morrow Gas Pool
its James Ranch Unit Well No. 7, located in Unit "G" of said Section 6 on said
lease.
3. That dual completion in the Los Medanos Atoka Gas Pool will recover
reserves that would not otherwise be recovered.
4. That the granting of this application will prevent waste and will not
impair correlative rights.

WHEREFORE, applicant respectfully requests that this application be set for
hearing before the Division's duly appointed examiner and, upon hearing, an
order be entered authorizing the dual completion of the James Ranch Unit Well
No. 7, as described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By John R. Kemp
JOHN R. KEMP
Assistant Division Manager of Production

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Eddy	Date 4-12-79
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease James Ranch Unit	Well No. 7
Location or Well	Unit G	Section 6	Township 23-S Range 31-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 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	Los Medanos Atoka		Los Medanos Morrow
b. Top and Bottom of Pay Section (Perforations)	13,066' 13,076'		14,062' 14,244'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)			Flowing

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.
- 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.

* Will be furnished at later date.

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 4-12-79.

CERTIFICATE: I, the undersigned, state that I am the Asst. Division Manager of the Continental Oil Company (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.

John R. Kemp
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.

JAMES RANCH UNIT

Richardson & Bass

Richardson Oils

Richardson & Bass

Marvin Wolf

25

Richardson Oils

Conoco

30

29

US

Richardson & Bass

US

Conoco

US

Gulf

Flag-Redfern

36

Shell

31

Richardson Oils

32

State

Conoco

Belco

US

Richardson & Bass

Conoco

Rich. & Bass

Conoco

Sam Glasser

5

State

Belco

US

Richardson & Bass

US

Richardson & Bass

Richardson & Bass

Richardson & Bass

R.D. Boyle

12

Conoco

US

R30E

R31E

T 22 S

T 23 S

N

R30E
US

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6539

Order No. R- 6,010

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A DUAL COMPLETION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on
May 9, 1979, at Santa Fe, New Mexico, before
Examiner Daniel S. Nutter.

NOW, on this day of May, 1979, the
Division Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company,
seeks authority to complete its James Ranch Unit Well No. 7
Well No. --, located in Unit G of Section 6,
Township 23 South, Range 31 East, NMPM, Eddy
County, New Mexico, as a dual completion (conventional) to
(combination)
(tubingless)

~~oil~~ produce gas from the Morrow and Atoka formations, Los Medanos

Field, through parallel strings of tubing with separation of the
zones to be achieved by means of a packer set at
approximately 13,900 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to complete its James Ranch Unit Well No. 7, located in Unit 6 of Section 6, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) ~~(combination)~~ ~~(tubingless)~~

-----oil-----
to produce gas from the Morrow and Atoka formations, Los
Medanos Field, through parallel strings of tubing with a packer
set at approximately 13,900 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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 the Wellhead Shut-in
Pressure Test Period for the Los Medanos-Morrow Gas Pool.

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

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