

El Paso Natural Gas Company

El Paso, Texas 79999

January 12, 1967

ADDRESS REPLY TO:
ROOM 2000 - WILCO BLDG.
MIDLAND, TEXAS 79704

Mr. A. L. Porter, Jr.
Secretary - Director
New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

RE: Application for Dual Completion
Coleman #1, J Sec. 17, T-25S,
R-36E, Lea County, New Mexico

Dear Sir:

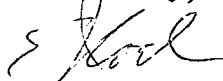
Mr. L. P. Thompson, Continental Oil Company, by letter January 6, 1967, filed an objection to our request for a dual bradenhead well on the above location. Mr. Thompson pointed out also, that our C-102 showed 88 acres dedicated, instead of 80 acres. The error was typographical and the C-102 should read 80 acres.

We feel that our original application is mechanically sound and that at present the zones are completely separated. However, since we are not in position to actually produce both zones simultaneously against our gathering line pressure and since Shell Oil Company is still producing oil from the Queens Zone on this same lease, we request an amendment to our proposal.

We now request that we be granted a bradenhead connection only, and that the lower zone be shut-in until further evidence would warrant the production from combined zones, or another application for dual completion should be filed, backed by production and future pressure data.

Thank you for your attention to this problem.

Yours truly,



E. J. Coel
Manager, Regional Production

EJC/jan

CC - Shell Oil Company
Tidewater Oil Company
Atlantic Oil & Refining Company

Continental Oil Company
Skelly Oil Company
Cities Service Oil Company



CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO 88240

January 6, 1967

PRODUCTION DEPARTMENT
HOBBS DISTRICT
L. P. THOMPSON
District Manager
G. C. JAMIESON
Assistant District Manager

1001 NORTH TURNER
TELEPHONE: EX 3-4141

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Attention of Mr. A. L. Porter, Jr., Secretary-Director

Re: El Paso Natural Gas Company application for
dual completion - Coleman No. 1, J-17-21-36,
Lea County, New Mexico.

Gentlemen:

Continental Oil Company has received an application from El Paso Natural Gas Company dated December 29, 1966, for authority to complete their Coleman No. 1, located in Section 17, T-21S, R-36E, Lea County, New Mexico, as a Yates-Queen Eumont Pool dual completion. Continental has several comments concerning this application.

The form C-102 attached to the application shows the acreage to be 88 acres. Since this unit is comprised of two inside quarter-quarter sections, it is difficult to see how the operator can have more than 80 acres to dedicate to this well. ✓

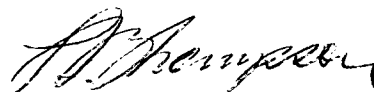
On the application, form C-107, item number 2 refers to order number DC 317 for Continental Oil Company's B-17 No. 1 well. After considerable research, we have identified this order as referring to Continental Oil Company's Meyer B-17 Well No. 1, which is a direct offset to the proposed dual completion. We do not believe that this is a comparable completion so as to provide a precedent for the proposed dual completion. Our Meyer B-17 No. 1 is completed in the Yates, Seven Rivers and Queen for gas, and dualled with the Eunice (Grayburg) oil pool. It is an oil-gas dual completion, not a gas-gas dual completion.

Continental Oil Company is not aware of any gas-gas dual completions in the Eumont Pool. We have no objection to El Paso using a dual connection so that gas may be produced either through the tubing or through the Bradenhead connection. Normally, however, when an operator requests a dual completion, he also requests an

allowable for each completion since each completion is normally considered as a well.

As stated above, Continental Oil Company has no objection to El Paso producing the well through the tubing or through the Bradenhead connection, but we do object to the assignment of a double allowable for this well. Until the questions listed above are clarified, Continental Oil Company objects to El Paso's application.

Yours very truly,



LPT-MEH

Carbon copies to: El Paso Natural Gas Company

Mr. R. G. Parker

Mr. A. D. Kloxin
Atlantic Richfield Company

Mr. J. R. Graham
Standard Oil Co. of Texas

Mr. N. S. Whitmore
Pan American Petroleum Corp.

Mr. V. E. Staley
Pan American Petroleum Corp.

Atlantic Richfield Company

North American Producing Division
New Mexico-Arizona District
Post Office Box 1878
Roswell, New Mexico 88201
Telephone 505 622 4041

W. R. Tomlinson
District Engineer

January 6, 1967

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: El Paso Natural Gas Company
Application to Complete the
Coleman No. 1 Well as a
Eumont Gas/Gas Dual

Gentlemen:

By application dated December 28, 1966, El Paso Natural Gas Company is requesting administrative approval to complete their Coleman No. 1 Well as a Eumont-Yates/Eumont-Queen gas/gas dual. This well is located in Unit J, Section 17, Township 21 South, Range 36 East, Lea County, New Mexico. Atlantic Richfield Company has working interests in Section 17. Atlantic Richfield Company operates its Coleman No. 1, a Eumont Gas Pool well, and has a working interest in the Continental Meyer A-17 and Meyer B-17 leases.

Atlantic Richfield Company objects to the application and requests that the New Mexico Oil Conservation Commission deny El Paso Natural Gas Company's application for the following reasons:

- (1) The request, as stated, is for dual dedication of acreage in the same pool as delineated by the New Mexico Oil Conservation Commission.
- (2) Dual dedication with dual gas allowable will result in drainage and immense economic waste because of workovers by other operators to prevent drainage by meeting offsets.
- (3) The Continental Oil Company Meyer B-17 No. 1 Well, noted as a comparable dual completion on the application, is not a valid comparison. The Meyer B-17 No. 1 Well is a Eumont-Yates, Seven Rivers, Queen/Eunice-Grayburg gas/oil dual.



New Mexico Oil Conservation Commission
January 6, 1967
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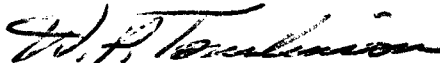
(4) Producing gas from the lower zone in the subject well will deplete reservoir energy required to produce oil from offset wells completed in the same zone. ✓

(5) If a gas allowable is granted for the lower zone, it will be the second allowable in the same zone for the same 40-acre proration unit since the Shell Coleman "A" No. 1 has the same interval open.

(6) An open hole packer probably will not prevent communication between the two proposed producing intervals.

(7) It is our interpretation, based on logs of nearby wells and proposed producing intervals in the El Paso Coleman No. 1, gas production from the lower zone of the dual would be obtained from the Grayburg formation.

Yours very truly,



W. P. Tomlinson

WPT:jcb