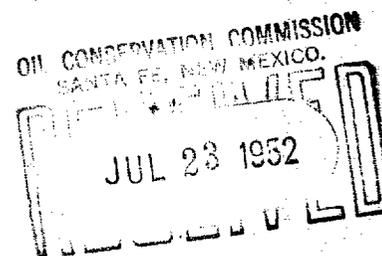


BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 383

July 15, 1952
Regular Hearing



ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

JULY 15, 1952

In the Matter of:

Tide Water Associated Oil Company's
application for permission to dually
complete its State "E" no. 2 Well,
Eunice Pool, SE SE 16-21S-36E, Lea
County (oil from Grayburg-San Andres
and gas from the Yates-Seven Rivers).

Case No. 383

(Notice of Publication read by Mr. Graham.)

MR. HOLLOWAY: I am J. B. Holloway, authorized rep-
resentative of Tide Water Associated Oil Company, in the southern
southwestern states, including New Mexico. I expect I will be
the only witness so I suggest I be sworn here.

MR. J. B. HOLLOWAY,
having been first duly sworn, testified as follows:

"With the exception of the different mineral ownership, this
application for permission to dually complete our State "E"
No. 2 well located in the center of SE/4 SE/4 of Section 16,
Township 21 South, Range 36 East, Eunice Pool, Lea County, is
identical in principle to a similar application made last month
under Case No. 375".

I might offer an exhibit for reference here. I believe
you have a map. This has the wells colored on that are producing
from the gas and also an exhibit of a typical duall completion

as we expect it to be. We have no electric or radioactivity log of this well. We just superimposed one and have drawn on it the packer settings and expected perforations and producing zone just for generalized exhibit.

"Tide Water Associated Oil Company completed this well on May 18, 1936, which originally and presently is producing oil from the Grayburg-San Andres formation from open hole interval 3827 feet (the bottom of 7" casing) to 3906 feet, (the/depth of ^{total} well). An intermediate string of 9-5/8" casing was set and cemented at 1579 feet.

The well was drilled prior to the time of the general use of electric logging, however, the driller's log shows gas zones were penetrated at several intervals commencing at 3180 feet, which zones are now identified in this area as being the Yates-Seven Rivers formation.

The only well in the area producing from the Yates-Seven Rivers formation and on which an electric log was run that we have a copy of is Skelly Oil Company's State "B" well No. 7, located approximately 4650 feet northwest of our well. Skelly's well is producing gas from the Yates-Seven Rivers formation from open hole interval 2995-3480 feet.

It is our opinion that it is practical and economically feasible to dually complete our State "E" No. 2 well in such manner that the Grayburg-San Andres formation would continue to be produced through the tubing, and gas from the Yates-Seven Rivers zones through the annulus between the tubing and casing,

with no communication between the two producing formations.

If granted permission to dually complete the well, we propose before doing so to test the 7" casing with 1500 pounds pressure by running a retrievable cement retainer equipped with a perforation above and bull plug below, to a depth below 3000 feet and test casing above that depth. A radioactivity log would then be run through gas section to enable us to identify possible productive gas zones. The casing would then be perforated opposite the most permeable zones. Dual completion would be effected by setting a Baker Model "D" retainer production packer at approximately 3700 feet, and tubing run through the packer for production of the lower zone, or Grayburg-San Andres formation. The well is presently equipped for pumping, which would be changed to gas-lift to eliminate tubing vibration and possibly cause packer leakage.

We further propose that prior to the time the well is dually completed, to furnish the Commission, for its approval, a copy of the radioactivity log showing the location and extent of each separate stratum yielding production above the casing shoe and the vertical footage location of the proposed perforations; and further upon the actual dual completion of the well we shall submit to the Commission a diagrammatic sketch of the mechanical installation which was used to complete and produce the seal between the producing formations, together with a special report of production, gas-oil ratio and reservoir pressure determination of each producing zone immediately

following completion, and further to comply with any order of the Commission which to the Commission seems necessary for the prevention of waste or protection of correlative rights.

If we are permitted to recomplete the well in the manner here proposed, it will save the use of approximately 77 tons of critical steel in addition to \$27,000-\$30,000 which is the estimated difference between drilling a new well and the proposed dual completion."

MR. HOLLOWAY: I believe that is all. I have a photostatic copy of our company's well log of the well. It was drilled so long ago that I do not have in my file a copy of the completion report that must have been filed with the Commission.

MR. GRAHAM: You're familiar with the general type of the order heretofore issued by the Commission in the case?

A Yes.

MR. GRAHAM: And are prepared to conform with the practices?

A Oh, we are, yes, sir. I rather modeled this application following those requirements that I did know the Commission had, for dual completions.

(Marked Holloway's Exhibits No. 1, 2 & 3, Case No. 383 for identification.)

MR. SPURRIER: Do you offer these exhibits 1, 2 & 3 in evidence?

A Yes.

MR. SPURRIER: Without objections they will be received. Any question of this witness? Is there any objection to Tide Water's proposal? If no further questions the witness may be excused.

(Witness excused.)

Any further comment in the case? The case will be taken under advisement. We will move on to Case 384.

STATE OF NEW MEXICO)
 :
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 383 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on July 15, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this _____ day of July, 1952.

REPORTER