

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 28, 1959

EXAMINER HEARING

IN THE MATTER OF:

Case 1727

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 28, 1959

EXAMINER HEARING

 IN THE MATTER OF:)
)
 Application of Skelly Oil Company for an oil-)
 gas dual completion. Applicant, in the above-)
 styled cause, seeks an order authorizing the)
 dual completion of its Jicarilla "B" Well No.)
 20, located in the NW/4 NW/4 of Section 31,)
 Township 25 North, Range 5 West, Rio Arriba)
 County, New Mexico, in such a manner as to)
 permit production of oil from the Otero-)
 Gallup Oil Pool and the production of gas)
 from an undesignated Dakota pool through)
 parallel strings of tubing.)

Case 1727

BEFORE:

Mr. Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order, please. The next case will be 1727.

MR. PAYNE: Case 1727. "Application of Skelly Oil Company for an oil-gas dual completion."

MR. WHITE: Charles White of Gilbert, White and Gilbert, Santa Fe, New Mexico appearing on behalf of the applicant. We have one witness we would like to have sworn at this time.

(Witness sworn.)

MR. UTZ: Any other statements to be made in this case

or appearances?

HAROLD AAB

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Will you state your full name for the record, please?

A Harold Aab.

Q How do you spell your last name?

A A - a - b.

Q By whom are you employed and in what capacity?

A I am employed as District Production Foreman for Skelly Oil Company in Farmington, New Mexico.

Q Have you previously testified before this Commission?

A No, I have not.

Q Will you briefly state your educational background and your professional qualifications, Mr. Aab?

A I hold a Bachelor of Science Degree in Petroleum Engineering from the University of Tulsa in Tulsa, Oklahoma. I have been employed with Skelly Oil Company for nine years, eighteen months as District Engineer at Oklahoma City, and the remainder of the time as District Production Foreman in Oklahoma and New Mexico.

Q Are you acquainted with Skelly's application

in this case No. 1727?

A I am.

MR. WHITE: Are his qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q Are you familiar with Skelly's Jicarilla "B" Well No. 20?

A Yes.

Q Where is that located?

A It is located 1790 feet from the North and West lines of Section 31, Township 25 North, Range 5 West, Rio Arriba County.

Q Is Skelly the sole owner and operator of this well?

A Yes, we have one hundred percent working interest.

Q By this application Skelly requests permission to dually complete this well in order to permit production of oil from the Gallup and gas from an undesignated Dakota pool. Do you know, Mr. Aab, whether or not the Commission has ever approved a dual completion in this area involving these two pools?

A Not to my knowledge in the Otero-Gallup Pool.

Q Will you refer to what has been marked as Exhibit No. 1, being an ownership map, and explain what that is intended to show?

A This map shows our Jicarilla "B" 20 Well with relation to offset operators.

50-A50 Paw cement, and the top of the cement is at 4960. The top section was cemented with 400 sections of 50-50 Pace mix cement, and the top of the cement is at 2600.

The Dakota sand is perforated 4 shots per foot, 7040 to 7050, 7063 to 7070. The Gallup formation is perforated 4 shots per foot, 6012 to 6016, 6044 to 6060, 6074 to 6090. A Baker oil tool Model D production packer is set at 7016, and one string of two inch upset 8 round tubing is set through the Baker packer to a depth of 7086 to produce the Dakota formation. Another string of two inch upset 8 round tubing is set at 6111 to produce the Gallup formation. This well is equipped with a Carbron Iron Works Split Donut Series 900 wellhead.

Q In your opinion, is there any possibility of communication between these zones?

A No, there is not.

Q Have you taken any packer production tests?

A Yes. We took the Oil Conservation Commission approved packer leakage test.

Q Is that Exhibit 3? A Exhibit 3.

Q When was that taken? A 6-25-59.

Q What was the result of the test?

A It showed that there was no communication between the zones?

Q Now, will you refer to what has been marked Exhibit

No. 4 and Exhibit No. 5? State what they are and explain them, please.

A Exhibits No. 4 and 5, Exhibit 4 is a Schlumberger induction electrolog which shows the relation of the Dakota to the Gallup zone, and the Exhibit 5 is a Schlumberger sonic log which also shows the same thing.

Q Were these Exhibits 1 through 5 either prepared by you or under your direction and supervision?

A Yes, they were.

Q Will the production from these two zones be in separate tank batteries?

A Yes, they will, each zone will be produced into separate tank batteries.

Q What economic advantages will be gained by the dual completion?

A It will save drilling a new well either to the Gallup or Dakota.

Q What is the cost of drilling to the Gallup?

A Around sixty-five thousand.

Q And to the Dakota?

A Eighty-five thousand approximately.

Q In regard to correlative rights, would it also prevent offset drainage?

A Yes, it will protect us from offset drainage from a

7
well now being drilled in the Southwest corner of 25, 25 North
and 6 West.

MR. WHITE: I believe that's all the questions we have.

CROSS EXAMINATION

BY MR. UTZ:

Q What is your bottomhole pressure?

A On the Dakota zone bottom pressure on drillstem test
was 3107. We don't have a bottomhole pressure on the Gallup,
but we estimate it at between 15 and 1600. The shutin surface
pressure on the Gallup was 1337. The shutin surface pressure on
the Dakota is 2307.

MR. UTZ: Any other questions of the witness?

MR. WHITE: We would like to move the introduction of
all the exhibits.

MR. UTZ: Without objection the Exhibits 1 through 5
will be accepted. The witness will be excused. Any statements
to be made in this case? If not, the case will be taken under
advisement.

(Witness excused.)

STATE OF NEW MEXICO)
 :
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this *5th* day of August, 1959.

Ada Dearnley

Notary Public - Court Reporter

My Commission Expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. *1227*, heard by me on *July 28*, 19*59*.
[Signature], Examiner
New Mexico Oil Conservation Commission