

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. 1732
Order No. R-1467

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN OIL-OIL DUAL
COMPLETION IN THE TERRY-BLINEBRY
OIL POOL AND THE DRINKARD POOL,
LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 5, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, herein-after referred to as the "Commission," in accordance with Rule 121a of the Commission Rules and Regulations.

NOW, on this 18th day of August, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Continental Oil Company, is the owner and operator of the Lockhart B-11 Well No. 8-TB, located in the SW/4 SE/4 of Section 11, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dually complete the above-described Lockhart B-11 Well No. 8-TB in such a manner as to permit the production of oil from the Terry-Blinebry Oil Pool and the production of oil from the Drinkard Pool through parallel strings of 2-inch EUE tubing.

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

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

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Case No. 1732
Order No. R-1467

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to dually complete its Lockhart B-11 Well No. 6-TB, located in the SW/4 SE/4 of Section 11, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Terry-Blinebry Oil Pool and the production of oil from the Drinkard Pool through parallel strings of 2-inch EUE tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

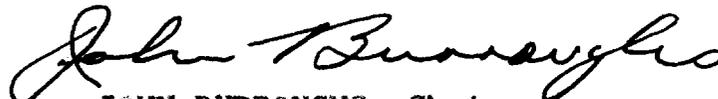
PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Drinkard Pool.

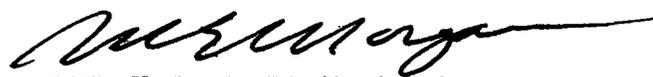
IT IS FURTHER ORDERED:

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

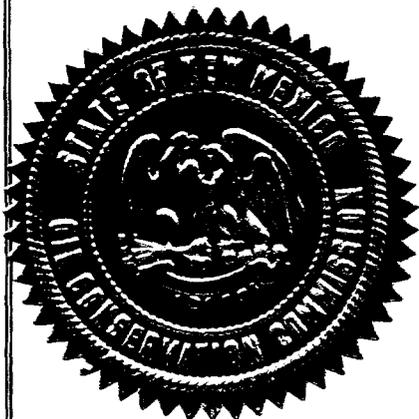
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1732

TRANSCRIPT OF HEARING

AUGUST 5, 1959

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

BEFORE THE
OIL CONSERVATION COMMISSION
AUGUST 5, 1959

IN THE MATTER OF: :

CASE 1732 Application of Continental Oil Company for an :
oil-oil dual completion. Applicant, in the :
above-styled cause, seeks an order authoriz- :
ing the dual completion of its Lockhart B-11 :
Well No. 8-IB, located in the SW/4 SE/4 of :
Section 11, Township 21 South, Range 37 East, :
Lea County, New Mexico, in such a manner as :
to permit the production of oil from the :
Terry-Blinebry Oil Pool and the production of :
oil from the Drinkard Pool through parallel :
strings of tubing. :

BEFORE:

Elvis A. Utz, Examiner

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: Next case on the docket is Case 1732.

MR. PAYNE: Case 1732. Application of Continental Oil
Company for an oil-oil dual completion.

MR. KELLAHIN: Jason Kellahin of Kellahin & Fox, Santa
Fe, New Mexico, representing the applicant. We have one witness,
Mr. Lyon.

(Witness sworn)

VICTOR T. LYON,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A Victor T. Lyon, L-y-o-n.

Q By whom are you employed and in what position?

A I am employed by Continental Oil Company as district engineer for the Eunice district located in Eunice, New Mexico.

Q Have you previously testified before this Commission as an expert petroleum engineer and had your qualifications accepted?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir.

Q Mr. Lyon, are you familiar with the application in Case 1732?

A Yes, sir.

Q Will you state briefly what is proposed by that application?

A This is the application of Continental Oil Company for permission to dually complete its Lockhart B-11 Well No. 8.. as a Terry-Blinebry and Drinkard oil-oil dual completion. The well is located 660 feet from the South line, 1980 feet from the East line of Section 11, Township 11 South, Range 37 East.

(Thereupon, Continental's Exhibit No. 1 was marked for identification.)

Q Referring to what has been marked as Exhibit No. 1, will you explain that Exhibit, please?

A Exhibit No. 1 is a location and ownership plat showing the Lockhart B-11 Lease which is outlined in red, and immediate surrounding area. It also shows the Well No. 8, which is the subject of this hearing, circled in red, and also at least a majority of the producing wells in the immediate vicinity.

Q Does it also show the lease ownership offsetting the area involved?

A Yes, it does.

(Thereupon, Continental's Exhibit No. 2 was marked for identification.)

Q Referring to what has been marked as Exhibit No. 2, will you explain that Exhibit?

A Exhibit No. 2 is a tracing of the radioactive log run on our Lockhart B-11 No. 8, and on the left-hand side in printing and by a red horizontal line are shown the various geological markers which are mainly the Blinebry marker, Tubb marker, the top of the Drinkard, top of the Abo, the top of the granite marker. It also shows in green at the top reproducing intervals in the Blinebry formation, the Terry-Blinebry Pool. In red are shown the proposed perforations in the Drinkard zone. Also by a dashed arrow in the middle of which is a circle and a number inside are shown the intervals which were drill stem tested during the drilling of this well. And also are shown the previous perforations locations

of bridge plugs, and at the bottom is shown the completion information concerning the well.

Q On the basis of the drill stem test and other information, can it be reasonably anticipated that both the Terry-Blinebry zone and the Drinkard zone will be productive of oil?

A Yes, sir.

(Thereupon, Continental's Exhibit No. 3 was marked for identification.)

Q Now, referring to what has been marked as Exhibit No. 3, will you discuss that Exhibit, please?

A Exhibit No. 3 is a schematic diagram of the proposed dual completion. It shows that 13 3/8 inch casing was set at 268 feet, 9 5/8 -- and cement was circulated; 9 5/8 inch casing was set at 296 feet, and cement circulated to surface. It shows the present Blinebry perforations, the proposed placement of the packer, the proposed Drinkard perforations, and the 7-inch casing set to 7,576 feet; top of the cement returning to 3,380 feet. On the right-hand side of Exhibit No. 3 the detail on the long string of tubing is shown, with the Baker Model "E" and core tubing seal assembly which goes through the Baker Model "D" packer, and then the installation of tubing below the packer.

Q Now, can both zones be produced through tubing if this application is approved?

A Yes, sir.

Q Is this a type of completion which has heretofore been

approved by this Commission?

A Yes, sir.

Q In your opinion, is it an effective completion to prevent communication between the two producing horizons?

A Yes, sir, it is.

Q Have you any information on the pressures of the two zones?

A Well, I don't have, of course, any pressure on the Drinkard in this immediate area. However, our experience with the Drinkard would indicate that the bottom hole pressure would range between 1200 and 1500 pounds. And the pressure of the Blinebry or Terry-Blinebry would range, I would say, between 1800 and 2000 pounds, so that you would have, at least at the present time, a pressure differential, maximum, of 800 pounds across the packer.

Q Is that completion adequate to protect with those pressures?

A Yes, sir.

Q Now, with this type of completion, can you do the necessary workovers which may be indicated or necessary in this well?

A Yes, sir, I believe we could do any type of remedial work which would be required.

Q Can you make the packer leakage test required by this Commission?

A Yes, sir.

Q What are the characteristics of the fluid of the two

zones?

A Well, both fluids are sweet. The gravity of the Drinkard is in the neighborhood of 38 to 39 degrees. Of course, the Blinebry -- Terry-Blinebry gravity varies considerably. The Terry-Blinebry crude on this lease based on the acreage is 42 degrees.

Q Will the production from the two zones be metered separately or measured into stock tanks separately?

A Yes, sir, they will.

Q There will be no commingling of production after it leaves the well?

A There will be no commingling at any time.

Q Now, referring back to Exhibit No. 1, Mr. Lyon, are there any other completions in the two zones involved within the area of this well?

A Yes, sir. Our Lockhart B-14 A No. 1 D, which is located 1980 feet from the North line and 660 feet from the East line of Section 14 in the section immediately to the south of the one which we are speaking of now, is such a dual completion.

Q In the Terry-Blinebry zone and the Drinkard zone, is that correct?

A Yes, sir.

Q Are there any dual completions in the Blinebry gas zone and the Drinkard oil zone?

A Yes, sir. Our J. H. Nolan No. 1 located 660 feet from the South and West line of Section 11, the same section in which the

subject well is located, is a Blinebry Drinkard dual completion.

Q In your opinion, is this type of completion an efficient and economical way to produce the two zones involved?

A Yes, sir.

Q Is it in the interest of conservation and the prevention of waste?

A Yes, sir.

Q Were Exhibits 1 through 3 prepared by you or under your supervision?

A Yes, they were.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, they will be received.

(Whereupon, Continental's Exhibits Nos. 1, 2 and 3 were received in evidence.)

MR. KELLAHIN: That's all the questions I have.

MR. UTZ: Any questions of the witness?

MR. PAYNE: Yes, sir.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Lyon, is this well within the horizontal limits of the Terry-Blinebry Pool?

A Yes, it is.

Q Now, I notice on your Exhibit 1 you have it designated as a gas well. Why is that?

A During the early stages of completion and production life of this well, it had a very erratic nature, and it has been classified as a gas well at least once, perhaps twice, and it finally was reclassified as an oil well, and is now producing at a gas-oil ratio, I believe, below 6,000 cubic feet per barrel.

Q You don't know of any non-standard gas proration unit that has been assigned to this well which needs to be canceled, do you?

A There was a non-standard unit assigned to this well at one time, and whether it was canceled or not, I'm not sure.

Q I was just wondering if perhaps your lease -- the lease in question here, what you probably had dedicated to it is probably the SE/4 --

A Yes.

Q -- when it was a gas well?

A Yes.

MR. PAYNE: Okay, that's all. Thank you.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

Q (By Mr. Utz) Both strings of tubing are 2-inch, aren't they?

A Yes, sir.

(Witness excused)

MR. UTZ: Any other statements to be made in this case? Take it under advisement. We will recess until 1:15.

