OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

COPY

November 9, 1960

Neville G. Penrose, Inc.
Suite 417 Midland Tower Building
Midland, Texas

Attention: Mr. Harold S. Winston

Re: Proposed Dual Completion
Grizzel No. 1, SW/4 NE/4,
Section 5, Township 22
South, Range 37 East, Lea
County, New Mexico.

Gentlemen:

Reference is made to your letter of November 7, 1960, inquiring as to the testing data to be submitted that could demonstrate the feasibility of dually completing the subject well utilizing one string of tubing. The equal gas-oil ratio tests as suggested cannot be considered, but gas-oil ratio tests will be considered if both annular and tubing flow of the Tubb Zone is conducted on a 72 hour test basis with the GOR taken on the final 24 hours. Daily test data of each day tested shall also be submitted.

Very truly yours,

J. E. KAPTEINA
Engineer

JEK/og

NEVILLE G. PENROSE, INC.
SUITE 417 MIDLAND TOWER BUILDING
MIDLAND, TEXAS

November 7, 1960

Subject: Proposed Dual Completion
Neville G. Penrose, Inc.,
Grizzell No. 1, SW/4 NE/4,
Section 5, T-22-S, R-37-E,
Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. Elvis Utz,
Gas Engineer

Gentlemen:

During July and August of this year there were several written and verbal communications between you and Mr. John P. McNaughton of our Fort Worth office in regard to the subject proposed dual completion. We had requested Administrative approval to complete the subject well with one string of tubing, producing the Tubb (gas) zone through the casing annulus and the Drinkard (oil) zone through the tubing. You advised that Administrative approval could not be given for such a completion and a hearing was set for July 27, 1960. This hearing was subsequently continued to August 24 and then cancelled.

In declining Administrative approval for the proposed dual completion it is my understanding that you indicated that you were concerned that the Tubb (gas) zone could not be efficiently produced through the casing annulus. I also understand that there were certain data you desired to see presented in order to prove that producing the Tubb (gas) zone through the annulus would be efficient and would not cause waste. Included in this data were four-point back pressure tests, shut-in pressure build-up tests, gas-liquid ratio tests, bottom-hole sample analyses, etc.

We have completed opening the Tubb zone in the subject well and are now planning to test it. Would you consider equal gas-oil ratios obtained from the Tubb zone through both the casing annulus and the tubing to be adequate evidence of the efficiency of the annular completion? If not, what is the minimum testing program you would recommend in order to demonstrate the efficiency of the annular completion.

We are most anxious to try and demonstrate the efficiency of the annular Tubb completion because the low productivity of the Drinkard zone will hardly justify running two strings of tubing.

We will sincerely appreciate your advice in this matter.

Very truly yours,

Harold S. Winston
Petroleum Engineer

HSW:fc

ILLEGIBLE