

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 19, 1960

EXAMINER HEARING

PHONE CH 3-6691

IN THE MATTER OF:)

Application of Chambers and Kennedy for an oil-)
oil dual completion. Applicant, in the above-)
styled cause, seeks an order authorizing the dual)
completion of its Monterey State Well No. 3,)
located 660 feet from the North line and 1650)
feet from the West line of Section 32, Township)
18 South, Range 31 East, Eddy County, New Mexico,)
in such a manner as to permit the production of)
oil from an undesignated Yates oil pool and the)
production of oil from the North Shugart-Queen)
Grayburg Pool through parallel strings of 2-inch)
tubing.)

Case 2110

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. MORRIS: Application of Chambers and Kennedy for an
oil-oil dual completion.

MR. MC KENNA: Mr. Examiner, Thomas Mc Kenna, Mc Kenna
and Sommer, Santa Fe, New Mexico, appearing for Chambers and
Kennedy. We have one witness, Mr. Jack Alexander. Mr. Reporter,
would you mark this one for identification which contains a letter
to the Commission, dated October 17th, accompanied by a diagram-
matic sketch.

MR. ALEXANDER; Also a log and plat of the area of the
adjoining wells.

MR. MC KENNA: Contains a log and also a plat of the

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adjoining wells.

MR. NUTTER: We will identify the plat as Applicant's Exhibit No. 2 in Case 2110. The diagrammatic sketch as Applicant's Exhibit 3, and the log as Applicant's Exhibit No. 4.

MR. MC KENNA: Considered as the applicant's informal application.

(Whereupon, witness sworn)

W. J. ALEXANDER

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

DIRECT EXAMINATION

BY MR. MC KENNA:

Q Would you state your full name, please.

A William Jackson Alexander.

Q Mr. Alexander, what is your job or employment with Chambers and Kennedy?

A I am employed as Petroleum Engineer in charge of production.

Q Have you testified heretofore before this Commission?

A I have.

Q Have your qualifications been accepted by this Commission?

A They have.

MR. MC KENNA: Mr. Examiner, may we proceed?

MR. NUTTER: Yes, sir; please proceed.

Q (By Mr. Mc Kenna) Now, Mr. Alexander, referring to

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Exhibit No. 2, if I remember correctly, it is the diagrammatic sketch of the proposed dual completion, can you advise the Commission whether or not you have prepared this sketch or whether or not it was prepared at your direction?

A I prepared it personally.

Q Can you explain to the Examiner and Commission the purpose for what you are desiring to secure here today?

A Our proposal is a dual completion in the second Grayburg and Yates zone, which are separated by one thousand feet. The well is presently producing from the second Grayburg, it's been on production some nine months and we now propose to dually complete with the Yates zone. The well has a seven inch casing, we propose to use two strings of two and three-eighths tubing with two pumping facing them, face to face.

Q Can you explain to the Commission your plans for plans, if you have any, for segregating the common sources of supply beyond what you have already stated?

A We have now on this lease, wells producing from three different zones. We have separate batteries for each zone. These wells will likewise be produced in the batteries of like zones.

Q Have you had any tests of the casing to determine if there are any casing leaks at all?

A The casing was initially tested prior to the time we fractured the lower zone and we had no casing leaks or faulty cement at that time.

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Q Have you installed the packer yet?

A No, there is no packer in this well.

Q Can you explain to the Commission what type of packer you intend to use?

A We propose a Brown oil tool by-pass. This was presented to the Oil Conservation in Chamber's and Kennedy's Case No. 2078 and requesting permission on the Monterey State No. 2, and was approached in our 1784.

Q Do you believe this packer will do the job?

A At this depth and pressure differential we expect a hook-wall packer to be sufficient to hold any differential that might exist in these pays. These are weak in bottom hole pressure, and therefore, do not present a problem as far as differential pressure.

Q Do you anticipate any corrosion problems?

A We do not.

Q Any gas-oil-water problems?

A No.

Q What is Exhibit No. 1, which is also the letter of October the 17th; can you explain to the Commission what you state in this letter?

A In the letter we set forth the two zones we intend and would propose to dually complete, giving the tops and bottoms of the two zones, gave the average production over the past ten years of the well that is now presently completed in the second Grayburg



Let me clarify that and say that Well No. 3 is presently completed in the second Grayburg; it has averaged fifty-seven barrels of oil and no water, the gas-oil ratio is 277 cubic feet per barrel for the past ten days. The second zone, of course, we propose to complete in, would be the Yates, sections would occur in 26, 16 and 27, 34. We presently have the two zones producing on this lease from the Yates Section. We had to discuss the packer and the fact it had been accepted by the Commission.

Q Would you explain to the Commission what the Exhibit is, is No. 3, is that the log?

A Is that log No. 3 or 4?

MR. NUTTER: The log is No. 4.

A The radioactive log was taken by the western company and marked as Exhibit 4. The tops and bottoms of the two zones are marked in red and the perforations of rated intervals we propose to make, also, in red.

Q And what is Exhibit No. 3?

A That is the diagrammatic sketch.

Q Can you also explain to the Commission what Exhibit No. 2 is?

A Exhibit No. 2 is a plat of the offsetting wells and the property owners in the immediate area and each well is marked in the zone of which it is presently producing from.

Q Now, do you feel this proposed plan will efficiently drain the reservoirs?



A Yes, I do; because we will have equipment of the size that you would ordinarily install if these wells were singularly completed.

Q Have you tested the Yates?

A Well No. 4 has recently been completed and has recovered approximately one thousand barrels of new oil above the oil used in treatment, and is presently producing at the rate of 63 barrels per day.

Q Do you know what the gravity is of the contemplated Yates oil?

A Roughly, thirty degrees gravity; all the oil in this area, whether it be from the Penrose-Yates or Grayburg, is in the neighborhood of thirty degrees.

Q Do you believe that your request is in keeping with the principles of conservation?

A Yes, we do.

Q Do you think that will impair any correlative rights?

A I do not.

MR. MC KENNA: I believe that is all I have.

MR. NUTTER: Any questions of Mr. Alexander?

(No response.)

CROSS-EXAMINATION

BY MR. NUTTER:

Q Mr. Alexander, the five and five-eighths inch pipe, it is set at in this at 801, how much cement was used in that string of



cement?

A Fifty sacks.

Q Was the cement circulated?

A I am not certain. That was installed by Kincaid and Watson on a turn-key basis; it was a cable to the hole. I am not certain whether it was or was not circulated.

Q The seven inch is at 3676, how many sacks were used there?

A Two hundred sacks.

Q I think the top is indicated at 1598, correct?

A Yes, sir.

Q Now, you state the gravity in both of the zones is expected to be approximately thirty degrees. Do you have any information that would indicate what the gas-oil ratios will be?

A I took this in the past week. We took a gas-oil ratio on the Grayburg Section No. 3 Well, which is 277 to one and that is in this letter.

Q How about the Yates, what do you expect for the gas-oil ratio there?

A The Yates in Well No. 4, has a gas-oil ratio of 312.

Q So you expect both zones will be relatively low gas-oil ratios then?

A Yes.

Q How about bottom hole pressures?

A We have not taken any bottom hole pressures on any of these wells, on that they are rather weak; they will not sustain



a column of oil.

Q Both pressures are weak?

A Yes.

Q You can't have too much differential across the packer then?

A That is correct.

Q Do you expect both wells will have to be pumped, both zones will be pumped from the initial date of dual completion?

A Yes, we do. Our No. 4 Well, we attempted to get it to flow by swabbing and we swabbed after it was fracked and we put in 660 barrels of oil and it bled back 250, and after running tubing, we swabbed back the remainder of the 660 barrels of load and could not get it to kick out. We do not expect one location away from it to flow.

MR. NUTTER: Any further questions of Mr. Alexander?

(No response.)

MR. NUTTER: You may be excused.

MR. MC KENNA: Mr. Examiner, I move that Exhibits 1 through 4 be admitted.

MR. NUTTER: Chamber's Exhibits 1 through 4 will be admitted. Do you have anything further?

MR. MC KENNA: No.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2110?

(No response.)

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MR. NUTTER: We will take the case under advisement.

(Whereupon, the hearing was adjourned)



I N D E XWITNESS:PAGE

W. J. ALEXANDER

Direct Examination by Mr. Mc Kenna

2

Cross-Examination by Mr. Nutter

6

E X H I B I T S

<u>Number</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
App 1 thru 4	2	8	8

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, LEWELLYN NELSON, 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 9 day of November, 1960

Lewellyn Nelson

Notary Public-Court Reporter

My commission expires:

June 14, 1964.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2110 heard by me on 12/19, 1960. *Abraham*, Examiner
New Mexico Oil Conservation Commission

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