

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 11, 1962

EXAMINER HEARING

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IN THE MATTER OF: )

Application of Moran Oil Producing )  
and Drilling Corporation for a triple )  
completion, Lea County, New Mexico. )  
Applicant, in the above-styled cause, )  
seeks an order authorizing the triple )  
completion (conventional) of its Owen )  
Well No. 1, located in Unit E, Section )  
14, Township 21 South, Range 37 East, )  
Lea County, New Mexico, in such a )  
manner as to produce Blinebry oil, Tubb )  
gas, and Drinkard oil through parallel )  
strings of tubing. )

Case 2631

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BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2631.

MR. DURRETT: Application of Moran Oil Producing and  
Drilling Corporation for a triple completion, Lea County, New  
Mexico.

MR. JENNINGS: I'm James T. Jennings of Roswell, appear-  
ing on behalf of Moran Oil Producing and Drilling Corporation.  
We have one witness, Mr. McPeters.

(Witness sworn.)



MR. UTZ: Are there any other appearances in this case?

You may proceed.

KENNETH McPETERS

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

DIRECT EXAMINATION

BY MR. JENNINGS:

Q Would you state to the Examiner your name, residence and occupation?

A Kenneth McPeters, Vice President for Moran Oil Producing and Drilling Corporation of New Mexico.

Q Mr. McPeters, have you on numerous occasions testified before this Commission?

A I have.

Q What is your profession?

A Petroleum engineer.

MR. JENNINGS: Mr. Examiner, do you wish me to further qualify the witness?

MR. UTZ: No, sir, the witness has qualified before the Commission previous to this time.

Q Mr. McPeters, are you familiar with the application filed on behalf of Moran Oil Producing and Drilling Corporation in this matter?

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A Yes.

Q Tell the Examiner briefly the nature of the application.

A The applicant requests permission to triple complete its Owen No. 1, located in Section 14, 21, 37, Lea County, New Mexico from the Blinebry Oil, Tubb gas and Drinkard oil through three parallel strings of tubing. The Drinkard zone will be produced through 2-3/8 OD tubing, the Tubb and Blinebry each through 2-1/16 OD tubing.

Q What is the present status of this well?

A It is at the present time classified as a Drinkard oil-Tubb gas dual. The only new zone involved in this application is the Blinebry oil zone.

(Whereupon, Applicant's Exhibits 1 & 2 were marked for identification.)

Q I hand you here what has been marked Applicant's Exhibit No. 1 and ask you to identify it and tell just what it is.

A Exhibit 1 is a plat of the Drinkard area indicating the location of the applicant's Owen No. 1 in Section 14, Township 21, Range 37, Lea County, New Mexico. The well in question, or the Owen No. 1 is shown in a red circle. The Owen lease is delineated in red. The proposed triple is located 1980 feet from the north line and 660 feet from the west line of Section 14. Also shown on the plat are the offset wells. There are several

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duals indicated on this plat, however, there's no triple in the immediate vicinity of this plat.

Q Are there any duals in any of the pools in which this well was located?

A There are some triples, have been some triples approved in Sections 3 and 4, namely Shell Livingston 11 and 12, which are tubingless completions and Continental's well on the Hog lease.

Q I hand you what has been marked as Exhibit 2 and ask you to identify that please, and tell what it is to the Examiner.

A Exhibit 2 is a diagrammatic sketch of the down hole equipment of our proposed triple 13-38, is set at 164 feet with 125 sacks, 9-5/8 intermediate set at 2732 with 600 sacks; 7" casing is set at 6600 feet with 500 sacks, an open hole, 6-1/4" open hole has been drilled below the 7" to a depth of 6643. We have placed a permanent cast iron bridge plug as indicated on the sketch at 6590; Drinkard zones 1 and 2 are shown perforated from 6515 to 6555, two shots per foot. Drinkard oil is produced up the 2-3/8" casing string to the surface through a Brown B-P4 packer. Immediately above this packer there is a psi circulating sleeve. The purpose of this is to circulate any sand or debris off the top of the packer, if it becomes necessary to retrieve this packer, and the sleeve can also be used to kill the Tubb zone.

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Immediately above this sleeve there is a conventional 125-32" seating nipple located at 6444. The Drinkard oil shown on the diagrammatic sketch is isolated between the cast iron bridge plug and the B-P4 packer. The Tubb zone is produced, well, it's separated first by means of the B-P4 previously mentioned at 6455 and a TIW, HSDL snap set packer at 6,025. This TIW snap set packer was run in on the long string and set by the second string of 2/16 tubing which is landed in the top of this packer. The Blinebry oil is produced through 2/16 tubing to the surface, immediately above the packer there is another sliding sleeve, psi sliding sleeve at 6,018. The purpose of this sleeve is the same as the one below it, to circulate off debris above the packer.

Above this sleeve there is a 2/16 by 1½" seating nipple, 6015. Below this sliding sleeve there's a 2/16 by 1-3/8" landing nipple, 6020. The purpose of these different size landing nipples is to isolate any leaks or actually test your tubing, decide if you do have a leak you can decide where it's at without pulling your packer.

The Blinebry zone is produced up through the 2/16" tubing landed at 5800 to the surface above the TIW snap set packer. It has on the bottom of it 2/16 by 1½" seating nipple, and it is landed open ended so we might lower it and also circulate off the top of this top packer.



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Q Mr. McPeters, is the manner in which you have outlined the completion of this well in accordance with accepted oil field practices?

A Yes, there has been some triples equipped identically to this one.

Q Have you had any recent production tests on the different zones?

A Yes. The Blinebry, of course, we don't have an allowable on and on the 22nd of August, after recovering all load oil, we produced 38 barrels of oil in three hours on a 17/64 choke, flowing tubing pressure of 450 pounds, a gas-oil ratio of 14/60, 39 API gravity oil. The Tubb, most recent test on it, it flowed 168 MCF per day on a 16/64 choke, flowing tubing pressure of 900 pounds. During this test we flowed 48 barrels of load oil which we're still recovering from this zone after fracturing.

The Drinkard zone flowed 78 barrels of oil in twelve hours, 12/64" choke, flowing tubing pressure of 825; gas-oil ratio, 1860, 39 degree API oil, and the MCF on that was 145 MCF in twelve hours. That would be the gas-oil ratio.

Q Have you recently had this well logged?

A Yes.

Q By whom?

A Schlumberger.

(Whereupon, Applicant's Exhibit 3 was marked for identification.)



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A Our Exhibit 3 is a Schlumberger gamma ray neutron log, and on this log we have indicated the formation tops, the perforated intervals, and the bridge plugs and etcetera.

Q That was logged by Schlumberger at your instruction?

A Yes.

Q Have you made application for administrative approval to commingle the Blinebry and the Drinkard oil contingent upon this application being approved?

A Yes, we received on September 5th administrative Order PC-93, approval to commingle the Drinkard oil with the Blinebry oil on this lease contingent upon this hearing.

Q Do you have anything further to add?

A That's all I have.

Q Mr. McPeters, were applicant's Exhibits 1, 2 and 3 -- by whom were they prepared?

A By me.

MR. JENNINGS: We offer applicant's Exhibit 1, 2 and 3.

MR. UTZ: Without objection, applicant's Exhibits 1, 2 and 3 will be entered into the record.

(Whereupon, Applicant's Exhibits 1, 2 and 3 were entered into the record.)

MR. UTZ: Do you have anything further?

MR. JENNINGS: No, sir.



CROSS EXAMINATION

BY MR. UTZ:

Q Mr. McPeters, this psi sliding sleeve, is there any danger of those things leaking?

A No, as far as I know, I never heard of one leaking. If it were leaking it would show up immediately on your packer leakage test. I am saying if it were, I don't think they will. And you can go in and close it, all except the bottom one, we have no way of isolating the sleeve and testing it, but the upper we do.

Q You don't think these sleeves are susceptible to sand or dirt or anything in the seating arrangement?

A My experience with them, Mr. Examiner, is that you normally have trouble opening them after, in ten years we go back and try to open them we might have difficulty, but usually we don't have difficulty with them leaking.

Q On your 7" casing, how high do you estimate the 500 sacks will bring it?

A We ran a cement log at the time we ran the Schlumberger gamma ray neutron, I hope I have one with me. I don't have a bond log with me, Mr. Examiner, but it brought the cement up well above any producing formations I would guess 3,000 foot or so. We ran a cement bond log and we could submit it to you, if you

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want it.

Q In your opinion, as you recall, the bond log shows that the 500 sacks brought it up to around 3,000 feet?

A Yes, it was high enough above our uppermost perforations that we weren't worried by communication. Incidentally, it showed an exceptionally good bond for an old well.

Q How about the 600 sacks on the 9-5/8, did that circulate?

A I really don't know, I would have to check my records.

Q The same question on the 125 sacks.

A I know the surface circulated.

Q The surface circulated?

A Yes.

Q You feel that the 600 sacks went up inside the 13-3/8?

A I would guess it did. No temperature survey was run on the 9-5/8, so it would be supposition on my part to say that it was, but I'm assuming that it did.

Q Do you have any information that would indicate whether or not it did?

A I could check the old well records and see what they reflected.

Q I wonder if you would check that and report that to the

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Commission by letter?

A Let me check here. I have the old day by day records here. Unfortunately these records don't go back to the drilling of the well. They just start at the completion. I will get that information and submit it to you.

Q Did you have a GOR for the Tubb?

A Yes, of course, you realize this is on load oil. The gas-oil ratio of the Tubb that I reported to you here, this 168 MCF, and 48 barrels of oil would be 3500 to 1. It was a gas well before we fracked it.

Q How about the Blinebry, do you have any indication of whether it will be gas or oil?

A This test was taken very close after the recovering of the load oil and we had to store this on the well site, of course, having no allowable. The ratio is low, 1461, and Cohn, who has a lease immediately south of us, has some Blinebry oil production and their ratios have always been low. They're several years old, so I would guess that it would definitely be an oil well.

MR. UTZ: Any other questions of the witness? The witness may be excused.

(Witness excused.)

MR. UTZ: Any statements in this case? The case will be taken under advisement. The hearing will be adjourned until 1:30.

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