

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 23, 1963

EXAMINERS HEARING

IN THE MATTER OF:)

Application of Sinclair Oil & Gas)
Company for a dual completion, Lea County,)
New Mexico. Applicant, in the above-styled)
cause, seeks approval of the dual complet-)
ion (conventional) of its Mahaffey-Federal)
(ARC) Well No. 1 located in Unit C of)
Section 14, Township 20 South, Range 33)
East, Lea County, New Mexico, to produce)
Bone Springs Oil and Pennsylvanian gas)
through parallel strings of tubing.)

Case 2732

BEFORE:

Mr. Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case on the docket is Case 2732.

MR. DURRETT: Application of Sinclair Oil and Gas Company
for a dual completion, Lea County, New Mexico.

MR. KELLY: Booker Kelly of Gilbert, White and Gilbert,
Santa Fe, and I have one witness, and ask that he be sworn.

(Witness sworn.)

MR. UTZ: Are there any other appearances? You may pro-
ceed.

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



D O U G L A S W. C U N N I N G H A M

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

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name, position and employer, please?

A I am Douglas W. Cunningham, employed by Sinclair Oil and Gas Company in Midland, Texas.

Q Have you previously testified before this Commission, Mr. Cunningham?

A Yes, I have.

Q Can you tell the Examiner what Sinclair seeks by this application?

A Sinclair is seeking permission for a dual completion on our Mahaffey-Federal (ARC) Well Number 1, which is located in Unit C of Section 14, Township 20 South, Range 33 East, Lea County, New Mexico. We want to produce the Bone Springs oil and Pennsylvanian gas through a dual string of parallel tubing. That is all.

Q What is the present status of the well?

A The well is now completed. It has been perforated in both the Bone Springs and the Pennsylvanian. The Bone Springs is producing oil and the Pennsylvanian is a shut-in gas well.

Q Now, referring to Exhibit 1, would you explain that to the Commission?

~~A Exhibit 1 is a plat of the area in which the Mahaffey-~~

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Federal Number 1 is located. It is on a 160-acre lease; it is located 660 feet from the north line and 1,980 feet from the west line in the 160-acre lease. That is the only deep well in the area that we know about. The small black circles that show as well symbols are shallow completions in the Teas Pool.

Q Is the location of the subject well orthodox?

A It would be on an orthodox 40-acre spacing.

Q Now, the only reason that Sinclair is requesting this hearing is because there are no similar completions within a one-mile radius, as required by the Commission rules?

A Yes, sir, that is correct.

Q Now, going to Exhibit Number 2, would you explain that to the Commission?

A Exhibit Number 2 is a diagrammatic sketch of the dual completion. By the way, I believe it would be proper to mention that this well is in the potash-oil area as defined by the Commission rules. We have set 20-inch OD surface casing at 1,373 feet. We cemented it with 1,900 sacks of cement. We ran a temperature survey and found out the cement was only 50 feet from the surface. Then, we put a little one-inch pipe down the annulus and used 240 sacks more of cement and brought it to the surface. We ran 3,100 feet of 13 3/8 inch OD casing and cemented it with 3,500 sacks. That cement circulated to the surface.

Then we ran 9,000 feet of 9 5/8 inch OD casing. We cemented



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A Yes, it does.

Q Do you anticipate any corrosion or parrafin problems in this well?

A No, we don't. The Pennsylvanian gas we have is sweet gas and the Bone Springs oil is sweet crude. We don't believe there is going to be a corrosion problem.

Q Is the Bone Springs flowing?

A Yes, it is flowing at the present time.

Q You have a copy of the log on the well, don't you?

A Yes, I do. We have a Schlumberger dual log and a Schlumberger which was run on the well. I have marked the tops and the bottoms of the Pennsylvanian and the Bone Springs formations and have also marked the perforations. The perforations are shown on one log. However, one log is too deep to show the top of the Bone Springs zone, so it is shown on one of those logs; and the top and bottom and all the perforations are shown on the other log.

Q Now, in your opinion would the granting of this application be in the best interest of efficient production and protection of correlative rights?

A I believe it would.

Q Were Exhibits 1 and 2 prepared by you or under your direction?

A Yes, they were.

MR. KELLY: We move the introduction of Exhibits 1 and 2



24/64th inch choke and a tubing pressure of 200 pounds, and a