

CASE NO. 5353: Appli. of CITIES
SERVICE OIL CO. for a dual comple.
Eddy County, New Mexico

CASE No.

5353

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 30, 1974

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Cities Service)
Oil Company for a dual completion,)
Eddy County, New Mexico.)

CASE 5353

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil William Carr, Esq.
Conservation Commission: Legal Counsel for the Commission
 State Land Office Building
 Santa Fe, New Mexico

For the Applicant: Tom Kellahin, Esq.
 KELLAHIN & FOX
 500 Don Gaspar
 Santa Fe, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

I N D E X

GEORGE E. DAVIS

Direct Examination by Mr. Kellahin
Cross Examination by Mr. Nutter

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E X H I B I T S

Applicant's Exhibits 1 and 2

Page

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MR. NUTTER: We will call the next case, number 5353.

MR. CARR: Case 5353, application of Cities Service Oil Company for a dual completion, Eddy County, New Mexico.

MR. KELLAHIN: Tom Kellahin, Kellahin and Fox, Santa Fe, New Mexico, appearing on behalf of the applicant, Cities Service Oil Company and I have one witness to be sworn.

(Whereupon, the witness was duly sworn.)

GEORGE E. DAVIS

called as a witness, having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you are employed, and in what capacity?

A My name is George Davis; I'm employed by Cities Service Oil Company as Region Petroleum Engineer.

Q Mr. Davis, have you previously testified before the Commission and had your qualifications as an expert accepted and made a matter of record?

A Yes, sir.

Q Are you familiar with the facts surrounding this particular application by Cities Service?

A Yes, I am.

MR. KELLAHIN: If the Examiner please, are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. KELLAHIN:

Q Mr. Davis, would you refer to what has been marked as Applicant Exhibit No. 1, identify it and state what Cities Service is seeking?

A Exhibit No. 1 is a plat of the area, including the Government-Z No. 1, which is the well in which we seek to dually complete in the Wolfcamp and the Morrow formations.

Q Your plat also shows the offsetting owners?

A That is correct. The plat also shows the Government-T No. 1 to the north, which is also a dually completed Wolfcamp-Morrow completion.

Q How do you propose to dually complete this particular well?

A We propose dual completion as shown in the schematic downhole completion.

Q That is Exhibit No. 2?

A Which is Exhibit No. 2.

Q Please explain that?

A We have 5 $\frac{1}{2}$ -inch casing set at 11,485 feet with the Morrow perforated from 11,313 to 11,320. A Baker, Model DB packer is set at 11,200 which will isolate the Morrow perforations from the upper Wolfcamp, and the Wolfcamp is perforated at 9219 to 9303, and a Baker, Model AR-1 compression packer is set at 9,005 feet. The method of completion will be to flow the Morrow through the annulus and the Wolfcamp through the tubing through a cross-over assembly in the Baker, Model AR-1 compression packer.

Q Is the well currently completed in this configuration?

A That is correct.

Q Is it ready to be approved and put on production?

A That is correct.

Q Please refer to the second sheet of Exhibit No. 2, and describe what information it contains?

A Exhibit No. 2 is a schematic of the casing that was put in the well, with 13-and-3/8-casing set at 625 feet; 9-and-5/8-casing set at 3,008 feet; and 5-and-1/2 set at 11,485. The top of the cement behind the 5-and-1/2-inch casing is at 8120; the cement on the upper two strings was circulated to the surface.

Q Have you run any packer-leakage tests on the well at this point?

A No, we have not.

Q Do you anticipate running those tests before you put it on production?

A The packer-leakage test will be run after the well is put on production.

Q Please refer to the third page of Exhibit 2 and identify it?

A The third page is a detailed schematic of the cross-over assembly which is utilized to cross over the Wolfcamp into the tubing and the Morrow into the annulus. The Wolfcamp is flowed up the tubing because it makes an appreciable volume of fluid.

Q In your opinion, Mr. Davis, does this method of completion conform to sound engineering practices so that there will be no communication between the two producing zones?

A Yes, it does.

Q In your opinion, will the approval of this application be in the best interest of conservation, the prevention of waste and the protection of correlative rights?

A Yes, it will.

DAVIS-DIRECT
-CROSS

CASE 5353

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MR. KELLAHIN: If the Examiner please, we move the introduction of Exhibits 1 and 2.

MR. NUTTER: Applicant's Exhibits 1 and 2 will be admitted in evidence.

(Whereupon, Applicant's Exhibits 1 and 2 were admitted into evidence.)

MR. KELLAHIN: That concludes our direct examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Davis, do you have a test on the Wolfcamp yet?

A Yes, sir.

Q What is that test, please?

A It is shown on Exhibit 2, the first page. The Wolfcamp flowed on a 12/64th inch choke, 1,003 barrels of oil a day, and a gas-oil ratio of 778 to 1, with a flowing tubing pressure of 1282 pounds.

Q Is this a condensate, or is this definitely an oil?

A It is about 53 degrees.

Q 53-degree oil?

A Yes, sir.

Q Do you have any idea what the pressure is on that at the bottomhole?

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A The bottomhole is approximately 4500. In fact, yes, it is 4532 on the drill stem test, which is also on this exhibit, which is designated as drill stem test No. 1.

Q Now you do have a test on the Morrow also, is that correct?

A Yes, sir.

Q And what is that?

A The calculated absolute open flow on the Morrow is 9,711 mcf per day.

Q Now, is this a wet gas, or how much liquid does the well make?

A The well will make, on the four-point flow, approximately 15 barrels of condensate, I would have to look at the records to -- I think that was done in a four-hour period.

Q 15 barrels in 4 hours?

A Could I check that?

Q Sure. What we are interested in knowing is the GOR on the Morrow, to see if this annular flow for the Morrow is going to work.

A The Morrow zone produced 5½ barrels of 53.5 gravity, distillate at 60 degrees, in 3 hours and 34 minutes during the four-point test.

Q How much gas did it make in that same period of time?

A On the maximum rate of the four point, which was the fourth and final rate, 5,700 mcf per day. It's difficult to pinpoint the actual gas-oil ratio, I think that we have to take an average of the four points on the four point, or the four volumes, and then divide that by the volume of condensate produced.

Q Can you tell by looking there what the approximate COR would be?

A I would say we're looking at, say, 4300 mcf per day average, and then that would have to be divided by 5½ barrels, times the ratio of 24 divided by 3 hours-and-a-half.

Q That would be 5½ times 8 then, wouldn't it, approximately?

A That's about right.

Q About 40 --

A (Interrupting) 40 barrels of distillate.

Q To 4 million cubic feet, so that is a little over 100 thousand to 1 then?

A That's correct.

Q Okay.

(Whereupon, a discussion was held off
the record.)

MR. DAVIS: I get 97,727 to 1.

BY MR. NUTTER:

Q In your opinion, Mr. Davis, will a well that is
producing with a ratio of 97,000 to 1 produce efficiently
through the annulus?

A Yes, sir.

Q The other zone is clearly an oil well with a
low GOR; will it be possible to pump the Wolfcamp formation
in the event it ceases to flow?

A It would be possible.

Q You have tubing there and you could pump it?

A Yes, sir.

Q Do you have a bottomhole pressure on the Morrow?

A The bottomhole pressure on the Morrow? I have
one that was taken on the drill stem test No. 2 in the
Morrow, from 11,040 to 11,240. The final shut-in pressure
was 4495 pounds, that was a 90-minute final shut-in
pressure.

MR. NUTTER: Thank you. Does anyone else have
any questions of Mr. Davis? He may be excused. Do you
have anything further, Mr. Kellahin?

CASE 5353

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MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything they wish to offer in Case 5353? We will take the Case under advisement.

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STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5353 heard by me on 10/30, 1974

 Examiner
New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

November 4, 1974

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5353

ORDER NO. R-4903

Applicant:

Cities Service Oil Co.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u> x </u>
Artesia OCC	<u> </u>
Aztec OCC	<u> x </u>

Other _____

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. 5353
Order No. R-4903

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR A DUAL COMPLETION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 30, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of November, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Cities Service Oil Company, seeks authority to complete its Government-2 Com Well No. 1, located in Unit K of Section 23, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce oil from an undesignated Wolfcamp Pool through tubing and gas from an undesignated Morrow Pool through the casing-tubing annulus by means of a cross-over assembly, with separation of the two zones to be accomplished by a packer set at approximately 11,200 feet.

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

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to complete its Government-2 Com Well No. 1, located in Unit K of Section 23, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce oil from an undesignated Wolfcamp

-2-

CASE NO. 5353

Order No. R-4903

Pool through 2 7/8-inch tubing and gas from an undesignated Morrow gas pool through 2 7/8-inch tubing to approximately 9055 feet and thence, by means of a cross-over assembly, to the surface through the casing-tubing annulus with separation of the two zones to be accomplished by means of a packer set at approximately 11,200 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for gas wells in Southeastern New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman


ALEX J. ARMIJO, Member


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

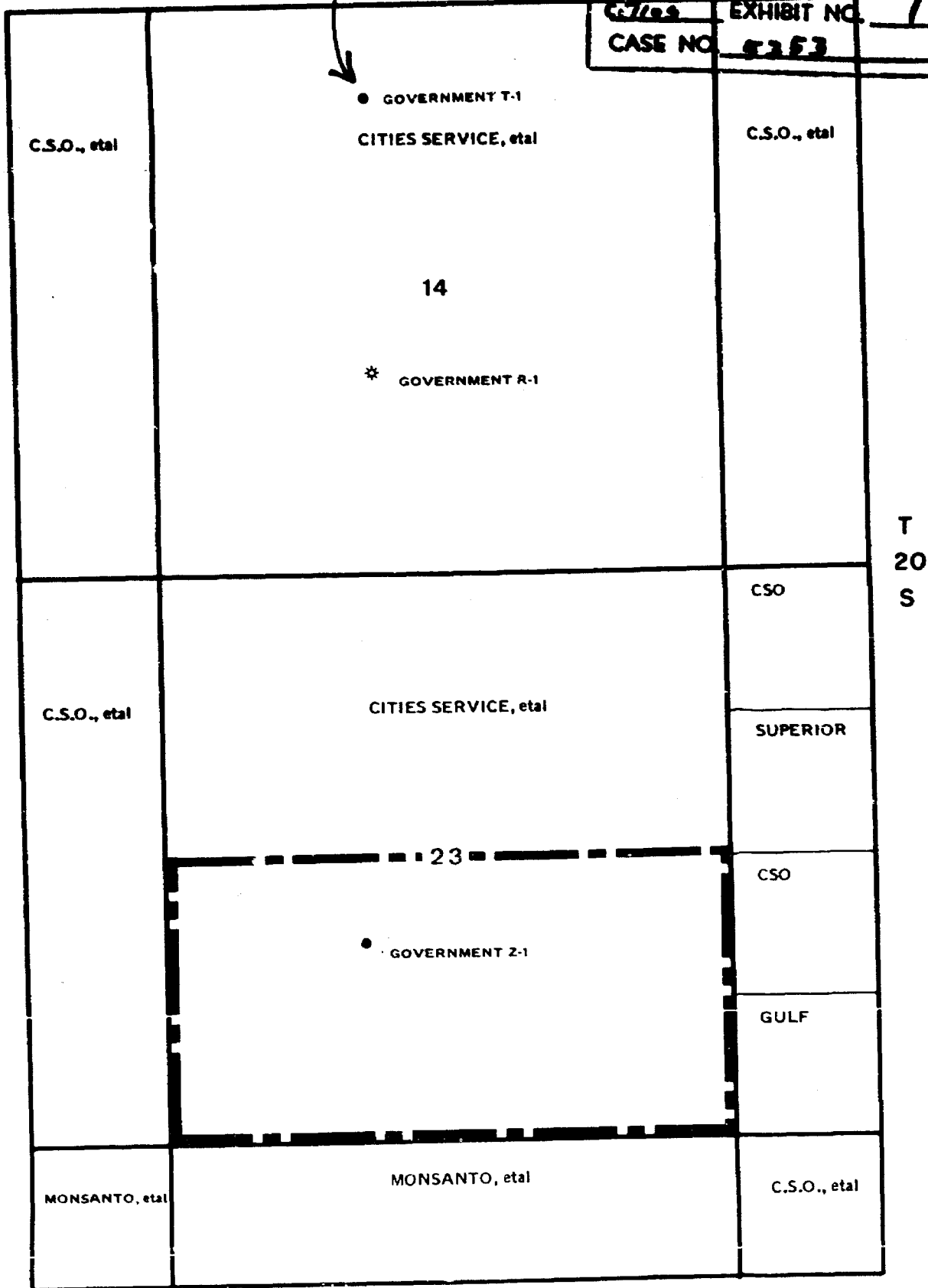
S E A L

jx/

also WC-Morgan
dual
R - 28 - E

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

C-7/2-3 EXHIBIT NO. 1
CASE NO. 5253



CSO-GOVERNMENT-Z-1
SOUTH 1/2 SEC. 23
T-20-S, R-28-E
EDDY CO., NEW MEXICO

Scale: 4" = 1 Mile

CITIES SERVICE OIL COMPANY
SOUTHWESTERN REGION
MIDLAND TEXAS

CITIES SERVICE OIL COMPANY
GOVERNMENT Z - 1
1980' FSL & 1980' FWL
SECTION 23 - 20S - 28E
EDDY COUNTY, NEW MEXICO

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION DOWN HOLE COMPLETION SCHEMATIC

Cities EXHIBIT NO. 2
CASE NO. 5353

Cross over
X-Over Assembly

WOLFCAMP POTENTIAL TEST
1 1/2" Choke - FTP 1282"
1003 BBLs Oil/Day 0 BBLs Water/Day
780 MCFD - GOR 778

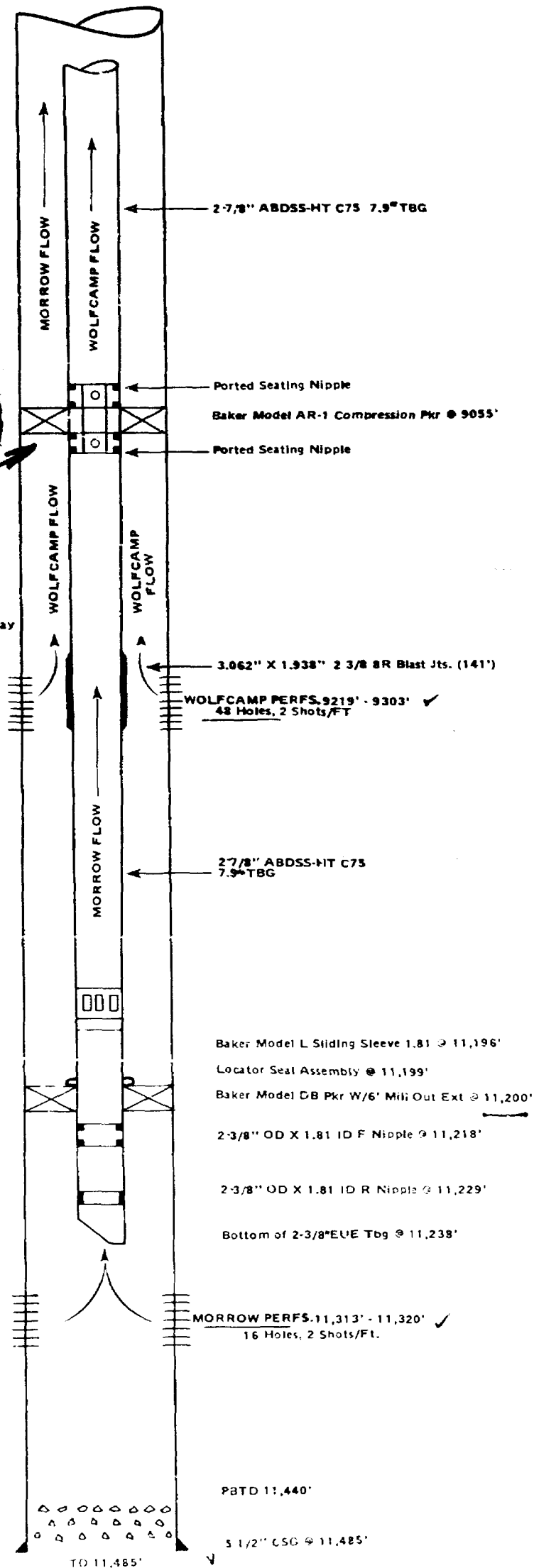
53° oi / 4500 psi

DST No. 1
WOLFCAMP 8230' - 9300'
418 MCFD, 24" FDPP
FSIP 4532"
Mud Wt. = 10.0 PPG

5.5 53.5 3:34
4300 MCF

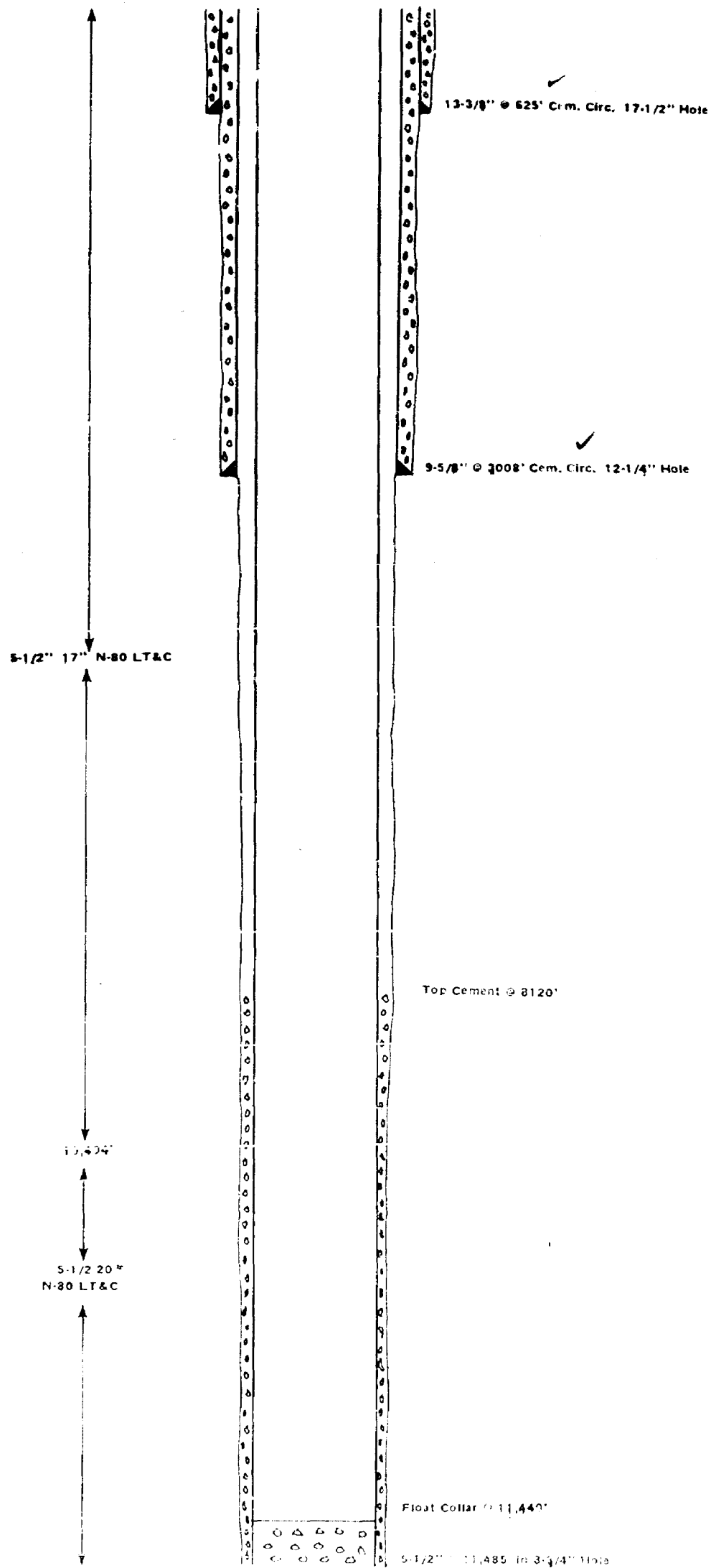
CAOF MORROW 9,711 MCFD

BHP on DST
FSIP 4495



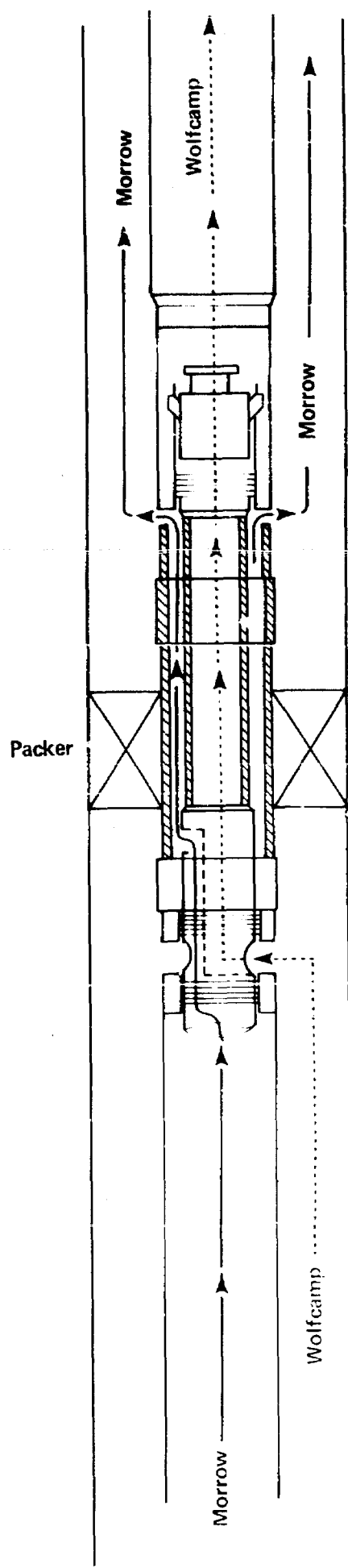
CITIES SERVICE OIL COMPANY
GOVERNMENT Z-1
1980' FSL & 1980' FWL
SECTION 23 - 20S - 28E
EDDY COUNTY, NEW MEXICO

CASING SCHEMATIC



CITIES SERVICE OIL COMPANY
GOVERNMENT Z - 1
1980' FSL & 1980' FWL
SECTION 23 - 20S - 28E
EDDY COUNTY, NEW MEXICO

CROSS-OVER ASSEMBLY DETAIL



- CASE 5354: Application of Mark Production Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age or older underlying the S/2 of Section 9, Township 20 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 360 feet from the South and West lines of said Section 9. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of the applicant as the operator of the well and a charge for risk involved in drilling said well.
- CASE 5355: Application of Tesoro Petroleum Corporation for pool contraction and expansion, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Lone Pine-Dakota "D" Oil Pool by the deletion of the E/2 NW/4 of Section 8, Township 17 North, Range 8 West, McKinley County, New Mexico, and the expansion of the Hospah-Dakota Oil Pool by the addition of such lands.
- CASE 5356: Application of Anadarko Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Artesia State Unit Area comprising 440 acres, more or less, of State lands in Township 18 South, Range 27 East, Eddy County, New Mexico.
- CASE 5357: Application of Anadarko Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Artesia State Unit, Artesia Pool, by the injection of water into the Grayburg and San Andres formations at the following six unorthodox locations in Township 18 South, Range 27 East, Eddy County, New Mexico: Section 13, 1330 feet from the South line and 1310 feet from the West line, and 10 feet from the South and West lines; Section 14, 2630 feet from the South line and 10 feet from the East line and 1310 feet from the South and East lines; Section 23, 1310 feet from the North and East lines and 10 feet from the North line and 2630 feet from the East line. Further to drill two producing wells at unorthodox locations 10 feet from the North line and 1310 feet from the East line of Section 23 and 1330 feet from the South line and 10 feet from the East line of Section 14. Applicant further seeks an administrative procedure whereby the project may be expanded by the drilling of additional injection and producing wells at orthodox and unorthodox locations without further notice and hearing.
- CASE 5358: Application of Continental Oil Company for simultaneous dedication and unorthodox gas well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the simultaneous dedication of a standard 640-acre gas proration unit comprising all of Section 26, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to four wells, being the Lynn B-1 Well No. 1, in Unit J and Lynn B-1 Wells Nos. 3, 4, and 16, at unorthodox locations in Units C, M, and A, respectively, of said Section 26.

Docket No. 30-74

Dockets Nos. 31-74 and 32-74 are tentatively set for hearing on November 13 and November 26, 1974. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 30, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5349: Application of Corinne Grace for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Bond Draw Unit Area comprising 5123 acres, more or less, of Federal, State, and Fee lands in Township 24 South, Range 27 East, Eddy County, New Mexico.

CASE 5350: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Sullivan DZ Com Well No. 1, to be drilled 990 feet from the North line and 660 feet from the West line of Section 8, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 8 to be dedicated to the well.

CASE 5351: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Ferguson DY Com Well No. 1 to be drilled 1980 feet from the North line and 660 feet from the East line of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, the N/2 of said Section 7 to be dedicated to the well.

CASE 5352: Application of David Fasken for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age or older underlying the S/2 of Section 2, Township 18 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the East line of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of the applicant as operator of the well and a charge for the risk involved in drilling said well.

CASE 5353: Application of Cities Service Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Government-Z Com Well No. 1, located in Unit K of Section 23, Township 20 South, Range 28 East, Eddy County, New Mexico, in such a manner as to produce oil from the Wolfcamp formation through tubing and gas from the Morrow formation through the casing-tubing annulus by means of a cross-over assembly.

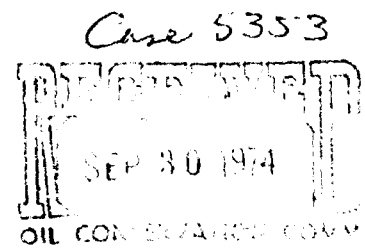
CASE 5359: Application of Continental Oil Company for simultaneous dedication and unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 320-acre non-standard gas proration unit comprising the N/2 of Section 1, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to its Vaughn B-1 Wells Nos. 1 and 6, located at unorthodox locations in Units H and E, respectively, of said Section 1.

CASE 5360: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the two following non-standard gas proration units in the irregular Section 4, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico:

A 480-acre unit comprising all of Lots 1, 2 and 3, 6 through 11, and 14, 15, and 16 of said Section 4 to be dedicated to the Meyer B-4 Well No. 14, located in Unit G;

A 240-acre unit comprising the SE/4 and E/2 SW/4 of said Section 4 to be dedicated to the Meyer B-4 Well No. 4, located in Unit S.

W A I V E R



Cities Service Oil Company has advised us of their intent to
dually-complete in the Morrow and Wolfcamp Formations the Government-Z #1,
located 1980 feet from the South Line and 1980 feet from the West Line of
Section 23, Township 20S, Range 28E, Eddy County, New Mexico. We, as
offset operator to this lease, have no objection to this dual completion.

Date

9-27-74

Signature

J. D. Collins Jr.

The Superior Oil Company

Case 5353

OIL CONSERVATION COMMISSION
Artisan DISTRICT

OIL CONSERVATION COMMISSION
BOX 2088
SANTA FE, NEW MEXICO

DATE 10-3-74

RE: Proposed MC X
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

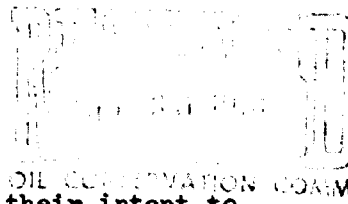
I have examined the application dated 9-25-74
for the Cities Service Oil Co. Government T #1- K-23-20-28
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Their Government T #1-C-14-20-28 was a wellcamp
gas - manure gas.
This one is a wellcamp oil - manure gas -
approval.

Yours very truly,

W.A. Gussert

W A I V E R

Cities Service Oil Company has advised us of their intent to
dually-complete in the Morrow and Wolfcamp Formations the Government-Z #1,
located 1980 feet from the South Line and 1980 feet from the West Line of
Section 23, Township 20S, Range 28E, Eddy County, New Mexico. We, as
offset operator to this lease, have no objection to this dual completion.

September 27, 1974

Date

Signature

Monsanto Company

Case 5353

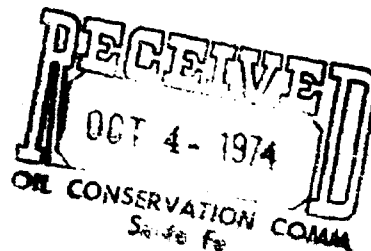
Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT
MIDLAND DISTRICT

W. B. Hopkins
DISTRICT PRODUCTION MANAGER
J. L. Pike
DISTRICT OPERATIONS MANAGER
M. B. Moseley
DISTRICT SERVICES MANAGER
A. J. Evans, Jr.
DISTRICT ENVIRONMENTAL & SAFETY MANAGER
J. C. Howard
DISTRICT EMPLOYEE RELATIONS MANAGER

October 1, 1974

P. O. Drawer 1150
Midland, Texas 79701



Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Request for Dual Completion
Cities Service Oil Company's
Government - Z Well No. 1,
Undesignated Wolfcamp and
Undesignated Morrow Fields,
Lea County, New Mexico

Gentlemen:

This is to advise that Gulf Oil Corporation has been given due notice that Cities Service Oil Company is requesting dual completion authority for their Government - Z No. 1 well in the above subject fields.

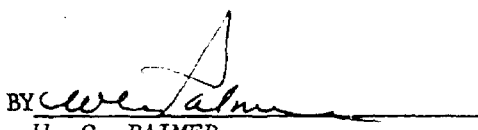
We have no objection to the granting of this application for the above well which is located:

1980' FSL and 1980' FWL of Section 23,
T-20S, R-28E, Eddy County, New Mexico

Executed this 1st day of October, 1974.

Yours very truly,

GULF OIL CORPORATION

BY 
W. C. PALMER
District Engineer

CVB: jm



A DIVISION OF GULF OIL CORPORATION

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
APPLICATION FOR MULTIPLE COMPLETION

Case 535-3

Form C-107
5-1-61

DOCKET M-152

Operator Cities Service Oil Company		County Eddy		Date September 25, 1974
Address Box 1919 - Midland, Texas 79701		Lease Government-Z		Well No. 1
Location of Well K	Unit K	Section 23	Township 20S	Range 28E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☒ NO ☐ Cities Service Oil Co.
2. If answer is yes, identify one such instance: Order No. R-4766; Operator Lease, and Well No.: Government-T #1
*Government-Z #1 is located 1 1/2 miles South of Government-T #1, but we consider the production from these wells as having the same source or supply.

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Undes. Wolfcamp		Undes. Morrow
b. Top and Bottom of Pay Section (Perforations)	9219' - 9303'		11,313' - 11,320'
c. Type of production (Oil or Gas)	Oil		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

4. The following are attached. (Please check YES or NO)

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
<input checked="" type="checkbox"/>	<input type="checkbox"/>	d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 12.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

✓ Monsanto Company - 101 N. Marienfeld - Midland, Texas 79701

✓ Gulf Oil Company - Box 1150 - Midland, Texas 79701

✓ The Superior Oil Co. Box 1900 - Midland, Texas 79701

OCT 2 1974

O. C. S.
ARTESIA, NEW MEXICO

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☒ NO ☐ . If answer is yes, give date of such notification September 24, 1974

CERTIFICATE: I, the undersigned, state that I am the Region Oper. Mgr. of the Cities Service Oil Co. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

E. J. Pugh
Signature

*Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

CITIES SERVICE OIL COMPANY



Box 1919
Midland, Texas 79701
Telephone: 915 684-7131

September 25, 1974

Monsanto Company
101 N. Marienfeld
Midland, Texas 79701

Gulf Oil Company
Box 1150
Midland, Texas 79701

The Superior Oil Company
Box 1900
Midland, Texas 79701

Gentlemen:

Cities Service Oil Company is submitting Application For Multiple Completion for its Government-Z #1, located 1980 feet from the South line and 1980 feet from the West line of Section 23, Township 20S, Range 28E, Eddy County, New Mexico. This application requests approval to dually complete this well in the Morrow and Wolfcamp Formations in this well. Attached is a copy of this application.

Since your company is an offset operator to this lease we respectfully request that a representative of your company sign the Waiver which is enclosed and send one copy to the New Mexico Oil Conservation Commission, return one copy to Cities Service Oil Company. The third copy is for your files. We are also enclosing addressed, stamped envelopes for your convenience.

Thank you for your consideration of our request.

Very truly yours,

CITIES SERVICE OIL COMPANY

E. Y. Wilder
Region Operations Manager
Southwest Region
E & P Region

EYW:RHS:bl

Encl.

W A I V E R

Cities Service Oil Company has advised us of their intent to dually-complete in the Morrow and Wolfcamp Formations the Government-Z #1, located 1980 feet from the South Line and 1980 feet from the West Line of Section 23, Township 20S, Range 28E, Eddy County, New Mexico. We, as offset operator to this lease, have no objection to this dual completion.

9-27-74
Date

D. H. Bellin Jr.
Signature

The Superior Oil Company

Case 5353

W A I V E R

Cities Service Oil Company has advised us of their intent to dually-complete in the Morrow and Wolfcamp Formations the Government-Z #1, located 1980 feet from the South Line and 1980 feet from the West Line of Section 23, Township 20S, Range 28E, Eddy County, New Mexico. We, as offset operator to this lease, have no objection to this dual completion.

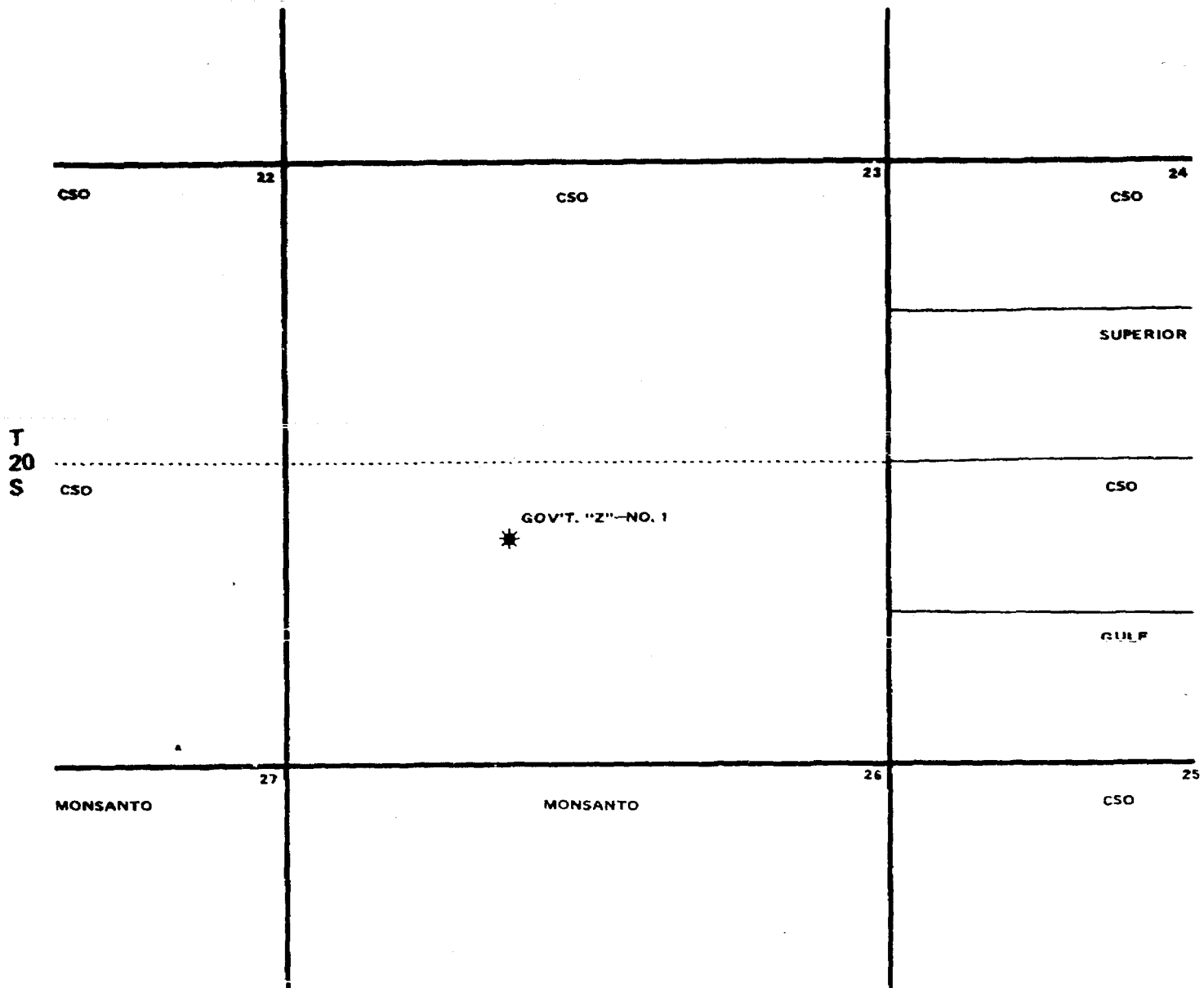
September 27, 1974

Date

Tom Schell
Signature

Monsanto Company

Case 5353



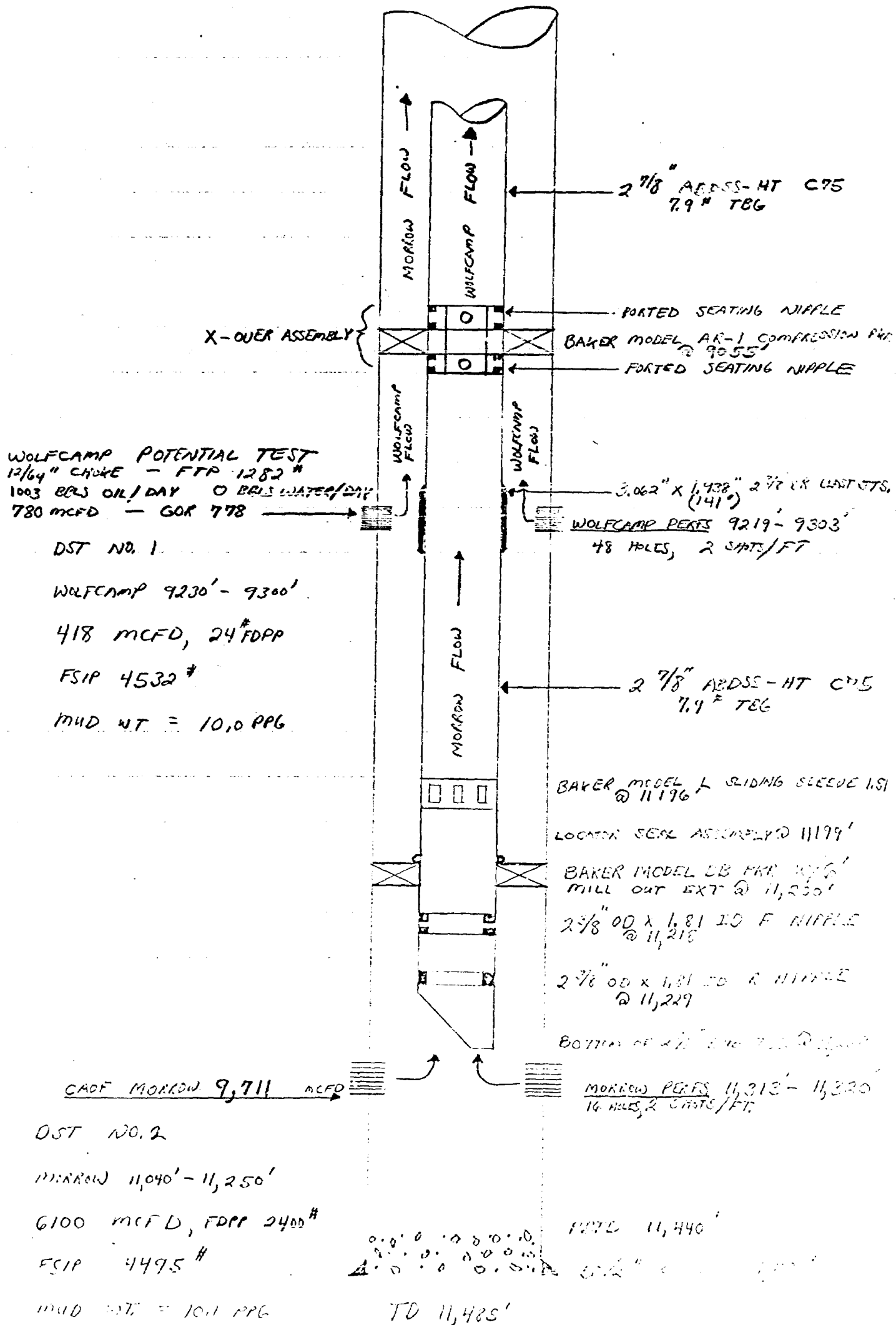
R 28 E

SCALE: 4" = 1 MILE

EDDY CO., NEW MEXICO

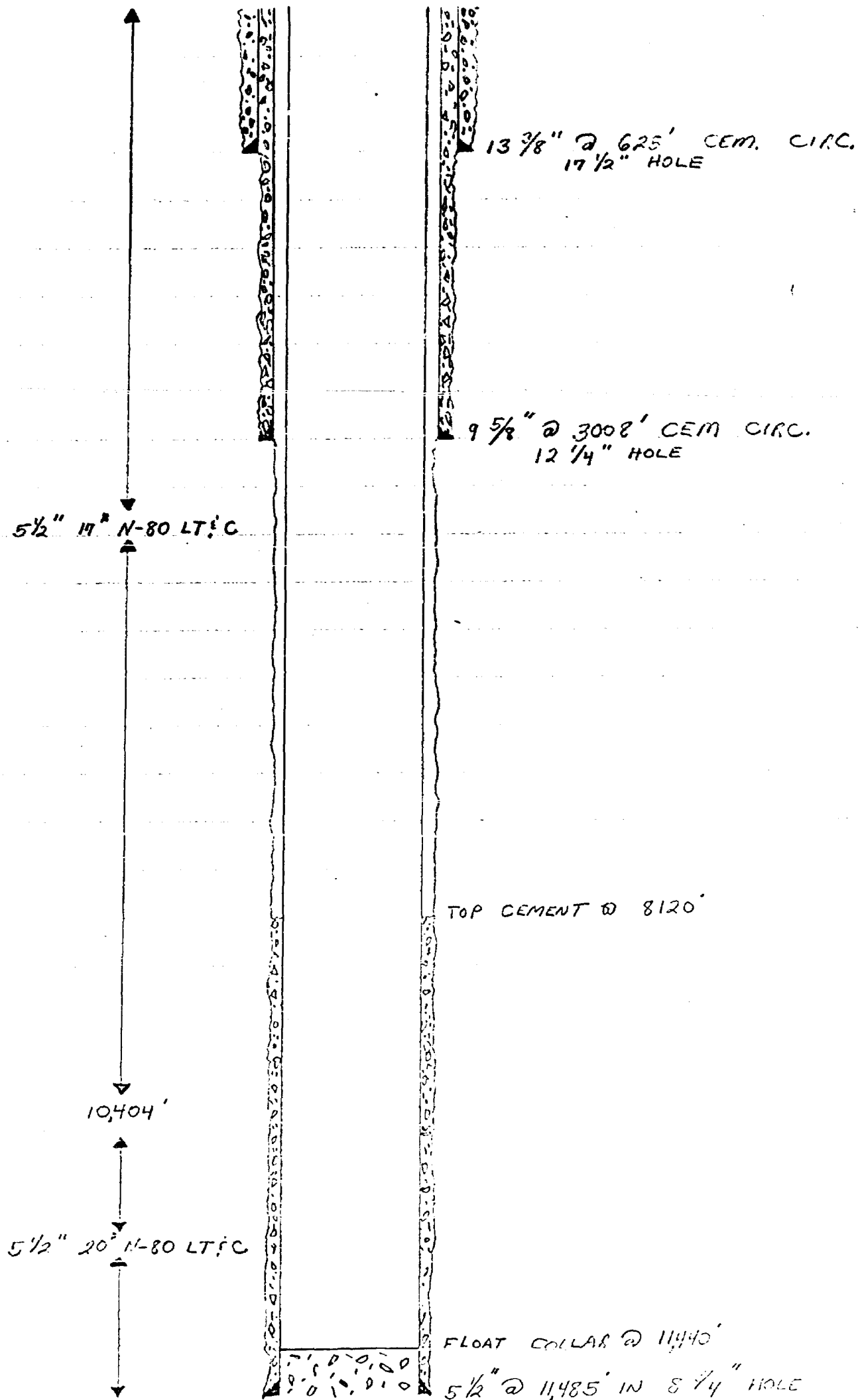
CITIZEN SERVICE OIL COMPANY
 GOVERNMENT # 1
 1980' DEEP
 SECTION 12-1-1
 BLOCK 1, T1N, R1E
 Case 5353

DOWN HOLE COMPLETION SCHEMATIC



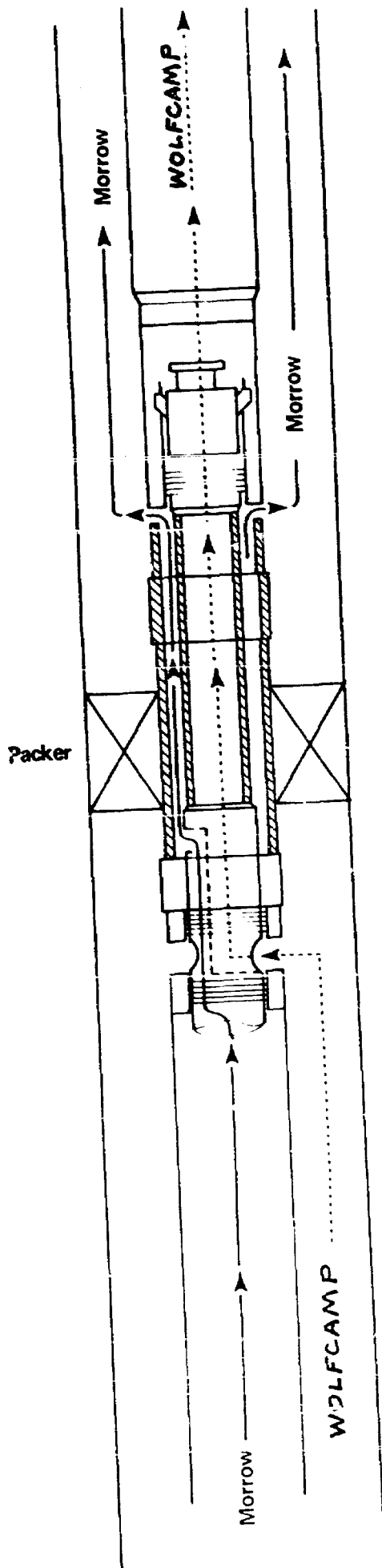
CITIES SERVICE OIL COMPANY
GOVERNMENT W. # 1
1980' FSL & 178' FILL
SECTION 28-405-11E
BDDY COUNTY, NEW MEXICO
Case 5353

CASING SCHEMATIC



CITIES SERVICE OIL COMPANY
GOVERNMENT Z #1
1980' FSL & 1980' FWL
SEC. 23-20S-28E
EDDY COUNTRY, NEW MEXICO

CROSS-OVER ASSEMBLY DETAIL



DRAFT

dr/

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. 5353

Order No. R-4903

APPLICATION OF CITIES SERVICE OIL COMPANY
FOR A DUAL COMPLETION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 30, 196⁷⁴, at Santa Fe, New Mexico, before Examiner
Daniel S. Nutter.

NOW, on this _____ day of November, 196⁷⁴, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Cities Service Oil Company,
seeks authority to complete its Government-2 Com
Well No. 1, located in Unit K of Section 23, Township

20 South ~~XXXXXX~~ Range 28 East, NMPM, Eddy County, New
North ~~XXXXXX~~

(conventional) oil
Mexico, as a dual completion ~~combination~~ to produce ~~gas~~
~~production~~

an undesignated
from the Wolfcamp formation Pool ~~Pool~~ through
tubing and gas from ~~the~~ an undesignated pool ~~Morrow formation~~ through the casing-tubing
annulus by means of a cross-over assembly, with separation

of the two zones to be accomplished by
a packer set at approximately 11,200 feet.

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

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to complete its Government-Z Com Well No. 1, located in Unit K of Section 23, Township 20 ~~North~~ South Range 28 ~~West~~ East NMPM, Eddy County, New Mexico, as a dual completion ~~(conventional)~~ ~~to produce gas~~ ~~(tubingless)~~ ^{oil} ~~from the~~ ^{an undesignated} Wolfcamp formation ^{Pool} ~~and gas from an undesignated Morrow gas pool through~~ ^{2 7/8-inch casing} ~~tubing~~ ^{and}

^{9,255}
2 7/8-inch tubing to approximately ~~10,750~~ feet and thence, by means of a cross-over assembly, to the surface through the casing-tubing annulus with separation of the two zones to be accomplished by means of a packer set at approximately ~~10,750~~ ^{11,200} feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage ^{zone segregation} tests upon completion and annually thereafter during the Annual ~~Shut-In Pressure~~ ^{Shut-In Pressure} Test Period for the ~~gas wells in Southeastern~~ ^{New Mexico} ~~Pool~~ ^{Pool}. ~~Deliverability~~

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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