

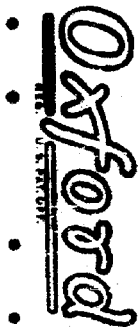
Case No.

1517

Application, Transcript,  
Small Exhibits, Etc.



—When re-ordering, specify—



STOCK No. 7531/3

MADE IN U. S. A.

**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. 1517  
Order No. R-1263**

**APPLICATION OF AMERADA PETROLEUM  
CORPORATION FOR AN ORDER AUTHORIZING  
A GAS-OIL DUAL COMPLETION IN THE  
UPPER PENNSYLVANIAN FORMATION ADJACENT  
TO THE BAGLEY-UPPER PENNSYLVANIAN GAS  
POOL AND IN AN UNDESIGNATED OIL POOL IN  
THE LOWER PENNSYLVANIAN FORMATION.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on October 2, 1958, at Santa Fe, New Mexico, before Elvis A. Uta, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 25<sup>th</sup> day of October, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Uta, 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, Amerada Petroleum Corporation, is the owner and operator of the State BT "M" Well No. 2, located 1880 feet from the North line and 660 feet from the East line of Section 33, Township 11 South, Range 33 East, NMPN, Lea County, New Mexico.

(3) That the applicant proposes to dually complete the above-described State BT "M" Well No. 2 in such a manner as to permit the production of gas from the upper Pennsylvanian formation adjacent to the Bagley-Upper Pennsylvanian Gas Pool and the production of oil from an undesignated oil pool in the lower Pennsylvanian formation through the casing-tubing annulus and 2 3/8-inch KKK tubing respectively.

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Case No. 1517  
Order No. K-1263

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

(5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Amerada Petroleum Corporation, be and the same is hereby authorized to dually complete its State BI "M" Well No. 2, located 1980 feet from the North line and 660 feet from the East line of Section 33, Township 11 South, Range 3<sup>rd</sup> East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of gas from the upper Pennsylvanian formation adjacent to the Bagley-Upper Pennsylvanian Gas Pool and the production of oil from an undesignated oil pool in the lower Pennsylvanian formation through the casing-tubing annulus and 2 3/8-inch EUE tubing respectively.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-in Pressure Test Period for the Bagley-Upper Pennsylvanian Gas Pool.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

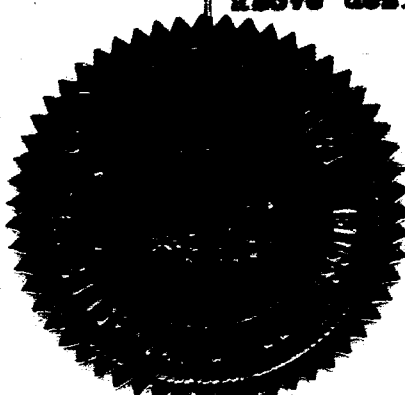
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

State of New Mexico  
Oil Conservation Commission

  
Edwin L. Mechem, Chairman

  
Murray E. Morgan, Member

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



**DOCKET: EXAMINER HEARING OCTOBER 2, 1958**

**Oil Conservation Commission 9 a.m. Mabry Hall, State Capitol, Santa Fe**

The following cases will be heard before Elvis A. Utz, Examiner:

**CASE 1225:** Application of Moab Drilling Company for authority to expand its water flood project in the High Lonesome Pool, Eddy County, New Mexico, and for approval of certain unorthodox well locations therein. Applicant, in the above-styled cause, seeks an order authorizing the expansion of its water flood project in the High Lonesome Pool, Eddy County, New Mexico, to include its Davis-Federal Well No. 11-W, a proposed water injection well to be drilled on an unorthodox location 1310 feet from the North line and 2630 feet from the West line of Section 15, Township 16 South, Range 29 East. Applicant further seeks an administrative procedure for the future expansion of said water flood project to include the following proposed water injection wells to be drilled on unorthodox locations:

Davis-Federal No. 1-W; 10 feet from the North line and 2630 feet from the West line of Section 15.

Davis-Federal No. 2-W; 10 feet from the North line and 1310 feet from the West line of Section 15.

Skelly-State No. 15-W; 1310 feet from the North line and 2630 feet from the West line of Section 16.

Skelly-State No. 25-W; 2630 feet from the North line and 2630 feet from the West line of Section 16.

All in Township 16 South, Range 29 East.

**CASE 1511:** Application of Newmont Oil Corporation for an order authorizing a pilot water flood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Loco Hills Pool in Eddy County, New Mexico. Applicant proposes to inject water into the Grayburg formation through one well in Section 1, Township 18 South, Range 29 East, and through five wells in Section 6, Township 18 South, Range 30 East, all in Eddy County, New Mexico.

**CASE 1512:** Application of Humble Oil & Refining Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Bandana Point Unit Agreement embracing approximately 14,293 acres of Federal, state and fee acreage in Township 22 South, Range 23 East, and Township 23 South, Ranges 23 East and 24 East, all in Eddy County, New Mexico.

**CASE 1513:** Application of Drilling and Exploration Company, Inc. for an exception to the casing requirements for the potash-oil area in Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing an exception to the shallow-zone casing requirements for the potash-oil

CASE 1513 continued

area as set forth in Order No. R-111-A for its Ballard No. 1 Well located 1980 feet from the North and West lines of Section 27, Township 20 South, Range 34 East, Lea County, New Mexico. Applicant proposes to drill with cable tools to an approximate depth of 3,700 feet adjacent to the Lynch Pool. Applicant proposes to use the following casing program in lieu of the program prescribed for cable tool holes by Order R-111-A:

- (1) 13 3/8 inch casing to be cemented at approximately 70 feet.
- (2) 10 3/4 inch casing to be landed at approximately 700 feet.
- (3) 8 5/8 inch casing to be landed at approximately 1250 feet.
- (4) 5 1/2 inch casing to be cemented at the top of the producing formation with 50 sacks cement for testing purposes.
- (5) 10 3/4 inch casing and 8 5/8 inch casing to be pulled.
- (6) In the event commercial production is obtained, 5 1/2 inch casing to be perforated and cement circulated to surface.

CASE 1514: Application of Continental Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Tonto Deep Unit Agreement embracing 2,000 acres, more or less, of Federal and state lands in Township 18 South, Range 34 East, Lea County, New Mexico.

CASE 1515: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the S/2 Section 22, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Meyer B-22 Well No. 1 located 1650 feet from the South line and 990 feet from the East line of said Section 22.

CASE 1516: Application of El Paso Natural Gas Company for two non-standard gas proration units and for the approval of one unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 SW/4 and the SW/4 SW/4 of Section 4, Township 25 South, Range 37 East, said unit to be dedicated to the applicant's Wells Federal No. 3 Well located 1980 feet from the South and West lines of said Section 4. Applicant further seeks the establishment of a 200-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SE/4

CASE 1516 continued

SW/4 of Section 4 and the NW/4 of Section 9, Township 25 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Wells Federal No. 11 Well located 430 feet from the South line and 2317 feet from the West line of said Section 4. Applicant further seeks approval of the unorthodox gas well location of the said Wells Federal No. 11 Well.

CASE 1517:

Application of Amerada Petroleum Corporation for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State BT "M" Well No. 2, located in the SE/4 NE/4 of Section 33, Township 11 South, Range 33 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the upper Pennsylvanian formation adjacent to the Bagley-Upper Pennsylvanian Gas Pool, and the production of oil from the lower Pennsylvanian formation adjacent to the Bagley-Lower Pennsylvanian Gas Pool through the casing-tubing annulus and the tubing respectively.

CASE 1518:

Application of Magnolia Petroleum Company for permission to commingle production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Wantz-Abo (oil) Pool and Terry-Blinebry Oil Pool on its Stephens Estate Lease comprising the SW/4 of Section 24, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1519:

Application of Sunray Mid-Continent Oil Company and British American Oil Producing Company for an order authorizing a secondary recovery project. Applicants, in the above-styled cause, seek an order authorizing a secondary recovery project in the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico. Applicants propose to inject liquefied petroleum gas and dry gas into the Gallup formation through the British American Marye Well No. 2 located in the NE/4 NE/4 of Section 12, Township 25 North, Range 13 West, and the Sunray Mid-Continent Federal "C" Well No. 20 located in the SW/4 NW/4 of Section 7, Township 25 North, Range 12 West, all in San Juan County, New Mexico.

CASE 1520:

Application of Phillips Petroleum Company for permission to commingle oil produced from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the oil produced on its Santa Fe Lease from the Yates formation adjacent to the Vacuum Yates Pool with the oil produced from the Vacuum (San Andres) Pool in four separate existing tank batteries located in Sections 26, 27, 28, and 33, Township 17 South, Range 35 East, Lea County, New Mexico.

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Docket No. 26-58

CASE 1521: Application of Humble Oil and Refining Company for an oil  
oil dual completion. Applicant, in the above-styled cause,  
seeks an order authorizing the dual completion of its New  
Mexico State "V" Well No. 1, located 660 feet from the South  
and West lines of Section 10, Township 21 South, Range 37  
East, Lea County, New Mexico, in such a manner as to permit  
the production of oil from the Blinebry Oil Pool and the  
Drinkard Pool through parallel strings of  $1\frac{1}{2}$  inch tubing.



OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 10-3-56

CASE NO. 1517

HEARING DATE 10-2-56

My recommendations for an order in the above numbered case(s) are as follows:

1. Grant approval of Dual as requested.
2. Upper completion is <sup>has</sup> vertical limits of Upper Bagley Penn. but not in the Horizontal limits.
3. The ~~Lower~~ Completion is <sup>oil</sup> vertical limits of Lower Penn. gas pool but not in Horizontal limits.
4. Upper than Casing. Dubing annulus.  
Lower " Dubing (2 3/4) EOE

*Christ. H.*

\_\_\_\_\_  
Staff Member

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

10:37 AM 8-15  
IN THE MATTER OF:

CASE 1517

TRANSCRIPT OF HEARING

OCTOBER 2, 1958

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6691

2

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
OCTOBER 2, 1958

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IN THE MATTER OF: :

CASE 1517 Application of Amerada Petroleum Corpora- :  
tion for a dual completion. Applicant, in :  
the above-styled cause, seeks an order :  
authorizing the dual completion of its :  
State BT "M" Well No. 2, located in the :  
SE/4 NE/4 of Section 33, Township 11 South :  
Range 33 East, Lea County, New Mexico, in :  
such a manner as to permit the production :  
of gas from the upper Pennsylvanian forma- :  
tion adjacent to the Bagley-Upper Pennsyl- :  
vanian Gas Pool, and the production of oil :  
from the lower Pennsylvanian formation ad- :  
jacent to the Bagley-Lower Pennsylvanian :  
Gas Pool through the casing-tubing annulus :  
and the tubing respectively. :

-----  
BEFORE:

Mr. Elvis A. Utz, Examiner.

T R A N S C R I P T    O F    P R O C E E D I N G S

MR. UTZ: Case 1517.

MR. COOLEY: Case 1517. Application of Amerada Petrol-  
eum Corporation for a dual completion.

MR. KELLAHIN: I am Jason Kellahin of Kellahin & Fox,  
Santa Fe, New Mexico, representing the applicant, Amerada Petroleum  
Corporation. We have one witness, Mr. McBryde.

MR. UTZ: Any other appearances in this case? If not,  
you may proceed.

(Witness sworn)

O. C. McBRYDE,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A I am O. C. McBryde, Jr.

Q By whom are you employed, Mr. McBryde?

A By Amerada Petroleum Corporation.

Q In what position?

A Petroleum engineer.

Q Have you previously testified before the Oil Conservation Commission of New Mexico and had your qualifications as an expert engineer accepted?

A Yes, sir, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: They are.

Q Mr. McBryde, are you familiar with the application in Case 1517?

A Yes.

Q Will you describe briefly what is proposed in this application?

A We are seeking approval for a dual completion in our State BT "M" No. 2 in the Bagley Pools.

Q That would be gas from the Bagley Upper Pennsylvanian

4  
zone and oil from the Lower Pennsylvanian zone?

A Yes, sir, that's right.

Q Well, referring to what has been marked as Exhibit No. 1, will you state what that shows?

A Exhibit No. 1 is a map of the Bagley Field, and on that we have shown the location and ownership of all the wells in the field. We have circled the subject well, the State BT "M" No. 2 in red. We have shown on the map the zone from which other wells in this Pool are producing, that is, those zones that are producing -- excuse me -- those wells that are producing from zones that the subject well is producing from.

Q Does that show the well location?

A Yes, sir. The State BT "M" No. 2 is located in Section 33, Township 11 South, Range 33 East. It is 1980 feet from the North line and 660 feet from the West line of that Section.

Q Is that well location within the horizontal limits of the Bagley-Upper Pennsylvanian or the Bagley-Lower Pennsylvanian?

MR. UTZ: What is the location of that?

A 1980 from the North and 660 from the East line. Did I say West? I am sorry.

Q Is that location within the horizontal limits of the Bagley-Upper Pennsylvanian Gas Pool, or the Bagley-Lower Pennsylvanian Gas Pool?

A No, sir, it is not. It is outside the limits of any pool.

Q It is within one mile of the limits of those two pools,

is it not?

A Yes, it is.

Q Now, does the Exhibit show the other completions in the Bagley zones, including the dual completion in the two gas zones?

A Yes, sir. We have marked on the Exhibit those wells producing from zones that the State BT "M" No. 2 will produce from. Would you like for me to point those out?

Q No, I don't believe that is necessary. Now, referring to what has been marked as Exhibit No. 2, will you state what that is?

A Exhibit No. 2 is a marked electric log of the subject well. We have shown on this Exhibit the perforations opposite the two zones marked in red. You will note the Upper zone is perforated from 8,626 to 8,678. The Lower zone from 9,876 to 9,896. We have also shown the top of the Upper gas zone at 8,622 feet, and the top of the Lower gas zone at 9,825 feet.

Q Will you state what the perforations were in the Lower zone?

A From 9,886 to 9,896.

Q Are those perforations in the Upper zone within the vertical limits of what would be the Bagley-Upper Pennsylvanian Gas Pool?

A Yes, sir, they are.

Q Is that zone gas productive in this well?

A Yes, sir, it is.

Q Now, referring to the Lower zone, is that located within what would be the vertical limits of the Bagley-Lower Pennsylvanian Gas Pool?

A Yes, sir, it is.

Q And what is it productive of?

A It has oil production.

Q Now, referring to what has been marked as Exhibit No. 3, will you state what that is?

A Exhibit No. 3 is a diagrammatic sketch of the dual completion.

Q Will you state what that Exhibit shows, Mr. McBryde?

A Exhibit 3 shows the casing, cementing and completion program on the subject well. It shows the surface, 13 3/8 inch surface casing set at 362 feet; 9 5/8 inch intermittent set at 3,774 feet. Shows the 7 inch casing set at 9,919 feet. Shows the top of the cement behind the 7 inch casing at 6,178 feet. Shows the proposed producing interval in the Upper Pennsylvanian Gas zone from 8,626 to 8,678 feet. Shows the Baker Model "D" production packer set at 9,800 feet; the PSI nipple set immediately above the packer at 9,793 feet. Shows the proposed producing interval of the Lower Pennsylvanian zone from 9,886 to 9,896 feet, and the drilled out depth and the total depth of the well.

Q Now, what is the purpose of that PSI nipple?

A PSI nipple is placed in the single tubing string to enable us to use the single string of tubing to perform any type

of work that we desire on either zone by doing some wireline work without pulling the tubing.

Q Would that type of completion enable you to do any treating or testing or remedial work that might be required or reasonably anticipated in this well?

A We can acidize either the upper or lower zone, or kill the lower zone if we needed to.

Q What is the status of the Upper zone at the present time?

A We have that zone shut in at the present time.

Q And are you producing the Lower zone at the present time?

A Yes, sir. It has an oil allowable of 132 barrels right now, and we are producing it.

Q Is this type of dual completion a type which has heretofore been approved by this Commission?

A Yes, sir, it is.

Q In your opinion, will it prevent commingling of fluids or hydrocarbons from the two zones?

A Yes, sir, it will.

Q Is the type of completion such that you can adequately test to determine if there is communication between the two zones?

A Yes, sir.

Q Is this proposed completion, in your opinion, in the interest of the conservation and the prevention of waste?

A Yes, sir, it is.

Q And will correlative rights be protected by such a com-



pletion?

A Yes, sir.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits 1 through 3 inclusive.

MR. UTZ: Without objection, they will be received.

MR. KELLAHIN: That's all the questions I have.

MR. UTZ: Does anyone have a question of the witness?

CROSS EXAMINATION

BY MR. COOLEY:

Q Inasmuch as the Lower zone is completed in an interval which is designated as the Lower Pennsylvanian Gas Pool just a mile away or less than a mile away, in other words, this being productive of oil, does Amerada have any recommendations as to proper and logical designation of this oil productive zone as discovered in this State BT "M" No. 2 Well?

MR. KELLAHIN: I would like to make a statement in connection with that, if I may. The matter of Pool Rules as to this type situation will, of course, have to come before the Commission, but until some experience has been gained, Amerada is not in a position at the moment to make a recommendation. We realize, of course, it will have to come back.

MR. COOLEY: It would be Amerada's recommendation that this be left as an undesignated oil pool?

MR. KELLAHIN: That is correct, yes.

MR. COOLEY: The Rules and Regulations for the Bagley-

Lower Pennsylvanian Gas Pool prescribe that all wells completed in that vertical interval within a mile would be drilled, operated, produced and prorated in accordance with the provisions of that Order. However, it seems inappropriate inasmuch as this is not a gas well.

MR. KELLAHIN: That's correct. I would like to call the Commission's attention to this fact. The Pool Rules for the Upper Bagley Pennsylvanian zone make a provision for this type of situation. This is the first oil that has been discovered in the Lower Bagley Pennsylvanian Gas zone, and the Rules applicable to the Upper zone might not fit the Lower zone. Until such further --

Q (By Mr. Cooley) Mr. McBryde, what is the gas-oil ratio of this Lower Pennsylvanian completion?

A The last test that we had on that, it was 1,656 on a twenty-four hour test.

Q Do you have any explanation why two wells completed so close to each other in the same zone would have such different producing characteristics?

A Which other wells are you referring to?

Q Well, the nearest well producing from the Lower which should be your --

A Shell Amerada State "A" Unit No. 1 --

Q Yes.

A -- in the SE/4 of the SE/4 of Section 23. The State BT "M" No. 2 is lower on the structure than any other well productive

from this zone, and we have just encountered a small oil rim.

Other than that, I have no other explanation.

Q Do you think it is possible that what we have designated as the Lower Pennsylvanian Gas Pool is actually a gas cap?

A We think that this oil rim that we found will be of a very minor significance. I would hesitate to call it a gas cap. I would rather approach it from the other angle and call this an oil rim. I might add that we don't know for sure yet what we have here, but we do have some oil.

Q Would you be of the opinion there is communication across this half mile interval between the subject well and the Shell Amerada State "A" Unit No. 1?

A Yes, I think so.

MR. UTZ: Any other questions? Mr. Fischer.

MR. FISCHER: I have a few.

MR. UTZ: You may proceed.

QUESTIONS BY MR. FISCHER:

Q Mr. McBryde, on your schematic diagram, your tubing shows only the PSI nipple. It seems to me like you would need a circulating sleeve also on that tubing above the nipple and packer approximately opposite the Upper Pennsylvanian Gas zone in order to be able to - if you determine it necessary to work that well over or take bottom hole pressures through the tubing, don't you think you would need a circulating sleeve there?

A We can circulate through the PSI nipple.

Q Do you have perforation there?

A The nipple has ports in it, and we can run a tool on a wire line to close those ports off to the Upper zone and leave the Lower zone open, or we can run a blanketing plug below the PSI nipple which will blanket the Upper zone opened through the tubing through those ports.

Q So you wouldn't need your circulating sleeve?

A No, sir.

MR. FISCHER: Thank you.

QUESTIONS BY MR. UTZ:

Q Is this well receiving an allowable as an undesignated oil well at the present time?

A Yes, sir, I believe that's right. It has an allowable, I think, of 132 barrels a day.

Q And it is your suggestion that it continue to receive an undesignated oil well allowable until such time as you have more information?

A Yes, sir.

Q And that is true insofar as the Upper zone is concerned?

A No, sir. The Upper zone is a gas completion. It produces dry gas, and until we -- well, we are not ready to produce that yet. It is still shut in. We are trying to decide acreage that we might want to dedicate to it.

Q That was my next question. You don't know what acreage you would like to dedicate to the Upper zone?

A No, sir, we are still working on that. There is a possibility that we will drill another well up in that vicinity, and until we decide on this well, the location of it, we will not be able to offer a firm recommendation on the acreage for the Upper zone.

QUESTIONS BY MR. COOLEY:

Q Mr. McBryde, the Shell Amerada State "A" Unit No. 1 Well, didn't it show the SE/4 of Section 33 to be non-productive of gas from the Upper Pennsylvanian Gas Pool?

A There has been some controversy on that. I personally think it is productive, and I think that at the proper time we could show that it is productive. It is at the present time outside the limits of the Pool.

MR. UTZ: Did you drill the well?

A No. I think Shell drilled it.

Q (By Mr. Cooley) It would be rather difficult, in any event, whatever acreage you dedicated to your State BT "M" No. 2 Well, to make that acreage contiguous with the present delineation of the Bagley-Upper Pennsylvanian Gas Pool, wouldn't it?

A I don't think it would be very difficult.

Q Well, isn't the SE/4 of the SW/4 of Section 34 outside of it?

A The entire south half of Section 34 in the Upper zone is attributed to our BT "K" No. 1.

MR. COOLEY: That's all the questions I have.

MR. UTZ: Any other questions of the witness? If not,  
the witness may be excused.

(Witness excused)

MR. UTZ: Any statements to be made in this case? If  
not, the case will be taken under advisement.

The hearing will be recessed until one-thirty.

C E R T I F I C A T E

STATE OF NEW MEXICO )  
: ss  
COUNTY OF BERNALILLO )

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 9<sup>th</sup> day of October 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

J. A. Trujillo  
Notary Public

My Commission Expires:  
October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1517, heard by us on 10-2 1958.  
[Signature], Examiner  
New Mexico Oil Conservation Commission





*for hearing*

MAIN OFFICE OCC

1958 AUG 22 AM 8:24

*file file*  
*assign #*  
*see Sept. 10*  
*other copy on the way*

Drawer D  
Monument, New Mexico  
August 18, 1958

*for*

Mr. R. F. Montgomery  
New Mexico Oil Conservation Commission  
P. O. Box 2045  
Hobbs, New Mexico

Dear Sir:

Attached to this letter is an application for a dual completion on the Amerada Petroleum Corporation State BT<sup>M</sup> No. 2 in the Bagley Field. This well has been dually completed in the Bagley Upper Penn Gas Zone and Bagley Lower Penn Gas Zone. The well is located in the SE/4 NE/4 Section 33, T11S, R33E.

The following completion data is submitted for your information:

Bagley Upper Penn Gas Zone

Produced at rate of 2,500 MCF/day on 20/64" choke through perforations from 8626'-8638', 8644'-8656', and 8662'-8678'. Casing Pressure 1150#.

Bagley Lower Penn Gas Zone

Flowed at rate of 331.20 bbls. oil per day on 3/4" choke through perforations from 9886'-9896'. Gas Volume - 414 MCF/day, GOR - 1250, tubing pressure 100#, oil gravity - 47.8°.

The upper producing zone is outside the horizontal limits of the Bagley Upper Penn Gas Pool but within the vertical limits. We request that it be placed in the Bagley Upper Penn Gas Pool.

The lower producing interval is outside the horizontal limits of the Bagley Lower Penn Gas Pool but within the vertical limits of this pool. However, completion data indicates that it will be an oil well. We request that for proration purposes that it be considered as a Bagley Penn oil well, with a normal 40 acre unit oil allowable.

Very truly yours,

AMERADA PETROLEUM CORPORATION

*D. C. Capps*  
D. C. Capps

REB/vh

cc: ✓ Oil Conservation Commission  
Santa Fe

*Docket Mailed*  
*4-18-58*  
*BP*

## NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

## APPLICATION FOR DUAL COMPLETION

MAIN OFFICE OCC

Field Name <b>Bagley Lower Penn. Gas Pool</b> <b>Bagley Upper Penn. Gas Pool</b>		County <b>1958 AUG 22 AM 8:24</b>	Date <b>August 18, 1958</b>
Operator <b>Amrad Petroleum Corporation</b>		Lease <b>RTM</b>	Well No. <b>2</b>
Location of Well	Unit <b>M</b>	Section <b>33</b>	Township <b>11S</b>
		Range <b>33E</b>	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☒ NO ☐

2. If answer is yes, identify one such instance: Order No. **DC-180**; Operator, Lease, and Well No.: **Texas Pacific Coal & Oil State "C" A/C 2 #1**

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	<b>Bagley Upper Penn. Gas Zone</b>	<b>Bagley Lower Penn. Gas Zone</b>
b. Top and Bottom of Pay Section (Perforations)	<b>8626-8638</b> <b>8644-8656</b> <b>8673-8678</b>	<b>9006-9006</b>
c. Type of production (Oil or Gas)	<b>Gas</b>	<b>Oil</b>
d. Method of Production (Flowing or Artificial Lift)	<b>Flowing</b>	<b>Flowing</b>

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

- ☒ a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, 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.
- ☒ 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.
- ☒ c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- ☒ 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 112-A.)

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

**Gulf Oil Corporation - P.O. Box 2167, Hobbs, New Mexico**

**Shell Oil Company - P.O. Box 1957, Hobbs, New Mexico**

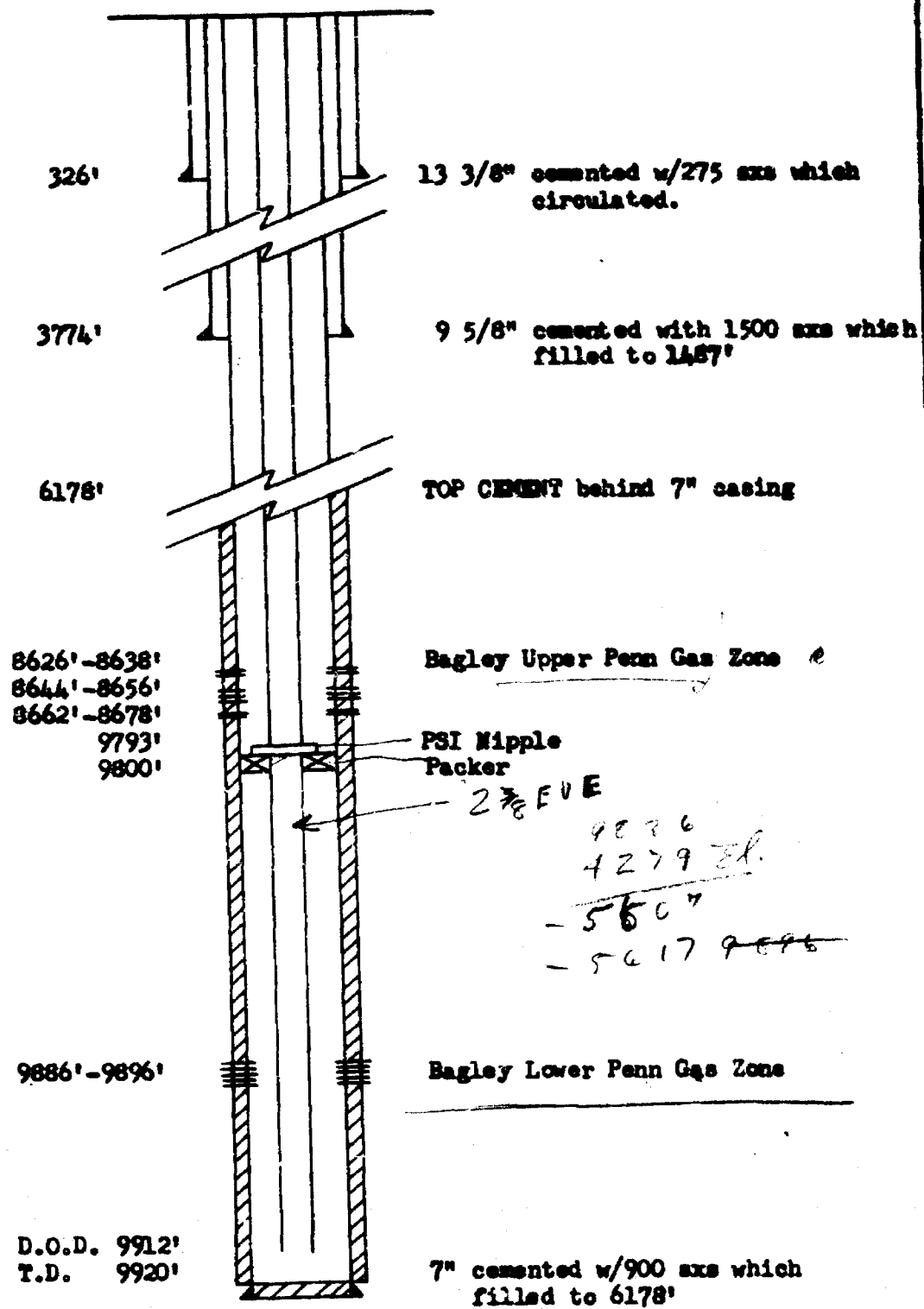
**Sunray-Mid Continent Oil Company - Wilco Building, Midland, Texas**

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 **August 19, 1958**

CERTIFICATE: I, the undersigned, state that I am the **District Superintendent** of the **Amrad Petroleum Corporation** (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.

*H. C. Capps*  
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 dual completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

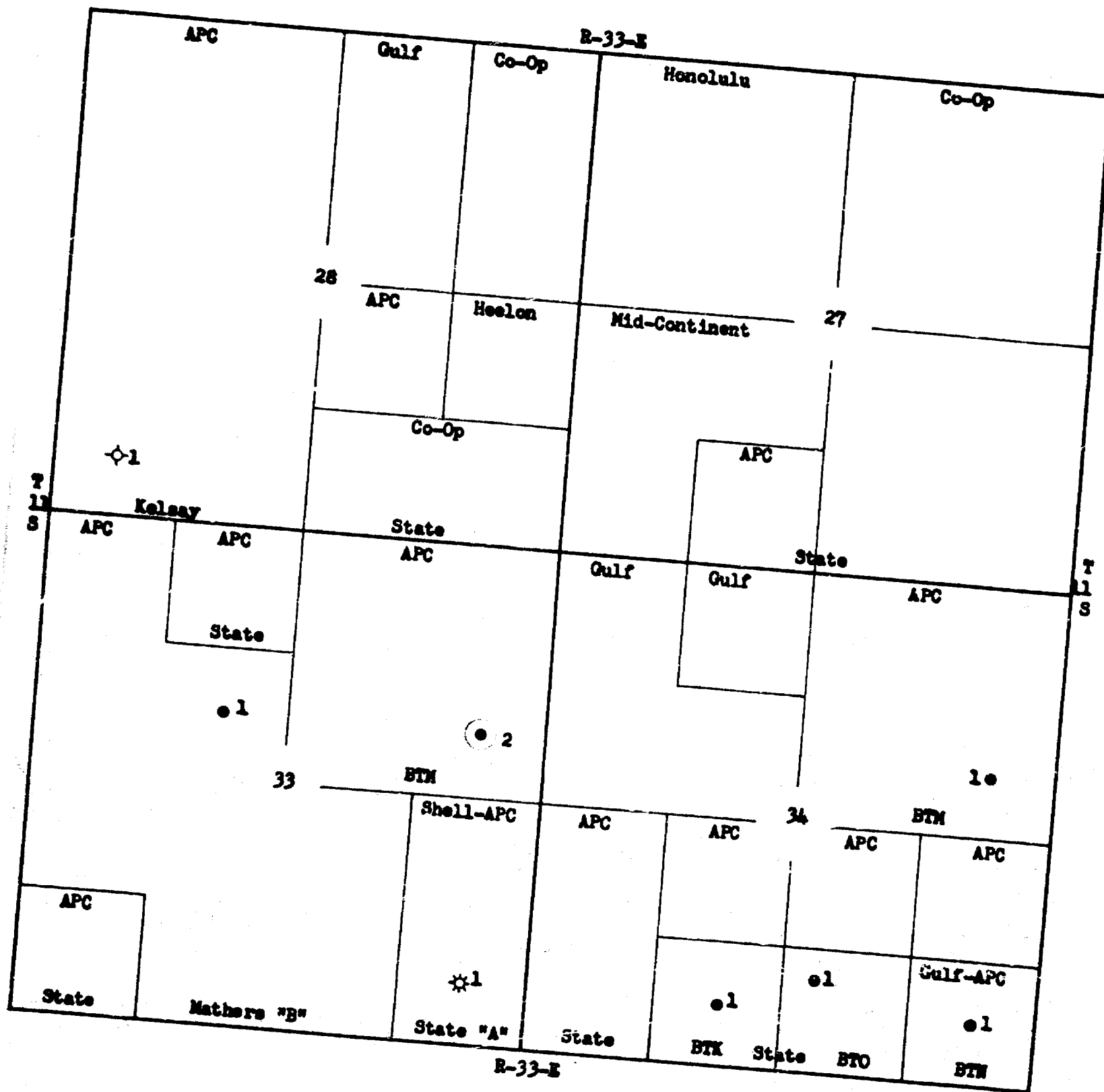


AMERADA PETROLEUM CORPORATION

DUAL COMPLETION

State BT#M# #2

Sec. 33, T-11-S, R-33-E



Amerada Petroleum Corp.

State BTM #2