

Case No.

1753

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

February 17, 1961

J. I. O'Neill, Jr.
410 West Ohio
Midland, Texas

Attention: Mr. E. T. Anderson

Gentlemen:

Reference is made to your letter of February 6, 1961, wherein you point out that your Federal "H" Well No. 3, a dual completion in the Yates and Queen zones, has declined to the point where the Yates is producing an average of less than three barrels per day and the Queen is producing some seven or eight barrels per day. The production from this well is commingled with Queen production from two other wells on the same lease which also make approximately seven or eight barrels per day each.

Order No. R-1491 authorized the commingling of production from these two pools provided that each would be separately metered prior to such commingling. It is our understanding that now the wells have become so marginal, it is no longer economically feasible to test and recalibrate these meters and that you desire to discontinue metering the production and would base your production from each zone upon periodic tests of the wells involved.

The separate metering requirement in Order No. R-1481 was only intended to be applicable until such time as every one of the subject wells had

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OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

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February 17, 1961

J. I. O'Neill, Jr.
Midland, Texas

declined to a low marginal status. Accordingly, this provision in the Order is now moot and no longer is compliance therewith required. Meters will be required of course if at any time either of the pools become capable of making top allowable.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/DSM/1g

cc: Oil Conservation Commission
Drawer DD
Artesia, New Mexico

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410 WEST OHIO
MIDLAND, TEXAS

JOHN OFFICE OCC

PM 1:27

JOSEPH I. O'NEILL, JR.
OIL PROPERTIES

February 6, 1961

TELEPHONE
MUTUAL 3-2771

*File
Case 1753*

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. Daniel S. Nutter

Re: Joseph I. O'Neill, Jr. Federal "E" Lease,
Culwin Pool, Eddy County, New Mexico

Gentlemen:

Our Federal "E" No. 3 is dually completed in the Yates and Queen zones. Following are the recent tests from the Yates zone: Jan. 3, 1961 - 3 bbls; Jan. 4, 1961 - 3 bbls; Jan. 5, 1961 - 3 bbls; Jan. 6, 1961 - 0 bbls; Jan. 7, 1961 - 1 bbl; Jan. 8, 1961 - 0 bbls; January total 50 barrels of oil.

The total production from the Queen zone wells No. 1, No. 2, and No. 3, was 733 barrels of oil in January, or 23.3 barrels per day average. These three wells are of about the same magnitude, that is, 7 or 8 barrels per day.

There was a hearing held covering this dual completion, at which time we were advised by the Commission that it would be necessary for us to meter both zones from well No. 3, which we did by means of displacement type meters. Since that time, this property has become very marginal, as evidenced by the above figures, and recently the meter has drifted as to calibration. Recalibrating the meter will require an expenditure of approximately \$150.00 which makes the Yates zone almost uneconomical to produce.

We request that the Commission grant us an exception from metering this marginal zone. In the event either one of the zones became capable of producing more than this marginal amount of oil, we would be glad to recalibrate and put back on meter measurement. If you wish, we could submit a test every three to six months by putting each zone in a separate tank and reporting same to the Commission. Please advise.

Very truly yours,

JOSEPH I. O'NEILL, JR.

E. T. Anderson
E. T. Anderson

ETA/nb

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. 1753
Order No. R-1481

APPLICATION OF JOSEPH I. O'NEILL,
JR., FOR AN OIL-OIL DUAL COMPLE-
TION IN AN UNDESIGNATED YATES
POOL AND IN THE CULWIN-QUEEN
POOL, EDDY COUNTY, NEW MEXICO,
AND TO COMMINGLE THE PRODUCTION
FROM SAID POOLS

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on September 2, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, 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 14th day of September, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Joseph I. O'Neill, Jr., is the owner and operator of the Federal "E" Well No. 3, located in the SE/4 NE/4 of Section 1, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described Federal "E" Well No. 3 in such a manner as to permit the production of oil from an undesignated Yates pool and the production of oil from the Culwin-Queen Pool, through parallel strings of 2-3/8 inch EUE tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

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Case No. 1753

Order No. R-1481

(5) That the applicant further proposes to commingle the undesignated Yates production and the Culwin-Queen production from said Federal "E" Well No. 3.

(6) That approval of the subject application will neither cause waste nor impair correlative rights, provided that the production from each of said pools is separately metered by means of corrosion-resistant type meters prior to commingling.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to dually complete the Federal "E" Well No. 3, located in the SE/4 NE/4 of Section 1, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the production of oil from an undesignated Yates pool and the production of oil from the Culwin-Queen Pool, through parallel strings of 2-3/8 inch EUE tubing.

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.

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.

(2) That the applicant be and the same is hereby authorized to commingle the undesignated Yates production and the Culwin-Queen production from said Federal "E" Well No. 3.

PROVIDED HOWEVER, That the production from each of said pools shall be separately metered prior to being commingled by means of corrosion-resistant type meters.

PROVIDED FURTHER, That meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

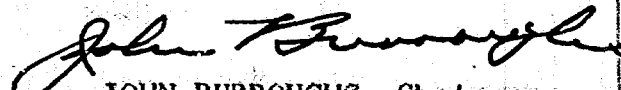
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Case No. 1753
Order No. R-1481


PROVIDED FURTHER, That meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



lcr

CIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 9-2-59

CASE NO. 1753

HEARING DATE 9-2-59

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

Grant Joseph P. O'Neill, Jr. request for
a dual coring as follows:

1. Upper completion will be Indesignated Gates
Lower " " Culver - Duven.
2. A Baker Model "D" packer will be set @
2630" and will be produced thru
2 strings of 2 7/8 EUE tubing.
3. The two zones will be coring after being
metered ~~separately~~ separately with Dump type
corrosion Resistant meters.
4. Usual Parker test requirements.

5. coring authority is requested only for
the gates & Duven in the Joseph P. O'Neill - Federal
"E" #3 well.

Staff Member

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

IN THE MATTER OF:

Case No. 1753

TRANSCRIPT OF PROCEEDINGS

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

September 2, 1959

I N D E XWITNESS

Ed Anderson

DIRECT

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CROSS

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 2, 1959

IN THE MATTER OF:

Application of Joseph I. O'Neill, Jr., for
an oil-oil dual completion and for permis-
sion to commingle the production from two
separate pools. Applicant, in the above-
styled cause, seeks an order authorizing
the dual completion of its Federal "E" Well
No. 3, located 1980 feet from the North
line and 660 feet from the East line of
Section 1, Township 19 South, Range 30 East,
Eddy County, New Mexico, and for permission
to commingle the production from the two zones
of the said dually completed well.

CASE NO.
1753

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next, Case 1753.

MR. PAYNE: Case 1753. Application of Joseph I. O'Neill,
Jr., for an oil-oil dual completion and for permission to commingle
the production from two separate pools. Applicant, in the above-
styled cause, seeks an order authorizing the dual completion of
its Federal "E" Well No. 3, located 1980 feet from the North line
and 660 feet from the East line of Section 1, Township 19 South,
Range 30 East, Eddy County, New Mexico, and for permission to
commingle the production from the two zones of the said dually
completed well.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, New Mexico, representing applicant. We will have one witness, Mr. Anderson.

(Witness Sworn.)

ED ANDERSON

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name please?

A Ed Anderson.

Q By whom are you employed and in what position, Mr. Anderson?

A I'm employed by Joseph I. O'Neill as his Drilling and Production Superintendent.

Q Have you had any particular training in Petroleum Engineering or allied fields.

A Yes, I have. I am a graduate of Oklahoma University in petroleum engineering, since that time I've followed the profession and have been with O'Neill for the last ten years.

Q When did you graduate, Mr. Anderson?

A In 1940.

Q And you have been working in the oil business since that time?

A Yes.

Q In connection with your work with Joseph I. O'Neill have you had anything to do with the particular area involved in this application?

A Yes, I have. We've drilled three wells to date.

Q Have you supervised the drilling of those wells?

A Yes.

Q Have they been under your direction?

A Yes.

Q Are the witness's qualifications acceptable?

MR. UTZ: Yes, they are.

Q Mr. Anderson, are you familiar with the application in Case 1753?

A Yes, I am.

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

A We drilled a discovery well in this area, actually it was not a discovery well, it was a well drilled many years back by Culwin and been established. This well was abandoned and at a later date, some six or eight months ago, we drilled another Queen well. Following this we drilled the number two and the number three. All were drilled with cable tools and only in the number three did we encounter production in the Yates zone. Following this we completed number three, in the Queen, potentialled the well, and have held up potentialling the Yates pending the outcome of this hearing. We then decided to ask for a dual completion.

Q Is the well presently being produced?

A The well is being produced from the Queen, the Yates is shut in.

Q Do you have an initial potential on the Queen formation?

A I do, it was forty-seven point twenty-five barrels of oil and nine barrels of water, twenty-four hours. This potential actually flowed,, however, the well is now on pump.

Q Now, as I understand it, you have not made a potential of the Yates formation?

A No.

Q Do you have any information on the Yates formation in this well?

A Yes, we have information in the form of Exhibits, would you like to give those out?

Q Well --

A The well flowed initially at the rate of three or four barrels an hour with a small water cut. In all likelihood, we would start off flowing the well, and I'm sure it would be on the pump before long. The well, at the conclusion of the clean-up test, was making about fifteen percent water.

Q At that time, as I understand you, you shut it in?

A Yes.

Q Now, referring to what has been marked as Exhibit 1, Mr. Anderson, would you discuss that Exhibit please?

A Exhibit number 1 is a contour map on twenty-five foot

intervals on the top of what we are calling the Middle Yates zone. As you will note, about the only relief we have to date would be on this number three well. Well number one and well number two, cable tool holes had little or no shows in the Yates. If the field is present, it undoubtedly is to the east or the south.

Q Does the Exhibit likewise reflect the lease ownership and offsetting wells?

A Yes.

Q What is the area covered in yellow?

A Those are the leases at present owned by Joseph I. O'Neill.

Q Now referring to what has been marked as Exhibit number two, discuss that Exhibit please.

MR. UTZ: Mr. Kallahan, may I interrupt. I'm trying to find well number one and number two that he spoke of.

A Well number one is in the northeast, northeast of the yellow; well number two is northwest southeast, both in Section one. Well number three is southeast northeast, same Section.

Q Well number three is the well that is the subject of this application?

A Yes. Exhibit number 2 is a contour map on a twenty-five foot interval on the top of the Queen pay. As you'll note from these contours, there is no more surface indication than in the usual Queen field, most of the reservoir depending on sand deposition and perhaps a little nosing or terracing.

Q Now have you prepared a cross section of the area involved in this application?

A Yes, we have, Exhibit number 3. As you can see from the Exhibit, both the Queen pay zone and the middle Yates exhibit the typical lack of structure that is found in this part of Eddy County, the interval between all these wells, the trace of which is shown on the lower part of the Exhibit, show about the same interval, and the only reason that we have a well number three probably over any of the other wells is simply a little better sand deposition and formation of a stratographic trap.

Q Are those, is that Exhibit drawn on a common datum, Mr. Anderson?

A It must be, I can't answer that for sure, I'm sure it, yes, it is. Yes.

Q Now, do you find the Yates formation present throughout the zone?

A Yes, we do. The zone is present in all the wells drilled even in the old dry holes.

Q But is not productive in the other wells?

A No, sir, those, at the most it could be called a show.

Q Was the Queen present in all the wells shown on the Exhibit?

A Yes.

Q Now, does the Exhibit indicate the wells on which the cross section was made?

A Yes.

Q I mean do you have a plat showing the cross section?

A I do at the bottom, yes.

Q Now have you made any study of the Yates reservoir?

A Yes, we have, both reservoirs.

Q Would you have that marked as Exhibit number four please? Now, referring to what is marked as Exhibit number four, will you discuss that Exhibit please?

A This, the engineering data is outlined and I will be as brief as I can. The average porosity in the Yates was taken from the gamma ray neutron logs since there were no cores, and it is in the magnitude of twenty-two percent. We have no permeability information, nor oil and water saturations. We have no evidence of water oil contact all through, all wells to date on our property do produce some water, the water is probably contained within the producing zone itself. We also have no evidence of a gas cap. The net effective pay thickness from cable tool is as much as twenty-two feet and the pay dips at approximately one hundred feet per mile. Gravity of the oil is thirty-six degrees, salinity of the water approximately sixty-seven thousand parts per million chlorides. We have no information as to the bubble point viscosity and so forth. Corrosion should be very limited. This is based on our experience in other Queen fields. The only reservoir pressure and temperature was taken in well number three and was nine hundred pounds at a plus nine fifteen after half hour

shut in, bottom hole temperature is eighty degrees at twenty-five twenty. We have no productive indices.

Q No oil production?

A The average gas oil ratio was eleven hundred seventeen to one and the water production twenty percent. This one Yates well has been completed by being fractured with sand and oil. We estimate the proven average at one hundred sixty acres, and believe the well should be drilled on a basis of forty acres per well. We have no evidence of gas or water coning or of water drive. That concludes the information we have on this Yates reservoir.

Q Have you compiled the same type of information on the Queen formation?

A We have, sir.

Q Will you have that marked as Exhibit 5 please?

A In the Queen there were no cores taken except a few chips from a cable tool core barrel, our porosity was determined from gamma ray neutron logs at eighteen percent. We have no information as to permeability or oil and water saturations. We have no information as to water oil or gas oil contacts, and the average net effective pay thickness from cable tool samples is as much as twenty-seven feet. The dip producing formation like the Yates is one hundred feet per barrel, gravity of the oil is thirty-six point four at sixty degrees and sixty-eight parts per million chlorides. There is no information as to bubble point and so forth. Original reservoir pressure was taken in the Federal "E"

number one north offset to this well and was ten hundred and sixty p.s.i. at a plus four twenty-five. This well was shut in seventy-four hours before the survey, bottom hole temperature was ~~seventy-four~~degrees at thirty-nine oh nine. Production on the Federal "E" one cumulative to July one, sixty-two hundred and fifty-three barrels. "E" number two cumulative to July one, twenty-three thirty-nine, and well "E" number three potentialled at forty-seven point twenty-five barrels of oil and nine barrels of water. Total production from our three wells, eighty-five ninety two. The gas oil ratio of the Queen, two hundred sixty-five to one, and water production approximately thirty percent. All wells are pumped. These wells were set through perforated and fractured with ten thousand gallons of oil and ten thousand pounds of sand. We estimate the proven acreage at six hundred forty and believe the well should be drilled at forty acres per well. We have no evidence of water or gas coning or of water drive. That concludes the information on the Queen.

Q Now this application is for a dual completion. Do you have a diagrammatic sketch of the proposed dual?

A Yes, I do. I have a simplified diagram.

Q Will you have that marked as Exhibit number 6 please? Would you discuss Exhibit number 6?

A At the time that we had the show in the Yates, we felt there was some possibility that could be a dual so seven inch casing was run and set at thirty-one forty-one feet which was the

total depth of the well. We perforated the Queen zone three oh nine oh to three one one eight and perforated the Yates zone two five eight two to two six eight four and set a Baker Model "D" permanent type packer at twenty-six thirty. Two strings of two and three-eighths inch "E.U.E." tubing were run, the lower string landed at thirty-one eighteen, the upper at twenty-six oh four, or in effect, to the base of both producing horizons. The top of the cement was at nineteen hundred and eighty-three feet.

Q Now, this is typical of dual completion, in your opinion is adequate to protect the producing horizons from commingling?

A Yes, it is.

Q Does it enable you to make any necessary tests or work overs that may be indicated in this well?

A Yes, we can, short of large tool work overs in the lower zone. Of course, at that time we would have to drill out the permanent type packer.

Q You stated that the Queen is presently being pumped. Does this type of completion enable you to operate your pump equipment satisfactorily?

A Yes, it does.

Q Now, in your opinion, is this an economical completion and in the interest of conservation and the prevention of waste?

A Yes, I believe it is. These wells in the Queen are at the best a little more than just commercial. Their production now is about thirty barrels a day with about fifteen barrels of

water and I believe that there will be more Queen wells produced and more Queen oil produced if these duals are allowed in the area.

Q Now, what production do you anticipate from the Yates?

A Yates at the present time has indicated an ability to flow; however, history of the Yates in the area would indicate that after a short period of time we should follow the usual decline and be on the pump.

Q Now the application is also an application for the commingling of the production from these two zones in this well, is that correct?

A Yes.

Q Is the lease ownership common throughout?

A It is, sir. It is a Federal lease.

Q Are the overriding royalties common?

A Yes, sir, they are.

Q And how do you propose to handle your commingled production from these wells?

A With both zones producing some water, we will install two heater treaters and we propose installing a single Dump meter and measure the other zone.

Q In which zone would you install the Dump meter?

A I believe it would be installed probably in the Queen zone because I believe there would be more stability to the oil with the low gas oil ratio.

Q Go ahead and and discuss your --

A We felt in the interest of economy that going through these heater treaters at the treating temperatures we use which would be something between one twenty and one thirty degrees, we would have an effect of fairly stabilized oil and shrinkage in the tank would be of such small amount it wouldn't cause inequality in production between the two zones; so we propose to install this single Dump: meter and measure the other zone in the tank.

Q It be measured in the tank?

A The difference, yes.

Q Now, with that type of completion, or commingling set-up, would you be able to make tests of your two zones?

A Yes, we could.

Q And would you be willing to test the meter for accuracy as required by the Commission?

A Yes.

Q Now in the event the Commission did not see fit to approve the proposal for use of one meter only, are you willing to install meter equipment on both zones?

A Yes, we are.

Q Would you accept an order from this Commission?

A Yes.

Q Setting forth that?

A Yes.

Q In connection with your operations, do you anticipate any

difficulty on account of corrosion?

A No, we do not. The history of corrosion has been rather light in the Queen and Yates production. These crudes are very dark but a fair gravity and I would not class them as sour crude.

Q The crude characteristics of the two zones are substantially, are the same, are they not?

A Yes.

Q Commingling would have no effect on the gravities, would it?

A Very little.

Q What do you propose to do in the disposal of gas in this area?

A We have not made an analysis of the gas; however, Queens gas in the area carries a pretty heavy nitrogen content, and unless it was considerably different than the usual, I would think that we are faced with venting all the gas in this field.

Q There would be no market available for it, that is correct?

A No, sir.

Q Do you have anything to add, Mr. Anderson?

A No, sir, I believe not.

Q Were Exhibits 1 through 6 prepared by you or under your direction?

A Yes, they were.

Q At this time we would like to offer Exhibit 1 through 6.

MR. UTZ: Without objection, Exhibit 1 through 6 will be

entered into the record.

MR. KELLAHIN: That completes the direct examination.

MR. UTZ: All right.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Andersor I believe you said what the initial potential was of the Queen zone, did you not?

A Forty-seven point twenty-five, I believe.

Q Did you take a drill stem test on the Yates zone?

A No, sir, we drilled it with cable tools and we did test it with cable tools. We recovered approximately fifteen gallons of oil per barrel on a Bayler test.

Q You know it will make at least that much, but how much more you are not sure?

A No, sir.

Q Are both of these crudes sour?

A I wouldn't, I don't know exactly what the pipeline, how the pipeline classes them, but I would not class them as sour.

MR. PAYNE: They are less than forty degrees, aren't they?

A Yes, they are.

MR. UTZ: You wouldn't class them as sweet either, would you

A No, I wouldn't. Off the record.

(Discussion off the record)

Q Do you plan to use corrosive resistant meters?

A Yes, we do, plastic lined.

MR. UTZ: Any other questions of the witness?

MR. PAYNE: Yes.

BY MR. PAYNE:

Q Mr. Anderson, would you give me a brief resume of the evidence that you have that indicates to you that these are two separate common sources of supply?

A That there are two separate zones?

Q Yes, with no communication between them?

A You mean naturally, or did you mean with this hook-up?

Q Well, there is going to be communication, of course, at the well bore when you drill a well, but I mean naturally, what leads you to believe there is separation between these two producing horizons?

A Well, the well was drilled with cable tools and we had this free oil in the Yates at approximately twenty-six hundred and we tested it at considerable length because we were a little surprised to find it, and we went ahead and drilled to the Queen, and we had a slight increase in oil in the Queen, and then when we completed, we completed the Queen first, and if we had been in connection with the Yates which seems to be the stronger of the two zones, we would have yielded more oil than we did from Queen

because the Yates proved to be the stronger of the two zones; so I would conclude from that that our cement was, had effected the shut off between the two zones.

Q The gravities are very similar, are they not?

A They are and so are the waters although you will note that the bottom hole pressures are different.

Q And the gas oil ratios?

A And the gas oil ratios.

Q Are there any other duals in this area producing from these two?

A No, in the drilling of the wells which include four wells, in the section to the north, one well in the section to the north-east and one well in the section to the southeast, there have been, there has been nothing more than just a show in the casing, this is the only well that had any quantity of Yates oil.

Q So that none of these other adjacent wells, none of them are perforated in the Yates and the Queen?

A No, two old abandoned wells to the west and number six both had shows in the Yates but not of sufficient quantities to test.

Q You feel this is just a small undesignated Yates pool?

A I do, sir. I can't see how -- We will make something like that, just about, probably not to exceed one hundred sixty acres.

Q You say the Yates is stronger in this well?

A Yes, the porosity is greater on the neutron log than the

Queen, and I have not figured the gradient, but I believe the bottom hole gradient is higher. I believe it is, I would have to take time to work it out.

Q Mr. Anderson, could you tell me generally speaking what the lithology is between these two zones?

A From the top of the Yates to the Penrose or lower Queen, as you can see from the well logs, there are series of shales and sand, some little dolomite stringers, the reservoir, of course, as usual in the sand are evident by the development of sand beds as you can see. On these gamma ray neutron logs, as the sand develops it is very noticeable, and that's where you find the oil field in the Queen. If you can just get the sand development usually, if you can get nice sand development, it will carry oil, just a small amount of structure. Now the well in section seven did have a hole full of water in the upper Queen, but didn't test the lower Queen; so you might feel that in any place up dip from these wells that do have water, if you can get sufficient sand development, you will have a good field in the Queen.

Q Has it been your experience generally that there is a pretty tight barrier between the Queen and the Yates.

A Certainly. A lot of competent rock between the two. Some very dense stringers as evidenced by these neutron logs.

Q What do you propose now in the way of surface casing?

A The original wells were drilled with cable tools and drilled to the top of the salt, rather into the top of the salt,

and eight and five-eighths casing set with fifty sacks of cement. We will then drill eight inch hole to the bottom and run either four and a half or, in the case of this well, seven inch. I might add that section number one was a part of the base lease wherein an assignment was made - strike that. Section number one is a part of the large base lease, a portion of which is in the potash area, and in the course of the assignments, this section one was drawn into the potash area although it is not actually within the prescribed limits, but through the leasing angle, it became potash land and we have an exception from the potash section for entire section one so we were not required to follow the potash casing program.

Q It is in the potash area as defined by the United States Geological Survey rather than by this Commission?

A Well, it fell into this area through a legal technicality, that an assignment from a base lease that is in the potash area throws the whole base lease under the jurisdiction of the potash area, while it is not potash productive so there was an exception granted.

Q By the United States Geological Survey?

A Yes, which brought us to this casing program which is common to the areas outside the potash area.

Q Now, in the event there are other wells drilled in this lease, you are only proposing to commingle the Queen production and the Yates production from this one well?

A Yes. I'll correct that, from the three Queen wells and this one Yates well.

Q I see. You couldn't anticipate any more Yates wells?

A Well, we hope for some more. And if we did, we would, of course, wish to commingle those wells also.

Q Now in this Culwin Pool, the producing horizon is the Queen?

A Correct. The Culwin Pool was originally established many years ago by a Karper Vandergriff in Section six produced some twelve thousand barrels of oil and was abandoned.

Q Now, would you explain to me again why you expect a very small amount of shrinkage?

A Well, generally speaking, when you pass crude through a temperature and pressure change, you tend to stabilize the crude, you release most of the entrained gas. Of course, it depends upon how much temperature and how much pressure, but if you were stacking high volatile crudes, that's the way you do it, by taking the pressure drops and by heating the crude you liberate the gas and the final liquid that comes off is what you would call a stabilized liquid. You reduce the shrinkage in the tanks. Low gravity crudes isn't enough of a problem or economic enough to do anything about it, and I personally feel, or we feel, that in going through a heater treater at one hundred twenty or thirty degrees with a small amount of production which gives you considerable time lag in the meter, by the time it reaches the dump type valve, it is

a fairly stabilized liquid so you wouldn't expect a great deal of shrinkage in the tanks.

Q How much do these plastic lined corrosion resistant meters cost, do you know?

A Approximately six hundred dollars.

MR. PAYNE: I believe that's all, thank you.

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

MR. PAYNE: We have one statement, Mr. Examiner. The Hondo Oil and Gas Company waives objection to this dual completion and commingling.

MR. KELLAHIN: We have another waiver we might as well put in there. If the Commission please, we also would like to offer a waiver from the Texas Gulf Producing Company.

MR. UTZ: You want this marked as an Exhibit?

MR. KELLAHIN: Just treat it the same as the other, as a waiver filed with the Commission

MR. UTZ: Just a statement then?

MR. KELLAHIN: A statement.

MR. UTZ: The letters from Texas Gulf Producing Company and Hondo will be entered into the record. Any other statements in this case? If not, the hearing is adjourned.

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 12th day of September, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph 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. 1753, heard by me on Sept. 2, 1959.
[Signature], Examiner
 New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 15, 1959

Mr. Jason Kellahin
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Joseph I. O'Neill, we enclose
~~two copies of~~ Order No. R-1481 issued by the Oil Con-
serva-tion Commission on September 14, 1959 in Case No.
1753.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures

*Copy to
Hicks +
Carters*

410 WEST OHIO
MIDLAND, TEXAS

JOSEPH I. O'NEILL, JR.
OIL PROPERTIES

September 1, 1959

TELEPHONE
MUTUAL 3-2771

New Mexico Oil Conservation Commission
Mabry Hall, State Capitol
Santa Fe, New Mexico

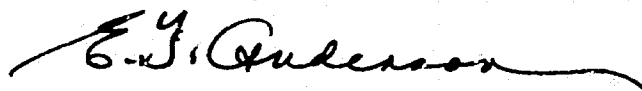
Re: Case No. 1753

Gentlemen:

Attached you will find the original and two copies of engineering
data and exhibits in connection with the above numbered case.

Very truly yours,

JOSEPH I. O'NEILL, JR.



E. T. Anderson
Superintendent

ETA/nb

Attachments - 3

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

MAIN OFFICE APPLICATION FOR DUAL COMPLETION

Case 1753

Field Name CULWIN		County Eddy		Date 8-5-59
Operator Joseph I. O'Neill, Jr.		Lease Federal "E"		Well No. 3
Location of Well	Unit H	Section 1	Township 19S	Range 30E

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 X
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Yates	Queen
b. Top and Bottom of Pay Section (Perforations)	Top - 2582' Bottom-2604' 2582-2604'	Top-3090' Bottom-3118' 3090-3118'
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

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

- Yes 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.
- Yes 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.
- Yes 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.*
- Yes 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.

Malco Refineries, Inc., Box 660, Roswell, N.M. **M. E. Hale, 120 Requa Road, Piedmont, California**

John H. Trigg Co., Box 5629, Roswell, N.M.

Featherstone Corp., 423 Hinkle Bldg, Roswell **Grace Von Hook, Box 5629, Roswell, N.M.**

W.G. Payne, 155 Allen Bldg., Midland, Texas

N.E. Muldrow, Box 935, Midland, Texas

Texas-Gulf Producing Co., Box 1764, Midland

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification **8-6-59**.

CERTIFICATE: I, the undersigned, state that I am the **Supt.** of the **Joseph I. O'Neill, Jr.** (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. Anderson
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 proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

TEXAS GULF PRODUCING COMPANY

WEST TEXAS - NEW MEXICO DIVISION

P. O. Box 1764, MIDLAND, TEXAS

August 10, 1959

Mr. Joseph I. O'Neill, Jr.
410 West Ohio
Midland, Texas

Dear Mr. O'Neill:

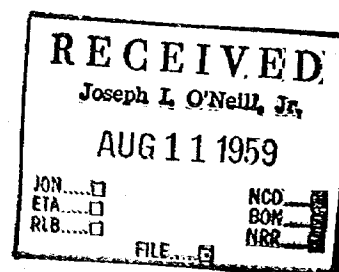
We are in receipt of your notification consisting of application form, of your intention to dually complete your Well No. 3 Federal "E", located in Section 1, Township 19 South, Range 30 East, Eddy County, New Mexico. Enclosed herewith is a letter in duplicate wherein Texas Gulf consents to the granting of such authority. Both copies of the letter are sent to you on the assumption that you may desire to forward same to the New Mexico Commission yourself.

Yours very truly

H. W. Hull
H. W. Hull

HWH/mm

Enc: 2



Hondo Oil & Gas Company
Box 660
Roswell, New Mexico

August 12, 1959

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application for Dual Completion
Joseph I. O'Neill #3 Federal "E"
Eddy County, New Mexico

Gentlemen:

Joseph I. O'Neill, Jr. submitted to you application for dual completion of his Federal "E" No. 3 in the Culwin Field, Eddy County, New Mexico August 5, 1959. This well is in Unit "H", Section 1, Township 19 South, Range 30 East. The operator desires to dual complete in the Yates with a top of pay at 2582' and the top of Queen at 3090'.

This letter is to waive any objections on our part to this dual completion. We agree with Joseph I. O'Neill, Jr. that these two separate oil producing reservoirs should be allowed to be dually produced in this well.

Very truly yours,

HONDO OIL & GAS COMPANY
(Formerly Malco Refineries, Inc.)

J. R. McMinn
J. R. McMinn

JRM/sh

Air Mail

TEXAS GULF PRODUCING COMPANY

WEST TEXAS - NEW MEXICO DIVISION

P. O. Box 1764, MIDLAND, TEXAS

August 10, 1959

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Reference is made to application dated August 5, 1959, filed by Joseph I. O'Neill, Jr., for permission to dually complete his Well No. 3 Federal "E" located in Section 1, Township 19 South, Range 30 East. This is to advise the Commission that Texas Gulf Producing Company has no objection to the granting of the authority to dually complete and consents thereto.

Yours very truly

TEXAS GULF PRODUCING COMPANY

By H. W. Hull

H. W. Hull

HWH/mm

DOCKET: EXAMINER HEARING SEPTEMBER 2, 1959

BEFORE THE

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF JOSEPH I. O'NEILL, JR.)
FOR OIL-OIL DUAL AND PERMISSION TO)
COMMINGLE - FEDERAL "E" WELL NO. 3)
LOCATED 1980 FEET FROM THE NORTH LINE)
AND 660 FEET FROM THE EAST LINE OF)
SECTION 1, TOWNSHIP 19 SOUTH, RANGE)
30 EAST, EDDY COUNTY, NEW MEXICO)

CASE NO. 1753

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
9 mile EXHIBIT NO. 4
CASE NO. 1253

JOSEPH I. O'NEILL, JR.
Midland, Texas

The engineering data for the Culwin Yates Reservoir is outlined as follows:

1. The physical properties of the reservoir rock
 - a. Average porosity taken from Gamma Ray Neutron logs -- 22%
 - b. Average permeability -- Undetermined
 - c. Average oil and interstitial water saturations -- Undetermined
2. The structure features of the reservoir
 - a. Cross section -- See Exhibit #3
 - b. Structure maps -- See Exhibit #1
 - c. Water-oil and gas-oil contacts -- Not known
 - d. Ratio of gas-cap volume to oil-zone volume -- no gas cap found as yet
 - e. Average net effective oil pay thickness -- 22 feet
 - f. Dip of producing zone -- 100 feet per mile
3. The characteristics of the reservoir fluids
 - a. Average gravity of oil -- 36° at 60° F
 - b. Salinity of water -- 67,000 ppm chlorides
 - c. Oil-gas saturation pressure or bubble point, formation volume factor, viscosity, and gas solubility at various pressures -- No data
 - d. Corrosion -- very limited
4. Pressures and temperatures
 - a. Isobaric maps -- None
 - b. Original reservoir pressure and temperature in Joseph I. O'Neill, Jr.
Federal "E" #3 well -- 900 psi at +915 equals 2593
Shut in 19-1/2 hours - BHT 80° @ 2520 feet.
 - c. Productivity index, build up and interference tests -- None

PAGE TWO

5. Statistical data

- a. Oil production -- No history except original tests which indicated an allowable well.
- b. Average gas-oil ratios -- 1117-1
- c. Water production (per cent of liquids) -- 20%
- d. Number of flowing, artificial lift, and abandoned wells -- 1 pumping if this application is granted.
- e. Well completion methods and results of workovers or other mechanical repairs and changes -- Set thru, perforate and frac with 10,000 oil and 10,000 pounds of sand. No workovers to date.
- f. Proven oil acreage both developed and undeveloped -- 160 acres estimate
- g. Average well density in acres per well -- 40 acres per well
- h. Volumes of gas flared or vented -- None. Well shut in.
- i. Volumes of gas, air or water injected into the reservoir -- None
- j. Stage of depletion of reservoir -- No production to date.
- k. Gas-oil ratio and water percentage maps -- None

6. Individual well problems

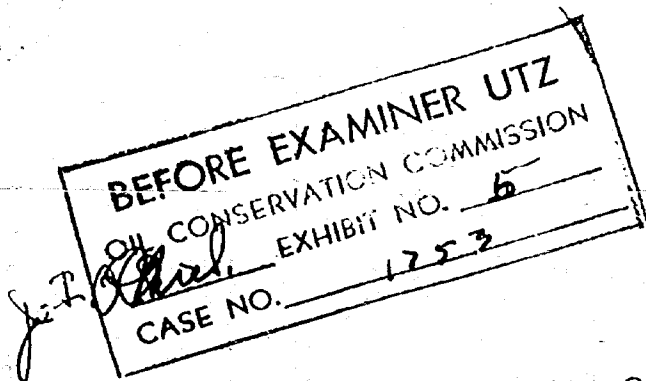
- a. Water coning -- None
- b. Gas coning -- None
- c. Sand production -- None
- d. Casing leaks -- None

7. General reservoir mechanics

- a. Effectiveness of water drive -- No data
- b. Effectiveness of gas-cap expansion drive -- No gas cap
- c. Effectiveness of segregation or gravity drive -- No data

PAGE THREE

- d. Relative permeability data -- None available
- e. Capillary pressure data -- None available
- f. Material balance calculations -- None



JOSEPH I. O'NEILL, JR.
Midland, Texas

The engineering data for the Culwin Queen reservoir is outlined as follows:

1. The physical properties of the reservoir rock.
 - a. Average porosity -- 18% from Gamma Ray-Neutron logs.
 - b. Average permeability -- Undetermined
 - c. Average oil and interstitial water saturations -- Undetermined
2. The structure features of the reservoir.
 - a. Cross sections -- Exhibit #3
 - b. Structure maps -- Exhibit #2
 - c. Water-oil and gas-oil contacts -- Not known
 - d. Ratio of gas-cap volume to oil-zone volume -- No gas cap found as yet
 - e. Average net effective oil pay thickness -- 27 feet
 - f. Dip of producing zone -- 100 feet per mile
3. The characteristics of the reservoir fluids
 - a. Average gravity of oil and gas -- 36.4° at 60° F
 - b. Salinity of water -- 68,000 ppm chlorides
 - c. Oil-gas saturation pressure or bubble point, formation volume factor, viscosity, and gas solubility at various pressures -- No data
 - d. Corrosion -- Very limited
4. Pressures and temperatures
 - a. Isobaric maps -- None
 - b. Original reservoir pressure and temperature from Joseph I. O'Neill, Jr.
Federal "E" #1 north offset to this dual well -- 1060 psi at datum
of +425 equals 3091 feet. Shut in 72 hours before survey, BHT
equals 84° at 3090 feet.
 - c. Productivity index, build up, and interference tests -- None

PAGE TWO

5. Statistical data

a. Oil Production -- Federal "E" #1: Effective date January 18, 1959 - accumulative production to July 1 - 6253 barrels of oil
Federal "E" #2 - Effective date May 14, 1959 - accumulative production to July 1 - 2339 barrels of oil
Federal "E" #3 - Effective date August 1, 1959 - Potentialled 47.25 barrels of oil and 9 barrels of water -
Total production from three wells = 8592 barrels of oil to date.

b. Average gas-oil ratios -- 265-1

c. Water production (per cent of liquids) -- 30%

d. Number of flowing, artificial lift, and abandoned wells -- 3 pumping

e. Well completion methods and results of workovers or other mechanical repairs and changes -- Set thru, perforate and frac with 10,000 oil and 10,000 pounds of sand. No workovers to date.

f. Proven oil acreage both developed and undeveloped -- 640 estimated acres

g. Average well density in acres per well -- 40 acres per well

h. Volumes of gas flared or vented -- 574 MCF per month.

i. Volumes of gas, air, or water injected into the reservoir -- None

j. Stage of depletion of reservoir -- Early primary

k. Gas-oil ratio and water percentage maps -- None

6. Individual well problems

a. Water coning -- None

b. Gas coning -- None

c. Sand production -- None

d. Casing leaks -- None

7. General reservoir mechanics

a. Effectiveness of water drive -- No data

PAGE THREE

- b. Effectiveness of gas-cap expansion drive -- No gas cap
- c. Effectiveness of segregation or gravity drive -- No data
- d. Relative permeability data -- None available
- e. Capillary pressure data -- None Available
- f. Material balance calculations -- None

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name	CULWIN		County	Eddy	Date	8-5-59
Operator	Joseph I. O'Neill, Jr.		Lease	Federal "E"	Well No.	3
Location of Well	Unit	Section	Township	Range		
	H	I	19S	30E		

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. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone Yates	Lower Zone Queen
a. Name of reservoir		
b. Top and Bottom of Pay Section (Perforations)	Top - 2582' Bottom - 2604' 2582-2604'	Top - 3090' Bottom - 3118' 3090-3118'
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing Artificial Lift

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

Yes

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.

Yes

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.

Yes

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. *

Yes

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 on the lease, Box 660, Roswell, N.M. with their correct mailing address.

John H. Trigg Co., Box 5629, Roswell, N.M.

M. E. Hale, 120 Requa Road, Piedmont, California

Featherstone Corp., 423 Hinkle Bldg, Roswell

Grace Von Hook, Box 5629, Roswell, N.M.

W.G. Payne, 155 Allen Bldg., Midland, Texas

N.E. Muldrow, Box 935, Midland, Texas

Texas-Gulf Producing Co., Box 1764, Midland

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 _____

Supt.

Joseph I. O'Neill, Jr.

CERTIFICATE: I, the undersigned, state that I am the _____ of the _____ (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.

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.

DIAGRAMMATIC SKETCH SHOWING DUAL COMPLETION INSTALLATION

Upper Zone

Tubing landed at 2623 ft.

Top at 2582 feet

UPPER
ZONE

Name: Yates
Completion this Zone:

Bottom at 2604 feet

$$\begin{array}{r} 3090 \\ -2604 \\ \hline 486 \end{array}$$

Top at 3090 feet

LOWER
ZONE

Name: Queen
Completion this Zone:

Bottom at 3118 feet

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

J. I. O'Neill, EXHIBIT NO. 6

CASE NO. 1753

Lower Zone

8 5/8 inch 5000

Perforated: 2582-2604 feet
This Zone produced thru
2-3/8" tubing EVE

Top of Cement 1983'

Packer set at 2630 DF ft.

Baker Model D

Tubing landed at 3122 RF ft.

Perforated: 3090-3118 feet
This Zone produced thru:
2-3/8 tubing EVE

7"

Casing set at 3140.7' RF
7" 20# J-55

Total well depth: 3141 ft.

Date 8-5-59

Field Culwin

County Eddy RRC Dist.

Operator Joseph I. O'Neill, Jr Lease Federal "E" Well No. 3

DOCKET: EXAMINER HEARING SEPTEMBER 2, 1959

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

The following cases will be heard before Elvis A. Utz, Examiner, or
A. L. Porter, Jr., Secretary-Director.

CASE 1750:

Application of Aztec Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Robinson Pool from two separate leases, a State lease and a Federal lease, in Township 16 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each lease.

CASE 1751:

Application of Rice Engineering and Operating, Inc., for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to complete a salt water disposal well in the San Andres formation at a point 100 feet from the South line and 250 feet from the West line of Section 9, Township 20 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4300 feet to 4900 feet.

CASE 1752:

Application of Skelly Oil Company for an oil-oil dual completion and for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hobbs "A" Well No. 6, located 1650 feet from the North line and 330 feet from the West line of Section 30, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinbry Pool and the production of oil from an undesignated Tubb oil pool. Applicant further seeks permission to commingle the production of similar grade crudes from the pools underlying its Hobbs "A" lease comprising the NW/4 of said Section 30.

CASE 1753:

Application of Joseph I. O'Neill, Jr., for an oil-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal "E" Well No. 3, located 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 30 East, Eddy County, New Mexico, and for permission to commingle the production from the two zones of the said dually completed well.

CASE 1754:

Application of Skelly Oil Company for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Langlie-Mattix Pool and from an undesignated Blinbry oil pool from all wells on its R. R. Sims lease comprising the W/2 SW/4 and NE/4 SW/4 of Section 3, Township 23 South, Range 37 East, Lea County, New Mexico.

410 WEST OHIO
MIDLAND, TEXAS

JOSEPH I. O'NEILL, JR.
MAIN OFFICE BCC PROPERTIES

1959 AUG 10 AM 8:30

TELEPHONE
MUTUAL 3-2771

Case 1758

New Mexico Oil Conservation Commission
State Capitol
Santa Fe, New Mexico

*Culwin Pool (Queen)
undesig
Yates.*

Re: Joseph I. O'Neill, Jr. Federal "E" 3, Section 1,
Township 19 South, Range 30 East, Eddy
County, New Mexico

Gentlemen:

We respectfully request a hearing before the New Mexico Oil Conservation Commission to consider our request for an oil on dual completion in the above captioned well. If possible, please place on September 2nd. docket.

This well has proved productive in the Yates and Queen sands. The Yates would be a new field and the Queen is at present in the Culwin Field.

In addition, we wish to ask for permission to commingle the production from the two separate pools. This completion will be through parallel strings of tubing.

Enclosed you will find the following:

1. Map of the area
2. Application for Dual Completion in triplicate

Very truly yours,

JOSEPH I. O'NEILL, JR.

E. T. Anderson
E. T. Anderson

ETA/nb

cc: U.S.G.S., Artesia, New Mexico
Enc. - 3 cc application and 1 map

*Backed
mailed
8-19-59
OK*