

CASE 2063: Application of TEXAS
NATIONAL PETROLEUM CO. for a GAS-OIL
Lease of its Government Well #1.

Case No.

2063

Application, Transcript,
Small Exhibits, Etc.

**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. 2043
Order No. R-1771**

**APPLICATION OF TEXAS NATIONAL
PETROLEUM COMPANY FOR A "SLIM-
HOLE" OIL-GAS DUAL COMPLETION
IN THE GALLEGOS-GALLUP OIL
POOL AND IN THE DAKOTA PRODUC-
ING INTERVAL, SAN JUAN COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 7, 1960, at Santa Fe, New Mexico, before Elvie 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 11th day of September, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvie 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, Texas National Petroleum Company, is the owner and operator of the Moncrief State 16-26-11 Well No. 1, located 790 feet from the South line and 790 feet from the East line of Section 16, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the applicant proposes to dually complete the said well in such a manner as to permit the production of oil from the Gallegos-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2-7/8 inch casing and 4-1/2 inch casing, respectively, cemented in a common well bore. Applicant proposes to produce the Dakota gas through 2-3/8 inch tubing installed within the 4-1/2 inch casing.

(4) That in order to protect the productive horizons, cement should extend from total depth of 6300 feet to a depth of 4300 feet.

-2-

CASE No. 2063
Order No. R-1771

(5) That centralizers or turbolizers should be installed at 30-foot intervals throughout the Gallup and Dakota formations and to a point 100 feet above said formations.

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

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Texas National Petroleum Company, be and the same is hereby authorized to dually complete its Homestead State 16-26-11 Well No. 1, located 790 feet from the South line and 790 feet from the East line of Section 16, Township 16 North, Range 11 West, NMM, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Gallup-Gallup oil pool through 2-7/8 inch casing and the production of gas from the Dakota Producing Interval through 2-3/8 inch tubing installed within a parallel string of 4-1/2 inch casing cemented in a common well bore.

PROVIDED HOWEVER, That cement shall extend from total depth of 4300 feet to a depth of 4300 feet.

PROVIDED FURTHER, That centralizers or turbolizers shall be installed at 30-foot intervals throughout the Gallup and Dakota formations and to a point 100 feet above each of said formations.

PROVIDED FURTHER, That the applicant shall take communication tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Dakota Producing Interval.

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 the protection of correlative rights; upon failure of the applicant to comply with any requirement of this order, the Commission may terminate the authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest of conservation.

-3-
CASE No. 2063
Order No. R-1771

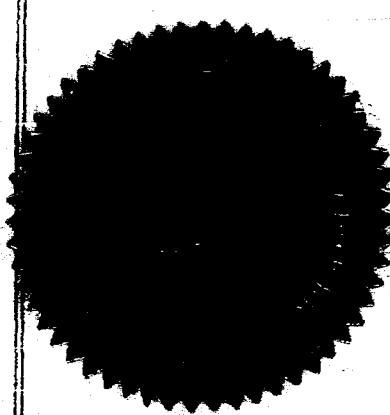
DOCS at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Pennington
JOHN PENNINGTON, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. L. Peters, Jr.
A. L. PETERS, JR., Member & Secretary



SEE/

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



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

P. O. BOX 871
SANTA FE

September 16, 1960

Mr. James Hollahan
Hollahan & Fox
Box 1713
Santa Fe, New Mexico

Re: Case No. 2063
Order No. R-1771

Applicant:

Texas National Petroleum 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.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC X

Other _____

Case 2063

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
544 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

MAIN OFFICE CCC
YUCCA 3-9396
YUCCA 2-2991

1960 AUG 15 AM 8:10

August 12, 1960

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Gentlemen:

Enclosed application of Texas National Petroleum Co.,
in triplicate, for approval of a dual completion for
production of gas from the Dakota formation in an
undesignated pool and oil from the Gallegos-Gallup Oil
Pool, San Juan County, New Mexico.

It would be appreciate if this application is set
for hearing as soon as possible.

Very truly yours,

Jason W. Kellahin
Jason W. Kellahin

jwk:mas
enclosures 3

*Booked
mailed
Aug. 24, 1960*

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

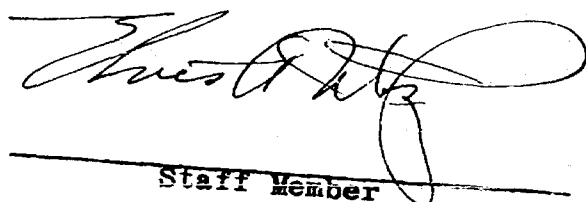
Date 9-8-60

CASE NO. 2063

HEARING DATE 9-7-60

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

1. Grant Texas National's request for a slim Hole dual for its Moncrief No. 1 State 16-26-11 located 780/S&E sec. 16-26-11.
2. 4½ casing to 6300 then the Dk. to be produced then 2¾ tubing.
2¾ then Gallup to 5450 to be produced then 2¾ casing
3. Centrifuges or turbochargers to be run to at least 100 ft. above the Gallup & Dk.
4. Communications tests to be run @ Dk. Del Test.


Staff Member

MAIN OFFICE OCC

1930 AUG 15 AM 3 10

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF TEXAS NATIONAL PETROLEUM CO.
FOR APPROVAL OF A DUAL COMPLETION
FOR PRODUCTION OF GAS FROM THE
DAKOTA FORMATION IN AN UNDESIGNATED
POOL AND OIL FROM THE GALLEGOS-
GALLUP OIL POOL, SAN JUAN COUNTY,
NEW MEXICO.

Case
2063

A P P L I C A T I O N

Comes now Texas National Petroleum Co. and applies to the Oil Conservation Commission of the State of New Mexico for permission to dually complete a well for the production of gas from the Dakota Formation in an undesignated pool and oil from the Gallegos-Gallup Oil Pool, San Juan County, New Mexico, and in support thereof would show:

1. Applicant proposes to locate its well 790 feet from the South line and 790 feet from the East line of Section 16, Township ²⁶~~20~~ North, Range 11 West, N.M.P.M., San Juan County, New Mexico.
2. Applicant proposes to drill its well to the Dakota formation, completing with 4½ inch casing and produce the Dakota through 2 inch tubing inside the casing; applicant further proposes to make a slim-hole completion to the Gallup formation, utilizing 2 7/8 inch tubing-casing for production from the Gallup formation.
3. There is attached hereto and made a part hereof a plat showing the proposed well location and offsetting lease ownership. There is also attached hereto, and made a part hereof,

a diagrammatic sketch of the proposed dual completion.

3. All casing and tubing will be so set and cemented as to fully protect all producing formations, and the approval of this application is in the interest of conservation and the protection of correlative rights, and prevention of waste.

WHEREFORE, applicant prays that this matter be set for hearing before the Commission or the Commission's duly appointed examiner at as early a date as possible, and that after notice and hearing as provided by law, the Commission enter its order approving the dual completion as proposed.

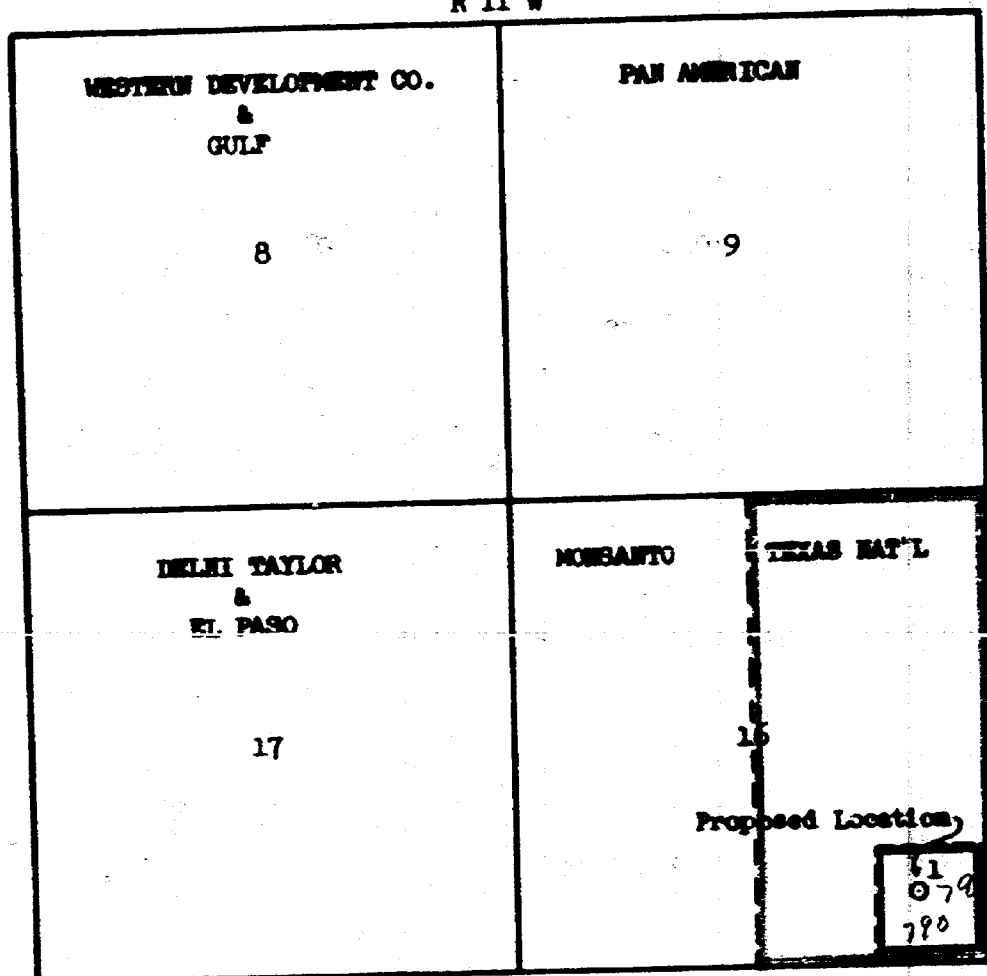
Respectfully submitted,

TEXAS NATIONAL PETROLEUM CO.

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1713
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

R 11 W



SCALE: 1" = 2000'

TEXAS NATIONAL PETROLEUM COMPANY
#1 GOVERNMENT 16-26-11
San Juan County, New Mexico

PROPOSED LOCATION

Dual Completion
Gallup - Oil ☒
Dakota - Gas ☒

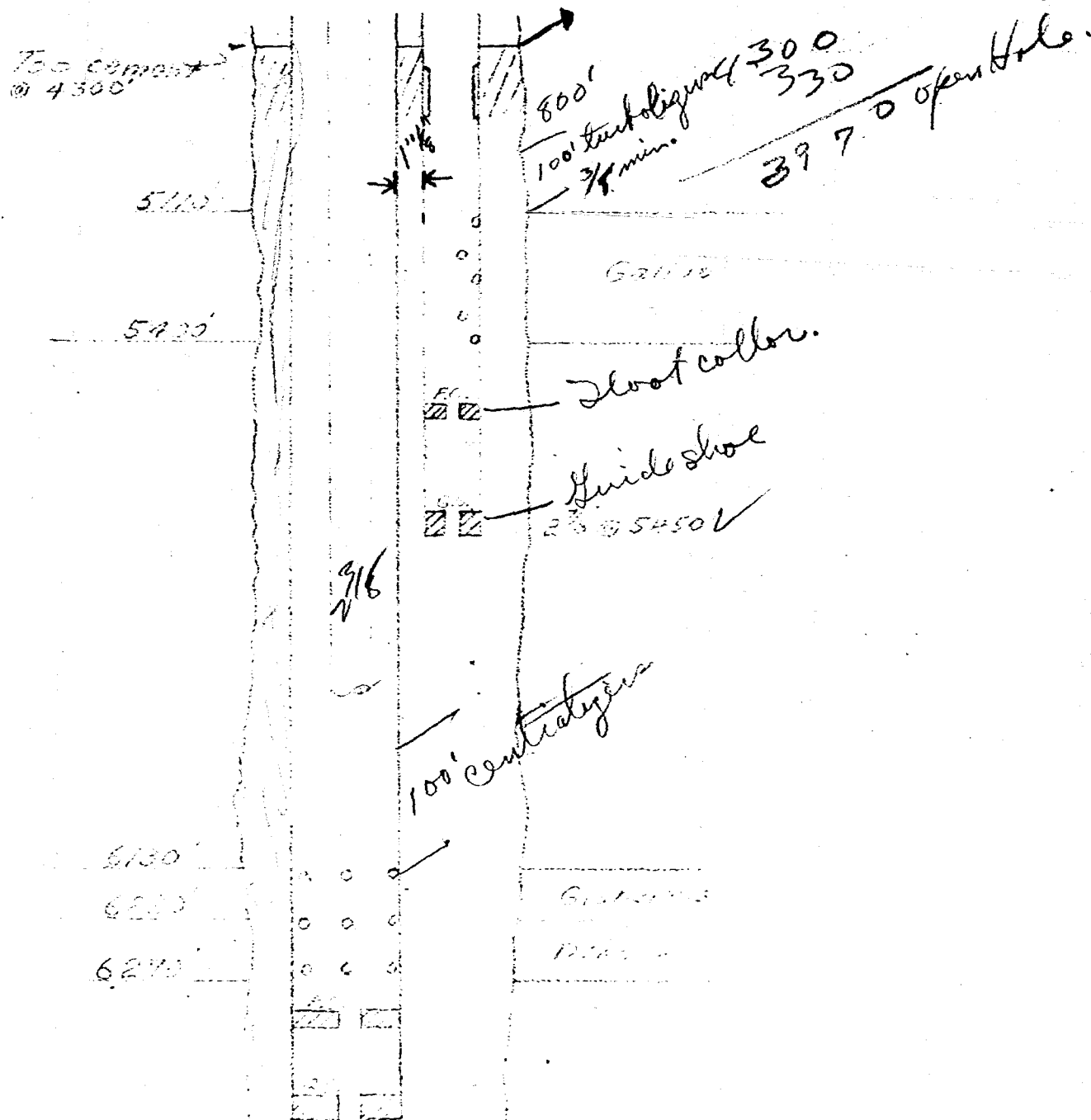
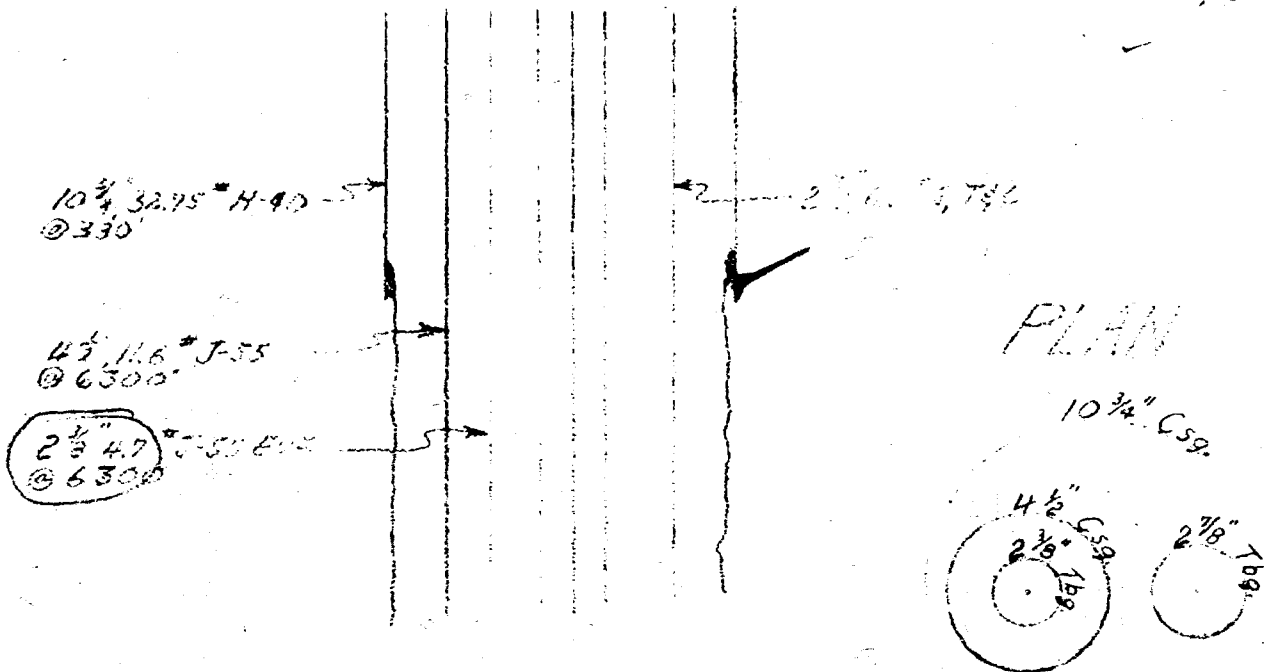
Tennessee Gas

LE 5741-100

TEXAS NATURAL PET. CO.

#1 Gort 15-26-11

San Juan County, N.M.



TEXAS NATIONAL PETROLEUM CO.
DRILLING PROGRAM
DAKOTA-GALLUP DUAL
Gallegos-Gallup Pool
San Juan County, New Mexico

Case
2063

Location: #1 Government 16-26-11 located 790' from the North line and 790' from the East line, Section 16, T 26N, R 11W, San Juan County, New Mexico

1. HOLE

- a. Drill a 13" hole to 350' and set 330' of 10-3/4", 32.75#, H-40, ST&C, casing.
- b. Drill 9-7/8" hole to 5700', reduce hole to 7-7/8" and drill to 6300' T.D. mud in hole from surface to T.D.
- c. Run Schlumberger IES, Sonic, and Gamma-Neutron Logs.

2. DAKOTA Completion Only

- a. Run 4-1/2" 11.6#, J-55, ST&C casing to 6300' and centralize bottom 300'. Cement annulus to 800' above Dakota.
- b. Run Gamma Log and collar locator, perforate, frac, run 2-3/8", 4.7#, J-55, RUC and complete.

3. DAKOTA-GALLUP Dual Completion

- a. Run 4-1/2" to 6300'.
- b. Run 2-7/8" 6.4#, J-55, T&C (with collars bevelled) parallel and outside of 4-1/2" casing to 5800' (60' below bottom Gallup pay).
- c. Cement through 4-1/2" to cement both strings to 300' above the Gallup.
- d. Directionally perforate Gallup through 2-7/8" and frac holding 2000# on 4-1/2" casing.
- e. Perforate and frac Dakota through 4-1/2" casing.
- f. Run 2-3/8" tubing and swab in Dakota.
- g. Swab 2-7/8" to clean up and run pump and rods (Gauss scraper attached).

No. 25-60

DOCKET: EXAMINER HEARING, WEDNESDAY, SEPTEMBER 7, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.
The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

CASE 2062: Application of Continental Oil Company for approval of an automatic custody transfer system to handle commingled production. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from the Weir Pool and the Cass Pool from certain wells located on that portion of the Southeast Monument Unit comprising Sections 15 and 23, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 2063: Application of Texas National Petroleum Company for a gas-oil dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Government Well No. 1, to be located 790 feet from the South and East lines of Section 16, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Gallegos-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch tubing and 4 1/2-inch casing respectively cemented in a common well bore. Applicant proposes to also install 2 3/8-inch tubing for the Dakota production.

CASE 2064: Application of Anderson-Prichard Oil Corporation and Amerada Petroleum Corporation for an extension of the vertical limits of the Justis-Drinkard Pool. Applicants, in the above-styled cause, seeks an order extending the vertical limits of the Justis-Drinkard Pool, to include the perforated intervals in its Carlson "A" Well Nos. 1 and 3, located respectively in Units J and N of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico, and perhaps to include additional intervals in said pool.

CASE 2065: Application of Texaco Inc. for an oil-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its H. J. Loe Federal "B" Well No. 3, located in Unit M, Section 23, Township 29 North, Range 12 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 3/8-inch casing and 4 1/2-inch casing respectively, cemented in a common well bore. Applicant proposes to also install tubing for the Dakota production.

CASE 2066: Application of Humble Oil & Refining Company for an oil-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Kathleen Steckel Well No. 1, located in the NW/4 NE/4 of Section 19, Township 18 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce oil from an undesignated Abo pool and gas from an undesignated Pennsylvanian pool through 4½-inch casing and 2 7/8-inch casing respectively cemented in a common well bore. Applicant proposes also to install tubing for the Abo production.

CASE 2067: Application of Dorfman Production Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Elizabeth Federal Well No. 1, located in Unit H, Section 18, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Escrito-Gallup Oil Pool and the production of gas from the Dakota Producing Interval.

CASE 2068: Application of Gulf Oil Corporation for three non-standard gas proration units in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order establishing the following-described non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico:

(1) A 320-acre unit consisting of the E/2 of Section 4, Township 22 South, Range 36 East, to be dedicated to the J. F. Janda "F" Well No. 13, located 660 feet from the South and East lines of said Section 4.

(2) A 480-acre unit consisting of the SE/4 of Section 33 and the SW/4 of Section 34, both in Township 21 South, Range 36 East and the NW/4 of Section 3, Township 22 South, Range 36 East, to be dedicated to its W. A. Ramsay "A" Well No. 1, located 330 feet from the South and West lines of said Section 34.

(3) A 160-acre unit consisting of the SW/4 of Section 4, Township 22 South, Range 36 East, to be dedicated to the J. F. Janda "F" Well No. 7, located 1980 feet from the South and West lines of said Section 4.

Case 2063

TEXAS NATIONAL PETROLEUM CO.

902 SOUTH COAST BUILDING

MAIN OFFICE OCC



1960 AUG 19 PM 1:15

W. T. WITHERS
VICE-PRESIDENT
DRILLING - PRODUCTION

HOUSTON 2, TEXAS

August 18, 1960

Re: #1 Government 16-26-11
San Juan County, New Mexico

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Attached are six copies of Form C-101 "Notice of Intention to Drill" and Form C-128, to drill #1 Government 16-26-11, San Juan County, New Mexico. We have applied for a hearing to drill and complete this well as a dual completion and hearing has been set for September 7, 1960.

Very truly yours,

TEXAS NATIONAL PETROLEUM CO.

W. T. Withers
W. T. Withers

WTW:mp
attch.

*Worked
Mailed
Aug. 24, 1960
JH*

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Form C-101
Revised (12/1/55)

NOTICE OF INTENTION TO DRILL

Case 2063

Notice must be given to the District Office of the Oil Conservation Commission and approval obtained before drilling or recompletion begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in QUINTUPLICATE. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission. If State Land submit 6 Copies Attach Form C-128 in triplicate to first 3 copies of form C-101

902 South Coast Bldg., Houston 2, Texas

August 10, 1960

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Gentlemen:

You are hereby notified that it is our intention to commence the Drilling of a well to be known as

Texas National Petroleum Co. #1 GOVERNMENT 16-26-11

(Company or Operator)

Well No. 1, in 40 & 320 ac. The well is

located 790 feet from the East line and 790 feet from the

South line of Section 16, T. 26 N., R. 11 W., NMPM.

(GIVE LOCATION FROM SECTION LINE) Wildcat Pool, San Juan County

If State Land the Oil and Gas Lease is No. NW 15-4 & 15-5

If patented land the owner is

Address

We propose to drill well with drilling equipment as follows: Rotary rig, mud in hole from surface to T.D. @ 6300'.

The status of plugging bond is in force

Drilling Contractor Unknown

We intend to complete this well in the Gallup & Dakota as a dual well formation at an approximate depth of 5110' and 6130' feet.

CASING PROGRAM

We propose to use the following strings of Casing and to cement them as indicated:

Size of Hole	Size of Casing	Weight per Foot	New or Second Hand	Depth	Backs Cement
13"	10-3/4	32.75	New	330'	Circ. to surface
9-7/8"	4-1/2	11.60	"	6300'	2100' fillup
9-7/8"	2-7/8	6.40	"	5450'	800' fillup

If changes in the above plans become advisable we will notify you immediately.

ADDITIONAL INFORMATION (If recompletion give full details of proposed plan of work.)

SEE ATTACHED

Approved....., 19.....
Except as follows:

OIL CONSERVATION COMMISSION

By.....

Sincerely yours,

TEXAS NATIONAL PETROLEUM CO.

(Company or Operator)

By J. J. Miller
Vice President

Position..... Send Communications regarding well to

Name Texas National Petroleum Co.

Address 902 So. Coast Bldg., Houston 2, Tex.

TEXAS NATIONAL PETROLEUM CO.
DRILLING PROGRAM
DAKOTA-GALLUP DUAL
Gallegos-Gallup Pool
San Juan County, New Mexico

Location: #1 Government 16-26-11 located 790' from the North line and 790' from the East line, Section 16, T 26N, R 11W, San Juan County, New Mexico

1. HOLE

- a. Drill a 13" hole to 350' and set 330' of 10-3/4", 32.75#, H-40, ST&C, casing.
- b. Drill 9-7/8" hole to 5700', reduce hole to 7-7/8" and drill to 6300' T.D. Mud in hole from surface to T.D.
- c. Run Schlumberger IES, Sonic, and Gamma-Neutron Logs.

2. DAKOTA completion only

- a. Run 4-1/2" 11.6#, J-55, ST&C casing to 6300' and centralize bottom 300'. Cement annulus to 800' above Dakota.
- b. Run Gamma Log and collar locator, perforate, frac, run 2-3/8", 4.7#, J-55, EUE and complete.

3. DAKOTA-GALLUP Dual Completion

- a. Run 4-1/2" to 6300'.
- b. Run 2-7/8" 6.4#, J-55, T&C (with collars bevelled) parallel and outside of 4-1/2" casing to 5800' (60' below bottom Gallup pay).
- c. Cement through 4-1/2" to cement both strings to 800' above the Gallup.
- d. Directionally perforate Gallup through 2-7/8" and frac holding 2000# on 4-1/2" casing.
- e. Perforate and frac Dakota through 4-1/2" casing.
- f. Run 2-3/8" tubing and swab in Dakota.
- g. Swab 2-7/8" to clean up and run pump and rods (Huber scraper attached).

NUMBER OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
TRANSPORTER	OIL
	GAS
PRODUCTION OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT
 SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

FORM C-128
 Revised 5/1/57

SECTION A

Operator TEXAS NATIONAL PETROLEUM COMPANY		Lease NM 15-4 & 15-5		Well No. 1 Gov't. 16-26-11
Unit Letter P	Section 16	Township 26 NORTH	Range 11 WEST	County SAN JUAN
Actual Footage Location of Well: 790 feet from the SOUTH line and 790 feet from the EAST line				
Ground Level Elev. 6264.0	Producing Formation Gallup & Dakota	Pool Undesignated	Dedicated Acreage: 320 Acres	

- Ref. **GLO plat dated 27 February 1932**
- Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☐ NO ☒ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
 - If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☒ NO ☐ If answer is "yes," Type of Consolidation **communitization agreement**
 - If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B

		16	

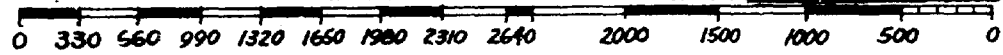
CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name <i>[Signature]</i>
Position Vice-President
Company Texas National Pet.Co.
Date August 18, 1960

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed 9 August 1960
Registered Professional Engineer and/or Land Surveyor <i>[Signature]</i> James P. Leane
Certificate No. 1463



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

In the Matter of:

CASE 2063 Application of Texas National Petroleum Company for a gas-oil dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Government Well No. 1, to be located 790 feet from the South and East lines of Section 16, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Gallegos-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 7/8-inch tubing and 4 1/2 inch casing respectively cemented in a common well bore. Applicant proposes to also install 2 3/8-inch tubing for the Dakota production.

Mabry Hall
September 7, 1960

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 2063.

MR. PAYNE: Case 2063, "Application of Texas National Petroleum Company for a gas-oil dual completion utilizing two strings of casing."

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, representing the Applicant, and we will have one witness. We will have

one witness in this case, I would like to have him sworn, please, sir.



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

PAGE 2

I N D E X

WITNESS

HARRY E. McDONALD

PAGE

Direct Examination by Mr. Kellahin
Examination by Mr. Utz
Redirect Examination by Mr. Kellahin

3
6
9



(Witness sworn in.)

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

HARRY E. McDONALD

a witness, called by and on behalf of the Applicant, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Harry E. McDonald.

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

A Texas National Petroleum Company, I am District Manager for the Rocky Mountain District for Texas National.

Q Are you an engineer?

A I am a graduate engineer, petroleum engineer, from Texas A & M College.

Q Would you discuss briefly, for the benefit of the Commission, your education and qualifications and experience?

A I am a graduate petroleum engineer from Texas A & M College, I am a registered professional engineer in the State of Texas and in the State of Colorado, I have approximately seventeen years' experience in drilling and producing operations, in active oil operations.

Q Is the area involved in this application under your supervision?



A It is.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes sir, they are.

Q (By Mr. Kellahin) Mr. McDonald, are you familiar with the application before the Commission at this time?

A Yes, I am.

Q Would you state briefly what's proposed in this application?

A We propose to drill and complete a dual completion to be produced from the Dakota Formation at approximately 6300 feet and the Gallup Formation at approximately 5400 feet. The well will be equipped with two parallel strings of pipe, one 4½-inch to be set and cemented through the Dakota at approximately 6300 feet, the parallel string will be 2 7/8 seamless tubing to be set and cemented at approximately 5450 feet, below the Gallup pay. The Gallup will be perforated and produced as, we think, an oil well, be equipped with rods and a pump, the 4½ will be equipped with 2 3/8 tubing and produced as a gas well; surface equipment will be as necessary.

Q Now, there was attached to the application in this case a plat showing the proposed location of the well and the offsetting ownership, was there not?

A That's right.

Q Now, there was also attached to the application in this case a schematic diagram of the proposed dual completion, was there



not?

A That is right.

Q Now, Mr. McDonald, in your opinion, will the cementing program as you have outlined it adequately protect any producing formations?

A In my opinion, it will.

Q Will it protect any possible water zones which may exist in this area?

A In my opinion, it will, yes sir.

Q Do you know of any water zones existing here?

A No, I don't.

Q How do you propose to make your perforations in this well?

A We intend to directly perforate the two and 2/8 tubing with tools that are available to perforate away from the four and a half inch casing, which has been done, is being done, and will then proceed to perforate and frac the two and 7/8, holding an adequate pressure on our four and a half inch parallel string. Upon completion, will perforate and frac the Dakota sand at approximately 6300 feet, run 2 3/8 tubing, swab and complete.

Q Now, in connection with the completion of this well, how will the cement be run?

A We anticipate running a single stage double plug cement job that will be designed to put the top of the cement at 4300 feet, which is approximately eight hundred feet above the top perforations of the Gallup Formation. The cement will be continuous



from 4300 to 6300 feet. The four and a half casing will be centralized at the bottom three hundred feet to a point at least one hundred feet above the top of the Dakota Formation, and likewise be switched, or equipped with reciprocal switchers across the Gallup Formation. We anticipate equipping the 2 and 7/8 tubing with Baker turbolizers which in effect are miniature centralizers. The purpose of that is to keep the two strings of pipe separated in order to guarantee a complete cement job throughout the entire Gallup interval.

Q Will that give you a complete cement job throughout the interval?

A It is designed to give a complete cement job throughout both points, to a point about eight hundred feet above the uppermost part of the Gallup Formation.

Q Now, will the production from the different zones be handled separately?

A We anticipate that will be handled separately, yes, unless otherwise authorized by the Commission.

Q At the present time, you do not seek that authorization?

A No, we do not at this time.

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

EXAMINATION BY MR. UTZ:

Q Mr. McDonald, this area is just southwest of the Fulchur-Kutz area, is it not?

A Well, I am not familiar, whether that is southeast of



the Gallegos Field, that is my interpretation of it.

Q You are not familiar with the Pictured Cliffs Pools?

A I don't have any large map; no, I am not.

Q Well, it's to the northeast of this; did you testify that there were no water zones, or that you did not know of any water zones?

A That's right, not to my knowledge; I don't know of any that aren't protected by the cement plug we have designed.

Q Your 10 and 3/4 is set at 330 feet, was that circulated?

A That will be circulated, yes sir.

Q And as far as you know, there are no water zones between 330 and 4300 feet?

A To my knowledge, there isn't.

Q There isn't any Pictured Cliff sectional lift in this area?

A If there is, I don't know where it is, or that it is water bearing or gas bearing. We hadn't anticipated testing or coring anything other than the Gallup and Dakota Formation.

Q You don't know of any Fruitland or Farmington, either?

A No; no, I don't.

Q And actually, you will have open hole from 330 to 4300?

A That is right, but there will be a nine and a half pound water base jell drilling mud behind the pipe and above the cement.

Q I believe you testified that you were going to centralize the four and a half to at least a hundred feet above the Genaris?



A That is correct.

Q And how many feet above the Gallup were you going to put tubrolizers?

A At least a hundred feet, probably more than a hundred feet.

Q How thick a sheath of cement will the tubrolizers allow?

A I believe it would be $1/8$ of an inch between collars on the $4 \frac{1}{2}$ and the $2 \frac{7}{8}$.

Q Perhaps you misunderstood my question. What I would like to know is how much cement will be between the $4 \frac{1}{2}$ and the $2 \frac{7}{8}$.

A How thick a cement sheath?

Q Right.

A I beg your pardon. That's $3/8$ of an inch between collars and between the--which would be the closest or the minimum; the maximum would be, I believe would be one inch, the minimum would be three eighths of an inch between collars on the $4 \frac{1}{2}$ and $2 \frac{7}{8}$.

Q $3/8$ of an inch?

A I believe that's right.

Q Between the collars; actually, that's not a whole lot of cement, is it?

A Well, between the two strings now, the collars are between the two strings of pipe, and there would be $1 \frac{1}{8}$ inch.

Q On your diagram that you have presented here, what's the FC and the GS?

A The FC is the Float Collar and the GS is the Guide Shoe.



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Q And in the event you have to artificially lift the 2 7/8, you are putting pumping equipment in it?

A Yes, we anticipate running rods with Huber Paddle Scrapers, a downhole pump and a pump unit, Beam pumping unit at the surface.

Q And I believe you said you were going to tube the 4 1/2 inch, right?

A With 2 3/8 tubing, yes sir.

Q And you will be willing to run any communication tests the Commission might require?

A Absolutely, any tests you request.

MR. UTZ: Are there other questions?

MR. KELLAHIN: I have a couple of more questions. I would like to clarify something here.

MR. UTZ: All right.

REDIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. McDonald, on the advertising in this case, this well was designated as the Government Number One, is that correct?

A That name has been changed and I would like to get that on record. The new name that we would like to change it to is to be Texas National Petroleum Company-Moncrief Number One --

MR. UTZ: Would you spell that, please?

A M-O-N-C-R-I-E-F Number One State 16-26-11.

MR. UTZ: You think that's properly designated?

Q (By Mr. Kellahin) Are you proposing the same type of



completion as was approved in your Number One Government 259 Well?

A That is correct; in nearly all essential instances, it is identical to that completion, with minor variations in the depths of the two formations there.

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

MR. UTZ: Was that 16-20 or 26?

A 16-26-11.

MR. PAYNE: Where does the 26 come from?

A That's Township 26 North, 11 --

MR. UTZ: Then your application is in error?

MR. KELLAHIN: The advertising is incorrect.

MR. PAYNE: The advertising on it, yes.

MR. KELLAHIN: That is correct, that would be 26 north.

MR. UTZ: Are there other questions? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Are there other statements in this case? If not, the case will be taken under advisement.



STATE OF NEW MEXICO)
 : SS
 COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, Notary Public in and for the County of Santa Fe, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record of said proceedings to the best of my knowledge, skill and ability.

Dated at Albuquerque, New Mexico, this 10th day of September, 1960.

Jerry Martinez
 Notary Public

My Commission Expires:
 January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2063 heard by me on Sept. 7, 1960.
Mark D. H. Examiner
 New Mexico Oil Conservation Commission

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DIAGRAMMATIC SKETCH OF DUAL COMPLETION INSTALLATION

