

CASE 2510: Application of TEXACO, INC
for an exception to Rule 107(e).

Approved

Q52 / 10.

2510

Production, Transcript,
all Exhibits, Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



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

P. O. BOX 871
SANTA FE

April 4, 1962

Mr. Charlie White
Gilbert, White & Gilbert
Box 787
Santa Fe, New Mexico

Re: CASE NO. 2510
ORDER NO. R-2204
APPLICANT:
TEXACO INC.

Dear Sir:

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

Very truly yours,

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

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

OTHER

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2510
Order No. R-2204

APPLICATION OF TEXACO INC.
FOR AN EXCEPTION TO RULE
107 (e), LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 28, 1962, 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 4th day of April, 1962, 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, Texaco Inc., is the owner and operator of the K. F. Quail-Federal Well No. 1 located 2066 feet from the South line and 556 feet from the West line of Section 1, Township 20 South, Range 34 East, NMPL, Lea County, New Mexico.

(3) That the applicant seeks an exception to Rule 107 (e) of the Commission Rules and Regulations authorizing completion of said K. F. Quail-Federal Well No. 1 in an undesignated Bone Springs pool as a 2 7/8-inch tubingless completion below the depth of 5000 feet.

(4) That the applicant has equipped the well with 2 7/8-inch casing to a depth of 9721 feet in the Bone Springs formation, and that said casing was cemented with a sufficient volume of cement to come back to a minimum of 401 feet above the top of the Bone Springs formation.

(5) That no productive zone exists between the bottom of the intermediate string of casing set at a depth of 5490 feet and the top of the cement on the aforesaid 2 7/8-inch casing.

-2-

CASE No. 2510
Order No. R-2204

(6) That denial of the subject application would result in undue hardship to the applicant.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby granted an exception to Rule 107 (e) of the Commission Rules and Regulations to permit the completion of the K. F. Quail-Federal Well No. 1 located 2086 feet from the South line and 556 feet from the West line of Section 1, Township 20 South, Range 34 East, NMPL, Lea County, New Mexico, as a 2 7/8-inch tubingless completion in an undesignated Bone Springs pool below the depth of 5000 feet.

(2) That an allowable shall be assigned to said K. F. Quail-Federal Well No. 1 as of the date of this order provided all other applicable rules and regulations of the Commission have been complied with.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



es:/

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 28, 1962

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

Cases 2515 through 2519 will not be heard before 1:00 P.M.

- CASE 2507: Application of Union Oil Company of California for an order creating a new oil pool, establishing special rules and regulations for said pool, and contracting the Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool to be designated the North Anderson Ranch-Wolfcamp Pool and comprising portions of Sections 28, 32 and 33, Township 15 South, Range 32 East, and Lots 1, 2, 7 and 8 of Section 2, Township 16 South, Range 32 East, Lea County, New Mexico. Applicant proposes the promulgation of special rules and regulations to govern said pool, including a provision for 80-acre proration units; it is further proposed that the Anderson Ranch-Wolfcamp Pool be contracted by the deletion of the SE/4 and S/2 SW/4 of Section 28, E/2 SE/4 of Section 32 and W/2 and NE/4 of Section 33, Township 15 South, Range 32 East, and Lots 1, 2, 7 and 8 of Section 2, Township 16 South, Range 32 East.
- CASE 2508: Application of Westates Petroleum Company for assignment of special allowables to four wells, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to Order No. R-1776, seeks an order extending the period within which its Carlson-Federal "B" Wells Nos. 2, 3, 4 and 5, located in Section 25, Township 25 South, Range 37 East, Lea County, New Mexico, are assigned a special allowable not to exceed top unit allowable for the Justis Tubb-Drinkard Pool.
- CASE 2509: Application of Amerada Petroleum Corporation for approval of the Langlie Mattix Woolworth Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie Mattix Woolworth Unit Agreement embracing 2559.48 acres of Federal and fee lands within Sections 27, 28, 33 and 34, Township 24 South, Range 37 East, Lea County, New Mexico.

- CASE 2510: Application of Texaco, Inc. for an exception to Rule 107 (e), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) authorizing the completion of its K. F. Quail-Federal Well No. 1, located 2086 feet from the South line and 556 feet from the West line of Section 1, Township 20 South, Range 34 East, Lea County, New Mexico, as a 2 7/8-inch tubingless completion below the depth of 5,000 feet.
- CASE 2511: Application of Texaco, Inc. for an order pooling all mineral interests in the Basin-Dakota and Blanco-Mesaverde Pools in the W/2 of Section 12, Township 30 North, Range 12 West, San Juan County, New Mexico. Interested parties include Pan American Petroleum Corporation, Southwest Production Company and Tidewater Oil Company.
- CASE 2512: Application of Skelly Oil Company for approval of the Gallegos-Gallup Sand Unit Agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Gallegos-Gallup Sand Unit Agreement embracing 22,997.51 acres, more or less, of Federal, State, Indian and fee lands in portions of Townships 26 and 27 North, Ranges 11, 12 and 13 West, San Juan County, New Mexico.
- CASE 2513: Application of Skelly Oil Company for a secondary recovery project, Gallegos-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a secondary recovery project in the Gallegos-Gallup Oil Pool in an area underlying its proposed Gallegos-Gallup Sand Unit Area, comprising 22,997.51 acres, more or less, in portions of Townships 26 and 27 North, Ranges 11, 12 and 13 West, San Juan County, New Mexico, the injection of water initially to be through six wells located in Sections 1, 2, 11 and 12, Township 26 North, Range 12 West and the project to be governed by the provisions of Rule 701.
- CASE 2514: Application of Skelly Oil Company for approval of the West Dollarhide Queen Sand Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Dollarhide Queen Sand Unit Agreement embracing 2562.52 acres, more or less, of Federal, State and fee lands in Sections 19, 29, 30, 31, 32 and 33, Township 24 South, Range 38 East, and Sections 4, 5, and 6, Township 25 South, Range 38 East, Lea County, New Mexico.

The following cases will not be heard before 1:00 P.M.

- CASE 2515: Application of D. W. Falls, Inc. for the assignment of a special temporary deliverability for allowable purposes to its Federal Well No. 2-11, located 1190 feet from the South line and 2210 feet from the East line of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico, which well is completed in the Basin-Dakota Gas Pool. Applicant proposes that the deliverability to be assigned to said well be the average deliverability of all gas wells in the Basin-Dakota Gas Pool.
- CASE 2516: Application of Pan American Petroleum Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project on its Gallegos Canyon Unit Area, San Juan County, New Mexico, in the Cha Cha-Gallup Oil Pool, with the injection of water initially to be through two wells located in Section 25, Township 28 North, Range 13 West, and requests adoption of special rules to govern the operation of said project.
- CASE 2517: Application of Pan American Petroleum Corporation for a unit agreement and a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Southeast Cha Cha Unit Agreement embracing Federal, State and fee lands in portions of Sections 7, 8, 9, 10, 15, 16, 17, 18, 20, 21, 22 and 27, Township 28 North, Range 13 West, and Sections 30, 31, 32 and 33, Township 29 North, Range 13 West, San Juan County, New Mexico. Applicant further seeks authority to institute a unit-wide pressure maintenance project by the injection of water into the Gallup formation through 10 wells located within said unit and requests adoption of special rules to govern the operation of said project.
- CASE 2518: Application of Humble Oil & Refining Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its D. H. Crockett Well No. 1, located in Unit C of Section 21, Township 10 South, Range 26 East, Lea County, New Mexico, as a dual completion (conventional) in the Caudill Permian-Pennsylvanian and Caudill-Devonian Pools with the production of oil from

the Devonian zone to be through a string of 2 3/8-inch tubing and the production of oil from the Permo-Pennsylvanian zone to be through a parallel string of 1 1/4-inch tubing.

CASE 2519:

Application of The Atlantic Refining Company for a unit agreement, a pressure maintenance project and the reclassification of two wells, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Horseshoe-Gallup Unit Agreement embracing 20,925.58 acres, more or less, of Federal, State, Indian and fee lands in Townships 30 and 31 North, Ranges 16 and 17 West, San Juan County, New Mexico. Applicant further seeks permission to institute a pressure maintenance project in the proposed Horseshoe-Gallup Unit Area with water to be injected into the Gallup formation through 112 wells located in said unit, and requests adoption of special rules to govern the operation of said project. Applicant further seeks the reclassification of two wells located in the proposed unit area from Verde-Gallup Oil Pool wells to Horseshoe-Gallup Oil Pool wells, the Verde-Gallup Oil Pool to be contracted by the deletion of the NE/4 NE/4 of Section 2, Township 30 North, Range 16 West, and the SW/4 SW/4 of Section 36, Township 31 North, Range 16 West, said acreage to be included in the Horseshoe-Gallup Oil Pool.

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

Nov 4/61
2,510

March 12, 1962

C
O
P
Y

Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico

Attention: Mr. H. H. Wade

Gentlemen:

Reference is made to your letter of March 8, 1962, requesting temporary administrative approval as a tubingless completion below a depth of 5,000 feet of your K. F. Quail Well No. 1, NW/4 SW/4 of Section 1, Township 20 South, Range 34 East, Lea County, New Mexico.

Inasmuch as the production here is apparently of marginal nature, and a hearing has already been set for March 28th for this well, this office has no objection to a temporary exception pending the outcome of this hearing.

The Hobbs office of the Oil Conservation Commission is, therefore, hereby authorized to assign the subject well an allowable for the Bone Spring formation pending the issuance of an order in Case No. 2510.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

Copy to Mr. Wade
3/19/62
Q
ALT/DSH/LF

cc: Mr. Joe D. Ramey
Oil Conservation Commission
Hobbs, New Mexico

1962 MAR 12 AM 8:22
PETROLEUM PRODUCTS



P. O. Box 728
Hobbs, New Mexico
March 8, 1962

REQUEST FOR TEMPORARY APPROVAL OF
TUBINGLESS COMPLETION AND TEMPORARY
ALLOWABLE, TEXACO Inc. K. F. Quail
Federal Well No. 1, Undesignated
Bone Spring Pool, 556' FWL 2086' FSL,
Section 1, T-20-S, R-34-E, Lea County,
New Mexico

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

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

Gentlemen:

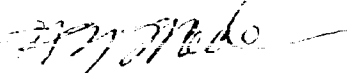
Pending the outcome of examiner hearing which will possibly be held March 28, 1962, TEXACO Inc. respectfully requests temporary approval of a 2-7/8" tubingless completion below 5000' in the K. F. Quail Federal Well No. 1 and a temporary allowable assignment of 49 barrels of oil per day effective March 1, 1962 in accordance with the data shown on Form C-104 which is to be filed this date March 8, 1962.

The subject well was initially scheduled as a conventional dual completion in the Bone Spring and Devonian formations at a total depth of 14,700'. During the course of drilling it was determined that the location was structurally unsuitable for completion in the Devonian and drilling was ceased at a total depth of 13,745'. Core and drill stem test data indicated a possible marginal completion in the Bone Spring formation and it was determined that the most economical method for testing would be through 2-7/8" OD casing. Cement plugs were spotted in the open hole 13,745' - 13,500'; 13,390' - 13,290'; 13,060' - 12,960'; 12,620' - 12,520'; 12,320' - 12,220'; 11,020' - 10,920'; 10,820' - 10,720'; 10,310' - 10,210' and 9,850' - 9,750'. 2-7/8" OD casing was set at 9,721' and cemented with 250 sacks of cement - calculated cement top at 9,200'. After acidizing with 500 gallons of acid and fracturing with 10,000 gallons of water containing one pound of sand per gallon, the well completed through perforations 9,601' - 9,606' and 9,630' - 9,639' for 49 barrels of 41° API gravity oil at a GOR of 261 - 1 during 24 hour potential test ending 7:00 A.M. March 3, 1962.

March 8, 1962

Since a doubt existed as to the producing capabilities of the well, no effort was made to schedule a hearing until the well was actually completed. Application for hearing was subsequently filed by letter dated March 7, 1962, which will possibly place the case on the March 28, 1962 docket. In the meantime, it is respectfully requested that TEXACO Inc. be granted temporary approval of completion and temporary allowable as outlined previously in this letter in order that a maximum return on the investment will be realized.

Yours very truly,



H. N. Wade
Assistant District Superintendent

LMF-MSV

cc: NMOCC, Hobbs

TEXACO
INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT



100 2570
MAIN OFFICE OCC

1962 MAR 8 PM 2:45
P. O. BOX 3109
MIDLAND, TEXAS

March 7, 1962

APPLICATION FOR EXCEPTION TO NMOCC
RULE 107 (E) (1) FOR TUBINGLESS
COMPLETION

K. F. Quail Federal No. 1
2086' FSL and 556' FWL
Section 1, T-20-S, R-34-E,
Lea County, New Mexico

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

In accordance with New Mexico Oil Conservation Commission Rule 107, Texaco Inc. respectfully requests that a hearing be set to consider its application to complete its K. F. Quail Federal No. 1 as a tubingless completion. In support of its application, the following facts are stated:

1. Texaco Inc. is the operator of its K. F. Quail No. 1 located 2086' FSL and 556' FWL, Section 1, T-20-S, R-34-E, Lea County, New Mexico.
2. The completion does not qualify for administrative approval since it is an exception to NMOCC Rule 107 (e) (1) in that the subject well is completed at a depth greater than 5000 feet.
3. The casing string consists of 2-7/8 inch O.D. N-80 Buttress casing and was set at 9721 feet and cemented with 250 sacks of cement.
4. The well is presently being completed in the undesignated Bone Springs through perforations 9601-9606 and 9630-9639 feet.

(Handwritten)
Book to
Mailed
3/17/62

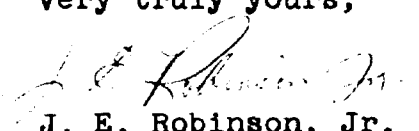
Mr. A. L. Porter, Jr.

-2-

March 7, 1962

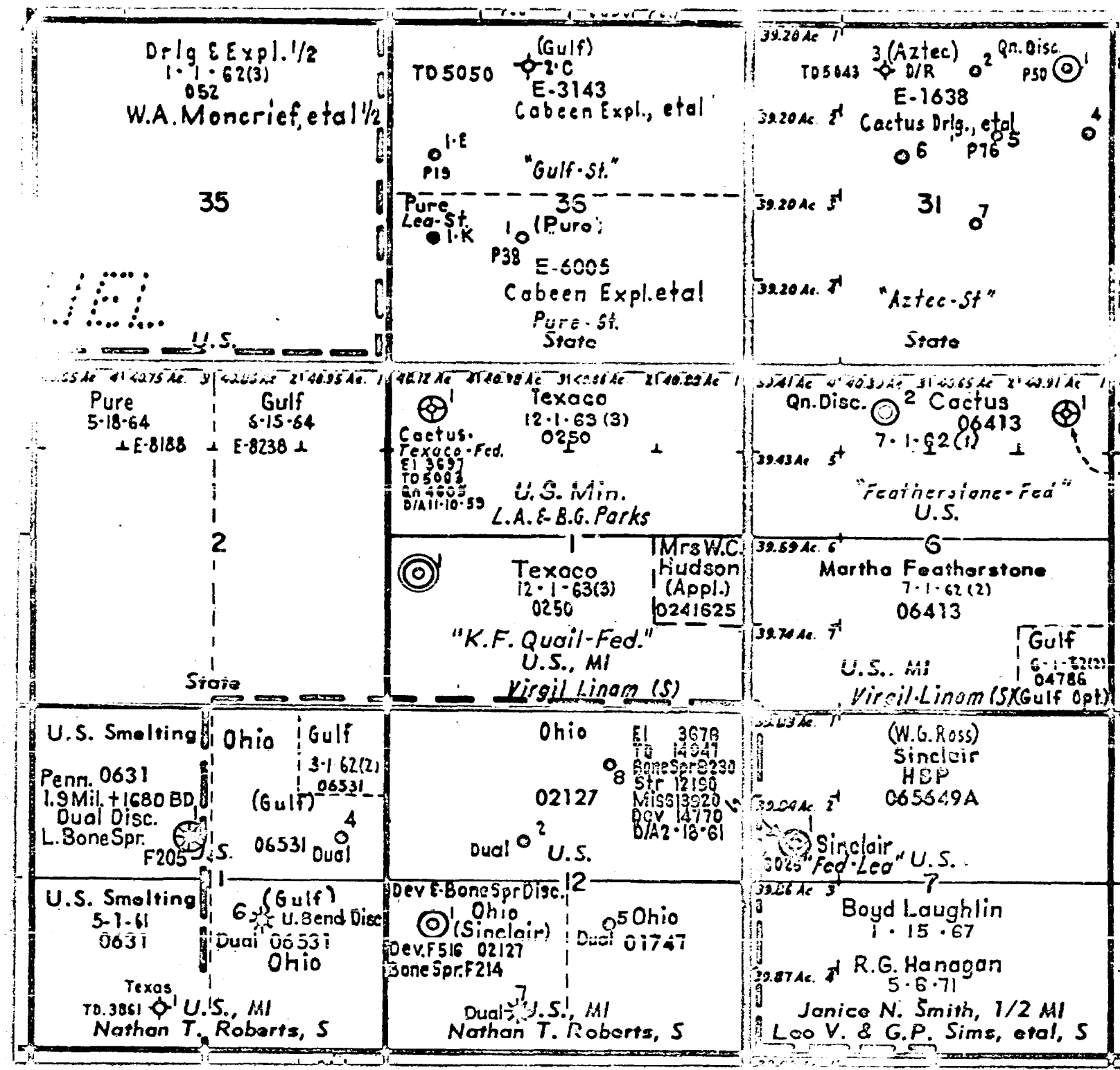
Attached, in triplicate, is a plat showing the location of the well and all offsetting acreage. It is requested that this application be set for hearing on the earliest examiner docket.

Very truly yours,


J. E. Robinson, Jr.
Division Proration Engineer

JERjr.-MM

Attach.



Plat Showing Texaco Inc. K. F. Quail Lease
Unit L, Sec. 1, T-20-S, R-34-E, Lea County, New Mexico
and Offset Operators

Scale 1 inch = 2000 feet
JER 3-7-62

OFFSET OPERATORS:

Drilling & Exploration and W. A. Moncrief, P.O. Box 2075, Hobbs, New Mexico
Cabean Exploration Corp., 103 Dale Bldg., 112 E. 4th St., Roswell, New Mexico
Cactus Drilling Co., P. O. Box 1826, Hobbs, New Mexico
Martha Featherstone, 236 Petroleum Bldg., Roswell, New Mexico
Gulf Oil Corporation, Box 1938, Roswell, New Mexico
Sinclair Oil & Gas Co., P. O. Box 1470, Midland, Texas
The Ohio Oil Co., P. O. Box 552, Midland, Texas
Mrs. W. C. Hudson, Address Unknown
The Pure Oil Co., P. O. Box 671, Midland, Texas

Case 2510

GENERAL INFORMATION

HUMBLE OIL AND REFINING COMPANY

Present Status: D. H. Crockett #1
Producing zone - Devonian
Pumping through 2-1/2-inch tubing - 450 barrels fluid/day,
90% water
Conventional 320D Pumping Unit with pump set at 5000'
12 - 108" S.P.M. - 2" Plunger.

Proposed Dual Completion: Devonian-Wolfcamp
Devonian String - 2-3/8-inch N-80 Tubing with Hardy-Griffin
"DS" joint using present surface equipment and a "double
displacement" type subsurface pump. Capacity - 350 barrels
fluid per day.
Tubing to be anchored in non-retrievable packer set at
approximately 10,650'.

Wolfcamp String - 1-1/4-inch N-80 Tubing with Hardy-Griffin
"DS" joint landed in dual string anchor at approximately
10,580'

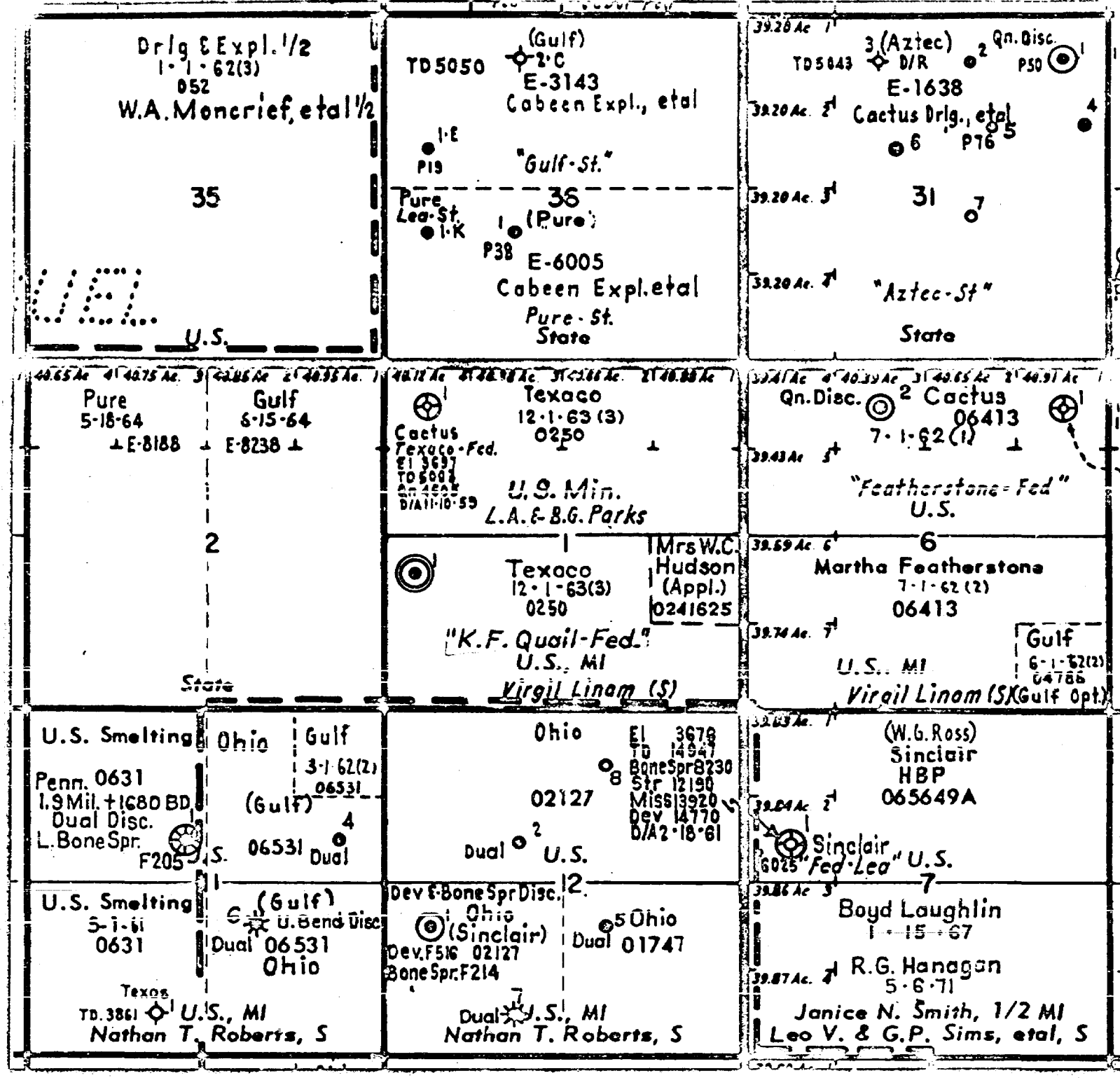
Wolfcamp saturation pressure - 3498#
Wolfcamp oil gravity - 42° API

Subsurface Pressure History: D. H. Crockett #2 (Offset
Wolfcamp Well)
Initial Pressure - 3743# Dated - 8-4-60
Last Pressure - 2882# Dated - 7-24-61

Gas-Oil Ratio: D. H. Crockett #2
Initial - 1,480 C.F.P.B.
Present - 1,800 C.F.P.B.

BKB/mcb
3-26-62

5



Plat Showing Texaco Inc. K. F. Quail Lease
Unit L, Sec. 1, T-20-S, R-34-E, Lea County, New Mexico
and Offset Operators

Scale 1 inch = 2000 feet
JER 3-7-62

OFFSET OPERATORS:

Drilling & Exploration and W. A. Moncrief, P.O.Box 2075, Hobbs, New Mexico
Cabeen Exploration Corp., 103 Dale Bldg., 112 E. 4th St., Roswell, New Mexico
Cactus Drilling Co., P. O. Box 1826, Hobbs, New Mexico
Martha Featherstone, 236 Petroleum Bldg., Roswell, New Mexico
Gulf Oil Corporation, Box 1938, Roswell, New Mexico
Sinclair Oil & Gas Co., P. O. Box 1470, Midland, Texas
The Ohio Oil Co., P. O. Box 552, Midland, Texas
Mrs. W. C. Hudson, Address Unknown
The Pure Oil Co., P. O. Box 671, Midland, Texas

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 2570

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



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

P. O. BOX 871
SANTA FE

March 12, 1962

Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico

Attention: Mr. H. N. Wade

Gentlemen:

Reference is made to your letter of March 8, 1962, requesting temporary administrative approval as a tubingless completion below a depth of 5,000 feet of your K. F. Quail Well No. 1, NW/4 SW/4 of Section 1, Township 20 South, Range 34 East, Lea County, New Mexico.

Inasmuch as the production here is apparently of marginal nature, and a hearing has already been set for March 28th for this well, this office has no objection to a temporary exception pending the outcome of this hearing.

The Hobbs office of the Oil Conservation Commission is, therefore, hereby authorized to assign the subject well an allowable for the Bone Spring formation pending the issuance of an order in Case No. 2510.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

cc: Mr. Joe D. Ramey
Oil Conservation Commission
Hobbs, New Mexico

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>2</u>
CASE NO. <u>2510</u>

SKETCH OF TUBINGLESS COMPLETION (SINGLE)

2-7/8" csg. set @ 9721'
Decentralized on bottom.
Cemented with 250 sacks Incor.
Calc. top of cement @ 9200'.

8-3/4" hole 5490' - 13745'

9601
9200
401

Top at: 9601'
Name: Bone Spring
Type Prod: Oil

Bottom at: 9639'

Cement plugs spotted in open
hole as follows:
13745'-13500'; 13390'-13290';
13060'-12960'; 12620'-12520';
12320'-12220'; 11020'-10920';
10820'-10720'; 10310'-10210';
9850'-9750'.

Bone Spring Oil

13-3/8" csg. set @ 874'
Cement Circulated

9-5/8" csg. set @ 5490'
Cement Circulated

Perforated:

9601' - 9606'
9630' - 9639'

PBTD 9709'

PB with cement plugs to 9750'

TD 13745'

TEXACO Inc.
K. F. Quail Federal Well No. 1
Unit "L", 556' FWL 2086' FSL, Sec. 1, T-20-S, R-34-E
Lea County, New Mexico
Undesignated Bone Spring Pool

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 23
CASE NO. 2570

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

March 29, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc. for an exception to Rule 107 (e), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) authorizing the completion of its K. F. Quail-Federal Well No. 1, located 2086 feet from the South line and 556 feet from the West line of Section 1, Township 20 South, Range 34 East, Lea County, New Mexico, as a 2 7/8-inch tubingless completion below the depth of 5,000 feet.

CASE NO.
2510

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The Hearing will come to order. Case 2510.

MR. WALKER: Application of Texaco, Inc. for an exception to Rule 107 (e), Lea County, New Mexico.

MR. WHITE: Charles White of Gilbert, White & Gilbert, Santa Fe, New Mexico, appearing on behalf of the Applicant. We have one witness to be sworn.

MR. UTZ: Are there any other appearances in this case? You may proceed, Mr. White.

(Witness sworn.)

C. R. BLACK,

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243 6601

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Black, will you state your full name for the record?

A C. R. Black, employed by Texaco, Incorporated.

Q In what capacity?

A Petroleum engineer.

Q Have you previously testified before the New Mexico Oil Conservation Commission?

A Yes, sir, I have.

Q And have your qualifications been accepted?

A They have.

(Applicant's Exhibit No. 1 marked for identification)

Q Will you briefly state what Texaco is seeking by the subject application?

A This is the application of Texaco, Inc., for a tubing completion of K. F. Quail-Federal Well No. 1 in exception to this rule. The well is an exception to this well in that completion interval below 5,000 feet.

Q Will you refer to Exhibit No. 1 and explain that?

A Yes, sir, No. 1 is a plat showing the immediate area surrounding the Texaco K. F. Quail-Federal lease and the K. F. Quail-Federal Well No. 1. The Texaco lease is bordered in yellow

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182ALBUQUERQUE, N. M.
PHONE 243-6691

and the sub-well is circled in red. Also shown are the offset operators and their wells. At the base of the exhibit is a list of the offset operators and their mailing addresses. The location of the Quail-Federal Well No. 1 is 2086 feet from the South line and 556 feet from the West line of Section 1, Township 20 South, Range 34 East, Lea County, New Mexico.

Q What is the status of the well at the present time?

A This well was completed on March 3, 1962, and at the present time it is producing under a temporary allowable granted by the Commission by letter of March 12, 1962.

(Applicant's Exhibit No. 2
marked for identification)

Q Has that been marked as Exhibit No. 2?

A Yes, sir, it has.

(Applicant's Exhibit No. 3
marked for identification)

Q Now, will you refer to Exhibit 3, your diagrammatic sketch, and give the details of the drilling and completion of the well?

A Exhibit 3 is a diagrammatic sketch of the installation of the 17½-inch hole which was drilled to 874 feet and at that point 13 3/8 casing was set and cement was circulated to the surface. A twelve quarter inch hole continued and drilled to 5490 feet and 9 5/8-inch casing set with cement circulating to the surface. We continued to the total depth of 13,745 feet with 8 3/4-inch hole. This hole originally was scheduled to be a dual com-



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182ALBUQUERQUE, N. M.
PHONE 243-6691

plotion in the Lea Devonian and the Lea Bone Springs hole; however, after reaching 13,745 it was apparent that the Devonian was running considerably low and would not be productive; therefore, the decision was made to cease drilling. We never penetrated the Devonian. Various cement plugs, as shown on the exhibit, were spotted in on open hole from 13,745 and from 9750 feet. A string of 2 7/8-inch casing was set. It was decentralized on the bottom and cemented with 250 sacks incorporated and we calculated the top of the cement at 9200 feet.

Q What are your perforation points?

A The Bone Springs formation was perforated from 9601 to 9606 and 9630 to 9639.

Q What are your crude characteristics?

A The particular crude, in this instance, is intermediate sweet type crude with a gravity of 41 degrees API, gas-oil ratio 2440 to 1. The estimated or the actual bottomhole pressure as determined by the bottomhole was 3437 PSI.

Q Is the well flowing at the present time?

A Yes, sir, in the potential test on March 3, 1962, this well swabbed 49 barrels of oil in 24 hours with gas-oil ratio of 260 to 1. On this test we received a temporary allowable. At the present time, though, as the result of a test on March 22, 1962, this well flowed 52 barrels in 12½ hours with a flowing tubing pressure of 200 PSI and gas-oil ratio 2440 to 1.

Q Do you anticipate any corrosion or parrafin problems?



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A No, sir, we don't in this particular well.

Q Is your installation such that it would be possible to pump the well if necessary?

A Yes, sir, if and when it becomes necessary to, we can artificially lift this well.

(Applicant's Exhibit No. 4
marked for identification)

Q Now, refer to Exhibit 4 and explain that, please.

A Exhibit 4 is a cost log of the well with the top of the Bone Springs pay and the various perforated intervals being marked in red.

Q In your opinion, is this completion in keeping with sound conservation practices?

A Yes, sir.

Q Do you care to offer any other testimony?

A I have nothing further.

MR. WHITE: That completes our testimony on direct.

CROSS EXAMINATION

BY MR. UTZ:

Q Do you have your cement on 1790?

A Yes, sir.

Q And bottomhole cement demand is 5/8 casing 5490?

A Yes, sir.

Q That leaves 3700 feet of open hole, is that correct?

A Yes, sir.



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Q What formations are in this area that might be productive?

A As far as I know, there are no formations between this area and the surface casing that would be productive in this particular area.

Q Do you know of any prolific water zones?

A No, sir, we feel we have protected all fresh water zones with surface and intermediate casing.

Q You don't feel, then, that possibility of corrosion from the outside into the tubing would be any worse here than anywhere else?

A No, sir, we have no reason to expect that in this particular installation than in the others.

Q Is this a single completion?

A Yes.

MR. UTZ: Are there any other questions of the witness?

The witness may be excused.

(Witness excused.)

Are there any other statements in Case 2510?

The case will be taken under advisement.

* * *



STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, KATHERINE PETERSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

Katherine Peterson
 NOTARY PUBLIC

My Commission Expires:

3/17/64

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2510, heard by me on March 28, 19 62.
Guadalupe, Examiner
 New Mexico Oil Conservation Commission

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