

CASE 2626: Application of LA PLATA
GATHERING for a dual completion &
an unorthodox gas well location.

3-1-10

2626

Index, Transcript,
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. 2626
Order No. R-2319

APPLICATION OF LA PLATA GATHERING
SYSTEM, INC., FOR A DUAL COMPLETION
AT AN UNORTHODOX GAS WELL LOCATION,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 11, 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 3rd day of October, 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 by Order No. R-2232, entered in Case No. 2542, the applicant, La Plata Gathering System, Inc., was authorized to locate its San Juan 32-5 Unit Well No. 1-19 at an unorthodox gas well location 734 feet from the East and West lines and 1680 feet from the South line of Section 19, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That under the provisions of Order No. R-2232, entered in Case No. 2542, said San Juan 32-5 Unit Well No. 1-19 was dedicated to a 355.25-acre non-standard gas proration unit in the Blanco-Mesaverde and Basin-Dakota Gas Pools consisting of partial Sections 18 and 19 in said township, and the applicant was authorized to complete the subject well as a dual completion (conventional) in the Blanco-Mesaverde and Basin-Dakota Gas Pools.

(4) That the applicant proceeded to drill its San Juan 32-5 Unit Well No. 1-19 in accordance with Order No. R-2232, entered in Case No. 2542, but was forced to plug and abandon said well because of a blow-out caused by a drilling break.

-2-

CASE No. 2626
Order No. R-2319

(5) That the applicant now proposes to locate its San Juan 32-5 Unit Well No. 1-19X at an unorthodox location 734 feet from the East and West lines and 1680 feet from the South line of Section 19, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(6) That the applicant proposes to complete said well as a dual completion (conventional) in the Blanco-Mesaverde and Basin-Dakota Gas Pools with the production of gas from the Dakota formation through a string of 2-inch tubing and the production of gas from the Mesaverde formation through a parallel string of 1 1/2-inch tubing.

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

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

IT IS THEREFORE ORDERED:

(1) That the applicant, La Plata Gathering System, Inc., is hereby authorized to locate its San Juan 32-5 Unit Well No. 1-19X at an unorthodox gas well location 734 feet from the East and West lines and 1680 feet from the South line of Section 19, Township 32 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, and that said well shall be dedicated to a 355.25-acre non-standard gas proration unit in the Blanco-Mesaverde and Basin-Dakota Gas Pools consisting of partial Sections 18 and 19 in said township.

(2) That the applicant is hereby authorized to complete the subject well as a dual completion (conventional) in the Blanco-Mesaverde and Basin-Dakota Gas Pools with the production of gas from the Dakota formation to be through a string of 2-inch tubing and the production of gas from the Mesaverde formation to be through a parallel string of 1 1/2-inch tubing.

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

PROVIDED FURTHER, That the applicant shall conduct packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Dakota formation, and at such other times as the Secretary-Director of the Commission may prescribe.

-3-

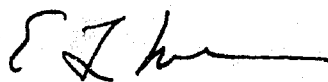
CASE No. 2626

Order No. R-2319

(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.

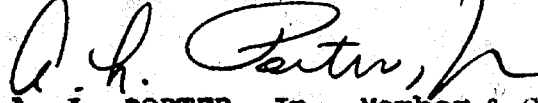
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



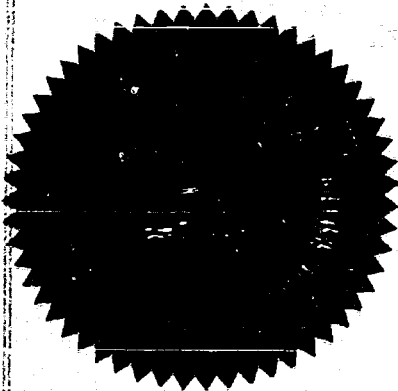
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/

Case 2626,
Heard 9-11-62
Rec. 9-21-62

Grant Turners request for an NW2
for their S.G. 325 #1X, 734/E+W, 1684/S,
lines of sec. 19, 32-5.

The 1-19 200 ft. mouth of the well
was lost due to a blow out. - R-2232.
This order could be amended as to
location & used.

Two ~~blow~~ strings of 2" J-55
will be run, one to land zone, separated
by Balise D packers, 16' inch casing
shall be cemented from 105 to surface,
10 7/8 shall be cemented 977 to surface.
78 shall be cemented from ~~787~~ 6000'
to approx 4500', 5 1/2" liner shall be
cemented from T.D. ~~Back~~^{up} into the 78.

Witness testified that no
contamination would occur
from 4500 to 977.

Lucas H. [Signature]

~~That [Signature] agrees to set a permanent packer~~
~~4222 [Signature]~~

DOCKET: EXAMINER HEARING - TUESDAY - SEPTEMBER 11, 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, alternate examiner:

CASE 2612 (Continued)

Application of Texaco Inc. for a tubing exception, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to produce its C. C. Fristoe (b) NCT-2 Well No. 6, located in Unit H of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, North Justis-Devonian Pool, through a string of 1 1/2-inch OD tubing run with a packer inside of a 2 7/8-inch OD casing.

CASE 2626: Application of La Plata Gathering System, Inc., for a dual completion at an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a Basin Dakota-Blanco Mesaverde dual completion at an unorthodox location 1680 feet from the South line and 734 feet from the East line of Section 19, Township 32 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 2627: Application of La Plata Gathering System, Inc., for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Blanco Mesaverde well location 1,790 feet from the North line and 790 feet from the East line of Section 24, Township 32 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 2628: Application of Marathon Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Atoka-Pennsylvanian Gas Pool at a point 990 feet from the North line and 990 feet from the East line of Section 30, Township 18 South, Range 26 East, Eddy County, New Mexico.

CASE 2629: Application of S. P. Yates Drilling Company for approval of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pecos River Deep Unit Agreement comprising 17,257.82 acres, more or less, of State, Federal and Fee lands in Township 19 South, Ranges 26 and 27 East, and Township 20 South, Range 26 East, Eddy County, New Mexico.

Docket No. 26-62

Examiner Hearing September 11, 1962

CASE 2630: Application of Gulf Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Graham State (NCT-I) Well No. 1, located in Unit M of Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Paddock, Blinebry and Drinkard Oil Pools with the production of oil from all three zones to be through parallel strings of tubing.

CASE 2631: Application of Moran Oil Producing and Drilling Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion (conventional) of its Owen Well No. 1, located in Unit E, Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce Blinebry oil, Tubb gas, and Drinkard oil through parallel strings of tubing.

CASE 2632: Application of Humble Oil & Refining Company for an order establishing special rules and regulations for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing special rules and regulations for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico, to include provisions for 80-acre oil proration units therein.

CASE 2633: Application of General American Oil Company of Texas for expansion of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks expansion of its waterflood project in the Loco Hills Pool by the conversion to water injection of its Beeson F Well No. 10, located in Unit B of Section 31, Township 17 South, Range 30 East, Eddy County, New Mexico.

CASE 2634: Application of Ambassador Oil Corporation for approval of a unit agreement and waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Grayburg-Jackson Pool, with the initial injection of water to be through six wells located in Sections 22, 23, and 26, Township 17 South, Range 30 East, Eddy County, New Mexico, said project to be governed by Rule 701. Applicant further seeks approval of the Grayburg-Jackson Unit Agreement embracing 1600 acres, more or less, of federal and State lands in Township 17 South, Range 30 East, Eddy County, New Mexico.

Docket No. 26-62

Examiner Hearing September 11, 1962

CASE 2635: Application of L. R. French, Jr. for an order creating a new pool and establishing temporary rules or extension of the South Lane Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new pool for Pennsylvanian production; the discovery well for said pool is the Gulf-State Well No. 1, located in Unit A of Section 18, Township 11 South, Range 34 East, Lea County, New Mexico, completed in the Bough "C" zone of the Pennsylvanian formation. Applicant further seeks establishment of special rules and regulations governing said pool, including 80-acre proration units. As an alternative, applicant seeks extension of the South Lane Pennsylvanian Pool to include said Gulf-State Well No. 1.

CASE 2639: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a pilot waterflood project in the Upper San Andres formation, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into its Keeley "B" Well No. 13, located in Unit H, Section 26, Township 17 South, Range 29 East.

CASE 2640: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a pilot waterflood project in the Grayburg zone of the San Andres formation, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into its Keeley "C" Well No. 25, located in Unit O, Section 25, Township 17 South, Range 29 East.

CASE 2641: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 80-acre gas proration unit, Blinbry Gas Pool, Lea County, New Mexico, said unit to comprise the NW/4 NW/4 and SE/4 NW/4 of Section 10, Township 21 South, Range 37 East, and be dedicated to applicant's State 10 Well No. 1, located in the NW/4 NW/4 of said Section 10.

ir/

2626
LA PLATA GATHERING SYSTEM, INC.

1940 MERCANTILE DALLAS BUILDING

DALLAS 1, TEXAS

August 21, 1962 21

Oil Conservation Commission
of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

La Plata Gathering System, Inc., as Unit Operator of the San Juan 32-5 Unit Area, herewith requests administrative approval of an unorthodox gas well location in the Blanco Mesaverde Pool and in the Basin Dakota Pool at a location 1,680 feet from the South line, 734 feet from the East line, and 734 feet from the West line of Section 19, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico.

In Case Number 2542, Order Number R-2232, the Commission granted to the undersigned authority to locate the San Juan 32-5 Unit Well Number 1-19 at an unorthodox gas well location 734 feet from the West line and 1,980 feet from the South line of Section 19, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico. Said well was to be dedicated to a 355.25 acre non-standard gas proration unit in the Blanco Mesaverde and Basin Dakota Gas Pools consisting of partial Sections 18 and 19 in said Township. Applicant was further authorized to complete such well as a dual completion in the Blanco Mesaverde and Basin Dakota Gas Pools. Said well was heretofore drilled to said depth; however, due to inability to complete said well due to blowout difficulties encountered at approximately 7,000 feet below the surface of the earth, it became necessary to plug and abandon said well at such location. In view of such plugging and abandonment of said well at the afore-said location, Applicant respectfully requests administrative authority to move the location of said well 300 feet

Revised
Mailed
8/31/62
[Signature]

Oil Conservation Commission
of the State of New Mexico
August 21, 1962
Page Two

South of the initial location and to complete the same in
the same manner as authorized by the Commission in Order
Number R-2232, Case Number 2542.

Yours very truly,

LA PLATA GATHERING SYSTEM, INC.

By 

William G. Webb
Vice President

WGW:mch

Order handed to Dick Morris this date. ir/

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

October 3, 1962

Mr. Richard S. Morris
Seth, Montgomery, Federici & Andrews
Attorneys at Law
Box 828
Santa Fe, New Mexico

Re: Case No. 2626
Order No. R-2319
Applicant:
La Plata Gathering System, 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.
Secretary-Director

ir/

Carbon copy of order also sent to:

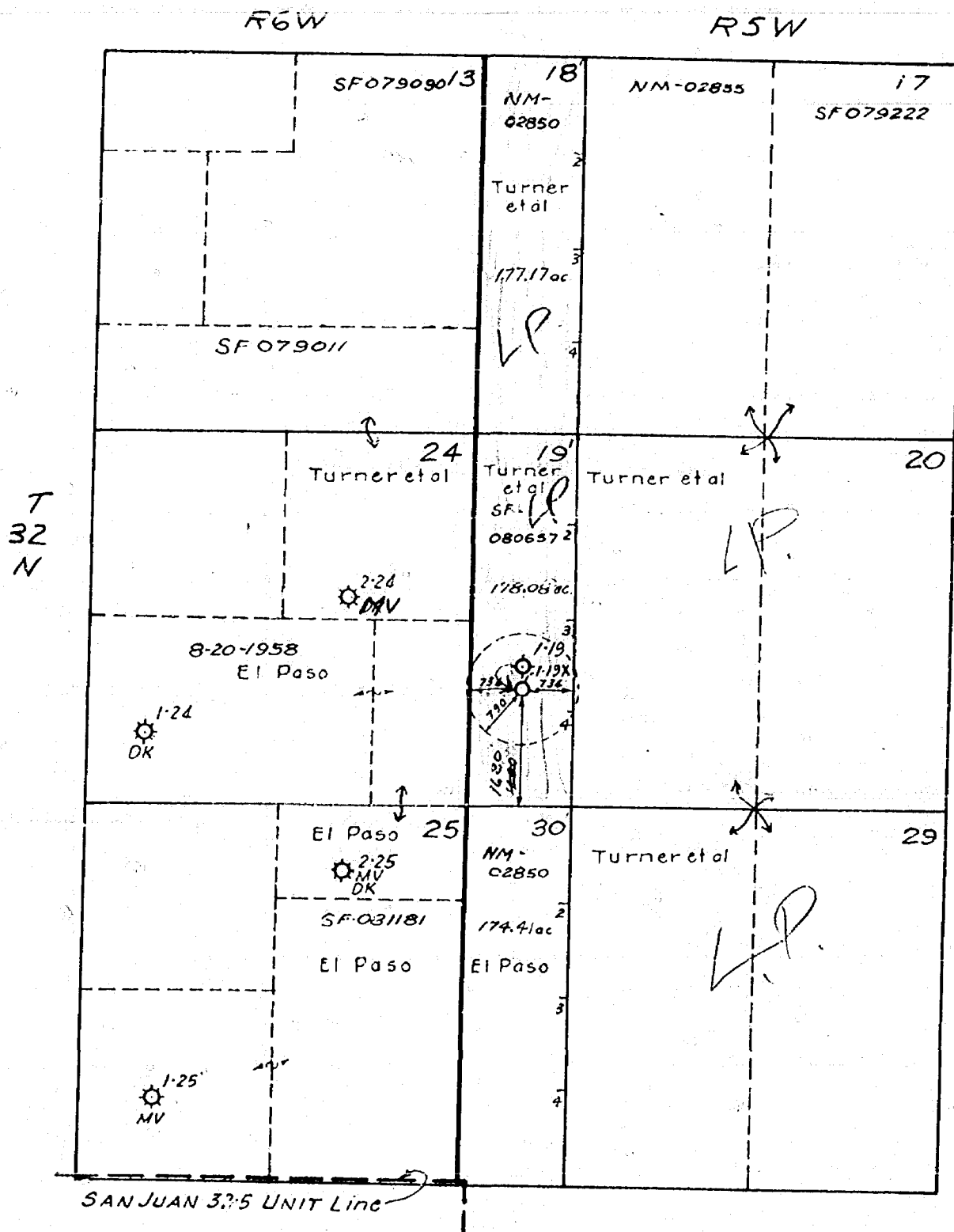
Hobbs OCC x

Artesia OCC

Aztec OCC x

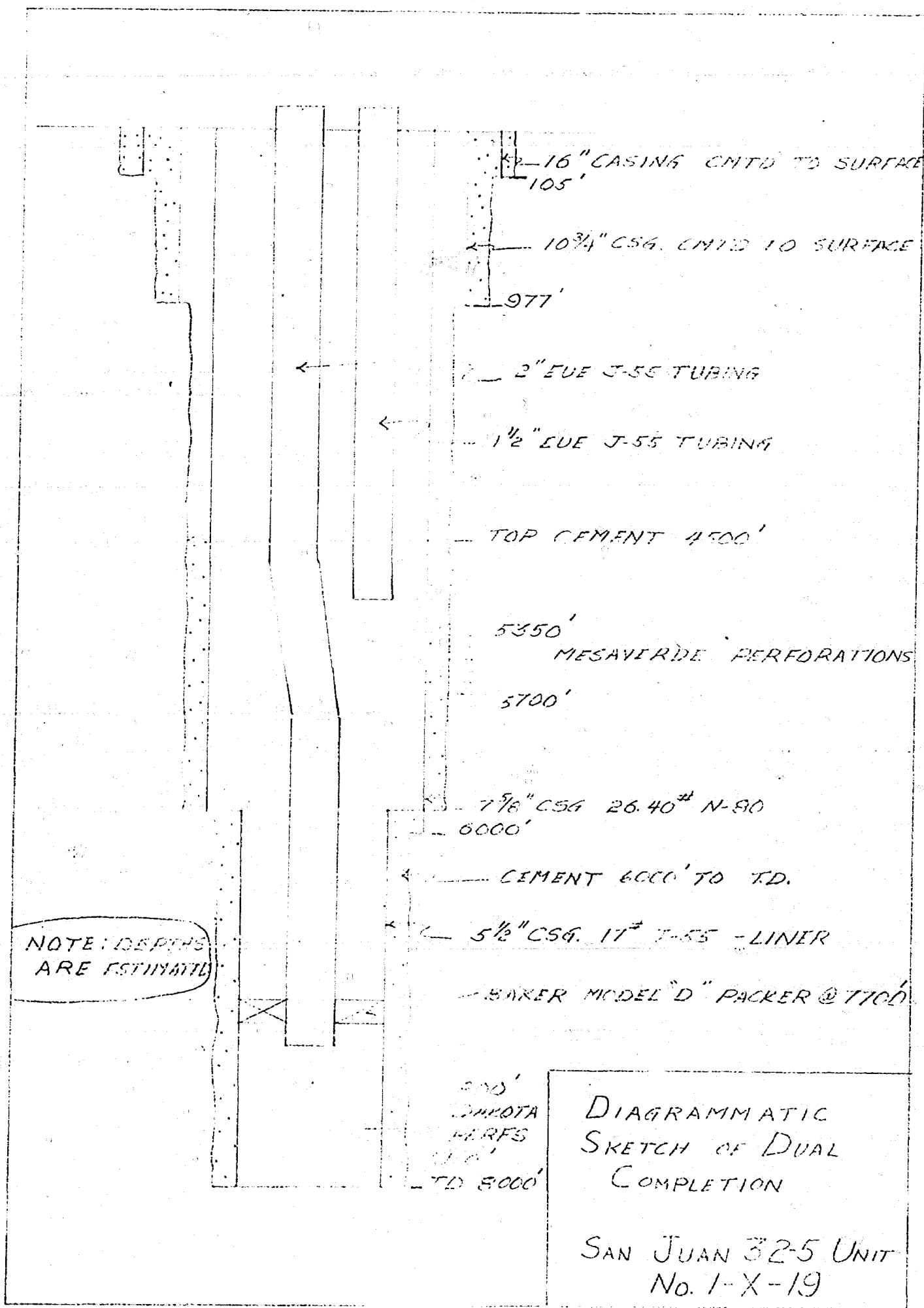
OTHER

Exhibit 'A'



Rio Arriba Co., New Mexico
Scale - 1" = 2000'

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. A
CASE NO. 2626



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Appl EXHIBIT NO. 13
CASE NO. 2626

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 11, 1962

EXAMINER HEARING

FARMINGTON, N. M.
PHONE 325-1182

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6691

IN THE MATTER OF:)

Application of La Plata Gathering System,)
Inc., for a dual completion at an un-)
orthodox gas well location, Rio Arriba)
County, New Mexico. Applicant, in the)
above-styled cause, seeks approval of a)
Basin Dakota-Blanco Mesaverde dual com-)
pletion at an unorthodox location 1680)
feet from the South line and 734 feet)
from the East line of Section 19, Town-)
ship 32 North, Range 5 West, Rio)
Arriba County, New Mexico.)

Case 2626

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2626.

MR. DURRETT: Application of La Plata Gathering System,
Inc., for a dual completion at an unorthodox gas well location,
Rio Arriba County, New Mexico.

MR. MORRIS: Mr. Examiner, I am Richard Morris of Seth,
Montgomery, Federici and Andrews, Santa Fe, New Mexico, appear-
ing on behalf of the applicant.

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



MR. MORRIS: We have one witness we would like to have sworn, please.

(Witness sworn.)

MR. MORRIS: Mr. Examiner, at the outset I would like to explain the background of this case. Case No. 2542 previously heard by the Commission resulted in Order No. R-2232, was a preceding case for an unorthodox location and for a dual completion in the same area with which Case 2626 is concerned. The unorthodox gas well location in that case was for the San Juan 32-5 Unit Well No. 1-19. The location for that well was 1980 feet from the south line, 734 feet from the west line of Section 19, Township 32 North, Range 5 West, Rio Arriba County. The well was to be dedicated to a 355.25-acre non-standard unit in both the Basin Dakota and Blanco Mesaverde Gas Pools. The 355.25-acre unit comprised all of partial Sections 18 and 19. Following the approval given La Plata Gathering System by Order No. R-2232, the well was commenced and in the process of drilling the well blew out at about 7200 feet. Some serious consequences followed from the blow-out and the well was plugged and abandoned. Hence, this application for a new location for the well some 300 feet to the south of the previously approved location and for the same type of a dual completion at that unorthodox location.

JAMES P. MORRIS

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1162

SANTA FE, N. M.
PHONE 983-3371

ALBUQUERQUE, N. M.
PHONE 243-6691



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

DIRECT EXAMINATION

BY MR. MORRIS:

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

A James P. Morris.

Q What is your position, Mr. Morris?

A Geologist with La Plata Gathering System.

Q Have you previously testified before the Oil Commission or one of its Examiners and had your qualifications accepted?

A Yes, I have.

MR. MORRIS: Is the witness qualified to testify as an expert witness, Mr. Examiner?

MR. UTZ: He has previously been qualified before the Commission.

MR. MORRIS: Yes.

Q (By Mr. Morris) Mr. Morris, are you familiar with La Plata's application in this case?

A Yes, I am.

Q Briefly what is it that La Plata seeks?

A La Plata is requesting approval for an unorthodox gas well location in the Blanco Mesaverde and Basin Dakota Gas Pools.

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PHONE 243-6691

The location of the unorthodox location is 1680 feet from the south line, 734 feet from the west line, Section 19, Township 32 North, Range 5 West, Rio Arriba County.

Q How is the subject well now designated?

A Designated as the 1-19 X.

Q Mr. Morris, do you have a plat of the subject area prepared and marked as Exhibit A in this case?

A Yes, I do.

MR. MORRIS: I ask the reporter to mark this as Exhibit

A.

(Whereupon, Applicant's Exhibit A was marked for identification.)

Q Referring to what has been marked as Applicant's Exhibit A, would you describe what that exhibit shows, please?

A It shows location is 1680 feet from the south line, 734 feet from the west line of Section 19, Township 32 North, Range 5 West.

Q It shows Sections 18 and 19 as being partial sections and the subject well actually located equidistant between the east and west lines of Section 19?

A Correct. It also shows offset wells, offset operators.

Q Would you briefly point out the offsetting wells and mention in what formations, what horizons they're completed?

A In Section 24, Township 32 North, Range 6 West, we have



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a well No. 1-24 San Juan 32-5 Unit, operator, El Paso Natural Gas.

Q That's a Dakota well in the Southwest Quarter of Section 24?

A Correct. In the Northeast Quarter of Section 24 is Mesaverde single completion, and that well is the 2-24 in Section 25; Southwest Quarter, Township 32 North, Range 6 West is the Mesaverde Well No. 1-25. In the Northeast Quarter is a dual completion in the Mesaverde and Dakota. That well is the No. 2-25.

Q Mr. Morris, the requirements of the rules in the Basin Dakota and Blanco Mesaverde Gas Pools make any orthodox location in these partial sections impossible, do they not?

A Correct.

Q In what other respect is the subject location unorthodox in the Blanco Mesaverde Pool?

A It's less than 724 feet from the section line due to the fact that they are short sections.

Q Now, this well is also off pattern in the Blanco Mesaverde Pool, is that correct?

A Correct.

Q The Blanco Mesaverde rules requiring the well to be located in the Northeast or the Southwest Quarter of the section



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are relatively meaningless, would you say, with respect to the partial section with the configuration such as Section 19 here?

A Correct.

Q After the Well No. 1-19 was abandoned, why did La Plata decide to move their location to the south rather than to the north of the old location?

A Because of surface topography. Surface topography to the south was relatively flat to the north, we would have had to move it up on a bluff, on the side of a bluff.

Q What acreage does La Plata propose to dedicate to the subject well?

A Section 18, Township 32 North, Range 5 West in Section 19 of same township and range.

Q This is the same acreage that previously was to be dedicated to the Well No. 1-19 at the now abandoned location?

A Yes.

Q Comprising how many acres?

A Let's see, a total of 355.25.

Q Would you briefly point out to the Examiner the ownership of acreage as shown on this plat which is operated by La Plata Gathering System or by the J. Glenn Turner interests?

A In Township 32 North, Range 5 West, La Plata operates Sections 17, 18, 19, 20 and 29.



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Q Also is the operator of some acreage in Township 32 North, Range 6 West?

A Correct.

Q Is there anything else with respect to Exhibit A that you would like to point out to the Examiner?

A No.

Q Referring now to what we will ask the reporter to mark as Exhibit B --

(Whereupon, Applicant's Exhibit B was marked for identification.)

Q -- what does this Exhibit B show, Mr. Morris?

A It shows a schematic diagram of a dual completion for the La Plata Gathering System Well No. 1-19 X San Juan 32-5 Unit.

Q Would you point out to the Examiner the completion method of this well as shown on this exhibit?

A Casing program is as follows: drill a 20-inch hole to 105 feet, run 16-inch casing, circulate and cement to the surface. Drill a 15-inch hole from 105 feet to approximately 970 feet. Cement 10-3/4 inch casing and circulate and cement to the surface. Then drill a 9-5/8 inch hole to approximately 5900 feet through the Mesaverde, set 7-5/8 inch casing, 26.4 pound N-80 and cement with the top of the cement approximately 4500 feet. Then drill a 6-3/4 inch hole to total depth of 8,000 feet or approximately top of the Morrison, at which time we'll run a 5 1/2 inch 17 pound



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J-55 liner from 5900 feet to total depth, and cement back to 5900 feet.

Q That leaves your casing exposed from 977 down to 4500 feet, Mr. Morris. Are there any producing formations in this area in that interval?

A No, there isn't.

Q In what intervals do you anticipate perforating the Dakota?

A We plan to perforate the Dakota approximately between 7800 and 7900 and perforate the Mesaverde approximately 5300 to 5700.

Q Would you describe your tubing and packer arrangement, please?

A At sand-water frack in the Dakota we will set a Baker Model D packer at approximately 7700 feet, then perforate and sand-water frack the Mesaverde. Then we'll run two-inch EUE J-55 Dakota tubing to approximately 7700 feet, then run 1½ inch EUE J-55 Mesaverde tubing to approximately 5300 feet.

Q What pressures do you expect in the Dakota and in the Mesaverde in this well?

A Normal Dakota pressures in this area is 3500 pounds, Mesaverde is 1600 pounds.

Q The well is not yet completed, is that correct?



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PHONE 243-6691

A That's right.

Q Where are you in your drilling program?

A We are approximately 4600 feet yesterday.

MR. UTZ: Be a little rough to skid now, wouldn't it?

A Yes.

Q In your opinion, Mr. Morris, is the completion technique being and to be used in the subject well in accord with good conservation practices?

A Yes.

Q And in your opinion will the unorthodox location of the subject well in any way impair correlative rights?

A No.

Q Were Exhibits A and B prepared by you or under your supervision?

A Yes.

MR. MORRIS: At this time we offer La Plata's Exhibits A and B, and that concludes the direct examination of Mr. Morris.

(Whereupon, Applicant's Exhibits A and B were offered into evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Morris, in answer to Mr. Morris's question, I believe you stated there were no producing formations between



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977 and 4500 feet. Is there no Pictured Cliff in this area?

A No.

Q No Chacra in this area?

A No.

Q What formations are behind the 10-3/4 above 977?

A Surface sands.

Q How about the Ojo Alamo?

A The Ojo Alamo will be behind the 7-5/8ths.

Q About what depth would the Ojo Alamo be in this area?

A It's approximately twenty-two, twenty-three hundred.

Q So the Ojo Alamo will be open behind the casing?

A Yes.

Q That's a prolific water zone, is it not?

A I believe it is. I don't know if it's prolific or not.

Q Well, it is artesian in this area.

A Well, we drill stem tested it in this particular well to see if the 1-19 well had charged it and we get sulphur water, approximately 700 feet of sulphur water.

Q So you feel sure that there's no other formations that could be contaminated by the oil behind the 7-5/8ths?

A Yes, sir.

Q If there were any, they certainly would be contaminated, would they not?



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A I suspect that they would, yes, sir. But we have never encountered any gas in any formation; as a matter of fact, in this particular well we've tested three zones. We have tested the Ojo Alamo and what they call the Fruitland and the Pictured Cliff. We did get a little gas in the Pictured Cliff with the drawdown, it was practically nothing, at the end of about thirty minutes it was making enough gas to measure.

Q You do intend to set your tubing closer to the top of the Mesaverde and Dakota than 250 feet, do you not?

A Yes, sir.

Q What caused the blowout on the first well?

A Well, just to briefly outline it for you, we were drilling at approximately 7100 feet and encountered a drilling break of about 17 feet, and at that time we had about nine pounds of mud at blowout. We were able to kill the well with mud and increase the mud weight to approximately 10.8 pounds; drilled 70 more feet, drilling contractor was coming out of the hole for a new bit and got approximately half-way out and it blew in again and we weren't able to get back to the bottom of the hole.

Q In other words, the 10.8 mud just didn't hold it?

A Didn't hold it. The engineers figure that 10.8 mud was around 4,000 pounds hydrostatic on the formation which is very abnormally high. We think it's coming out of the Gallup and we're



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at the approximate depth that the Gallup comes in. But since we have drill stem tested the Ojo Alamo and Pictured Cliff, we're almost certain now that it either came out of the Mesaverde or the Gallup, and we feel like it's Gallup now.

Q Gallup would be behind your 5½ liner somewhere, wouldn't it?

A Yes, sir. The reason we have this casing program as it is, we are trying to get a little insurance so this won't happen again. We set that conductor string in case the whole well that charged the surface sand we would have some protection there, we would put a blowout preventer on it.

Q You didn't have a blowout preventer on this one?

A Yes, sir.

Q I mean on the one that blew out.

A Yes, but we didn't put it on until we ran the surface string, which was normal procedure. We ran 100 feet of conductor and put a blowout preventer on that and then drilled down to 977 feet of surface string.

Q How did you plug this well?

A Three thousand sacks of cement.

Q The second well will probably be less expensive than the first one?

A Probably. Even with all this pipe we are going to put



in the hole it probably will be.

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

MR. DURRETT: Yes, sir.

BY MR. DURRETT:

Q Mr. Morris, let me call your attention to the fact that the docket, as advertised on this case, described this well as 734 feet from the east line of Section 19. I noticed on the direct examination you referred to it as 734 feet from the west line. In fact, that is the same description because it's 734 feet?

A From west and/or east line.

Q West or east line. Thank you, that's all.

BY MR. UTZ:

Q The proper location on your 19-X is 680 from the south, right?

A 1680.

Q I mean 1680.

A Yes.

MR. UTZ: Other questions? The witness may be excused.

(Witness excused.)

MR. MORRIS: That's all we have to offer in this case, Mr. Examiner.

MR. UTZ: Any statements in this case? The case will be taken under advisement.

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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 27th day of September, 1962.

Ada Dearnley
 Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2626, heard by me on Sept. 11, 1962.

[Signature], Examiner
 New Mexico Oil Conservation Commission

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