

MASS ENTERPRISES PRODUCTION Co.
FOR A DUAL COMPLETION, LEA
NEW MEXICO

CASE NO.

6870

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6870
Order No. R-6339

APPLICATION OF BASS ENTERPRISES
PRODUCTION COMPANY FOR A DUAL
COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 23, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of May, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Bass Enterprises Production Company, seeks authority to complete its Bass State 36 Well No. 1, located in Unit E of Section 36, Township 15 South, Range 34 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Townsend-Wolfcamp Pool and gas from an undesignated Morrow pool through the tubing and casing-tubing annulus, respectively, by means of a cross-over assembly, with separation of the zones achieved by means of packers installed at approximately 10,865 feet and 11,944 feet.
- (3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (4) That approval of the subject application will prevent waste and protect correlative rights.

-2-

Case No. 6870
Order No. R-6339

IT IS THEREFORE ORDERED:

(1) That the applicant, Bass Enterprises Production Company, is hereby authorized to complete its Bass State 36 Well No. 1, located in Unit E of Section 36, Township 15 South, Range 34 East, NEPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Townsend-Wolfcamp Pool through tubing and gas from an undesignated Morrow pool through tubing to a depth of approximately 10,865 feet and thence, through means of a cross-over assembly, through the casing-tubing annulus with separation of the zones to be achieved by means of packers set at approximately 10,865 feet and 11,944 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for gas wells in Southeast New Mexico.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMER
Director


S E A L

Ed/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
23 April 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Bass Enterprises Pro- } CASE
duction Company for a dual comple- } 6870
tion, Lea County, New Mexico. }

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Conrad E. Coffield, Esq.
HINKLE LAW FIRM
P. O. Box 3580
Midland, Texas 79701

SALLY W. BOYD, C.S.R.

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Santa Fe, New Mexico 87501
Phone (305) 455-7409

I N D E X

JAMES F. GROCE

Direct Examination by Mr. Coffield 3

Cross Examination by Mr. Stamets 11

E X H I B I T S

Applicant Exhibit One, Plat 5

Applicant Exhibit Two, Two-A, Logs 6

Applicant Exhibit Three, Plot 7

Applicant Exhibit Four, Sketch 8

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1 MR. STAMETS: We'll call next Case 6870.

2 MR. PADILLA: Application of Bass Enter-
3 prises Production Company for a dual completion, Lea County,
4 New Mexico.

5 MR. STAMETS: Call for appearances.

6 MR. COFFIELD: Conrad Coffield with the
7 Hinkle Law Firm in Midland, Texas, appearing on behalf of the
8 applicant and I have one witness to be sworn.

9
10 (Witness sworn.)

11
12 JAMES F. GROCE
13 being called as a witness and having been duly sworn upon
14 his oath, testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. COFFIELD:

18 Q Will you please state your name for the
19 record, Mr. Groce, your address, occupation, and employer?

20 A My name is James F. Groce. I'm a Senior
21 Production Engineer with Bass Enterprises Production Company,
22 Box 2760, Midland, Texas.

23 Q Have you previously testified before the
24 Division as a petroleum engineer?

25 A No, sir, I have not.

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1 Q For the record would you please, then,
2 state your educational background and your work experience
3 as a petroleum engineer?

4 A Yes, sir.

5 I attended Texas Tech University and
6 graduated in May of 1971 with a Bachelor of Science degree
7 in chemical engineering.

8 I went to work for Texaco, Incorporated,
9 in the Sweetwater Area Office, Sweetwater, Texas. I served
10 there approximately three years as a petroleum engineer; was
11 transferred to the Wichita Falls District Office as drilling
12 and production engineer. I worked there until February of
13 1977 when I was transferred to Midland as an Assistant Dis-
14 trict Engineer in charge of the Reservoir Section.

15 I resigned from Texaco in November of
16 1978 and went to work for Bass Enterprises at that time in
17 the Midland Office. I have been with Bass for the last year
18 and a half.

19 I have also been a member of the Society
20 of Petroleum Engineers of AIME since 1971.

21 Q Mr. Groce, are you familiar with the
22 application of Bass Enterprises Production Company in this
23 case?

24 A Yes, sir, I am.

25 Q And are you familiar with the property

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1 and the well location involved here?

2 A Yes, sir, I am.

3 MR. COFFIELD: Mr. Examiner, do you have
4 any other questions of this witness?

5 MR. STAMETS: No, the witness is considered
6 qualified.

7 Q Mr. Groce, what is it that Bass Enter-
8 prises Production Company seeks in this particular case?

9 A Bass Enterprises seeks approval for a
10 dual completion, conventional, of its Bass 36 State Well No.
11 1 in Unit E, Section 26 -- 36, excuse me, Township 15 South,
12 Range 34 East, to produce Townsend Wolfcamp Pool oil and
13 undesignated Morrow gas through the tubing and casing-tubing
14 annulus, respectively, by means of a crossover assembly.

15 Q Mr. Groce, refer to what we've marked
16 as Exhibit One and please explain that to the Examiner.

17 A Yes. Exhibit One is a space land plat
18 centered on Bass 36 State Well No. 1. The area outlined in
19 yellow on the plat represents Bass' acreage in the area. The
20 green arrow points to the location of Bass 36 State Well No.
21 1. The proration unit is shown in the dashed blue lines
22 around that well and consists of the west 320 acres of the
23 section.

24 Offset operators to the unit are Gulf
25 Exploration and Production Company to the northeast; Morris

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1 Antweil to the east; and the Superior Oil Company to the
2 south, respectively.

3 Q You have marked on this exhibit, Mr.
4 Groce, Griffin and Burnett, shown here on this tract imme-
5 diately south of the location. Would you explain that rela-
6 tionship, please?

7 A Yes, sir, Griffin and Burnett purchased
8 the acreage for Bass Enterprises, acting as our agent.

9 Q Okay, let's go on then to Exhibit Two and
10 Two-A, please, and explain that to the Examiner.

11 A All right. Exhibit Two and Two-A are
12 open hole logs run on Bass 36 State Well No. 1.

13 Exhibit Two is the compensated density
14 neutron log on the well. I have indicated on the log the
15 depths of the various formations in the well, beginning with
16 the Wolfcamp formation at approximately 9574.

17 Also indicated are the perforations de-
18 signated in the Wolfcamp Pool, shown in green, beginning with
19 perforations at 10,932 feet.

20 Also shown are the Morrow formation at
21 11,890 feet with its perforations beginning at 12,045 feet.

22 Also, Exhibit Two-A is the dual induction
23 focused logs run on the same well, and as designated by the
24 same markings.

25 Bass proposes to dually complete Well No.

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1 1 in the Wolfcamp and Morrow perforations.

2 Q Okay, go to what we've marked as Exhibit
3 Three now, will you, please, Mr. Groce, and explain that ex-
4 hibit.

5 A Exhibit Three is a coordinate plot of
6 pressure versus depth. The red line indicates a pressure
7 gradient of the Morrow gas formation. The gradient was run
8 after a 96-hour shutin period. We made stops at 3000, 9000
9 feet, and just below the permanent packer at 11,959 feet.
10 This gradient represents the maximum pressure that we would
11 expect should the well be shut in.

12 Also shown in green are the API standard
13 internal yield pressures for the various grades of casing as
14 they are landed in the well. The line at 8800 feet has been
15 dashed from there down, representing top of cement in this
16 well and the additional backup that cement would add to the
17 casing. The yellow on the exhibit represents the safety
18 factor between the maximum possible pressure on the casing
19 and the minimum pressure that would cause damage to the casing
20 string.

21 Q Mr. Groce, what formula did you use to
22 determine the internal yield pressures for the casing?

23 A The formula used was Barlow's formula
24 for calculating burst pressure of steel modified by the sub-
25 stitution of yield strength for tensil strength in the for-

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1 mula and by use of a 12.5 percent safety factor to cover the
2 range of wall thicknesses that are permitted under API
3 standards.

4 This is a conservative approach, since it
5 does not take into account the backup behind the casing that
6 the fluid gradient provides.

7 Q Is that approach generally considered to
8 be the most conservative approach?

9 A Yes, it is.

10 Q Mr. Groce, will Bass pressure test the
11 casing in compliance with statewide regulations if this ap-
12 plication is approved?

13 A Yes, sir, we will.

14 Q Will you please refer to what we've marked
15 as Exhibit Four and describe that to the Examiner.

16 A All right. Exhibit Four is a diagrammatic
17 sketch of the well as proposed by Bass Enterprises for dual
18 completion. The red on the diagram indicates the path Mor-
19 row gas will take from the perforations through the tubing
20 string up to above the crossover assembly where it will enter
21 the casing above the packer and be produced up the casing
22 to the flow line. The green indicates the path that the oil
23 production from the Wolfcamp interval as it enters the cross-
24 over choke and will be produced up the tubing.

25 We propose to begin the dual completion

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1 by retrieving a bridge plug that is now set between the two
2 intervals marked as Canyon perforations at 11,050 feet.

3 We will run a packer and set it and test
4 the casing at that time prior to stimulating the Canyon zone,
5 or the Wolfcamp zone.

6 We will then retrieve a bridge plug that
7 is set below the Canyon, run our tubing assembly with the
8 crossover or with the side port nipple assembly and the packer
9 and set it. We will then retrieve the plug we now have set
10 below the permanent packer that is above the Morrow perfora-
11 tions. We will then install the crossover choke, swab the
12 well in and test it, and then shut in both the Wolfcamp and
13 the Morrow zones to obtain a packer leakage test, after which
14 we will place the well on production.

15 Q Mr. Groce, what studies have you done on
16 the relative economics of this project?

17 A Our studies indicate that completing Bass
18 36 State No. 1 dually has very favorable economics. The
19 cost of the dual completion of this type is estimated at
20 \$260,000, and we'll have a payout of 2-1/2 months.

21 If Bass were to drill a twin well to pro-
22 duce the Canyon separately from the Morrow, the cost for such
23 a well in the area would be approximately \$850,000, and would
24 require approximately one year to payout. Therefor, it's
25 less costly and more economical to dually complete the Well

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1 No. 1 as compared to drilling a twin well.

2 In addition, running a single string of
3 tubing will permit economical production of the Morrow, which
4 is a low volume tight reservoir in this area. It has absolute
5 open flow of only 591 Mcf per day. This method of running
6 a single string of tubing as opposed to running a parallel
7 string of tubing reduces the payout period by 1/2, or approx-
8 imately two months.

9 Q What about waivers from offset operators?
10 Do you have those, Mr. Groce?

11 A We have obtained waivers from Gulf Oil,
12 Gulf Exploration and Production Company, and from Morris
13 Antweil. Superior Oil has been notified of this application
14 but we have not received their waiver yet, although they have
15 not indicated any objections.

16 Q What is the current status of the well?

17 A The well currently has been completed in
18 both zones. It is shut in now waiting on a gas sales line
19 and approval of this application.

20 Q Have these exhibits One through Four been
21 prepared by you or under your supervision?

22 A Yes, sir, they have.

23 Q And in your opinion will the approval of
24 this application by Bass prevent drilling of unnecessary
25 wells and otherwise prevent waste and protect correlative

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1 rights?

2 A Yes, sir, it will.

3 MR. COFFIELD: Mr. Examiner, I move the
4 admission of Exhibits One through Four.

5 MR. STAMETS: These exhibits will be ad-
6 mitted.

7 MR. COFFIELD: I have no other questions
8 of Mr. Groce upon direct examination.

9
10 CROSS EXAMINATION

11 BY MR. STAMETS:

12 Q Mr. Groce, the oil zone is referred to
13 as the Townsend Wolfcamp, and yet you've labeled it Canyon
14 on all the exhibits. What's the significance of that?

15 A Well, our geological interpretation is
16 that it is Canyon age pay; however, all of the oil production
17 in this area has been assigned to the Townsend Wolfcamp Field.

18 Q Okay. You indicated the Morrow had a
19 potential of 591 Mcf per day?

20 A Yes, sir.

21 Q How was that well tested?

22 A This was by a 4-point back pressure test.

23 Q Was that through a single string of tubing
24 or was that --

25 A Yes, sir, it was.

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1 Q Do you have a copy of that test with you?

2 A I'll have to refer to my notes. I don't
3 know if I did or not. Yes, it has been filed with the Divi-
4 sion.

5 No, sir, I do not have one with me.

6 Q In your recollection, how much was pro-
7 duced in the way of liquids from the Morrow zone?

8 A There was less than 10 barrels a day
9 produced while we were testing it.

10 Q That's a -- 10 barrels a day would seem
11 to be a fairly significant liquid volume if you're only
12 talking about half a million cubic feet of gas.

13 Q Yes, sir, but some of that liquid was
14 still load fluid that we were producing back from our stimu-
15 lation.

16 Q Are you telling me by that that the
17 liquid was not condensate but was water, as well?

18 A Yes, sir.

19 Q Did it produce any condensate?

20 A Yes, sir, it did.

21 Q How much condensate did it produce?

22 A Approximately 30 percent of that, as I
23 recall.

24 Q Is it possible for that well to produce
25 that volume of condensate with this relatively low volume of

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1 gas up the annulus efficiently?

2 A

Yes, sir, we feel it is.

3 Q

How long would it take to determine

4 whether it is in fact efficient or not?

5 A

It shouldn't take very long once we get

6 the well on production.

7 Q

Ninety days?

8 A

Yes, sir, probably.

9 Q

In this 5-1/2 inch production pipe, would

10 it be possible to run two strings of tubing?

11 A

Yes, sir, it would, two strings of 2-1/16th

12 inch tubing.

13 Q

Would Bass be willing to run a test at

14 the end of ninety days production to confirm that the method

15 of production of the Morrow zone was efficient?

16 A

Yes, sir, we would.

17 Q

Okay.

18 MR. STAMETS: Any other questions of the

19 witness? The witness may be excused.

20 Anything further in this case?

21 MR. COFFIELD: No, sir.

22 MR. STAMETS: The case will be taken under

23 advisement.

24

25

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSE.

SALLY W. BOYD, C.S.R.

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I do hereby certify that the foregoing is a complete and true transcript of the proceedings in the examination hearing of Case No. 6870 heard by me on 4/27/72
Richard L. Ham Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
23 April 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Bass Enterprises Pro-
duction Company for a dual comple-
tion, Lea County, New Mexico.

CASE
6870

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Conrad E. Coffield, Esq.
HINKLE LAW FIRM
P. O. Box 3580
Midland, Texas 79701

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I N D E X

JAMES F. GROCE

Direct Examination by Mr. Coffield	3
Cross Examination by Mr. Stamets	11

E X H I B I T S

Applicant Exhibit One, Plat	5
Applicant Exhibit Two, Two-A, Logs	6
Applicant Exhibit Three, Plot	7
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MR. STAMETS: We'll call next Case 6870.

MR. PADILLA: Application of Bass Enterprises Production Company for a dual completion, Lea County, New Mexico.

MR. STAMETS: Call for appearances.

MR. COFFIELD: Conrad Coffield with the Hinkle Law Firm in Midland, Texas, appearing on behalf of the applicant and I have one witness to be sworn.

(Witness sworn.)

JAMES F. GROCE

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. COFFIELD:

Q Will you please state your name for the record, Mr. Groce, your address, occupation, and employer?

A My name is James F. Groce. I'm a Senior Production Engineer with Bass Enterprises Production Company, Box 2760, Midland, Texas.

Q Have you previously testified before the Division as a petroleum engineer?

A No, sir, I have not.

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1 Q For the record would you please, then,
2 state your educational background and your work experience
3 as a petroleum engineer?

4 A Yes, sir.

5 I attended Texas Tech University and
6 graduated in May of 1971 with a Bachelor of Science degree
7 in chemical engineering.

8 I went to work for Texaco, Incorporated,
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10 there approximately three years as a petroleum engineer; was
11 transferred to the Wichita Falls District Office as drilling
12 and production engineer. I worked there until February of
13 1977 when I was transferred to Midland as an Assistant Dis-
14 trict Engineer in charge of the Reservoir Section.

15 I resigned from Texaco in November of
16 1978 and went to work for Bass Enterprises at that time in
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18 and a half.

19 I have also been a member of the Society
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21 Q Mr. Groce, are you familiar with the
22 application of Bass Enterprises Production Company in this
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Page 5

1 and the well location involved here?

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3 MR. COFFIELD: Mr. Examiner, do you have
4 any other questions of this witness?

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12 Range 34 East, to produce Townsend Wolfcamp Pool oil and
13 undesignated Morrow gas through the tubing and casing-tubing
14 annulus, respectively, by means of a crossover assembly.

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16 as Exhibit One and please explain that to the Examiner.

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18 centered on Bass 36 State Well No. 1. The area outlined in
19 yellow on the plat represents Bass' acreage in the area. The
20 green arrow points to the location of Bass 36 State Well No.
21 1. The proration unit is shown in the dashed blue lines
22 around that well and consists of the west 320 acres of the
23 section.

24 Offset operators to the unit are Gulf
25 Exploration and Production Company to the northeast; Morris

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1 Antwell to the east; and the Superior Oil Company to the
2 south, respectively.

3 Q You have marked on this exhibit, Mr.
4 Groce, Griffin and Burnett, shown here on this tract imme-
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6 tionship, please?

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16 the Wolfcamp formation at approximately 9574.

17 Also indicated are the perforations de-
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19 perforations at 10,932 feet.

20 Also shown are the Morrow formation at
21 11,890 feet with its perforations beginning at 12,045 feet.

22 Also, Exhibit Two-A is the dual induction
23 focused logs run on the same well, and as designated by the
24 same markings.

25 Bass proposes to dually complete Well No.

1 in the Wolfcamp and Morrow perforations.

Q Okay, go to what we've marked as Exhibit Three now, will you, please, Mr. Groce, and explain that exhibit.

A Exhibit Three is a coordinate plot of pressure versus depth. The red line indicates a pressure gradient of the Morrow gas formation. The gradient was run after a 96-hour shutin period. We made stops at 3000, 9000 feet, and just below the permanent packer at 11,959 feet. This gradient represents the maximum pressure that we would expect should the well be shut in.

Also shown in green are the API standard internal yield pressures for the various grades of casing as they are landed in the well. The line at 8800 feet has been dashed from there down, representing top of cement in this well and the additional backup that cement would add to the casing. The yellow on the exhibit represents the safety factor between the maximum possible pressure on the casing and the minimum pressure that would cause damage to the casing string.

Q Mr. Groce, what formula did you use to determine the internal yield pressures for the casing?

A The formula used was Barlow's formula for calculating burst pressure of steel modified by the substitution of yield strength for tensile strength in the for-

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1 mula and by use of a 12.5 percent safety factor to cover the
 2 range of wall thicknesses that are permitted under API
 3 standards.

4 This is a conservative approach, since it
 5 does not take into account the backup behind the casing that
 6 the fluid gradient provides.

7 Q Is that approach generally considered to
 8 be the most conservative approach?

9 A Yes, it is.

10 Q Mr. Groce, will Bass pressure test the
 11 casing in compliance with statewide regulations if this ap-
 12 plication is approved?

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14 Q Will you please refer to what we've marked
 15 as Exhibit Four and describe that to the Examiner.

16 A All right. Exhibit Four is a diagrammatic
 17 sketch of the well as proposed by Bass Enterprises for dual
 18 completion. The red on the diagram indicates the path Mor-
 19 row gas will take from the perforations through the tubing
 20 string up to above the crossover assembly where it will enter
 21 the casing above the packer and be produced up the casing
 22 to the flow line. The green indicates the path that the oil
 23 production from the Wolfcamp interval as it enters the cross-
 24 over choke and will be produced up the tubing.

25 We propose to begin the dual completion

1 by retrieving a bridge plug that is now set between the two
2 intervals marked as Canyon perforations at 11,050 feet.

3 We will run a packer and set it and test
4 the casing at that time prior to stimulating the Canyon zone,
5 or the Wolfcamp zone.

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9 and set it. We will then retrieve the plug we now have set
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11 tions. We will then install the crossover choke, swab the
12 well in and test it, and then shut in both the Wolfcamp and
13 the Morrow zones to obtain a packer leakage test, after which
14 we will place the well on production.

15 Q Mr. Groce, what studies have you done on
16 the relative economics of this project?

17 A Our studies indicate that completing Bass
18 36 State No. 1 dually has very favorable economics. The
19 cost of the dual completion of this type is estimated at
20 \$260,000, and we'll have a payout of 2-1/2 months.

21 If Bass were to drill a twin well to pro-
22 duce the Canyon separately from the Morrow, the cost for such
23 a well in the area would be approximately \$850,000, and would
24 require approximately one year to payout. Therefor, it's
25 less costly and more economical to dually complete the Well

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Phone (505) 455-7409

1 No. 1 as compared to drilling a twin well.

2 In addition, running a single string of
3 tubing will permit economical production of the Morrow, which
4 is a low volume tight reservoir in this area. It has absolute
5 open flow of only 591 Mcf per day. This method of running
6 a single string of tubing as opposed to running a parallel
7 string of tubing reduces the payout period by 1/2, or approx-
8 imately two months.

9 Q What about waivers from offset operators?
10 Do you have those, Mr. Groce?

11 A We have obtained waivers from Gulf Oil,
12 Gulf Exploration and Production Company, and from Morris
13 Antweil. Superior Oil has been notified of this application
14 but we have not received their waiver yet, although they have
15 not indicated any objections.

16 Q What is the current status of the well?

17 A The well currently has been completed in
18 both zones. It is shut in now waiting on a gas sales line
19 and approval of this application.

20 Q Have these exhibits One through Four been
21 prepared by you or under your supervision?

22 A Yes, sir, they have.

23 Q And in your opinion will the approval of
24 this application by Bass prevent drilling of unnecessary
25 wells and otherwise prevent waste and protect correlative

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1 rights?

2 A Yes, sir, it will.

3 MR. COFFIELD: Mr Examiner, I move the
4 admission of Exhibits One through Four.

5 MR. STAMETS: These exhibits will be ad-
6 mitted.

7 MR. COFFIELD: I have no other questions
8 of Mr. Groce upon direct examination.

9
10 CROSS EXAMINATION

11 BY MR. STAMETS:

12 Q Mr. Groce, the oil zone is referred to
13 as the Townsend Wolfcamp, and yet you've labeled it Canyon
14 on all the exhibits. What's the significance of that?

15 A Well, our geological interpretation is
16 that it is Canyon age pay; however, all of the oil production
17 in this area has been assigned to the Townsend Wolfcamp Field.

18 Q Okay. You indicated the Morrow had a
19 potential of 591 Mcf per day?

20 A Yes, sir.

21 Q How was that well tested?

22 A This was by a 4-point back pressure test.

23 Q Was that through a single string of tubing

24 or was that --

25 A Yes, sir, it was.

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1 Q Do you have a copy of that test with you?

2 A I'll have to refer to my notes. I don't
3 know if I did or not. Yes, it has been filed with the Divi-
4 sion.

5 No, sir, I do not have one with me.

6 Q In your recollection, how much was pro-
7 duced in the way of liquids from the Morrow zone?

8 A There was less than 10 barrels a day
9 produced while we were testing it.

10 Q That's a -- 10 barrels a day would seem
11 to be a fairly significant liquid volume if you're only
12 talking about half a million cubic feet of gas.

13 Q Yes, sir, but some of that liquid was
14 still load fluid that we were producing back from our stimu-
15 lation.

16 Q Are you telling me by that that the
17 liquid was not condensate but was water, as well?

18 A Yes, sir.

19 Q Did it produce any condensate?

20 A Yes, sir, it did.

21 Q How much condensate did it produce?

22 A Approximately 30 percent of that, as I
23 recall.

24 Q Is it possible for that well to produce
25 that volume of condensate with this relatively low volume of

1 gas up the annulus efficiently?

2 A Yes, sir, we feel it is.

3 Q How long would it take to determine
4 whether it is in fact efficient or not?

5 A It shouldn't take very long once we get
6 the well on production.

7 Q Ninety days?

8 A Yes, sir, probably.

9 Q In this 5-1/2 inch production pipe, would
10 it be possible to run two strings of tubing?

11 A Yes, sir, it would, two strings of 2-1/16th
12 inch tubing.

13 Q Would Bass be willing to run a test at
14 the end of ninety days production to confirm that the method
15 of production of the Morrow zone was efficient?

16 A Yes, sir, we would.

17 Q Okay.

18 MR. STAMETS: Any other questions of the
19 witness? The witness may be excused.

20 Anything further in this case?

21 MR. COFFIELD: No, sir.

22 MR. STAMETS: The case will be taken under
23 advisement.

24

25

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.

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I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 19, heard by me on , Examiner

Oil Conservation Division

Docket Nos. 13-80 and 14-80 are tentatively set for May 7 and 21, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 23, 1980

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6803: (Continued from February 13, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit EPROC Associates, Hartford Accident and Indemnity Company, and all other interested parties to appear and show cause why its Monsanto State H Well No. 1 located in Unit E of Section 2, Township 30 North, Range 16 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6866: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Hare and McCoy and all other interested parties to appear and show cause why the H. L. Hare Well No. 2 located in Unit B of Section 23, Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6867: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit all interested parties to appear and show cause why the following abandoned wells drilled by unknown party or parties and located in Township 29 North, Range 11 West, San Juan County, should not be plugged and abandoned in accordance with a Division-approved plugging program: a well in the SW/4 of Section 24, a well in the SE/4 of Section 22, and a well in the SE/4 of Section 28.

CASE 6850: (Continued from April 9, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Jack F. Grimm, M. B. Hunt, George R. Brown, Am-Arctic, Ltd., The Travelers Indemnity Company, and all other interested parties to appear and show cause why the Mobil 32 Well No. 1 located in Unit D of Section 32, Township 25 South, Range 1 East, Dona Ana County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6870: Application of Bass Enterprises Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Bass State 36 Well No. 1 located in Unit E of Section 36, Township 15 South, Range 34 East, to produce oil from the Townsend-Wolfcamp Pool and gas from an undesignated Morrow pool thru the tubing and casing-tubing annulus, respectively, by means of a cross-over assembly.

CASE 6871: Application of Bass Enterprises Production Company to amend Order No. R-5693, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Order No. R-5693 to remove the restriction as to the time limit in which salt water may be disposed into Big Eddy Unit Well No. 56 located in Unit G of Section 35, Township 21 South, Range 28 East.

CASE 6872: Application of Amoco Production Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its State "H" Well No. 1 located in Unit P of Section 26, Township 18 South, Range 34 East, Alickrip 21-14, to produce Bone Springs and Wolfcamp oil thru parallel strings of tubing.

CASE 6873: Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Travis Deep Well No. 5, a Morrow test to be drilled 660 feet from the South line and 1650 feet from the East line of Section 12, Township 18 South, Range 28 East, the S/2 of said Section 12 to be dedicated to the well.

CASE 6874: Application of HMC Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 6, Township 22 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6853: (Continued from April 9, 1980, Examiner Hearing)

Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cha Cha-Gallup Pool underlying the N/2 NE/4 of Section 18, Township 29 North, Range 14 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6875: Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SE/4 NW/4 of Section 4, Township 9 South, Range 34 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6876: Application of Maurice L. Brown Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 5, Township 9 South, Range 34 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6467: (Reopened and Readvertised)

In the matter of Case 6467 being reopened pursuant to the provisions of Order No. R-5958 which order created the Grama Ridge-Bone Spring Pool in Lea County with temporary special rules therefor providing for 160-acre spacing. All interested parties may appear and show cause why the Grama Ridge-Bone Spring Pool should not be developed on 40-acre spacing units.

CASE 6877: Application of Florida Exploration Company for compulsory pooling and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Ellenburger formations underlying the N/2 of Section 11, Township 25 South, Range 35 East, to be dedicated to a well to be drilled at an unorthodox location 1200 feet from the North and West lines of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6878: Application of Stevens Oil Company for a non-standard gas proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the N/2 SW/4 and S/2 NW/4 of Section 25, Township 8 South, Range 28 East, Twin Lakes-San Andres Associated Pool, to be dedicated to its O'Brien "F" Well No. 4 located in Unit K of said Section 25.

CASE 6879: Application of John L. Hemon for a tubingless completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce his Amerada Federal Well No. 2 located in Unit F of Section 17, Township 26 South, Range 30 East, North Centennial Gas Pool, thru 4 1/2-inch drill pipe cemented in the hole.

CASE 6861: (Continued from April 9, 1980, Examiner Hearing)

Application of Zia Energy, Inc. for pool creation, special pool rules, and an NGPA determination, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres oil pool for its State "C" Well No. 1 located in Unit F of Section 17, Township 22 South, Range 37 East, and special rules therefor, including a provision for a limiting gas-oil ratio of 10,000 to 1. Applicant further seeks a new onshore reservoir determination for said State "C" Well No. 1.

CASE 6837: (Continued from April 9, 1980, Examiner Hearing)

Application of Curtis Little for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 7, Township 25 North, Range 3 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

**NEW MEXICO OIL CONSERVATION COMMISSION
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL**

Form C-122
Revised 9-1-64

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Test Date 11-30-79	
Company Bass Enterprises Prod. Co.		Connection None	
Pool Wildcat		Formation Morrow	
Completion Date 11-30-79	Total Length 12,307	Plug Back TD 12,250	Elevation KB 4067
Perforations: From 12,045 To 12,192		Perforations: From To	
Well No. 36-1	Unit Sec. Twp. Range 36 15S 34E		
Type Well - Single - Fractured - G.G. or G.O. Multiple Single		Packer Set At 11,950	County Lea
Producing thru Tubing	Reservoir Temp. °F 187 @ 11959	Mean Annual Temp. °F 68	State New Mexico
L 11,950	P 11,950	G _g .6735	% CO ₂ None % N ₂ None % H ₂ S None
Proven		Meter Run 4.026	Turn Flange

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Proven Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
SI							3812				
1.	4.026		.750	280	3.5	51	3114	58	Packer		60 Min.
2.	4.026		.750	285	19.0	82	2802	59			60 Min.
3.	4.026		.750	295	36.0	85	2382	58			60 Min.
4.	4.026		.750	295	46.0	89	1947	59			60 Min.
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor Fg	Super. Compens. Factor, Fpv	Rate of Flow Q, Mscf/d
1	2.661	32.03	293.2	1.009	1.219	1.034	108
2	2.661	75.27	298.2	.9795	1.219	1.029	246
3	2.661	105.33	308.2	.9768	1.219	1.028	343
4	2.661	119.06	308.2	.9732	1.219	1.028	386
5							

NO.	n	Temp. °R	T _c	Z	Gas Liquid Hydrocarbon Ratio	None Made	Mcf/Std.
1.	.438	511	1.34	.936	A.P.I. Gravity of Liquid Hydrocarbons		Deg.
2.	.445	542	1.42	.944	Specific Gravity Separator Gas	.6735	X X X X X X X X
3.	.460	545	1.43	.947	Specific Gravity Flowing Fluid	X X X X X	
4.	.460	549	1.44	.947	Critical Pressure	669	P.S.I.A. P.S.I.A.
5.					Critical Temperature	382	R R

$P_c = 5402.2$ $P_c^2 = 29184$			
NO.	P_w^2	P_w	$P_c^2 - P_w^2$
1	4799.2	23032	6152
2	4258.2	18132	11052
3	3836.2	14716	14468
4	3323.2	11044	18140
5			

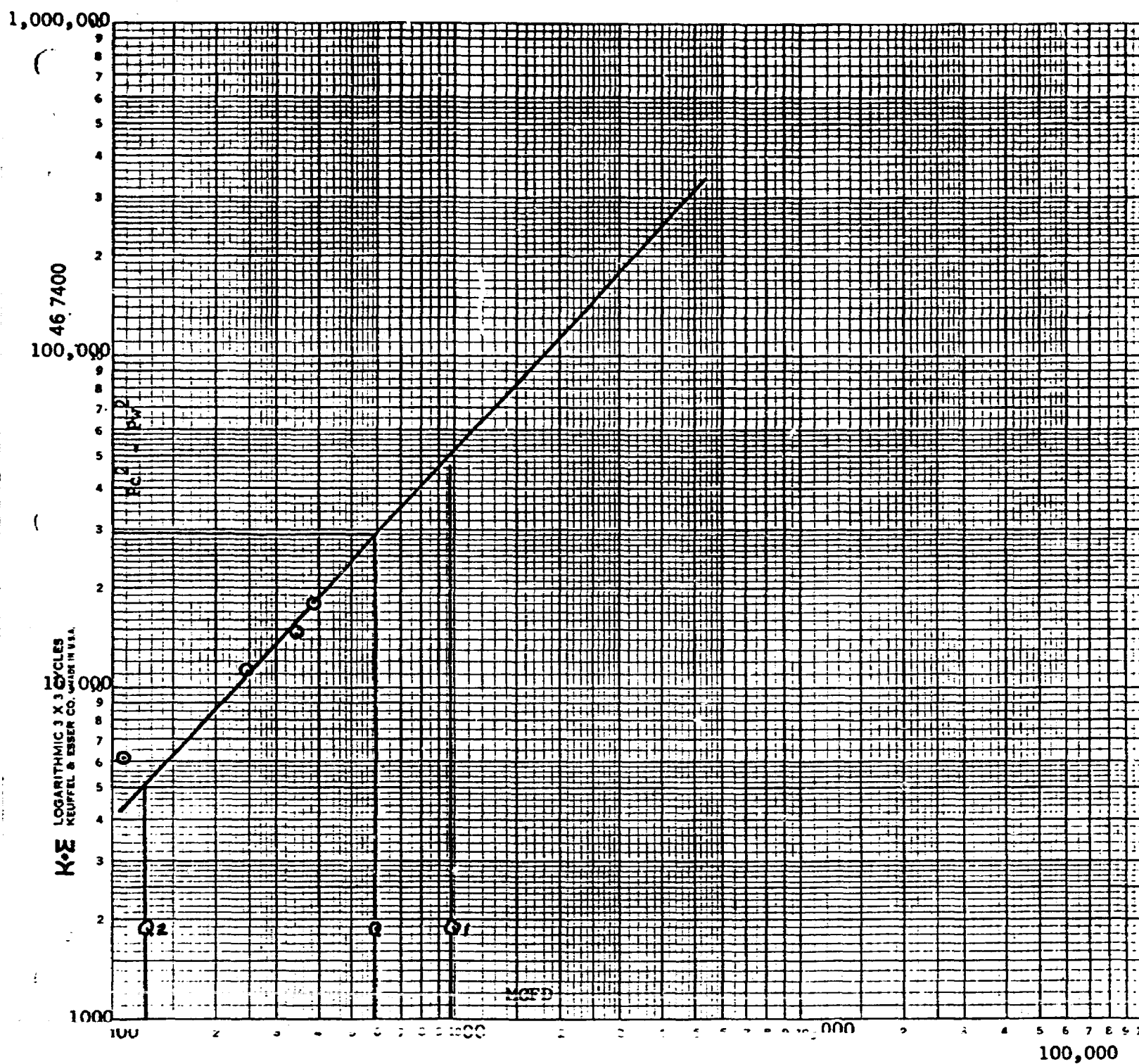
(1) $\frac{P_c^2}{P_c^2 - P_w^2} = 1.6088$		(2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 1.5312$	
$\left[\frac{n^2}{P_c^2 - P_w^2} \right]^n = 501$			

Absolute Open Flow	591	Mcf/d @ 15.025	Angle of Slope @	48	Slope, n	.8959
--------------------	-----	----------------	------------------	----	----------	-------

Remarks: Pw Substituted for Pt - Measured with Amerada Instrument No. 33109 0 - 7000#
Element

Approved by Commission:	Conducted By: Richburg	Calculated By: Spruell	Checked By: Richburg
-------------------------	---------------------------	---------------------------	-------------------------

BASS ENTERPRISES PRODUCTION CO.
 Bass State 36-1
 Absolute Open Flow Test
 11-30-79



$$Q_1 = 960$$

$$Q_2 = 122$$

$$\text{LOG } Q_1 = 2.98227$$

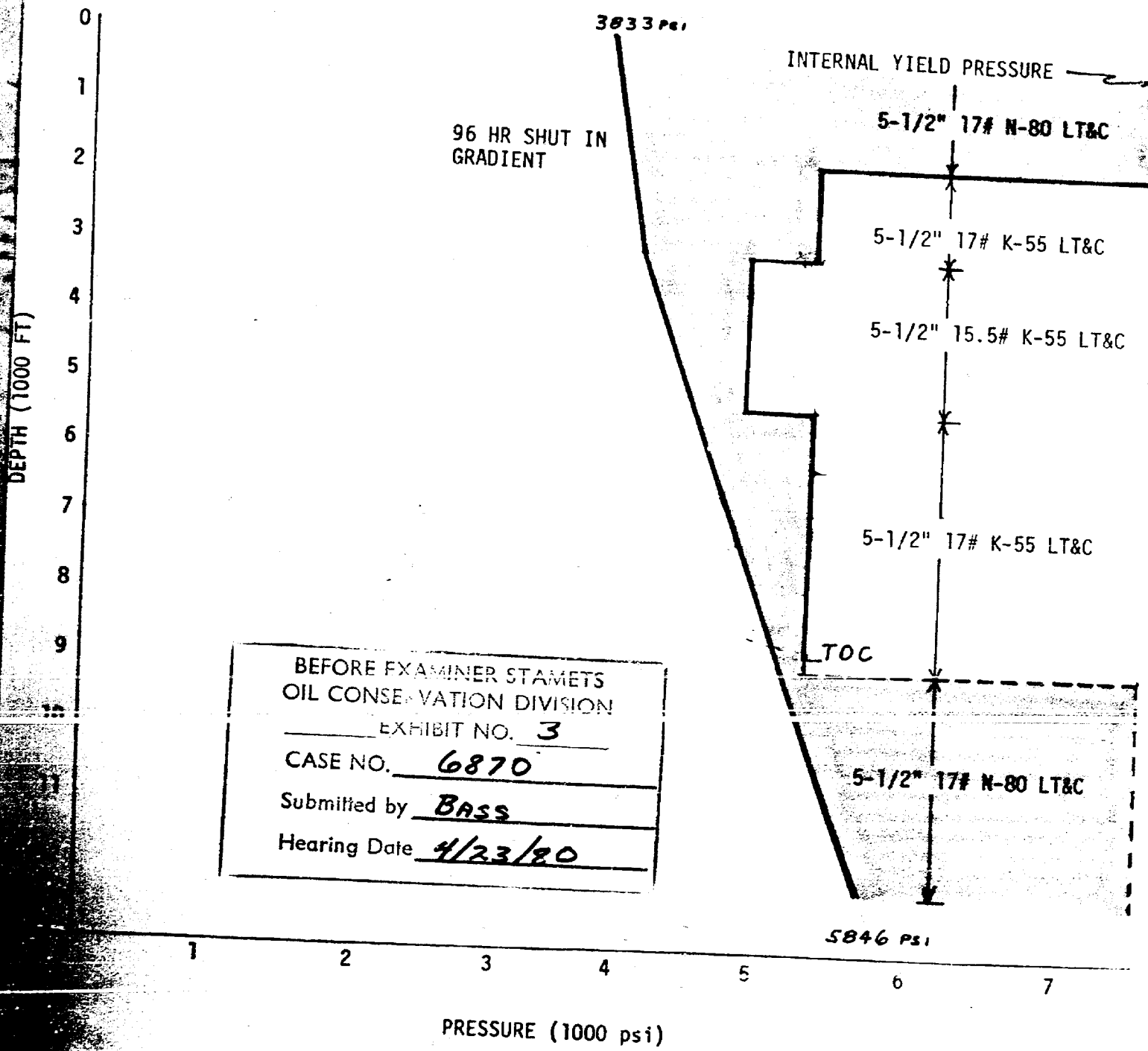
$$\text{LOG } Q_2 = 1.08636$$

$$N = .89591$$

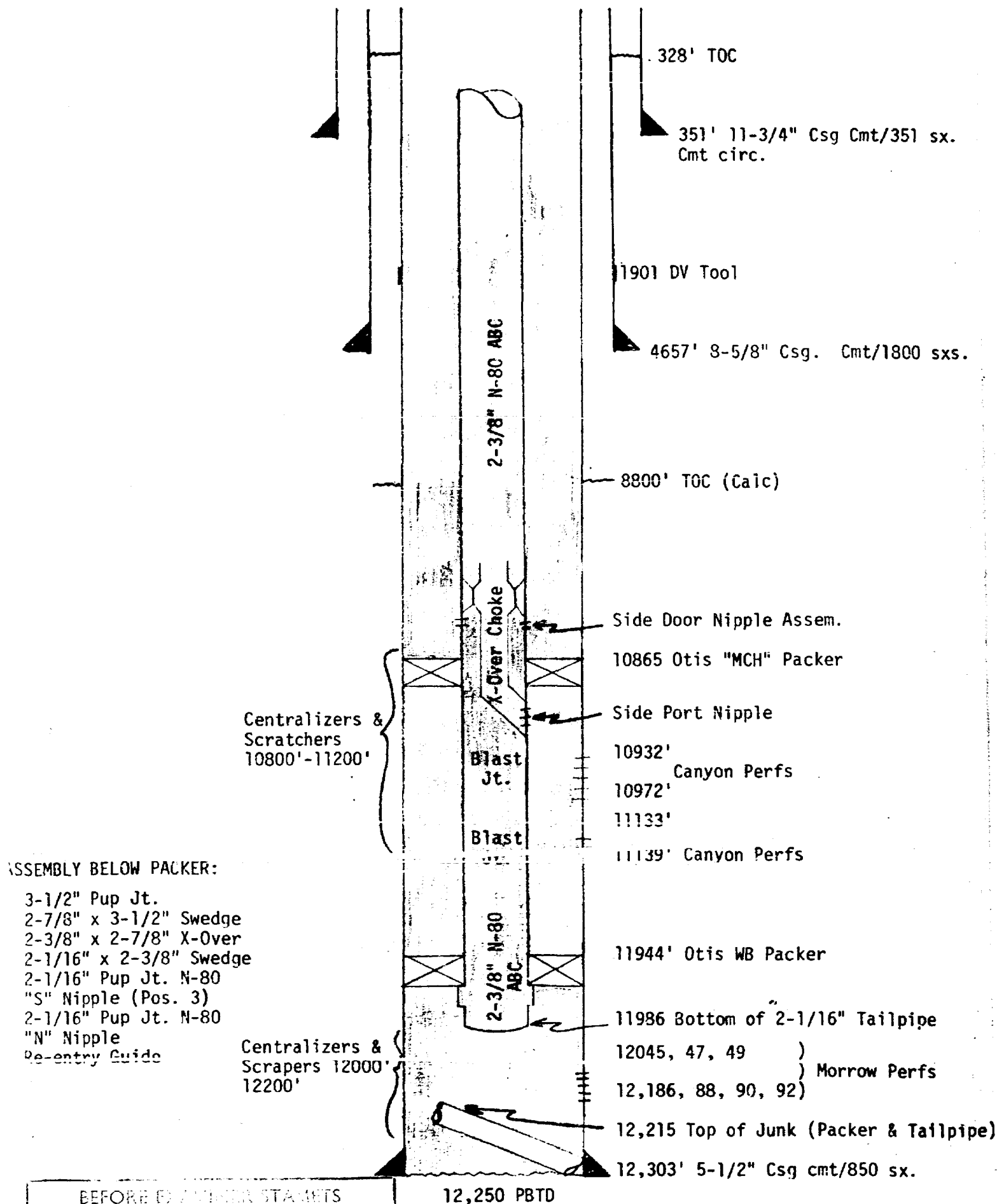
$$Q = 591 \text{ MCFD}$$

BASS 36 STATE NO. 1

Pressure Gradient For Morrow
vs. Casing Burst
Exhibit No. 3



PROPOSED INSTALLATION
BASS STATE 36 WELL NO. 1
LEA COUNTY, New MEXICO



BEFORE EXAMINER STAMPS
OIL COMMISSION DIVISION
EXHIBIT NO. 4

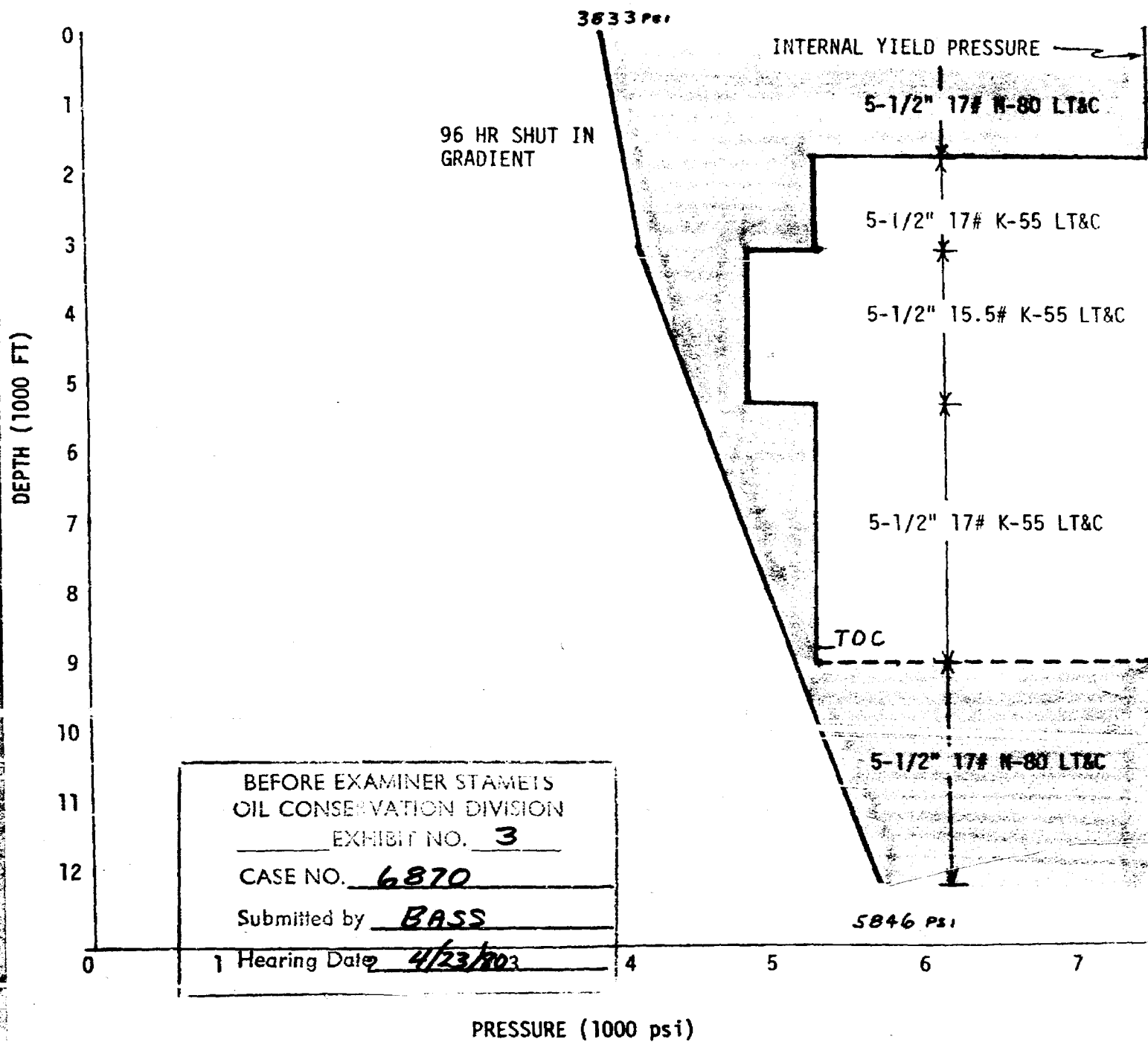
CASE NO. 6870

Submitted by BASS

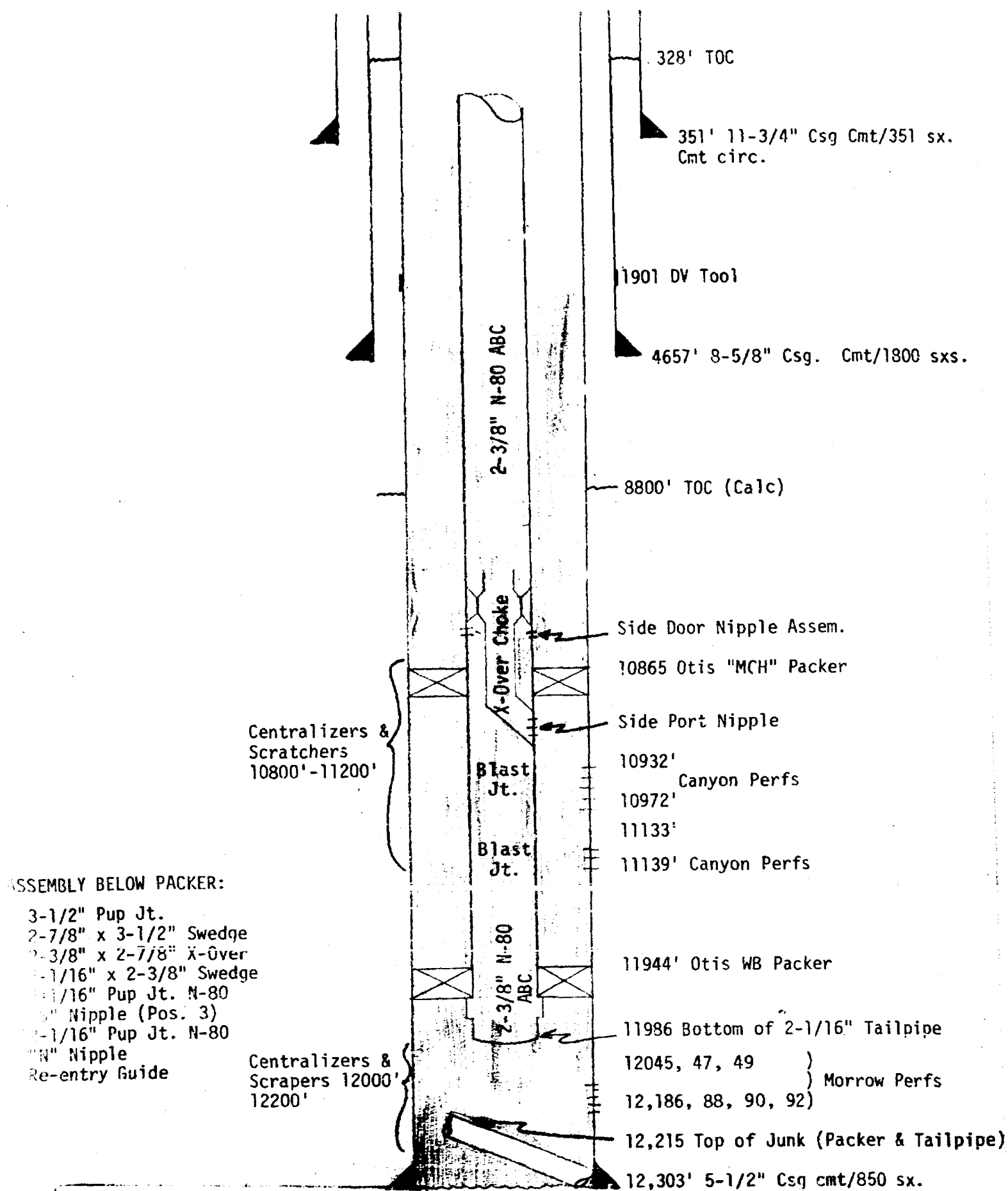
Hearing Date 4/23/80

BASS 36 STATE NO. 1

Pressure Gradient For Morrow
vs. Casing Burst
Exhibit No. 3



PROPOSED INSTALLATION
BASS STATE 36 WELL NO. 1
LEA COUNTY, New MEXICO



BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. 4

CASE NO. 6870

Submitted by BASS

Hearing Date 4/23/80

LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
JAMES H. BOZARTH
DOUGLAS L. LUNSFORD
PAUL H. BOHANNON

ERNEST R. FINNEY, JR.
J. DOUGLAS FOSTER
K. DOUGLAS PERRIN
C. RAY ALLEN
JACQUELINE W. ALLEN
T. CALDER EZZELL, JR.
WILLIAM S. BURFORD
JOHN S. NELSON
RICHARD E. OLSON
PHILLIP T. BREWER

LAW OFFICES
HINKLE, COX, EATON, COFFIELD & HENSLEY

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ONLY ATTYS. EATON, COFFIELD, MARTIN, BOZARTH,
BOHANNON, FINNEY, FOSTER, ALLEN, ALLEN,
BURFORD, BREWER & STONE
LICENSED IN TEXAS

April 24, 1980

Re: Examiner Hearing
April 23, 1980
Case No. 6870

Energy and Minerals Department
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Richard L. Stamets, Examiner

Gentlemen:

With respect to the above captioned Case No. 6870 in which Bass Enterprises Production Company applied for a dual completion of its Bass 36 State Well No. 1 located in Unit E of Section 36, Township 15 South, Range 34 East, this letter is to confirm submittal to the Examiner, as requested but following the close of testimony, of a copy of Form C-122, Multipoint Back Pressure Test for the subject well.

Concerning this test, Mr. James F. Groce, witness for Bass Enterprises Production Company, would like to clarify his statements made about liquid production from this well. After reviewing the well records, Mr. Groce discovered that upon initial completion, and for only two days afterwards, the well produced condensate at the rate of 5 to 10 bbls per MMR. Following a hydraulic fracture stimulation, the well produced load water at a rate of 8 to 10 bbls per day with no condensate present. By the time the Multipoint Back Pressure Test was run, the well was not producing any liquids, water or condensate, and none were recovered during the test or after.

Yours very truly,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

Conrad E. Coffield

CEC:rh

LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
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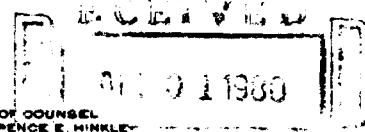
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BOHANNON, FINNEY, FOSTER, ALLEN, ALLEN,
BURFORD, BREWER & STONE
LICENSED IN TEXAS

March 28, 1980

Mr. Dan Nutter
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 6870

Re: April 23 Docket
OCD Hearing

Dear Dan:

Per our telephone conversations, I am transmitting herewith, executed in triplicate, two separate Applications for Hearing. One is for the amendment to Order R-5693 to remove the restriction specified in that Order relative to the termination of salt water injection operations. The second Application is for dual completion of Bass Enterprises Production Co.'s Bass State 36 Well No. 1 in Section 36, Township 15 South, Range 34 East, N.M.P.M., Lea County, New Mexico. I understand you have already set these on the April 23 docket.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:rh
Enclosures

xc: Mr. Jim Pullig
Mr. Steve Rowland
Mr. James Groce
Mr. John Rodgers

BEFORE THE OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY AND MINERALS

STATE OF NEW MEXICO

APPLICATION BY BASS ENTERPRISES)
PRODUCTION COMPANY FOR DUAL)
COMPLETION LEA COUNTY,)
NEW MEXICO)

Case 6870

APPLICATION FOR HEARING

COMES NOW the undersigned as attorney on behalf of Bass Enterprises Production Company and files this written Application for Hearing to be set on the docket for April 23, 1980. In connection therewith, the undersigned, on behalf of Bass Enterprises Production Company, submits the following data:

1. Name of Applicant: Bass Enterprises Production Company
2. Area Affected by the Order Sought:

Township 15 South, Range 34 East, N.M.P.M
Lea County, New Mexico

Section 36: W $\frac{1}{2}$

3. General Nature of Order Sought: Applicant seeks authority to dually complete its Bass State 36 Well No. 1 located in Unit E of said Section 36 with said dual completion to be as to the Townsend (Wolfcamp) formation, producing oil therefrom and an undesignated Morrow formation producing gas therefrom, with production to be from a dual completion conventional.


4. Other Matters to be Noted in Connection with Order Sought: The top and bottom of pay sections in the upper zone are found at 10,932 feet - 11,139 feet and as to the lower zone from 12,045 feet - 12,192 feet. Offset operators to this lease are Gulf Exploration and Production Company, Box 1150, Midland, Texas, 79702, The Superior Oil Company, Box 71, Conroe, Texas, 77301, and Morris R. Antweil, P. O. Box 2010, Hobbs, New Mexico, 88240.

Dated this 28th day of March, 1980.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By:


Conrad E. Coffield
Attorney for Bass Enterprises
Production Company

BEFORE THE OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY AND MINERALS
STATE OF NEW MEXICO

APPLICATION BY BASS ENTERPRISES)
PRODUCTION COMPANY FOR DUAL)
COMPLETION LEA COUNTY,)
NEW MEXICO)

Case 6870

APPLICATION FOR HEARING

COMES NOW the undersigned as attorney on behalf of Bass Enterprises Production Company and files this written Application for Hearing to be set on the docket for April 23, 1980. In connection therewith, the undersigned, on behalf of Bass Enterprises Production Company, submits the following data:

1. Name of Applicant: Bass Enterprises Production Company
2. Area Affected by the Order Sought:

Township 15 South, Range 34 East, N.M.P.M
Lea County, New Mexico

Section 36: W $\frac{1}{2}$

3. General Nature of Order Sought: Applicant seeks authority to dually complete its Bass State 36 Well No. 1 located in Unit E of said Section 36 with said dual completion to be as to the Townsend (Wolfcamp) formation, producing oil therefrom and an undesignated Morrow formation producing gas therefrom, with production to be from a dual completion conventional.

4. Other Matters to be Noted in Connection with Order Sought: The top and bottom of pay sections in the upper zone are found at 10,932 feet - 11,139 feet and as to the lower zone from 12,045 feet - 12,192 feet. Offset operators to this lease are Gulf Exploration and Production Company, Box 1150, Midland, Texas, 79702, The Superior Oil Company, Box 71, Conroe, Texas, 77301, and Morris R. Antweil, P. O. Box 2010, Hobbs, New Mexico, 88240.

Dated this 28th day of March, 1980.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By: 

Conrad E. Coffield
Attorney for Bass Enterprises
Production Company

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dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6870

Order No. R- 6339

APPLICATION OF BASS ENTERPRISES PRODUCTION COMPANY
FOR A DUAL COMPLETION, LEA

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on
April 23, 19 80, at Santa Fe, New Mexico, before
Examiner Richard L. Stamets.

NOW, on this day of, 19 80, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Bass Enterprises Production Company,
seeks authority to complete its Bass State 36 Well No. 1

~~Well No. XXXXX~~, located in Unit E of Section 36, Town-
ship 15 South, Range 34 East, NMPM, Lea

County, New Mexico, as a dual completion (conventional) to
--(combination)
--(tubingless)

oil
produce ~~gas~~ from the Townsend-Wolfcamp Pool and gas from an

undesignated Morrow pool through the tubing and casing-tubing
annulus, respectively, by means of a cross-over assembly, with

separation of the zones achieved by means of packers installed
at approximately 10,865 feet and 11,944 feet.

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

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Bass Enterprises Production Company is hereby authorized to complete its Bass State 36 Well No. 1 ~~well No. XXXXXXXXX~~, located in Unit E of Section 36, Township 15 South, Range 34 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) ~~(combination)~~ ~~(tubingless)~~ to produce ^{oil} ~~gas~~ from the Townsend-Wolfcamp Pool ^{through tubing} and gas from an undersignated Morrow pool through the tubing ^{to a depth of approximately} ~~and casing-tubing~~ ^{and thence, through means of} annulus, respectively, ~~by means of~~ a cross-over assembly, ^{10865 feet and} through the casing-tubing annulus with separation of the zones ^{to be achieved} ~~by means of~~ ^{of packers set at approximately 11,944 feet.} ~~PROVIDED HOWEVER~~, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

10865 feet
by means of

PROVIDED FURTHER, that the applicant shall take well packer leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for ~~the~~ gas wells in Southeast New Mexico Pool.

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

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