

CASE 5503: EXXON COMPANY, USA FOR A  
DUAL COMPLETION, LEA COUNTY, NEW MEXICO

CASE NO.

5503

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

EXAMINER HEARING

CASE NO. 5503

TRANSCRIPT OF HEARING

A P P E A R A N C E S

Clarence Hinkle, Esq.  
HINKLE, BONDURANT, COX &  
EATON  
Hinkle Building  
Roswell, New Mexico

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I N D E X

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HARLEY REAVIS

Direct Examination by Mr. Hinkle  
Cross Examination by Mr. Nutter

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Applicant's Exhibits Nos. 1 through 5

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REAVIS-DIRECT

MR. NUTTER: Case 5503.

MR. CARR: Case 5503. Application of Exxon Company, USA, for a dual completion, Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant, Cox and Eaton, appearing on behalf of Exxon Company. We have one witness and several exhibits. I would like to have the witness sworn.

(Witness sworn.)

HARLEY REAVIS

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

DIRECT EXAMINATION

BY MR. HINKLE:

Q State your name, your residence, by whom you are employed?

A My name is Harley Reavis. I am an engineer for Exxon Corporation and I work in Midland, Texas.

(Whereupon, a discussion was held off the record.)

BY MR. HINKLE:

Q You have previously testified before the Commission and qualified as a petroleum engineer in a number of cases?

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REAVIS-DIRECT

A Yes, sir, I have.

MR. HINKLE: Are his qualifications acceptable?

MR. NUTTER: Yes, sir.

BY MR. HINKLE:

Q What is the purpose of Exxon's Application in this case?

A Exxon -- this Hearing was called because we wish to complete our No. 3, N. G. Penrose as a dual completion from two zones, which the lower one is completed from 7234 to 7437 in the Wantz-Granite Wash, and the upper zone is from 6256 to 7120 in the Drinkard Pool, I believe it is.

Q Do you have a technicality involved on account of the tubing in this case?

A Yes, sir. The only reason this could not be granted administratively was the tubing I.D. was 1.61 and the Commission allows that it has to be 1.67, I believe it is.

Q So, it is just a fraction difference?

A It is .06 inches too small.

Q Have you prepared, or has there been prepared under your direction certain exhibits for introduction in this case?

A Yes, I have.

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REAVIS-DIRECT

Q Refer to Exhibit 1 and explain what that is and what it shows?

A Exhibit 1 is an aerial map and we have an orange arrow on it which shows the location in Lea County. There is the approximate location of this particular well that we are asking for the N. G. Penrose No. 3.

Q Refer to Exhibit 2 and explain that?

A Exhibit 2 shows the location of the N. G. Penrose No. 3 Well which is in Section 13 of Township 22 South, Range 37 East. It is in the southwest corner of the northeast quarter.

Q Does this also show the ownership of the leasehold interests around this area?

A Yes, sir, it does.

Q Now, refer to Exhibit 3 and explain what this is?

A Exhibit 3 is a schematic sketch of the particular well, the N. G. Penrose No. 3. It shows 8 and 5/8-inch casing set at 1241 feet and cemented to the surface. It shows the 5 1/2 inch set at 7500 feet and cemented up to 500 feet from the surface. It shows the perforations in the Drinkard from 6256 to 7120 feet. It shows the perforations in the Wantz-Granite Wash from 7238 to 7437 feet. It shows the packer set at 7160 feet which is the packer separating

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REAVIS-DIRECT

the two particular zones, the Drinkard and the Wantz-Granite Wash.

Q In your opinion, will this effectively separate these zones and permit the measurement of production?

A Yes, sir, I believe it will. They have tested the packer set at 7160 and indicated no communication between the packer. Now, additional data will be submitted on this at the time of the actual completion of the well. Now, this hardware is in the well and has been tested. They are now trying to get a production test on the well.

Q What was the reason for using this size of tubing in this particular well?

A This was available, and it was much cheaper than the requirement which would have -- was just slightly larger inside, in the inside diameter of the tubing. The inch and .61 was what we have here, and I believe 1.67 was what was required by the Commission in the granting of administrative requests.

Q Would there have been a delay in obtaining the other size of tubing in this case?

A There would probably have been a delay in obtaining the other size casing, we are almost positive.

Q Would this smaller size, fraction of a smaller

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size result in any appreciable difference in production?

A No, sir, I don't think so. It is only a fraction of an inch less and this tubing was available and the other one would have probably delayed the completion of the well considerably.

Q Now, refer to Exhibit 4 and explain what this is?

A Exhibit 4 is the log of the well which shows the top of the perforation and the bottom of the perforation of the upper zone, and it shows the top and bottom of the lower zone perforations, as is marked on the log. I do not have a copy.

(Whereupon, a discussion was held off the record.)

A (Continuing) The top of the upper zone, the Drinkard, is at 6256 and the lower perforations in that particular zone is 7120 which is shown on this log. And then the Wantz-Granite Wash is shown at 7238 to 7437.

Q Have you had any protests from any of the offset owners to this Application?

A No, sir, we have not. We have sent this out to all of them at the time.

Q You did furnish all of them with copies of the Application?

A Yes, sir, we did.

Q Did you request waivers?

A Yes, we did.

Q Did you obtain waivers from any of them?

A Yes, sir. We obtained waivers from four different operators: Penrose Zachary Operating Company, American Petrofino, Sohio Petroleum Company, and Texaco furnished us waivers.

Q These are shown by the Exhibit No. 5 which has been marked 5-A, B, C and D, is that right?

A That's right.

Q In your opinion, would the approval of this Application be in the interest of conservation?

A Yes, sir, I think it will.

MR. HINKLE: We offer in evidence, Exhibits 1 through 5.

MR. NUTTER: Applicant's Exhibits 1 through 5 will be admitted into evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 5 were marked for identification, and were offered and admitted into evidence.)

MR. HINKLE: That's all we have on direct.

MR. NUTTER: Are there any questions of Mr. Reavis?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Reavis, with this size of tubing, will it be possible to artificially lift the well?

A We don't think that the well will need artificial lift for at least five years, and at that time, we feel that one of the zones will be gone and the other zone, we can then remove one of the tubing strings and finish producing the other zone.

Q It is anticipated that both zones will flow at the present time?

A Yes, sir.

MR. NUTTER: Are there any further questions of this witness? He may be excused.

(Witness dismissed.)

MR. NUTTER: Do you have anything further, Mr. Hinkle?

MR. HINKLE: That's all.

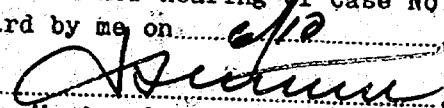
MR. NUTTER: Does anyone have anything they wish to offer in Case 5503?

We will take the case under advisement.

STATE OF NEW MEXICO )  
COUNTY OF SANTA FE ) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5503 heard by me on 6/12, 1975.  
, Examiner  
New Mexico Oil Conservation Commission

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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. 5503  
Order No. R-5044

APPLICATION OF EXXON COMPANY, USA  
FOR A DUAL COMPLETION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 10, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of June, 1975, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Exxon Company, USA, seeks authority to complete its N. G. Penrose Well No. 3, located in Unit G of Section 13, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce Drinkard and Wantz-Granite Wash production through parallel strings of 1-1/2 inch tubing, with separation of the zones achieved by means of a packer set at approximately 7160 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, Exxon Company, USA, is hereby authorized to complete its N. G. Penrose Well No. 3, located in Unit G of Section 13, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce Drinkard and Wantz-Granite Wash production through parallel strings of 1-1/2 inch tubing, with separation of the

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Case No. 5503

Order No. R-5044

zones by means of a packer set at approximately 7160 feet.

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 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 Gas-Oil Ratio Test Period for the Wantz-Granite Wash Pool.

(2) 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



*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

*Phil R. Lucero*  
PHIL R. LUCERO, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

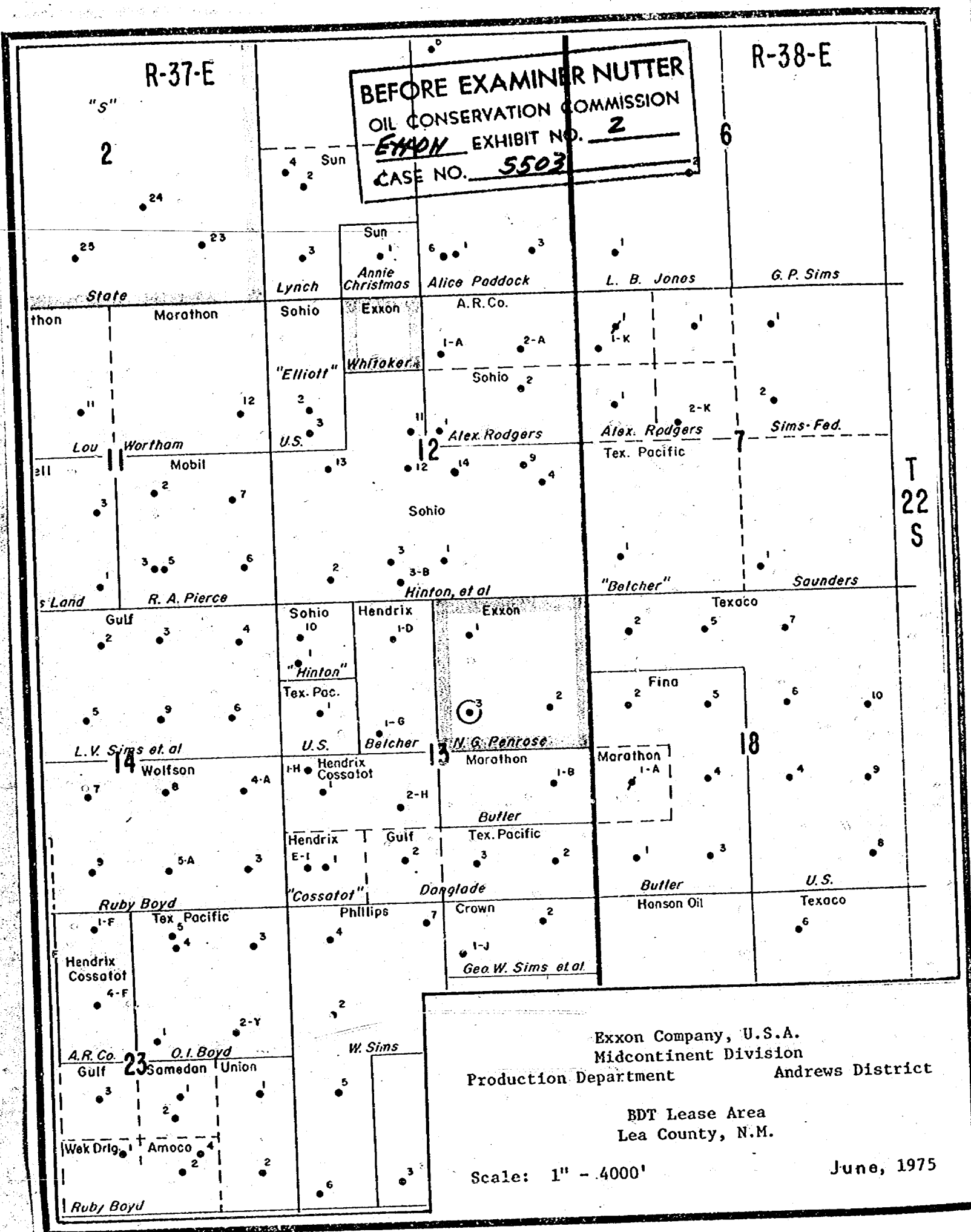


BEFORE EXAMINER-NUTTER  
OIL CONSERVATION COMMISSION  
~~EXHIBIT~~ EXHIBIT NO. 1  
CASE NO. 5503



#1

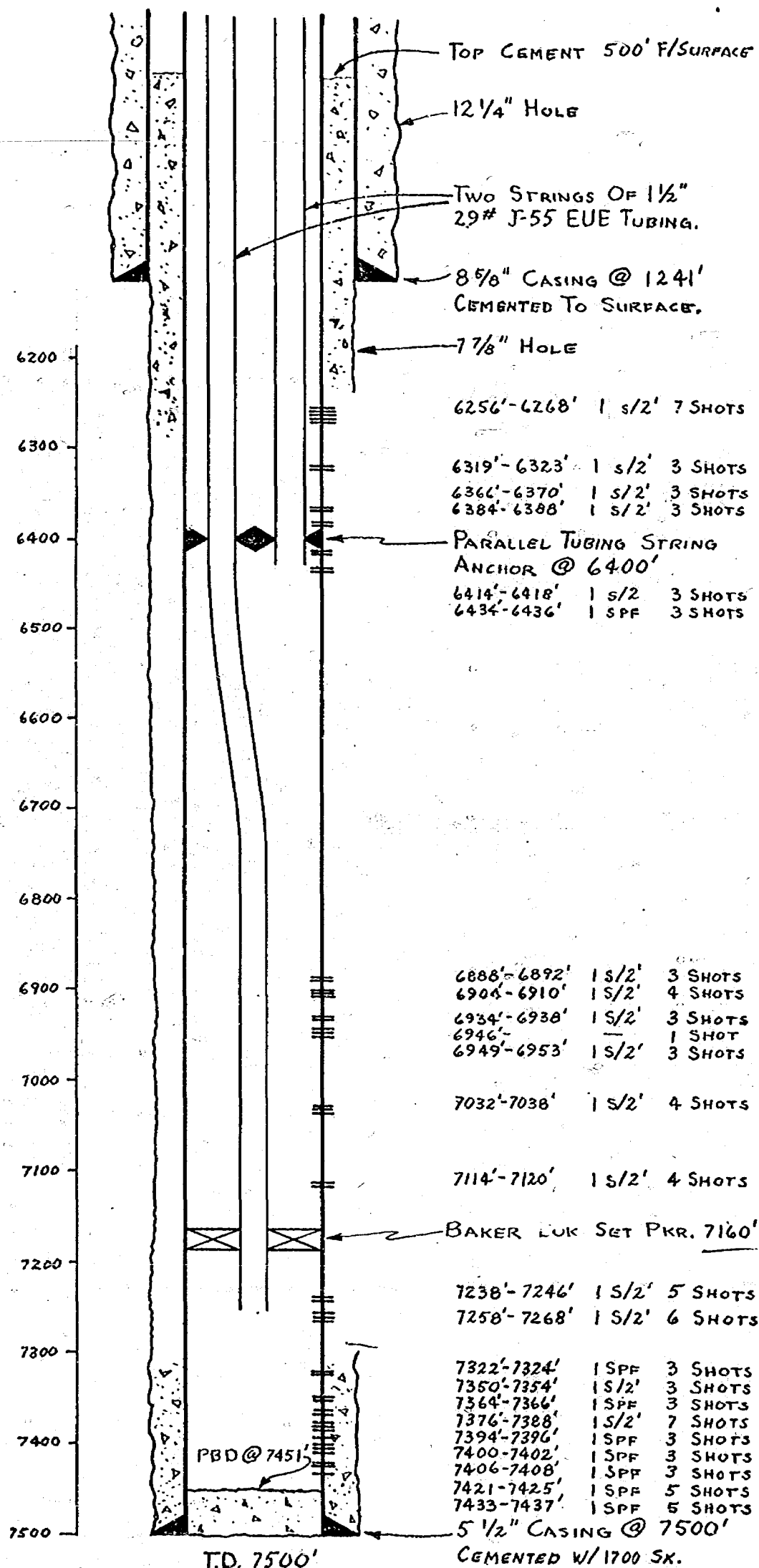




BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 2  
CASE NO. 5503

Exxon Company, U.S.A.  
Midcontinent Division  
Production Department      Andrews District  
  
BDT Lease Area  
Lea County, N.M.  
  
Scale: 1" = 4000'  
June, 1975

# N. G. PENROSE NO. 3



BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 5503

top of cement 500'

WAIVER

As an offset operator to Exxon's N. G. Penrose lease, we have no objection to their dual completion of Well No. 3 as a dual using two strings of 1.5 inch tubing with inside diameter of 1.61 inches. Well No. 3 is located 1980 feet from the north and east lines of Section 13, T22S, R37E, Lea County, New Mexico and will be completed in the Drinkard and Wantz Granite Wash Pools.

BY

FOR PENROSE ZACHARY OPERATING CO.

DATE May 19, 1975

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Exxon EXHIBIT NO. 5A-B-C-D  
CASE NO. 5503

WAIVER

As an offset operator to Exxon's N. G. Penrose lease, we have no objection to their dual completion of Well No. 3 as a dual using two strings of 1.5 inch tubing with inside diameter of 1.61 inches. Well No. 3 is located 1980 feet from the north and east lines of Section 13, T22S, R37E, Lea County, New Mexico and will be completed in the Drinkard and Wantz Granite Wash Pools.

BY

J. H. Walters

FOR

Solo Petroleum Co.

DATE

5/20/75

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EX-101 EXHIBIT NO. 5-13  
CASE NO. 5503

WAIVER

As an offset operator to Exxon's N. G. Penrose lease, we have no objection to their dual completion of Well No. 3 as a dual using two strings of 1.5 inch tubing with inside diameter of 1.61 inches. Well No. 3 is located 1980 feet from the north and east lines of Section 13, T22S, R37E, Lea County, New Mexico and will be completed in the Drinkard and Wantz Granite Wash Pools.

BY R. C. Bott R. C. Bott

FOR AMERICAN PETROFINA COMPANY OF TEXAS

DATE May 21, 1975

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXXON EXHIBIT NO. 5 C  
CASE NO. 5507

WAIVER

As an offset operator to Exxon's N. G. Penrose lease, we have no objection to their dual completion of Well No. 3 as a dual using two strings of 1.5 inch tubing with inside diameter of 1.61 inches. Well No. 3 is located 1980 feet from the north and east lines of Section 13, T22S, R37E, Lea County, New Mexico and will be completed in the Drinkard and Wantz Granite Wash Pools.

BY

*Bob Brown*

FOR

TEXACO INC.

DATE

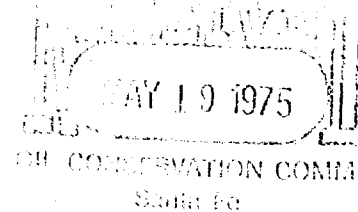
May 20, 1975

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Exxon EXHIBIT NO. 5-D  
CASE NO. 5503

Case 5503

**EXXON** COMPANY, U.S.A.  
POST OFFICE BOX 1600 • MIDLAND, TEXAS 79701

PRODUCTION DEPARTMENT  
MIDCONTINENT DIVISION  
L. H. BYRD  
MANAGER



May 15, 1975

Hearing for  
Exception to Rule 112-A,  
Multiple Completion

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

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

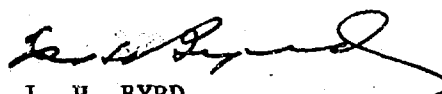
Dear Sir:

We respectfully request a hearing be scheduled on June 11, 1975 to consider Exxon Corporation's application for an exception to Rule 112-A for our N. G. Penrose Well No. 3 to allow the use of two strings of 1.5 inch tubing for dual completion in the Drinkard and Wantz Granite Wash Pools. These two tubing strings have an inside diameter of 1.61 inches which is less than the minimum 1.67 inches allowed for administrative approval. This well is located 1980 feet from the north and east lines of Section 13, T22S, R37E, Lea County, New Mexico. This well was spudded on May 6, 1975 and was drilling at 3750' on May 15, 1975.

A list of the offset operators is attached. By copy of this letter, we are requesting each offset operator to furnish us a waiver if they have no objection to our drilling of this well and using 1.5 inch tubing with inside diameter of 1.61 inches. A copy of a waiver is attached for their convenience.

Your scheduling of this hearing on June 11, 1975 will be appreciated.

Yours very truly,

  
L. H. BYRD

HNR/ss

Attachments

cc: New Mexico Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

All offset operators

A DIVISION OF EXXON CORPORATION

DOCKET MAILED

Date \_\_\_\_\_

Case 5503

OFFSET OPERATORS  
TO EXXON'S N. G. PENROSE LEASE  
LEA COUNTY, NEW MEXICO

Marathon Oil Company  
Box 2409  
Hobbs, New Mexico 88240

J. H. Hendrix  
403 Wall Towers West  
Midland, Texas 79701

Texas Pacific Oil Company  
Box 4067  
Midland, Texas 79701

Penrose Production Company  
1605 Commerce Building  
Fort Worth, Texas 76102

American Petrofina Company of Texas  
Box 1311  
Big Spring, Texas 79720

Texaco, Inc.  
Box 3109  
Midland, Texas 79701

Sohio Petroleum Company  
Box 3167  
Midland, Texas 79701



Case 5503

WAIVER

As an offset operator to Exxon's N. G. Penrose lease, we have no objection to their dual completion of Well No. 3 as a dual using two strings of 1.5 inch tubing with inside diameter of 1.61 inches. Well No. 3 is located 1980 feet from the north and east lines of Section 13, T22S, R37E, Lea County, New Mexico and will be completed in the Drinkard and Wantz Granite Wash Pools.

BY \_\_\_\_\_

FOR \_\_\_\_\_

DATE \_\_\_\_\_

DRAFT

dr/

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. 5503

Order No. R-5044

APPLICATION OF EXXON COMPANY, USA  
FOR A DUAL COMPLETION, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
June 10, 1975, at Santa Fe, New Mexico, before  
Examiner Daniel S. Nutter.

NOW, on this day of June, 1975, the  
Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Exxon Company, USA,  
seeks authority to complete its N. G. Penrose  
Well No. 3, located in Unit G of Section 13, Township  
22 South Range 37 East NMPM, Lea County, New

Mexico, as a dual completion (conventional) to produce gas  
(conventional) (conventional)

~~from the~~ Drinkard and Wantz-Granite Wash production through  
parallel strings of 1-1/2 inch tubing, with separation of  
the zones achieved by means of a packer  
set at approximately 7160 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, Exxon Company, USA,  
is hereby authorized to complete its N. G. Penrose  
Well No. 3, located in Unit G of Section 13, Township  
22 South XXXX Range 37 East XXXX NMPM, Lea County, New  
Mexico, as a dual completion (conventional) XXXX  
XXXXXX XXXXXX to produce XXXX  
XXXXXX

XXXXXX Drinkard and Wantz-Granite Wash production through  
parallel strings of 1-1/2 inch tubing, *with separation of*  
*the zones by means of a packer set at*  
*approximately 7160 feet.*

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 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  
Gas-Oil Ratio Test Period for the Wantz-Granite Wash Pool.  
Deliverability

(2) 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.