

Case No.

518

Application, Transcript,
Small Exhibits, Etc.

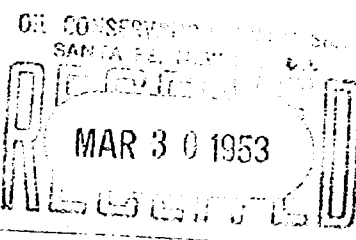
CASE 518: Tide Water Associated Oil Co.
Dual Completion State 5 Well No. 2
NE NW 15-218-37E Lea County

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

TRANSCRIPT OF HEARING

CASE NO. 518



ADA DEARNLEY & ASSOCIATES
COUNT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-8645 AND 5-8546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

In the Matter of:

Tide Water Associated Oil Company's appli-
cation for permission to dually complete
its State "S" Well No. 2, NE NW, 15-21S-37E,
Lea County to permit production of oil or
gas from the Tubb zone and gas from the
Blinebry.

Case No. 518

TRANSCRIPT OF HEARING

(Notice of Publication read by Mr. Graham.)

MR. HOLLOWAY: J. B. Holloway, representing Tide Water
Associated Oil Company.

Tide Water's State "S" Well No. 2 is located in the NE/4 of
the NW/4 of Section 15, Township 21 South, Range 37 East, N. M. P.
M., Drinkard Pool, Lea County, New Mexico. It was completed in
November, 1948, as an oil well, producing from the Drinkard forma-
tion, from open hole (6630-6662') and from casing perforations
(6565-6615'). Five and one-half inch casing was set at 6630 feet
and cemented with 500 sacks. The well drilled through the
Blinebry Gas Zone (5585-5720') and the Tubbs Gas Zone (6115'-6270').

After being acidized with 3500 gallons the well on initial
potential test, flowed at the rate of 158 barrels of oil per day.
Within a week the well was capable of producing only 27 to 30
barrels of oil daily. At this time the well produces, by heading,
approximately 190 barrels of oil per month, which is all the oil
that comes into the well. There appears to be a very poor devel-

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

opment of productive Drinkard formation in this immediate area. Humble Oil and Refining Company's State "V" No. 2, the direct north offset, was never successfully completed for Drinkard production, and was plugged and abandoned. Humble recently by Order No. R-247 was authorized to re-enter this well and dually complete it for production of oil or gas from the Tubbs zone and gas from the Blinebry. It is a similar authorization that we are seeking here.

In our opinion the continued operation of a well of this depth for a production of 6 or 6½ barrels of oil a day is hardly economic. Revenue for both the royalty interest and the operator can be increased substantially by recompleting the well for production and sale of gas.

We propose to set a cement plug and seal off and abandon the oil production from the Drinkard zone, then to dually complete the well for production of gas or oil from the Tubbs gas zone through the tubing, and gas from the Blinebry formation through the annular space between the casing and tubing. We believe it is practical and feasible to do this by proper perforations and the installation of proper packer and well head connections, and in such manner that there will be no commingling of fluids between the two reservoirs.

We further represent that the granting of this application would be in the interest of conservation and correlative rights.

With our application, a copy of which was forwarded to all offset operators, we included a plat showing our State "S" lease and surrounding properties; the well proposed for dual completion;

and also indicated by color, wells in the vicinity which the Commission has authorized to be dually completed in either the Tubbs or the Blinebry. Also was included an electric log of the well and a diagrammatic sketch showing the proposed recompletion.

Upon actual dual completion we will promptly submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete the seal between the strata, and a special report of production, gas-oil ratio and reservoir pressure determination of each producing zone. We will make any and all tests required by the Commission and in all ways comply with its rules and regulations to maintain separation of production from the different pay zones.

That is all I have, Mr. Chairman, unless you would like a duplicate of these exhibits that I had attached.

MR. SPURRIER: No. Are there any questions of the witness. Any comment in the case? If not the witness may be excused. We will take the case under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

I, ADA DEARNLEY, hereby certify that the above and foregoing transcript of proceedings in Case No. 518, taken before the Oil Conservation Commission on March 17, 1953, at Santa Fe, New Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 25th day of March, 1953.

Ada Dearnley
Notary Public

My Commission Expires:
June 19, 1955.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
TIDE WATER ASSOCIATED OIL COMPANY FOR
AN ORDER GRANTING IT PERMISSION TO DUALY
COMPLETE STATE "S" NO. 2 WELL, DRINKARD
POOL, NE/4 NW/4, SECTION 15, TOWNSHIP
21-S, RANGE 37-E, N.M.P.M., LEA COUNTY,
NEW MEXICO

CASE NO: 518

A P P L I C A T I O N

COMES NOW, Tide Water Associated Oil Company, a Delaware Corporation, operating in New Mexico from a field office in Hobbs, and respectfully represents to the Oil Conservation Commission of the State of New Mexico as follows:

1. That Tide Water Associated Oil Company's State "S" Well No. 2, located in the NE/4 NW/4, Section 15, Township 21 South, Range 37 East, N.M.P.M., Drinkard Pool, Lea County, New Mexico, was completed in November 1948, as an oil well producing from the Drinkard formation from open hole (6630-6662') and from casing perforations (6565-6615'). Five and one-half inch production casing was set at 6630' and cemented with 500 sacks. The well drilled through the Blinbry Gas Zone (5585-5720') feet and the Tubbs gas or oil zone (6115-6270').
2. That State "S" Well No. 2 is presently capable of producing less than 7 barrels of oil per day, an amount of oil considered by applicant to be at or below the economic limit for a well of its depth.
3. Applicant represents that it is practical and economically feasible to set a cement plug, seal off and abandon the oil production from the Drinkard Pool zone, and to dually complete the State "S" No. 2 well to produce gas or oil through the tubing from the Tubbs Gas Zone and gas from the Blinbry formation through the annular space between the casing and tubing, by proper perforations and installation of proper packer and well head connections, and in such manner that there will be no commingling of fluids between the two reservoirs.
4. Applicant further represents that the granting of this application to produce dually, gas from the Blinbry formation and gas or oil from the Tubbs formation is in the interests of conservation and the protection of correlative rights.
5. That attached hereto is a plat marked Exhibit "A", showing the location of State "S" No. 2 well, and surrounding wells and leaseholds. The Commission has previously issued orders granting operators permission to dually complete and produce from the Tubbs formation, those wells shown on the attached plat colored in orange, and from the Blinbry, those wells shown colored in green.

SUBJECT: IN THE MATTER OF THE APPLICATION OF
TIDE WATER ASSOCIATED OIL COMPANY FOR
AN ORDER GRANTING IT PERMISSION TO DUALY
COMPLETE STATE "S" NO. 2 WELL, DRINKARD
POOL, NE/4 NW/4, SECTION 15, TOWNSHIP
21-S, RANGE 37-E, N.M.P.M., LEA COUNTY,
NEW MEXICO

6. That an electric log of said State "S" No. 2 well is attached hereto and marked Exhibit "B".

7. That applicant proposes to dually complete said well to produce gas or oil from the Tubbs formation through the tubing, and gas through the tubing-casing annulus from the Blinebry formation in the following manner:

- a. Set a cement plug to seal off the open hole below $5\frac{1}{2}$ " casing and perforations opposite the Drinkard formation.
- b. Perforate the $5\frac{1}{2}$ " casing opposite the permeable zones in both the Blinebry and Tubbs formation.
- c. Set a production type packer between the two sets of casing perforations as shown on the attached diagrammatic sketch marked Exhibit "C".

8. That copies of this application and Exhibits have been sent to the operators of all leases adjoining applicants State "S" lease.

WHEREFORE, Applicant requests that this matter be set down for hearing on due notice, and that at such hearing it be authorized to dually complete said well in accordance with the foregoing petition and the rules and regulations of the Commission.

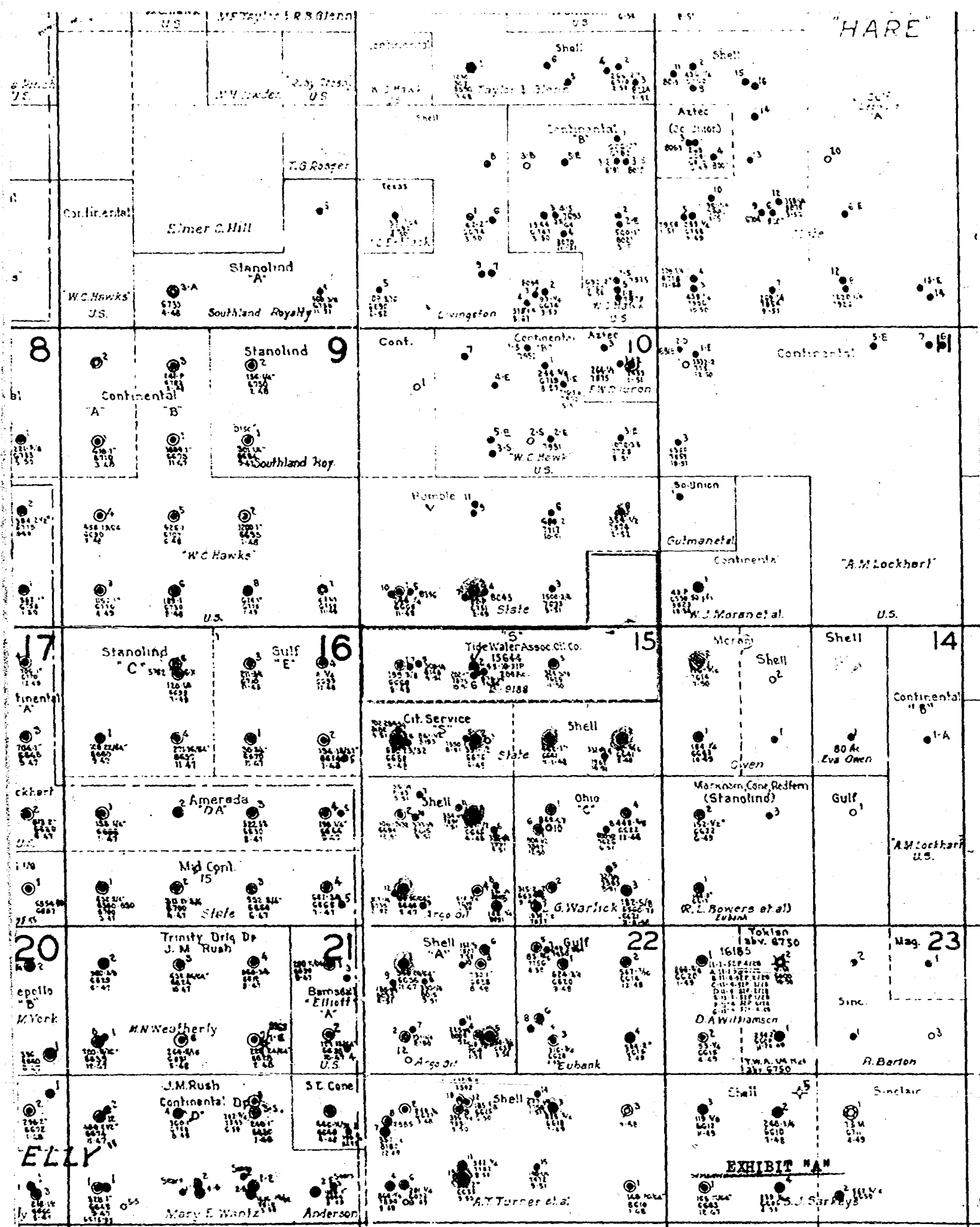
DONE at Houston, Texas, on this the 10th day of February, 1953.

Respectfully submitted

TIDE WATER ASSOCIATED OIL COMPANY


J. B. Holloway

JBH: stm



OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

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It is therefore ordered:

That the applicant herein,
Tide Water Associated Oil
Company, be and it hereby is
authorized to ~~abandon the~~
~~Dunkard Production zone by~~
~~successfully plugging back~~
~~and finally complete plug~~
Back and finally complete
its State "S" well No 2,
NE/4 NW/4, Section 15,
Township 21 North Range
37 East, NM PM, Lea County
New Mexico in such a
manner that the
Dunkard formation is
successfully plugged off
with cement and
gas from the Budeby
formation may be produced
through the annular
space between the
casing and the tubing and
gas from the Tubif formation

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

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through the tubing by
proper perforation and the
installation of a proper
packer.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

April 8, 1953

Mr. J. B. Holloway
Tide Water Associated Oil Co.
Box 1404
Houston, Texas

Dear Sir:

We enclose two official copies of Order R-307 issued in Case 518, which was heard upon your petition at the regular March 17 hearing of the New Mexico Oil Conservation Commission.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:mr

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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. 518
Order No. R-307

THE APPLICATION OF TIDE WATER
ASSOCIATED OIL COMPANY FOR AN
ORDER GRANTING PERMISSION TO
DUALY COMPLETE AND PRODUCE
ITS STATE "S", WELL NO. 2, LOCATED
IN THE NE/4 NW/4 OF SECTION 15,
TOWNSHIP 21 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 31ST day of *MARCH*, 1953, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(2) That applicant's State "S", Well No. 2, NE/4 NW/4, Section 15, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, was completed in November 1948, as an oil well producing from the Drinkard formation through casing perforations 6565-6615 and open-hole interval 6630-6663, having drilled through the Blinebry gas formation of the Blinebry Gas Pool at an approximate depth of 5585-5720 and the Tubb Gas zone of the Tubb Gas Pool at an approximate depth of 6115-6270

(3) That at the present time the productive capacity of the Drinkard formation in the subject well is 7 barrels per day and that the applicant desires to abandon this zone because of its low productivity.

(4) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual/multiple completions of oil - gas wells, the Commission is unconvinced of the soundness as a waste-prevention practice, of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:

That the applicant herein, Tide Water Associated Oil Company, be, and it hereby is authorized to plug back and dually complete its State "S" Well No. 2, NE/4 NW/4 Section 15, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that the Drinkard formation is successfully plugged off with cement, and that gas from the Blinebry formation may be produced through the annular space between the casing and the tubing, and gas from the Tubb formation through the tubing by proper

perforations and the installation of a proper packer;

PROVIDED, HOWEVER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on these forms by existing rules and regulations.

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling with- in the well bore, either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and,

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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

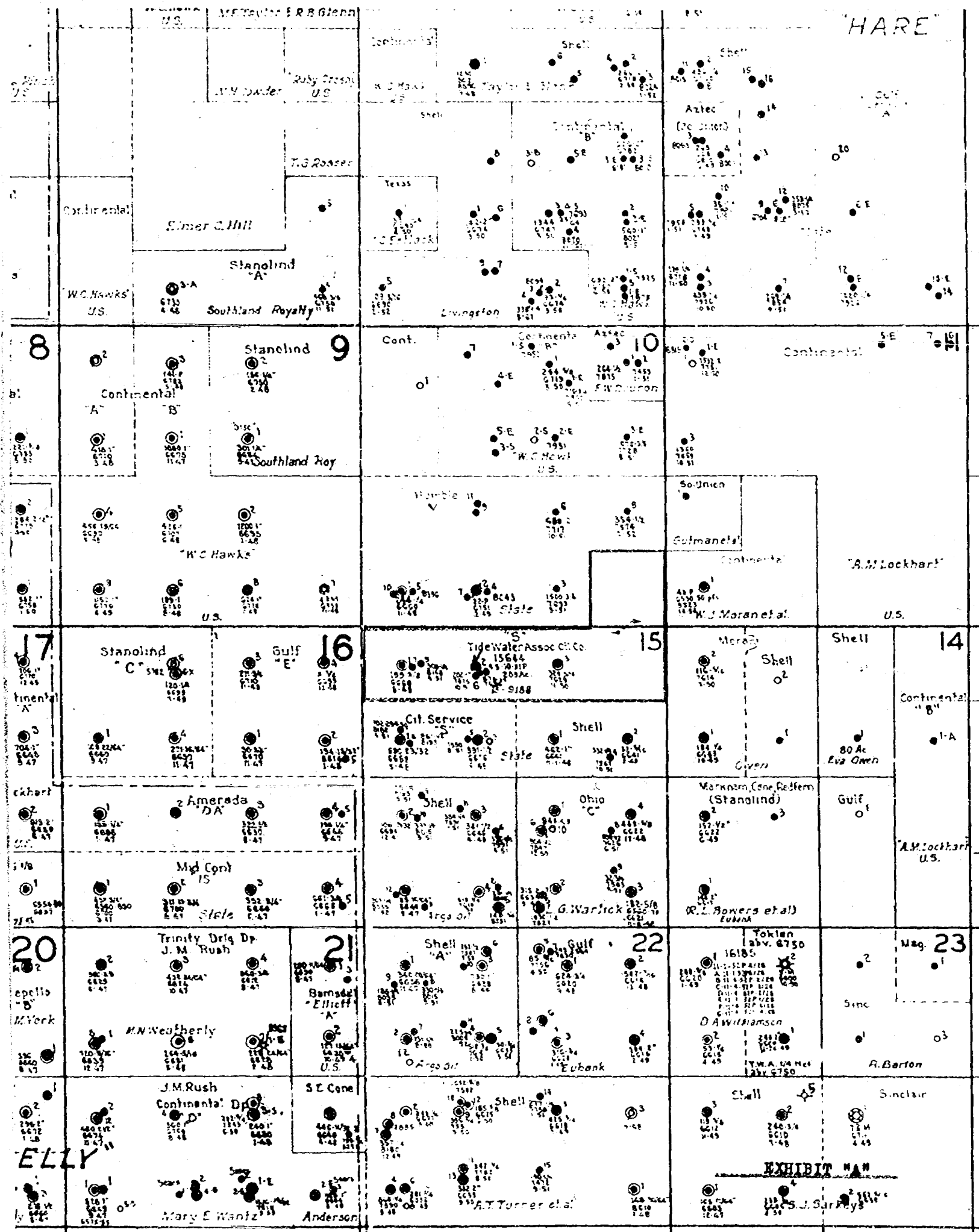
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary

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EXHIBIT "C"

TIDE WATER ASSOC. OIL CO. - #2, NEW MEXICO STATE "S"
DRINKARD FIELD

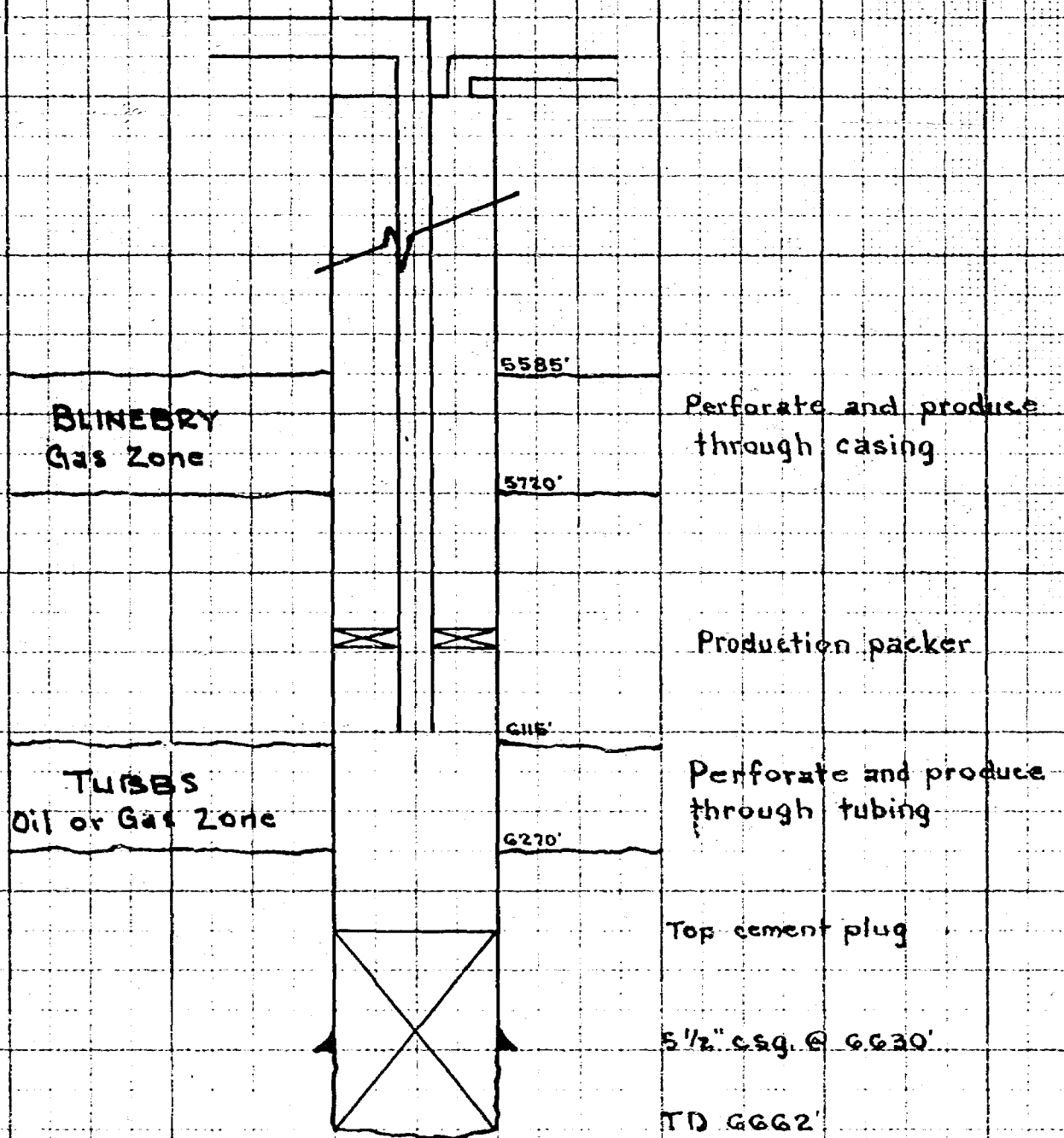


EXHIBIT "C"

TIDE WATER ASSOC. OIL CO - #2 NEW MEXICO STATE "S"
DRINKARD FIELD

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