

Case No.

1732

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 9-10-59

CASE NO. 1732

HEARING DATE 8-5-59

My recommendations for an order in the above numbered case(s) are as follows:

1. Grant Continental Oil - Oil Deal as requested.
Upper Completions - ~~Blind~~ Jersey - Blinby
Lower " - Drinkard
2. Two strings 2" EUE tubing with Jones separated by a permeate type packer.

Frank W. [Signature]

Staff Member

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 18, 1959

Mr. Jason Kellahin
Box 1713
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Continental Oil Company,
we enclose two copies of Order No. R-1467 in Case 1732
issued on August 18, 1959, by the Oil Conservation
Commission.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Enclosures

Also sent Habber Dist.

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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. 1732
Order No. R-1467

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN OIL-OIL DUAL
COMPLETION IN THE TERRY-BLINEBRY
OIL POOL AND THE DRINKARD POOL,
LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 5, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, herein after referred to as the "Commission," in accordance with Rule 121a of the Commission Rules and Regulations.

NOW, on this 18th day of August, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Continental Oil Company, is the owner and operator of the Lockhart B-11 Well No. 8-TB, located in the SW/4 SE/4 of Section 11, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dually complete the above-described Lockhart B-11 Well No. 8-TB in such a manner as to permit the production of oil from the Terry-Blinebry Oil Pool and the production of oil from the Drinkard Pool through parallel strings of 2-inch EUE tubing.

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

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

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Case No. 1732
Order No. R-1467

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to dually complete its Lockhart B-11 Well No. 8-TB, located in the SW/4 SE/4 of Section 11, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Terry-Blinebry Oil Pool and the production of oil from the Drinkard Pool through parallel strings of 2-inch EUE tubing.

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


PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Drinkard Pool.

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.

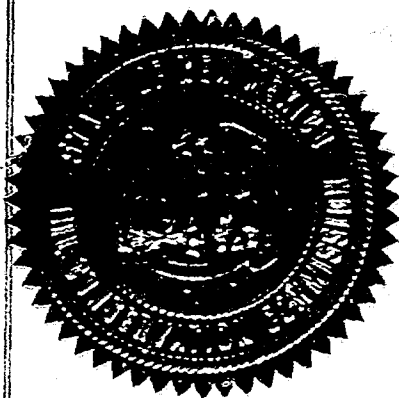
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:
CASE 1732

TRANSCRIPT OF HEARING

AUGUST 5, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
AUGUST 5, 1959

2

IN THE MATTER OF:

CASE 1732 Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lockhart B-11 Well No. 8-IB, located in the SW/4 SE/4 of Section 11, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Terry-Blinebry Oil Pool and the production of oil from the Drinkard Pool through parallel strings of tubing.

BEFORE:

Elvis A. Utz, Examiner

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: Next case on the docket is Case 1732.

MR. PAYNE: Case 1732. Application of Continental Oil Company for an oil-oil dual completion.

MR. KELLAHIN: Jason Kellahin of Kellahin & Fox, Santa Fe, New Mexico, representing the applicant. We have one witness, Mr. Lyon.

(Witness sworn)

VICTOR T. LYON,
called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

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BY MR. KELLAHIN:

Q Will you state your name, please?

A Victor T. Lyon, L-y-o-n.

Q By whom are you employed and in what position?

A I am employed by Continental Oil Company as district engineer for the Eunice district located in Eunice, New Mexico.

Q Have you previously testified before this Commission as an expert petroleum engineer and had your qualifications accepted?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir.

Q Mr. Lyon, are you familiar with the application in Case 1732?

A Yes, sir.

Q Will you state briefly what is proposed by that application?

A This is the application of Continental Oil Company for permission to dually complete its Lockhart Bell Well No. 8.. as a Terry-Blinbry and Drinkard oil-oil dual completion. The well is located 660 feet from the South line, 1980 feet from the East line of Section 11, Township 11 South, Range 37 East.

(Thereupon, Continental's Exhibit No. 1 was marked for identification.)

Q Referring to what has been marked as Exhibit No. 1, will you explain that Exhibit, please?

A Exhibit No. 1 is a location and ownership plat showing the Lockhart B-11 Lease which is outlined in red, and immediate surrounding area. It also shows the Well No. 8, which is the subject of this hearing, circled in red, and also at least a majority of the producing wells in the immediate vicinity.

Q Does it also show the lease ownership offsetting the area involved?

A Yes, it does.

(Thereupon, Continental's Exhibit No. 2 was marked for identification.)

Q Referring to what has been marked as Exhibit No. 2, will you explain that Exhibit?

A Exhibit No. 2 is a tracing of the radioactive log run on our Lockhart B-11 No. 8, and on the left-hand side in printing and by a red horizontal line are shown the various geological markers which are mainly the Blinebry marker, Tubb marker, the top of the Drinkard, top of the Abo, the top of the granite marker. It also shows in green at the top reproducing intervals in the Blinebry formation, the Terry-Blinebry Pool. In red are shown the proposed perforations in the Drinkard zone. Also by a dashed arrow in the middle of which is a circle and a number inside are shown the intervals which were drill stem tested during the drilling of this well. And also are shown the previous perforations locations

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of bridge plugs, and at the bottom is shown the completion information concerning the well.

Q On the basis of the drill stem test and other information, can it be reasonably anticipated that both the Terry-Blinebry zone and the Drinkard zone will be productive of oil?

A Yes, sir.

(Thereupon, Continental's Exhibit No. 3 was marked for identification.)

Q Now, referring to what has been marked as Exhibit No. 3, will you discuss that Exhibit, please?

A Exhibit No. 3 is a schematic diagram of the proposed dual completion. It shows that 13 3/8 inch casing was set at 268 feet, 9 5/8 inch casing was circulated; 9 5/8 inch casing was set at 296 feet, and cement circulated to surface. It shows the present Blinebry perforations, the proposed placement of the packer, the proposed Drinkard perforations, and the 7-inch casing set to 7,576 feet; top of the cement returning to 3,380 feet. On the right-hand side of Exhibit No. 3 the detail on the long string of tubing is shown, with the Baker Model "E" and core tubing seal assembly which goes through the Baker Model "D" packer, and then the installation of tubing below the packer.

Q Now, can both zones be produced through tubing if this application is approved?

A Yes, sir.

Q Is this a type of completion which has heretofore been

approved by this Commission?

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A Yes, sir.

Q In your opinion, is it an effective completion to prevent communication between the two producing horizons?

A Yes, sir, it is.

Q Have you any information on the pressures of the two zones?

A Well, I don't have, of course, any pressure on the Drinkard in this immediate area. However, our experience with the Drinkard would indicate that the bottom hole pressure would range between 1200 and 1500 pounds. And the pressure of the Blinebry or Terry-Blinebry would range, I would say, between 1800 and 2000 pounds, so that you would have, at least at the present time, a pressure differential, maximum, of 800 pounds across the packer.

Q Is that completion adequate to protect with those pressures?

A Yes, sir.

Q Now, with this type of completion, can you do the necessary workovers which may be indicated or necessary in this well?

A Yes, sir, I believe we could do any type of remedial work which would be required.

Q Can you make the packer leakage test required by this Commission?

A Yes, sir.

Q What are the characteristics of the fluid of the two

zones?

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A Well, both fluids are sweet. The gravity of the Drinkard is in the neighborhood of 38 to 39 degrees. Of course, the Blinebry -- Terry-Blinebry gravity varies considerably. The Terry-Blinebry crude on this lease based on the acreage is 42 degrees.

Q Will the production from the two zones be metered separately or measured into stock tanks separately?

A Yes, sir, they will.

Q There will be no commingling of production after it leaves the well?

A There will be no commingling at any time.

Q Now, referring back to Exhibit No. 1, Mr. Lyon, are there any other completions in the two zones involved within the area of this well?

A Yes, sir. Our Lockhart B-14 A No. 1 D, which is located 1980 feet from the North line and 660 feet from the East line of Section 14 in the section immediately to the south of the one which we are speaking of now, is such a dual completion.

Q In the Terry-Blinebry zone and the Drinkard zone, is that correct?

A Yes, sir.

Q Are there any dual completions in the Blinebry gas zone and the Drinkard oil zone?

A Yes, sir. Our J. H. Nolan No. 1 located 660 feet from the South and West line of Section 11, the same section in which the

subject well is located, is a Blinebry Drinkard dual completion.

Q In your opinion, is this type of completion an efficient and economical way to produce the two zones involved?

A Yes, sir.

Q Is it in the interest of conservation and the prevention of waste?

A Yes, sir.

Q Were Exhibits 1 through 3 prepared by you or under your supervision?

A Yes, they were.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, they will be received.

(Whereupon, Continental's Exhibits Nos. 1, 2 and 3 were received in evidence.)

MR. KELLAHIN: That's all the questions I have.

MR. UTZ: Any questions of the witness?

MR. PAYNE: Yes, sir.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Lyon, is this well within the horizontal limits of the Terry-Blinebry Pool?

A Yes, it is.

Q Now, I notice on your Exhibit 1 you have it designated as a gas well. Why is that?

A During the early stages of completion and production life of this well, it had a very erratic nature, and it has been classified as a gas well at least once, perhaps twice, and it finally was reclassified as an oil well, and is now producing at a gas-oil ratio, I believe, below 6,000 cubic feet per barrel.

Q You don't know of any non-standard gas proration unit that has been assigned to this well which needs to be canceled, do you?

A There was a non-standard unit assigned to this well at one time, and whether it was canceled or not, I'm not sure.

Q I was just wondering if perhaps your lease -- the lease in question here, what you probably had dedicated to it is probably the SE/4 --

A Yes.

Q -- when it was a gas well?

A Yes.

MR. PAYNE: Okay, that's all. Thank you.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

Q (By Mr. Utz) Both strings of tubing are 2-inch, aren't they?

A Yes, sir.

(Witness excused)

MR. UTZ: Any other statements to be made in this case? Take it under advisement. We will recess until 1:15.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 14th day of August, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:

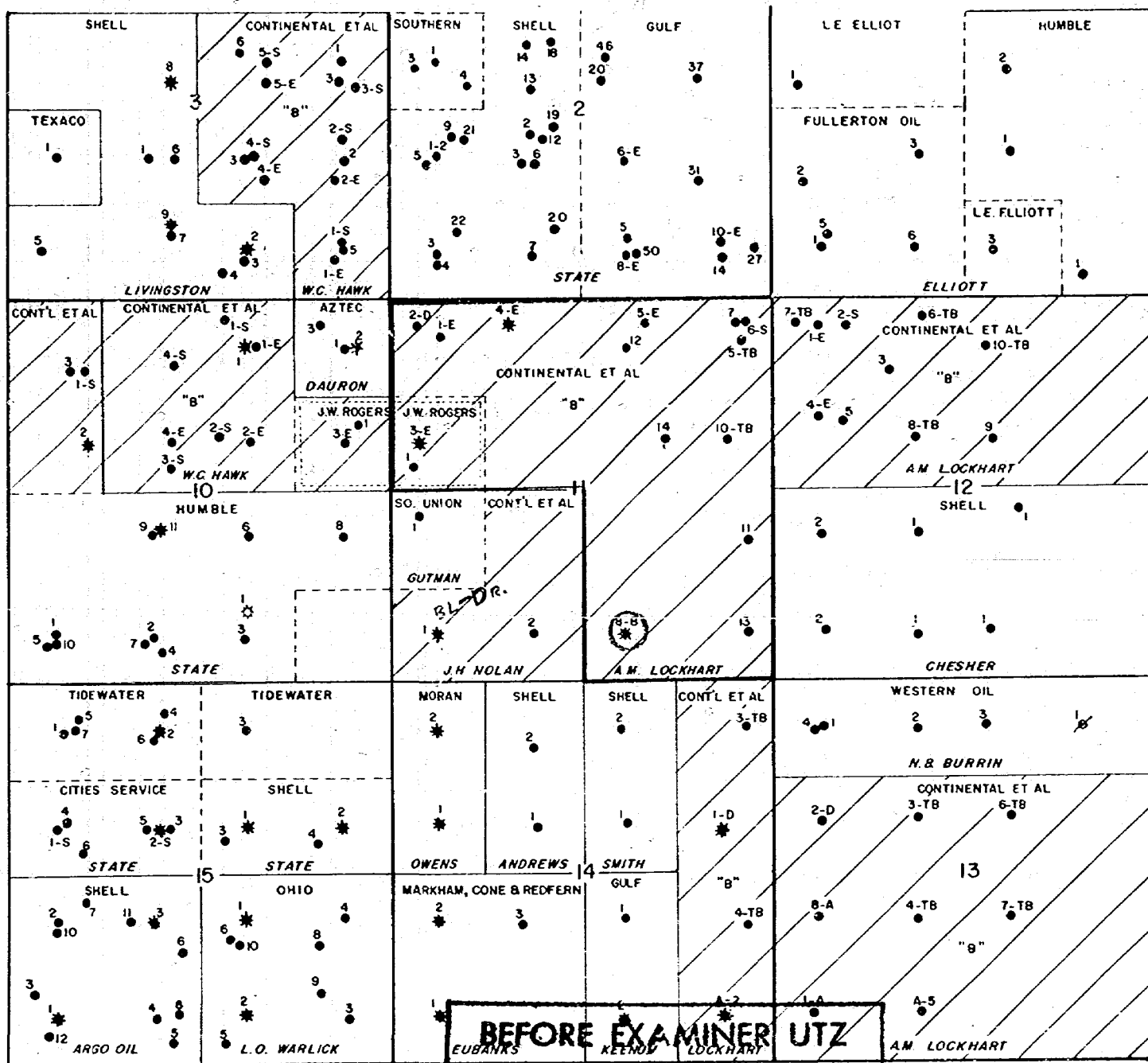
October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1732, heard by me on Aug 5, 1959.
Ernest W. [Signature] Examiner
 New Mexico Oil Conservation Commission

DEARNLEY - MEIER & ASSOCIATES
 INCORPORATED
 GENERAL LAW REPORTERS
 ALBUQUERQUE, NEW MEXICO
 3-6691 5-9546

CONTINENTAL OIL COMPANY

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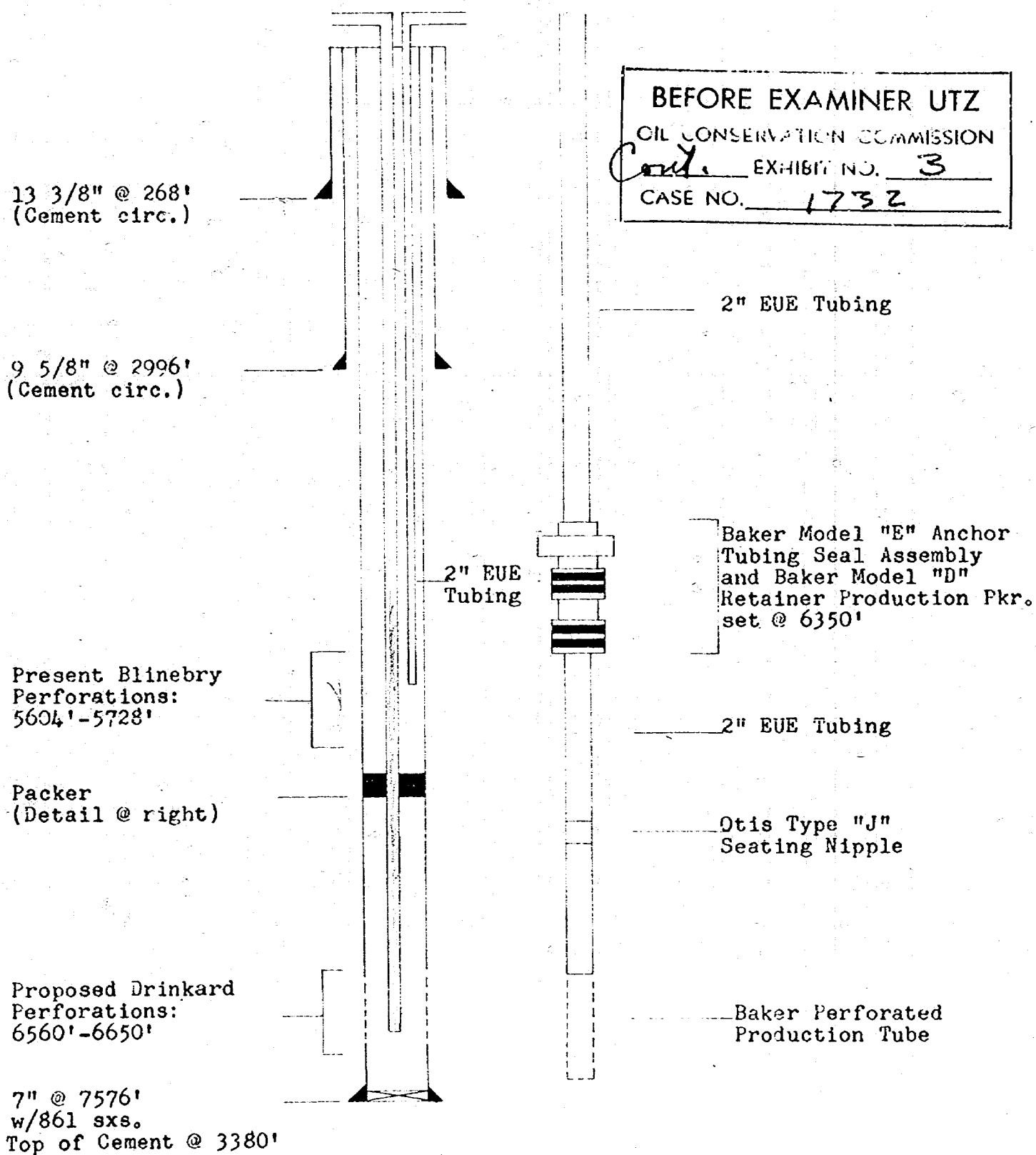
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BEFORE EXAMINER UTZ
 U.S. DEPARTMENT OF THE INTERIOR
 GEOLOGICAL SURVEY
 CONSERVATION COMMISSION
 Cont. EXHIBIT NO. 1
 CASE NO. 1232

Drwn. by COG

CONTINENTAL OIL COMPANY
 PROPOSED METHOD OF DUAL COMPLETION
 LOCKHART B-11 NO. 8-TB



DOCKET: EXAMINER HEARING AUGUST 5, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director.

Continued Case

CASE 1695: Application of Texaco, Inc. for a triple completion, for permission to commingle the production from three separate pools, and for the establishment of two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its A. H. Blinebry NCT-4 Well No. 1, located in the SE/4 SE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit production from the Blinebry formation, production of gas from the Tubb Gas Pool, and production of oil from the Drinkard Pool through tubing, the annulus via cross-over, and tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in both the Tubb Gas Pool and Blinebry Gas Pool each consisting of the S/2 S/2 of said Section 31. Applicant further seeks permission to commingle the liquid production from the Blinebry, Tubb and Drinkard formations underlying said acreage.

NEW CASES

CASE 1665: Application of Sunray Mid-Continent Oil Company for an amendment of Order No. R-1414. Applicant, in the above-styled cause, seeks an order amending Order No. R-1414 to include additional acreage in its Central Bisti LPG-Gas-Water Injection project in the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, and for permission to drill four additional water injection wells in said project and for permission to convert one additional well to gas injection in said project.

CASE 1731: Application of Sunray Mid-Continent Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its D. Hardy Well No. 2, located 1980 feet from the North and East lines of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of oil from the Drinkard Pool through parallel strings of tubing.

CASE 1732: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lockhart B-11 Well No. 8-TB, located in the SW/4 SE/4 of Section 11, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Terry-Blinebry Oil Pool and the production of oil from the Drinkard Pool through parallel strings of tubing.

CASE 1733: Application of Kersey and Company for a pilot water flood project, for several unorthodox locations for wells in said project, for administrative procedure for conversion of additional wells to water injection, and for a project allowable. Applicant, in the above-styled cause, seeks an order authorizing a pilot water flood project in the 2000-foot sand zone of the Grayburg formation underlying its Twin Lakes Lease comprising the SW/4 of Section 28, Township 18 South, Range 28 East, Eddy County, New Mexico.

Docket No. 28-59

Applicant further seeks the approval of unorthodox locations for three wells which would be placed on water injection immediately and the approval of an administrative procedure whereby several other wells on said lease may be converted to water injection without notice and hearing. Applicant further requests a project allowable for the acreage involved.

CASE 1734:

Application of Kersey and Company for a water injection-oil production dual completion on an unorthodox location, and for an additional injection well. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Featherstone Well No. 2, located on an unorthodox location, 1060 feet from the North line and 250 feet from the East line of Section 29, Township 18 South, Range 28 East, Eddy County, New Mexico, in such a manner as to permit the injection of water into the Grayburg sand at approximately 2000 feet and the production of oil from the Premier zone of the Grayburg sand at approximately 2230 feet. Applicant further seeks authority to inject water into a new well to be drilled 330 feet from the North line and 990 feet from the East line of said Section 29. Applicant states that Graridge Corporation is presently injecting water offsetting this tract.



CONTINENTAL OIL COMPANY

825 Petroleum Building
Roswell, New Mexico

July 9, 1959

Case 1732
Sub for Hearing

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

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Re: Continental Oil Company's
Application for Dual
Completion of the Lockhart
B-11 No. 8-TB in the Terry-
Blinbry Oil and Drinkard
Oil Pools, Lea County,
New Mexico

We are attaching two copies of Continental Oil
Company's application for administrative approval for the dual-
completion of the Lockhart B-11 No. 8-TB in the Terry-Blinbry
Oil and Drinkard Oil Pools, Lea County, New Mexico.

We would appreciate your granting administrative
approval or setting this matter for hearing, if necessary, at
the earliest possible date.

Yours very truly,

W. A. Mead
Wm. A. Mead
Division Superintendent

WAM-BR

*Lockhart
Miles
7-23-59
JH*

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MAIN OFFICE CCC

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Terry Blinebry Oil & Drinkard Oil		County Lea	Date JUL 9 1959
Operator Continental Oil Company		Lease Lockhart 110 PM 1:16	Well No. 8-TB
Location of Well 0	Unit 11	Section 21S	Range 37E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☒ NO ☐ **Gas Oil**
2. If answer is yes, identify one such instance: Order No. **DC 283**; Operator, Lease, and Well No.: **Continental Oil Company - J. H. Nolan No. 1 (Blinebry-Gas & Drinkard-Oil)**

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Blinebry	Drinkard
b. Top and Bottom of Pay Section (Perforations)	5604-5728'	6560'-6650' (Proposed)
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing (Anticipated)

4. The following are attached. (Please mark YES or NO)

Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.

Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.

Yes c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*

Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Aztec Oil & Gas Co., Engr. Dept., Box 196, Midland, Texas

Shell Oil Co., Engr. Dept., Box 845, Roswell, New Mexico

Gulf Oil Corp., Engr. Dept, Drawer 669, Roswell, New Mexico

Humble Oil & Ref., Co., Engr. Dept., Box 2347, Hobbs, New Mexico

Western Oil Fields, Inc., Box 1147, Hobbs, New Mexico

Monterey Oil Co., 6th Floor, Wilco Bldg., Midland, Texas

J. W. Rogers, c/o Moran Oil Prod & Drlg Corp., Box 1718, Hobbs, New Mexico

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☒ NO ☐ . If answer is yes, give date of such notification **JUL 9 1959**

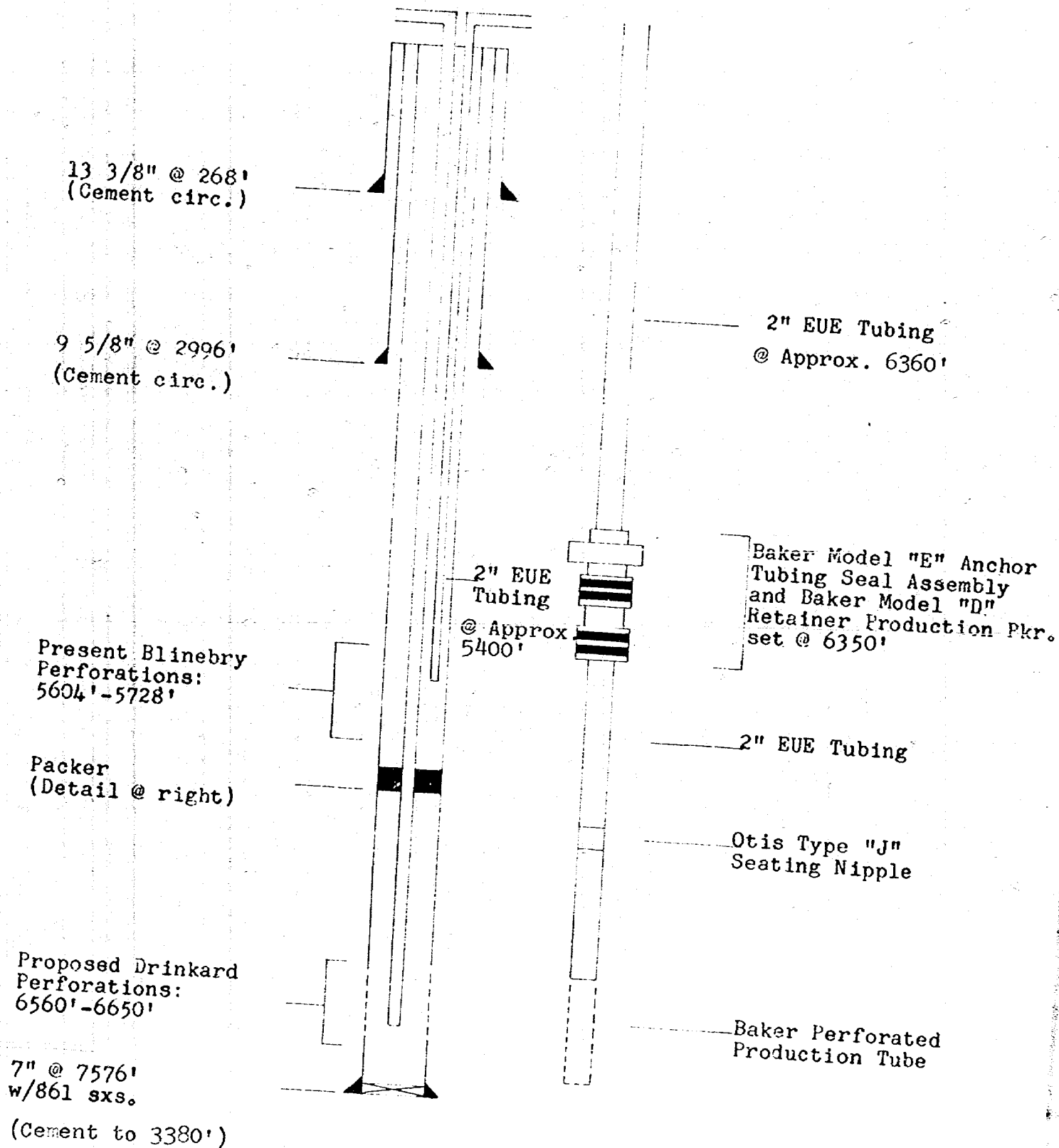
CERTIFICATE: I, the undersigned, state that I am the **Division Supt.** of the **Continental Oil Company** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

W. A. Mead
Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

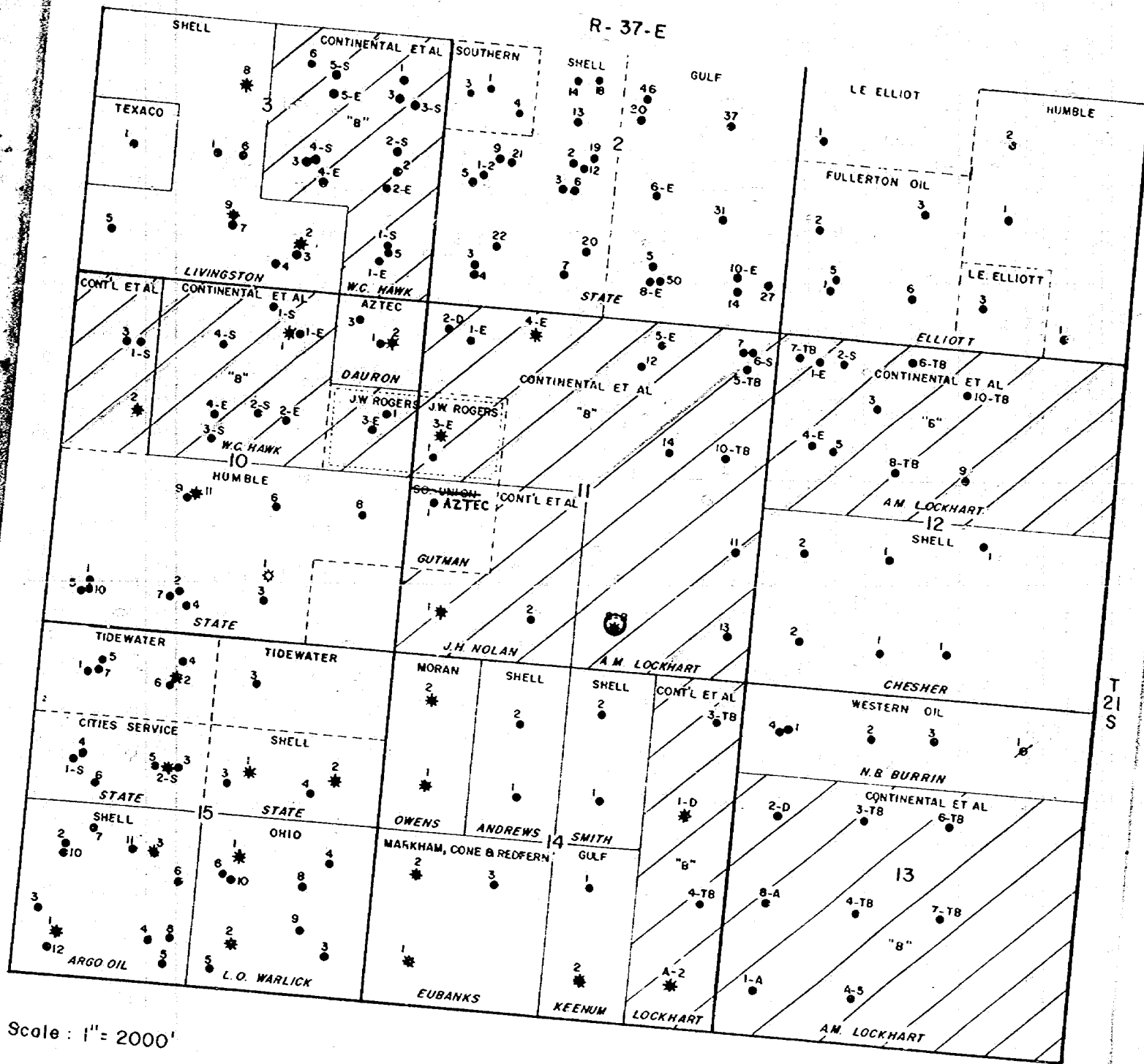
OTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

CONTINENTAL OIL COMPANY
 PROPOSED METHOD OF DUAL COMPLETION
 LOCKHART B-11 NO. 8-TB



CONTINENTAL OIL COMPANY

R-37-E



Scale : 1" = 2000'

Drwn. by COG