

CASE 1784: Application of TENNESSEE
GAS TRANS. CO. for an oil-gas dual
of its Glen Callow Well No. 8.

Case No.

1784

Application, Transcript,
Small Exhibits, Etc.

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

October 19, 1959

Mr. William Federici
Box 828
Santa Fe, New Mexico

Dear Mr. Federici:

On behalf of your client, Tennessee Gas Transmission Company, we enclose two copies of Order No. R-1497 in Case 1784 issued by the Oil Conservation Commission on October 19, 1959.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Enclosures: (2)

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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. 1784
Order No. R-1497

APPLICATION OF TENNESSEE GAS
TRANSMISSION COMPANY FOR AN
OIL-GAS DUAL COMPLETION IN AN
UNDESIGNATED GALLUP OIL POOL
AND IN AN UNDESIGNATED DAKOTA
POOL, SAN JUAN COUNTY, NEW
MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 7, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th day of October, 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, Tennessee Gas Transmission Company, is the operator of the Glen Callow Well No. 8, located 890 feet from the South line and 1850 feet from the East line of Section 27, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

(3) That the applicant proposes to dually complete said Glen Callow Well No. 8 in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota pool through parallel strings of 2-3/8 inch O.D. tubing.

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

-2-

Case No. 1762
Order No. R-1497

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

IT IS THEREFORE ORDERED:

That the applicant, Tennessee Gas Transmission Company, be and the same is hereby authorized to dually complete its Glen Callow Well No. 8, located 890 feet from the south line and 1800 feet from the East line of Section 27, Township 29 North, Range 13 West, N.M.P., San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota pool through parallel strings of 2-3/8 inch O.D. 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 Deliverability Test Period for the subject well.

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 T. Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

lcr/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 10-8-59

CASE NO. 1784

HEARING DATE 10-7-59

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

approve Tennassee's Deal as requested.

Upper zone is Gallup-oil

Lower zone is Dakota Gas.

applicant proposes to use Baker Model "D" packers.

Well is to be produced thru two $2\frac{3}{8}$ parallel strings of tubing.

Ernest B.

Staff Member

DOCKET: EXAMINER HEARING OCTOBER 7, 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.

- CASE 1782: Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Eunice King Well No. 10, located 660 feet from the North line and 1980 feet from the East line of Section 28, 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 Wantz-Abo Pool through parallel strings of tubing.
- CASE 1783: Application of Skelly Oil Company for an amendment of Order No. R-1237. Applicant, in the above-styled cause, seeks an order amending Order No. R-1237 to provide that new wells in the Otero-Gallup Oil Pool in Rio Arriba County be given 60 days after completion in which to make beneficial use of the produced casinghead gas.
- CASE 1784: Application of Tennessee Gas Transmission Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Glen Callow Well No. 8, located 890 feet from the South line and 1850 feet from the East line of Section 27, Township 29 North, Range 13 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota gas pool through parallel strings of tubing.
- CASE 1785: Application of Whitehall Oil Company, Inc., for an unorthodox oil well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location adjacent to the Allison-Pennsylvanian Pool, at a point 1980 feet from the North line and 660 feet from the West line of Section 14, Township 9 South, Range 36 East, Lea County, New Mexico.
- CASE 1786: Application of The Atlantic Refining Company for two non-standard oil proration units and for two unorthodox oil well locations. Applicant, in the above-styled cause, seeks the establishment of two 40-acre non-standard oil proration units in the Horseshoe-Gallup Oil Pool, one to consist of a portion of the W/2 W/2 of Section 33, the other to consist of a portion of the W/2 SW/4 of Section 28, both in Township 31 North, Range 16 West, San Juan County, New Mexico. The respective unit wells are to be located on unorthodox locations 1980 feet from the South line and 386 feet from the West line of said Section 33 and 660 feet from the South line and 386 feet from the West line of said Section 28.
- CASE 1778: Application of Olsen Oils, Inc., for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for four wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Docket No. 34-50

Case 1778: (Cont.)

Cooper B Well No. 2, NE/4 NE/4 of Section 14,
T-24-S, R-36-E.

Myers B Well No. 1, SE/4 NW/4 of Section 13,
T-24-S, R-36-E,

S. R. Cooper Well No. 1, SE/4 NE/4 of Section 23,
T-24-S, R-36-E,

Winningham Well No. 3, NE/4 SE/4 of Section 30,
T-25-S, R-37-E,

All in Lea County, New Mexico.

CASE 1779:

Application of Jal Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for seven wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Legal Well No. 2, NE/4 SE/4 of Section 21,
Dyer Well No. 3, SE/4 NE/4 of Section 31,
Jenkins Well No. 1, SW/4 SW/4 of Section 29,
Jenkins Well No. 2, NE/4 SW/4 of Section 29,
Owens Well No. 1, SW/4 SW/4 of Section 21,
Repollo Well No. 1, SW/4 NW/4 of Section 28,

all in Township 25 South, Range 37 East, and the

Watkins Well No. 2, SE/4 NE/4 of Section 25,
Township 24 South, Range 36 East, all in Lea
County, New Mexico.

TENNESSEE GAS TRANSMISSION COMPANY

██████████
██████████, TEXAS
P. O. Box 1714
Durango, Colorado

PLEASE ADDRESS YOUR
REPLY TO ATTENTION OFF

September 11, 1959

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Tennessee Gas Transmission Company is co-owner and operator of the USA Glen H. Callow #8, wildcat well, located 1850' FEL and 890' FSL of Section 27, Township 29 North, Range 13 West, San Juan County, New Mexico.

This well has been completed as a flowing oil well in the Gallup Formation and a gas-condensate well in the Dakota Formation. There are no previously approved oil-gas dual completions within one mile of this location.

Enclosed are the original and three copies of Application For Dual Completion, plat showing surrounding wells and offset operators and their addresses, diagrammatic sketch of the proposed completion, and the Induction-Electrical log of the two productive zones. Copies of the dual completion application have been sent to the following offset operators: (1) Southwest Production Company, % J. H. Hill, 1525 Republic National Bank Building, Dallas, Texas; (2) Pan American Petroleum Corporation, P. O. Box 487, Farmington, New Mexico; and (3) Aztec Oil and Gas Company, P. O. Box 786, Farmington, New Mexico.

We request that this application be set for hearing, or processed according to the rules of the Commission.

Very truly yours,

TENNESSEE GAS TRANSMISSION CO.

R. N. Walker
R. N. Walker
District Production Superintendent

Handwritten signature
RNW:ap
Encls.

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Undesignated		County San Juan	Date 8/25/59
Operator Tennessee Gas Transmission Co.		Lease Glen H. Callow	Well No. 8
Location of Well	Unit 0	Section 27	Township 20N Range 13W

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 ☒
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Gallup	Dakota
b. Top and Bottom of Pay Section (Perforations)	5187' to 5247'	5764' to 5887'
c. Type of production (Oil or Gas)	Oil	Gas
d. Method of Production (Flowing or Artificial Lift)	Flow	Flow

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 hereinafter provided.)

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

Pan American Petroleum Corp, P. O. Box 487 Farmington, New Mexico

Southwest Production Co., 1525 Republic National Bank Building, Dallas, Texas

Aztec Oil & Gas Co., P. O. Box 786, Farmington, 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 August 27, 1959.

CERTIFICATE: I, the undersigned, state that I am the District Production Supt. of the Tennessee Gas Transmission Co. (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.

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.
- NOTE:** 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.

Case 1784

R-13-W

Azteco Oil & Gas

Pan American Pet.

Tenn. Gas Trans. ~ 7/8
Big Chief Drig. ~ 1/8

NM-217
48P
2040 Ac

Pan Am

Pan American
P.O. Box 487
Formington, New Mexico

T
29
N

28

27

26

Azteco O. & G.

P.O. Box 786 - Formington,
New Mexico

33
Southwest Producing Co.
To J.H. Hill
1525 Republic Nat'l. Bank Bldg.
Dallas, Texas

34

35

GALLEGOS CANYON UNIT

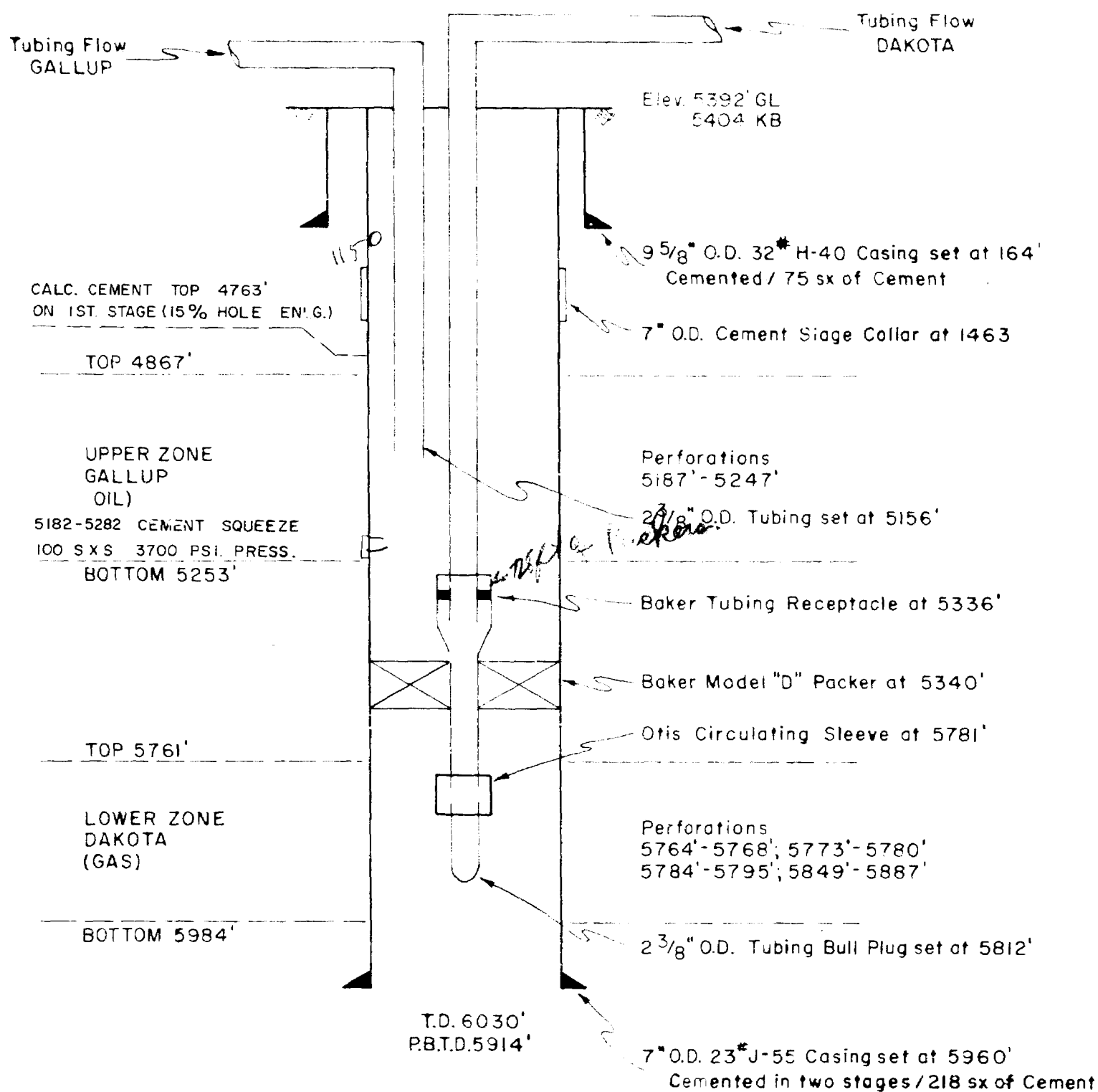
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TENNESSEE GAS AND OIL COMPANY
DIVISION OF TENNESSEE GAS TRANSMISSION COMPANY

ANIMAS JUNCTION AREA
SAN JUAN COUNTY, NEW MEXICO

SCALE IN FEET
2000 0 2000 4000

DIAGRAMMATIC SKETCH OF DUAL COMPLETION INSTALLATION



LEASE: Glen H. Callow , Well No. 8
 OPERATOR: Tennessee Gas Transmission Company
 LOCATION: 1850' FEL , 890' FSL , Sec. 27 , T-29-N , R-13-W
 COUNTY: San Juan Co., New Mexico

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1784

TRANSCRIPT OF HEARING

OCTOBER 7, 1959

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing (Elvis A. Utz)Santa Fe, NEW MEXICOREGISTERHEARING DATE October 7, 1959 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
Evell W.
...
VT.
Bruce Varnor
...
...
John	Farmington, N.M.
...
...
Thomas F. McKenna	McKenna Whitbail Sommer	Santa Fe, N.M.
...
...
...
...

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
OCTOBER 7, 1959

IN THE MATTER OF:

CASE 1784 Application of Tennessee Gas Transmission Com- :
pany for an oil-gas dual completion. Applicant: :
in the above-styled cause, seeks an order auth- :
orizing the dual completion of its Glen Callow :
Well No. 8, located 890 feet from the South :
line and 1850 feet from the East line of Sec- :
tion 27, Township 29 North, Range 13 West, San :
Juan County, New Mexico, in such a manner as to :
permit the production of oil from an undesig- :
nated Gallup oil pool and the production of gas :
from an undesignated Dakota gas 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: Case 1784.

MR. PAYNE: Case 1784. Application of Tennessee Gas
Transmission Company for an oil-gas dual completion.

MR. FEDERICI: If the Commission please, Bill Federici
of Seth, Montgomery, Federici & Andrews, appearing for Tennessee
Gas Transmission Company. I have one witness, Mr. John J. Lacey
L-a-c-e-y. I would like to have him sworn, please.

(Witness sworn)

MR. UTZ: Are there any other appearances to be made
in this case?

JOHN J. LACEY,

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

DIRECT EXAMINATION

BY MR. FEDERICI:

Q Would you state your name, please?

A John J. Lacey.

Q And what is your position with Tennessee Gas Transmission Company?

A I'm District Engineer in their office in Durango, Colorado.

Q Have you testified before this Commission?

A No.

Q Will you state some of your educational background?

A I graduated as an engineer from the University of Oklahoma in 1950, and have seven years' experience in West Texas, North Texas and San Juan Basin New Mexico.

Q How long have you been with Tennessee Gas Transmission Company?

A Approximately two years.

Q In what capacity?

A As an engineer -- petroleum engineer.

Q Are you familiar with the application filed here, No. 1784?

A Yes.

Q Would you state briefly what the purpose of it is?

A We are requesting approval of an oil-gas dual completion. We want to eliminate unnecessarily a second well.

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

Q I hand you what has been marked Applicant's Exhibit No. 1, and ask you to state what that is?

A This is a plat showing the location of the well and the name and address of offset operators to Tennessee Gas' lease.

Q Would you give the location of the well, please?

A The well is located 890 feet from the South line and 1850 feet from the East line of Section 27, Township 29 North, Range 13 West, San Juan County, New Mexico.

Q Was that Exhibit prepared by you or under your direction?

A Yes, under my direction.

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

Q I hand you what has been marked Applicant's Exhibit No. 2, and ask you to state what that is?

A Exhibit 2 is a diagrammatic sketch showing the mechanics of the dual completion installation. We've used -- there is a permanent type production packer separating the two zones, and production from both zones will be from tubing. Two parallel tubing strings have been set in the well.

Q Will you explain that a little more in detail, please, as to depth, zones and the type of packer?

A The Exhibit shows the lower zone is the Dakota formation a gas condensate zone, the top at 5761, and the bottom of 5984; permanent type production packer set at 5340, and the upper Gallup oil zone top at 4867, and the bottom of 5253. We've used two parallel tubing strings and have protected the upper producing zone through the cement collar set at 1463.

Q What is the size of the pipe?

A It is 7 inch casing, 23 pounds, set at 5960, and cemented in two stages with 200 sacks of cement.

Q Does that packer have a standard name?

A That's a Baker Model "D" production packer.

Q Was that Exhibit prepared by you or under your direction and supervision?

A Yes, it was.

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

Q I hand you what has been marked Applicant's Exhibit No. 3, and ask you to state what that is?

A Exhibit 3 is an electric log showing the two zones from which we propose to produce, and showing that there are separate reservoirs on the electric logs.

Q Are those electric logs under your supervision and control?

A No. You mean -- I didn't run them, no. Why, yes.

Q Kept in your office?

A Yes.

Q You are acquainted with them?

A Yes.

(Thereupon, Applicant's Exhibit No. 4 was marked for identification.)

Q I hand you what is shown as Applicant's Exhibit No. 4, and ask you to state what that is?

A Exhibit 4 is a letter written by Tennessee Gas & Oil Company to the offset operators telling them of our intention to submit an application for dual completion.

Q Have you filed copies of that Exhibit with the Commission?

A Yes.

Q Have productivity tests been made of this well?

A Yes, they have.

Q And how, the manner in which --

A The well was -- both zones have been tested for short periods of time.

Q The number of barrels flowed, have you --

A The Gallup formation was flowed four hours, and we recovered approximately eighty-four barrels of oil. The Dakota formation was flowed for three hours at a rate of three million cubic feet of gas per day on a 20/64 inch choke.

Q Was any drill stem test made?

A No.

Q You mentioned this letter to offset acreage. Will this proposed dual completion permit you to contract adjacent production on adjacent lands and protect correlative rights in the area?

A Yes.

Q Have the tests which you have made on the well indicated -- indicate that the well is capable of production of oil or gas in more than one zone?

A Yes, they have.

Q In your opinion, do you feel there is a possibility of communication or migration of the fluids between the Dakota and the Gallup formations?

A No, I do not.

Q Are all of the fresh water and other producing horizons protected?

A Yes.

Q In your opinion, is the proposed dual completion installation in accordance with good engineering practices and principals?

A Yes.

Q Is this a standard type dual completion used in the area in question?

A Yes, it is a standard type completion for the San Juan

Basin, dual completion.

Q Is this dual completion technique requested in the application recognized and accepted, in general, by the oil industry and other State regulatory agencies?

A Yes, it is.

Q Is this sweet or sour crude?

A This is sweet crude and sweet gas, both zones are sweet.

Q Does the method for dual completion which you have outlined possess any more possibilities for leakage or migration of the reservoir than any other accepted practice?

A No, it does not.

Q Under the proposed method of dual completion, is it possible to make bottom hole pressures on separate zones?

A Yes, it is.

Q Regarding the economics of the application, will you state what would be saved by this dual completion?

A By producing both zones, it will save us the cost of an additional well and approximately fifty to sixty thousand dollars.

Q If the Commission approves this application, would the proposed dual oil-gas completion conserve oil and gas, --

A Yes, it would.

Q -- in your opinion?

A Yes, it would.

Q Would it prevent waste?

A Yes, it would.

Q Would it protect correlative rights?

A Yes.

MR. FEDERICI: Mr. Examiner, we offer in evidence Applicant's Exhibits 1 through 4.

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

MR. FEDERICI: I believe that's all for this witness.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Lacey, do you have any fluid gravity of the Gallup and Dakota for this area?

A Yes. The Gallup is approximately forty degrees API, sixty degrees Fahrenheit, and the Dakota condensate is approximately 55.

Q Do you have any bottom hole pressures?

A Yes, sir, we've taken bottom hole pressures on both zones. The Dakota is approximately 2600 PSIA, and the Gallup is approximately 1600.

Q And bottom hole temperatures?

A No, sir, we don't. We have not taken a bottom hole temperature.

Q Do you have any idea --

A Approximately 160 degrees Fahrenheit.

Q Both zones --

A That would be the Dakota. The Gallup would be approximately 130.

Q In reference to your Exhibit 2, I note here that your 9 5/8 was cemented with 75 sacks. Was that circulated?

A Yes, it was.

Q Well, your Exhibit 2 doesn't show your squeeze job, does it, but one of your other sketches does? The 7 inch production string which you say was cemented in two stages with 218 sacks. Now, how far does this cement reach?

A The top of the cement on the upper stage is approximately 1150.

Q 1150?

A Yes. Protects the shallow producing zone in the area.

Q That cement reaches from 5914 to --

A No, sir. We have no way of knowing the top of the cement below the stage collar. We did not run a temperature survey, and we can only calculate a theoretical fill, but it should be at least two hundred feet above the Gallup, the top of the cement on the lower -- on the lower stage.

Q And you don't know for sure whether this is cemented behind the 7 inch or not in this area?

A Yes, sir, we are reasonably sure that it is. When casing is cemented with a stage collar, in order to run a temperature survey below the stage collar would require a shutdown period of six to eight hours, and the cement is a continuous job,

and once the stage collar has been operated and closed, you can't run a temperature tool below it.

Q It was cemented in continuous stages?

A Well, it is a continuous operation in two stages. One follows immediately after the other.

Q I wonder if you would go into a little more detail, for the record, in regard to the Baker tubing receptacle that you have set at 5256.

A The Baker tubing receptacle is a device that permits you to part the tubing deliberately and then put it back, and it has a seal assembly in it which makes it tight or leak proof, so to speak. The reason that device was used in the completion of this well, the Dakota formation has an extremely high pressure, and after perforating and stimulating the Dakota, we set the Baker Model "D", run the tubing into the Baker Model "D" and then release it, pull the tubing out, leaving the tubing in the packer down, and that way it permits us to work on the Gallup without having to control the high pressures in the Dakota formation.

Q How is the Dakota shut off in the packer when you pull the tubing?

A Well, the tubing is actually parted. You actually -- the tubing actually comes out of this device, and the seals in this device are seal nipples and a seal is made in the same manner that the tubing is sealed in the production packer so that it -- when the tubing is inserted into this receptacle it is an

airtight single continuous string with no communication.

Q When you pull the long string, you pull the tubing out of the tubing receptacle?

A That's right. Actually, it is a device that you pull the tubing out from.

Q Is there an automatic shutoff or flapper valve that shuts the Dakota from the --

A This is an Otis circulating sleeve. This would be closed, and then you would pull the tubing out, and the Dakota would be confined outside of the tubing.

Q What is the length of your seal in the tubing receptacle?

A Oh, approximately two feet, two and a half feet, approximately. The same length as the sealing device in the packer.

Q What type packing --

A Chevron.

Q Neoprene?

A I think it is a Chevron type packing inside of a smooth polished inside diameter. Like I say, the sealing device in a Baker tubing receptacle is almost identical, and for practical purposes, is the same as the sealing device in the Baker Model "D."

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

QUESTIONS BY MR. PAYNE:

Q Mr. Lacey, are these still undesignated pools?

A Yes, they are.

Q And you propose to use a Baker Model "D" permanent production packer?

A Yes, we do.

MR. PAYNE: Thank you.

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

(Witness excused)

MR. UTZ: Any statements to be made in this case? If there are none, the case will be taken under advisement.

We will take a fifteen-minute recess, and if the attorney does not show at that time, we will take Cases 1778 and 1779.

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 27th day of October, 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 and correct transcript of the Examination of the Stenographic Report heard by me on Oct. 7, 1959.
Elmer G. [Signature]
 Examiner
 New Mexico Oil Conservation Commission

R-13-W

Aztec Oil & Gas

Pan American Pet.

Tenn. Gas Trans. - 7/8
Big Chief Drlg. - 1/8

NM-217
HBP
2040 Ac

Pan Am.

Pan American
P.O. Box 487
Formington, New Mexico

T
29
N

28

27

26

Aztec O. & G.

P.O. Box 786 - Formington,
New Mexico

33
Southwest Producing Co.
% J.H. Hill
1525 Republic Natl. Bank Bldg.
Dallas, Texas

BEFORE EXAMINER UTZ
OIL COMMISSION
EXHIBIT NO. 1
CASE NO. 1784

GALLEGO CANYON UNIT

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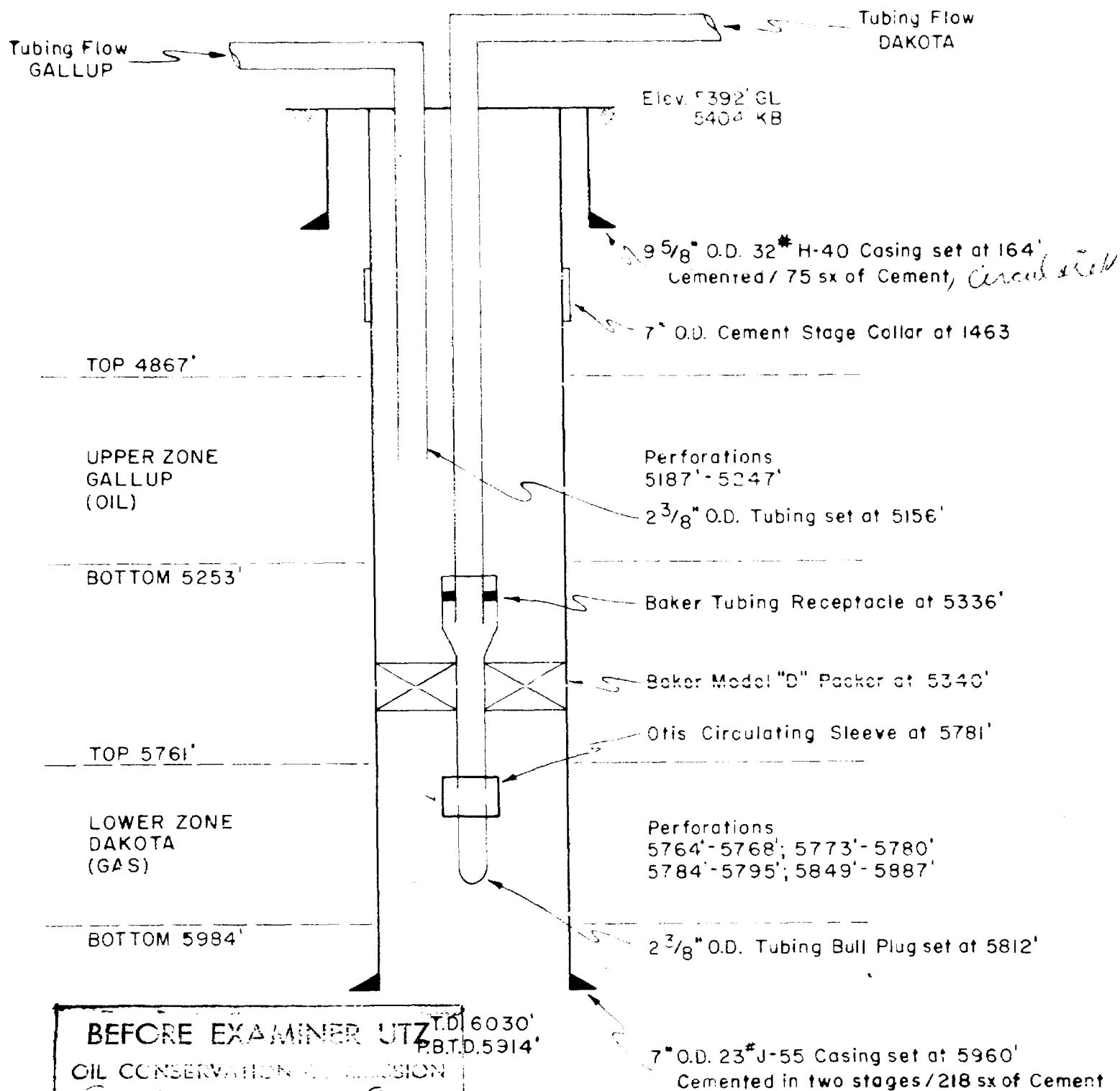
BEFORE EXAMINER UTZ
OIL COMMISSION
EXHIBIT NO. 1
CASE NO. 1784

TENNESSEE GAS AND OIL COMPANY
DIVISION OF TENNESSEE GAS TRANSMISSION COMPANY

ANIMAS JUNCTION AREA
SAN JUAN COUNTY, NEW MEXICO

SCALE IN FEET
2000 0 2000 4000

DIAGRAMMATIC SKETCH OF DUAL COMPLETION INSTALLATION



BEFORE EXAMINER UTZ		T.D. 6030'
OIL CONSERVATION DIVISION		P.B.T.D. 5914'
<i>Case</i>	EXHIBIT NO. <u>2</u>	
CASE NO. <u>1784</u>		

LEASE: Glen H. Callow, Well No. 8
 OPERATOR: Tennessee Gas Transmission Company
 LOCATION: 1850' FEL, 890' FSL, Sec. 27, T-29-N, R-13-W
 COUNTY: San Juan Co., New Mexico

TENNESSEE GAS AND OIL COMPANY

DIVISION OF TENNESSEE GAS TRANSMISSION COMPANY

P. O. BOX 1714 - DURANGO, COLORADO

August 27, 1959

Southwest Production Company
c/o J. H. Hill
1525 Republic National Bank Building
Dallas, Texas

Pan American Petroleum Corporation
P. O. Box 487
Farmington, New Mexico

Aztec Oil and Gas Company
P. O. Box 786
Farmington, New Mexico

From: Tennessee Gas and Oil Company
Division of Tennessee Gas Transmission Company
P. O. Box 1714
Durango, Colorado

Ref: Dual Completion Application for Tennessee Gas Transmission
Company's USA Glen H. Callow No. 8, 1850' FEL, 890' FSL, Section
27, T29N, R13W, Undesignated Gallup (oil) and Undesignated
Dakota (gas) Fields, San Juan County, New Mexico

Gentlemen:

In accordance with New Mexico Oil Conservation Commission Rule
112-A, we are attaching herewith an Application For Dual Completion
pertaining to the subject well.

Very truly yours,

TENNESSEE GAS AND OIL COMPANY

R. N. Walker
R. N. Walker
District Production Superintendent

Y
RECEIVED
OIL CONSERVATION COMMISSION
CASE NO. 1784

JJL/ah

Attachment