

CASE 1845: Application of WESTERN
[REDACTED] as all [REDACTED] of its
[REDACTED] [REDACTED] [REDACTED] 1.

Case No.

1845

Application, Transcript,
Small Exhibits, Etc.

JANUARY 6, 1960

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JANUARY 6, 1960

IN THE MATTER OF:

CASE 1845 Application of Western Natural Gas Company for :
an oil-gas dual completion and for an unortho- :
dox gas well location. Applicant, in the :
above-styled cause, seeks an order authorizing :
the dual completion of its Bonnie Schlosser :
Federal Well No. 1, located 790 feet from the :
North line and 1980 feet from the West line of :
Section 10, Township 27 North, Range 11 West, :
San Juan County, New Mexico, in such a manner :
as to permit the production of oil from an un- :
designated Gallup pool and the production of :
gas from an undesignated Dakota pool through :
parallel strings of tubing. Applicant further :
seeks an unorthodox Dakota gas well location :
for the said Bonnie Schlosser Federal Well No. :
1. :

BEFORE:

Daniel S. Nutter, 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. NUTTER: We will take next Case 1845.

MR. PAYNE: Case 1845. Application of Western
Natural Gas Company for an oil-gas dual completion and for an un-
orthodox gas well location.

MR. COOLEY: Mr. Examiner, William J. Cooley of Burns &
Cooley, Farmington, New Mexico, appearing on behalf of Western
Natural Gas Company. Our only witness in this case will be Mr.

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Roy C. Jeter, J-e-t-e-r.

(Witness sworn)

ROY C. JETER,

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

DIRECT EXAMINATION

BY MR. COOLEY:

Q Will you state your full name for the record, please?

A Roy C. Jeter, J-e-t-e-r.

Q Where do you reside, Mr. Jeter?

A I reside in Midland, Texas.

Q What is your occupation?

A I'm assistant division superintendent of the Western Natural Gas Company.

Q Do you hold any degrees of higher learning?

A I have a Bachelor of Science degree from the New Mexico School of Mines in 1944.

Q Would you briefly outline for the Examiner your experience and background since 1944?

A Upon graduating from the New Mexico School of Mines, I was employed by the Western Natural Gas Company, and I remained in this employment during all of this time. I went through regular field training of approximately a year and a half of routine petroleum engineering field training at which time I was made a district superintendent in the Four Corners area with responsi-

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bilities pertaining to exploration and drilling and production. Since that time I have been -- I was in that capacity for approximately three and a half years and was moved to Midland, Texas to do geological and engineering work, and for the last four years I have been assistant division superintendent.

Q Mr. Jeter, is the area of San Juan County, New Mexico within the scope of your employment?

A It is.

Q Are you aware as to whether Western Natural Gas Company owns a lease in that area known as the Bonnie C. Schlosser Federal lease?

A Yes, I am.

Q Is that particular lease under your supervision?

A It is.

Q Can you state, Mr. Jeter, whether a well has been drilled or is in the process of being drilled on that lease?

A The well has been drilled and is now in the process of completion in the Bonnie Schlosser.

Q Have you prepared a plat showing the Western Natural Gas properties surrounding the Bonnie Schlosser Federal lease?

A Yes, I have.

(Thereupon, Western Natural Gas Company's Exhibit No. 1 was marked for identification.)

Q I hand you what has been marked for identification purposes as Exhibit No. 1 and ask you to state what that is. the

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plat to which you refer?

A Yes, this is the plat to which I refer.

Q Would you please explain the legend on this plat?

A This plat was prepared to show the acreage of Western Natural Gas Company and offset operators in regard to the Bonnie Schlosser Federal No. 1 in Section 10, 27 North, Range 11 West, San Juan County, New Mexico. And the Western Natural Gas Company's acreage is colored in green, the Bonnie Schlosser Federal No. 1 circled in red, and the acreage which is dedicated to the undesignated Dakota zone is outlined in red.

Q Would you please give the footage location on the Bonnie Schlosser Federal No. 1 Well from a section line?

A This said well is located 1980 feet from the West line and 790 feet from the North line of Section 10, Township 27 North, Range 11 West, San Juan County, New Mexico.

Q To what formation or formations is this well projected?

A This well has been drilled to the Dakota formation.

Q Are there any other target zones or formations contemplated in the well?

A We are contemplating a dual completion from the Gallup and Dakota formations.

Q Can you state whether the location of the Bonnie Schlosser Federal No. 1 Well is an orthodox location for the Gallup formation?

A The location is orthodox for the Gallup.



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Q And what acreage is dedicated to the well, proposed to be dedicated to the well in the Gallup formation?

A The NE/4 of the NW/4 of Section 10.

Q What acreage is dedicated to the well, or propose to be dedicated to the well in the Dakota formation?

A The W/2 of Section 10.

Q With such dedication, is the location of the Bonnie Schlosser Federal No. 1 Well orthodox with regard to the Dakota formation?

A No, sir, it is an unorthodox location.

Q In what respect does it vary from the orthodox requirements of the rules and regulations?

A It is closer than 790 feet to the East line of the unit.

Q And what is that distance?

A The distance is 660 feet.

Q Can you state for the Examiner the cause of this well being so located?

A Yes, sir, I can. This location was made in good faith, and due to a misinterpretation of our interpretation of the existing rules, we were not aware of this unorthodox location until it was called to our attention by the Aztec office of the Commission, at which time we were approximately 1600 feet in depth in drilling the well.

Q What acreage is being crowded by the fact that the



Bonnie Schlosser Federal No. 1 Well is in an unorthodox location?

A Western Natural Gas Company, as shown by Exhibit No. 1, owns the E/2 of Section 10; also it is the acreage that would be crowded by the unorthodox location. We also, or Western Natural owns all of Section 3 to the north, but that is orthodox in that respect.

MR. NUTTER: Mr. Jeter, let me interrupt right here. I note that you say

A Yes, sir.

MR. NUTTER: What are the shallow rights?

A The shallow rights pertain to the Pictured Cliffs only.

MR. NUTTER: Go ahead.

A May I correct that, everything down to and including the Pictured Cliffs.

MR. NUTTER: And Western owns the Dakota?

A Yes, sir.

Q (By Mr. Cooley) Is there any acreage owned by an operator other than Western Natural Gas Company that is being crowded by this well?

A No, sir, there is not.

Q In your opinion, will the fact that this well is so located materially impair its ability to drain the acreage to which it is dedicated to this well?

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A No, sir.

Q Will its unorthodox location, in your opinion, result in the impairment of correlative rights of any other operator in the area?

A No, sir, I think not.

Q Does it in any way affect any other operator in the area?

A No, sir, not that I can see. As a matter of fact, inasmuch as it is so far removed from the El Paso production acreage and the other acreage in Sections 4 and 9, it doesn't appear to have any --

Q The unorthodox nature of the location, in fact, moved it further away from these other operators, did it not?

A That's right.

MR. COOLEY: Mr. Examiner, the notice indicates we've also made application for dual completion of the Bonnie Schlosser Federal No. 1 Well. At the time the application was filed, it was not possible to obtain application for dual completion forms in the Aztec office. We have prepared such form, if you would like to have it.

MR. NUTTER: I think we would like to have a copy in the file.

(Thereupon, Western Natural Gas Company's Exhibit No. 2 was marked for identification.)

Q Mr. Jeter, I hand you what has been marked as Exhibit



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No. 2 for purposes of identification, and ask that you explain this Exhibit.

A This is an application for dual completion on the Western Natural Gas Company's Bonnie Schlosser Federal No. 1.

Q Does all the data set forth on this Exhibit correctly reflect the condition of the well?

A It does.

Q Mr. Jeter, have you prepared a diagrammatic sketch of the mechanical installation which you propose to use for the dual completion of the Bonnie Schlosser Federal No. 1 Well?

A Yes, sir.

(Thereupon, Western Natural Gas Company's Exhibit No. 3 was marked for identification.)

Q I hand you what has been marked as Exhibit No. 3 for identification purposes and ask you if this is the diagrammatic sketch to which you refer?

A Yes, sir, it is.

Q Would you please proceed to explain the data set forth on Exhibit No. 3?

A Exhibit No. 3 is a diagrammatic sketch of the proposed oil and gas dual completion for the Bonnie Schlosser Federal No. 1. To start with a well history of this particular well, ten and three-quarter inch surface casing was set at a hundred and ninety-six feet and cemented with cement circulated to the surface. Seven inch casing was cemented at a total depth of sixty-eight



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hundred and twenty-eight feet, and the top of the cement on -- it was a two-stage job -- the top of the cement on the first stage being at fifty-four hundred feet, second stage being located at twenty-one hundred seventy-four feet, with the top of the cement on the second stage coming back to sixteen hundred and fifty feet. This schematic diagram shows our proposal with dual parallel strings of parallel tubing strings for this proposed dual completion. It will be noted that we have run a string of two and three-eighths OD 8 round EUE four point seventy pounds J-55 tubing with turned down N-80 couplings for the long string or Dakota zones. Perforations indicated here on the Dakota section occur from sixty-six hundred and thirty feet to sixty-six hundred and sixty-six feet. In this well we attempted -- we set a Baker Model "D" permanent type production packer at -- on wire line -- at sixty-six hundred and eight feet. And we set a DR plug in this Model "D" packer prior to coming back and working on the Gallup zone. After fracing this particular zone and working it over, we went back and attempted to pull the DR plug, and on the DR plug the latch-on assembly we had some difficulty, and we left six slip segments in the hole. We attempted to circulate these out and recover them by fishing for them, but we were unsuccessful, and we went back in and tried -- attempted to land our seal assembly in this Model "D" packer and were unable to do that. So we decided that -- to go ahead and make positive proof and for additional precautionary measure, that we go in and set another Model



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"N" Baker production packer permanent type. This packer was set on a tubing with two and three-eighths tubing at sixty-five hundred and eighty-seven feet. The tubing is landed in that Baker Model "N" permanent type packer with the anchor being run through the Model "D" packer so we are doubly sure that we have shutoff between the two zones. The other string of two and three-eighths inch OD tubing is landed at six thousand and twenty-five feet, opposite, between perforations in the Gallup at fifty-nine sixty-two to fifty-nine eighty-two, and from six thousand thirty-six to six thousand and fifty-four. We also have a Baker parallel anchor at six thousand and forty-five feet. At the present time the two strings are not latched together.

Q Mr. Jeter, have you conducted any pressure tests in the Gallup or Dakota zones on this well?

A We are in the process of taking packer leakage tests at this time. We have conducted, however, a bottom hole pressure survey on the Dakota zone.

Q What pressure do you find there?

A It amounts to three hundred eighty-four feet subsea or sixty-six forty-six. Bottom hole pressure on this well was twenty-four hundred and eight pounds.

Q Do you have a reservoir pressure for the Gallup formation?

A No, sir, not on this particular well. We've not run bottom hole pressure as yet. However, from other wells in the



immediate vicinity, we expect a pressure of approximately fourteen hundred and seventy-five pounds.

Q And what would then -- assuming that to be the pressure in this well, what would be the pressure differential on the packer?

A A thousand to eleven hundred pounds.

Q Do you have knowledge whether the type of packers here installed are adequately designed to provide for such differential?

A Yes, sir, they are.

Q Do you have any idea what the maximum differential pressure is?

A I am not completely positive, but I think it is in the vicinity of five to six thousand pounds difference.

Q You feel you have a safe degree of margin?

A Yes, sir.

Q Mr. Jeter, have you had conducted on this well any surveys, electric logs or otherwise?

A Yes, we ran electrical surveys to total depth.

(Thereupon, Western Natural Gas Company's Exhibit No. 4 was marked for identification.)

Q I hand you what has been marked as Exhibit No. 4 and ask you to state whether this is the log to which you refer?

A Yes, it is.

Q Will you please explain any pertinent data that may

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be shown there?

A This is an induction electrical log run on the Bonnie Schlosser Federal No. 1. On this particular log we have designated the various tops and various formations and also indicated the zones which are perforated.

Q Are you aware of any data, Mr. Jeter, which would indicate to you that this well could not be produced as a dual completion successfully?

A No, sir, I'm not aware of any.

Q You feel it can be produced as a dual completion without causing waste?

A I do.

MR. COOLEY: That's all, Mr. Examiner.

MR. NUTTER: Does anyone have any questions of the witness?

MR. PAYNE: Yes, sir.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Jeter, the dual completion portion of your application was eligible for administrative approval, wasn't it?

A Yes, sir, it was because this well is actually located within one mile of a well that has been singly completed, which is the El Paso Natural Gas Products Company's No. 1 "D" Frontier.

Q Yes, sir. Now, I notice on your application you

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list this as an undesignated Dakota gas pool, and on your electric log is listed in the Angels Peak Dakota?

A At the time it certainly wasn't undesignated. I understand there has been a new designation made on that? Is that right?

MR. NUTTER: I think that might be one that is pending, I'm not sure.

A The nomenclature is in error, in the electric log.

Q (By Mr. Payne) In any event, it is adjacent to the Angels Peak Pool?

A Yes, sir.

Q Could you tell me how much distillate the Dakota zone produces?

A No, sir, I can't right at this time because we are in this testing period.

Q You do anticipate it will make some distillate?

A Yes, sir, it will be a gas distillate.

MR. PAYNE: Thank you.

QUESTIONS BY MR. NUTTER:

Q Mr. Jeter, there is considerable distance there between the bottom of the perforations in this upper section of the Gallup and the top of the perforations in the lower section of the Gallup. Is the El Paso well completed in both of these sections?

A I don't believe it is completed in the lower section or what we call the Tolcito. I believe it is completed only in the Nelson zone. However, there are other wells in the area that



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are completed from the same two zones.

Q From the same two zones?

A Yes, sir.

Q Are there any pools in San Juan County Gallup pools that contain these two sands as being the vertical limits?

A Not that I'm aware of.

Q I was just wondering about the possibility that these ~~may~~ -- This is an undesignated Gallup at the present time, isn't it?

A Yes, sir.

Q I was wondering of the possibility of perhaps later when the pools are created that there may be two pools established for these two pays?

A Well, that possibility might exist. We do not have sufficient reservoir data, this is our first well in the area, to be able to say with any real certainty about it.

Q These upper sections in the Gallup were not productive in this well?

A They were not tested. I think they possibly are productive.

Q Do you have any data of the gravity in the Gallup, Mr. Jeter?

A The gravity in the Gallup is about forty-one degrees.

Q And what is the GCR?

A We have not run it yet.



Q Do you have any knowledge of the gravity of the distillate in the Dakota?

A I anticipate it will be a hundred fifty degrees.

Q Of course, you have no knowledge as to what your GOR will be there?

A No, sir. As I say, we are in the process of running the packer leakage test.

MR. NUTTER: Any further questions of Mr. Jeter? He may be excused.

(Witness excused)

MR. COOLEY: Mr. Examiner, we offer Exhibits 1 through 4 in evidence in this case.

MR. NUTTER: Western's Exhibits 1 through 4 will be entered in evidence.

(Whereupon, Western Natural Gas Company's Exhibits 1 through 4 were received in evidence.)

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

MR. COOLEY: Nothing.

MR. NUTTER: Does anyone have anything further in Case 1845? We will take the case under advisement and take Case 1846.

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ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
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 2nd day of January, 1960, 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. 1845, heard by me on 1-6, 1960.

[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CR: 3-6691



**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. 1843
Order No. R-1577**

**APPLICATION OF WESTERN NATURAL
GAS COMPANY FOR AN OIL-GAS DUAL
COMPLETION IN AN UNDESIGNATED
GALLUP POOL AND AN UNDESIGNATED
DAKOTA POOL, LEA COUNTY, NEW
MEXICO, AND FOR AN UNORTHODOX
DAKOTA GAS WELL LOCATION**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 6, 1960, at Santa Fe, New Mexico, before Daniel S. Mutter, 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 18th day of January, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Mutter, 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 is the owner and operator of the Bonnie C. Schlosser Federal Well No. 1, located 790 feet from the North line and 1980 feet from the West line of Section 10, Township 27 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant proposes to dually complete the said Bonnie C. Schlosser Federal Well No. 1 in such a manner as to permit the production of oil from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of 2-3/8 inch OD tubing.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

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Case No. 1845
Order No. R-1577

(5) That the applicant further seeks an unorthodox Dakota gas well location for said Bonnie C. Schlosser Federal Well No. 1.

(6) That approval of the subject application will not cause waste.

(7) That approval of the subject application will not impair correlative rights since the proposed unorthodox Dakota gas well location will crowd only offsetting acreage owned and operated by the applicant, and the royalty on the two tracts is also common.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to dually complete the Bonnie C. Schlosser Federal Well No. 1 at an unorthodox location 790 feet from the North line and 1980 feet from the West line of Section 10, Township 27 North, Range 11 West, NMPN, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of 2-3/8 inch OD 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 Dakota producing interval 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.

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Order No. R-1577

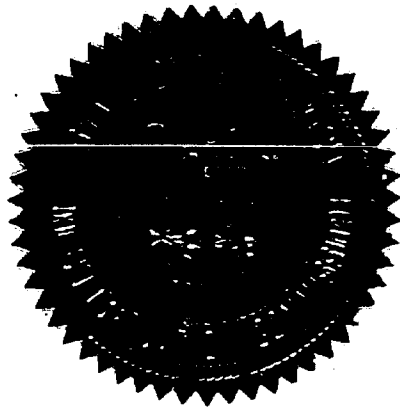
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



ven/

DOCKET: EXAMINER HEARING JANUARY 6, 1960

OIL CONSERVATION COMMISSION - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary-Director.

- CASE 1835: Application of Continental Oil Company for two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing two non-standard gas proration units in the Eumont Gas Pool, one consisting of the N/2 of Section 3, the other consisting of the S/2 of said Section 3, Township 20 South, Range 36 East, Lea County, New Mexico. Applicant proposes to dedicate the units respectively to its Reed A-3 Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 3 and to its Reed A-3 Well No. 3, located 1980 feet from the South line and 660 feet from the East line of said Section 3. Applicant further proposes the cancellation of an existing Eumont gas proration unit comprising the E/2 of said Section 3 and presently dedicated to the said Reed A-3 Well No. 3.
- CASE 1836: Application of Continental Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the Arrowhead Pool production from all wells on its State J-2 lease consisting of the N/2 and the SE/4 of Section 2, Township 22 South, Range 36 East, Lea County, New Mexico.
- CASE 1837: 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 Baish "A" Well No. 27, located in the NE/4 SE/4 of Section 21, Township 17 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Abo pool and the production of oil from an undesignated Wolfcamp pool through parallel strings of tubing.
- CASE 1838: Application of El Paso Natural Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Huerfano Unit Well No. 111 (GD), located in Unit F, Section 20, Township 26 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.
- CASE 1839: Application of Franklin, Aston & Fair, Inc., for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from three separate State leases, one in Section 6, Township 18 South, Range 28 East, and the other two in Section 31, Township 17 South, Range 28 East, Eddy County, New Mexico.
- CASE 1840: Application of Pan American Petroleum Corporation for a non-standard gas unit. Applicant, in the above-styled cause, seeks an order establishing a 264-acre non-standard gas unit in the Blanco-Pictured Cliffs Pool consisting of the N/2 of Section 6, Township 29 North, Range 9 West, San Juan County, New Mexico, to be dedicated to the Houck Gas Unit Well No. 1, located 1650 feet from the North and East lines of said Section 6.

CASE 1841:

Application of Sinclair Oil & Gas Company for the creation of a new pool in the Potash-Oil Area and for the promulgation of special rules and regulations pertaining thereto. Applicant, in the above-styled cause, seeks an order creating a new pool for Yates production in the Potash-Oil Area as defined by Order R-111-A, said pool to comprise the SE/4 NW/4 of Section 16, Township 20 South, Range 33 East, Lea County, New Mexico, and such other acreage as may reasonably be proven productive from the same common source of supply. Applicant further seeks the promulgation of special rules and regulations for said pool as follows:

A. Cable Tool Casing Program.

Same as Order R-1078 for Teas Pool.

B. Rotary Tool Casing Program.

Surface casing set at 600 feet and cement circulated No salt protection string. Production casing to be set through pay from 3146 feet to 3232 feet (approximately) with cement circulated to at least 50 feet into surface casing.

CASE 1842:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1843:

Application of Roy H. Smith Drilling Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Maljamar-Yates Pool and the Pearsall Pool from all wells on its Walker "A" lease, comprising the S/2 NE/4 of Section 5, Township 18 South, Range 32 East, Lea County, New Mexico.

CASE 1844:

Application of Texaco Inc. for permission to commingle the production from two separate pools and for permission to install an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Ellenburger and Justis-McKee Pools from all wells on its C. E. Penny lease consisting of the NW/4 of Section 19, Township 25 South, Range 38 East, Lea County, New Mexico, and for permission to install an automatic custody transfer system to handle said commingled production.

CASE 1845:

Application of Western Natural Gas Company for an oil-gas dual completion and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Bonnie Schlosser Federal Well No. 1, located 790 feet from the North line and 1980 feet from the West line of Section 10, Township 27 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing. Applicant further seeks an unorthodox Dakota gas well location for the said Bonnie Schlosser Federal Well No. 1.

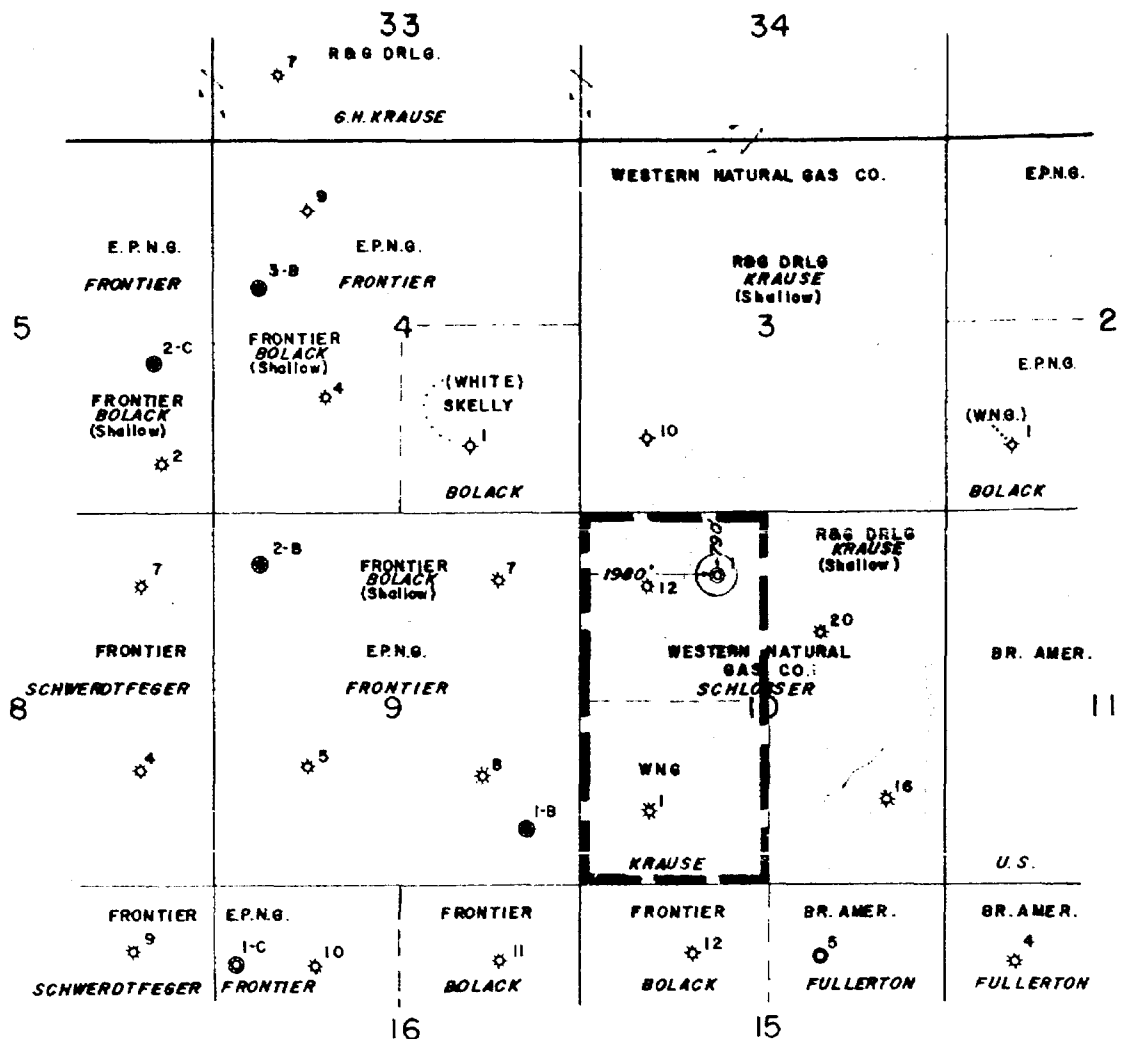
- CASE 1846: Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recomplate the Lowe Oberholtzer Well No. 2 as a salt water disposal well. Said well is located 1980 feet from the North and East lines of Section 8, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the Devonian formation in the interval from 12,223 feet to 12,500 feet.
- CASE 1847: Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its Hobbs SWD Well No. F-29 to be located 1880 feet from the North line and 1742 feet from the West line of Section 29, Township 18 South, Range 38 East, Hobbs, Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4700 feet to 5000 feet.
- CASE 1848: Application of El Paso Natural Gas Company for an exception to Paragraph 3 of Order R-1065. Applicant, in the above-styled cause, seeks an extension of time to make up the accrued underproduction of the Jones 4-A Well (a pressure build-up test well), located in Unit B, Section 13, Township 28 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.
- CASE 1849: Application of Western Natural Gas Company for an exception to the over-production shut-in provisions of Order R-520, as amended by Order No. R-967, for 3 wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order permitting the following-described gas wells in the Jalmat Gas Pool, Lea County, New Mexico, to compensate for their overproduced status without being completely shut-in in order to prevent possible waste.

Wells Federal No. 1 Well, SW/4 NE/4 of Section 6,
T-26-S, R-37-E.

Guthrie No. 1 Well, SW/4 SE/4 of Section 34,
T-23-S, R-36-E.

State McDonald A-15 Well No. 1, NW/4 SW/4 of Section 15,
T-22-S, R-36-E.

WESTERN NATURAL GAS COMPANY
 BONNIE C. SCHLOSSER FEDERAL #1
 SEC 10 T-27-N R-11-W NMPM.
 SAN JUAN COUNTY, NEW MEXICO S.F. 078673



* - PICTURED CLIFF (Shallow)

© - GALLUP AND BELOW

BEFORE EXAMINER NUTTER
 1. EXAMINATION NO. 1
 2. EXAMINATION NO. 1
 3. EXAMINATION NO. 1

SCALE: 2" = 1 MILE

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

COMMISSION EXAMINED AND APPROVED
OIL CONSERVATION COMMISSION
7-3-58
441
1845
2

APPLICATION FOR DUAL COMPLETION

Field Name Undesignated Dakota Gas & Undesignated Gallup Oil		County San Juan	Date 12-30-59
Operator Western Natural Gas Company		Lease Bennie C. Schlosser-Federal	Well No. 1
Location of Well	Unit C	Section 10	Township 27-N
			Range 11-W

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.:

El Paso Natural Gas Products Company #1-B Frontier, Section 9, Twp-27-N, Rge-11-W

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Gallup	Dakota
b. Top and Bottom of Pay Section (Perforations)	5962-5982 Nelson-Oil 6036-6054 Totite-Oil	6630-6666 Dakota
c. Type of production (Oil or Gas)	Oil	Gas - Distillate
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.
- No** 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.

El Paso Natural Gas Products Company	Box 1161, El Paso, Texas
British American Oil Company	Box 655, Farmington, New Mexico
Shelly Oil Company	211 1/2 W. Main, Farmington, New Mexico
El Paso Natural Gas Company	Box 997, 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 _____.

CERTIFICATE: I, the undersigned, state that I am the **Petroleum Engineer** of the **Western Natural Gas 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. B. Scott
Signature **W. B. Scott**

- * 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 or 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.

WESTERN NATURAL GAS COMPANY
BONNIE C. SCHLOSSER FEDERAL #1
 LOG. 790' FROM NORTH LINE & 1980' FROM WEST LINE
 SEC. 10 T-27-N R-11W N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO S.F.-078673
 DIAGRAMMATIC SKETCH OF PROPOSED OIL-GAS DUAL COMPLETION
 SHOWING SINGLE-PACKER, FULL OPENING PARALLEL STRING HOOK-UP,
 WITH SHORT STRING SUSPENDED.

(NOTE: All measurements are approximate
 and not to scale.)

SURFACE CASING 10 3/4" O.D. 32.75#
 H-40 SET AT 196'; CEMENT CIRCULATED
 TO SURFACE.

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 3
 CASE NO. 181-2

5962' **GALLUP**
 80 HOLES
 5982' **NELSON-OIL**

GALLUP TUBING COMPLETION STRING 2 3/8"
 O.D. 8 ROUND EUE 4 TO H J-55 TUBING WITH
 TURNED DOWN N-80 COUPLINGS (O.D. = 2.910")
 AT 6033' WITH STANDARD 1-25/32" A.P.I.
 SEATING NIPPLE FOR GALLUP OIL PRODUCTION
 AT 6025'.

Exp. 1475 #
 P.M.P.

41° GN

6038' **GALLUP**
 72 HOLES
 6054' **TOCITO-OIL**

BAKER PARALLEL ANCHOR AT 6045'

BAKER MODEL "N" PERMANENT TYPE PRODUCTION
 PACKER WITH TUBING LOCATOR SEAL ASSEMBLY
 SET WITH 2 3/8" O.D. TUBING AT 6587'

✓ DAKOTA TUBING COMPLETION STRING
 2 3/8" O.D. 8 ROUND EUE 4 TO H J-55 TUBING
 WITH STANDARD 8 ROUND COUPLINGS
 BEVELED.
 LANDED AT 6623' WITH THE LOCATOR
 SEAL ASSEMBLY WITH 2 SEAL UNITS &
 PRODUCTION TUBE IN MODEL "N" PACKER
 AT 6587' AND TAIL PIPE (2 3/8" O.D.)
 TO 6623' THRU MODEL "D" SET AT 6608'

BAKER MODEL "D" PERMANENT TYPE PRODUCTION
 PACKER WITH ANCHOR TYPE SEAL ASSEMBLY SET
 ON WIRE LINE AT 6608'

900 ft.
 60 0 600

-384' (6646)
 P.M.P. 2008

6630' **DAKOTA**
 76 HOLES
 6658' **GAS-DISTILLATE**

PLUG BACK DEPTH -6797'

PRODUCTION CASING 7" O.D. 23# N-80 &
 J-55 (New) CASING AT 6828'

This packer is
 probably no good
 slips are damaged

BEFORE THE OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION FOR HEARING *Case 1845*

Comes now WESTERN NATURAL GAS COMPANY, a corporation authorized to do business in the State of New Mexico, and makes application for a hearing at the earliest possible date before the Oil Conservation Commission of New Mexico or one of its duly appointed Examiners for the following purposes:

(a) To authorize a dual completion for its Bonnie C. Schlosser Federal Well No. 1, located in the West one-half of Section 10, Township 27 North, Range 11 West, N.M.P.M., for the production of oil from an undesignated pool in the Gallup formation and gas from an undesignated pool in the Dakota formation, with the mechanical installation shown on the diagramatic sketch attached hereto and marked as Exhibit "A";

(b) To authorize an unorthodox Dakota gas well location for the said Bonnie C. Schlosser Well No. 1 at a point 790 feet from the North line and 1980 feet from the West line of Section 10, Township 27 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, said well to have dedicated to it proration units consisting of the Northeast one-quarter of the Northwest one-quarter of said Section 10 for the Gallup formation and the West one-half of said Section 10 for the Dakota formation. A plat showing said unorthodox location is attached hereto and marked as Exhibit "B".

In connection herewith applicant states as follows:

(1) That the mechanical installation in the proposed dual completion is feasible and will not cause waste nor impair the correlative rights of any other operator.

(2) That the only acreage which would be crowded by the proposed unorthodox Dakota gas well location (the West one-half of said Section 10) is also owned by the applicant herein, hence applicant would not obtain an undue advantage over any other operator as a result of said unorthodox location.

(3) That the granting of the relief requested herein is not in conflict with good conservation practices and will avoid undue hardship to the applicant.

WHEREFORE applicant prays that the Commission enter its order granting the relief requested above.

WESTERN NATURAL GAS COMPANY

By William J. Cooley
William J. Cooley,
Attorney for Applicant