

CASE 2094: Application of ASPEN DRUG.
& Warren Shear for oil-oil dual of
its JICARILLA 24-4 Well No. 1-1.

Case No.

2094

Application, Transcript,
Small Exhibits, Etc.

**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. 2094
Order No. R-1796

**APPLICATION OF ASPEN DRILLING
COMPANY AND WARREN SHEAR FOR
AN OIL-OIL DUAL COMPLETION IN
AN UNDESIGNATED GALLUP OIL
POOL AND IN THE DAKOTA FORMATION,
RIO ARriba COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 5, 1960, 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 11th day of October, 1960, 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 operator proposes to dually complete the Jicarilla 24-4 Well No. 1-1, located in Unit M, Section 1, Township 24 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of oil from the Dakota formation through 2 3/8-inch tubing and 1 1/4-inch tubing, respectively.

(3) That the evidence establishes that the Dakota oil production can be efficiently produced through 1 1/4-inch tubing and thus the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

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

-2-
CASE No. 2094
Order No. R-1796

IT IS THEREFORE ORDERED:

That permission is hereby granted to dually complete the Jicarilla 24-4 Well No. 1-1, located in Unit M, Section 1, Township 24 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of oil from the Dakota formation through 2 3/8-inch tubing and 1 1/4-inch tubing, respectively.

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

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter, or as required by the Secretary-Director of the Commission.

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 the protection of correlative rights; upon failure of the applicant to comply with any requirement of this order, the Commission may terminate the authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest of conservation.

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

esr/

OIL CONSERVATION COMMISSION
11000 Pacific Blvd.
Aztec, New Mexico

1960 SEP 19 AM 8:34

DATE 9-15-60

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

RE: Proposed NSF _____

Proposed NSL _____

Proposed NFO _____

Proposed DC ✓

Gentlemen:

I have examined the application dated 9-12-60
for the Aspen Drilling Co. Silverilla 24-4 1-1 M-1-24 N-4 W
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

Approve

Yours very truly,

Emery C. Smith
OIL CONSERVATION COMMISSION

Santa Fe 2
Anten 2
Map 1
File 1

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Undesignated Gallup and Dakota		County Rio Arriba	Date September 12, 1960
Operator Aspen Drilling Co. & Murren Shear		Lease Jicarilla 24-4	Well No. 1-1
Location of Well N	Unit 1	Township 24N	Range 4W

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. **80-679**; Operator, Lease, and Well No.:

Northwest Production Corporation, "S" Lease, Well #1-11

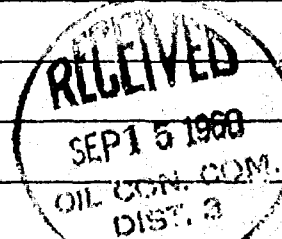
3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Gallup	Dakota
b. Top and Bottom of Pay Section (Perforations)	6412-6510	7512-7518
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Artificial Lift	Flow

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

- ☒ 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.
- ☒ 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.
- ☒ 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.*
- ☒ 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.

Northwest Production Corporation, 600 Sioux Bldg., Albuquerque, 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 **September 12, 1960**

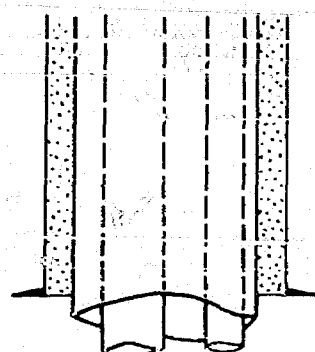
CERTIFICATE: I, the undersigned, state that I am the **President** of the **Aspen Drilling Company** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete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

W. R. Johnston

W. R. Johnston
Signature

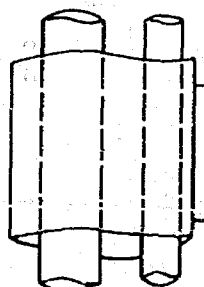
* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest 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 perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

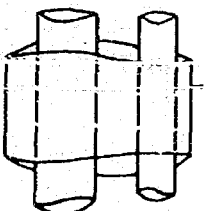


10 3/4" Casing at 246'

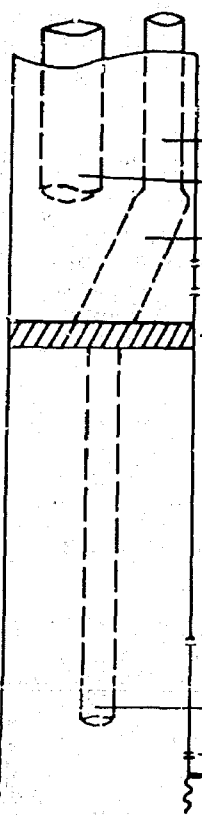
5 1/2" Casing



Top of Cement at 2889' (2nd Stage)



Top of Cement at 4734' (1st Stage)



1 1/4" Tubing at 6410'

2 3/8" Tubing at 6410'

2 3/8" Tubing

Perf. 6412'

Perf. 6510'

Baker Model "D" Retainer
Production Packer at 6635'

Perf. 7312'

1 1/4" Tubing at 7500'

Perf. 7512'

5 1/2" Casing
at 7610'

T.D. 7695'
P.B.T.D. 7603'

GALLUP

DAKOTA

ASPEN DRLG. CO. & WARREN SHEAR
FARMINGTON, NEW MEXICO

PROPOSED DUAL COMPLETION FOR
JICARILLA 24-4, WELL 1-1 LOCATED
IN SW/4 SW/4 SEC. 1, T 24 N - R 4 W

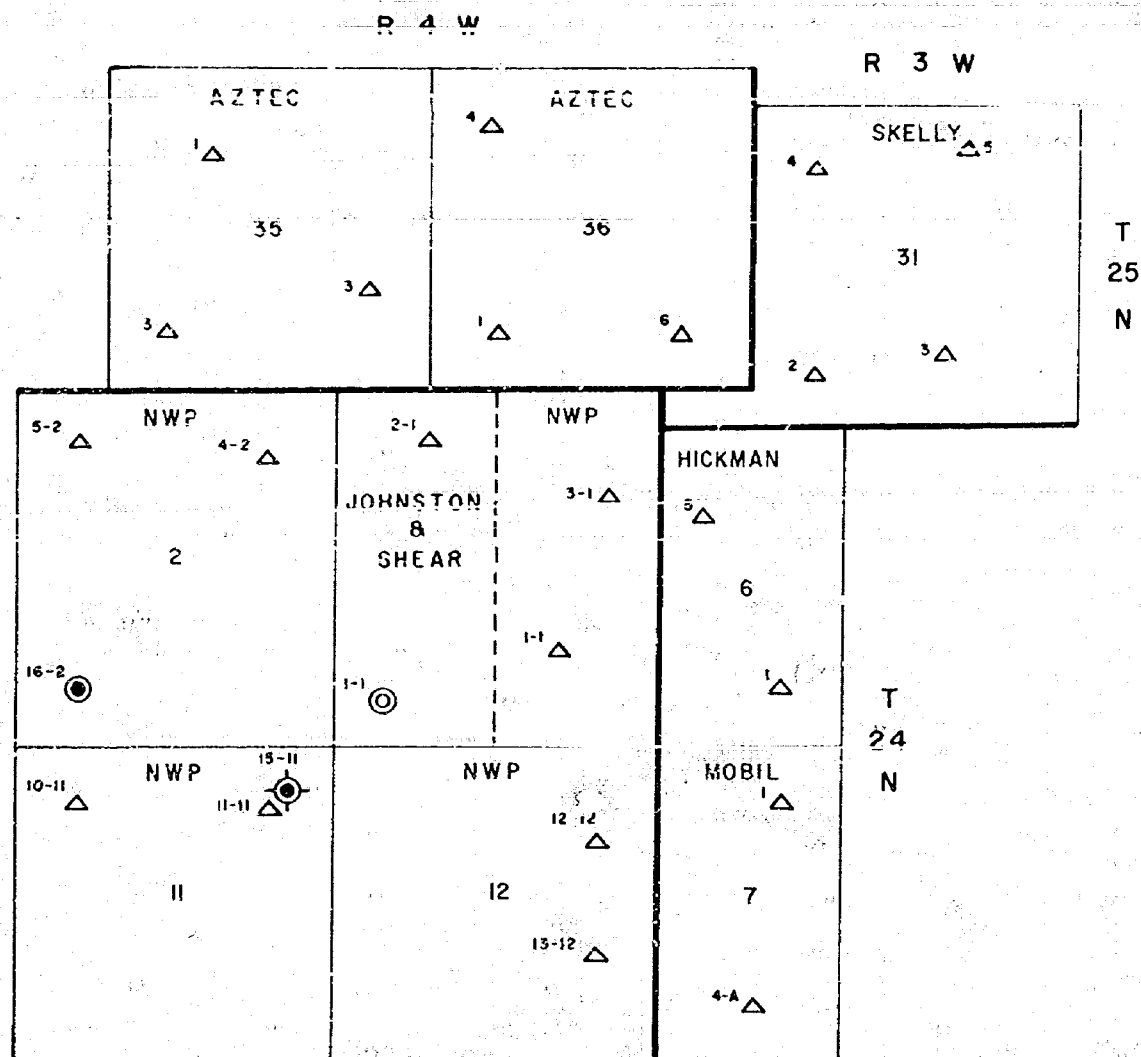
RIO ARriba COUNTY
NEW MEXICO

JICARILLA CONTRACT
126

Drawn: W.H. McGahey
Approved: Ray Phillips

Scale: 1" = 400'
Date: 9-14-80

EXHIBIT # 1



ASPEN DRILLING CO. AND WARREN SHEAR, EXHIBIT #2

- ^Δ PICTURED CLIFFS COMPLETIONS
- [⊙] GALLUP-DAKOTA DUAL COMPLETIONS
- [⊙] GALLUP-DAKOTA DUAL COMPLETION (DAKOTA SUBSEQUENTLY ABANDONED)
- [⊙] PROPOSED GALLUP-DAKOTA DUAL COMPLETION

ASPEN DRLG. CO. & WARREN SHEAR
FARMINGTON, NEW MEXICO

PROPOSED DUAL COMPLETION FOR
JICARILLA 24-4, WELL 1-1 LOCATED
IN SW/4 SW/4 SEC. 1, T 24 N-R 4 W

RIO ARriba COUNTY
NEW MEXICO

CONTRACT # 126

Drawn: W.H. McGahey
Approved: Ray Phillips

Scale 1" = 3000'
Date:

September 13, 1960

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, N. M.

Attention: Mr. A. L. Porter

Re: Application for Administrative
Approval for Dual Completion for
Aspen Drilling Co. and Warren
Shear Jicarilla 24-4, Well 1-1,
Section 1, T24N, R4W, Rio Arriba
County, New Mexico

Gentlemen:

Northwest Production Corporation is the record owner of oil and gas
leases including, among other lands, the East Half of Section 1, all of
Sections 2, 11 and 12, T24N, R4W, Rio Arriba County, New Mexico. This
acreage offsets Aspen Drilling Company and Warren Shear well #1-1, Jica-
rilla 24-4, which is located in the SW/4 Section 1, T24N, R4W.

Northwest Production Corporation has no objection to the dual comple-
tion applied for on the Jicarilla 24-4, well #1-1 by Aspen Drilling Company
and Warren Shear, and the right for hearing on this matter before the New
Mexico Oil Conservation Commission is hereby waived.

Very truly yours,

NORTHWEST PRODUCTION CORPORATION

Ray Phillips
Ray Phillips, Manager
Production Operations

In duplicate.

RP/jap

cc: NMCC, Aztec (2)
Aspen Drilling Co. & Warren Shear

Case
2094

September 6, 1960

Refer Reply To:
Oil & Gas Royalty Division

C
O
P
Y

Gulf Oil Corporation
P. O. Drawer 669
Redwell, New Mexico

Gentlemen:

Permission is hereby granted to you to commingle the sweet crude from the Branson and Hare Pools into one battery and to commingle into another battery the sour crude from the Terry-Hilberry and Paddock Pools covering Gulf's Harry / commingled "A", State Lease B-2732, Lots 1,2,7,8,9,10,15,16 and SE 1/4 of Section 2, T-21S R-37E, Lea County, State of New Mexico.
All of this acreage is committed to one beneficiary, that being Common Schools.

Sincerely yours,

MURRAY E. MORGAN,
Commissioner of Public Lands
BX:

Ted Hilberry, Supervisor
Oil & Gas Royalty Division

TB:ML

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

Santa Fe 2 ✓
Aztec 2
NWP 1
File 1

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name		County		Date
Undesignated Gallup and Dakota		Rio Arriba		September 12, 1960
Operator		Lease		Well No.
Aspen Drilling Co. & Warren Shear		Jicarilla 24-4		1-1
Location of Well	Unit	Section	Township	Range
	M	1	24N	4W

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. DC-879; Operator, Lease, and Well No.:

Northwest Production Corporation, "S" Lease, Well #15-11

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Gallup	Dakota
b. Top and Bottom of Pay Section (Perforations)	6412-6510	7312-7512
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Artificial Lift	Flow

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

- ☒ 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.
- ☒ 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.
- ☒ 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.*
- ☒ 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.

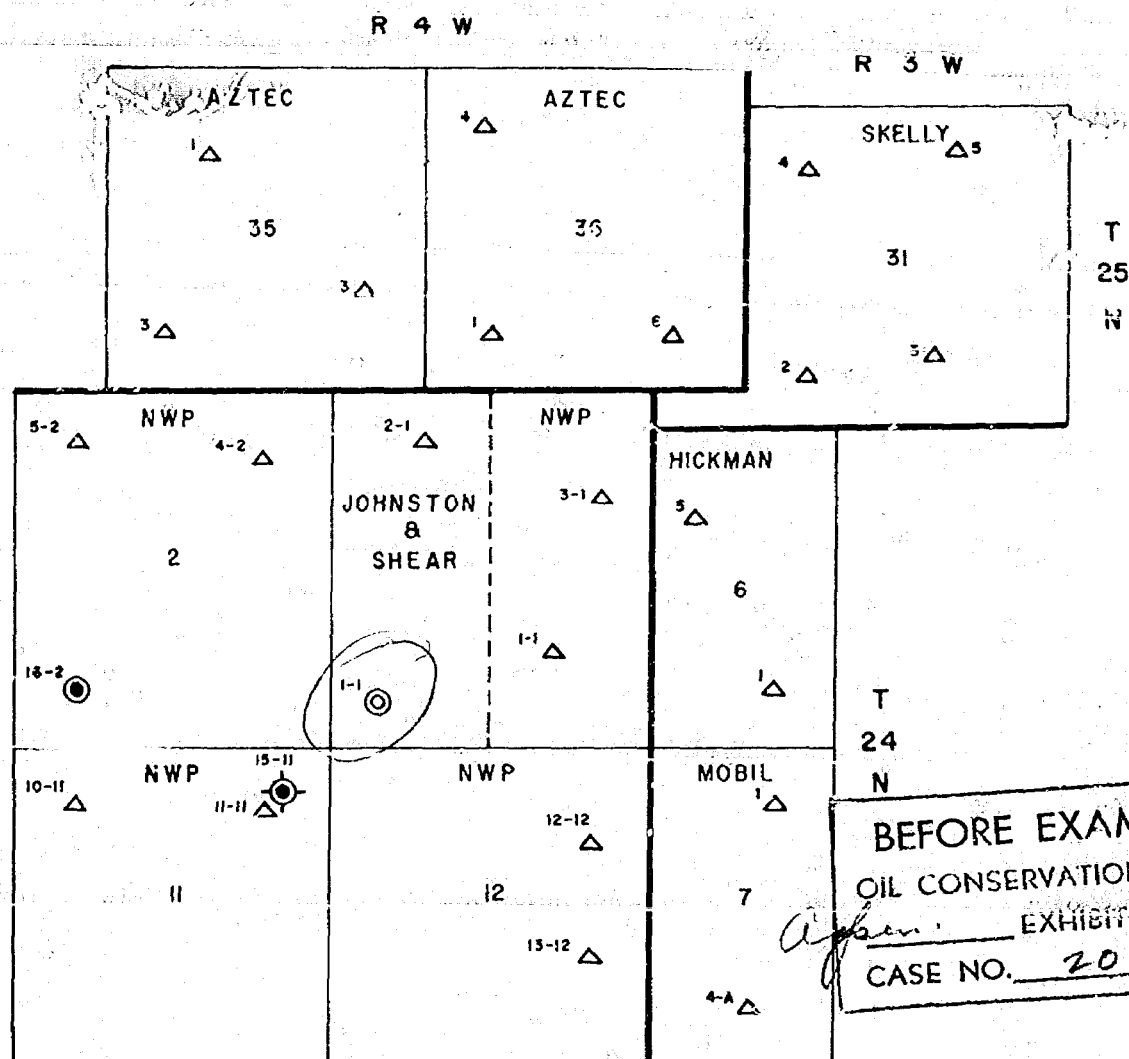
Northwest Production Corporation, 520 Simms Bldg., Albuquerque, New Mexico

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 September 13, 1960.

CERTIFICATE: I, the undersigned, state that I am the President of the Aspen Drilling 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. R. Johnston 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.



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 2094

ASPEN DRILLING CO. AND WARREN SHEAR, EXHIBIT #1

- △ PICTURED CLIFFS COMPLETIONS
- GALLUP-DAKOTA DUAL COMPLETIONS
- ⊗ GALLUP-DAKOTA DUAL COMPLETION (DAKOTA SUBSEQUENTLY ABANDONED)
- ⊙ PROPOSED GALLUP-DAKOTA DUAL COMPLETION

ASPEN DRILLING CO. & WARREN SHEAR
FARMINGTON, NEW MEXICO

PROPOSED DUAL COMPLETION FOR
JICARILLA 24-4, WELL 1-1, LOCATED
IN SW/4 SW/4 SEC. 1, T 24 N-R 4 W

RIO ARriba COUNTY
NEW MEXICO

CONTRACT # 126

Drawn: W.H. McBohey
Approved: Roy Phillips

Scale 1" = 3000'
Date:

State of New Mexico
Oil Conservation Commission

October 11, 1980

Aspen Drlg. & Warren Shear

A. L. PORTER, Jr.,
Secretary-Director

Hobbs OCC x
Artemia OCC
Anteo OCC

Other _____

NORTHWEST PRODUCTION CORPORATION

ALBUQUERQUE, NEW MEXICO

September 13, 1960

REPLY TO:
520 SIMMS BUILDING
ALBUQUERQUE, NEW MEXICO

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, N. M.

Attention: Mr. A. L. Porter

Re: Application for Administrative
Approval for Dual Completion for
Aspen Drilling Co. and Warren
Shear Jicarilla 24-4, Well 1-1,
Section 1, T24N, R4W, Rio Arriba
County, New Mexico

Gentlemen:

Northwest Production Corporation is the record owner of oil and gas leases including, among other lands, the East Half of Section 1, all of Sections 2, 11 and 12, T24N, R4W, Rio Arriba County, New Mexico. This acreage offsets Aspen Drilling Company and Warren Shear well #1-1, Jicarilla 24-4, which is located in the SW/4 Section 1, T24N, R4W.

Northwest Production Corporation has no objection to the dual completion applied for on the Jicarilla 24-4, well #1-1 by Aspen Drilling Company and Warren Shear, and the right for hearing on this matter before the New Mexico Oil Conservation Commission is hereby waived.

Very truly yours,

NORTHWEST PRODUCTION CORPORATION

Ray Phillips
Ray Phillips, Manager
Production Operations

In duplicate.

RP/jap

cc: NMOC - Aztec (2)
Aspen Drilling Co. & Warren Shear

-2-

CASE 2093:

Application of Humble Oil & Refining Company for an amendment of Order No. R-1630-B to permit commingling from additional separate leases and for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1630-B to permit the commingling of the Empire-Abo Pool production from all wells on certain additional leases in the Chalk Bluff Draw Unit Area, Township 16 South, Range 27 East, Eddy County, New Mexico. Applicant further seeks permission to install an automatic custody transfer system to handle the aforesaid commingled production.

CASE 2094:

Application of Aspen Drilling Company and Warren Shear for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Jicarilla 24-4 Well No. 1-1, located in Unit M, Section 1, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of oil from the Dakota formation through parallel strings of 2 3/8-inch and 1 1/2-inch tubing respectively.

ig/

29-60

DOCKET: EXAMINER HEARING, WEDNESDAY, OCTOBER 5, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as Alternate Examiner:

CONTINUED CASE

CASE 2067: Application of Dorfman Production Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Elizabeth Federal Well No. 1, located in Unit H, Section 18, Township 24 North, Range 7 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Escrito-Gallup Oil Pool and the production of gas from the Dakota Producing Interval.

NEW CASES

CASE 2091: Application of Gulf Oil Corporation for an oil-oil dual completion, for permission to commingle 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 the dual completion of its Federal-Mills Well No. 1, located 660 feet from the North line and 1980 feet from the West line of Section 11, Township 9 South, Range 36 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 the Allison-Pennsylvanian Pool through parallel strings of 2 7/8-inch and 2 3/8-inch tubing respectively. The applicant further proposes to commingle the Abo production and the Allison-Pennsylvanian production from said well to handle the commingled production by means of an automatic custody transfer system.

CASE 2092: Application of Rock Island Oil & Refining Company, Inc. for an amendment of Order No. R-1352 to permit the drilling of an additional injection well. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1352 to permit the expansion of the waterflood project as authorized therein for the Rhodes Pool by the drilling of an additional injection well to be located 30 feet from the South line and 2537 feet from the West line of Section 35, Township 26 South, Range 37 East, Lea County, New Mexico.

Case # 2094

Heard 10-5-60
Recom. 10-5-60

- ✓ 1. Grant ~~request~~ request for one oil-oil
dual in undesignated Gallup and
Dakota.
- ✓ 2. One string $1\frac{1}{4}$ " to Dakota and one string
to $\frac{3}{8}$ " to the Gallup.
- ✓ 3. Usual dual order.

Elmer A. [Signature]

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

In the Matter of:

CASE 2094 Application of Aspen Drilling Company and Warren Shear for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Jicarilla 24-4 Well No. 1-1, located in Unit M, Section 1, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of oil from the Dakota formation through parallel strings of 2 3/8 inch and 1 1/2-inch tubing respectively.

Mabry Hall
State Capitol Building
October 5, 1960

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 2094.

MR. PAYNE: Case 2094, "Application of Aspen Drilling Company and Warren Shear for an oil-oil dual completion."

(Thereupon, the documents were marked as Applicant's Exhibits One, Two and Three for identification.)

MR. COLBERG: Malcolm Colberg, I am an attorney at the First National Bank Building, Albuquerque, representing Aspen Drilling Company and Warren Shear; we have one witness to testify in this case.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



(Witness sworn in.)

MR. UTZ: What was your name again?

MR. COLBERG: Malcolm Colberg, C-O-L-B-E-R-G.

RAY PHILLIPS, JR.

a witness, called by and on behalf of the Applicant, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. COLBERG:

Q Mr. Phillips, will you state your name, please?

A Ray Phillips, Junior.

Q By whom and in what capacity are you employed?

A Employed by Northwest Production Corporation, Albuquerque, New Mexico, as manager of production operations.

Q Have you previously testified before the New Mexico Commission as a witness?

A No, I have not.

Q Will you briefly state your qualifications as a witness?

A I graduated from North Texas Tech College in 1947 and was employed by Humble Pipeline Company in McKinney, Texas and later Midland, Texas. In 1952, I started working in the Petroleum Engineering Department of Humble Oil and Refining Company, Midland, Texas, where I remained until 1955, when I entered the employment of Pacific Northwest Pipeline in Albuquerque, New Mexico, as a district engineer. From 1956 to 1958, I was employed by Northwest Production Corporation as assistant manager of production operations,

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

and in 1958, I assumed my present position of manager of production operations.

MR. COLBERG: Are the witness' qualifications acceptable to the Examiner?

MR. UTZ: Yes sir, they are.

Q (By Mr. Colberg) Mr. Phillips, what is your connection with Aspen Drilling and Warren Shear, who are named in this case?

A Northwest Production Corporation farmed out to Aspen Drilling and Warren Shear the west half of Section 1, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, for the drilling of a Dakota test. This well, the Jicarilla 24-4 Well Number 1-1, was completed in the Dakota producing interval in 1959; recently, Northwest Production made an agreement with Aspen and Shear whereby Northwest Production would physically operate the well and attempt to dually complete the Gallup formation with the Dakota producing interval. The completion is therefore under my supervision.

Q You have prepared several exhibits; would you present and explain the exhibits in connection with this application?

A Exhibit Number One is an ownership plat showing the location of the proposed oil-oil dual completion. That is the Jicarilla 24-4 Well Number 1-1 located in the southwest quarter of the southwest quarter, Section 1, Township 24 North, Range 4 West.

Q Was the notice of the application given offset operators as required by Commission rules and regulations?

A Yes sir, as noted on the plat, Northwest Production



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Corporation is the sole offset operator, and Northwest, by letter to the Commission, waived any right it might have to a hearing.

Q Please explain your second exhibit?

A Exhibit Number Two is an electrical induction log of the Jicarilla Well 1-1. I have marked on the exhibit the top of the Gallup interval at 6394 feet, proposed Gallup perforations from 6412 to 6420, from 6462 to 6476, from 6492 to 6496 and from 6504 to 6510; base of the Gallup is picked at 7232, top of the Dakota producing interval at 7292, and present Dakota perforations from 7312 to 7340, from 7352 to 7360 and from 7385 to 7392 and from 7504 to 7512; 5 1/2-inch casing is set at 7610.

Q Do you have other exhibits?

A Yes, Exhibit Three is a schematic sketch of the proposed mechanical installation for the dual. We have a Baker Model D retainer production packer set at approximately 6635 feet for separation between the Dakota and Gallup. We will run inch and a quarter tubing to the base of the Gallup for approximately 6410 feet for the Dakota string; at that depth, we will swedge to 2 3/8 tubing into our packer and then will come out with inch and a quarter 'til right below the packer. For our Gallup production, we will run 2 3/8 tubing to approximately 6410 feet; it is planned to produce the Dakota by flowing, which this well has done since initial completion, and it's possible that we will have to put 2 3/8 in the Gallup stream.

Q Mr. Phillips, do you plan to take periodic tests to show



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6631

ALBUQUERQUE, NEW MEXICO

the separation and resilience?

A Yes, we will take the required tests, which will be initial upon completion, and conventional dual oil well packer tests, and then annually as required by the Commission.

Q Were Exhibits One through Three prepared by you or under your supervision?

A Yes, they were.

MR. COLBERG: At this time, I would like to offer and tender Exhibits One, Two and Three as evidence in this case.

MR. UTZ: Without objection, Exhibits One, Two and Three will be entered into the record.

Q (By Mr. Colberg) In your opinion, Mr. Phillips, will approval and granting of this application prevent waste and protect correlative rights?

A Yes sir, it will.

MR. COLBERG: This concludes the Applicant's testimony at this time.

MR. UTZ: Mr. Phillips, did I understand you to say that you expected to complete this in the Dakota?

A It's presently completed in the Dakota as a oil well.

MR. UTZ: It is completed as an oil well?

A Yes, a flowing oil well.

MR. UTZ: And did you say that you believed it would flow to depletion?

A Yes sir, this well has always had a rather high gas-oil



ratio, and at the time of completion, which was in March of 1959, the ratio was on the order of seven thousand to one; presently, the ratio is approximately ten thousand to one.

MR. UTZ: If it should develop that you would have to pump this, could you pump it through the inch and a quarter?

A I know of no way at this time that you could economically pump the inch and a quarter; I think that should the well quit flowing, at that time we would have to make some other arrangements on our tubing strings.

MR. UTZ: Is there room for two strings of 2 3/8 here?

A No, there is not.

MR. UTZ: What is the purpose of the 2 3/8 from 6410 to 6635?

A There are two reasons for that. First of all, we plan to set this long string in compression; in fact, both strings will be in compression rather than in tension. The 2 3/8 will give us a little more strength there for setting down than would the inch and a quarter; secondly we will get a better seal, we would get the 2 3/8 for seal inside of this packer, anyway, so since we would have that situation, we figured we would be a little bit better off to bring the 2 3/8 as long as we have the room for it.

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

MR. PAYNE: Mr. Phillips, do you feel that the Dakota oil can be efficiently produced through the one and a quarter inch tubing?

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A Yes, sir.

MR. PAYNE: You feel that it's large enough, sufficient to produce?

A Yes; as a matter of fact, I calculate that the--for the production there and the size well that we have, it's practically negligible.

MR. PAYNE: Thank you.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

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

The hearing is adjourned.

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I N D E X

WITNESS

PAGE

RAY PHILLIPS, JR.

Direct Examination by Mr. Colberg

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss


I, JERRY MARTINEZ, Notary Public in and for the County of Santa Fe, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record of the proceedings to the best of my knowledge, skill and ability.

Dated at Albuquerque, New Mexico, this 6th day of October, 1960.


Notary Public

My Commission Expires:
January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. B.O. 94 heard by me on October 5, 1960.


Examiner
New Mexico Oil Conservation Commission



DRAFT

RSM/esr
October 6

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. 2094
Order No. R-1796

APPLICATION OF ASPEN DRILLING
COMPANY AND WARREN SHEAR FOR
AN OIL-OIL DUAL COMPLETION IN
AN UNDESIGNATED GALLUP OIL
POOL AND THE DAKOTA FORMATION,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 5, 1960, 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 _____ day of October, 1960, 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 ~~it is proposed~~ ^{the operator proposes} to dually complete the Jicarilla
24-4 Well No. 1-1, located in Unit M, Section 1, Township 24 North,
Range 4 West, NMPM, Rio Arriba County, New Mexico, in such a
manner as to permit the production of oil from an undesignated
Gallup oil pool and the production of oil from the Dakota forma-
tion through 2 3/8-inch tubing and 1 1/4-inch tubing, respectively.
- (3) That the mechanics of the proposed dual completion are
feasible and in accord with good conservation practices.
- (4) That approval of the subject application will neither
cause waste nor impair correlative rights.

evidence establishes that the
the Dakota oil production can be efficiently
produced through 1 1/4-inch tubing and thus

IT IS THEREFORE ORDERED:

That permission is hereby granted to dually complete the Jicarilla 24-4 Well No. 1-1, located in Unit M, Section 1, Township 24 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of oil from the Dakota formation through 2 3/8-inch tubing and 1 1/4-inch tubing, respectively.

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

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter, or as required by the Secretary-Director of the Commission.

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 the protection of correlative rights; upon failure of the applicant to comply with any requirement of this order, the Commission may terminate the authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest of conservation.

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