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2339

plication, Transcript,
and Exhibits, Etc.

No. 325563

RECEIPT FOR CERTIFIED MAIL—20¢

| | | |
|--|--|--|
| SENT TO El Paso Natural Gas Co | | POSTMARK OR DATE JUN 17 1961 |
| STREET AND NO. P.O. Box 1565 | | |
| CITY AND STATE Farmington NM | | |
| If you want a return receipt, check which <input checked="" type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> If you want restricted delivery, check here <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| POD Form 3800 Apr 1960 | | SEE OTHER SIDE |

No. 325564

RECEIPT FOR CERTIFIED MAIL—20¢

| | | |
|--|--|--|
| SENT TO El Paso Natural Gas Co | | POSTMARK OR DATE JUN 21 1961 |
| STREET AND NO. P.O. Box 997 | | |
| CITY AND STATE Farmington NM | | |
| If you want a return receipt, check which <input checked="" type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> If you want restricted delivery, check here <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| POD Form 3800 Apr 1960 | | SEE OTHER SIDE |

No. 325561

| | | |
|--|--|--|
| SENT TO E.B. Germany et al | | POSTMARK OR DATE JUN 17 1961 |
| STREET AND NO. P.O. Box 8007 | | |
| CITY AND STATE Dallas 5 Texas | | |
| If you want a return receipt, check which <input checked="" type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> If you want restricted delivery, check here <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| POD Form 3800 Apr 1960 | | SEE OTHER SIDE |

No. 325560

RECEIPT FOR CERTIFIED MAIL—20¢

| | | |
|--|--|--|
| SENT TO Mr. T.H. McElwain | | POSTMARK OR DATE JUN 21 1961 |
| STREET AND NO. P.O. Box 2148 | | |
| CITY AND STATE Santa Fe, New Mexico | | |
| If you want a return receipt, check which <input checked="" type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> If you want restricted delivery, check here <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| POD Form 3800 Apr 1960 | | SEE OTHER SIDE |

No. 325878

RECEIPT FOR CERTIFIED MAIL—20¢

| | | |
|--|--|--|
| SENT TO Shelly Oil Co | | POSTMARK OR DATE JUN 21 1961 |
| STREET AND NO. P.O. Box 426 | | |
| CITY AND STATE Farmington NM | | |
| If you want a return receipt, check which <input checked="" type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> If you want restricted delivery, check here <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| POD Form 3800 Apr 1960 | | SEE OTHER SIDE |

No. 325562

RECEIPT FOR CERTIFIED MAIL—20¢

| | | |
|--|--|--|
| SENT TO Mr. Paul F. Rutledge | | POSTMARK OR DATE JUN 21 1961 |
| STREET AND NO. P.O. Box 2239 | | |
| CITY AND STATE Santa Fe, New Mexico | | |
| If you want a return receipt, check which <input checked="" type="checkbox"/> 10¢ shows to whom and when delivered <input type="checkbox"/> 35¢ shows to whom, when, and address where delivered <input type="checkbox"/> If you want restricted delivery, check here <input type="checkbox"/> 50¢ fee | | |
| FEES ADDITIONAL TO 20¢ FEE | | |
| POD Form 3800 Apr 1960 | | SEE OTHER SIDE |

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

July 26, 1961

Mr. George Verity
Attorney at Law
152 Petroleum Center Building
Farmington, New Mexico

Re: CASE NO. 2339
ORDER NO. R-2038
APPLICANT:
J. Gregory Marrion & Associates

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

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

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC X

OTHER

Memo

File 2339
From

E. C. Arnold,
Supervisor & Oil & Gas Inspector

To Jim Kapteina,
You will have to talk to
Dick about this one - It
may have to be set for hearing
as it is the first deal
between these two formations
in this area. Mechanically it
appears to be OK.

Erving

Place in case file

**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. 2339
Order No. R-2038**

**APPLICATION OF J. GREGORY MERRION
& ASSOCIATES FOR A GAS-OIL DUAL
COMPLETION, 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 July 19, 1961, at Santa Fe, New Mexico, before Elvis A. Uts, 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 26th day of July, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uts, 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, J. Gregory Merriam & Associates, seeks permission to complete its Edna Well No. 2, located in Unit 0, Section 7, Township 24 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, as a gas-oil dual completion with production of gas from the Ballard-Pictured Cliffs Gas Pool through 2 7/8-inch casing and production of oil from the Devils Fork-Gallup Oil Pool through 2 3/8-inch tubing installed within a string of 4 1/2-inch casing, with the casing strings cemented in a common well bore.
- (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.

-2-

CASE No. 2339
Order No. R-2038

IT IS THEREFORE ORDERED:

(1) That the applicant, J. Gregory Harrion & Associates, is hereby authorized to complete its Edna Well No. 2, located in Unit O, Section 7, Township 24 North, Range 6 West, MNPM, Rio Arriba County, New Mexico, as a gas-oil dual completion with production of gas from the Ballard-Pictured Cliffs Gas Pool through 2 7/8-inch casing and production of oil from the Devils Fork-Gallup Oil Pool through 2 3/8-inch tubing installed within a string of 4 1/2-inch casing, with the casing strings cemented in a common well bore.

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


PROVIDED FURTHER, That communication tests shall be taken upon completion and annually thereafter during the Deliverability Test Period for the Ballard-Pictured Cliffs Gas Pool.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



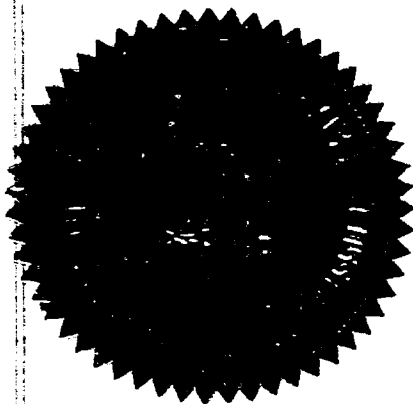
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esx/

Case 2339

Heard 7-19-61

Rec: 7-19-61

1. Grant applicants request for a
Dual Completions in the Undesignated
P.C. - Adjacent to Ballard P.C. pool and ~~the~~
~~the~~ Undesignated Gallup, adjacent to
the Denis Dork Gallup pool.

2. Applicant shall ~~complete~~ the produce
the P.C. thru a string of 2 7/8 casing
set in the same hole with 4 1/2" casing.
The Gallup zone shall be
produced thru 2 7/8 tubing in 4 1/2
casing.

1. ~~Communications~~ tests shall be
run ~~on the~~ at the time the P.C. Hel.
Test period.

— Shurtle W. J.

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

| | | | |
|--|------------------|-----------------------------|------------------------------|
| Field Name Ballard-Pictured Cliffs-Devils Fork-Gallup Rio Arriba | | County Rio Arriba | Date June 16, 1961 |
| Operator J. Gregory Merriam & Assoc. | | Lease None | Well No. 2 |
| Location of Well 0 | Unit 7 | Township 24 North | Range 6 West |

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 | Pictured Cliffs | Gallup |
| b. Top and Bottom of Pay Section (Perforations) | 2378-2388 & 2396-2407 | 5872-5887 |
| c. Type of production (Oil or Gas) | Gas | Oil |
| d. Method of Production (Flowing or Artificial Lift) | Flowing | Flowing |

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

- Yes** a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes** b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Yes** c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- Yes** d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

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

El Paso Natural Gas Company, P.O. Box 997, Farmington, New Mexico.

El Paso Natural Gas Products Co., P.O. Box 1565, Farmington, New Mexico.

Shelly Oil Company, P.O. Box 426, Farmington, New Mexico.

Paul F. Rutledge, P.O. Box 2739, Santa Fe, New Mexico.

T.E. McKivra, P.O. Box 2148, Santa Fe, New Mexico.

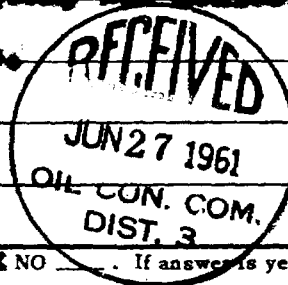
E.H. Gurney et al, P.O. Box 8007, Dallas 5, Texas.

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 **June 16, 1961**

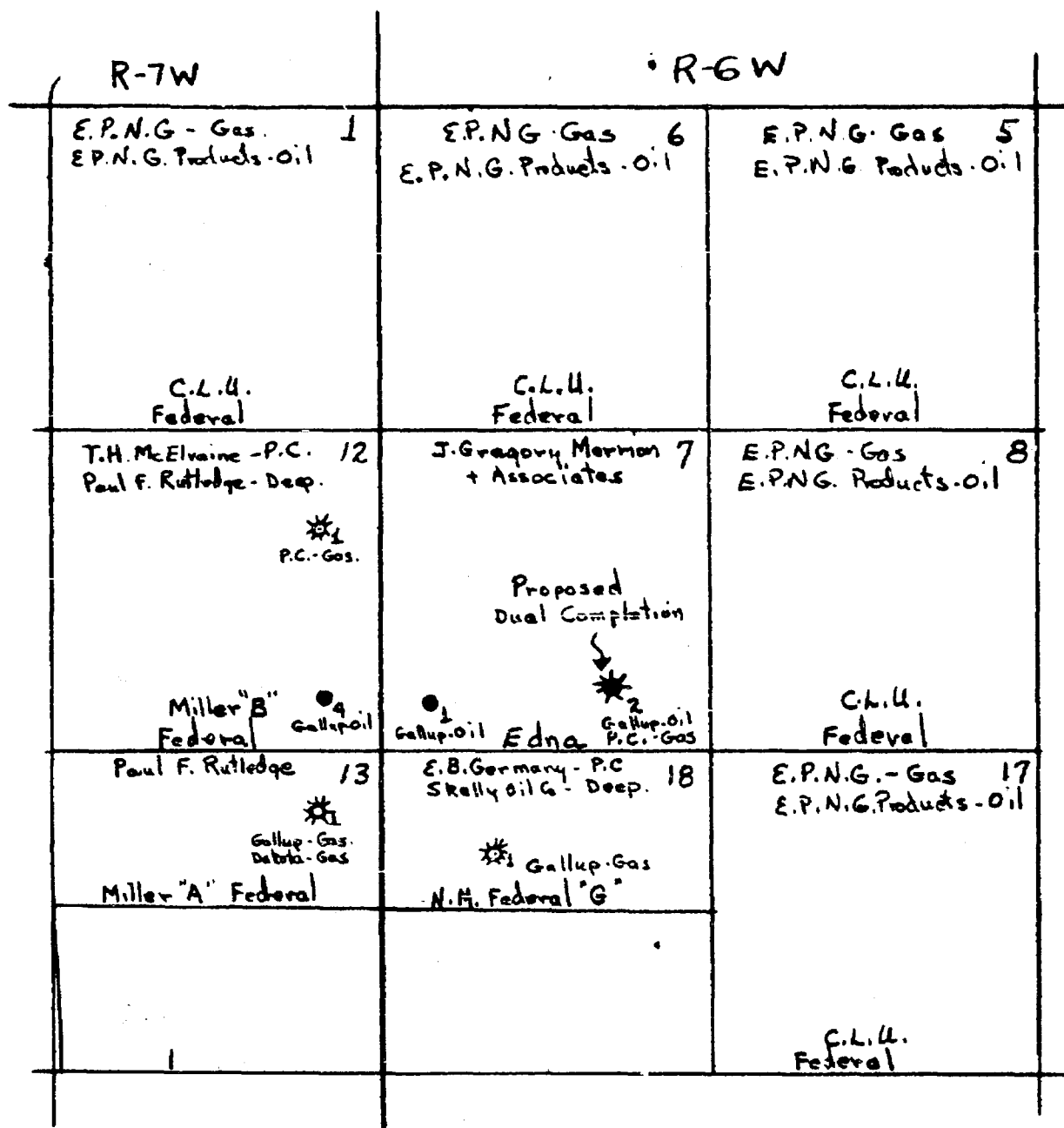
CERTIFICATE: I, the undersigned, state that I am the **Operator** of the **J. Gregory Merriam & Assoc.** (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Gregory Merriam
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.



Sheet 3339



Names + Addresses of Operators

EPNG Co. - P.O. Box 997, Farmington, N.M.
 EPNG Products Co. - P.O. Box 1565, Farmington, N.M.
 Skelly Oil Co., P.O. Box 426, Farmington, N.M.
 E.B. Germany - P.O. Box 8007, Dallas, Texas
 Paul F. Rutledge - P.O. Box 2239, Santa Fe, N.M.
 T.H. McElvaine, P.O. Box 2148, Santa Fe, N.M.

Offset Well Plat

J. Gregory Merriam + Assoc. #2 Edna

Scale: 2" = 1 mile

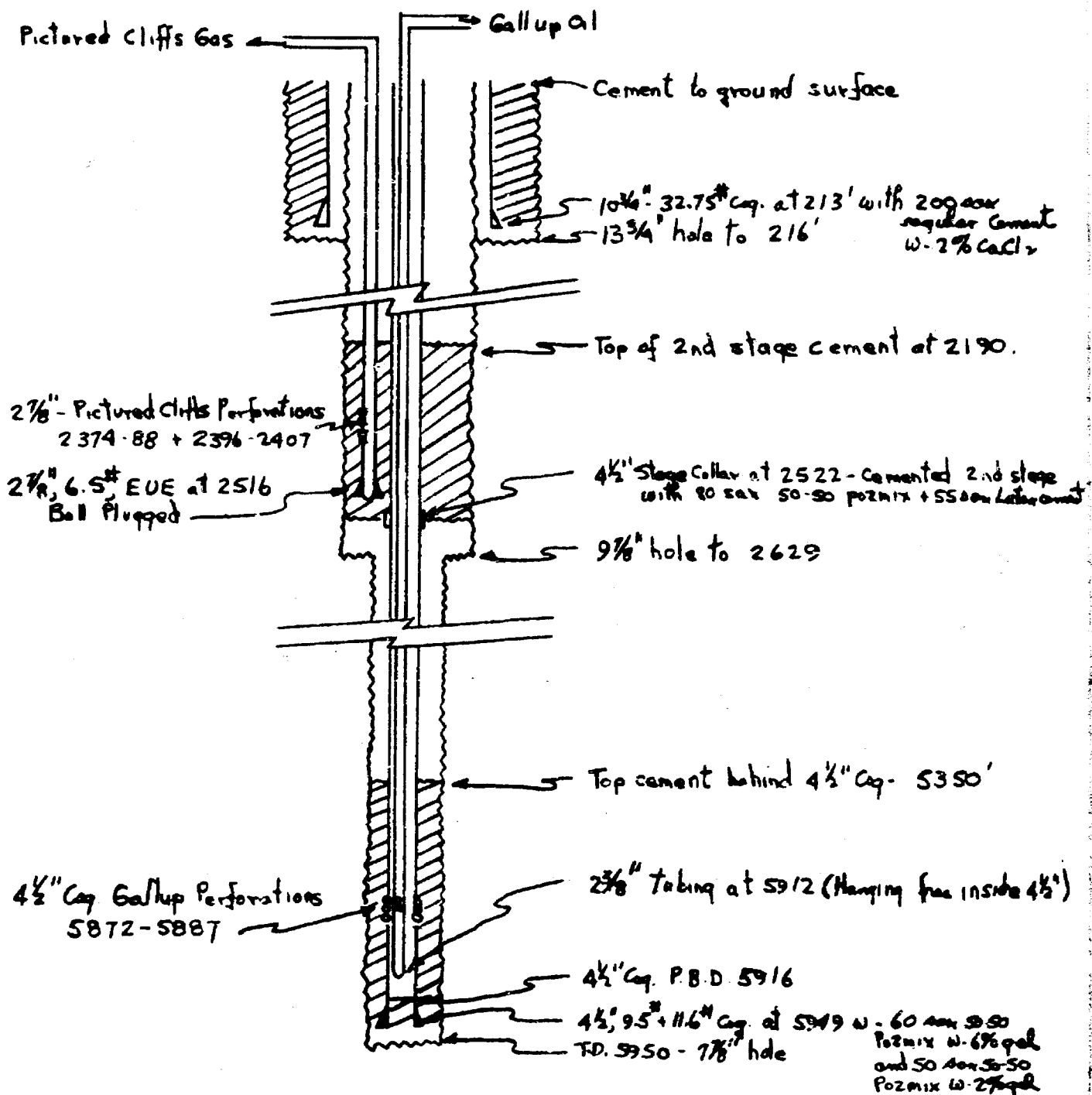
Case 2339

DIAGRAMATIC SKETCH OF DUAL COMPLETION

J. GREGORY MERRION AND ASSOCIATES

NO. 2 EDNA
990' FSL AND 1650' FEL, SECTION 7
T-24 NORTH, R-6 WEST, RIO ARriba

BALLARD - PICTURED CLIFFS & DEVILS FORK - GALLUP



No. 21-61

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 19, 1961

9 A.M. - Oil Conservation Commission Conference Room
State Land Office Building, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as Alternate Examiner:

CONTINUED CASE

CASE 2298: Application of Chambers & Kennedy for a gas-oil dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Monument State Well No. 1, located in Unit J, Section 34, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eunice-Monument Pool through the 5½-inch by 2½-inch casing-tubing annulus and through 2½-inch tubing respectively.

NEW CASES

CASE 2338: Application of Continental Oil Company for two non-standard oil proration units and for an exception to Rule 309 (a), Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units in the Empire Abo Pool, consisting of the following-described acreage in Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico:

(1) Lots 1 and 2 comprising 55.65 acres.

(2) Lots 3 and 4 comprising 56.61 acres.

Applicant further proposes to commingle the Empire-Abo Pool production from the portions of its State S and State P leases located in said Section 30 and to allocate production on the basis of periodic well tests.

CASE 2339: Application of J. Gregory Merrion & Associates, for a gas-oil dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Edna Well No. 2, located in Unit O, Section 7, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, as a

gas-oil dual completion with production of Pictured Cliffs gas through 2 7/8 inch casing and production of Gallup oil through 2 3/8 inch tubing installed within a string of 4 1/2 inch casing, with the casing strings cemented in a common well bore.

CASE 2340:

Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Red Lake-Pennsylvanian Gas Pool for its Malco "M" Well No. 1, located 2310 feet from the North line and 1650 feet from the East line of Section 4, Township 18 South, Range 27 East, Eddy County, New Mexico.

CASE 2341:

Application of Pan American Petroleum Corporation for an exception to Rule 303 (a) and 309 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the production from the Hobbs, Bowers, and Hobbs-Drinkard Pools from a number of leases in Sections 3, 4, 5, 9, and 10, in Township 19 South, Range 38 East, and Sections 33 and 34 in Township 18 South, Range 38 East, Lea County, New Mexico, after separately metering the production from each lease and from each pool prior to commingling.

CASE 2342:

Application of Western Natural Gas Company for a non-standard gas proration unit and for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SW/4 of Section 14 and the SE/4 of Section 15, all in Township 23 South, Range 36 East, Lea County, New Mexico. Said unit is to be dedicated to the Matkins Well No. 1 at an unorthodox location 660 feet from the South and East lines of said Section 15.

CASE 2343:

Application of Southwest Production Company for an order force pooling a 300-acre non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in a 300-acre gas proration unit in the Basin-Dakota Gas Pool, consisting of the E/2 of Section 7, Township 30 North, Range 11 West, excepting the S/2 SW/4 SE/4 thereof, San Juan County, New Mexico. Interested parties include John J. (Juan J) Moya and Helen Moya.

CASE 2344:

Application of The Ohio Oil Company for an order force-pooling a 317-acre gas proration unit, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a 317-acre gas proration unit comprising the S/2 of Section 30, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JULY 19, 1961

EXAMINER HEARING

IN THE MATTER OF:

CASE 2339

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 19, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of J. Gregory Merrion & Associates,
for a gas-oil dual completion, Rio Arriba County,
New Mexico. Applicant, in the above-styled cause,
seeks permission to complete its Edna Well No. 2,
located in Unit 0, Section 7, Township 24 North,
Range 6 West, Rio Arriba County, New Mexico, as a
gas-oil dual completion with production of Pic-
tured Cliffs gas through 2 7/8 inch casing and
production of Gallup oil through 2 3/8 inch tubing
installed within a string of 4 1/2 inch casing,
with the casing strings cemented in a common well
bore.

Case
2339

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2339.

MR. MORRIS: Application of J. Gregory Merrion &
Associates, for a gas-oil dual completion, Rio Arriba County,
New Mexico.

MR. UTZ: What are the Appearances in this case?

MR. VERITY: George L. Verity for the Applicant.

MR. UTZ: Are there any other Appearances? You may

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ALBUQUERQUE, NEW MEXICO



proceed.

J. GREGORY MERRION,
called as a witness herein, having been first duly sworn on oath,
was examined and testified as follows:

DIRECT EXAMINATION

BY MR. VERITY:

Q Will you state your name, please.

A J. Gregory Merrion.

Q Mr. Merrion, what is your educational background?

A I received a Bachelor of Science in Petroleum Engineering from The University of Tulsa in 1951.

Q Where are you living at this time?

A Farmington, New Mexico.

Q Are you familiar in the situation in San Juan Basin up there?

A I am.

(Whereupon Petitioner's
Exhibit 1 marked for identification.)

Q (By Mr. Verity) Are you the Operator of the leases underlying Section 7 in Township 24 North, Range 6 West?

A I am.

Q Do you and your associates own all of the Southeast Quarter of Section 7?

A We own the operating rights.

Q Have you drilled and completed the No. 2 Edna in the

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Southwest Quarter of the Southwest Quarter of Section 7?

A I have.

Q What is the total depth to which it was drilled?

A 5,950 feet from the Kelly bushing.

Q I hand you what the reporter has marked as Exhibit 1.

Will you tell us what it is, please?

A It's a diagrammatic sketch of the dual completion showing all of the mechanical features thereof.

Q Have you completed the well at the present time in the Gallup formation?

A I have.

Q At what depth did you encounter the Gallup?

A Well, the zone of the Gallup was perforated from 5,872 to 5,887. That is roughly the better part of it.

Q Did you set casing to a total depth in the hole?

A We set casing of 1 foot of total depth.

Q What size casing did you set?

A 4 1/2 inch.

Q And you submitted the bottom?

A We did.

Q Or one foot of the bottom?

A Yes.

Q Did you run a temperature survey on this cement?

A Yes, we did.

Q At what elevation did the cement come, or what depth



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back of the hole?

A The top of the cement was found at 5,350 feet.

Q Does this seal off the entire Gallup formation from any other formation?

A Yes, it does.

Q And, you have set tubing in the Gallup formation, have you, and perforated through the cement?

A We perforated through the 4 1/2-inch casing and then ran 2 1/2-inch tubing inside the formation.

Q Have you, at this time, completed this well as shown in this diagrammatic sketch set out as Exhibit 1?

A I have.

Q Will you explain how you have made your actual completion?

A After drilling to total depth and logging, after drilling a 7 7/8 hole, the total depth and logging the hole, was reached to 9 7/8-inch to a depth of 629 feet. And, the 4 1/2-inch casing was run with a stretch collar set at 2,524 feet, and a temperature survey run. The 2 7/8-inch tubing was run along the 4 1/2-inch casing and set at a depth of 2,516 feet. The 2 7/8 casing was cemented through a stage collar in the 4 1/2 casing and cement was brought up to 2,190 feet, some 184 feet above the top of the perforation in the Picture Cliff Zone.

Q Did you run a temperature survey on that cement?

A A temperature survey was run on that stage of the job,



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finding the top of the cement at 2,190 feet.

Q What were the mechanics of completing in this zone after you ran the depth and temperature survey?

A The Picture Cliff Zone was perforated by the oriented perforating method used by Schlumberger Wells Surveying Corporation, and the Picture Cliff was sand-water fractured down to 2 7/8 casing.

Q Now, at the present time you are producing the Gallup in your Lobe Zone?

A That is correct.

Q And, you propose, if granted permission, to produce the Picture Cliff by virtue of this dual completion method?

A Yes, sir.

Q By the two cement jobs, have you effectively isolated both of these pay zones from any other pay zones in the well hole?

A Yes, I have.

Q In your opinion, can both of these zones be adequately produced by this method of dual completion?

A Yes, they can.

Q And, can this be done without, in any way, damaging either the formation, or without, in any way, commingling the reservoir energy or hydrocarbons from either formation?

A That is correct.

Q Did you prepare this diagrammatic sketch?



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A I did.

MR. VERITY: We offer it in evidence.

Now, one other question. You can produce your lower zone here as effectively as if it was not dually completed, can't you? I mean, anything you could do --

A That is correct.

Q And, the Pictured Cliff is gas productive?

A That is correct.

Q So that it will be effectively produced through your dual completion?

A Yes, sir.

MR. VERITY: We offer Exhibit 1 in evidence, and that is all I have of this witness.

MR. UTZ: Without objection, Exhibit 1 will be entered into the record.

(Whereupon Petitioner's Exhibit 1 received in evidence.)

Q (By Mr. Morris) Mr. Merrion, did you give the characteristics of your Gallup production in your testimony?

A No, I didn't.

Q Do you have those available?

A Yes. The Gallup side of the dual completion potential for 157 barrels per day, the gravity was 42. A subsequent test on the Gallup side on June 30, 1961 -- Backtracking, the initial potential was run on May 26. More than a month later the Gallup



side was tested again at 95 barrels per day flowing. It had a gas-oil ratio at that time of 1,452 feet gas per barrel.

Q Do you anticipate that your GOR is going to rise rapidly in these completions?

A In the Gallup side?

Q Yes.

A We are not too awfully far from a gas cap in the Gallup itself, possibly. We are not as close to the gas cap in this well as we were in the No. 1 Well on this lease. The GOR on the No. 1 Well has risen up to above 4,000 and backed down, now, to 1,200; and possibly, eventually we could get a rapid rising GOR on the Gallup side. I don't anticipate it in the near future; and just when it might come about, I don't know, but I think we might look at the No. 1 Well as a case of -- If we do get a rapid rise in GOR, it will probably happen to the No. 1 Well first.

Q This No. 1 Well is between this well and the gas cap?

A Not exactly between, but a little bit closer to it, further on down the line.

Q Thank you, sir.

Q (By Mr. Utz) Mr. Merrion, the top of the cement on the 4 1/2-inch 5,350, and your stage collar on your 4 1/2, which would be the bottom of the cement on the Pictured Cliff 2522; is that correct?

A That is correct.

Q That is, 2,828 feet of open hole. What formations lie

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in that Area?

A The Mencus shale, the Mesa Verde formation, and the Lewis Shale.

Q Did you encounter any gas-oil zones in that interval?

A No.

Q The top of the Pictured Cliff cement is at 2,190, and the bottom of your surface is at 213; is that correct?

A That is correct.

Q That leave 1,977 feet of open hole there. What formations lie in that Area?

A The Fruitland, Farmington, Joho Abo, and several other sand formations which I don't know the name of. We encountered no oil or gas zones in those formations either.

Q Did you encounter much water in the Joho?

A It was drilled with mud and we didn't test it. We don't have any case of whether it had much water or not?

Q It wasn't enough to bother you?

A That's right.

Q Now, your Pictured Cliff completion is the nearest Pictured Cliff Pool to the south?

A No. This is in the Ballard Picture Cliff Pool. I don't know whether we are within a mile in the next section, in Section 12 of 247. The T. H. McElvain No. 1B Miller is a Ballard Picture Cliff completion. It is located 990 from the east line and 1650 from the north line to the best of my recollection, and



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to the east in Section 17246 El Paso Natural Gas Company has some Ballard Pictured Cliff Wells.

Q Have you tested the Pictured Cliff in this well?

A I have.

Q What was the IP?

A The IP was three million nine hundred eight five, MCF per day through a 3/4-inch choke after three hours flowing through that choke.

Q And, what is your nearest Gallup pool?

A We are in the Devil's Fork Gallup Pool.

Q You are actually in it?

A Well, it's within a mile of the limits and in the clarified limits for Gallup.

Q And therefore, the zone you are completing here is one of the zones of the Devil's Fork Pool?

A Yes, sir.

Q Does Pictured Cliff make any liquids?

A A very small amount of concentrate, and also, it was still making some frac water, it was brine water, and I hadn't entirely cleaned it up with the frac water.

MR. UTZ: Are there other questions of the witness? The witness may be excused. Are there other statements in this case.

MR. VERITY: We have nothing further.

MR. UTZ: The case will be taken under advisement.



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, MICHAEL P. HALL, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of July, 1961.

Michael P. Hall
Notary Public-Court Reporter

My Commission expires:

June 20, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2339 heard by me on *July 19* 1961.
Edna P. [Signature] Examiner
New Mexico Oil Conservation Commission

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ALBUQUERQUE, NEW MEXICO



DIAGRAMATIC SKETCH OF DUAL COMPLETION

J. GREGORY MERRION AND ASSOCIATES

NO. 2 EDNA
990' FSL AND 1650' FEL, SECTION 7
T-24 NORTH, R-6 WEST, RIO ARriba

BALLARD- PICTURED CLIFFS & DEVILS FORK-GALLUP

