

CASE 2732: Application of SINCLAIR
for the dual completion of its
MAHAFFEY-FEDERAL (ARC) WELL NO. 1.

Case No.

2732

petition, Transcript,

and Exhibits, Etc.

State of New Mexico
Oil Conservation Commission



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

Sinclair Oil & Gas Company

A. L. PORTER, Jr.
Secretary-Director

OTHER _____

DRAFT

JMD/esr
January 22, 1963

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. 2732

Order No. R-2414

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A DUAL COMPLETION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
January 23, 1963, 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 January, 1963, the Commission,
a quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner,
Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Sinclair Oil & Gas Company, seeks
authority to complete its Mahaffey-Federal (ARC) Well No. 1,
located in Unit C of Section 14, Township 20 South, Range 33 East,
NMPM, Lea County, New Mexico, as a dual completion (conventional)
to produce oil from ^{an undesignated} ~~the~~ Bone Springs ^{Pool} ~~formation through 2 3/8 inch~~
~~tubing~~ and to produce gas from ^{an undesignated} ~~the~~ Pennsylvanian ^{Pool} ~~formation~~ through
a parallel strings of 2 3/8-inch tubing, separation of the zones to
be achieved by a packer set at approximately 13,062 feet.

(3) ⁽³⁾⁴ 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.

(3) That the subject well is in the Packed Area and that the
proposed dual completion fully complies with the provisions
of Order No. R-117-A.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil & Gas Company, is hereby authorized to complete its Mahaffey-Federal (ARC) Well No. 1, located in Unit C of Section 14, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from ^{an undesignated} the Bone Springs ^{Pool} formation through ~~2 3/8-inch tubing~~ and to produce gas from ^{an undesignated} the Pennsylvanian ^{Pool} formation through ~~a~~ parallel strings of 2 3/8-inch tubing, separation of the zones to be achieved by a ^{Permanent Taper} packer set at approximately 13,062 feet.

PROVIDED HOWEVER, That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the ^{Shut-In Pressure} ~~Gas-Oil Ratio~~ Test Period for the ^{Pennsylvanian} formation.

(2) 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

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

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. 2732
Order No. R-2414

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR A DUAL COMPLETION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, 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 30th day of January, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Sinclair Oil & Gas Company, seeks authority to complete its Mahaffey-Federal (ARC) Well No. 1, located in Unit C of Section 14, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from an undesignated Bone Spring pool and to produce gas from an undesignated Pennsylvanian pool through parallel strings of 2 3/8-inch tubing, separation of the zones to be achieved by a packer set at approximately 13,062 feet.
- (3) That the subject well is in the Potash Area and that the proposed dual completion fully complies with the provisions of Order No. R-111-A.
- (4) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

CASE No. 2732
Order No. R-2414

IT IS THEREFORE ORDERED:

(1) That the applicant, Sinclair Oil & Gas Company, is hereby authorized to complete its Mahaffey-Federal (ARC) Well No. 1, located in Unit C of section 14, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from an undesignated Bone Spring pool and to produce gas from an undesignated Pennsylvanian pool through parallel strings of 2 3/8-inch tubing, separation of the zones to be achieved by a permanent type packer set at approximately 13,062 feet.

PROVIDED HOWEVER, That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Shut-In Pressure Test Period for the Pennsylvanian formation.

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

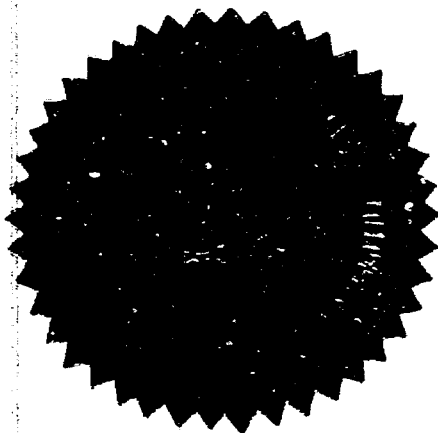
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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



esr/

Case 2732



SINCLAIR OIL & GAS COMPANY

P. O. Box 1470
MIDLAND, TEXAS

January 7, 1963

LEGAL DEPARTMENT

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Sinclair Oil & Gas Company hereby makes application for approval, after notice and hearing, to dual complete its Mahaffey-Federal (ARC) Well No. 1 in the Bone Springs formation for the production of oil and the Pennsylvanian formation for the production of gas. The well is located 660 feet from the north line and 1980 feet from the west line of Section 14, Township 20 South, Range 33 East, in the Teas Pool area of Lea County, New Mexico. We transmit, in triplicate, the following:

1. Application for Dual Completion on the Commission form;
2. An area map showing the location of all wells on applicant's lease and all offset wells on offset leases;
3. A diagrammatic sketch of the dual completion.

Attorneys of record for the applicant are Gilbert, White and Gilbert of Santa Fe, New Mexico, and the undersigned.

As this is the first oil-gas dual completion to be made in the area, a hearing will be necessary. It is our understanding that the matter will be docketed for a January 23 hearing.

Very truly yours,

Horace N. Burton
Horace N. Burton
Division Attorney

HNB/id
Encls.

cc: Gilbert, White & Gilbert
Bishop Building
Santa Fe, New Mexico
(With copy of enclosures)

DOCKET MAILED

Date 1-11-63

2

Case 2732

Heard 1-23-63

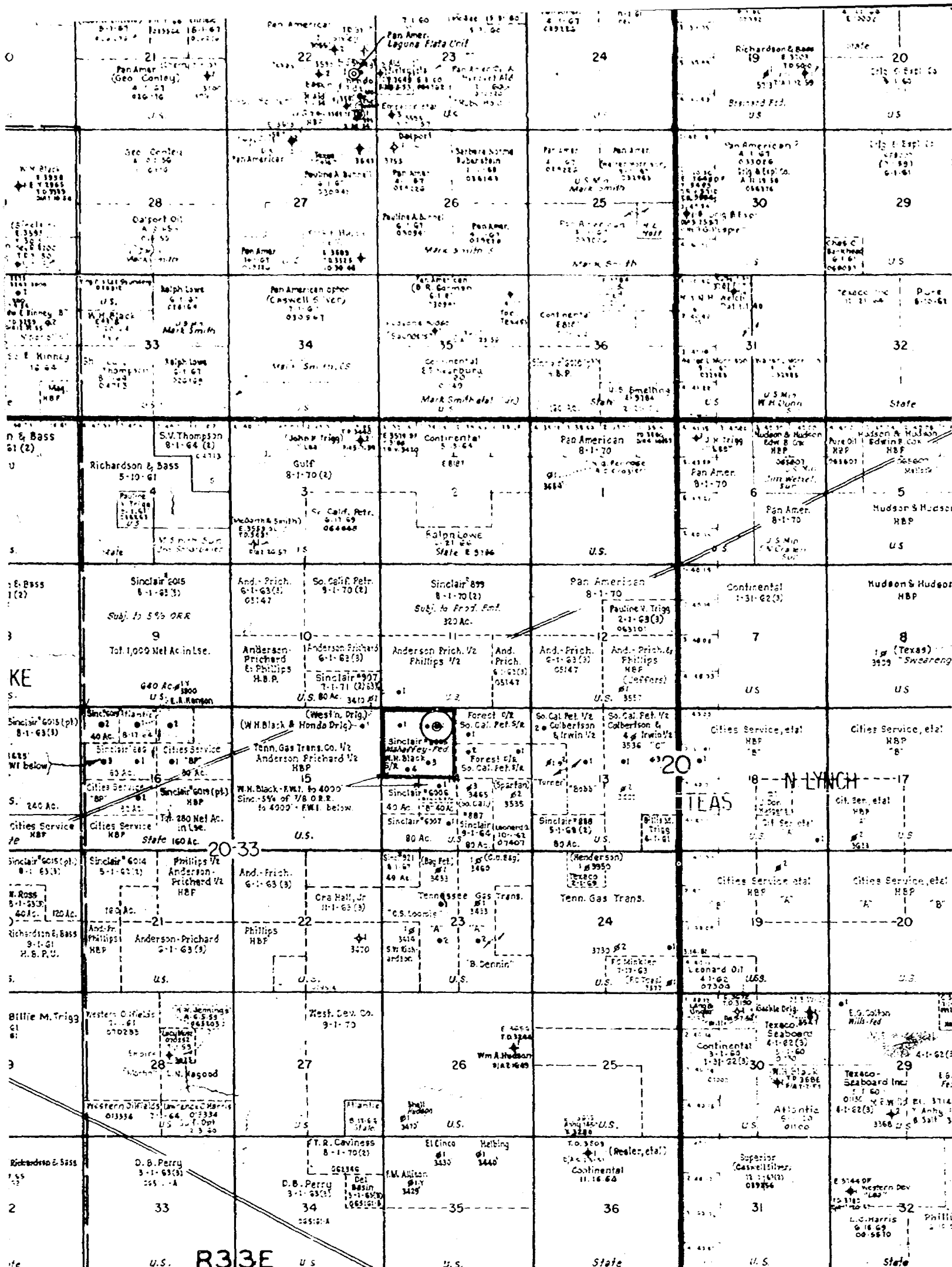
Res. 1-24-63,

1. Grant Sinclair permission to dually complete its Mahaffy - Dec. ~~41~~ (ARC) ~~41~~ 660/N, 1980/W 14-205-335,
2. Well to be completed in as a Permian - Gas and Bone Springs. oil producer. Both undesignated.
3. Two strings of tubing of 2 3/8 tubing to be installed.
4. Zones shall be separated by a packer set at approx. 13,062 ft. Use usual dual order otherwise.

Thos. A. [Signature]

This Well is in Polask Area & the casing program is in compliance with R-111-A.

[Signature]



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2732
CASE NO. 2732

PART OF
LEA COUNTY, NEW MEX.
SCALE: 1" = 4000'

LEGEND
○ LOCATION OR DRILLING WELLS
● OIL WELL
✱ GAS WELL
◎ DEEP WELL

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 23, 1963

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:

CASE 2729: (Continued)

Application of Scanlon-Shepard for a waterflood project, Chaco Wash Oil Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Mesaverde formation through certain wells in Sections 21, 22, 27 and 28, Township 20 North, Range 9 West, McKinley County, New Mexico.

CASE 2731: Application of Texaco, Inc., for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State of New Mexico "O" NCT-1 Well No. 12, located in Unit J of Section 36, Township 17 South, Range 34 East, as a dual completion (tubingless) to produce oil from the Glorieta and Blinberry formations, Lea County, New Mexico.

CASE 2732: Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Mahaffey-Federal (ARC) Well No. 1 located in Unit C of Section 14, Township 20 South, Range 33 East, Lea County, New Mexico, to produce Bone Springs oil and Pennsylvanian gas through parallel strings of tubing.

CASE 2733: Application of Charles B. Read for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 48.99-acre non-standard oil proration unit in an undesignated Delaware pool consisting of Lots 4 and 5 of Section 31, Township 26 South, Range 32 East, Lea County, New Mexico.

CASE 2734: Application of Aztec Oil & Gas Company for approval of a unit agreement, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Aztec-Robinson Waterflood Unit, comprising approximately 682 acres of State and Federal Lands in the E/2 SE/4 and SW/4 SE/4 of Section 36, Township 16 South, Range 31 East, the SW/4 SE/4 of Section 30, the W/2, W/2 E/2 and SE/4 SE/4 of Section 31, Township 16 South, Range 32 East Lea and Eddy Counties, New Mexico.

CASE 2735: Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State BT "G" Well No. 2 located in Unit P, Section 27, Township 12 South, Range 33 East, Hightower Field, Lea County, New Mexico, in such a manner as to dispose of produced salt water into the Pennsylvanian formation.

- CASE 2736: Application of Gulf Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 120-acre non-standard gas proration unit in the Blinebry Gas Pool, comprising the N/2 SW/4 and SE/4 NW/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to the Scarborough Estate Well No. 4 located in Unit F of Section 31.
- CASE 2737: Application of Gulf Oil Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, including provisions for 640-acre spacing therein.
- CASE 2738: Application of BCO, Inc. for a no-flare exception, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the no-flare provisions of Order No. R-2267 for its Campos Well No. 1-10 located in Unit J of Section 10, Township 23 North, Range 7 West, Lybrook-Gallup Pool, Rio Arriba County, New Mexico.
- CASE 2739: Application of Socony Mobil Oil Company, Inc., to create a new pool for Abo production, and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for Abo production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 80-acre spacing units.
- CASE 2740: Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Wolfcamp Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2741: Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Devonian Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2742: Application of Pan American Petroleum Corporation for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Fowler-Blinebry Oil Pool, Lea County, New Mexico, including a provision for 80-acre proration units.
- CASE 2743: Application of Pan American Petroleum Corporation for the creation of a Tubb Gas Pool, for approval of a non-standard gas unit, and for special temporary pool rules. Applicant, in the above-styled cause, seeks the creation of a new Tubb gas pool, and the establishment of temporary special pool rules therefor, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 23, 1963

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:

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CASE 2732: Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Mahaffey-Federal (ARC) Well No. 1 located in Unit C of Section 14, Township 20 South, Range 33 East, Lea County, New Mexico, to produce Bone Springs oil and Pennsylvanian gas through parallel strings of tubing.

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CASE 2734: Application of Aztec Oil & Gas Company for approval of a unit agreement, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Aztec-Robinson Waterflood Unit, comprising approximately 682 acres of State and Federal Lands in the E/2 SE/4 and SW/4 SE/4 of Section 36, Township 16 South, Range 31 East, the SW/4 SE/4 of Section 30, the W/2, W/2 E/2 and SE/4 SE/4 of Section 31, Township 16 South, Range 32 East Lea and Eddy Counties, New Mexico.

CASE 2735: Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State BT "G" Well No. 2 located in Unit P, Section 27, Township 12 South, Range 33 East, Hightower Field, Lea County, New Mexico, in such a manner as to dispose of produced salt water into the Pennsylvanian formation.

CASE 2744: Application of Pan American Petroleum Corporation for special pool rules and approval of a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Fowler-Paddock Gas Pool, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Case 2732

Field Name Wildcat Pool		County Lea		Date January 2, 1963
Operator Sinclair Oil & Gas Company		Lease Mahaffey-Federal ARC		Well No. 1
Location of Well C	Unit 14	Section 20S	Township 33E	Range 33E

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 **X**
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	Bone Spring	Morrow Sand
b. Top and Bottom of Pay Section (Perforations)	9408 - 9457	13294 - 13543
c. Type of production (Oil or Gas)	Oil	Gas
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.
- 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.*
- No** 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.

Tennessee Gas Transmission Company, P. O. Box 2511, Houston 1, Texas

Anderson Prichard Oil Corporation, Wilco Bldg., Midland, Texas

Forest Oil Corporation, P. O. Box 4486, Midland, Texas

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

CERTIFICATE: I, the undersigned, state that I am the **Division Production Supt.** of the **Sinclair Oil & 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.

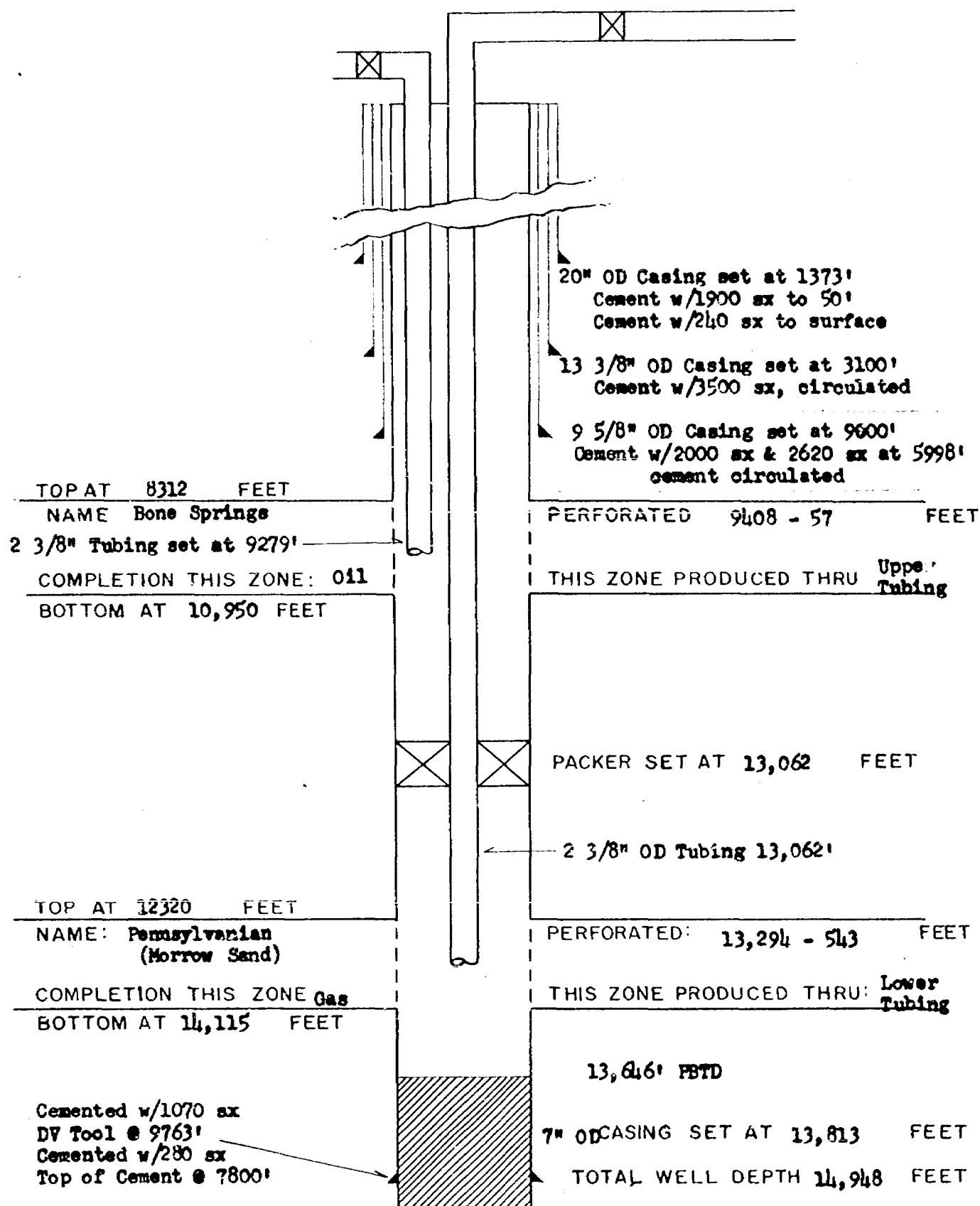
Joe Mafford

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. 2
CASE NO. 2732

DIAGRAMMATIC SKETCH SHOWING
DUAL COMPLETION INSTALLATION



COMPANY Sinclair Oil & Gas Company
LEASE Mahaffey-Federal WELL No. 1
FIELD Wildcat Pool
DATE January 2, 1963

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 23, 1963

EXAMINERS HEARING

IN THE MATTER OF:

Application of Sinclair Oil & Gas
Company for a dual completion, Lea County,
New Mexico. Applicant, in the above-styled
cause, seeks approval of the dual complet-
ion (conventional) of its Mahaffey-Federal
(ARC) Well No. 1 located in Unit C of
Section 14, Township 20 South, Range 33
East, Lea County, New Mexico, to produce
Bone Springs Oil and Pennsylvanian gas
through parallel strings of tubing.

Case 2732

BEFORE:

Mr. Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case on the docket is Case 2732.

MR. DURRETT: Application of Sinclair Oil and Gas Company
for a dual completion, Lea County, New Mexico.

MR. KELLY: Booker Kelly of Gilbert, White and Gilbert,
Santa Fe, and I have one witness, and ask that he be sworn.

(Witness sworn.)

MR. UTZ: Are there any other appearances? You may pro-
ceed.

(Whereupon, Applicant's Exhibits Nos.
1 & 2 were marked for identification.)

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6691

SANTA FE, N. M.
PHONE 983-3971

FARMINGTON, N. M.
PHONE 325-1182

D O U G L A S W. C U N N I N G H A M

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

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name, position and employer, please?

A I am Douglas W. Cunningham, employed by Sinclair Oil and Gas Company in Midland, Texas.

Q Have you previously testified before this Commission, Mr. Cunningham?

A Yes, I have.

Q Can you tell the Examiner what Sinclair seeks by this application?

A Sinclair is seeking permission for a dual completion on our Mahaffey-Federal (ARC) Well Number 1, which is located in Unit C of Section 14, Township 20 South, Range 33 East, Lea County, New Mexico. We want to produce the Bone Springs oil and Pennsylvanian gas through a dual string of parallel tubing. That is all.

Q What is the present status of the well?

A The well is now completed. It has been perforated in both the Bone Springs and the Pennsylvanian. The Bone Springs is producing oil and the Pennsylvanian is a shut-in gas well.

Q Now, referring to Exhibit 1, would you explain that to the Commission?

~~A Exhibit 1 is a plat of the area in which the Mahaffey~~

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182SANTA FE, N. M.
PHONE 983-3971ALBUQUERQUE, N. M.
PHONE 243-6591

Federal Number 1 is located. It is on a 160-acre lease; it is located 660 feet from the north line and 1,980 feet from the west line in the 160-acre lease. That is the only deep well in the area that we know about. The small black circles that show as well symbols are shallow completions in the Teas Pool.

Q Is the location of the subject well orthodox?

A It would be on an orthodox 40-acre spacing.

Q Now, the only reason that Sinclair is requesting this hearing is because there are no similar completions within a one-mile radius, as required by the Commission rules?

A Yes, sir, that is correct.

Q Now, going to Exhibit Number 2, would you explain that to the Commission?

A Exhibit Number 2 is a diagrammatic sketch of the dual completion. By the way, I believe it would be proper to mention that this well is in the potash-oil area as defined by the Commission rules. We have set 20-inch OD surface casing at 1,373 feet. We cemented it with 1,900 sacks of cement. We ran a temperature survey and found out the cement was only 50 feet from the surface. Then, we put a little one-inch pipe down the annulus and used 240 sacks more of cement and brought it to the surface. We ran 3,100 feet of 13 3/8 inch OD casing and cemented it with 3,500 sacks. That cement circulated to the surface.

Then we ran 9,000 feet of 9 5/8 inch OD casing. We cemented



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6631

PAGE 5

it through a DV tool to the bottom of the string of casing of 9 5/8. We cemented with 2,000 sacks and we put 2,620 sacks through the DV tool at 5,998, and circulated. Then we set the production string at 13,813 feet, after having drilled the well to a total depth of 14,948 feet in the Devonian. We cemented the production string of 7-inch casing with the DV tool at 9,763. We put 1,070 sacks through the bottom of a 7-inch casing and we used 280 sacks through the DV tool at 9,763 feet. We then ran a temperature survey of the cement that went through the DV tool and we found out that the top of the cement was at 7,800 feet behind the 7-inch casing.

I would like to point out that the small arrow towards the bottom of that diagram there intends to show that the 1,070 sacks went out the bottom of the casing. We then ran two strings of 2 3/8-inch tubing. The long string has a Baker Model "D" Packer set at 13,062 feet. The short string through which the Bone Springs oil production is obtained is set in a parallel tubing hanger at 9,279 feet. The top and the bottom of the Bone Springs formation are shown. The perforated overall interval of 9,408 to 9,657 is shown. The top and the bottom of the Pennsylvanian zone are shown and the overall perforated intervals of 13,294 to 13,543 feet are shown.

Q Now, you stated that is in a potash area. Does the installation that Sinclair used in this well correspond with Rules R-1 -A production in potash areas?



DEARNLEY-MEIER REPORTING SERVICE, Inc.
 FARMINGTON, N. M.
 PHONE 325-1182

SANTA FE, N. M.
 PHONE 983-3971

ALBUQUERQUE, N. M.
 PHONE 243-6631

A Yes, it does.

Q Do you anticipate any corrosion or parrafin problems in this well?

A No, we don't. The Pennsylvanian gas we have is sweet gas and the Bone Springs oil is sweet crude. We don't believe there is going to be a corrosion problem.

Q Is the Bone Springs flowing?

A Yes, it is flowing at the present time.

Q You have a copy of the log on the well, don't you?

A Yes, I do. We have a Schlumberger dual log and a Schlumberger which was run on the well. I have marked the tops and the bottoms of the Pennsylvanian and the Bone Springs formations and have also marked the perforations. The perforations are shown on one log. However, one log is too deep to show the top of the Bone Springs zone, so it is shown on one of those logs; and the top and bottom and all the perforations are shown on the other log.

Q Now, in your opinion would the granting of this application be in the best interest of efficient production and protection of correlative rights?

A I believe it would.

Q Were Exhibits 1 and 2 prepared by you or under your direction?

A Yes, they were.

MR. KELLY: We move the introduction of Exhibits 1 and 2.



MR. UTZ: Without objection they will be entered into the record of this case.

(Whereupon, Applicant's Exhibits 1 & 2 were admitted in evidence.)

MR. KELLY: I have no further testimony.

MR. UTZ: Any questions of this witness?

CROSS EXAMINATION

BY MR. UTZ:

Q Do you have any recommendations as to nomenclature as pertaining to these two pools?

A No, sir, not at this time.

Q You did say it was in the Teas Pool area?

A Yes, sir.

Q Did you state what type of packer?

A A Baker Model "D" Packer, a permanent type packer.

MR. UTZ: Are there any other questions?

QUESTION;

Q What is the Bone Springs potential, do you have that?

A Yes, I have it here. Would you like to know the treatment?

Q Not particularly.

A On a 24-hour potential test ending at 6:00 A. M. on 12/27/62, the potential was 147 barrels of oil at 38.2 degree gravity and it had four barrels of lode water, and it was on a 24/64th inch choke and a tubing pressure of 200 pounds, and a

gas-oil ratio of 1,225 pounds. We subsequently were assigned an allowable of 140 a day.

MR. UTZ: Are there any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Are there any other statements in this case. The case will be taken under advisement.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, BILL LANGFORD, 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.

Bill Langford
Court Reporter

I do hereby certify that the foregoing is a copy of the transcript of the proceedings in the New Mexico Oil Conservation Commission Case No. 2732 heard by the Commission on 1-23-63.
Thurston
New Mexico Oil Conservation Commission

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