

CASE 3041: Application of PENROSE
PRODUCTION CO. for two triple
completions, Lea County, N.M.

CASE No.

3041

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico

Oil Conservation Commission



**LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER**

P. O. BOX 271
SANTA FE

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

May 13, 1964

**Mr. Thomas F. McKenna
McKenna & Sommer
Attorneys at Law
302 E. Palace Avenue
Santa Fe, New Mexico**

Re: Case No. 3041
Order No. R-2704
Applicant:
Penrose Production Company

Dear Sirs:

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

12/

Carbon copy of order also sent to:

Hobbs OCC x

Arteria OCC

Astec OCC _____

OTHER _____

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. 3041
Order No. R-2704

APPLICATION OF PENROSE PRODUCTION
COMPANY FOR TWO TRIPLE COMPLETIONS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 7, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of May, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Penrose Production Company, seeks authority to complete its L. G. Warlick Well No. 2, located 990 feet from the North line and 2310 feet from the East line of Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, and its Sunshine State Well No. 1, located 990 feet from the North line and 2209 feet from the West line of said Section 19 as triple completions (conventional) to produce oil from the Penrose-Skelly, Blinbry, and Drinkard Oil Pools through parallel strings of tubing, with separation of zones by packers set at approximately 5660 feet and 6635 feet in the L. G. Warlick Well No. 2 and 5660 feet and 6717 feet in the Sunshine State Well No. 1.

(3) That the mechanics of the proposed triple completions are feasible and in accord with good conservation practices.

-2-

CASE No. 3041

Order No. R-2704

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Penrose Production Company, is hereby authorized to complete its L. G. Warlick Well No. 2, located 990 feet from the North line and 2310 feet from the East line of Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, and its Sunshine State Well No. 1, located 990 feet from the North line and 2209 feet from the West line of said Section 19 as triple completions (conventional) to produce oil from the Penrose-Skelly, Blinbry, and Drinkard Oil Pools through parallel strings of tubing, with separation of zones by packers set at approximately 5660 feet and 6635 feet in the L. G. Warlick Well No. 2 and 5660 feet and 6717 feet in the Sunshine State Well No. 1;

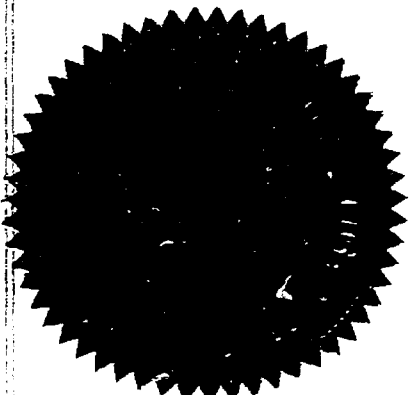
PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said wells in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Gas-Oil Ratio Test Period for the Drinkard Pool.

(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

esr/

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR MULTIPLE COMPLETION

BEFORE EXAMINER **MUTTER**

OIL CONSERVATION COMMISSION

EXHIBIT NO. 1CASE NO. 3041

Operator PENROSE PRODUCTION COMPANY		County Lea	Date April 28, 1964
Address 411 Gulf Building, Midland, Texas		Lease L. G. Warlick	Well No. 2
Location or Well	Unit B	Section 19	Township 21 S
			Range 37 E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple 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. **MC 1253**; Operator, Lease, and Well No.: **Amerada Petroleum Corporation, State "DC" No. 1**

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Penrose Skelly	Mineley Oil	Drinkard
b. Top and Bottom of Pay Section (Perforations)	3729' - 3846'	5684' - 5988'	6679' - 6680'
c. Type of production (Oil or Gas)	Oil	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing

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

- Yes** a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and 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 multiple 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.

Marathon Oil Co., Box 552, Midland, Texas Attn: Mr. C. S. Mills

Amerada Petroleum Corporation, Box 312, Midland, Texas Attn: Mr. J. R. Enloe

Sunray DX Oil Company, Box 128, Hobbs, New Mexico Attn: Mr. C. T. McClanahan

Continental Oil Company, Box 427, Hobbs, New Mexico Attn: Mr. A. B. Slaybaugh

Gulf Oil Corporation, Box 670, Hobbs, New Mexico Attn: Mr. C. D. Borland, Jr.

Texas Pacific Oil Company, Box 1069, Hobbs, New Mexico Attn: Mr. Sheldon Ward

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

CERTIFICATE: I, the undersigned, state that I am the **Petroleum Engineer** of the **Penrose Production 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.

Harold S. Winston

Signature **Harold S. Winston**

- * 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 multiple 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.

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator PENROSE PRODUCTION COMPANY		County La Brea	Date April 28, 1964
Address 411 Gulf Building, Midland, Texas		Lease Sunshine State	Well No. 1
Location or Well	Unit C	Section 19	Township 21
			Range 37 E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple 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. **MC 1253**; Operator, Lease, and Well No.: **Amerada Petroleum Corporation, State "DC" No. 1**

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Penrose Skelly	Ullahry Oil	Drinkard
b. Top and Bottom of Pay Section (Perforations)	3718 - 3844 3724' - 3840'	5720 - 6000 5600' - 5900'	6656 - 6694 6675' - 6690'
c. Type of production (Oil or Gas)	OIL	OIL	OIL
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing

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

- Yes** a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and 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 multiple 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.
- | | |
|---|-------------------------------------|
| Marathon Oil Co., Box 552, Midland, Texas | Attn: Mr. C. S. Mills |
| Amerada Petroleum Corporation, Box 312, Midland, Texas | Attn: Mr. J. R. Ealoe |
| Sunray DX Oil Company, Box 128, Hobbs, New Mexico | Attn: Mr. C. T. McClanahan |
| Continental Oil Company, Box 427, Hobbs, New Mexico | Attn: Mr. A. B. Slaybaugh |
| Gulf Oil Corporation, Box 670, Hobbs, New Mexico | Attn: Mr. C. D. Borland, Jr. |
| Texas Pacific Oil Company, Box 1069, Hobbs, New Mexico | Attn: Mr. Sheldon Ward |

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

CERTIFICATE: I, the undersigned, state that I am the **Petroleum Engineer** of the **Penrose Production 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.

Harold S. Winston

Signature **Harold S. Winston**

- * 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 multiple 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.

PENROSE PRODUCTION COMPANY
 DIAGRAMMATIC SKETCH OF CONVENTIONAL TRIPLE COMPLETION

L. G. WARLICK NO. 2
 Unit B, Sec. 19 - T21S - R37E
 Lea County, New Mexico

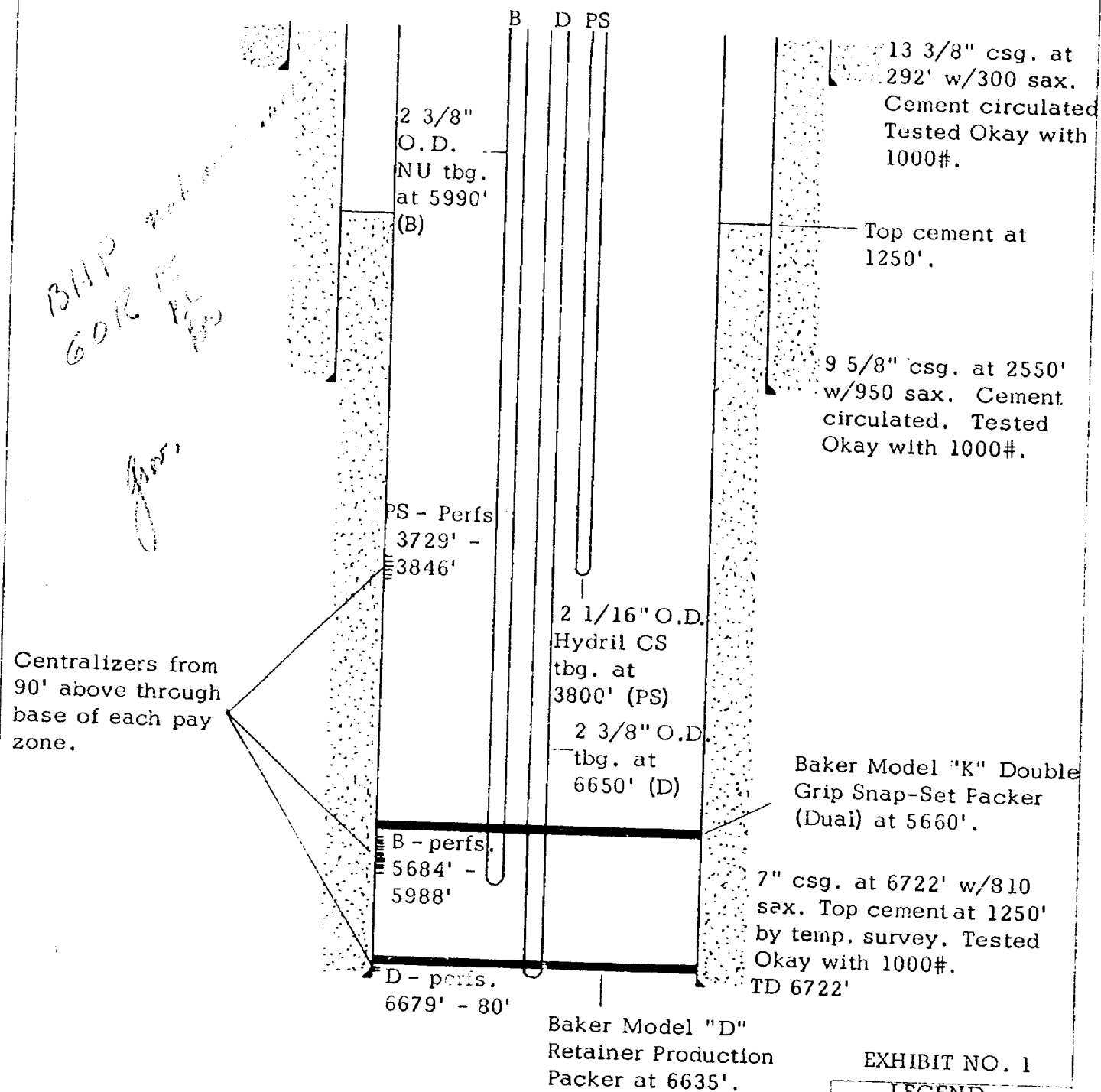


EXHIBIT NO. 1

LEGEND

PS - Penrose Kelly
 B - Blinbry
 D - Drinkard

HSW 5/1/64

EXHIBIT NO. 2

Penrose Production Company - L. G. Warlick No. 2

Completion Well Tests
24 Hour Rate

<u>Zone</u>	<u>Date</u>	<u>Choke Size</u>	<u>Tubing Pressure psig.</u>	<u>Oil Bbls.</u>	<u>Water Bbls.</u>	<u>Gas Volume MCF</u>	<u>GOR</u>	<u>Oil Gravity, API°</u>
Drinkard	3/30/64	1/4"	400	210	0	301	1433	37
Blinebry	4/11/64	24/64"	170	95	62*	387	4074	38
Penrose- Skelly	4/27/64	10/64"	380	141	38	1063	7539	38

*Lacked the recovery of 1200 bbls. of frac water.

BHP Data

Amerada, State "DC" No. 1
Unit F, Sec. 19 - T21S - R37E
1963 Tests

<u>Zone</u>	<u>Hours CI</u>	<u>BHP psig.</u>
Drinkard	72	2200
Blinebry	72	1910
Penrose-Skelly	380	1250

PENROSE PRODUCTION COMPANY
 DIAGRAMMATIC SKETCH OF CONVENTIONAL TRIPLE COMPLETION

SUNSHINE STATE NO. 1
 Unit C, Sec. 19, T21S - R37E
 Lea County, New Mexico

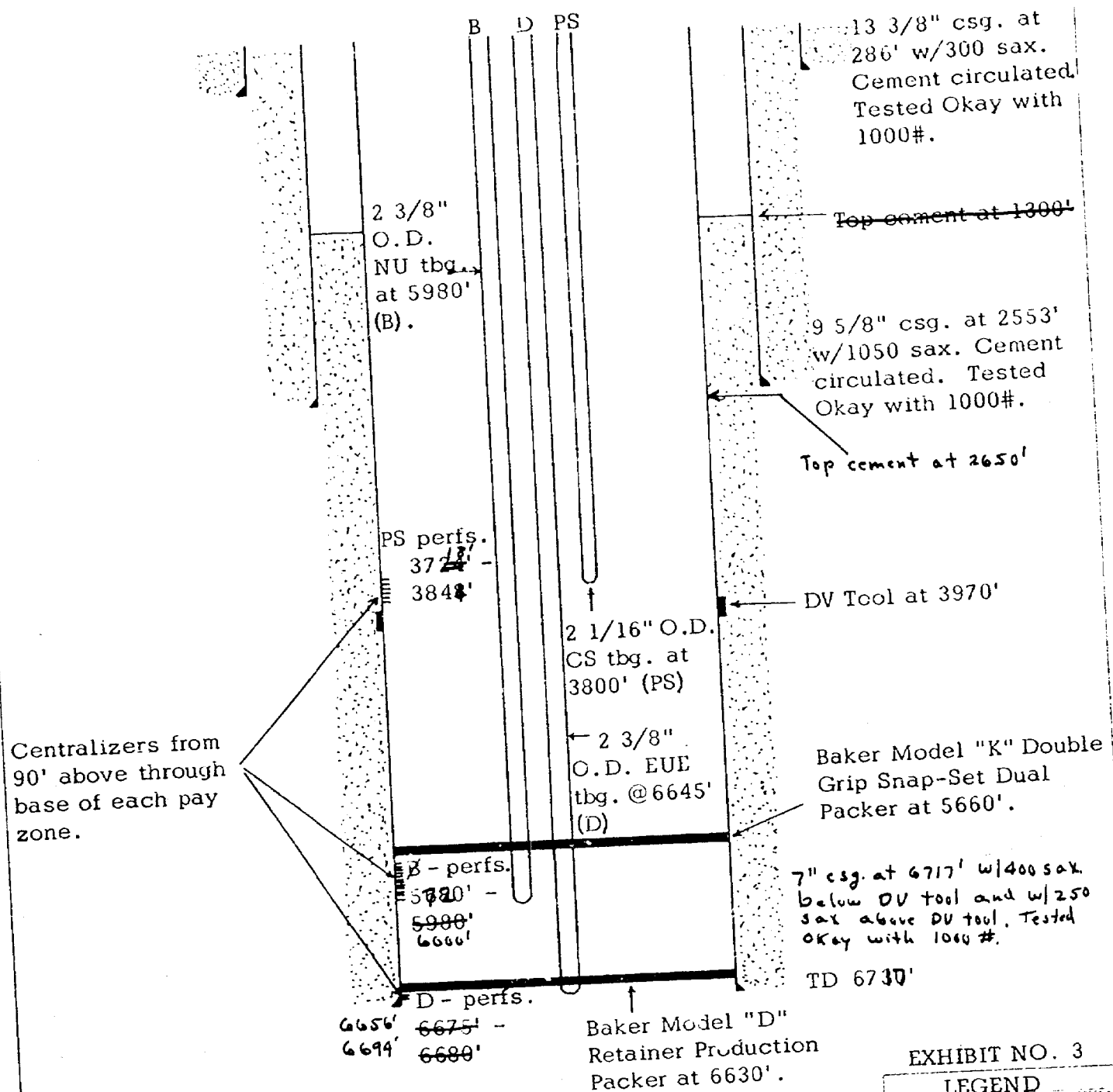


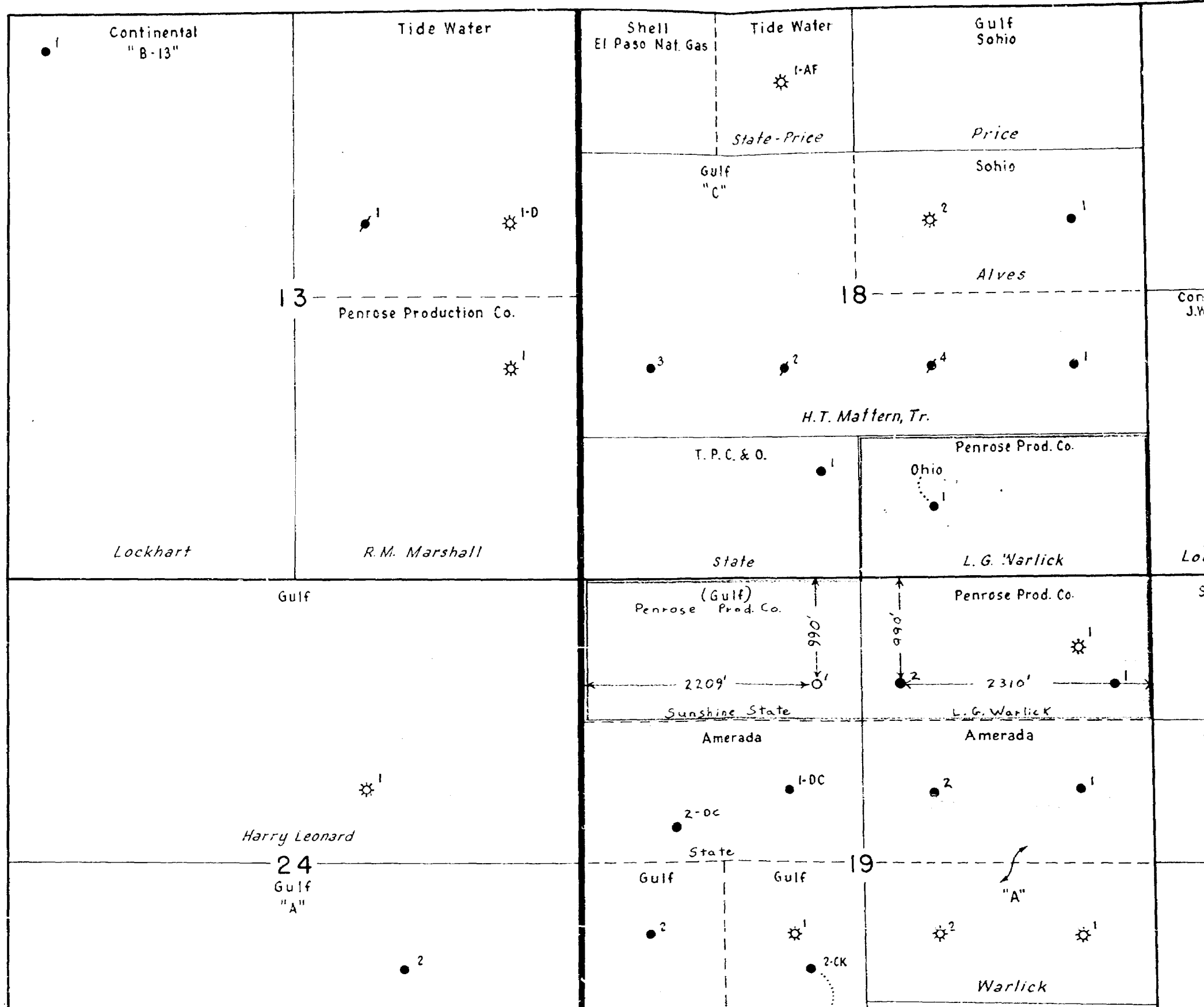
EXHIBIT NO. 3

LEGEND
 PS - Penrose Skelly
 B - Blinebry
 D - Drinkard

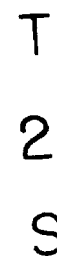
HSW 5/7/64

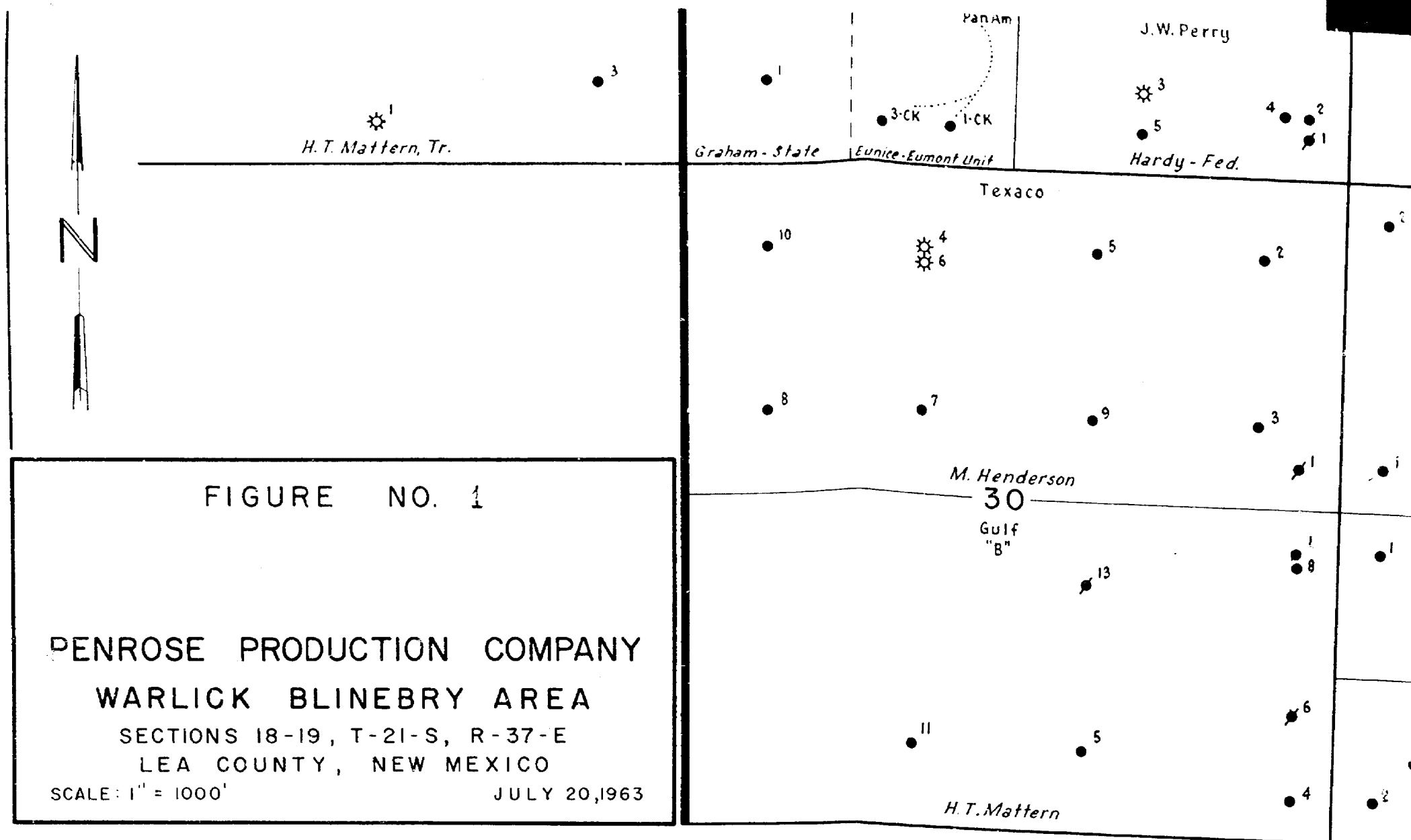
R 36 E

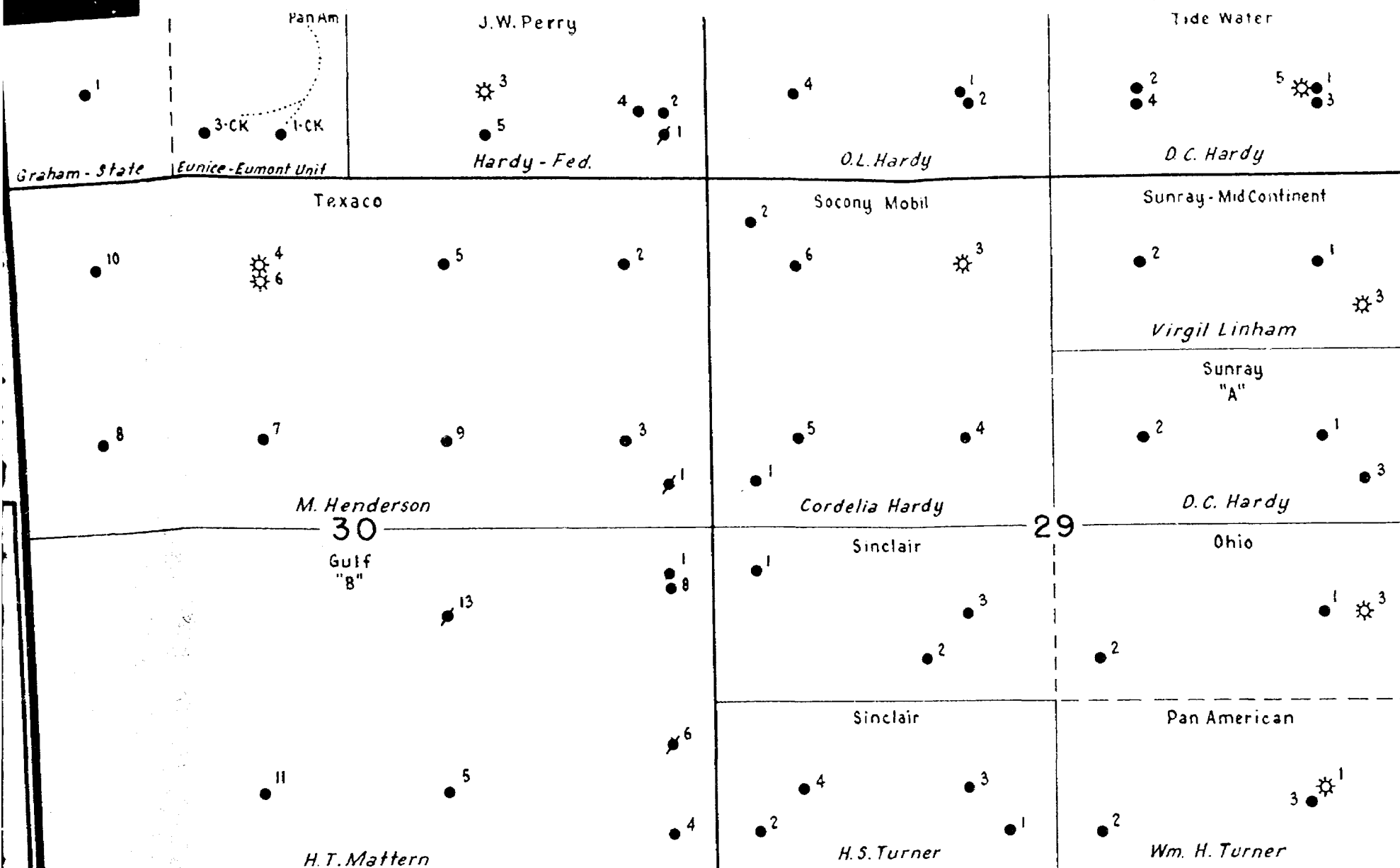
R 37 E



R 37 E







LAW OFFICES
McKENNA & SOMMER

NASON BUILDING
302 E. PALACE AVENUE
SANTA FE, NEW MEXICO

THOMAS F. MCKENNA, SR.
JOSEPH A. SOMMER

TELEPHONE YUCCA 2-1897
YUCCA 2-1898

April 30, 1964

Mr. A. L. Porter, Jr.
Secretary-Director
State of New Mexico
Oil Conservation Commission
State Land Office
Post Office Box 871
Santa Fe, New Mexico

Dear Sir:

Pursuant to the telephonic request by Mr. Harold Winston on behalf of Penrose Production Company, please consider this letter as an informal request and application of Penrose Production Company for two triple completions in Lea County, New Mexico. The applicant seeks approval for the triple completion (conventional) of its L. G. Warlick Well No. 2 and its Sunshine State Well No. 1 located in Units B and C, respectively, Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Penrose Skelly, Blinebry and Drinkard Oil Pools through parallel strings of 2 1/16 and 2 3/8 inch tubing.

It is my understanding that this case has been set for May 7, 1964 as Case No. 3041.

Yours truly,

McKENNA & SOMMER

Thomas F. McKenna

rt

cc: Mr. Harold Winston

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

CASE 3041

Date 5/8/64

Hearing Date 8 am 5/7/64

My recommendations for an order in the above numbered cases are as follows:
DSN @ SF

Enter order approving triple completion (conventional) of Pensore Production Company's L.H. Warlick Well No. 2 located in ~~Tract B~~ 990' FNL & 2310' FEL of Sec 19, Twp 21S, Rge 37E and Sunshine State Well No 1, located 990' FNL and 2209' FWL of same section. Both wells are to be tripled to produce oil from the Pensore Skelly, Rhinebray ~~Oil~~ and Drinkard oil pools through parallel strings of tubing. separation of the zones by packers set at 5660' and 6635' in the Warlick No 2 and at 5660' and 6717' in the Sunshine State No 1. Order packer leakage tests upon completion & annuach during the GOR test period for the Drinkard Pool

[Signature]
SANTA FE, N.M.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 7, 1964

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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

- CASE 3037: Application of Texaco, Inc. for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its State "BO" Well No. 4, located 660 feet from the South line and 659 feet from the West line of Section 13, Township 11 South, Range 32 East, Moore-Wolfcamp Gas Pool, Lea County, New Mexico.
- CASE 3038: Application of Kennedy Oil Company for a waterflood buffer zone and capacity allowables, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the N/2 SW/4 of Section 20, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico, as a buffer zone adjacent to a waterflood project operated in the S/2 SW/4 of said Section 20 by Newmont Oil Company. Applicant further seeks the assignment of capacity allowables for its Rowley Federal Wells Nos. 1 and 2, located in Units K and L, respectively, of said Section 20.
- CASE 3039: Application of Humble Oil & Refining Company for an unorthodox location and a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (combination) of its State "AB" Well No. 2 to produce oil from the Fowler Ellenburger and Fowler Blinebry Pools at an unorthodox location 1400 feet from the North line and 330 feet from the East line of Section 16, Township 24 South, Range 37 East, Lea County, New Mexico. Applicant proposes that the Ellenburger completion will share the 80-acre proration unit with an existing well, its State "AB" Well No. 1, a maximum of one pool allowable to be produced from said unit. The proposed dual would be completed with 4 1/2 inch and 2 7/8 inch parallel strings of casing.
- CASE 3040: Application of Humble Oil & Refining Company for an unorthodox location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its J.A.E. Knight Well No. 2 at an unorthodox location 330 feet from the South line and 330 feet from the West line of Section 14, Township 24 South, Range 37 East, Fowler Ellenburger Pool, Lea County, New Mexico. Said well would be dedicated to a 62-acre non-standard proration unit comprising the SW/4 SW/4 of said Section 14 and 22 productive acres of the SE/4 SW/4 lying West of the fault transversing said quarter-quarter section.
- CASE 2691: (Reopened) In the matter of Case No. 2691 being reopened pursuant to the provisions of Order No. R-2373, which order established temporary 640-acre gas proration units for the Lusk-Morrow Gas Pool, Lea County, New Mexico, for a period of 18 months. All interested parties may appear and show cause why said pool should not be developed on 160-acre gas proration units.

CASE 3041: Application of Penrose Production Company for two triple completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its L. G. Warlick Well No. 2 and its Sunshine State Well No. 1 located in Units B and C, respectively, Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Penrose Skelly, Blinebry and Drinkard Oil Pools through parallel strings of 2 1/16 and 2 3/8 inch tubing.

CASE 3042: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northwest Tatum State Unit Area comprising 1600 acres of State land in Township 12 South, Range 35 East, Lea County, New Mexico.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 7, 1964

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 963-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

IN THE MATTER OF: Application of Penrose Pro-
duction Company for two triple completions,
Lea County, New Mexico. Applicant, in the
above-styled cause, seeks approval for the
triple completion (conventional) of its
L. G. Warlick Well No. 2 and its Sunshine
State Well No. 1 located in Units B and C
respectively, Section 19, Township 21 South,
Range 37 East, Lea County, New Mexico, to
produce oil from the Penrose Skelly,
Blinebry and Drinkard Oil Pools through
parallel strings of 2 1/16 and 2 3/8 inch
tubing.

Case No. 3041

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

MR. NUTTER: The hearing will come to order, please.

We will take next Case 3041.

MR. DURRETT: Application of Penrose Production Company for two triple completions, Lea County, New Mexico.

MR. McKENNA: Mr. Examiner, my name is Tom S. McKenna of McKenna and Sommers, appearing on behalf of the Applicant Penrose. We have one witness, Mr. Harold S. Winston, of Penrose.

(Witness sworn.)

HAROLD S. WINSTON

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. McKENNA:

Q Mr. Winston, where do you live?

A Midland, Texas.

Q Have you testified before this Commission?

A Negative.

Q How old are you?

A Thirty-seven.

Q Can you tell the Commission briefly your education, what your education has been?

A Yes. I graduated with a petroleum engineering degree from the University of Minnesota in 1950, worked as a petroleum



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6631

engineer in drilling completion, reservoir engineering waterflooding for Gulf Oil Corporation for approximately nine years, and have been with Penrose as a production reservoir evaluation drilling engineer for four years. I'm a registered professional engineer in Texas.

MR. McKENNA: Mr. Examiner, I ask that his qualifications be accepted.

MR. NUTTER: He's qualified.

Q (By Mr. McKenna) Are you personally familiar with the matter that you wish to talk to the Examiner about today?

A Yes, I am.

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

Q Now, Mr. Winston, what has been identified as Applicant's Exhibit No. 1, can you state whether or not they were prepared under your supervision and under your direction?

A They were.

Q Can you briefly tell the Commission the purpose of your application today? Please, if you would, would you refer -- there are two wells involved, and refer to Warlick No. 2 as the first well, please.

A We seek to have approval for a conventional triple completion in our L. G. Warlick Well No. 2 and in our Sunshine



State Well No. 1 in Units B and C respectively, of Section 19, 21 South, 37 East, Lea County, New Mexico.

Q What is the status of your Warlick No. 2 at this time?

A It has been completed, perforated, treated in all of the various pay zones and tested, and is right now waiting on the approval of the Commission to run tubing and packers.

Q Mr. Winston, referring to Exhibit No. 1 --

A Is that the map?

Q No, Exhibit No. 1 is the whole package. Referring to that portion of Exhibit No. 1 which is the diagrammatic sketch of Warlick No. 2, will you explain to the Examiner and Commission how you propose to finally complete the Warlick No. 2? Explain what your program is as to the Warlick No. 2.

A Do you want to go through cementing?

Q Start with the cementing program.

A All right. There was a salt string run, there was a surface casing of 292 feet, 13 3/8" casing, cemented with 300 sacks, cement circulated and tested.

There was 9 5/8" casing set at 2550 feet through the salt section cemented with 950 sacks, cemented and circulated and tested okay; and 7" casing set at 6722 feet with 810 sacks, and the top of the cement found by temperature survey at 1250 feet, and a copy of the temperature survey is attached to Exhibit 1.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325.1182

SANTA FE, N. M.
PHONE 983.3971

ALBUQUERQUE, N. M.
PHONE 243.6691

Q What is the casing program for Warlick No. 2?

A It is identical to that -- pardon me, the casing program?

Q Casing program.

A That was the casing program.

Q What about the tubing program?

A Can I get to the tubing through the packers?

Q Yes.

A Let's go through the process of completing.

Q Very fine.

A The well was perforated in the Drinkard as indicated on what I have labeled Exhibit No. 1, from 6679 to 80, in the Blinebry from 5684 to 5988, and Penrose Skelly from 3729 to 3846. There was a Baker Model "D" packer; after perforating, these zones were all individually acidized and fracked. You don't want the details of that, do you, particularly?

MR. NUTTER: No, that's sufficient detail.

A They were acidized and fracked and the loads recovered up to 500 barrels, or 300 barrels of NU hole recovered from each zone before going to the next zone, and a Baker Model "D" packer was set above the Drinkard perforations at 6635 feet in the Warlick No. 2. That packer, incidentally, has already been set. That is a wire line non-retrievable packer. Do you want a detailed description how it functions?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

PAGE 6

MR. NUTTER: No, we are acquainted with that.

A Then our next procedure would be to run the tubing string, which is a 2 3/8" OD upset tubing string, which will be run down to the Baker Model "D" packer. On the end of it will be a tail pipe that will extend down into the Drinkard zone, and then there's this Baker latching tool that has these multi-V seals that seat down into the Baker Model "D" packer and provide the positive seal.

Also on that tubing string will be a Baker Model "K" double grip snap-set packer which will be a part of the string, and when the long string is set into the Baker Model "D" packer it will occupy a position at approximately 5660 feet. Do you want a detailed description of how it works?

MR. NUTTER: No.

A Then we will run the Blinebry tubing string down into the Baker Model "K" packer, it locks into the Baker Model "K" packer, and when you set down it sets the packer and provides the seal between the Blinebry and the Penrose Skelly.

Then the last string will be a 2 1/16" O.D. Hydril CS tubing which will be run to about 3800 feet for Penrose Skelly production, and that comprises our tubing and casing and packer program for the well.

Q Can you artificially lift if such becomes necessary?



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A Yes.

Q In your opinion can the well be produced so that production from each zone can be measured separately?

A Yes, very definitely.

Q Do you anticipate any problems as to corrosion or water?

A No, nothing of any serious nature, no.

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

Q Mr. Winston, I hand you what has been identified as Exhibit No. 2. Can you explain to the Examiner what that is?

A Yes. This is a gamma ray sonic log of the Warlick No. 2 well, and on it I marked the tops of the formations and the perforated intervals are also indicated.

Q Do you know anything at all about the bottomhole pressure and the gravity and the GOR on the Warlick No. 2?

A I do not know anything about the bottomhole pressure on the Warlick No. 2 because we haven't had an opportunity to take them yet. We will take them in conjunction with the communication tests that are required by the Commission that we want to take for our own information too. Insofar as production is concerned, Exhibit No. 2, my Exhibit No. 2, which is a part of the package handed to Mr. Nutter as Exhibit No. 1 for the Commission, recites the production tests that were taken in the Warlick No. 2 during



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the time it was completed, and represent production of new oil, so that an indication of the productivity of each of the zones may be seen; and the last column in that tabulation shows the oil gravities.

The three oil gravities ran 37, 38 degrees, and the amount of production is there. Now, insofar as bottomhole pressure data is concerned, I borrowed some from Amerada from their State "DC" Well No. 1, which is located in the Southeast of the Northwest of Section 19. Amerada "DC" No. 1 is the direct south offset to the Sunshine State, and the diagonal southwest offset to the Warlick 2, and it shows that these were test data that Amerada took with actual bottomhole pressure measurements opposite the various pay zones.

Their completion, however, is tubingless, and each one of these pay zones has its own string of tubing. The pressures are certainly representative of the area. They are no more than a year. The Drinkard 2200 and Blinbry 2210, and these are built-up pressures. The actual drawdown production pressures will be low in this. There's no indication of any pressures that were near the differential across the packers that will budge them at all. The packers can stand four or five thousand pounds of pressure, so I anticipate no problem with pressure differentials.

Q Will you submit segregation and pressure tests at the



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PAGE 9

time required by the Commission if this is approved?

A Yes.

Q Can you state whether or not this application is in keeping with the principles of conservation?

A Yes, it is.

Q Do you think that it will in any way interfere with correlative rights?

A Negative.

Q Now, the other well that you are here on is Sunshine State No. 1?

A Correct.

Q Is there anything different in your testimony that would be different in your testimony as to Sunshine State No. 1 from what you've said as to the Warlick No. 2?

A The one difference will be, we ran a DV tool in the 7" casing string in the Sunshine State No. 1, because we had an incurable lost circulation problem while we drilled it, and we were afraid we couldn't get cement back up. We ran a DV tool that's indicated at 3970 feet. I hope you will pardon my pencil corrections, again, I corrected it after the well was completed, which was just yesterday. I didn't have time to make a formal presentation. This, as corrected, was more correct than I had it.

I checked back with the production foreman this morning and



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we took a temperature survey and found the top of the cement for the cementing above the DV tool at 2650 feet, and I have so indicated it on the Exhibit No. 3 there. That would be the only difference that we contemplate in the Sunshine State No. 1 as compared to the Warlick No. 2, other than the minor differences in perforation and length of tubing and this, nothing other than a magnitude of --

MR. NUTTER: You did get circulation on your face in the intermediate strings?

A Yes. On the intermediate we had to, we got it up and it seemed to go down, so we went back in from the top with one inch, and this spotted it on down and brought it back that way, but it took two jobs, but, yes, we got it all cemented.

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

Q Tell the Examiner what has been marked as Exhibit No. 3.

A It is a gamma ray sonic log of Penrose Production Company Sunshine State No. 1. On it I marked the tops of the producing formations and the contemplated perforated intervals, inasmuch as we haven't perforated them yet.

Q Will you take whatever necessary packer leakage tests may be required and submit that information?

A Yes.



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MR. MCKENNA: That's all I have, and the witness is available for questions.

MR. NUTTER: Are there any questions of Mr. Winston? He may be excused.

A May I add two things before I'm excused? One is, I understand that the Penrose Skelly, the Paddock--the Penrose Skelly, Paddock and Drinkard zones in this area are all classified for having orthodox locations on 330's, but that there is some question about the Blinebry not being an orthodox location on 330. We intend for these to be Blinebry oil completions, and if you will notice on our tabulation of production data that the Blinebry oil zone, so far as it was tested, produced with a gas-oil ratio of 4074 and gravity of 38.

MR. NUTTER: It's low gravity, it's definitely oil?

A Yes. I wonder if it would be proper to ask in the order related to these wells that mention might be made of the fact that this will be an orthodox location or a legal location, if that could be done?

MR. NUTTER: I was just reviewing the Blinebry Oil Pool rules. I don't see any limitation as far as the location is concerned. The 330 is apparently okay for the Blinebry oil. It will be a non-standard location in the event these wells would be reclassified as gas wells.



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A I understand.

MR. NUTTER: You would have the approval of the non-standard on that.

A The last thing I would like to request or mention is that we have this well down and we have it completed, and if the Commission does, or does not see any real problem in granting this request, I would appreciate being advised at an early date so we can change our plans or go ahead and complete the well. Anything you do in that regard will be appreciated.

MR. NUTTER: If there are no further questions of the witness, he may be excused.

(Witness excused.)

MR. McKENNA: I wish to offer in evidence Exhibits 1, 2 and 3 of the Applicant.

MR. NUTTER: Applicant's Exhibits 1, 2 and 3 will be admitted in evidence.

(Whereupon, Applicant's Exhibits 1, 2 & 3 were admitted in evidence.)

MR. NUTTER: Does anyone have anything further to offer in Case 3041? We will take the case under advisement.



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PHONE 983-3971

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PHONE 243-6691

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 8th day of June, 1964.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3041, heard by me on May 7, 1964.

[Signature], Examiner
New Mexico Oil Conservation Commission



DRAFT

JMD/esr

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. 3041

Order No. R- 2754

APPLICATION OF PENROSE PRODUCTION
COMPANY FOR TWO TRIPLE COMPLETIONS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
May 7, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter,
~~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 May, 1964, the Commission,
a quorum being present, having considered the ~~application, the~~ testimony,
the record, ~~evidence adduced,~~ and the recommendations of the Examiner,
-----, 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, Penrose Production Company, seeks
authority to complete its L. G. Warlick Well No. 2, located 990
feet from the North line and 2310 feet from the East line of
Section 19, Township 21 South, Range 37 East, NMPM, Lea County,
New Mexico, and its Sunshine State Well No. 1, located 990 feet
from the North line and 2209 feet from the West line of said
Section 19 as triple completions (conventional) to produce oil
from the Penrose-Skelly, Blinebry, and Drinkard Oil Pools through
parallel strings of tubing, with separation of zones by packers
set at approximately 5660 feet and 6635 feet in the L. G. Warlick
Well No. 2 and 5660 feet and 6717 feet in the Sunshine State Well
No. 1.

(3) That the mechanics of the proposed triple completions are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Penrose Production Company, is hereby authorized to complete its L. G. Warlick Well No. 2, located 990 feet from the North line and 2310 feet from the East line of Section 19, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, and its Sunshine State Well No. 1, located 990 feet from the North line and 2209 feet from the West line of said Section 19 as triple completions (conventional) to produce oil from the Penrose-Skelly, Blinebry, and Drinkard Oil Pools through parallel strings of tubing, with separation of zones by packers set at approximately 5660 feet and 6635 feet in the L. G. Warlick Well No. 2 and 5660 feet and 6717 feet in the Sunshine State Well No. 1;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said wells 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 Gas-Oil Ratio Test Period for the Drinkard Pool.

(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.

Pearson Production Company
 L. G. Warlick #2
 Unit B 19-215-37E
 Lea County

Pearson-SK 2 $\frac{7}{16}$
 Blinley-Oil 2 $\frac{3}{8}$
 Drinkard 2 $\frac{3}{8}$

by Packers ~~Midland~~

Doyle
 to

Pearson Prod Co
 411 Ineff Bldg
 Midland

Harold
 Winston

MU-22962

Sunshine State #1
 @ 19-21-37E