

CASE No.

3523

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

CASE No.

3523

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

6-1-56

PACKER-SETTING AFFIDAVIT
(Dual Completions)

STATE OF New Mexico)
County of Lea) ss

Jerry Eskew, being first duly sworn according to law, upon his oath deposes and says:

That he is of lawful age and has full knowledge of the facts herein below set out.

That he is employed by Aztec Oil & Gas Company in the capacity of District Engineer and as such is its authorized agent.

That on January 9, 1967, he personally supervised the setting of a Baker Model "D" in Aztec Oil & Gas Company's
(Make and Type of Packer) (Operator)

Federal "M" Well No. 1, located in Unit
(lease)
Letter L, Section 27, Township 18-S, Range 33E, NMPM,
Lea County, New Mexico.

That said packer was set at a subsurface depth of 13,090(RKB) feet, said depth measurement having been furnished by Welex's wire line.

That the purpose of setting this packer was to effect a seal in the annular space between the two strings of pipe where the packer was set so as to prevent the commingling, within the well-bore, of fluids produced from a stratum below the packer with fluids produced from a stratum above the packer. That this packer was properly set and that it did, when set, effectively and absolutely seal off the annular space between the two strings of pipe where it was set in such manner as that it prevented any movement of fluids across the packer.

AZTEC OIL & GAS COMPANY
(Company)

Jerry Eskew
(its Agent)

Subscribed and sworn to before me this the 2ND day of Feb., AD, 1967.

W. W. Daugherty
Notary Public in and for the County of Lea

My Commission Expires 10-24-69.

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. 3523
Order No. R-3191

APPLICATION OF AZTEC 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 a.m. on February 8, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of February, 1967, 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, Aztec Oil & Gas Company, seeks
authority to complete its Federal "M" Well No. 1, located in
Unit L of Section 27, Township 18 South, Range 33 East, NMPM,
Lea County, New Mexico, as a dual completion (conventional) to
produce oil from the South Corbin-Strawn Pool and to produce gas
from the South Corbin-Morrow Gas Pool through parallel strings
of 2 1/16-inch tubing, with separation of zones by a packer set
at approximately 13,090 feet.

(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 prevent
waste and protect correlative rights.

-2-

CASE No. 3523

Order No. R-3191

IT IS THEREFORE ORDERED:

(1) That the applicant, Aztec Oil & Gas Company, is hereby authorized to complete its Federal "M" Well No. 1, located in Unit L of Section 27, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the South Corbin-Strawn Pool and to produce gas from the South Corbin-Morrow Gas Pool through parallel strings of 2 1/16-inch tubing, with separation of zones by a packer set at approximately 13,090 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;

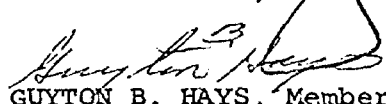
PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-in Pressure Test Period for the South Corbin-Morrow Gas Pool.

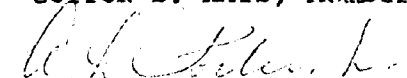
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

February 13, 1967

Re: Case No. 3523
Order No. R-3191
Applicant: AZTEC OIL & GAS COMPANY

Mr. Sumner Buell
Seth, Montgomery, Federico & Andrews
Attorneys at Law
Post Office box 2307
Santa Fe, New Mexico

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. L. Porter, Jr.".

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other _____

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

PRENTICE R. WATTS, JR.
GENERAL SUPERINTENDENT

February 1, 1967

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

RE: Application for Dual Completion
Aztec Oil & Gas Company
Federal "M" #1
NW SW Section 27-T18S-R33E
Strawn and Morrow Formations
Lea County, New Mexico

Gentlemen:

The undersigned, being an authorized representative of an offset operator of the subject well, has been duly informed by Aztec Oil & Gas Company of its intention to dually complete the subject well and hereby waives all objections to the dual completion of said well in the Strawn and Morrow Formations.

Very truly yours,

Amerada Petroleum Corporation
Name of Operator


Representative - W. H. Ground

cc: Aztec Oil & Gas Company
2000 First National Bank Bldg.
Dallas, Texas 75228
Attention: Mr. Prentice Watts

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

PRENTICE R. WATTS, JR.
GENERAL SUPERINTENDENT

February 1, 1967

New Mexico Oil Conservation Commission
Post Office Box 2066
Santa Fe, New Mexico

RE: Application for Dual Completion
Aztec Oil & Gas Company
Federal "M" #1
NW SW Section 27-T18S-R33E
Strawn and Morrow Formations
Lea County, New Mexico

Gentlemen:

The undersigned, being an authorized representative of an offset operator of the subject well, has been duly informed by Aztec Oil & Gas Company of its intention to dually complete the subject well and hereby waives all objections to the dual completion of said well in the Strawn and Morrow Formations.

Very truly yours,

THE SUPERIOR OIL COMPANY
Name of Operator

E. W. Collins Jr. 2-3-67
Representative

cc: Aztec Oil & Gas Company
2000 First National Bank Bldg.
Dallas, Texas 75228
Attention: Mr. Prentice Watts

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

PRENTICE R. WATTS, JR.
GENERAL SUPERINTENDENT

February 1, 1967

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

RE: Application for Dual Completion
Aztec Oil & Gas Company
Federal "M" #1
NW SW Section 27-T18S-R33E
Strawn and Morrow Formations
Lea County, New Mexico

Gentlemen:

The undersigned, being an authorized representative of an offset operator of the subject well, has been duly informed by Aztec Oil & Gas Company of its intention to dually complete the subject well and hereby waives all objections to the dual completion of said well in the Strawn and Morrow Formations.

Very truly yours,

F.W. ESTILL

Name of Operator


Representative

OWNER

cc: Aztec Oil & Gas Company
2000 First National Bank Bldg.
Dallas, Texas 75228
Attention: Mr. Prentice Watts

J. O. SETH (1883-1963)

A. K. MONTGOMERY
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
RICHARD S. MORRIS
JOHN G. JASPER
SUMNER G. BUELL
SETH D. MONTGOMERY

MONTGOMERY, FEDERICI & ANDREWS

ATTORNEYS AND COUNSELORS AT LAW

350 EAST PALACE AVENUE
SANTA FE, NEW MEXICO 87501

POST OFFICE BOX 2307
AREA CODE 505
TELEPHONE 982-3876

February 3, 1967

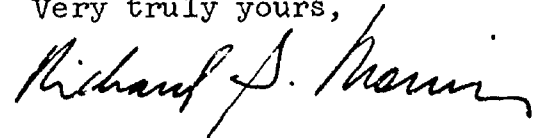
New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: NMOCC Case (3523)
February 8, 1967 Docket Application for
Dual Completion of Federal "M" Well #1
Lea County, New Mexico

Gentlemen:

Please accept this letter as our entry of appearance in the subject case on behalf of the applicant Aztec Oil & Gas Company. Associated with us will be Mr. Kenneth A. Swanson who is admitted to practice law in the state of Texas and who will present the case to the Commission on behalf of the applicant.

Very truly yours,



RSM: jm

cc: Mr. Kenneth A. Swanson, Manager
Land Department
Aztec Oil & Gas Company
2000 First National Bank Building
Dallas, Texas 75202

Docket No. 4-67

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 8, 1967

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 3523: Application of Aztec 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 Fed."M" Well No. 1 located in Unit L of Section 27, Township 18 South, Range 33 East, Lea County, New Mexico, to produce oil from the South Corbin-Strawn Pool and to produce gas from the South Corbin-Morrow Gas Pool through parallel strings of tubing.

CASE 3524: Application of Standard Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through its H. R. Stroup Well No. 6 located in Unit C of Section 11, Township 18 South, Range 26 East, Atoka-San Andres Pool, Eddy County, New Mexico.

CASE 3261 (Reopened)

In the matter of Case No. 3261 being reopened pursuant to the provisions of Order No. R-2931-B, which order assigned a 160-acre proportional factor of 4.77 to the Jenkins-Cisco Pool, Lea County, New Mexico, for a period of six months, rather than the usual factor of 6.77 for a 160-acre pool of this depth. All interested parties may appear and show cause why the 160-acre proportional factor of 4.77 assigned to said pool should not be retained.

CASE 2750 (Reopened)

In the matter of Case No. 2750 being reopened pursuant to the provisions of Order No. R-2441, which order established 640-acre spacing units for the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

CASE 2749 (Reopened)

In the matter of Case No. 2749 being reopened pursuant to the provisions of Order No. R-2440, which order established 640-acre spacing units for the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

Docket No. 4-67

-2-

CASE 3525: Application of Robert A. Dean for a non-standard gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the non-standard gas well location of his Southern Union 13 State Well No. 1, 2310 feet from the South and East lines of Section 13, Township 16 South, Range 31 East, West Mesa-Upper Queen Gas Pool, Eddy County, New Mexico.

CASE 3526: Application of Mobil Oil Company for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Cemetery-Morrow Gas Pool in Sections 16 and 17, Township 20 South, Range 25 East, Eddy County, New Mexico. Said pool was created prior to Order No. R-2787 and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the subject pool.

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

P. O. BOX 1410

FORT WORTH, TEXAS—76101

D. L. RAY
DIVISION ENGINEER

January 20, 1967

23
Case 3.523

File: GHF-20-986.510.1

Subject: Letter of Waiver for Dual Completion, Aztec Oil and Gas Company's Federal "M" No. 1 NW SW Section 27, T18S-R33E, Strawn and Morrow Formations, Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Pan American Petroleum Corporation has been informed by Aztec Oil and Gas Company of their application to the New Mexico Oil Conservation Commission for permission to dually complete their Federal "M" No. 1 in the Strawn and Morrow Formations. We understand that this well is located in the NW/4 SW/4 of Section 27-T18S-R33E, Lea County, New Mexico. This is to advise that Pan American Petroleum Corporation has no objection to the proposed dual completion of this well in the Strawn and Morrow Formations.

Yours very truly,

D. L. Ray

CFH:df

CC - Aztec Oil and Gas Company
2000 First National Bank Building
Dallas, Texas
Attn: Mr. Prentice Watts

DOCKET MAILED

Date 1-26-67

PHONE 723-4742

ROY H. SMITH DRILLING CO.

728 FIRST-WICHITA NATIONAL BLDG.
WICHITA FALLS, TEXAS

January 16, 1967

Case 3523


New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Application for Dual Completion
Aztec Oil & Gas Company
Federal "M" #1
NW SW Section 27-T18S-R33E
Strawn and Morrow Formations
Lea County, New Mexico

Gentlemen:

Enclosed please find executed letter-waiver to application
for dual completion of Aztec Oil & Gas Company's Federal
"M" #1 located in Lea County, New Mexico.

Yours very truly,
ROY H. SMITH DRILLING CO.


ROY H. SMITH
Sole Owner

RHS:bw
Enc: 1

cc: Aztec Oil & Gas Company
2000 First National Bank Bldg.
Dallas, Texas 75202
Attn: Mr. Prentice Watts

DOCKET MAILED

Date 1-26-67
R

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

January 13, 1967

PRENTICE R. WATTS, JR.
GENERAL SUPERINTENDENT

Con
3523

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

RE: Application for Dual Completion
Aztec Oil & Gas Company
Federal "M" #1
NW SW Section 27-T18S-R33E
Strawn and Morrow Formations
Lea County, New Mexico

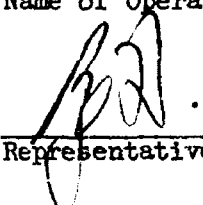

Gentlemen:

The undersigned, being an authorized representative of an offset operator of the subject well, has been duly informed by Aztec Oil & Gas Company of its intention to dually complete the subject well and hereby waives all objections to the dual completion of said well in the Strawn and Morrow Formations.

Very truly yours,

ROY H. SMITH DRILLING CO.

Name of Operator

 
Representative Sole Owner

cc: Aztec Oil & Gas Company
2000 First National Bank Bldg.
Dallas, Texas
Attention: Mr. Prentice Watts

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

PRENTICE R. WATTS, JR.
GENERAL SUPERINTENDENT

January 13, 1967

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

RR: Application for Dual Completion
Aztec Oil & Gas Company
Federal "M" #1
NW SW Section 27-T18S-R33E
Lea County, New Mexico

Gentlemen:

Enclosed is our "Application for Dual Completion" for the subject well. A plat of the lease and sketch of the installation is also included. You have previously been furnished a copy of the electric log of this well.

Each offset operator has been furnished a copy of this application and waivers consenting to this dual have been requested.

Your review and approval of this application will be appreciated.

Very truly yours,

Prentice Watts
Prentice Watts

PW:bjr

Encls.

cc: New Mexico Oil Conservation Commission - Hobbs
USGS - Farmington
Each Offset Operator

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Case 3523

Field Name South Corbin Morrow Extension		County Lea	Date January 13, 1967
Operator Aztec Oil & Gas Company		Lease Federal M	Well No. 1
Location of Well	Unit L	Section 27	Township 18S
			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	Strawn	Morrow
b. Top and Bottom of Pay Section (Perforations)	12,256-314	13,138-200
c. Type of production (Oil or Gas)	Oil	Gas
d. Method of Production (Flowing or Artificial Lift)	Flow	Flow

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

- Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- 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.

Continental Oil Company - Durango, Colorado

Pan American Petroleum Corp., Box 480, Farmington, New Mexico

John H. Trigg, 110 E. Third, Roswell, New Mexico

Roy H. Smith, 1728 First Wichita National Bldg., Wichita Falls, Texas

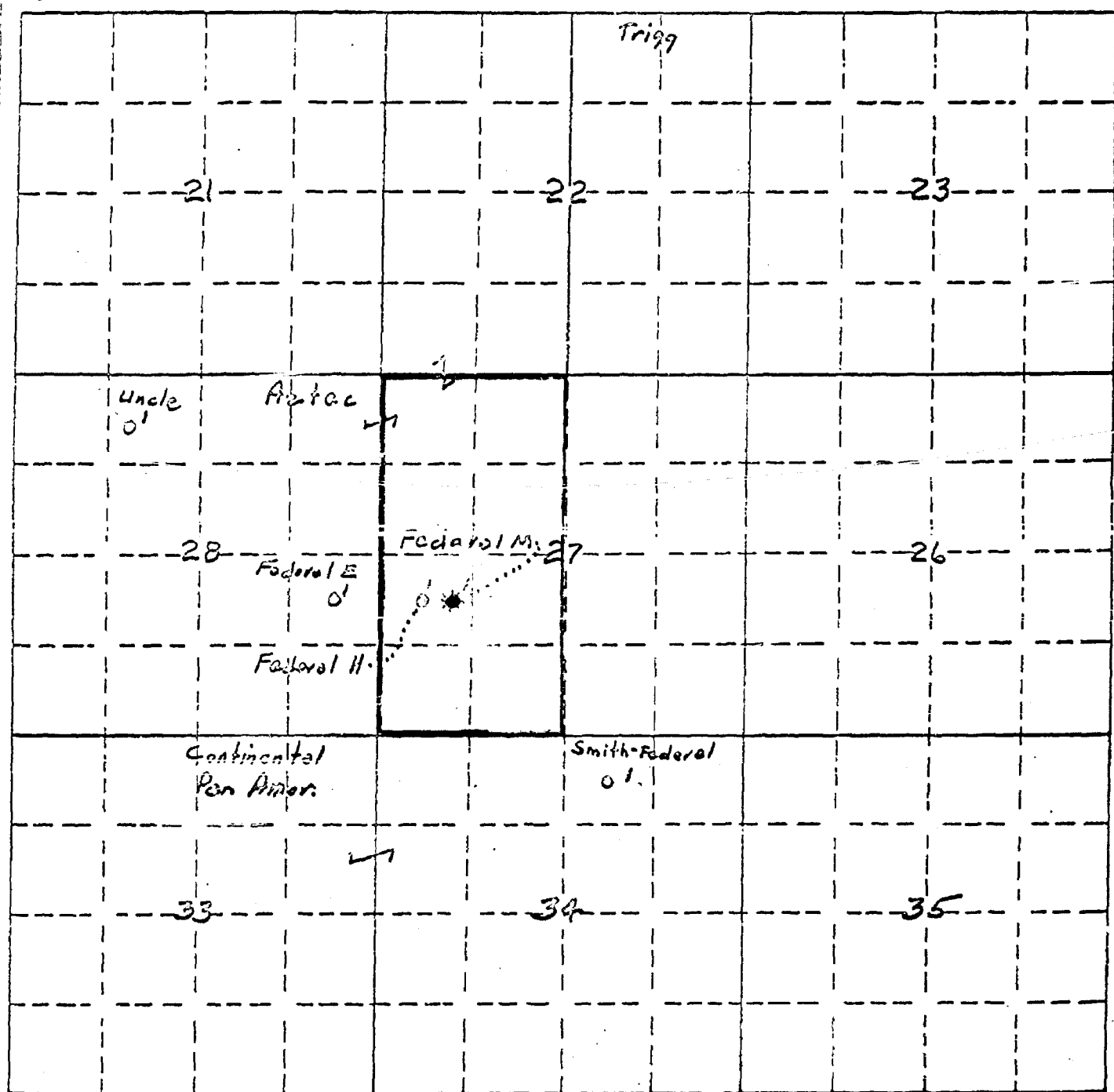
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO _____. If answer is yes, give date of such notification January 12, 1967.

CERTIFICATE: I, the undersigned, state that I am the Petroleum Engineer of the Aztec 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.

L. M. Stevens

Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



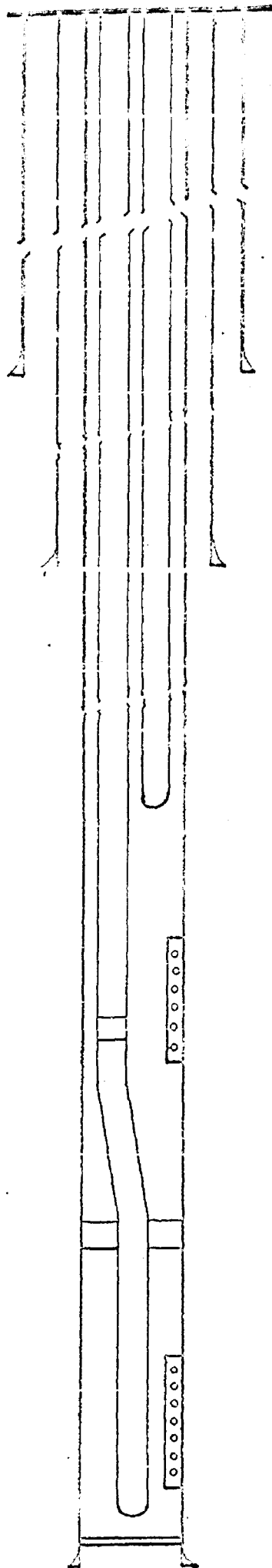
AZTEC

AZTEC OIL & GAS COMPANY					
South Corbin					
T18S-R33E L60 Co., N. Mex.					
Location					
CONTOURS					
By	Date	Surveyed by	Date	Reference	Scale

Case 3523

Case
3523

AZTEC OIL & GAS COMPANY
Application for Dual Completion
Federal "M" No. 1
NW SW Section 27-T18S-R33E
Lea County, New Mexico



13-3/8" Casing set at 354' with
350 sxs. Cement Circulated.

8-5/8" Casing set at 5109' with
700 sxs. Top Cement at 2700'

2-1/16" Tubing Landed at 12,230'

Perforated Strawn 12,256-64, 12,273-80
and 12,296-314 with 4 HPF.

2-1/16" Sliding Sleeve at 13,060'

Baker Model "D" Packer set at 13,090'

2-1/16" Tubing Landed at 13,200'

Perforated Morrow 13,138-48, 13,156-70,
13,174-82 and 13,190-200 with 4 HPF.

PBTD 13,268

5-1/2" Casing set at 13,315 with
1250 sxs. Top Cement at 8665

TD 13,316'

DANIEL WELLS *Productions*
Geophysical
 OPER 3523

FILE NO. _____

COMPANY AZTEC OIL & GAS COMPANY

WELL FEDERAL "M" NO. 1

FIELD WILDCAT

COUNTY LEA STATE NEW MEXICO

LOCATION: 1980' FSL & 990' FWL

Other Services
G/R-A/L
M/L-CALIPER

SEC 27 TWP 18-S RGE 33-E

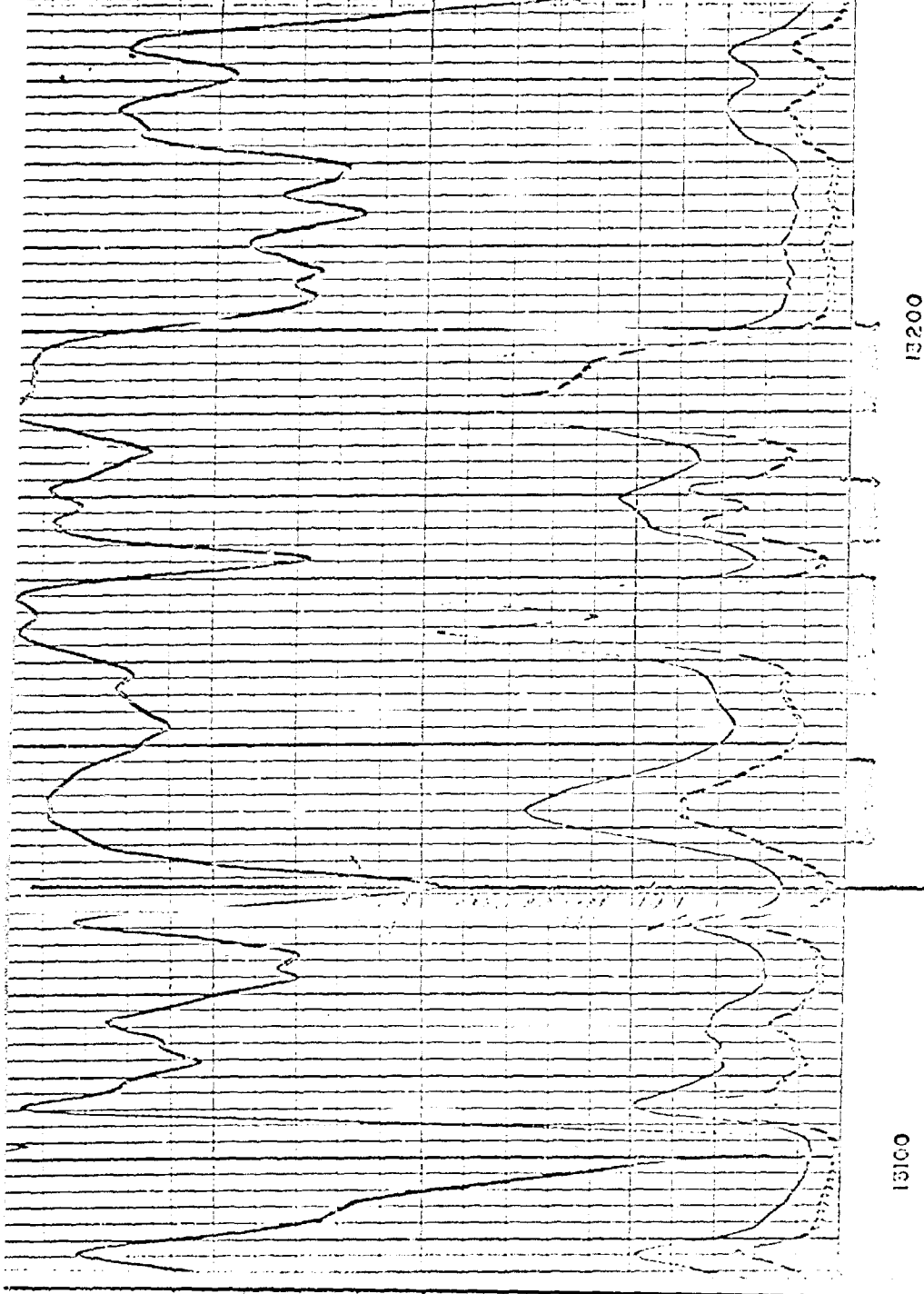
Permanent Datum GROUND LEVEL Elev. 3790

Log Measured from K. B. 15 Ft. Above Permanent Datum

Drilling Measured from K. B.

Elevations:
 KB 3805
 DF 3804
 GL 3790

Date	Run No.	Depth—Driller	Depth—Logger	Bottom Logged Interval	Top Logged Interval	Logging—Driller	Logging—Logger	Log Size	Type Fluid in Hole	Density and Viscosity	pH and Fluid Loss	Source of Sample	Run @ Meas. Temp.	Ref @ Meas. Temp.	Rec @ Meas. Temp.	Source of Ref and Rec	Run @ 2HT	Time Since Circ.	Log. Rec. Temp. Deg. F.	Temp. No. and Location	Recorded By	Checked By	
1/3/67	ONE	13,316	13,315	13,311	5,100	8 5/8	5110	5118	MUD	11.2	148	cc	3.2	@ 58°F	@ 58°F	@ 58°F	MEAS.	1.1	@ 168°F	168°F	4554 THORBS	MR. DUNN & MR. THOMPSON	
										9.5	18	cc	2.6	@ 58°F	@ 58°F	@ 58°F							
													3.8	@ 58°F	@ 58°F	@ 58°F							



13100

13200



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • TWO NE 243-J691 • ALBUQUERQUE, NEW MEXICO

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

February 8, 1967

IN THE MATTER OF:

Application of Aztec Oil & Gas
Company for a dual completion, Lea
County, New Mexico.

Case No. 3523

Before Daniel S. Nutter.

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE FEBRUARY 8, 1967 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
GEORGE H. FORD	PAN AMERICAN PETR. CORP.	FT. WORTH, TEXAS
J. B. Jordan	Union Oil Co of Calif	Roswell, N.M.
Lester L. Duke	Artesian Oil & Gas Co	Hobbs, N.M.
JOHN T. CAMERON	STANDARD OIL CO. OF TEXAS	HOUSTON, TEXAS
Paul Hull	" " " "	" " " "
W.A. Holmes	Natural Gas Pipeline Co	Amarillo
S.G. Buehl	Montgomery, Ward, Inc., Andrews	Santa Fe
THOMAS W. LYNCH	AMERICAN PETROLEUM CORP.	TULSA
R. L. HOCKER	" " "	"
Robert P. Scott	" " "	Houston
J. O'Terrell Couch	Montana Oil Co.	Houston
H. P. Meadon	Montana Oil Co.	Houston
X R. L. Stamey	M.M.O.C.C.	Fortesia
Robert A. Dean	" " "	Midland, Tex
X Jack L. McClure	" " "	Roswell, N.M.
Josiah W. Kellum	Reliance Refining	Santa Fe
L. L. C. Co.	O.C.C.	"
W. L. Anderson	RALPH WILCOX ESTD	MIDLAND, TEXAS
	1912 OIL CO.	

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE FEBRUARY 8, 1967 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
Mr. D. Geddie	Kear McCre Corp	Okla. City 73114
C. D. Williams	" "	" "
W. C. Sturdivant Jr.	Sun oil Co	Dallas, Texas
Charles B. Head	self	Roswell, N. M.
NORMAN L. Sevens, Son	"	Roswell, N. M.
Robert H. Gupfel	"	Roswell N. M.
Nina DuHaime	DW Byram	Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE FEBRUARY 8, 1967 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:

MR. NUTTER: The hearing will come to order. First case this morning will be Case 3523.

MR. HATCH: Case 3523, Application of Aztec Oil and Gas Company for a dual completion, Lea County, New Mexico.

MR. BUELL: Mr. Examiner, I am Sumner Buell, of Montgomery Federici and Andrews, appearing for Aztec Oil and Gas Company. We have one witness, Mr. Lester Duke, and ask that he be sworn at this time.

LESTER L. DUKE, called as a witness on behalf of the Applicant, after having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BUELL:

Q Mr. Duke, by whom are you employed and in what capacity?

A Aztec Oil and Gas Company, District Superintendent, Hobbs, New Mexico.

Q Would you give the Examiner a resume of your educational and working background?

A Yes, I received my Bachelor of Science Degree in Geology at T.C.U., Texas Christian University, in 1950, was employed by Southern Union Gas Company upon graduation, transferred to Aztec Oil and Gas Company in 1954 as a geologist,

moved to Hobbs as a District Geologist in 1955, was promoted to District Superintendent in 1959, and this position I still hold.

MR. BUELL: Are the witness's qualifications acceptable?

MR. NUTTER: They are.

Q (By Mr. Buell) Are you familiar with what is sought by Aztec Oil and Gas Company in this application?

A Yes, I am.

Q Would you explain briefly what Aztec seeks?

A This case is an application by Aztec Oil and Gas Company requesting permission to dually complete our Federal M Well Number 1, located in Section 27, Township 18, South Range 33 East, Lea County as a gas Morrow well and Strawn oil well.

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

Q Referring you to what has been marked as Exhibit 1, would you explain what that Exhibit shows?

A Yes, sir. Exhibit 1 is a lease ownership plat covering a portion of Township 18, South Range 33 East, Lea County, and showing the following: One, Aztec's leases as outlined in yellow. Two, the Federal M well No. 1, circled in red. Three, the communitized proration unit for the Federal M

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87101
1205 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

as outlined in heavy dashed lines or east-west half of Section 27, Four, offset operators. Five, producing wells and dry holes, and six, an attached list of offset operators and their addresses.

Q Referring you now to what has been marked as Exhibit 2, would you explain what this Exhibit shows?

A Yes, sir. Exhibit 2 is a diagrammatic sketch of the mechanic of dual completion of the Federal M Number One, beginning at the surface or at the top. We set 13-3/8 casing, 48 pound, set at 354 feet, with 35 sacks of cement. The cement circulated to the surface; intermediate casing, 8-5/8, 32 pounds, set 5104 with 900 sacks of cement, top of the cement, 2700. This is by temperature survey after the cement had set 18 hours. Casing pressure 2,000 pounds for 30 minutes with no pressure decline. Production casing, 5-1/2 casing, 20 pounds, 8 to .1 set 13, 350 feet with 1250 sacks at top of cement. 8665 as determined by bond log after 82 hours, casing pressure, 6,000 pounds per one half hour with no pressure decline. The Morrow formation was perforated 13,138 to 200 feet overall, with four intervals. The Strawn formation perforated 12,254 with 316 feet, three intervals overall. A Baker Model "D" permanent type packer, set at 13,090 feet with associated equipment, Seal Assembly, Baker tubing, except bag, Baker P.S.I. Model "L" Valve and Seal Nipple. A long string of 2 and 16ths

O.D. tubing was set at 12,000-- excuse me, set in the Baker Model "D" packer at 13,090 feet. A short string of 2 and 16 inches O.D. tubing set at 12,342.

Q Was there a packer leakage test on the Baker Model "D" packer?

A After completing the two zones, testing the two zones, a packer leakage test was run on this well, and indicated no communication or leakage.

Q What is the sum of the characteristics of high carbons that are being produced at this time?

A The Strawn formation showed a daily potential of 2432 barrels with a G.O.R. of 1600 to 1, daily rate of gas, 6912 M.C.F. This is a sweet crude, 46 gravity, dark green to yellow in color. The Morrow on potential test produced something like over one million cubic feet of gas per day, with 20 barrels of distillate. This is sweet gas, has a 56 gravity, clear, colorless.

Q Do you feel that the granting of this application in this case would tend to prevent waste and protect correlative rights?

A I do.

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

A Yes, sir, they were.

MR. BUELL: We move the introduction of Exhibits 1 and 2 at this time.

MR. NUTTER: Aztec's Exhibits 1 and 2 will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Duke, did you have bottom hole pressure on these two zones?

A Yes, sir. On the Strawn, we had drill stem tests bottom hole pressure, and on the Morrow, we ran a 48 hour bottom hole pressure.

Q What were those pressures, please?

A The final shut in pressure on the Strawn by D.S.T. was 6971, the bottom hole pressure on the Morrow zone for a 48 hour period was 5169.

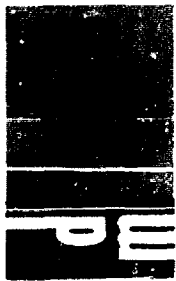
Q Now, you gave the G.O.R. on the Strawn as being 1600 to 1. you stated the Morrow had produced about 20 barrels of distillate to a million cubic feet, so that would be a G.O.R., gas bill ratio, of approximately 51?

A Yes, sir.

Q Clear cut gas?

A Yes.

MR. NUTTER: Are there further questions of Mr. Duke? Do you have anything further, Mr. Buell? Does anyone have



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6891 • ALBUQUERQUE, NEW MEXICO 87101
1225 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

PAGE 8

anything they wish to offer in Case 3523? We will take the case under advisement.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1110 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87101
1205 FIRST NATIONAL BANK EAST • PHONE 246-1294 • ALBUQUERQUE, NEW MEXICO 87108

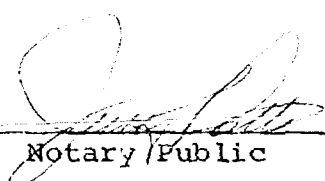


PAGE 9

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO)

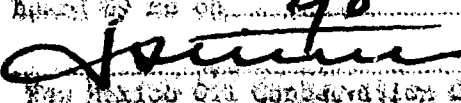
I, JERRY POTTS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings,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

Witness my Hand and Seal this _____ day of March, 1967.


Notary Public

My Commission Expires:

July 10, 1970

I do hereby certify that the foregoing is a correct record of the proceedings of the Commission before me. 3523
Witness my Hand and Seal this 2/8 day of March, 1967.
 Secretary
New Mexico Oil Conservation Commission

MAINTENANCE OFFICE OF
FEB 22 PM 7
AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

PRENTICE R. WATTS, JR.
GENERAL SUPERINTENDENT

February 1, 1967

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

RE: Application for Dual Completion
Aztec Oil & Gas Company
Federal "M" #1
NW SW Section 27-T18S-R33E
Strawn and Morrow Formations
Lea County, New Mexico

Gentlemen:

The undersigned, being an authorized representative of an offset operator of the subject well, has been duly informed by Aztec Oil & Gas Company of its intention to dually complete the subject well and hereby waives all objections to the dual completion of said well in the Strawn and Morrow Formations.

Very truly yours,

Mobil Oil Corp.
Name of Operator

John B. Atwell, Jr.
Representative

cc: Aztec Oil & Gas Company
2000 First National Bank Bldg.
Dallas, Texas 75228
Attention: Mr. Prentice Watts

RECEIVED
N. O. C. OF TEXAS

FEB 10 1967

RECEIVED
N. O. C. OF TEXAS

Names and Addresses of Offset
Lease Operators

Attached to Plat for
Aztec Oil & Gas Company
Application in Case #3523 Before the
New Mexico Oil Conservation Commission
For Permission to Dually Complete the
Federal "M" #1

Atlantic Refining Company
Box 1978
Roswell, New Mexico

Pan American Petroleum Corporation
Box 1410
Fort Worth, Texas

Cities Service Oil Company
Box 69
Hobbs, New Mexico

Mobil Oil Company
Box 1800
Hobbs, New Mexico

Continental Oil Company
Box 460
Hobbs, New Mexico

Roy H. Smith
1728 First Wichita National Bldg.
Wichita Falls, Texas

F. W. Estill
Box 1023
Kermit, Texas

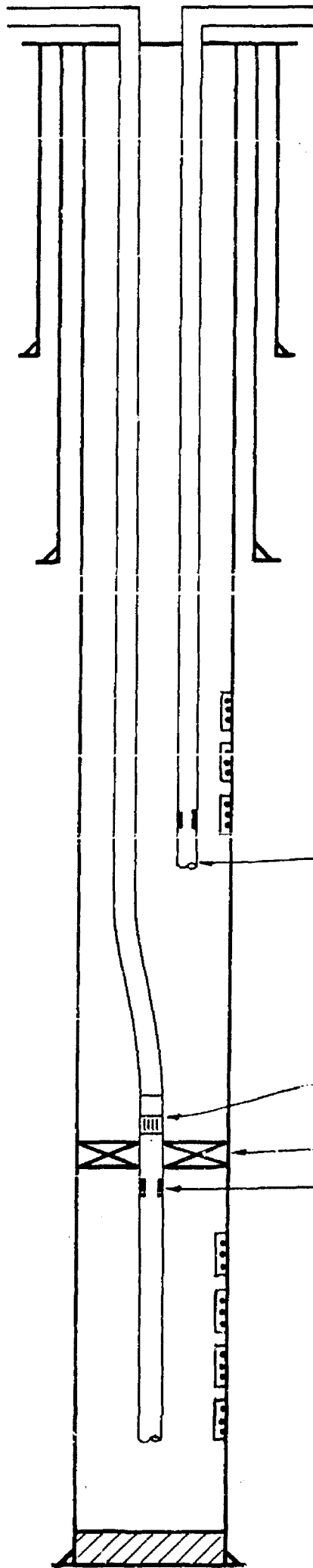
Superior Oil Company
Box 1900
Midland, Texas

W. H. Ground
Box 1544
Midland, Texas

DeKalb Petroleum Corporation
404 W. Illinois
Midland, Texas

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 2
 CASE NO. 3523

AZTEC OIL & GAS COMPANY
 Diagrammatic Sketch of Dual Completion
 Federal "M" No. 1
 NW SW Section 27-T18S-R33E
 Lea County, New Mexico



13-3/8", 48#, H-40 Casing
 Set @ 354' w/350 sacks.
 Cement circ. to surface

8-5/8", 32#, J-55 Casing
 Set @ 5104' w/900 sacks
 Top Cement 2700' *by temp survey*

Strawn Perforations
 12,254-264
 12,292-302
 12,306-316

2-1/16" OD N-80 GST Tubing
 Set @ 12,342. Tbg. ID 1.750"
 Seating Nipple @ 12,310'.

Baker "ER" Tubing Recpt.
 Baker - PSI Model "L" Sleeve @ 13,087

Baker Model "D" Packer @ 13,090' and Seal Assembly*

Baker - PSI Model "F" Nipple @ 13,128'

Morrow Perforations
 13,138-148
 13,156-170
 13,174-182
 13,190-200

2-1/16" OD N-80 GST Tubing
 Set @ 13,199'. Tbg. ID 1.750"

5-1/2", 20#, N-80 & P-110 Casing
 Set @ 13,315 w/1250 sacks
 Top of Cement @ 8665' *by bond log*

Handwritten notes:
 Strawn
 BHP
 DST
 6971
 PSIP
 46°
 1600
 132 ROPD
 6912 NICK
 Morrow
 48 hrs
 5169
 16°
 10,000
 20 BPSI
 1MM/14

* Type "E" Anchor with two seals.