

CASE 7077: THRESHOLD DEVELOPMENT COMPA-  
NY FOR A DUAL COMPLETION, EDDY COUNTY,  
NEW MEXICO

Cons. 10/12/10

Case No.

7077

Application

Transcripts

Small Exhibits

ETC

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
10 December 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Threshold Development )  
Company for a dual completion, Eddy )  
County, New Mexico. )

CASE  
7077

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.  
CAMPBELL & BLACK P. A.  
Jefferson Place  
Santa Fe, New Mexico 87501

1

2

2

I N D E X

3

4

J. L. CONQUEST

5

Direct Examination by Mr. Carr

3

6

Cross Examination by Mr. Stamets

10

7

8

9

10

11

12

13

E X H I B I T S

14

15

Applicant Exhibit One, C-107

5

16

Applicant Exhibit Two, Plat

6

17

Applicant Exhibit Three, Log

6

18

Applicant Exhibit Four, Schematic

7

19

Applicant Exhibit Five, Report

8

20

Applicant Exhibit Six, Company Form

8

21

22

23

24

25

MR. STAMETS: We'll call next Case 7077.

MR. PADILLA: Application of Threshold Development Company for a dual completion, Eddy County, New Mexico.

MR. CARR: May it please the Examiner, I am William F. Carr, with the law firm Campbell and Black, P. A., Santa Fe, appearing on behalf of the applicant.

I have one witness who needs to be sworn.

(Witness sworn.)

J. L. CONQUEST

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your full name and place of residence?

A. My name is J. L. Conquest. I'm from Bridgeport, Texas.

Q And how do you spell your last name?

A. C-O-N-Q-U-E-S-T.

Q Have you previously testified before this Commission and had your credentials accepted and made a matter of record?

A. No, I haven't.

Q Will you briefly summarize your educational background and your work experience?

A. Yes, sir. I graduated from Texas A&I University at Kingsville in 1956 with a Bachelor of Science degree in petroleum and natural gas engineering.

In 1956 through '59 I worked for Gulf Oil Corporation in Mississippi and south Louisiana as an engineer trainee and a junior engineer, and in 1959 -- from 1959 through 1974 I was employed by Mitchell Energy Corporation in Bridgeport, Texas, either as a drilling engineer, production engineer, or division production engineer, and my responsibilities there included supervision of all phases of Mitchell's drilling and completion program and their production operations.

In 1974 I went to work for Threshold Development Company as Operations Manager and I have been under their employ since. My responsibilities include supervision of all of our drilling, completion, and production operations.

Q Are you familiar with the application

1

2

that has been filed in this case?

3

A. Yes, I am.

4

Q. And are you familiar with the subject

5

well?

6

A. Yes, I am.

7

MR. CARR: Are the witness' qualifications acceptable as a petroleum engineer?

9

MR. STAMETS: They are.

10

Q. Mr. Conquest, will you briefly state

11

what Threshold seeks with this application?

12

A. Yes. We are seeking approval of our

13

application to dually complete our Conoco "10" State Well No.

14

1 with the lower zone being an Atoka gas zone, the upper zone

15

being Wolfcamp oil, and this will be done through parallel

16

strings of tubing.

17

Q. Have you prepared certain exhibits for

18

introduction in this case?

19

A. Yes, I have.

20

Q. Will you please refer to what has been

21

marked for identification as Threshold Exhibit Number One,

22

identify this for Mr. Stamets.

23

A. Yes, this is New Mexico Oil Conservation

24

Commission Form C-107, which indicates pertinent facts about

25

both zones, the upper zone being Turkey Track -- undesignated

1  
2 Turkey Track Wolfcamp, with the top and bottom of the pay zone  
3 shown as 9072 and 9166. The type of production would be oil,  
4 and the method of production would be flow.

5 It shows the lower zone as Turkey Track  
6 Atoka with the top of the zone at 10,776 and the bottom of  
7 the zone at 10,790. It shows it would be a flowing gas well.

8 Q Will you now refer to Applicant's Exhibit  
9 Number Two and identify this and explain the information con-  
10 tained thereon?

11 A Exhibit Number Two is a location plat  
12 showing the location of the well, as well as the leasehold  
13 ownership of the surrounding leases. The 320-acre proration  
14 unit for our Atoka gas well is outlined in red.

15 Q Will you now refer to Applicant's Exhibit  
16 Number Three, which is the log.

17 MR. CARR: Mr. Examiner, we've supplied  
18 one complete copy of the log.

19 A Exhibit Number Three is a copy of the  
20 formation density neutron log, which on the front of the log  
21 all of the formation tops are marked. Within the body of the  
22 log the perforations for each interval are marked on it, as  
23 well as our proposed packer setting depth, TD's, and in all  
24 instances where the various strings of casing are set, it's  
25 marked on that, also.

Q Now, Mr. Conquest, I would direct your attention to Applicant's Exhibit Number Four and ask you to identify this and review this for Mr. Stamets.

A Okay. Exhibit Number Four is a diagrammatic sketch showing the pertinent information about the dual completion. It shows the ground elevation to be 3374.8. It shows that we have 13-3/8ths inch surface casing set and cemented at 437 feet. It shows that we have 8-5/8ths inch intermediate casing set and cemented at 2700 feet. It shows that we have 5-1/2 inch production casing set and cemented at 11,750, with a DV tool set and cemented in the string at 9382.

It shows that we will use parallel strings of 2-1/16th inch tubing with the proposed setting depth of our lower packer, a Baker Model DB, to be set at 10,650, and the dual packer to be a Baker Model A-5, set at approximately 9000 feet.

Wolfcamp perforations are shown, and these are the proposed Wolfcamp perforations, are shown at 9072 to 9076, 9142 to 9152, and 9164 to 9166.

The Atoka perforations, which are existing at this time, would be 10,776 to 10,790.

Also shown on this is the total depth of the well as 11,750, and the plugback total depth of 11,704.

Q In your opinion, does this method of com-

1

2

pletion conform with good engineering practices?

3

A. Yes, it does.

4

Q. Will it insure the separation of the two

5

producing zones in the well?

6

A. Yes, it will.

7

Q. Do you believe this is the best possible

8

way to complete this well to recover the oil and gas that can

9

be recovered from the two zones in the well?

10

A. Yes, I do.

11

Q. Will you now refer to Applicant's Exhibit

12

Number Five and review this for Mr. Stamets?

13

A. Okay. Exhibit Number Five is a bottom

14

hole pressure survey report on the Atoka gas zone, which shows

15

an initial 72-hour buildup of the bottom hole pressure to be

16

4590 psig with the surface pressure at 3469. This interval

17

was completed and has been producing since June the 29th of

18

1980, to El Paso Natural Gas, and is currently producing at

19

the rate of 600 Mcf per day, plus 7 barrels of condensate, and

20

no water.

21

Q. I'll direct your attention to Applicant's

22

Exhibit Number Six and ask you to review this for the Examiner.

23

A. Yes. Exhibit Number Six is a copy of

24

our company form. It shows drill stem test data on the Wolf-

25

camp oil zone. It shows that the bottom hole pressure of the

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Wolfcamp zone was 3123 pounds; also that our recovery was 3520 feet of oil and formation water, being 70 percent oil and 30 percent formation water.

Q. In your opinion will the proposed method of dual completion be able to handle any pressure differential which you may encounter?

A. Yes, it will.

Q. Has the packer been set in this well?

A. No, we have yet to perform the Wolfcamp portion of -- of this work, and as soon as it is completed then we would set the packer and a packer-setting affidavit would be furnished.

Q. In your opinion will granting this application be in the best interest of conservation, the prevention of waste, and the protection of correlative rights?

A. Yes, it will.

Q. Were Exhibits One through Six prepared by you or under your direction and supervision?

A. Yes, they were.

MR. CARR: At this time, Mr. Examiner, we would offer Applicant's Exhibits One through Six.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: We have nothing further on

1  
2 direct.

3  
4 CROSS EXAMINATION

5 BY MR. STAMETS:

6 Q Mr. Conquest, can you give me the depth  
7 that the Wolfcamp tubing will be set?

8 A Yes. The Wolfcamp tubing will extend  
9 through the dual packer at 9000 feet and it will just -- what-  
10 ever seal assemblies are required to extend through that  
11 depth. That will be the depth of the string.

12 Q Okay, with all that detail on there, I  
13 couldn't pick up that depth.

14 MR. STAMETS: Are there any other ques-  
15 tions of this witness? He may be excused.

16 Anything further in this case?

17 MR. CARR: Nothing further.

18 MR. STAMETS: The case will be taken  
19 under advisement.

20  
21 (Hearing concluded.)  
22  
23  
24  
25

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7022, heard by me on 12-10-1986.

[Signature] Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
10 December 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Threshold Development )  
Company for a dual completion, Eddy )  
County, New Mexico. )

CASE  
7077

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.  
CAMPBELL & BLACK P. A.  
Jefferson Place  
Santa Fe, New Mexico 87501

1

2

2

I N D E X

3

4

J. L. CONQUEST

5

Direct Examination by Mr. Carr

3

6

Cross Examination by Mr. Stamets

10

7

8

9

10

11

12

13

E X H I B I T S

14

15

Applicant Exhibit One, C-107

5

16

Applicant Exhibit Two, Plat

6

17

Applicant Exhibit Three, Log

6

18

Applicant Exhibit Four, Schematic

7

19

Applicant Exhibit Five, Report

8

20

Applicant Exhibit Six, Company Form

8

21

22

23

24

25

MR. STAMETS: We'll call next Case 7077.

MR. PADILLA: Application of Threshold Development Company for a dual completion, Eddy County, New Mexico.

MR. CARR: May it please the Examiner, I am William F. Carr, with the law firm Campbell and Black, P. A., Santa Fe, appearing on behalf of the applicant.

I have one witness who needs to be sworn.

(Witness sworn.)

J. L. CONQUEST

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your full name and place of residence?

A. My name is J. L. Conquest. I'm from Bridgeport, Texas.

Q And how do you spell your last name?

A. C-O-N-Q-U-E-S-T.

1  
2 Q Have you previously testified before  
3 this Commission and had your credentials accepted and made a  
4 matter of record?

5 A No, I haven't.

6 Q Will you briefly summarize your educa-  
7 tional background and your work experience?

8 A Yes, sir. I graduated from Texas A&I  
9 University at Kingsville in 1956 with a Bachelor of Science  
10 degree in petroleum and natural gas engineering.

11 In 1956 through '59 I worked for Gulf  
12 Oil Corporation in Mississippi and south Louisiana as an  
13 engineer-trainee and a junior engineer, and in 1959 -- from  
14 1959 through 1974 I was employed by Mitchell Energy Corpora-  
15 tion in Bridgeport, Texas, either as a drilling engineer,  
16 production engineer, or division production engineer, and my  
17 responsibilities there included supervision of all phases of  
18 Mitchell's drilling and completion program and their pro-  
19 duction operations.

20 In 1974 I went to work for Threshold  
21 Development Company as Operations Manager and I have been  
22 under their employ since. My responsibilities include super-  
23 vision of all of our drilling, completion, production  
24 operations.

25 Q Are you familiar with the application

1  
2 that has been filed in this case?

3 A Yes, I am.

4 Q And are you familiar with the subject  
5 well?

6 A Yes, I am.

7 MR. CARR: Are the witness' qualifications  
8 acceptable as a petroleum engineer?

9 MR. STAMETS: They are.

10 Q Mr. Conquest, will you briefly state  
11 what Threshold seeks with this application?

12 A Yes. We are seeking approval of our  
13 application to dually complete our Conoco "10" State Well No.  
14 1 with the lower zone being an Atoka gas zone, the upper zone  
15 being Wolfcamp oil, and this will be done through parallel  
16 strings of tubing.

17 Q Have you prepared certain exhibits for  
18 introduction in this case?

19 A Yes, I have.

20 Q Will you please refer to what has been  
21 marked for identification as Threshold Exhibit Number One,  
22 identify this for Mr. Stamets.

23 A Yes, this is New Mexico Oil Conservation  
24 Commission Form C-107, which indicates pertinent facts about  
25 both zones, the upper zone being Turkey Track -- undesignated

1  
2 Turkey Track Wolfcamp, with the top and bottom of the pay zone  
3 shown as 9072 and 9166. The type of production would be oil,  
4 and the method of production would be flow.

5 It shows the lower zone as Turkey Track  
6 Atoka with the top of the zone at 10,776 and the bottom of  
7 the zone at 10,790. It shows it would be a flowing gas well.

8 Q Will you now refer to Applicant's Exhibit  
9 Number Two and identify this and explain the information con-  
10 tained thereon?

11 A Exhibit Number Two is a location plat  
12 showing the location of the well, as well as the leasehold  
13 ownership of the surrounding leases. The 320-acre proration  
14 unit for our Atoka gas well is outlined in red.

15 Q Will you now refer to Applicant's Exhibit  
16 Number Three, which is the log.

17 MR. CARR: Mr. Examiner, we've supplied  
18 one complete copy of the log.

19 A Exhibit Number Three is a copy of the  
20 formation density neutron log, which on the front of the log  
21 all of the formation tops are marked. Within the body of the  
22 log the perforations for each interval are marked on it, as  
23 well as our proposed packer setting depth, TD's, and in all  
24 instances where the various strings of casing are set, it's  
25 marked on that, also.

Q Now, Mr. Conquest, I would direct your attention to Applicant's Exhibit Number Four and ask you to identify this and review this for Mr. Stamets.

A Okay. Exhibit Number Four is a diagrammatic sketch showing the pertinent information about the dual completion. It shows the ground elevation to be 3374.8. It shows that we have 13-3/8ths inch surface casing set and cemented at 437 feet. It shows that we have 8-5/8ths inch intermediate casing set and cemented at 2700 feet. It shows that we have 5-1/2 inch production casing set and cemented at 11,750, with a DV tool set and cemented in the string at 9382.

It shows that we will use parallel strings of 2-1/16th inch tubing with the proposed setting depth of our lower packer, a Baker Model DB, to be set at 10,650, and the dual packer to be a Baker Model A-5, set at approximately 9000 feet.

Wolfcamp perforations are shown, and these are the proposed Wolfcamp perforations, are shown at 9072 to 9076, 9142 to 9152, and 9164 to 9166.

The Atoka perforations, which are existing at this time, would be 10,776 to 10,790.

Also shown on this is the total depth of the well as 11,750, and the plugback total depth of 11,704.

Q In your opinion, does this method of com-

1

2

pletion conform with good engineering practices?

3

A. Yes, it does.

4

Q. Will it insure the separation of the two

5

producing zones in the well?

6

A. Yes, it will.

7

Q. Do you believe this is the best possible

8

way to complete this well to recover the oil and gas that can

9

be recovered from the two zones in the well?

10

A. Yes, I do.

11

Q. Will you now refer to Applicant's Exhibit

12

Number Five and review this for Mr Stamets?

13

A. Okay. Exhibit Number Five is a bottom

14

hole pressure survey report on the Atoka gas zone, which shows

15

an initial 72-hour buildup of the bottom hole pressure to be

16

4590 psig with the surface pressure at 3469. This interval

17

was completed and has been producing since June the 29th of

18

1980, to El Paso Natural Gas, and is currently producing at

19

the rate of 600 Mcf per day, plus 7 barrels of condensate, and

20

no water.

21

Q. I'll direct your attention to Applicant's

22

Exhibit Number Six and ask you to review this for the Examiner.

23

A. Yes. Exhibit Number Six is a copy of

24

our company form. It shows drill stem test data on the Wolf-

25

camp oil zone. It shows that the bottom hole pressure of the

1  
2 Wolfcamp zone was 3123 pounds; also that our recovery was  
3 3520 feet of oil and formation water, being 70 percent oil and  
4 30 percent formation water.

5 Q In your opinion will the proposed method  
6 of dual completion be able to handle any pressure differential  
7 which you may encounter?

8 A Yes, it will.

9 Q Has the packer been set in this well?

10 A No, we have yet to perform the Wolfcamp  
11 portion of -- of this work, and as soon as it is completed  
12 then we would set the packer and a packer-setting affidavit  
13 would be furnished.

14 Q In your opinion will granting this appli-  
15 cation be in the best interest of conservation, the prevention  
16 of waste, and the protection of correlative rights?

17 A Yes, it will.

18 Q Were Exhibits One through Six prepared  
19 by you or under your direction and supervision?

20 A Yes, they were.

21 MR. CARR: At this time, Mr. Examiner,  
22 we would offer Applicant's Exhibits One through Six.

23 MR. STAMETS: These exhibits will be ad-  
24 mitted.

25 MR. CARR: We have nothing farther on

1  
2 direct.

3  
4 CROSS EXAMINATION

5 BY MR. STAMETS:

6 Q Mr. Conquest, can you give me the depth  
7 that the Wolfcamp tubing will be set?

8 A Yes. The Wolfcamp tubing will extend  
9 through the dual packer at 9000 feet and it will just -- what-  
10 ever seal assemblies are required to extend through that  
11 depth. That will be the depth of the string.

12 Q Okay, with all that detail on there, I  
13 couldn't pick up that depth.

14 MR. STAMETS: Are there any other ques-  
15 tions of this witness? He may be excused.

16 Anything further in this case?

17 MR. CARR: Nothing further.

18 MR. STAMETS: The case will be taken  
19 under advisement.

20  
21 (Hearing concluded.)  
22  
23  
24  
25

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. \_\_\_\_\_ heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
25 November 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Threshold Development  
Company for a dual completion, Eddy  
County, New Mexico.

CASE  
7077

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.  
CAMPBELL & BLACK P. A.  
Jefferson Place  
Santa Fe, New Mexico 87501

1

2

2

MR. NUTTER: We'll call next Case 7077.

3

4

MR. PADILLA: Application of Threshold Development Company for a dual completion, Eddy County, New Mexico.

5

6

7

8

9

MR. CARR: Mr. Examiner, Threshold Development requests that this case be continued to the Examiner Hearing scheduled to be held December 10th.

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

MR. NUTTER: Case Number 7077 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. December 10th, 1980.

(Hearing concluded.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion Division was reported by me; that the said transcript  
is a full, true, and correct record of the hearing, prepared  
by me to the best of my ability.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7077  
heard by me on 11/25 1980.  
[Signature], Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
25 November 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Threshold Development )  
Company for a dual completion, Eddy )  
County, New Mexico. )

CASE  
7077

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

William F. Carr, Esq.  
CAMPBELL & BLACK P. A.  
Jefferson Place  
Santa Fe, New Mexico 87501

MR. NUTTER: We'll call next Case 7077.

MR. PADILLA: Application of Threshold Development Company for a dual completion, Eddy County, New Mexico.

MR. CARR: Mr. Examiner, Threshold Development requests that this case be continued to the Examiner Hearing scheduled to be held December 10th.

MR. NUTTER: Case Number 7077 will be continued to the Examiner Hearing scheduled to be held at this same place at 9:00 o'clock a. m. December 10th, 1980.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Extension Hearing of Case No. 1071, heard by me on 11/25, 1980.

[Signature], Examiner  
Oil Conservation Division



BRUCE KING  
SECRETARY  
LARRY KEHOE  
SECRETARY

December 19, 1980

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. William F. Carr  
Campbell and Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 7077  
ORDER NO. R-6532

**Applicant:**

~~Threshold Development Company~~

Dear Sir:

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

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD \_\_\_\_\_ x  
Artesia OCD \_\_\_\_\_ x  
Aztec OCD \_\_\_\_\_

**Other**

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7077  
Order No. R-6539

APPLICATION OF THRESHOLD DEVELOPMENT  
COMPANY FOR A DUAL COMPLETION, EDDY  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 10, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 17th day of December, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Threshold Development Company, seeks authority to complete its Conoco "10" State Com Well No. 1, located in Unit I of Section 10, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce oil from the Wolfcamp formation and gas from the Atoka formation through parallel strings of tubing.

(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Threshold Development Company, is hereby authorized to complete its Conoco "10" State Com Well No. 1, located in Unit I of Section 10, Township 19 South, Range 29

-2-

Case No. 7077  
Order No. R-6539

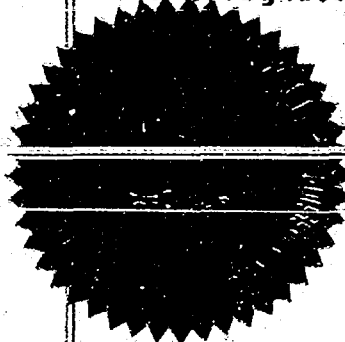
East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce oil from the Wolfcamp formation and gas from the Atoka formation through parallel strings of tubing with separation of the zones to be achieved by means of a packer set at a depth of approximately 10,650 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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 gas wells in Southeast New Mexico.

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

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



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

fd/

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APPLICATION FOR MULTIPLE COMPLETION

Form C-107  
5-1-61

EXHIBIT #1

Operator <b>Threshold Development Company</b>		County <b>Eddy</b>		Date <b>September 25, 1980</b>
Address <b>1100 Gihls Tower West, Midland, Tex. 79701</b>		Lease <b>Conoco "10" State Com</b>		Well No. <b>1</b>
Location of Well	Unit <b>I</b>	Section <b>10</b>	Township <b>19S</b>	Range <b>29E</b>

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 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	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<b>Undes. Turkey Track-Wolfcamp</b>		<b>Undes. Turkey Track-Atoka</b>
b. Top and Bottom of Pay Section (Perforations)	<b>9072-9166'</b>		<b>10,776-10,790'</b>
c. Type of production (Oil or Gas)	<u>Oil</u>		<u>Gas</u>
d. Method of Production (Flowing or Artificial Lift)	<b>Flowing</b>		<b>Flowing</b>

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

Yes	No	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or tubolizers 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.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.*
<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.

**Getty Oil Company, P. O. Box 1231, Midland, Texas 79702**

**Tenneco Oil Co., 6800 Park Ten Blvd. Suite 200-North, San Antonio, Texas 78213**

**Anadarko Production Company, 300 N. Lorraine, Midland, Texas 79701**

**Southland Royalty Company, 1100 Wall Tower West, Midland, Texas 79701**

**Summit Energy, Inc. 112 N. 1st, Artesia, New Mexico 88210**

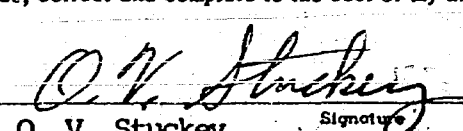
**Cities Service Company, P. O. Box 1919, Midland, Texas 79702**

**Marbob Energy Corp., E. of Artesia, Artesia, New Mexico 88210**

**Read & Stevens, Inc. P. O. Box 1518, Roswell, New Mexico 88201**

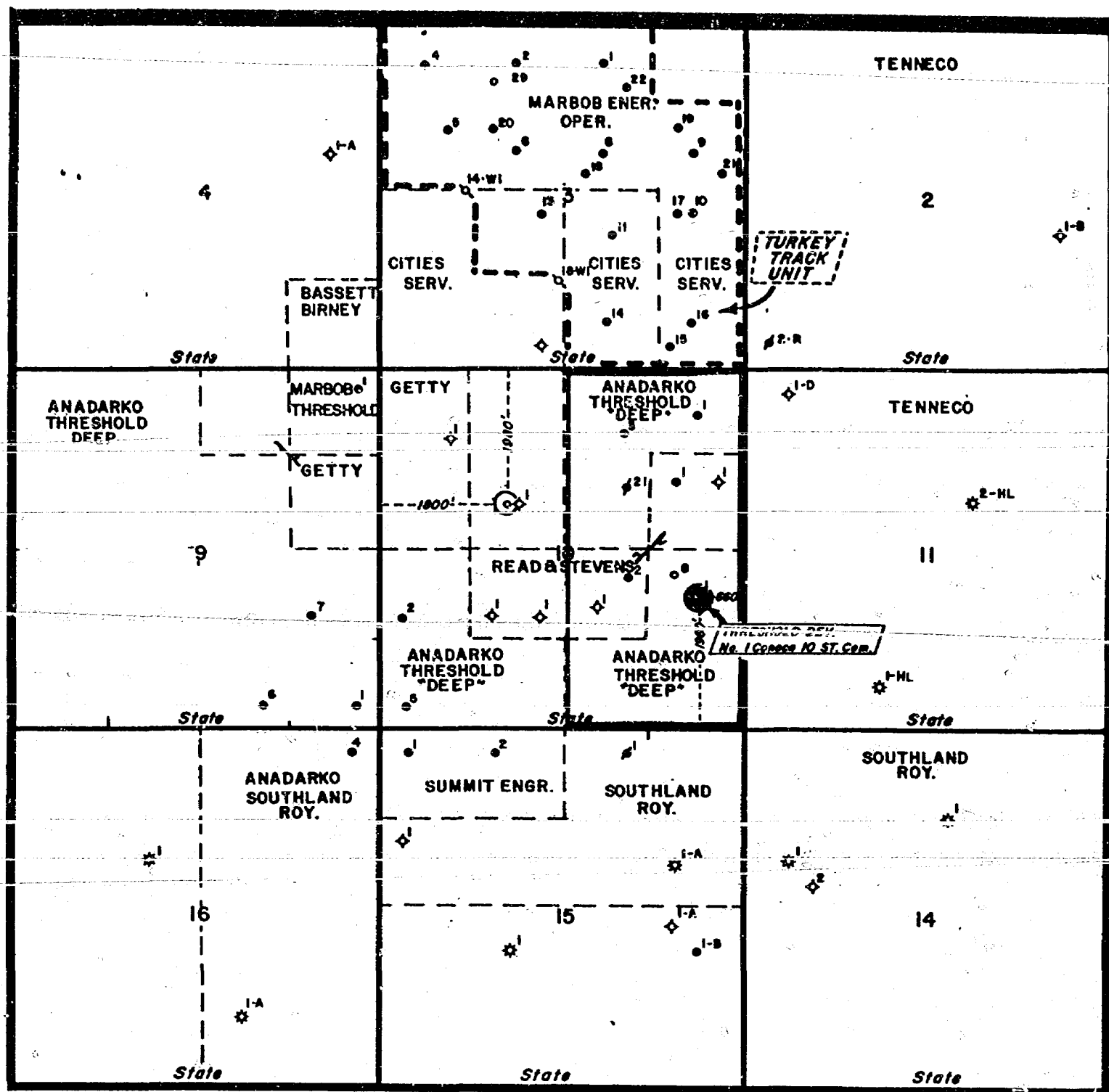
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO \_\_\_\_\_. If answer is yes, give date of such notification **September 25, 1980**

CERTIFICATE: I, the undersigned, state that I am the Division Prod. Manager of the Threshold Development 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.

  
O. V. Stuckey      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 multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

Threshold EXHIBIT NO. 2

CASE NO. 7077

Submitted by Conquist

Hearing Date 12/10/80

**THRESHOLD** Development Co.

CONOCO 10 STATE COM #1  
EDDY COUNTY, NEW MEXICO

*Log file*  
Schlumberger

SIMULTANEOUS  
COMPENSATED NEUTRON-  
FORMATION DENSITY

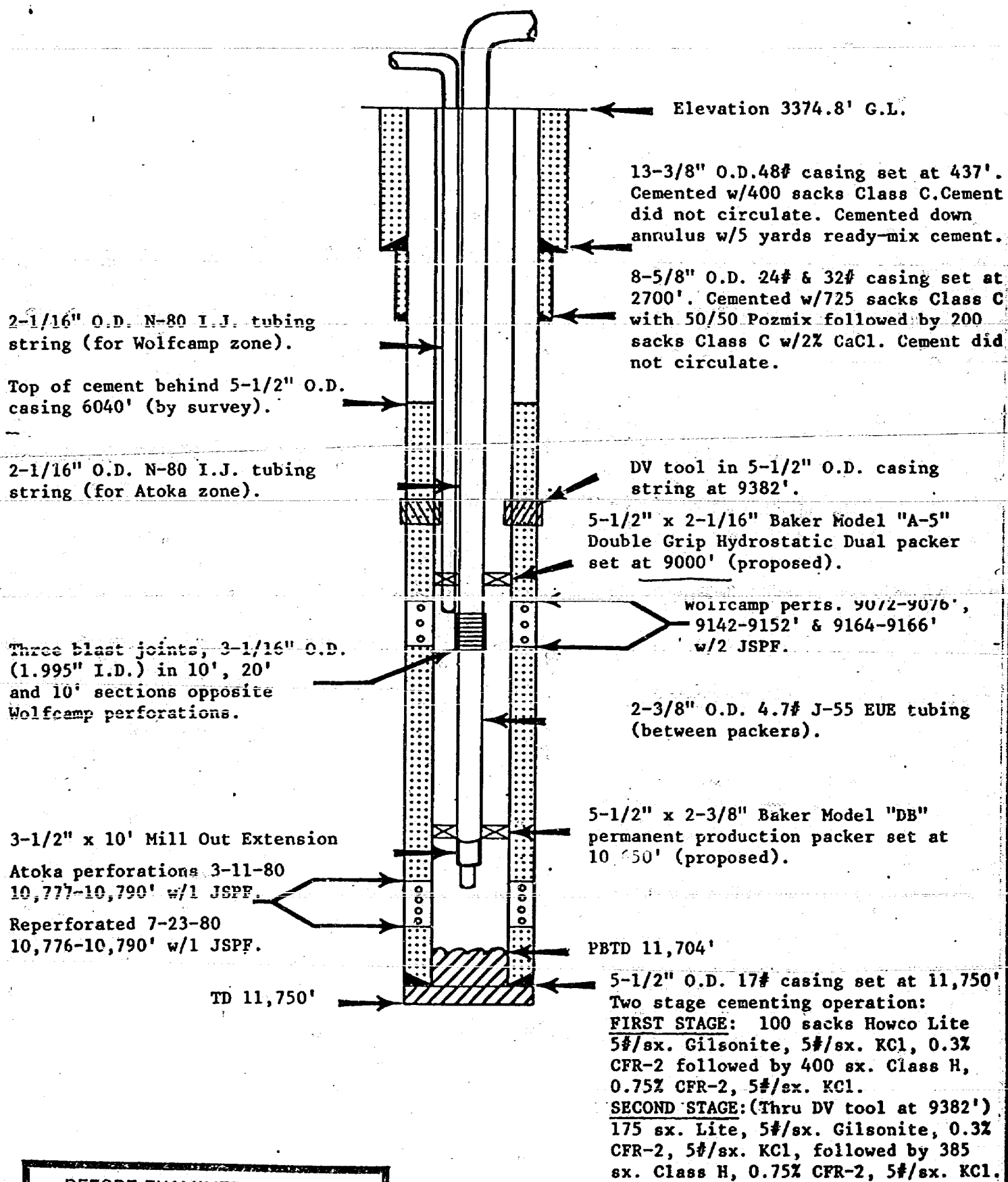
COUNTY	EDDY	FIELD	WILDCAT	LOCATION	WELL	CONOCO STATE "10" #1	COMPANY	THRESHOLD DEV. CO.
COMPANY THRESHOLD DEVELOPMENT COMPANY								
WELL CONOCO STATE "10" #1								
FIELD WILDCAT								
COUNTY EDDY STATE NEW MEXICO								
LOCATION 1980' FSL & 660' FEL.							Other Services:	
API SERIAL NO. SEC. TWP. RANGE							DLL	
10 19-S 29-E								
Permanent Datum: G.L. ; Elev.: 3375							Elev.: K.B. 3392	
Log Measured From K.B. 17 Ft. Above Perm. Datum							D.F. 3391	
Drilling Measured From K.B.							G.L. 3375	
Date	2-6-80	Top Salt	1071	(+2331)				
Run No.	ONE	Notes	1300	(+2052)				
Depth-Driller	11750	11750	11750	(+1786)				
Depth-Logger	11713	11713	11713	(+1162)				
Rm. Log Interval	11710	11710	11710	(+092)				
Top Log Interval	1000	1000	1000	(+275)				
Casing-Driller	8 5/8 @ 2700	Est Bone Springs	7858	(-3120)				
Casing-Logger	2696	2nd Bone Springs	7755	(-4363)				
Bit Size	7 7/8	3rd Bone Springs	8388	(-4996)				
Type Fluid in Hole	SALT MUD	Wellcamp	8592	(-5610)				
Dens. Visc.	10.9 33	+ Ref	9018	(-5856)				
pH Fluid Loss	11 4.4ml	+ Canyon ml	10015 ml	(-623)				
Source of Sample	CIRC	+ Stratum	10279	(-1817)				
Rm @ Meas. Temp.	.063 @ 55 °F	Atoka @ 100 °F	10826 °F	(-784) °F				
Rmf @ Meas. Temp.	.06 @ 60 °F	Mar @ 100 °F	11060 °F	(-706) °F				
Rmc @ Meas. Temp.	.10 @ 60 °F	Lower @ 100 °F	11080 °F	(-708) °F				
Source: Rmf Rmc	M C	Barrett	11151	(-8128)				
Rm @ BHT	.023 @ 156 °F	Aust @ Cycle	10608 °F	(-8216) °F				
Circulation Stopped	2100 2-5							
Logger on Bottom	0830 2-6							
Max. Rec. Temp.	156 °F	Atoka °F	10566 °F	(-7124) °F				
Equip. Location	8141 HOBBS							
ed By	DANIEL							
ed By Mr.	PAGE							

## DIAGRAMMATIC SKETCH OF DUAL COMPLETION

CONOCO "10" STATE COM NO. 1

UNIT I, SECTION 10, T19S, R29E

EDDY COUNTY, NEW MEXICO

BEFORE EXAMINER STAMETS.  
OIL CONSERVATION DIVISIONEXHIBIT NO. 4CASE NO. 7077Submitted by CaquetHearing Date 12/10/80

# SUBSURFACE PRESSURE MEASUREMENTS

COMPANY Threshold Development WELL NAME Gonoco "10 State #1  
DATE OF TEST 3-24-80 To 3-27-80 LOCATION \_\_\_\_\_ PAGE 1 OF 1

## CHART READINGS AND CALCULATIONS FOR BUILDUP OR DRAWDOWN TEST

ELEMENT NUMBER RPG 3#43798, 0-7,000 lb. Range & RPG 3#9526, 0-8,100 lb. Range  
TIME WELL SHUT IN 1400  
TIME CLOCK STARTED 1120  
DEAD WEIGHT ELEMENT ON SURFACE \_\_\_\_\_ LBS. Well was flowed as  
TIME ELEMENT REACHED BOTTOM 1345 element was run to test  
DEAD WEIGHT ELEMENT ON BOTTOM 2,650 LBS. Flowing depth.  
ELEMENT SET AT 10,783 FEET

Field-Turkey Track, Formation-Atoka

DATE	Hour	TIME	DEFLECTION in/inches	CALCULATED PRESSURE psig	CORRECTION PS FC psig	CORRECTED PRESSURE psig	PRESSURE AT MID-POINT OF PERFORATIONS psig
3-24-80	0	1345		3,578	On bottom		
	1/4	1400		3,632	Shut Well in		
	1/2	1415		3,802			
	3/4	1430		4,068			
	1	1445		4,200			
	1 1/4	1500		4,288			
	1 1/2	1515		4,342			
	1 3/4	1530		4,388			
	2	1545		4,413			
	2 1/4	1615		4,441			
	3	1645		4,462			
	3 1/4	1715		4,473			
	4	1745		4,487			
	4 1/4	1815		4,498			
	5	1845		4,509			
	5 1/4	1915		4,516			
	6	1945		4,527			
	6 1/4	2015		4,526			
	7	2045		4,530			
	7 1/4	2115		4,533			
3-25-80	8	2145		4,537			
	8 1/4	2215		4,540			
	9	2245		4,544			
	9 1/4	2315		4,548			
	10	2345		4,550			
	11	2445		4,553			
	12	0145		4,556			
	13	0245		4,558			
	14	0345		4,562			
	15	0445		4,564			
3-26-80	20	0945		4,572			
	25	1445		4,576			
	30	1945		4,580			
	40	0545		4,583			
	50	1545		4,585			
3-27-80	60	0145		4,587			
	70	1145		4,588			
	71	1245		4,590			
	71 3/4	1330		4,590			
Dead Weight After 71 3/4 Hours				3,469	Surface		



BELL TELEPHONE COMPANY

P. O. BOX 787  
ARTESIA, NEW MEXICO 88210  
Phone 748-3281

EXHIBIT #5

## BOTTOM HOLE PRESSURE SURVEY REPORT

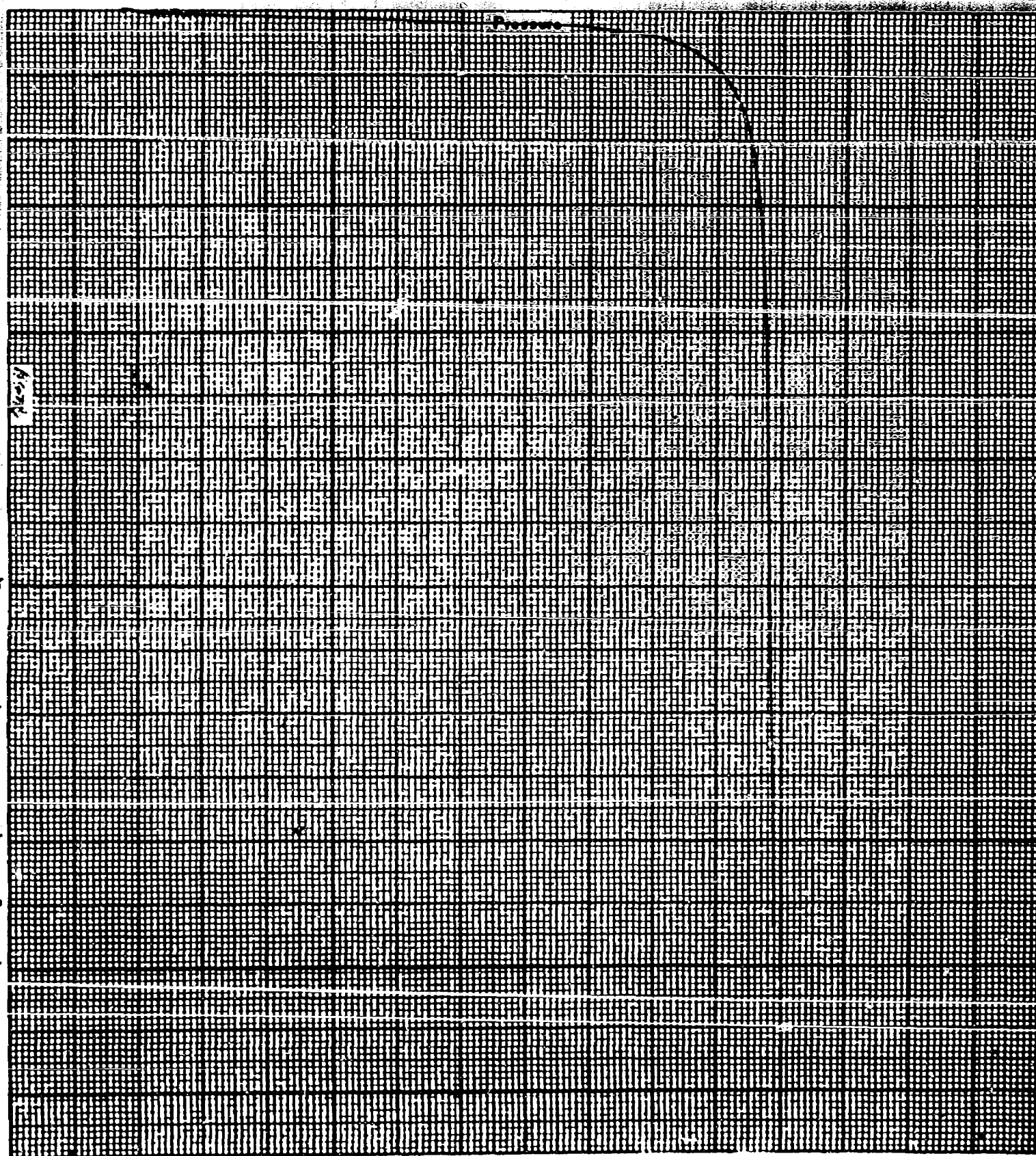
OPERATOR THRESHOLD DEVELOPMENT  
LEASE CONOCO "10" STATE  
WELL NO. 1  
FIELD TURKEY TRACK, ATOKA  
DATE 3-24-80 TIME 1345 HOURS

DEPTH PRESSURE GRADIENT

72 HOUR BUILD UP TEST

STATUS Shut In TEST DEPTH 10,783  
TIME 5:1400 LAST TEST DATE Fixed Test  
3-24-80 BHP LAST TEST \_\_\_\_\_  
TUB. PRES. \_\_\_\_\_ BHP CHANGE \_\_\_\_\_  
ELEV. \_\_\_\_\_ FLUID TOP \_\_\_\_\_  
DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
TEMP 170 RUN BY B.J. CATHEY  
CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
ELEMENT NO. RPG343798 0-7,000Lbs. Range  
RPG49526 0-8,100Lbs. Range

3500 3600 3700 3800 3900 4000 4100 4200 4300 4400 4500 4600 4700 4800



Well 10 Conoco State "10" #1 Date 1/10/80Field Undesignated County Eddy, N.M. Drilling Contractor Cactus Rig #8Tested By Halliburton Witnessed By Jack AndersonDST No. 3 Testing From 9045 to 9187 TD 9187Mud Wt 8.5 Viscosity 28 Water Loss            Filter Cake           Ph            Chlorides 5000 (ppm) Res. .228 @ 67 °F Nitrates none sx            (ppm) W.C.           Hole Size 7-7/8" Drill Pipe 4 "OD Full hole Thread           Drill Collars 600 ' Of Length 6-1/4 "OD 2.25 "ID 4-1/2 XH Thread           Surface Choke 3/8" Bottom Choke .75 @ 9016No.1 Packer - Size 6-3/4 Type NR Set At 9039No.2 Packer - Size 6-3/4 Type NR Set At 9045Jars - Make Big John Size 5" @ 9030Anchor - Length and Size 40' of 5-3/4" OD           BHP Recorders At 9025 and 9183Stopped Drilling At 9187 at 11:45PM 1/9/80irc Hole 3 Hrs. POH 3-1/2 Hrs.  
(Time & Date)Tool Opened At 1600 (A.M.)(P.M.) Date 1/10/80Blow On Preflow Tool op w/ fair blo incr to good blo in 1" - op on 3/8" choke  
@ 4 min w/ GTS in 14 min Blow On Final Flow Tool op w/ good blo gas throug  
w/ max 39# press.Tool Open 5 Hrs. 45 MinutesPressures: IHP 4057 psi FHP 4057 psiIFP 379 - 506 psi At 15 Min. FFP 585 - 1040 psi At 90 Min.ISIP 3302 psi At 60 Min. FSIP 3123 psi At 180 Min.Temp 183 °F At 9183 Sampler Recovery 1100cc @ 650 psi  
GC oil & FW (70% oil, 30% FW)Recovery: 3520" oil & formation wtr, 70% & 30% FW

## Recovered Fluid Analysis:

Top Sample: Oil Above Tool 3520' Res.            @            °F Chlorides            ppm Nitrates            ppmMiddle Sample: Above Tool 94' Res.            @            °F Chlorides 23,000 ppm Nitrates 0 ppmBottom Sample: Above Tool tool Res. .195 @ 67 °F Chlorides 23,000 ppm Nitrates 0 ppmSampler: Res. .195 @ 67 °F Chlorides            ppm Nitrates            ppmREMARKS: Please note any unusual conditions during testing (i.e. sliding tool, etc.).  
Pressure breakdown should be in Area Office by morning of the following work day  
if at all possible.REMARKS: GTS in 14" into IFP, pressure fluctuated after 25 min into FFP,  
reversed out BHT 183°F.

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APPLICATION FOR MULTIPLE COMPLETION

Form C-107  
5-1-61

EXHIBIT #1

Operator <b>Threshold Development Company</b>		County <b>Eddy</b>	Date <b>September 25, 1980</b>
Address <b>1100 Gihls Tower West, Midland, Tex. 79701</b>		Lease <b>Conoco "10" State Com</b>	Well No. <b>1</b>
Location of Well <b>I</b>	Unit <b>10</b>	Township <b>19S</b>	Range <b>29E</b>

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 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	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Undes. Turkey Track-Wolfcamp		Undes. Turkey Track-Atoka
b. Top and Bottom of Pay Section (Perforations)	9072-9166'		10,776-10,790'
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 check YES or NO)

- |                                     |                          |   |
|-------------------------------------|--------------------------|---|
| Yes                                 | No                       |   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.*  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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 112A.)  |

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

Getty Oil Company, P. O. Box 1231, Midland, Texas 79702

Tenneco Oil Co., 6800 Park Ten Blvd. Suite 200-North, San Antonio, Texas 78213

Audubon Production Company, 200 N. Lorraine, Midland, Texas 79701

Southland Royalty Company, 1100 Wall Tower West, Midland, Texas 79701

Summit Energy, Inc. 112 N. 1st, Artesia, New Mexico 88210


Cities Service Company, P. O. Box 1919, Midland, Texas 79702

Marbob Energy Corp., E. of Artesia, Artesia, New Mexico 88210

Read & Stevens, Inc. P. O. Box 1518, Roswell, New Mexico 88201

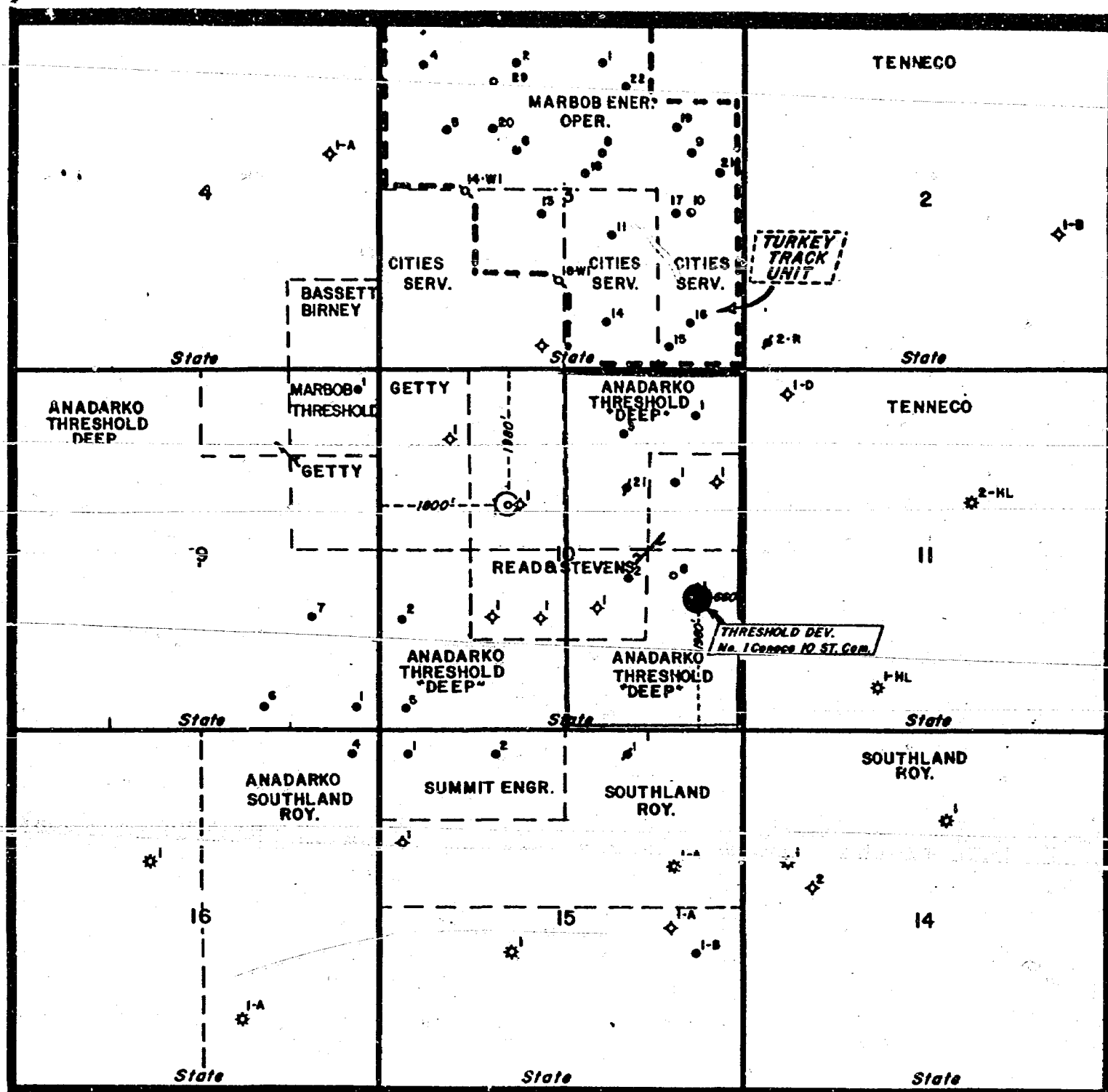
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO \_\_\_\_\_. If answer is yes, give date of such notification September 25, 1980.

CERTIFICATE: I, the undersigned, state that I am the Division Prod. Manager of the Threshold Development 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.

  
O. V. Stuckey

\*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 one or more of the producing zone, then separate application for approval of the same should be filed simultaneously with this application.



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

THRESHOLD EXHIBIT NO. 2

CASE NO. 7077

Submitted by August f

Hearing Date 12/10/60

**THRESHOLD** Development Co.

CONOCO 10 STATE COM #1  
EDDY COUNTY, NEW MEXICO

*Loa-Fire*  
Schiumberger

SIMULTANEOUS  
COMPENSATED NEUTRON-  
FORMATION DENSITY

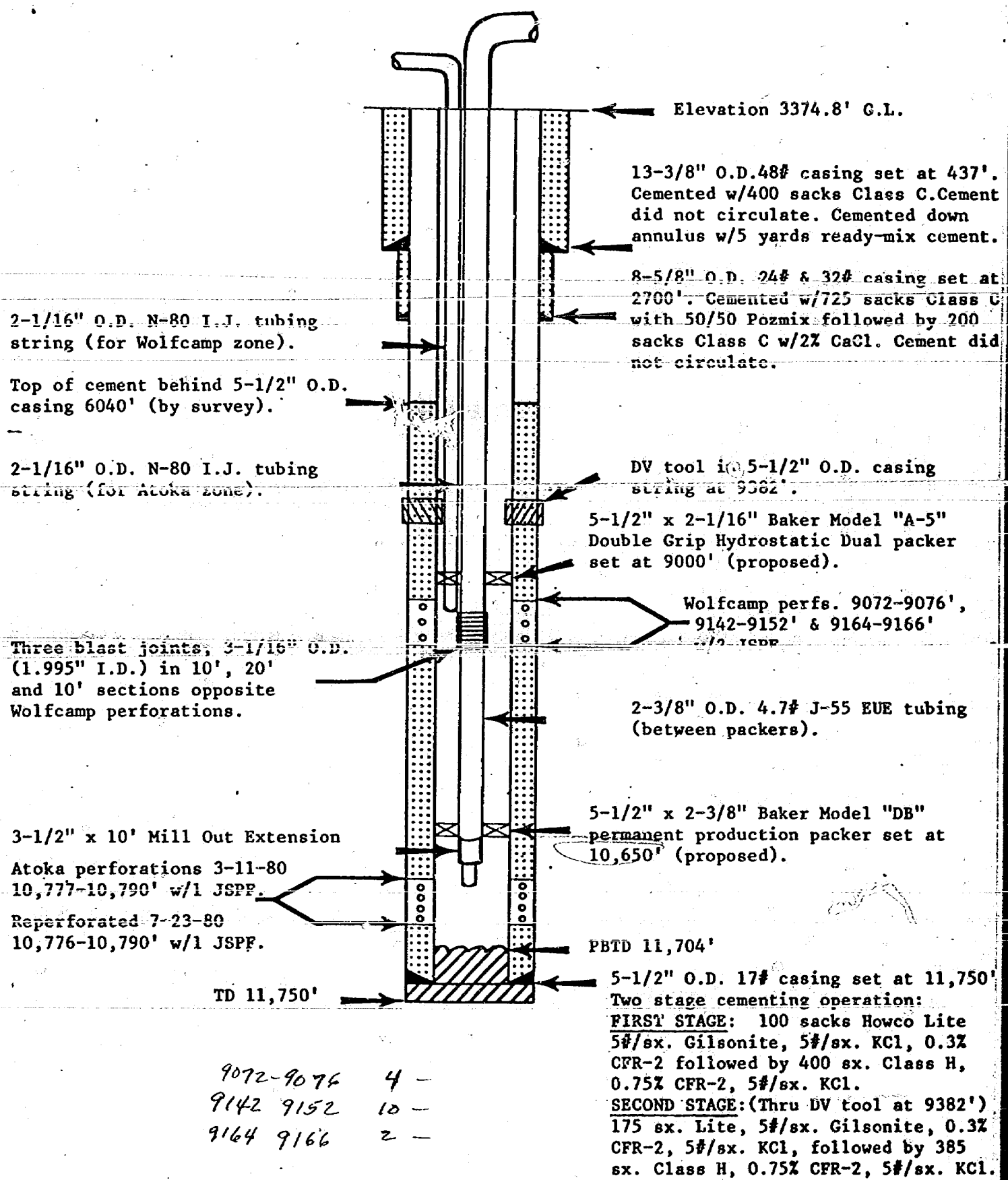
COUNTY <u>EDDY</u>	COMPANY <u>THRESHOLD DEVELOPMENT COMPANY</u>
FIELD <u>WILDCAT</u>	WELL <u>CONOCO STATE "10" #1</u>
LOCATION <u>CONOCO STATE "10" #1</u>	FIELD <u>WILDCAT</u>
COMPANY <u>THRESHOLD DEV. CO.</u>	COUNTY <u>EDDY</u> STATE <u>NEW MEXICO</u>
LOCATION <u>1980' FSL &amp; 660' FEL</u>	Other Services: <u>DLL</u>
API SERIAL NO. <u>10</u> SEC. <u>19-S</u> TWP. <u>29-E</u>	
Permanent Datum: <u>G.I.</u> ; Elev.: <u>3375</u>	Elev.: K.B. <u>3392</u>
Log Measured From <u>K.B.</u> , <u>17</u> Ft. Above Perm. Datum	D.F. <u>3391</u>
Drilling Measured From <u>K.B.</u>	G.I. <u>3375</u>
Date <u>2-6-80</u>	Top Salt <u>1071</u>
Run No. <u>ONE</u>	Vates <u>1300</u>
Depth-Driller <u>11750</u>	Screen Rulers <u>1146</u>
Depth-Logger <u>11713</u>	Queen <u>2230</u>
Sim. Log Interval <u>11710</u>	Greyhorn <u>2607</u>
Top Log Interval <u>1000</u>	San Andres <u>3113</u>
Casing-Driller <u>8 5/8 @ 2700</u>	Est Bone Springs <u>7058</u>
Casing-Logger <u>2696</u>	2nd Bone Springs <u>7755</u>
Bit Size <u>7 7/8</u>	3rd Bone Springs <u>8388</u>
Type Fluid in Hole <u>SALT MUD</u>	Wolfcamp <u>8592</u>
Dens. <u>10.9</u> Visc. <u>33</u>	+ Ref <u>9018</u>
pH <u>11</u> Fluid Loss <u>4.4 ml</u>	+ Canyon ml <u>10015 ml</u>
Source of Sample <u>CIRC</u>	+ Stratum <u>10279</u>
Rm @ Meas. Temp. <u>.063 @ 55 °F</u>	Atoka <u>10826 °F</u>
Rmf @ Meas. Temp. <u>.06 @ 60 °F</u>	Marathon <u>11080 °F</u>
Rmc @ Meas. Temp. <u>.10 @ 60 °F</u>	Lower Marathon <u>11080 °F</u>
Source: Rmf   Rmc <u>M   C</u>	Carroll <u>111512</u>
Rm @ BHT <u>.023 @ 156 °F</u>	Austin <u>11608 °F</u>
TIME Circulation Stopped <u>2100 2-5</u>	
Logger on Bottom <u>0830 2-6</u>	
Max. Rec. Temp. <u>156 °F</u>	Atoka <u>10566 °F</u>
Equip. Location <u>8141 HOBBS</u>	
ed By <u>DANIEL</u>	
ed By Mr. <u>PACE</u>	

## DIAGRAMMATIC SKETCH OF DUAL COMPLETION

CONOCO "10" STATE COM NO. 1

UNIT 1, SECTION 10, T19S, R29E

EDDY COUNTY, NEW MEXICO

BEFORE EXAMINER STAMETS.  
OIL CONSERVATION DIVISION

Threshold EXHIBIT NO. 4

CASE NO. 2077

Submitted by *Amint*

Hearing Date 12/16/80

## SUBSURFACE PRESSURE MEASUREMENTS

COMPANY Threshold Development WELL NAME Conoco "10 State #1  
DATE OF TEST 3-24-80 To 3-27-80 LOCATION \_\_\_\_\_ PAGE 1 OF 1

## CHART READINGS AND CALCULATIONS FOR BUILDUP OR DRAWDOWN TEST

ELEMENT NUMBER RPG 3#43798, 0-7,000 lb. Range & RPG 3#9526, 0-8,100 lb. Range  
TIME WELL SHUT IN 1400  
TIME CLOCK STARTED 1120  
DEAD WEIGHT ELEMENT ON SURFACE \_\_\_\_\_ LBS. Well was flowed as  
TIME ELEMENT REACHED BOTTOM 1345 element was run to test  
DEAD WEIGHT ELEMENT ON BOTTOM 2,650 LBS. Flowing depth.  
ELEMENT SET AT 10,783 FEET  
Field-Turkey Track, Formation-Atoka

DATE	Hour	TIME	DEFLECTION in./inches	CALCULATED PRESSURE psig	CORRECTION P & PC psig	CORRECTED PRESSURE psig	PRESSURE AT MID-POINT OF PERFORATIONS psig
3-24-80	0	1345		3,578	On bottom		
	1/4	1400		3,632	Shut Well In		
	1/2	1415		3,802			
	3/4	1430		4,068			
	1	1445		4,200			
	1 1/4	1500		4,288			
	1 1/2	1515		4,342			
	1 3/4	1530		4,388			
	2	1545		4,413			
	2 1/2	1615		4,441			
	3	1645		4,462			
	3 1/2	1715		4,473			
	4	1745		4,487			
	4 1/2	1815		4,498			
	5	1845		4,509			
	5 1/2	1915		4,516			
	6	1945		4,523			
	6 1/2	2015		4,526			
	7	2045		4,530			
	7 1/2	2115		4,533			
	8	2145		4,537			
	8 1/2	2215		4,540			
	9	2245		4,544			
	9 1/2	2315		4,548			
3-25-80	10	2345		4,550			
	11	2445		4,553			
	12	0145		4,556			
	13	0245		4,558			
	14	0345		4,562			
	15	0445		4,564			
3-26-80	20	0945		4,572			
	25	1445		4,576			
	30	1945		4,580			
	40	0545		4,583			
	50	1545		4,585			
	60	0145		4,587			
3-27-80	70	1145		4,588			
	71	1245		4,590			
	71 3/4	1330		4,590			
Dead Weight After 71 3/4 Hours				3,469	Surface		



BELL TETT WIRE LINE SERVICE

P. O. BOX 787

ARTESIA, NEW MEXICO 88210

Phone 746-3281



EXHIBIT #5

## BOTTOM HOLE PRESSURE SURVEY REPORT

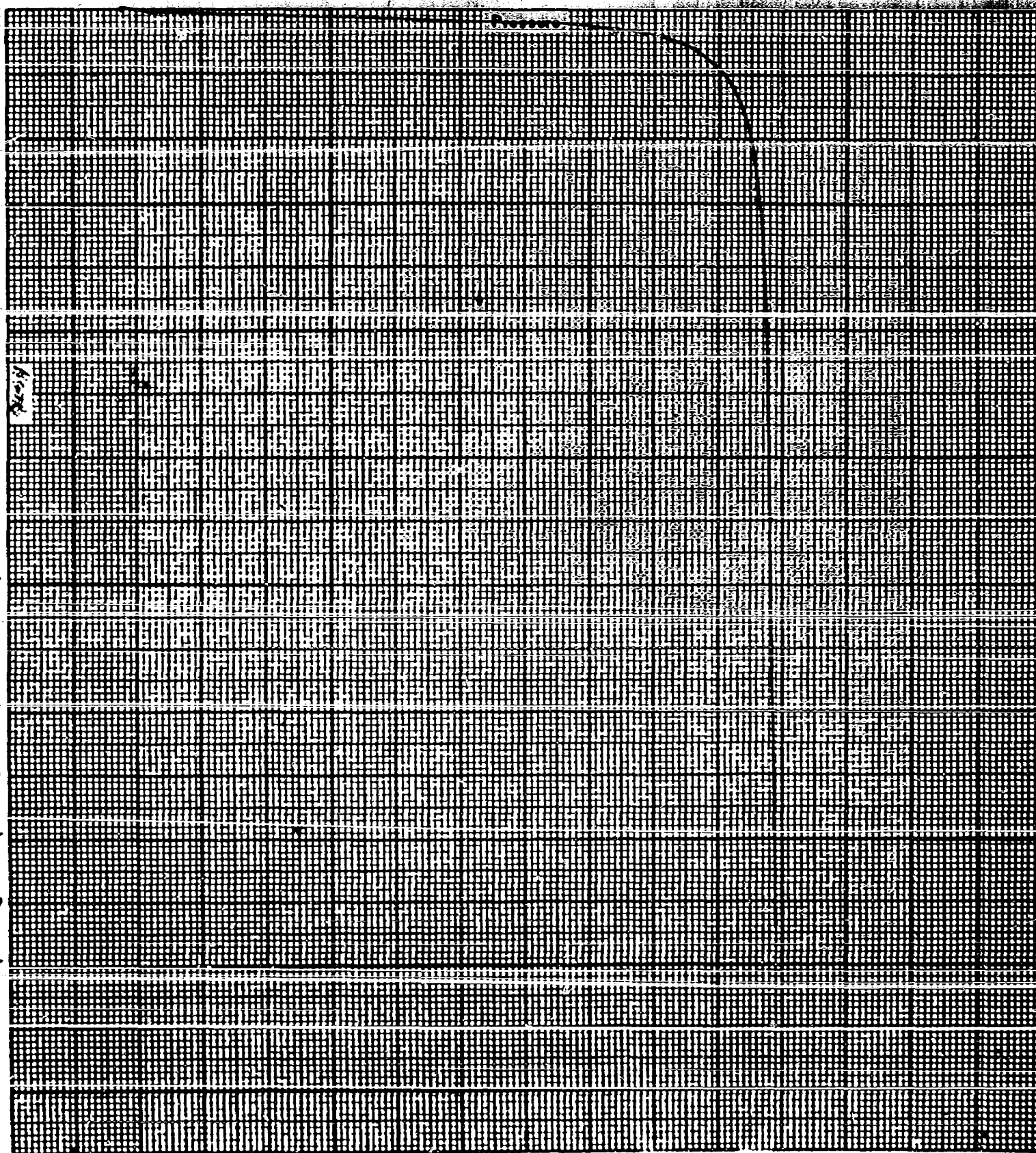
OPERATOR THRESHOLD DEVELOPMENT  
LEASE CONOCO "10" STATE  
WELL NO. #1  
FIELD TURKEY TRACK, ATOKA  
DATE 3-24-80 TIME 1345 HOURS

DEPTH PRESSURE GRADIENT

72 HOUR BUILD UP TEST

STATUS Shut In TEST DEPTH 10,783  
TIME 5:1400 LAST TEST DAY First Test  
3-24-80 BHP LAST TEST \_\_\_\_\_  
TUB. PRES. \_\_\_\_\_ BHP CHANGE \_\_\_\_\_  
ELEV. \_\_\_\_\_ FLUID TOP \_\_\_\_\_  
DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
TEMP 170 RUN BY B.J. CATHEY  
CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_  
ELEMENT NO. RPG3#43798 0-7,000Lbs. Range  
RPG#9526 0-8,100Lbs. Range

3500 3600 3700 3800 3900 4000 4100 4200 4300 4400 4500 4600 4700 4800 4900 5000



Well Conoco State "10" #1 Date 1/10/80  
Field Undesignated County Eddy, N.M. Drilling Contractor Cactus Rig #8  
Tested By Halliburton Witnessed By Jack Anderson  
DST No. 3 Testing From 9045 to 9187 TD 9187  
Mud Wt 8.5 Viscosity 28 Water Loss            Filter Cake             
Ph            Chlorides 5000 (ppm) Res. .228 @ 67 °F Nitrates none sx            (ppm) W.C.             
Hole Size 7-7/8" Drill Pipe 4 "OD Full hole Thread             
Drill Collars 600 ' Of Length 6-1/4 "OD 2.25 "ID 4-1/2 XH            Thread             
Surface Choke 3/8" Bottom Choke .75 @ 9016 '             
No.1 Packer - Size 6-3/4 Type NR Set At 9039 '             
No.2 Packer - Size 6-3/4 Type NR Set At 9045 '             
Jars - Make Big John Size 5" @ 9030 '             
Anchor - Length and Size 40' of 5-3/4" OD             
BHP Recorders At 9025 ' and 9183 '             
Stopped Drilling At 9187 ' at 11:45PM 1/9/80irc Hole 3 Hrs. POH 3-1/2 Hrs.  
(Time & Date)  
Tool Opened At 1600 (A.M.)(P.M.) Date 1/10/80  
Blow On Preflow Tool op w/ fair blo incr to good blo in 1" - op on 3/8" choke  
@ 4 min w/ GTS in 14 min Blow On Final Flow Tool op w/ good blo gas throat  
w/ max 39# press.

Tool Open 5 Hrs. 45 Minutes

Pressures: IHP 4057 psi FHP 4057 psi

IFP 379 - 506 psi At 15 Min. FFP 585 - 1040 psi At 90 Min.

ISIP 3302 psi At 60 Min.

FSIP 3123 psi At 180 Min.

4.019' sq. ft. gas

Temp 183 °F At 9183 ' Sampler Recovery 1100cc @ 650 psi

GC oil & FW (70% oil, 30% FW)

Recovery: 3520' oil & formation wtr, 70% & 30% FW

#### Recovered Fluid Analysis:

Top Sample: Oil Above Tool 3520' Res.            @            °F Chlorides            ppm Nitrates            ppm

Middle Sample: Above Tool 94' Res.            @            °F Chlorides 23,000 ppm Nitrates 0 ppm

Bottom Sample: Above Tool tool' Res. .195 @ 67 °F Chlorides 23,000 ppm Nitrates 0 ppm

Sampler: Res. .195 @ 67 °F Chlorides            ppm Nitrates            ppm

REMARKS: Please note any unusual conditions during testing (i.e. sliding tool, etc.).  
Pressure breakdown should be in Area Office by morning of the following work day  
if at all possible.

REMARKS: GTS in 14" into IFP, pressure fluctuated after 25 min into FFP,  
reversed out BHT 183°F.

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APPLICATION FOR MULTIPLE COMPLETION

Form C-107  
5-1-61

EXHIBIT #1

Operator <b>Threshold Development Company</b>		County <b>Eddy</b>	Date <b>September 25, 1980</b>
Address <b>1100 Gihls Tower West, Midland, Tex. 79701</b>		Lease <b>Conoco "10" State Com</b>	Well No. <b>1</b>
Location of Well <b>I</b>	Section <b>10</b>	Township <b>19S</b>	Range <b>29E</b>

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 X
2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_ ; Operator Lease, and Well No.: \_\_\_\_\_

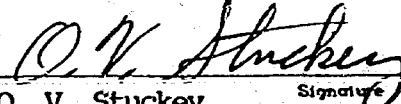
3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<b>Undes. Turkey Track-Wolfcamp</b>		<b>Undes. Turkey Track-Atoka</b>
b. Top and Bottom of Pay Section (Perforations)	<b>9072-9166'</b>		<b>10,776-10,790'</b>
c. Type of production (Oil or Gas)	<b>Oil</b>		<b>Gas</b>
d. Method of Production (Flowing or Artificial Lift)	<b>Flowing</b>		<b>Flowing</b>

4. The following are attached. (Please check YES or NO)
- | Yes                                 | No                       |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.*  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.
- Getty Oil Company, P. O. Box 1231, Midland, Texas 79702**
- Tenneco Oil Co., 6800 Park Ten Blvd., Suite 200 North, San Antonio, Texas 78213**
- Anadarko Production Company, 200 N. Loraine, Midland, Texas 79701**
- Southland Royalty Company, 1100 Wall Tower West, Midland, Texas 79701**
- Summit Energy, Inc. 112 N. 1st, Artesia, New Mexico 88210**
- Cities Service Company, P. O. Box 1919, Midland, Texas 79702**
- Marbob Energy Corp., E. of Artesia, Artesia, New Mexico 88210**
- Read & Stevens, Inc. P. O. Box 1518, Roswell, New Mexico 88201**

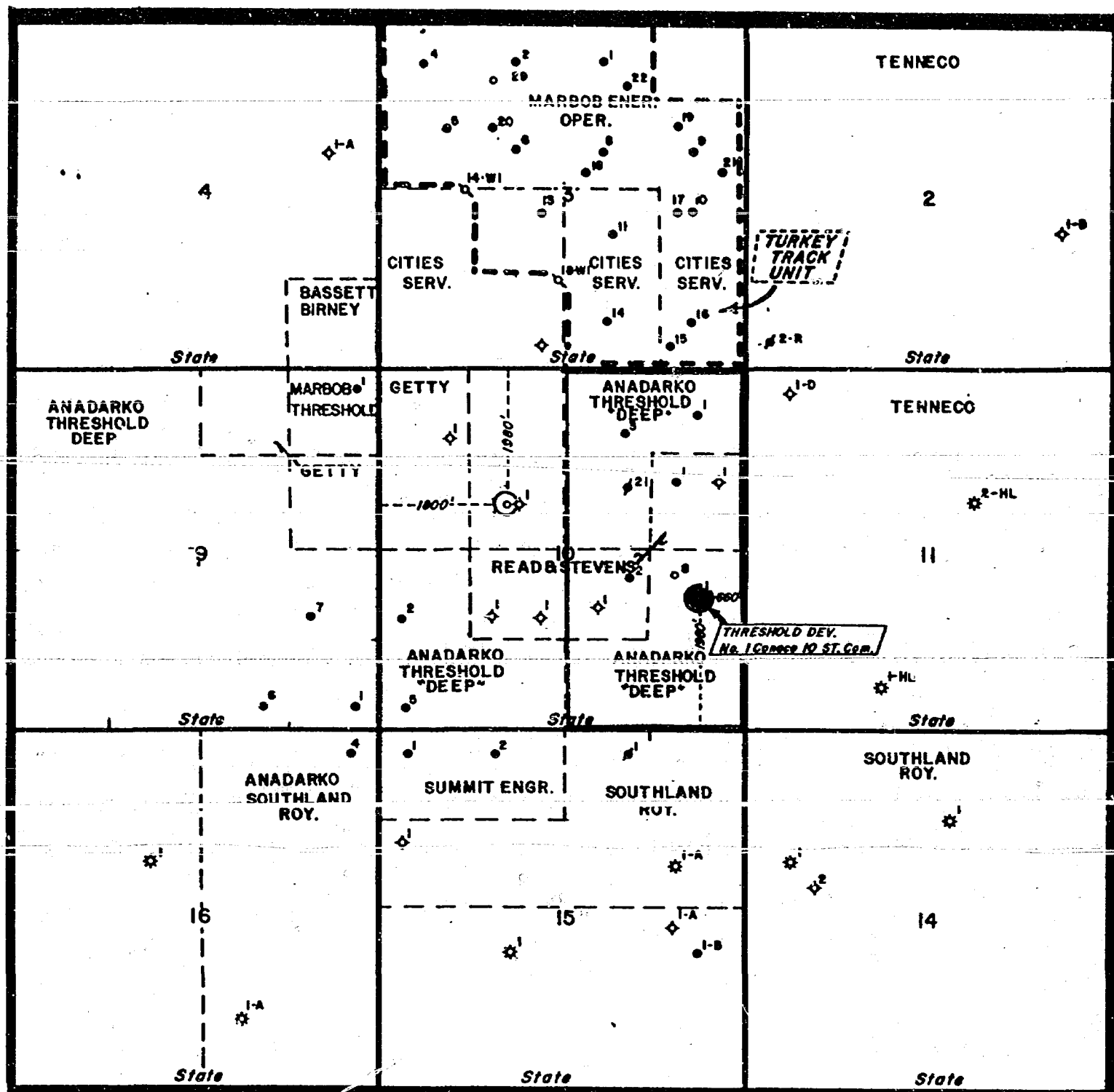
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO \_\_\_\_\_. If answer is yes, give date of such notification **September 25, 1980**.

CERTIFICATE: I, the undersigned, state that I am the Division Prod. Manager of the Threshold Development 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.

  
O. V. Stuckey  
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 multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION

THRESHOLD EXHIBIT NO. 2

CASE NO. 7077

Submitted by CONQUEST

Hearing Date 12/10/80

**THRESHOLD** Development Co.

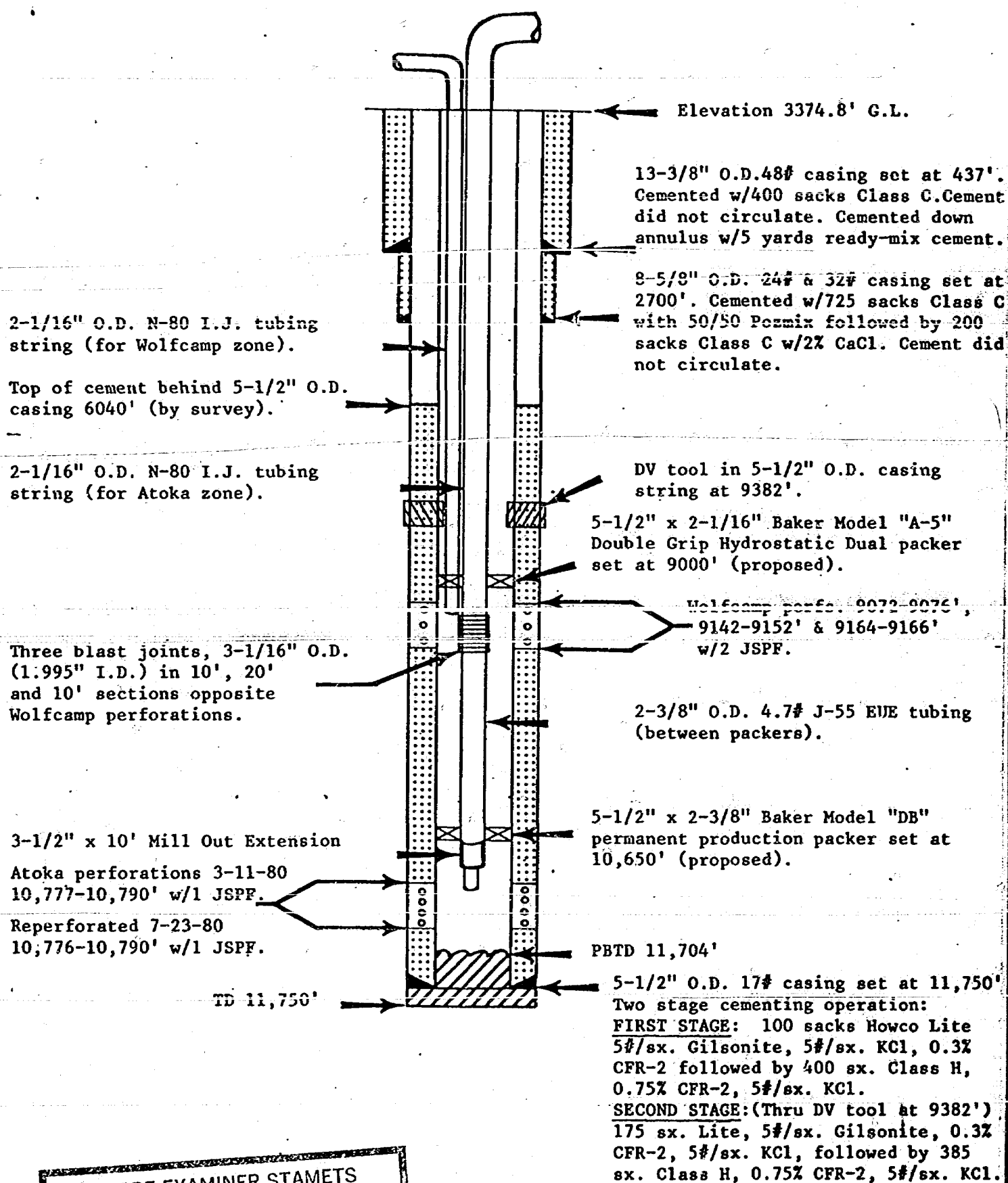
CONOCO 10 STATE COM #1  
EDDY COUNTY, NEW MEXICO

## DIAGRAMMATIC SKETCH OF DUAL COMPLETION

CONOCO "10" STATE COM NO. 1

UNIT I, SECTION 10, T19S, R29E

EDDY COUNTY, NEW MEXICO



BEFORE EXAMINER STAMETS  
OIL CONSERVATION DIVISION  
THRESHOLD EXHIBIT NO. 4  
CASE NO. 7077  
Submitted by CONQUEST  
Hearing Date 12/10/80

# SUBSURFACE PRESSURE MEASUREMENTS

COMPANY Threshold Development WELL NAME Conoco "10 State #1  
DATE OF TEST 3-24-80 To 3-27-80 LOCATION \_\_\_\_\_ PAGE 1 OF 1

## CHART READINGS AND CALCULATIONS FOR BUILDUP OR DRAWDOWN TEST

ELEMENT NUMBER RPG 3#43798, 0-7,000 lb. Range & RPG 3#9526, 0-8,100 lb. Range  
TIME WELL SHUT IN 1400  
TIME CLOCK STARTED 1120  
DEAD WEIGHT ELEMENT ON SURFACE \_\_\_\_\_ LBS. Well was flowed as  
TIME ELEMENT REACHED BOTTOM 1345 element was run to test  
DEAD WEIGHT ELEMENT ON BOTTOM 2,650 LBS. Flowing depth.  
ELEMENT SET AT 10,783 FEET

Field-Turkey Track, Formation-Atoka

DATE	Hour	TIME	DEFLECTION in/inches	CALCULATED PRESSURE psig	CORRECTION P.F.C. psig	CORRECTED PRESSURE psig	PRESSURE AT MID-POINT OF PERFORATIONS psig
3-24-80	0	1345		3,578	On bottom		
	1/4	1400		3,632	Shut Well In		
	1/2	1415		3,802			
	3/4	1430		4,068			
	1	1445		4,200			
	1 1/4	1500		4,288			
	1 1/2	1515		4,342			
	1 3/4	1530		4,388			
	2	1545		4,413			
	2 1/2	1615		4,441			
	3	1645		4,462			
	3 1/2	1715		4,473			
	4	1745		4,487			
	4 1/2	1815		4,498			
	5	1845		4,509			
	5 1/2	1915		4,516			
	6	1945		4,523			
	6 1/2	2015		4,526			
	7	2045		4,530			
	7 1/2	2115		4,533			
3-25-80	8	2145		4,537			
	8 1/2	2215		4,540			
	9	2245		4,544			
	9 1/2	2315		4,548			
	10	2345		4,550			
	11	2445		4,553			
	12	0145		4,556			
	13	0245		4,558			
	14	0345		4,562			
	15	0445		4,564			
3-26-80	20	0945		4,572			
	25	1445		4,576			
	30	1945		4,580			
	40	0545		4,583			
	50	1545		4,585			
3-27-80	60	0145		4,587			
	70	1145		4,588			
	71	1245		4,590			
	71 3/4	1330		4,590			
Dead Weight After 71 3/4 Hours				3,469	Surface		



BELL TELEPHONE WIRE LINE SERVICE

P. O. BOX 787

ARTESIA, NEW MEXICO 88210

Phone 748-3281



EXHIBIT #5

## BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR THRESHOLD DEVELOPMENT  
LEASE CONOCO "10" STATE  
WELL NO. 1  
FIELD TURKEY TRACK, ATOKA  
DATE 3-24-80 TIME 1345 HOURS

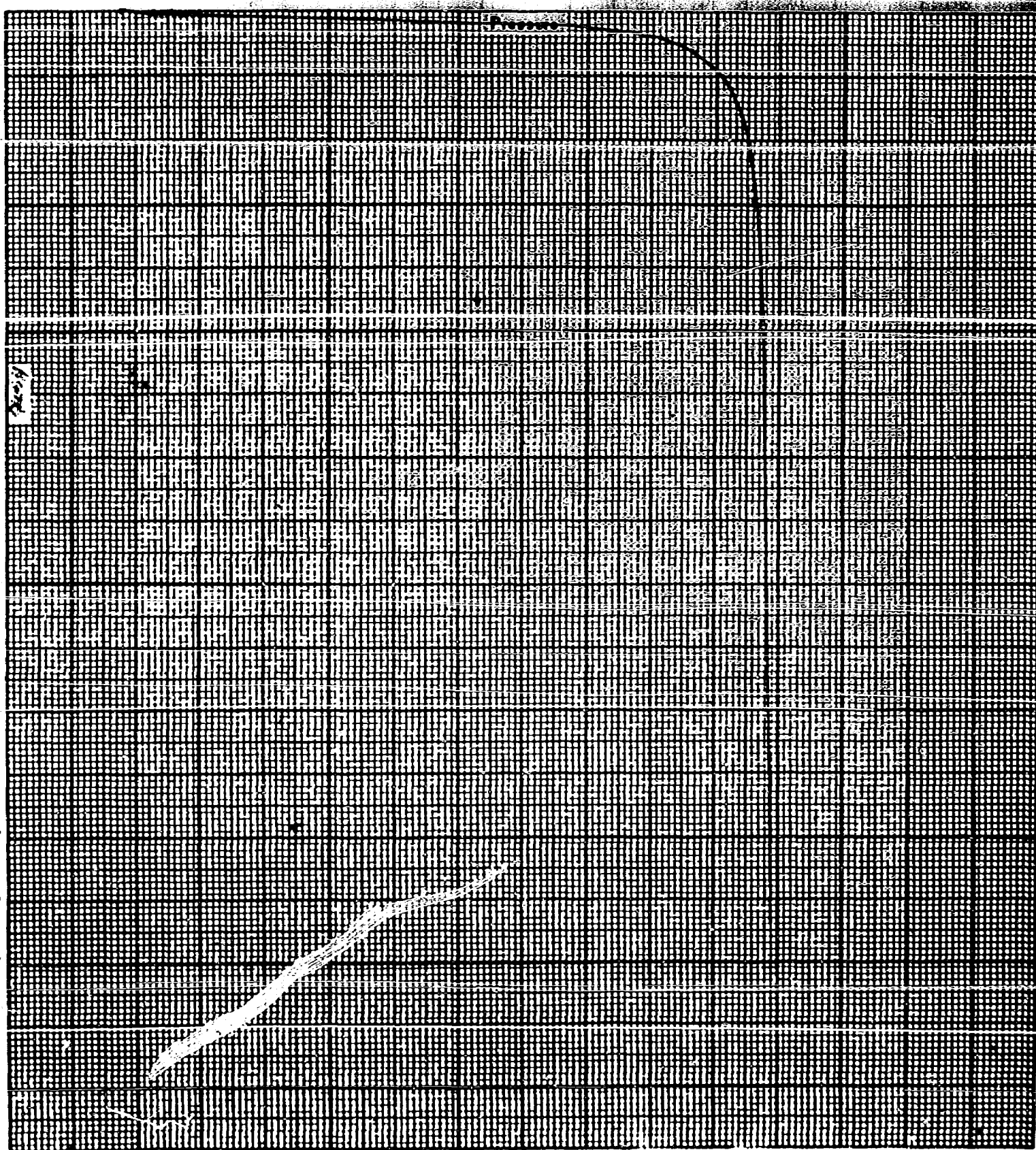
DEPTH PRESSURE GRADIENT

72 HOUR BUILD UP TEST

STATUS Shut In TEST DEPTH 10,783  
TIME 8:1400 LAST TEST DATE First Test  
3-24-80 BHP LAST TEST \_\_\_\_\_  
TUB. PRES. \_\_\_\_\_ BHP CHANGE \_\_\_\_\_  
ELEV. \_\_\_\_\_ FLUID TOP \_\_\_\_\_  
DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
TEMP 170 RUN BY B.J. CATHEY  
CLOCK NO. \_\_\_\_\_ GAUGE NO. \_\_\_\_\_

ELEMENT NO. RPG3#43798 0-7,000Lbs. Range  
RPG#9526 0-8,100Lbs. Range

3500 3600 3700 3800 3900 4000 4100 4200 4300 4400 4500 4600 4700 4800 4900 5000



Tool Open 5 Hrs. 45 Minutes  
Pressures: IHP 4057 psi FHP 4057 psi  
IFP 379 - 506 psi At 15 Min. FFP 585 - 1040 psi At 90 Min.  
ISIP 3302 psi At 60 Min. FSIP 3123 psi At 180 Min.  
Temp 183 °F At 9183 ' 4.019' sq. ft. gas  
Sampler Recovery 1100cc @ 650 psi  
GC oil & FW (70% oil, 30% FW)  
Recovery: 3520" oil & formation wtr, 70% & 30% FW

Top Sample: Oil Above Tool 3520' Res. \_\_\_\_\_ @ \_\_\_\_\_ °F Chlorides \_\_\_\_\_ ppm Nitrates \_\_\_\_\_ ppm

Middle Sample: Above Tool 94' Res. \_\_\_\_\_ @ \_\_\_\_\_ °F Chlorides 23,000 ppm Nitrates 0 ppm

Bottom Sample: Above Tool tool' Res. .195 @ 67 °F Chlorides 23,000 ppm Nitrates 0 ppm

Sampler: Res. .195 @ 67 °F Chlorides \_\_\_\_\_ ppm Nitrates \_\_\_\_\_ ppm

REMARKS: GTS in 14" into IFP, pressure fluctuated after 25 min into FFP,  
reversed out BHT 183°F.

Dockets Nos. 42-80 and 43-80 are tentatively set for December 30, 1980 and January 14, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 10, 1980

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for January, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7095:** In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Bill G. Isler, United States Fidelity and Guaranty Company, and all other interested parties to appear and show cause why the Spears State Well No. 2 in Unit B of Section 28, Township 11 South, Range 27 East, Chaves County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 7096:** Application of Read & Stevens, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the North Baum Unit Area, comprising 637 acres, more or less, of State lands in Township 13 South, Ranges 32 and 33 East.
- CASE 7097:** Application of Mesa Petroleum Co. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Jackson Unit Area, comprising 2,560 acres, more or less, of State lands in Township 24 South, Range 33 East.
- CASE 7098:** Application of The Wiser Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its McQuatters Well No. 4 located in Unit G of Section 11, Township 21 South, Range 36 East, to produce oil from the Oil Center-Glorieta and Hardy-Drinkard Pools through parallel strings of tubing.
- CASE 7077:** (Continued from November 25, 1980, Examiner Hearing)
- Application of Threshold Development Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Conoco "10" State Com Well No. 1 located in Unit I of Section 10, Township 19 South, Range 29 East, Turkey Track Field, to produce oil from the Wolfcamp formation and gas from the Atoka formation through parallel strings of tubing.
- CASE 7089:** (Continued from November 25, 1980, Examiner Hearing)
- Application of Summit Energy, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Blinberry formation through its Gulf Bunin Well No. 2 located in Unit C of Section 13, Township 21 South, Range 37 East.
- CASE 7099:** Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Duncan Unit Area, comprising 7,679 acres, more or less, of State, Federal, and fee lands in Townships 13 and 14 South, Range 35 East.
- CASE 7100:** Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Travis 24 State Com Well No. 1 in Unit H of Section 24, Township 18 South, Range 28 East.
- CASE 7101:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup and Basin-Dakota production in the wellbore of its Tribal "C" Well No. 4-E in Unit H of Section 6, Township 26 North, Range 3 West.
- CASE 7102:** Application of Consolidated Oil & Gas, Inc. for approval of infill drilling and an exception to Rule 9(E) of Order No. R-1670-T, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its Jacquez Well No. 2 to be located in Unit K of Section 2, Township 31 North, Range 13 West, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the two existing wells on the unit. Applicant further seeks an exception to Rule 9(E) of Division Order No. R-1670-T to permit calculating the proration unit's allowable on the basis of three Mesaverde wells on the unit.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
12 November 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Threshold Develop-  
ment Company for a dual completion,  
Eddy County, New Mexico.

CASE  
7077

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

MR. STAMETS: Call next Case 7077.

MR. PADILLA: Application of Threshold Development Company for a dual completion, Eddy County, New Mexico.

MR. STAMETS: At the request of the operator this case will be continued to the November 25th Examiner Hearing.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7022 heard by me on 11-17 1986.  
Richard R. Slamb, Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO

12 November 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Threshold Develop-  
ment Company for a dual completion,  
Eddy County, New Mexico.

CASE  
7077

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

SALLY V. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone: (505) 455-7499

MR. STAMETS: Call next Case 7077.

MR. PADILLA: Application of Threshold  
Development Company for a dual completion, Eddy County, New  
Mexico.

MR. STAMETS: At the request of the  
operator this case will be continued to the November 25th  
Examiner Hearing.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. \_\_\_\_\_, heard by me on \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

Dockets Nos. 40-80 and 41-80 are tentatively set for December 10 and 30, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - NOVEMBER 18, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

**CASE 7088:** Application of Southern Union Exploration Co. for reconsideration of Division Order No. R-6175, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks (a) that Order No. R-6175 be set aside, or (b) to except the E/2 of Section 32, Township 25 South, Range 24 East, Eddy County, New Mexico, from the terms of said order, or (c) clarify said order with respect to the E/2 of Section 32, Township 25 South, Range 24 East.

\*\*\*\*\*

DOCKET: COMMISSION HEARING - MONDAY - NOVEMBER 24, 1980

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

**CASE 7075:** (Continued and Readvertised)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B and amended by Order No. R-6469, to require that wells completed or recompleted on standard units in said pool be located in the west half of the section at least 1650 feet from the outer boundary of the spacing and proration unit, and that the drilling of wells be controlled so as to allow no more than a 330-foot horizontal deviation from the surface location. Further, that the location of wells on certain specified non-standard proration units approved by Order No. R-6469 should be no closer than 660 feet to the outer boundary of the non-standard unit nor closer than 330 feet to a quarter section line or 10 feet to a quarter-quarter section line. Said specified non-standard units are the two 640-acre units in Township 24 North, Range 1 West; the two 480-acre units in Township 24 North, Range 1 East; the four 640-acre units in Township 26 North, Range 1 West; the 640-acre unit in Township 26 North, Range 1 East; and the two 640-acre units, the three 600-acre units, and the 400-acre unit, all in Township 27 North, Range 1 West. Applicant further seeks an administrative procedure whereby unorthodox locations could be approved upon receipt of written waivers from all offsetting operators being "crowded" by the unorthodox location.

\*\*\*\*\*

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 25, 1980

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

**CASE 7055:** (Continued from October 29, 1980, Examiner Hearing)

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Eaves-Lea Unit Area, comprising 2209 acres, more or less, of State and Federal lands in Township 21 South, Ranges 32 and 33 East.

**CASE 7077:** (Continued from November 12, 1980, Examiner Hearing)

Application of Threshold Development Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Conoco "10" State Com Well No. 1 located in Unit I of Section 10, Township 19 South, Range 29 East, Turkey Track Field, to produce oil from the Wolfcamp formation and gas from the Atoka formation through parallel strings of tubing.

# Threshold Development Company

September 25, 1980

Re: Administrative Approval of Dual  
Completion Application for Wolfcamp  
(Oil) and Atoka (Gas)  
TDC's Conoco "10" State Com No. 1  
Unit I, Sec. 10, T19S, R29E, NMPM  
Undesignated Turkey Track Fields  
Eddy County, New Mexico

Oil Conservation Division (2)  
State of New Mexico, Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey

Gentlemen:

Oil Conservation Division (2)  
District II Office  
P. O. Drawer DD  
Artesia, New Mexico 88210

Attn: Mr. W. A. Gressett

*Case 7077*

Threshold Development Company respectfully requests administrative approval of the subject application for dual completion in the Wolfcamp Oil and Atoka Gas Zones.

Attached are: (1) Diagrammatic Sketch of the Proposed Installation, (2) Plat of the Lease and Offsetting Operators, (3) Log of the well with producing zones and intervals of perforations marked and (4) Form C-107.

Offset operators (indicated on Form C-107) are being hereby notified of this application by copy of this letter with attached Form C-107, plat, and diagrammatic sketch.

If there are further data required or additional questions, please contact the undersigned via telephone.

Yours very truly,

*O. V. Stuckey*

O. V. Stuckey  
Division Production Manager

OVS/pr

Attachments

1100 Gihls Tower West • Midland, Texas 79701 • Telephone: (915) 682-5640

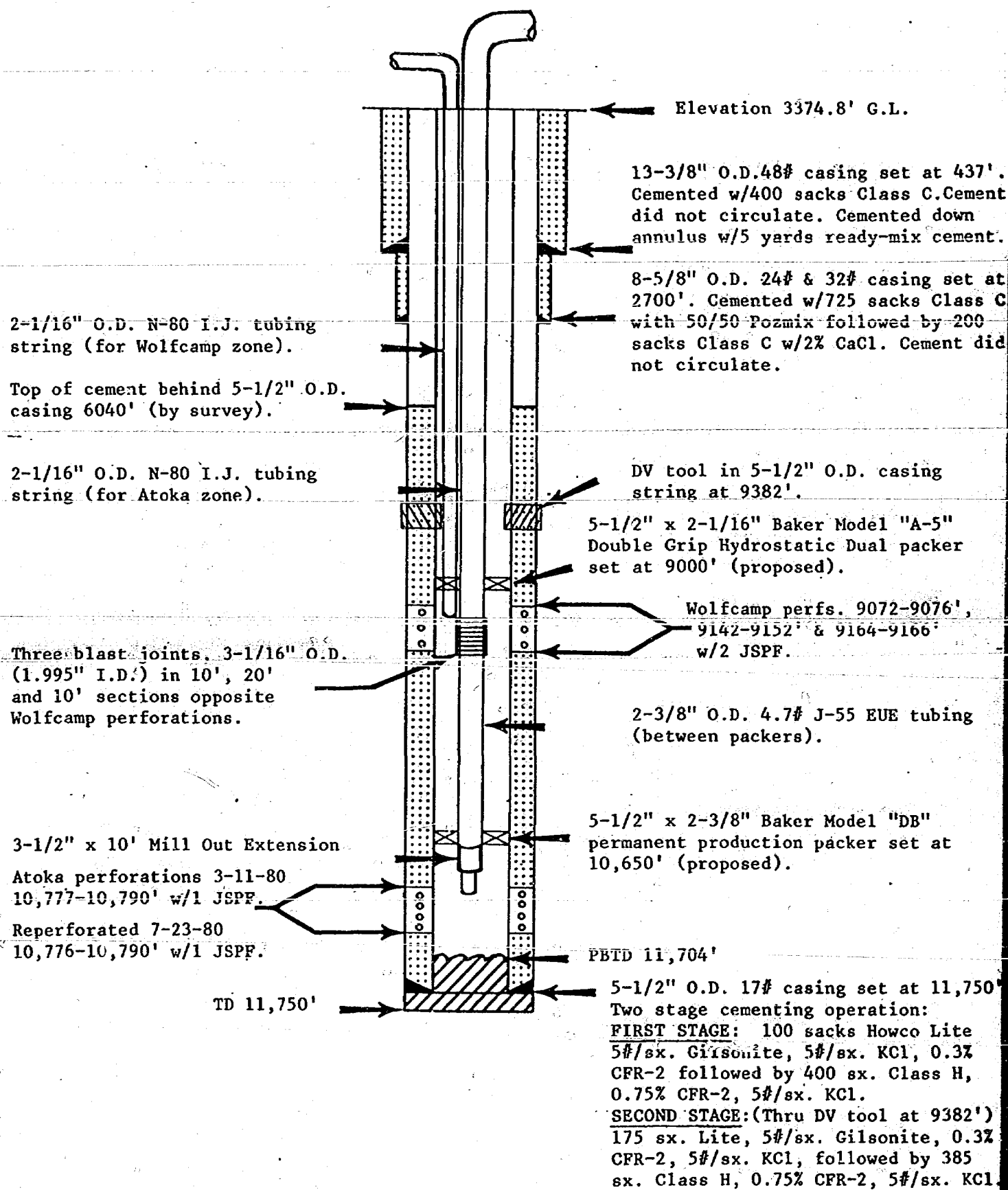
THRESHOLD DEVELOPMENT COMPANY

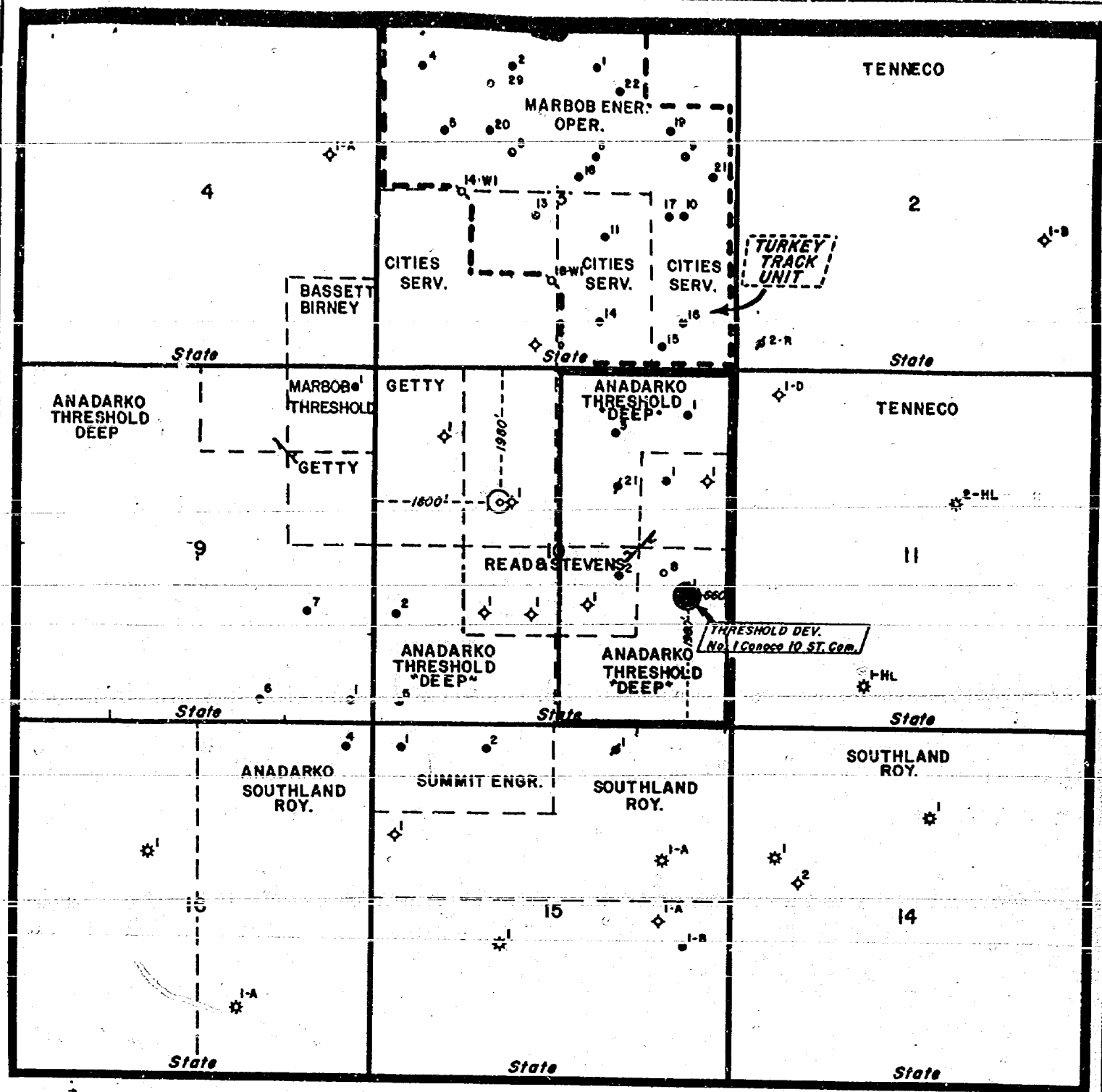
DIAGRAMMATIC SKETCH OF DUAL COMPLETION

CONOCO "10" STATE COM NO. 1

UNIT I, SECTION 10, T19S, R29E

EDDY COUNTY, NEW MEXICO





NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APPLICATION FOR MULTIPLE COMPLETION

Form C-107  
5-1-81

RECEIVED  
SEP 29 1980  
C.L. CO.

Operator <b>Threshold Development Company</b>		County <b>Eddy</b>	Date <b>September 25, 1980</b>
Address <b>1100 Gihls Tower West, Midland, Tex. 79701</b>		Lease <b>Conoco "10" State Com</b>	Well No. <b>1</b>
Location of Well	Unit <b>I</b>	Section <b>10</b>	Township <b>19S</b>
			Range <b>29E</b>

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 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	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Undes. Turkey Track-Wolfcamp		Undes. Turkey Track-Atoka
b. Top and Bottom of Pay Section (Perforations)	9072-9166'		10,776-10,790'
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 check YES or NO)

- |                                     |                          |   |
|-------------------------------------|--------------------------|---|
| Yes                                 | No                       |   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.*  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.

Getty Oil Company, P. O. Box 1231, Midland, Texas 79702

Tenneco Oil Co., 6800 Park Ten Blvd. Suite 200-North, San Antonio, Texas 78213

Anadarko Production Company, 200 N. Loraine, Midland, Texas 79701

Southland Royalty Company, 1100 Wall Tower West, Midland, Texas 79701

Summit Energy, Inc. 112 N. 1st, Artesia, New Mexico 88210

Cities Service Company, P. O. Box 1919, Midland, Texas 79702

Marbob Energy Corp., E. of Artesia, Artesia, New Mexico 88210

Read & Stevens, Inc. P. O. Box 1518, Roswell, New Mexico 88201

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 September 25, 1980.

CERTIFICATE: I, the undersigned, state that I am the Division Prod. Manager of the Threshold Development 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.

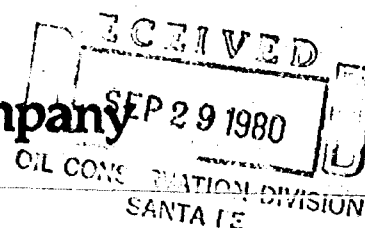
*O. V. Stuckey*  
O. V. Stuckey Signature

\*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 multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

# Threshold Development Company

September 25, 1980



Re: Administrative Approval of Dual Completion Application for Wolfcamp (Oil) and Atoka (Gas) TDC's Conoco "10" State Com No. 1 Unit I, Sec. 10, T19S, R29E, NMPM Undesignated Turkey Track Fields Eddy County, New Mexico

Oil Conservation Division (2)  
State of New Mexico, Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey

Oil Conservation Division (2)  
District II Office  
P. O. Drawer DD  
Artesia, New Mexico 88210

Attn: Mr. W. A. Gressett

Gentlemen:

*Case 7077*

Threshold Development Company respectfully requests administrative approval of the subject application for dual completion in the Wolfcamp Oil and Atoka Gas Zones.

Attached are: (1) Diagrammatic Sketch of the Proposed Installation, (2) Plat of the Lease and Offsetting Operators, (3) Log of the well with producing zones and intervals of perforations marked and (4) Form C-107.

Offset operators (indicated on Form C-107) are being hereby notified of this application by copy of this letter with attached Form C-107, plat, and diagrammatic sketch.

If there are further data required or additional questions, please contact the undersigned via telephone.

Yours very truly,

*O. V. Stuckey*

O. V. Stuckey  
Division Production Manager

OVS/pr

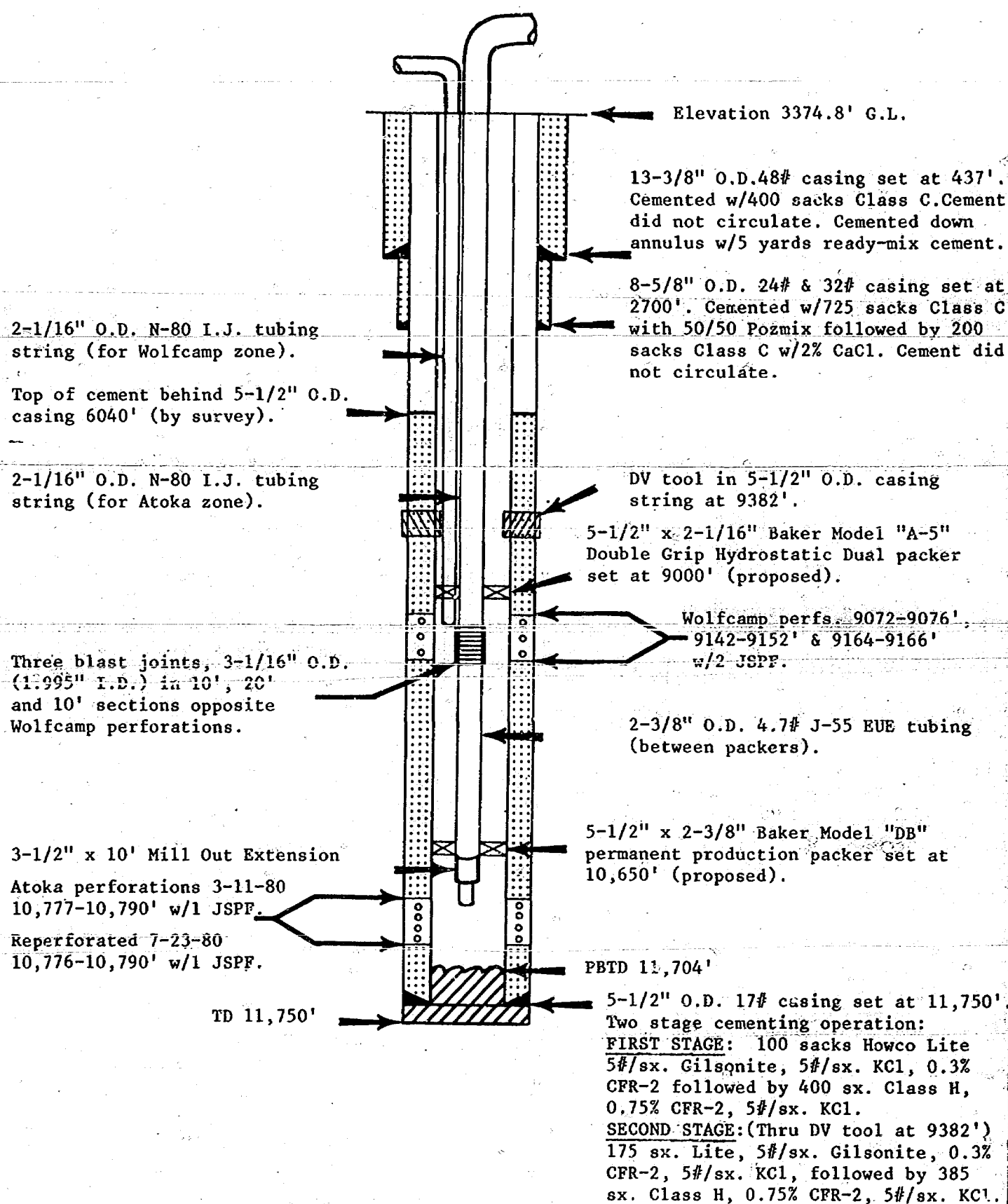
Attachments

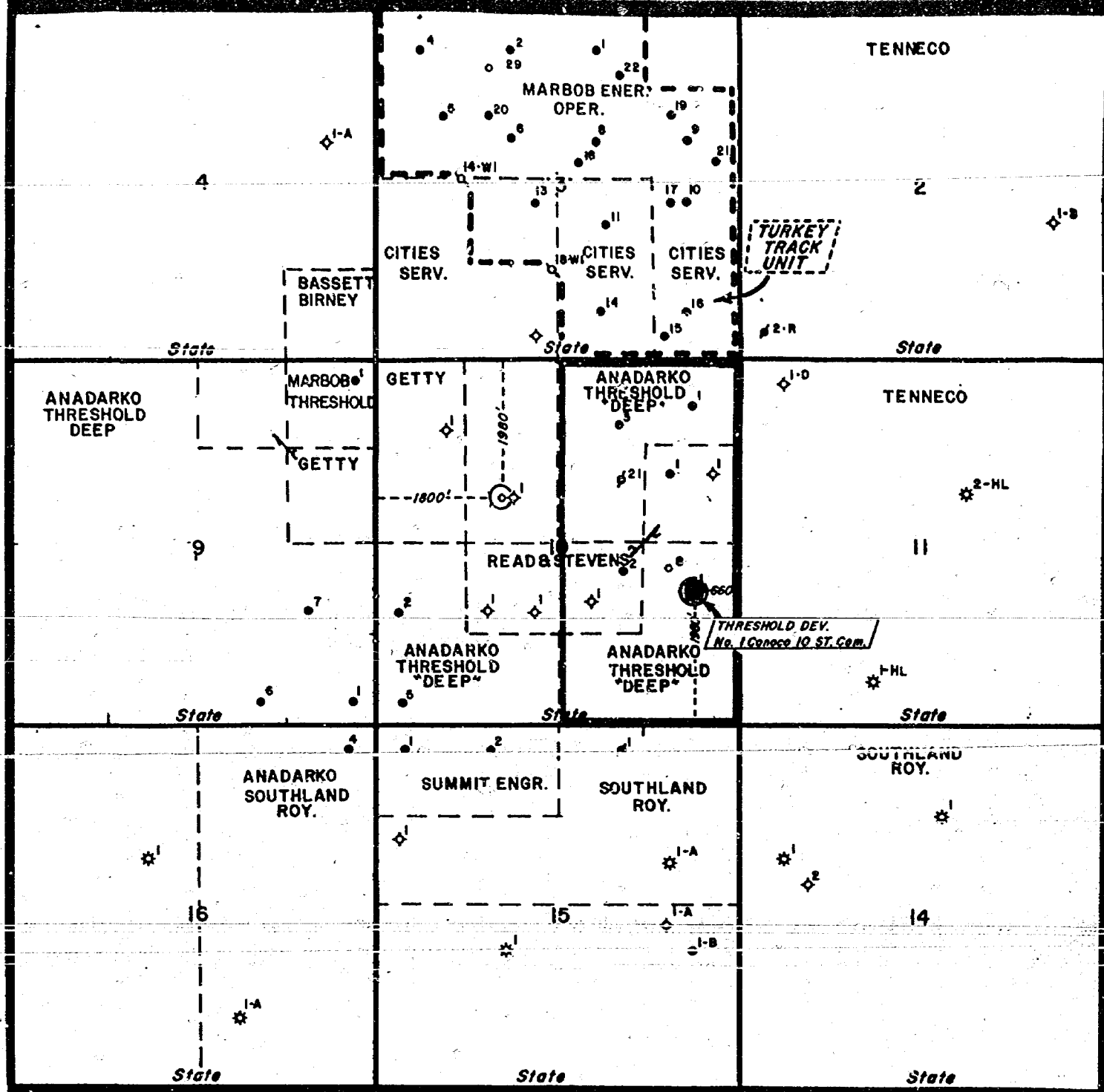
## DIAGRAMMATIC SKETCH OF DUAL COMPLETION

CONOCO "10" STATE COM NO. 1

UNIT I, SECTION 10, T19S, R29E

EDDY COUNTY, NEW MEXICO





NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APPLICATION FOR MULTIPLE COMPLETION

RECEIVED Form C-107  
SEP 29 1980

OIL CONSERVATION DIVISION

Operator <b>Threshold Development Company</b>		County <b>Eddy</b>	Date <b>SANTA FE September 25, 1980</b>
Address <b>1100 Gihls Tower West, Midland, Tex. 79701</b>		Lease <b>Conoco "10" State Com</b>	Well No. <b>1</b>
Location of Well <b>I</b>	Unit <b>10</b>	Township <b>19S</b>	Range <b>29E</b>

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 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	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Undes. Turkey Track-Wolfcamp		Undes. Turkey Track-Atoka
b. Top and Bottom of Pay Section (Perforations)	9072-9166'		10,776-10,790'
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 check YES or NO)

- |                                     |                          |   |
|-------------------------------------|--------------------------|---|
| Yes                                 | No                       |   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.*  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 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.

Getty Oil Company, P. O. Box 1231, Midland, Texas 79702  
Tenneco Oil Co., 6800 Park Ten Blvd. Suite 200-North, San Antonio, Texas 78213  
Anadarko Production Company, 200 N. Lorraine, Midland, Texas 79701  
Southland Royalty Company, 1100 Wall Tower West, Midland, Texas 79701

Summit Energy, Inc. 112 N. 1st, Artesia, New Mexico 88210  
Cities Service Company, P. O. Box 1919, Midland, Texas 79702  
Marbob Energy Corp., E. of Artesia, Artesia, New Mexico 88210  
Read & Stevens, Inc. P. O. Box 1518, Roswell, New Mexico 88201

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 September 25, 1980.

CERTIFICATE: I, the undersigned, state that I am the Division Prod. Manager of the Threshold Development 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.

O. V. Stuckey  
O. V. Stuckey 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 multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

Dockets Nos. 37-80 and 38-80 are tentatively set for November 25 and December 10, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 12, 1980

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for December, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 7076: Application of Vista Resources, Inc. for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its John H. Dashko Federal Well No. 1 to be drilled 2510 feet from the South line and 790 feet from the East line of Section 11, Township 24 North, Range 7 West, Basin-Dakota Pool, the E/2 of said Section 11 to be dedicated to the well.

CASE 7077: Application of Threshold Development Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Conoco "10" State Com Well No. 1 located in Unit 1 of Section 10, Township 19 South, Range 29 East, Turkey Track Field, to produce oil from the Wolfcamp formation and gas from the Atoka formation through parallel strings of tubing.

CASE 7046: (Continued from October 15, 1980, Examiner Hearing)

Application of Cotton Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Pictured Cliffs production in the wellbores of wells in the South Blanco-Pictured Cliffs Pool located in Sections 1, 2, 3, 4, 9, 10, 11, 13, 23, and 24, Township 24 North, Range 4 West.

CASE 7078: Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Warren Unit Well No. 82 located in Unit G of Section 35, Township 20 South, Range 38 East, to produce oil from the Blinberry Oil and Gas or Warren-Tubb Pools and the D-K Abo Pool.

CASE 7079: Application of HNG Oil Company for the amendment of Order No. R-5727, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5727 to include the entire Pennsylvanian formation under the compulsory pooling order rather than only the Morrow formation as previously ordered.

CASE 7080: Application of Franks Petroleum, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the North and East lines of Section 9, Township 21 South, Range 32 East, Hat Mesa-Morrow Gas Pool, the E/2 of said Section 9 to be dedicated to the well.

CASE 7081: Application of Belco Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 19, Township 23 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7070: (Continued from October 29, 1980, Examiner Hearing)

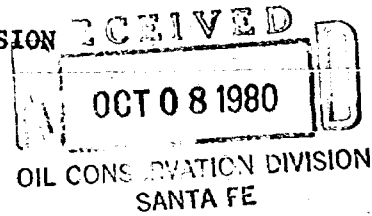
Application of Tesoro Petroleum Corporation for a pilot caustic flood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one-acre pilot caustic flood project in the Hospah Field by the injection of caustic fluid into the Seven Lakes Sand of the Upper Hospah Field at an approximate depth of 300-500 feet through four injection wells in Unit K of Section 1, Township 17 North, Range 9 West.

CASE 7082: Application of Maralo, Inc. and Dalport Oil Corporation for a waterflood project, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to institute a joint waterflood project on Dalport's Winters Lease offsetting Maralo's Jalmat Yates Unit waterflood project by the injection of water into the Yates-Seven Rivers-Queen formations through a well to be jointly drilled at an unorthodox location 1260 feet from the South line and 1250 feet from the West line of Section 7, Township 25 South, Range 36 East, Jalmat Pool.

OIL CONSERVATION COMMISSION  
Alameda DISTRICT

Case 7077

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO



DATE 10-7-80

RE: Proposed MC X  
Proposed DHC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated 9-25-80  
for the Threshold Dev. Co. Conoco 10 State Com. #1-I-10-19-29  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Does not qualify for Administrative Approval  
Set for Hearing

Yours very truly,

W. A. Gossett

ROUGH

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7077

Order No. R- 6539

*JAR*  
*[Signature]*  
APPLICATION OF THRESHOLD DEVELOPMENT COMPANY  
FOR A DUAL COMPLETION, EDDY  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on  
December 10, 19 80, at Santa Fe, New Mexico, before  
Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of December, 19 80, the  
Division Director, 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 Division has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Threshold Development Company,  
seeks authority to complete its Conoco "10" State Com  
Well No. 1, located in Unit I of Section 10, Town-  
ship 19 South, Range 29 East, NMPM, Eddy  
County, New Mexico, as a dual completion (conventional) to  
(combination)  
(tubingless)

oil  
produce gas from the Wolfcamp formation and gas from the Atoka  
formation through parallel strings of tubing.

(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Threshold Development Company, is hereby authorized to complete its Conoco "10" State Com Well No. 1, located in Unit I of Section 10, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) ~~(combination)~~ ~~(subingress)~~

oil to produce ~~gas~~ from the Wolfcamp formation and gas from the Atoka formation through parallel strings of tubing.

with separation of the zones to be achieved by means of a packer set at a depth of approximately 10,650 feet

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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 ~~gas wells in Southeast New Mexico~~ gas wells in Southeast New Mexico

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

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