

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO



TRANSCRIPTION OF HEARING

CASE NO. 282

21 June 1951
(DATE)

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Case 282: In the matter of the application of S.E. Cone for an order authorizing dual completion of his Anderson No. 1 well, Drinkard Pool, NESE 21-21S-37E, NMPM.

MR. SPURRIER: We will proceed now with the next case, Case 282.

(Mr. Graham reads notice of publication.)

MR. SPURRIER: Mr. Cone.

MR. CONE: Yes, sir.

MR. SPURRIER: Are you the S.E. Cone that has made this application?

MR. CONE: No, sir. I am a brother, J. R. Cone, who looks after his business in New Mexico.

MR. SPURRIER: Will you swear him, George?

(Mr. Cone sworn.)

MR. SPURRIER: Mr. Cone, go ahead and explain this matter in your own words.

MR. CONE: There is two Tubb sand wells completed, one diagonal and one direct offset to our forty acres. And we tried to unitize our forty acres with the Continental. At that time, they didn't see fit to unitize, so we are asking the Commission to allow us a dual completion in the Tubb sand for a fourth of the allowable to operate our No. 2 Anderson on a gas lift. The No. 1 Anderson well is located in NESE, 21-21S-37E, Lea County. This well has produced from the Drinkard formation with the perforation interval extending from 6510 to 6628. It is equipped with 2" upset tubing and 5½" casing set at 6640. Our application further represents that a high pressure gas zone exists in the approximate depth of 6150 in the Tubb sand section of the Earl Anderson No. 1 well as evidenced by gas production from the

Tubb section in the west offset and the northwest diagonal offset to said well. And the drillstem test yielded 4301.4MCF of gas per day from the Tubb section in the No. 2 Anderson; which is 1650 feet from the south and 330 feet from the east line of Section 21-21S-37E; and that it is practical and economically feasible to dual complete this well and produce liquid hydrocarbons through the tubing and gas through the annulus between the casing and the tubing with proper packed and wellhead connections. Therefore, we are asking for the granting of the dual completion of this well.

MR. SPURRIER: Does anyone have any questions?

MR. GUERNSEY: I am with Shell Oil Co. I understand, Mr. Cone, your efforts to unitize your forty-acre tract into a normal 160-acre gas and proration unit were not successful. Is that correct?

MR. CONE: That is right.

MR. GUERNSEY: I don't know if you realize, but you recall that recently I believe the Gulf Oil Corporation has submitted data to the Commission here to define the Tubb gas pool, and the Commission now has that matter under advisement. And also that pending, or if this pool is so designated, then state-wide rule 104 provides that the allowable from the gas well on a fractional proration unit will be correspondingly reduced in proportion of its acreage?

MR. CONE: That's right.

MR. GUERNSEY: Well, pending such proration in the Tubb gas pool, if it is set up as such, how do you propose to produce your dual well?

MR. CONE: Well, produce it on a fourth of the basis of 160 acres.

MR. GUERNSEY: You mean that -- of course, there is no allowable now -- but you mean when such allowable would be set up you will assign your well one-quarter of the allowable?

MR. CONE: That's right.

MR. GUERNSEY: I'm sorry, I guess you didn't understand the question. I meant how do you plan to produce the well during the period between now and such time as we do have gas

proration in that pool.

MR. CONE: Well, what we are interested in is in getting enough gas from this well to gas-lift our No. 2, and we didn't think we were entitled to more than one-fourth of the allowable on 160 or what they are producing from.

MR. GUERNSEY: In other words, until such time as there was a Tubb gas pool so designated, you would produce from your dual completion only that amount of gas that is reasonably necessary to gas-lift your Anderson No. 2?

MR. CONE: Well, we intend to try to, if it is permitted, to not produce more than one-fourth of what the offset wells are producing.

MR. GUERNSEY: I see. You mean until such time as there is gas well proration in this pool you would expect to withdraw from this well about one-quarter of the amount of gas that is being withdrawn from the other Tubb gas wells in the immediate vicinity?

MR. CONE: That's right.

MR. GUERNSEY: Now, if the Commission chose to grant your allowable on that basis, would that be acceptable to you?

MR. CONE: That's right.

MR. GUERNSEY: That is all the questions I have.

MR. GRAHAM: Is that state, federal, or fee?

MR. CONE: It is fee-owned land.

MR. SPURRIER: Does anyone have a question? Mr. Morrell.

MR. GRAHAM: Is that a gas-oil or gas-gas?

MR. CONE: Gas-oil.

MR. SPURRIER: In a Bradenhead operation.

MR. CONE: In a Bradenhead operation.

MR. GRAHAM: Do you have any information on the corrosiveness of the gas?

MR. CONE: No. The only thing is that offset operators are producing their's, and due to the fact that I tried to unitize mine with them and they wouldn't, so I am asking for a dual completion in mine.

MR. GRAHAM: What **kind** of mechanical installation do you propose to make?

MR. CONE: Set a packer at 6300, perforate it from about 6120 to 6150, and produce the gas through the casing and produce the Drinkard below 6300 to 6640.

MR. SPURRIER: Are there any more questions?

MR. GUERNSEY: I would like to add one statement or possibly request. I don't have another question of Mr. Cone.

MR. SPURRIER: If there are no further questions, the witness will be excused. Mr. Guernsey.

MR. GUERNSEY: The Shell Oil Company's concern in this matter is because we have an oil and gas lease on the 320-acre half section immediately east of the 40-acre tract on which Mr. Cone proposes to make his dual completion. And pending delineation of the Tubb gas pool, and the advent of proration in this pool, we would naturally develop our wells in accord with the state-wide rule 104, which provides for one well on a 160-acre tract. This rule, of course, will permit the drilling on the Shell lease of only one well to meet the offset condition posed by the two wells in the adjoining 160-acre tracts. And for that reason, the Shell Oil Company would like to urge that the Commission in case they do grant this dual completion, that they provide for gas well proration at least in the Tubb gas pool as early as feasible.

MR. SPURRIER: Are there any other comments? If not, we will proceed to Case 283.

STATE OF NEW MEXICO

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COUNTY OF BERNALILLO

I ~~HEREBY~~ CERTIFY That the foregoing transcript is a true record of the matters therein contained.

DONE at Albuquerque, N. M., July 5, 1951.

E. G. Gerson

My Commission Expires: Aug. 4, 1952.