

426

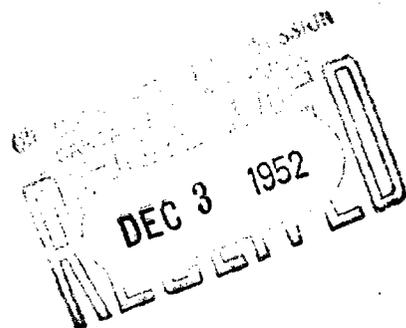
# BUFFALO OIL COMPANY

A MARYLAND CORPORATION  
NEW MEXICO DISTRICT  
CARPER BUILDING  
ARTESIA, NEW MEXICO

MAIN OFFICE  
GULF STATES BUILDING  
DALLAS, TEXAS

P. O. Box 686

November 17, 1952



New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sirs:

The Buffalo Oil Company has no operations in the West Dollarhide field of Lea County, New Mexico, and therefore, has no statement to make insofar as Case #426 is considered individually. However, since the Commission has not, to our knowledge, previously acted upon a dual completion involving the producing of oil from two separate oil reservoirs from a common well bore, we feel it dutiful to express our views insofar as general policies are concerned so that the Commission may more adequately provide the proper foundation for future cases involving dual completions where both are from oil zones.

It is the opinion of the Buffalo Oil Company that the principal justification for allowing dual oil completions lies in the case where at least one of the pays is considered non-commercial in itself, so that economics require the dual completion in order to recover oil from the non-commercial zone. We recognize that such dual completions should be permitted. There may also be justification where a particular field is located on a state boundary line, and is therefore located in two states, and one state already having approved a dual completion program.

We believe that dual oil completions should continue to be considered on an individual field basis. Where no opposition is expressed and approval of a program is given by the Commission, there should be strict observance to guarantee that complete segregation of the two zones is being maintained. This is necessary to protect individual correlative rights and to assure proper functioning in proration.

The Commission should recognize certain practices that might contribute to inefficient producing methods which would decrease ultimate recoveries. In stop-cocking a high gas-oil

ratio zone, considerably more gas would be produced from the casing annulus, than if produced through tubing. Secondly, it is sometimes the practice to produce one pay through the tubing for one-half month, change tubing openings, and then produce the other zone through tubing for one-half month. This procedure would require a producing rate in excess of that presently permitted under Paragraph (a) of Rule 502. The effects of such practices as these should be considered by the Commission in ruling upon dual completion applications.

Yours very truly,

BUFFALO OIL COMPANY

By *A. J. Ellis*  
Vice President

HGE:lt

# THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT  
WEST TEXAS DIVISION

P. O. BOX 1720  
FORT WORTH 1, TEXAS

December 13, 1952

CASE 426 — *File*

Additional Information  
Requested by the Oil  
Conservation Commission

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Gentlemen:

In presenting testimony supporting The Texas Company's application for permission to dually complete its J. B. McGhee Well No. 1, West Dollarhide Field, Lea County, New Mexico, Case 426, the Commission desired information as to the gravity of the oil produced from the two pay sections involved in this request. This information is furnished below:

### DEVONIAN FORMATION

|                         |                       |
|-------------------------|-----------------------|
| Gravity of Produced Oil | 40.6° API             |
| Gas-Oil Ratio           | 87 cu.ft.<br>per Bbl. |

### DRINKARD FORMATION

|                         |                         |
|-------------------------|-------------------------|
| Gravity of Produced Oil | 38.3° API               |
| Gas-Oil Ratio           | 849 cu. ft.<br>per Bbl. |

I trust that this will answer the Commission's questions on this point, and I request that this information be included in the file of Case 426.

Yours very truly,

*C. J. Ray, Jr.*  
C. J. Ray, Jr.

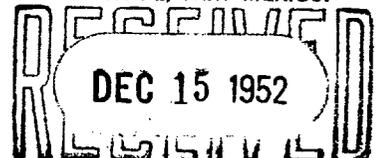
*Faithfully yours*



*for Fifty Years*

CJR, Jr-ECH

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO.



THE APPLICATION OF THE TEXAS COMPANY FOR AN ORDER PERMITTING DUAL COMPLETION OF ~~THIS~~ J.B.McGHEE, WELL NO. 1, NE/4 SE/4 SECTION 31, TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO, IN SUCH A MANNER AS TO PERMIT PRODUCTION OF OIL FROM THE DEVONIAN FORMATION AND OIL FROM THE DRINKARD FORMATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on ~~May 28~~ <sup>May 20</sup>, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, herein-after referred to as the "Commission."

NOW, on this ~~19th~~ <sup>day of</sup> June, 1952, the Commission, a quorum being present having considered said application and the evidence introduced in support thereof, and being fully advised in the premises,

FINDS:

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

(2) That the applicant's J.B.McGhee, Well No. 1, NE/4 SE/4, Section 31, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico, was drilled to a total depth of 8735 feet in the Fusselman formation, which formation was found to be non-productive of oil or gas at that location. That the well was plugged back to the Devonian formation and completed in that zone through casing perforations 7440-7610, 7630-7705. On initial potential test the well flowed 69 Barrels of oil per day. A

(3) That production of the J.B.McGhee, Well No. 1, declined to 35 Barrels of oil per day within approximately 30 days after completion and that the well was subsequently plugged back to 6600 feet and the casing perforated ~~back~~ at depths of 6350-6396 and 6416-6469 and 6479-6512 and the well recompleted in the Drinkard formation, the well producing 113 Barrels of oil in 6 (hrs.) from the Drinkard formation on ~~the~~ recompletion test.

(4) That ~~subsequent~~ evidence indicates that the J.B.McGhee, Well No. 1, is offset by a well producing from the Drinkard formation but is not offset by any well producing from the Devonian formation, and that geological evidence indicates to the Commission that the presence of a "sealing" fault, between the J.B.McGhee, Well No. 1, and ~~the~~ those wells in the West Dollarhide-Devonian pool producing from the Devonian formation, <sup>this eliminates</sup> eliminates any possibility of the J.B.McGhee, Well No. 1, <sup>may be</sup> being drained by wells producing from the Devonian formation in the area.

(5) That continued experimentation tends to show that mechanical packers and other devices are available for completing successful dual completions. However, the Commission is yet to be convinced of the soundness of oil-oil dual or multiple completions as a general practice in New Mexico.

IT IS THEREFORE ORDERED: ~~THAT~~ the application of The Texas Company for dual completion of its J.B.McGhee, Well No. 1, NE/4 SE/4 Section 31, Township 24 South, Range 38 East, NMPM Lea County, New Mexico be, and the same hereby is denied. 11/26 12/12

# Memo

From  
WILLIAM B. MACEY  
Chief Engineer

To

For your  
consideration

WBM.

Finalize to show

Governor —

Indicate 'Proposed'

Date 12-11-33

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR THE  
PURPOSE OF CONSIDERING:

426  
CASE NO. ~~30~~  
ORDER NO. R-~~233~~ 233

KS

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT  
WEST TEXAS DIVISION

P. O. BOX 1720  
FORT WORTH 1, TEXAS

February 10, 1953

CASE NO. 426, ORDER NO. R-233  
BEFORE THE OCC OF THE STATE OF  
NEW MEXICO

J. B. McGhee Well No. 1 in NE/4  
SE/4, Section 31, T-24S, R-38E,  
NMPM, Lea County, New Mexico

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Gentlemen:

Case No. 426 is scheduled for rehearing on February 17, 1953. The applicant respectfully requests that this rehearing be continued over to March 17, 1953, in order to allow the applicant to complete a study on this well which is now in progress.

A copy of this letter is being sent to all parties who appeared in the original hearing of this matter.

Yours very truly,

*C. J. Ray, Jr.*  
C. J. Ray, Jr.

CJR, Jr-ECH

Copy to: Buffalo Oil Company  
Judge James B. McGhee  
Stanolind Oil & Gas Co.  
Skelly Oil Company

**THE TEXAS COMPANY**

TEXACO PETROLEUM PRODUCTS

*Case 426*  
*OK Feb hearing*

PRODUCING DEPARTMENT  
WEST TEXAS DIVISION



P. O. BOX 1720  
FORT WORTH 1, TEXAS

December 31, 1952

JAN 2 1953

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Gentlemen:

Enclosed please find our motion for rehearing on our application in Case No. 426 for an order permitting dual completion of our J. B. McGhee Well No. 1, located in the West Dollarhide Field, Lea County, New Mexico.

Yours very truly,

*C. J. Ray, Jr.*  
C. J. Ray, Jr.

CJR, Jr-ECH



**THE TEXAS COMPANY**

TEXACO PETROLEUM PRODUCTS

*Cacc 426*

PRODUCING DEPARTMENT  
WEST TEXAS DIVISION



October 31, 1952

P. O. BOX 1720  
FORT WORTH 1, TEXAS

~~*Nov 16 hearing*~~  
*Nov 20*

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Gentlemen:

Enclosed please find three copies of our application for hearing in regard to the requested dual completion of our J. B. McGhee Well No. 1, West Dollarhide Devonian Field, Lea County, New Mexico. A map of this area showing the location of the subject well and a diagram of our proposed installation of dual completion equipment are also enclosed.

A copy of this application has also been sent to the New Mexico Oil and Gas Engineering Committee, attention Mr. Glenn Staley.

Yours very truly,

*C. J. Ray, Jr.*  
C. J. Ray, Jr.  
Petroleum Engineer

CJR, Jr-ECH

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
**RECEIVED**  
NOV 3 1952  
**RECEIVED**

*Faithfully yours*  
  
*for Fifty Years*

Case 426

*RD  
WOTM*

# THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT  
WEST TEXAS DIVISION

October 2, 1952

P. O. BOX 1720  
FORT WORTH 1, TEXAS

CONSERVATION AND PRORATION  
Request for Permit to Dually  
Complete J. B. McGhee Well  
No. 1, Lea County, New Mexico

New Mexico Oil Conservation  
Commission  
Box 871  
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

The Texas Company's J. B. McGhee Well No. 1, located 1980 feet from the south line and 660 feet from the east line of Section 31, T-24S, R-38E, Lea County, New Mexico, has been completed as a producing well in the West Dollarhide Devonian Field. It is our desire to dually complete this well in the Drinkard pay.

We respectfully request that this matter be set for hearing at the earliest possible date.

Yours very truly,

*C. J. Ray, Jr.*  
C. J. Ray, Jr.  
Petroleum Engineer

CJR, Jr-ECH



OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

March 20, 1953

C  
O  
P  
Y

Mr. C. J. Ray, jr.  
The Texas Company  
Box 1720  
FT. WORTH, TEXAS

Dear Mr. Ray:

We enclose signed copy of Commission Order R-233-B, which is the order of dismissal in Case 326.

Very truly yours,

W. B. Macey  
Chief Engineer

WBM:nr

Encl.

BAP April 18, 1952

Texas #1 Penny  
Elev 3146: S. 2 231' 40"  
Depth of Press - 8358  
Temp - 120°  
Press - 3149  
Datum - 5150  
Correct (-29)  
Correct  
Press 3136

Disc. well - Derwin  
W. Dall.

Specify **NEKOOSA** BOND  
MADE IN U.S.A.

For Governor Mechem:

The attached Order R-233 is the proposed order in the Texas Company case involving their request for approval of the oil-oil dual completion.....

Mr. Spurrier asked that it be shown to you for any comment, advice or criticism you may have, and final form will be submitted to you later.

Thanks.....

12-11-52

*Pancy*  
*-OK-*

Texas Co, #1 McKee, Elev. 3158  
Top of Devonian - 7439 (-4281)  
Top of Fusselman - 8692 (-5534)  
Thickness of Devonian 1253 feet.

E. offset

Skelly # 5J-mixed - el 3157  
Top of Devonian 7583 (-4426)  
Fusselman 8628 (-5447)  
Thickness of Dev. 1045 feet.

Ellott #1 #7ed Ellott - el 3144  
Top of Devonian 7567 (-4423)  
Fusselman 8593 (-5449)  
Thickness of Dev. 1026'

Dev  
Ellenb. and  
Isopark and on  
Yel  
Method