

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 28, 1959

EXAMINER HEARING

-----  
IN THE MATTER OF: )

)  
Application of Sunray Mid-Continent Oil )  
Company for an oil-oil dual completion. )  
Applicant, in the above-styled cause, )  
seeks an order authorizing the dual com- )  
pletion of its D. Hardy Well No. 2, lo- )  
cated 1980 feet from the North line and )  
1980 feet from the West line of Section )  
29, Township 21 South, Range 37 East, Lea )  
County, New Mexico, in such a manner as to )  
permit the production of oil from the Pen- )  
rose-Skelly Pool and the production of oil )  
from the Drinkard Pool through parallel )  
strings of tubing. )

Case 1800

-----  
BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. PAYNE: Application of Sunray Mid-Continent Oil  
Company for an oil-oil dual completion.

MR. KELLY: My name is William Kelly, of the firm of  
Gilbert, White and Gilbert. I represent Sunray Mid-Continent.  
I have one witness and ask that he be sworn.

(Witness sworn.)

(Marked Applicant's Exhibits  
A, B and C, for identifi-  
cation.)



ROBERT E. STATTON

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name and your employer and position?

A My name is Robert E. Statton. I am employed by the Sunray Mid-Continent Oil Company as District Engineer in Hobbs, New Mexico.

Q Have you previously testified before this Commission or any of its Examiners?

A Yes, I have.

Q Are you familiar with this application in Case 1800?

A Yes, sir.

MR. KELLY: Are his qualifications acceptable?

MR. NUTTER: Yes, sir.

Q I notice that the application concerns the Skelly-Penrose Pool. Is there an addition to that?

A Yes, sir, when we say Penrose-Skelly we intend to say the Penrose-Grayburg Pool.

Q That's the same as Penrose-Skelly?

A Yes.

Q What is your company requesting in this application?

A We are requesting permission to produce our D. Hardy



No. 2 as an oil-oil dual completion, the zones being a Drinkard Oil Pool and the Penrose-Skelly-Grayburg Oil Pool.

Q Are you familiar with this Sunray Mid-Continent application in the Oil Commission Case No. 1731?

A Yes, sir, I am.

Q Would you state what that was?

A That case we applied for permission to dually complete this same well between the Drinkard and the Paddock and the Paddock completion attempt was unsuccessful. We came on up the hole and perforated the Penrose-Skelly-Grayburg Pool.

Q But that was granted by the Commission?

A The Drinkard-Paddock was granted by the Commission.

MR. NUTTER: What case was that?

A Case 1731.

Q You don't know the order number?

A No, I don't.

Q Has there been any previous oil-oil dual completions between Drinkard and Penrose-Skelly-Grayburg?

A No, there have not. Although there have been oil-oil dual between the Penrose-Skelly and Grayburg and other oil pools.

Q Will you refer to what has been marked as Exhibit A and explain it to the Commission?

A The Exhibit No. A is a plat which shows the Sunray Mid-Continent Oil Company D. Hardy Lease consisting of the South Half

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of the Northeast Quarter of Section 29, Township 21 South, Range 37 East. It also shows the proposed No. 2 D. Hardy well dual completion. It shows the Penrose-Skelly-Grayburg oil wells and Drinkard oil wells in the vicinity of the D. Hardy Lease, and it shows the names and addresses of offset lessees.

Q Would you refer to Exhibit No. B and explain this to the Commission?

A Exhibit No. B is a diagrammatic sketch of the dual completion. It shows that the 13-3/8 inch casing was set at 300 feet. The 9 5/8 inch casing was set at 2838. The 7 inch casing was set at 6530, the Drinkard open hole zone is from 6530 to 6654, which is a plugged back total depth from the original 7065 total depth. It shows the Penrose-Skelly perforations as between 3694 and 3812. It shows the perforations and the 7 inch casing at 3849 to 50 where we perforated in order to place cement over the Penrose-Skelly.

The top of the cement after this cement was 1810 by a temperature survey. The Drinkard tubing is 2 3/8 inch OD and set in the permanent type production packer at 6500 feet. The Penrose-Skelly tubing is also 2 3/8 inch tubing with turned down collars.

Q Now, referring to your copy of the Exhibit marked No. C, would you explain that to the Commission?

A Exhibit C is a radioactive log that we ran on the D. Hardy No. 2, and it shows that our perforations are in the

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Grayburg section and thus the well is a Penrose-Skelly Oil Pool well.

Q Is this proposed completion mechanically feasible and practical?

A Yes, sir, it is.

Q In your opinion will there be communication between the zones?

A No.

Q Can each zone be safely and efficiently produced through these separate strings of tubing?

A Yes, sir.

Q Will this well be so equipped that bottomhole pressures, oil, water, gas tests may be taken?

A Yes, sir.

Q Are you familiar with and does your company intend to comply with Rule 1211 with packer setting affidavits and casing leak tests?

A Yes, we have already accomplished some of these tests. They were successful.

Q Will you briefly describe the characteristics of Penrose-Skelly-Grayburg Pool and Drinkard Pools?

A The Drinkard Pool has a GOR, the Drinkard Zone has a GOR of 16,400 to 1, 300 to 1, 16,100 to 1. The Penrose-Skelly-Grayburg Zone has a gas OR of 4300 to 1. The bottomhole pressure



of the Drinkard Zone is 926 pounds. The bottomhole pressure of the Penrose is estimated at 1198 pounds. That's based on a pressure which was run on Gulf's D. Hardy No. 4 well this year. The gravity of both zones is 35 degrees API. The present oil production of the Drinkard is 8 barrels of oil per day, and the water production is 1 barrel of oil per day.

The Penrose-Skelly was potentialized at 117 barrels per day, flowing with 92 barrels of water per day. We expect the Drinkard to flow to economic limits. The Penrose-Skelly is still flowing.

Q What is the nature of these two crudes?

A I classify the Drinkard as sweet, and we have taken a, at least we have had Magnolia Pipeline take a sample of the Penrose-Skelly oil and we're waiting on a report from them at this time as to whether it's sour or sweet.

Q If you judged that the Penrose-Skelly-Grayburg is sour, what steps will you take to prevent corrosion?

A We'll run some corrosion coupons and take some iron counts from water samples to determine the severity of the corrosion, and from that we'll instigate a treating program if necessary. Probably down the casing tubing annulus.

Q Were Exhibits A through C prepared by you or under your direction?

A Yes, they were.

MR. KELLY: We move that Exhibits A through C be



admitted.

MR. NUTTER: Sunray's Exhibits A through C will be admitted.

MR. KELLY: That's all I have.

MR. NUTTER: Does anyone have any questions of Mr. Statton?

CROSS EXAMINATION

BY MR. NUTTER:

Mr. Statton, I don't know if I got the bottomhole pressures or not, was it 1198 on the Penrose-Skelly and 926 on the Drinkard?

A Right.

MR. NUTTER: The witness may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further?

MR. KELLY: No.

MR. NUTTER: Does anyone have anything further for this case? We will take this case under advisement and take next Case 1801.

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STATE OF NEW MEXICO )  
  :  SS  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this                    day of November, 1959.

*Ada Dearnley*  
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1806, heard by me on 10-28, 1951.

*[Signature]*, Examiner  
New Mexico Oil Conservation Commission

