

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
APRIL 6, 1960

IN THE MATTER OF: :

CASE 1930 Application of E. P. Campbell for an unorthodox:
gas well location and for approval of a "slim- :
hole" completion. Applicant, in the above- :
styled cause, seeks permission to deepen a Day- :
ton-Abo Pool well and attempt a "slim-hole" :
completion in the Atoka-Pennsylvanian Gas Pool.:
Said well is the E. P. Campbell Kleeman Well :
No. 1, located 660 feet from the South line and:
330 feet from the East line of Section 27, Town-:
ship 18 South, Range 26 East, Eddy County, New :
Mexico. :

BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: We will take Case 1930.

MR. PAYNE: Case 1930. Application of E. P. Campbell for
an unorthodox gas well location and for approval of a "slim-hole"
completion.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, Santa Fe;
appearing for the Applicant, and we will have one witness, Mr.
Swartz.

(Witness sworn)

GUY A. SWARTZ,

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A My name is Guy A. Swartz, Roswell, New Mexico.

Q By whom are you employed and in what position, Mr. Swartz?

A I am employed by Mr. E. P. Campbell of Lubbock, Texas as a consultant-geologist.

Q Have you previously testified before this Commission as a consultant-geologist and had your qualifications accepted?

A Yes, sir, I have.

Q MR. KELLAHIN: Are the qualifications of the witness acceptable?

MR. NUTTER: Yes, sir. Please proceed.

Q (By Mr. Kellahin) Now, Mr. Swartz, are you familiar with the application in Case 1930?

A Yes, sir. I filed this application personally on March 7, 1960.

Q What factors require a hearing of this application?

A Inasmuch as this test is located 200 feet from the boundary line of the forty-eight acre tract, an exception is requested to Rule 104-B, which states: "Any well classified as a wildcat shall not be located, or shall be located not closer than three hundred thirty feet to any boundary line in such tract." Further,



Rule 107-E states: "The Commission's District Supervisor or their representatives shall have the authority to approve "slim-hole" completions without notice for administrative approval or notice of hearing, when the following conditions exist:" And one of these conditions is that this well is not a wildcat.

Q Is this well so located in relation to other production that it is classified as a wildcat under the Rules and Regulations of the Commission?

A Yes, sir. It is located further than one mile from any existing production.

Q And, now, do you have a plat showing the location of the well?

A Exhibit No. 1 is a surveyor's plat which was furnished by the Cities Service Oil Company concerning the location of this well.

Q Now, who owns the adjacent properties to the location of this well?

A Exhibit No. 2 is a lease plat which shows the proposed location, and the lease owners for approximately one mile around this location. In this case, Cities Service owns or is the lease owner of all offset locations.

Q Now, does Cities Service Oil Company have any objection to the "slim-hole" completion as proposed in this application?

A No, sir. Exhibit No. 3 is a letter from Cities Service Oil Company to the Oil Conservation Commission authorizing a Mr.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



Etz and Mr. Mayer, who are reassigning the Cities Service acreage to Mr. E. P. Campbell. They are authorizing the reentry of the subject well.

Q Now, what is the lateral distance of the well from the normal location?

A The distance, different from a normal location, would be one hundred eighty-four feet.

Q Now, do you have an electric log of the well, Mr. Swartz?

A Yes, sir.

Q That is marked as Exhibit No. 4, is it not?

A Yes.

Q Now, referring to the log and other information which you have, would you discuss the history of this well?

A Cities Service drilled the No. 1 Allison as a Cortez, and plugged and abandoned same on 5/22/59. Eight and a quarter inch hole was drilled to six hundred ninety feet, and five and a half inch casing was mudded at that point. Now, four and three-quarters inch hole was drilled and cored to a total depth of eleven seventy-four feet. A drill stem test was taken at total depth and recovered oil and water. The cores were analyzed and found to be potentially productive of oil.

Q Now, as I understand you, a surface string was run and mudded in; is that correct?

A That's correct.

Q And the four and three-quarters hole has been open hole;



is that correct?

A That's true.

Q And is that the present status of the well?

A Yes, sir.

Q And, in fact, it has been plugged?

A Yes, sir.

Q Now, how have you proposed to complete the well if permission is granted in this application?

A It is proposed to drill out the plugs set between one hundred and fifty feet in total depth; cement the five and one half inch casing with sufficient cement to circulate to the surface; run an oil string of two and seven-eighths inch J-55 new tubing to bottom, and cement with sufficient cement to circulate back to the surface. It is further proposed to perforate and test.

Q Now, is this method any different than that formerly followed in areas of proven production for "slim-hole" completions?

A No, sir.

Q It conforms with the present practices which have been practiced and passed by this Commission?

A Yes, sir.

Q Are there any abnormal or high pressure areas that would be encountered in this well?

A No, sir. A bottom hole thirty minute shut-in pressure, taken on the drill stem was one hundred eighty-five pounds per square inch.



Q Is this proposed method of completion, in your opinion, in the best interest of conservation?

A Yes, sir.

Q For what reason?

A Inasmuch as, without a more complete evaluation in production tests of this particular zone, there is too high a risk element to warrant drilling a new well in this area.

Q Would you, on the basis of your experience, recommend to your clients that a normal well be completed at a normal location in this area at the present time?

A No, sir.

Q If the Commission grants this application, in your opinion, will correlative rights be impaired?

A No, sir.

Q Will the completion as proposed by you adequately protect any fresh water zones or producing areas that may be encountered in this area?

A Yes, sir. For that reason, additional cement is proposed to be run to cement the oil string back to the surface.

Q Were Exhibits 1 through 4, inclusive, prepared by you or under your direction and supervision?

A They were.

MR. KELLAHIN: I would like to offer in evidence Exhibits 1 through 4.

MR. NUTTER: Applicant's Exhibits 1 through 4 will be ad-



mitted.

(Thereupon, Applicant's Exhibits Nos. 1 through 4 were received in evidence.)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No.

MR. NUTTER: Does anyone have any questions of the witness?

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Swartz, how much five and a half inch did you say you were going to run?

A The five and a half inch casing was set and cemented, according to the Cities Service Oil Company records, at six hundred ninety feet.

MR. NUTTER: It was cemented or mudded?

A Mudded, I'm sorry. However, the electric log had to be indicated at seven hundred and ten feet, there is a discrepancy in that point.

Q (By Mr. Utz) You are going to circulate cement behind the five and a half?

A Yes, sir, inasmuch as the San Andres irrigation water zone does have to be protected in this instance.

Q How much two and seven-eighths are you going to set?

A Eleven hundred seventy-four feet at the bottom.

Q That will be circulated?

A Yes, sir, that would be circulated.



Q And what formations would you go into at pay?

A That would be the Slaughter zone of the San Andres.

MR. UTZ: That's all I have.

QUESTIONS BY MR. NUTTER:

Q Mr. Swartz, was Exhibit No. 1 the sur--

A The surveyor's plat.

Q And Exhibit No. 2 was the lease plat. Now, how do you propose to circulate cement behind this five and a half inch pipe, Mr. Swartz?

A By pumping and plug method.

Q Do you think you will be able to get circulation there?

A Yes, sir, I believe so. The formation there is--Although it's in a controlled irrigation district, there are no strong waters in that area, and I believe that--Well, let me say this. In the event that we don't get circulation by pump and plug method, we would attempt to pump down from the surface.

Q You will take whatever measures are necessary to establish a complete sheath of cement around that pipe?

A That's true.

Q Now, your proposed producing interval is the same interval that Cities Service drill stem tested?

A Yes, sir.

Q And you wouldn't drill below that depth?

A No, sir.

Q Now, do you know what procedure Cities Service went through



in order to drill this stratigraphic test?

A To my knowledge, they just made application to the Commission to drill it as a Cortez, and not as an oil well.

Q Now, you are going to file all the forms that would be necessary for completion of an oil well?

A As if this were a new well, yes, sir.

Q Even though Cities Service, when they originally drilled the well, might not have filed those forms?

A That's true. It will be treated as a new well.

Q Is this in the horizontal limits of any oil pool?

A No, sir.

Q What is the nearest oil pool for this same pay?

A Probably the Red Lake Pool. That would be approximately twenty-five miles away.

Q Is E. P. Campbell aware that there is a possibility that at some future date the Commission would have the right to adjust the allowable, if necessary, on account of this unorthodox location?

A I don't believe he is aware of that, no.

Q You are aware of it, aren't you?

A Yes.

MR. NUTTER: Does anyone else have any questions of Mr. Swartz? You may be excused.

(Witness excused)

MR. NUTTER: Do you have anything further, Mr. Kellahin?



