

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

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In the Matter of:

CASE 2094 Application of Aspen Drilling Company and Warren Shear for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Jicarilla 24-4 Well No. 1-1, located in Unit M, Section 1, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of oil from the Dakota formation through parallel strings of 2 3/8 inch and 1 1/2-inch tubing respectively.

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Mabry Hall  
State Capitol Building  
October 5, 1960

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 2094.

MR. PAYNE: Case 2094, "Application of Aspen Drilling Company and Warren Shear for an oil-oil dual completion."

(Thereupon, the documents were marked as Applicant's Exhibits One, Two and Three for identification.)

MR. COLBERG: Malcolm Colberg, I am an attorney at the First National Bank Building, Albuquerque, representing Aspen Drilling Company and Warren Shear; we have one witness to testify in this case.

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(Witness sworn in.)

MR. UTZ: What was your name again?

MR. COLBERG: Malcolm Colberg, C-O-L-B-E-R-G.

RAY PHILLIPS, JR.

a witness, called by and on behalf of the Applicant, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. COLBERG:

Q Mr. Phillips, will you state your name, please?

A Ray Phillips, Junior.

Q By whom and in what capacity are you employed?

A Employed by Northwest Production Corporation, Albuquerque, New Mexico, as manager of production operations.

Q Have you previously testified before the New Mexico Commission as a witness?

A No, I have not.

Q Will you briefly state your qualifications as a witness?

A I graduated from North Texas Tech College in 1947 and was employed by Humble Pipeline Company in McKinney, Texas and later Midland, Texas. In 1952, I started working in the Petroleum Engineering Department of Humble Oil and Refining Company, Midland, Texas, where I remained until 1955, when I entered the employment of Pacific Northwest Pipeline in Albuquerque, New Mexico, as a district engineer. From 1956 to 1958, I was employed by Northwest Production Corporation as assistant manager of production operations,



and in 1958, I assumed my present position of manager of production operations.

MR. COLBERG: Are the witness' qualifications acceptable to the Examiner?

MR. UTZ: Yes sir, they are.

Q (By Mr. Colberg) Mr. Phillips, what is your connection with Aspen Drilling and Warren Shear, who are named in this case?

A Northwest Production Corporation farmed out to Aspen Drilling and Warren Shear the west half of Section 1, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, for the drilling of a Dakota test. This well, the Jicarilla 24-4 Well Number 1-1, was completed in the Dakota producing interval in 1959; recently, Northwest Production made an agreement with Aspen and Shear whereby Northwest Production would physically operate the well and attempt to dually complete the Gallup formation with the Dakota producing interval. The completion is therefore under my supervision.

Q You have prepared several exhibits; would you present and explain the exhibits in connection with this application?

A Exhibit Number One is an ownership plat showing the location of the proposed oil-oil dual completion. That is the Jicarilla 24-4 Well Number 1-1 located in the southwest quarter of the southwest quarter, Section 1, Township 24 North, Range 4 West.

Q Was the notice of the application given offset operators as required by Commission rules and regulations?

A Yes sir, as noted on the plat, Northwest Production

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Corporation is the sole offset operator, and Northwest, by letter to the Commission, waived any right it might have to a hearing.

Q Please explain your second exhibit?

A Exhibit Number Two is an electrical induction log of the Jicarilla Well 1-1. I have marked on the exhibit the top of the Gallup interval at 6394 feet, proposed Gallup perforations from 6412 to 6420, from 6462 to 6476, from 6492 to 6496 and from 6504 to 6510; base of the Gallup is picked at 7232, top of the Dakota producing interval at 7292, and present Dakota perforations from 7312 to 7340, from 7352 to 7360 and from 7385 to 7392 and from 7504 to 7512; 5 1/2-inch casing is set at 7610.

Q Do you have other exhibits?

A Yes, Exhibit Three is a schematic sketch of the proposed mechanical installation for the dual. We have a Baker Model D retainer production packer set at approximately 6635 feet for separation between the Dakota and Gallup. We will run inch and a quarter tubing to the base of the Gallup for approximately 6410 feet for the Dakota string; at that depth, we will swedge to 2 3/8 tubing into our packer and then will come out with inch and a quarter 'til right below the packer. For our Gallup production, we will run 2 3/8 tubing to approximately 6410 feet; it is planned to produce the Dakota by flowing, which this well has done since initial completion, and it's possible that we will have to put 2 3/8 in the Gallup stream.

Q Mr. Phillips, do you plan to take periodic tests to show



the separation and resiliance?

A Yes, we will take the required tests, which will be initial upon completion, and conventional dual oil well packer tests, and then annually as required by the Commission.

Q Were Exhibits One through Three prepared by you or under your supervision?

A Yes, they were.

MR. COLBERG: At this time, I would like to offer and tender Exhibits One, Two and Three as evidence in this case.

MR. UTZ: Without objection, Exhibits One, Two and Three will be entered into the record.

Q (By Mr. Colberg) In your opinion, Mr. Phillips, will approval and granting of this application prevent waste and protect correlative rights?

A Yes sir, it will.

MR. COLBERG: This concludes the Applicant's testimony at this time.

MR. UTZ: Mr. Phillips, did I understand you to say that you expected to complete this in the Dakota?

A It's presently completed in the Dakota as a oil well.

MR. UTZ: It is completed as an oil well?

A Yes, a flowing oil well.

MR. UTZ: And did you say that you believed it would flow to depletion?

A Yes sir, this well has always had a rather high gas-oil



ratio, and at the time of completion, which was in March of 1959, the ratio was on the order of seven thousand to one; presently, the ratio is approximately ten thousand to one.

MR. UTZ: If it should develop that you would have to pump this, could you pump it through the inch and a quarter?

A I know of no way at this time that you could economically pump the inch and a quarter; I think that should the well quit flowing, at that time we would have to make some other arrangements on our tubing strings.

MR. UTZ: Is there room for two strings of 2 3/8 here?

A No, there is not.

MR. UTZ: What is the purpose of the 2 3/8 from 6410 to 6635?

A There are two reasons for that. First of all, we plan to set this long string in compression; in fact, both strings will be in compression rather than in tension. The 2 3/8 will give us a little more strength there for setting down than would the inch and a quarter; secondly we will get a better seal, we would get the 2 3/8 for seal inside of this packer, anyway, so since we would have that situation, we figured we would be a little bit better off to bring the 2 3/8 as long as we have the room for it.

MR. UTZ: Are there other questions of the witness?

MR. PAYNE: Mr. Phillips, do you feel that the Dakota oil can be efficiently produced through the one and a quarter inch tubing?

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A Yes, sir.

MR. PAYNE: You feel that it's large enough, sufficient to produce?

A Yes; as a matter of fact, I calculate that the--for the production there and the size well that we have, it's practically negligible.

MR. PAYNE: Thank you.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Other statements in this case? If there are none, the case will be taken under advisement.

The hearing is adjourned.

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WITNESS

PAGE

RAY PHILLIPS, JR.

Direct Examination by Mr. Colberg

2

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