

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 4, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its L. M. Lambert well No. 2, located in Unit G of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in the Grayburg and McKee zones in the Monument Field, with the production of gas from the Grayburg zone to be through a string of 1 1/2-inch tubing and the production of gas from the McKee zone to be through a parallel string of 2 3/8-inch tubing.

CASE NO.
2463

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We'll call next case, 2463.

MR. WHITFIELD: Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, representing the applicant. I have one witness.



(Witness sworn.)

MR. KELLAHIN: If the Examiner please, at this time we would like to make an amendment in the application for the purpose of correcting an error which was not reflected in the advertising, so I don't think it would affect the presentation of the case but in Paragraph 4 of the application where a proration of the unit for Grayburg is 40 acres consisting of the Southeast of the Northeast Quarter we ask that be corrected to read the Southwest Quarter of the Northwest Quarter.

MR. NUTTER: Southwest Northwest?

MR. KELLAHIN: Southwest Northeast. The advertising on the case was correct.

MR. NUTTER: The application in this case has been amended and it's not reflected in the advertisement of the case.

MR. KELLAHIN: No, it was correctly advertised as being Unit G.

MR. NUTTER: Would you proceed.

A. E. SNYDER,

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 A. E. Snyder.

Q By whom are you employed and what position?

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A I'm employed by Amerada Petroleum as District Engineer in Hobbs, New Mexico.

Q Have you previously testified before the New Mexico Oil Conservation Commission as a Petroleum Engineer, and made your qualifications a matter of record?

A Yes, sir.

MR. KELLAHIN: Are the witnesses qualifications acceptable?

MR. NUTTER: Yes, sir.

Q (By Mr. Kellahin) Are you familiar with the application of Amerada Petroleum Corporation in Case 2463?

A Yes, sir.

Q Would you state briefly what is proposed by Amerada in this case?

A In this case Amerada proposes the dual completion of an old well, Lambert No. 2, located in Unit G, Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, by deepening the old well from the Grayburg pay to the McKee pay and making a dual gas completion between the Grayburg and the McKee.

Q Do you have an exhibit showing the area involved in this application?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

Q Referring to what has been marked as Amerada's Exhibit



No. 1, will you discuss the information shown on that exhibit, please?

A Exhibit 1 is a plat of the area concerned. Amerada Lambert Lease composed of the Northeast Quarter of Section 6, Township 20, Range 37 East, is enclosed by a red line of the well in question, the Well No. 2, is circled in red and all off-set wells with their completion intervals are noted.

(Whereupon, Applicant's Exhibit No. 2 marked for identification.)

Q Now, referring to what has been marked as Exhibit No. 2, would you identify that exhibit and discuss the information shown thereon?

A Exhibit No. 2 is a schematic diagram of this proposed dual completion showing 13-inch casing set at 202 feet, 145 sacks of cement; 8 5/8-inch set at 2402 feet with 500 sacks of cement around the bottom and 250 sacks around the top; 6 5/8-inch casing at 3816 feet with 125 sacks of cement and 4 1/2-inch O.D. casing liner set from 3797 to 9867, with 330 sacks of cement around the bottom and 350 sacks squeezed around the top. This also shows the McKee perforated interval from 9568 to 9786 with a Baker Model D packer set at 9530, 2 3/8-inch tubing string for the McKee production; the Grayburg perforations from 3703 to 3713, with 1 1/2-inch tubing set at 3710 feet for the Grayburg production.

Q There are no dual completions in the Grayburg and



McKee in this immediate area, are there?

A No, sir.

Q Does the tubing program you propose here conform to the requirements for administrative approval?

A No, sir, this 1 1/2-inch tubing string is a little too small for administrative requirements.

Q What is the reason for requesting that in the Grayburg?

A Two different reasons. The tubing fit our casing program better there and we happen to have this 1 1/2-inch tubing in stock, we didn't have to buy it.

Q Otherwise, this is a standard dual completion heretofore approved by this Commission?

A Yes, sir.

Q Do you have any information on the pressures?

A The McKee zone in this area has about 3200 pounds bottom hole pressure and the Grayburg about 900 pounds.

Q Do you have any information on the fluids in the well?

A Both zones are gas zones in this particular well. The McKee zone produces gas with condensate of about 60 degrees API gravity. The Grayburg perforations, although the Grayburg is an oil reservoir, it is completed high in the oil reservoir in a gas cap and it produces dry gas at the present time.

Q In your opinion, will the completion as you propose here add equal protection to producing zones?

A Yes, sir.



Q Do you have a log of the well?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 3 marked for identification.)

Q Referring to what has been marked as Exhibit No. 3, will you discuss that exhibit?

A Exhibit No. 3 is a composite log of the well, the old well which was drilled some 25 years ago, We have a gamma ray neutron log on that part of it showing the top of the Grayburg zone at 3420 feet, the Grayburg perforations, 3703 to 3713, then the new hole that has recently been drilled. We have an induction electric log on it and down near the bottom we show the top of the McKee at 9564, with the McKee perforations, 9568 to 9786, the entire interval and their selective perforations in that interval.

Q Were Exhibits 1, 2, and 3 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits 1, 2, and 3.

MR. NUTTER: Amerada Exhibits 1 through 3 will be admitted in evidence.

(Whereupon, Applicant's Exhibits 1 through 3 admitted in evidence.)

Q (By Mr. Kellahin) In your opinion is this application in the interest of conservation and the prevention of waste?

A Yes, sir.

MR. KELLAHIN: That's all we have to offer at this time.



MR. NUTTER: Any questions of Mr. Snyder?

CROSS EXAMINATION

BY MR. NUTTER:

Q What was this well potential in the McKee?

A We have not taken a potential on it, a very short test just to clean it up a little bit. It flowed at the rate of 3,680,000 cubic feet per day on a 10-64 inch choke.

Q It makes 60 degree condensate?

A Yes, it may change it some from that when we get it finally cleaned up but it will be somewhere close to that.

Q Do you have any pressure on that yet?

A We took no pressure on this particular well. The other wells are about 3200 pounds bottom hole pressure.

Q How about up in the Grayburg, is this well definitely a gas well, or is it just one of those marginal cases?

A It's definitely a dry gas well. We have produced it; we have had an allowable for it for some two years now.

Q It produces on the limiting ratio for the Eunice Monument Pool times top allowable?

A Yes.

Q You would assign the 40 acre tract to the Grayburg perforations and the 160 acres being the Northeast Quarter of Section 6 to the McKee?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Snyder? He



