

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

September 27, 1962

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

IN THE MATTER OF:)

Application of Tidewater Oil Company)
for two triple completions, (conven-)
tional), Lea County, New Mexico.)

CASE NO.
2649

Application of Tidewater Oil Company)
for a triple completion, (conventional))
Lea County, New Mexico.)

CASE NO.
2650

Application of Tidewater Oil Company)
for a triple completion (conventional))
Lea County, New Mexico.)

CASE NO.
2651

Application of Tidewater Oil Company)
for a triple completion, (conventional))
Lea County, New Mexico.)

CASE NO.
2652

Application of Tidewater Oil Company)
for a triple completion (conventional))
Lea County, New Mexico.)

CASE NO.
2653

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

EXAMINER UTZ: Case 2649.

MR. DURRETT: Mr. Examiner, may I have a word with you,
please, off the record?

(Whereupon a discussion was held off the record.)



EXAMINER UTZ: Case 2649.

MR. DURRETT: Application of Tidewater Oil Company for two triple completions, (conventional), Lea County, New Mexico.

MR. MORRIS: If the Examiner please, Richard Morris of Seth, Montgomery, Federici and Andrews, Santa Fe, New Mexico, appearing on behalf of Tidewater Oil Company. In this case, in Cases 2649, 2650, 2651, 2652, and 2653, all five of these cases, involving six wells, involve adding the Blinebry zone to the existing drilling completions in the Justis area, Lea County, and for the purposes of hearing, I would like to move at this time the cases be consolidated.

EXAMINER UTZ: Are there any objections to the counsel's motion? For purposes of hearing and testimony, the cases mentioned will be consolidated.

MR. MORRIS: We will have one witness in the case, Mr. B. M. Breining. Would the Examiner like to proceed at this time?

EXAMINER UTZ: I think we may as well recess. It will probably take at least thirty minutes, will it not?

MR. MORRIS: Yes, sir.

EXAMINER UTZ: We will recess until 1:15.

(Whereupon the Hearing was recessed at 11:55 o'clock A.M.)

EXAMINER UTZ: The Hearing will come to order.

The next cases will be 2649 through 53.

MR. MORRIS: If the Examiner please, we have already gone on record as entering an appearance in Cases 2649 through 53.

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Again, I would like to state that these five cases involve existing dual completions in the Justis area and Tidewater seeks approval to make each well a triple completion by adding the Blinbry zone to the zones of completion in each well.

We have one witness to be sworn, Mr. Barryman Breining, and I will ask him to stand and be sworn, please.

(Witness sworn.)

BARRYMAN BREINING,

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

Q Mr. Breining, have you previously testified before the Oil Conservation Commission or one of its examiners?

A No, I have not.

Q Then, would you briefly state your education and experience in the oil business?

A I graduated from Texas Tech in June of 1958 with a bachelor of science degree in petroleum engineering. Since that time, I have been employed by Tidewater Oil Company as a petroleum engineer in West Texas and New Mexico. On the first of August of this year, I was assigned to the job of area engineer in Hobbs, New Mexico.

Q That is your present position?

A That is my present position.

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Q Are you familiar with Tidewater's applications in Cases 2649 through 2653 to be presented here today?

A Yes, sir, I am.

Q Have you prepared a series of exhibits with respect to those cases?

A Yes, sir, I have.

Q Let's have them marked for identification at this time, before we proceed.

(Whereupon Applicant's Exhibits A, B, C, D, E, and F were marked for identification.)

Q Mr. Breining, referring first to the series of exhibits marked as Exhibit A, which refers to your A. B. Coates "C" Well No. 11, would you refer to Exhibit 1 within that group of exhibits and state what that exhibit shows?

A It shows the location of the A. B. Coates "C" Well No. 11. It's colored in red on the exhibit. It's located in Unit F, Section 24, Township 25 South, Range 37 East, in Lea County, New Mexico.

This well was dually completed in May of 1958 under the New Mexico Oil Conservation Commission Order No. R-1183.

Q What zones is it presently located in?

A It is a Tubb-Drinkard and Fusselman dual completion.

Q What is your opinion with respect to the contemplated addition of the Blinebry zone to the other producing intervals?

A Favorable.



Q Referring now to Exhibit 2 in this series, what does that exhibit show, please?

A Exhibit 2 is a plat of the area under consideration and it shows the present Blinebry completions in the Justis and North Justis areas.

You will note that Leonard Oil Company's Ginsberg Well No. 11 is now primarily completed in the same zones in question in our A. B. Coates "C" Well No. 11.

Q That well being some mile and a half distant from the subject well?

A That is correct, but it is in the Justis pool.

Q It is in the Justis pool?

A Right.

Q Referring now to Exhibit 3 in this case, which is that exhibit there (indicating), what, can you tell us what that exhibit shows?

A It is a gamma ray neutron log of the A. B. Coates "C" Well No. 11.

(Whereupon Applicant's Exhibit A3 was marked for identification)

Q Now, would you explain to the Examiner the information you have shown on Exhibit 3 and any comments you may have to make on that?

A This gamma ray neutron log is submitted to show the tops of the producing formations and present and proposed

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completion intervals in the three zones.

The top of the Blinebry is 4980 with proposed perforations being in the intervals of 5232 to 5313. The middle zone or, as the well is now completed, the Tubb Drinkard, with perforations 5800 to 5900; the top of the zone is 5611. The bottom zone will be, it is a fusselman, top is at 6710, perforated from 6793 to 6830 , from 6868 to 6898. Those are all the producing zones.

Q Do you have anything further you would like to point out with respect to Exhibit 3?

A I have the bottomhole pressure in June, 1961, for the Fusselman, and this was 2532 psi. And the Tubb-Drinkard in June of 1961, bottomhole pressure was 1876, and the average bottomhole pressure being shown in this area in 1961 was 1655 psi.

Q Referring now to what has been marked as Exhibit 4 of this series of exhibits, designated as a diagrammatic sketch, would you state to the Examiner what this exhibit shows and summarize the information?

A It shows all the down-hole equipment, casing, as now run in No. 11, and also with the packers and strings of tubing that will be run on the triple completion. All equipment will be purchased from Baker Oil Tools, starting at the bottom of the hole with the Baker Model D production packer which is set at 6464 and will be used as a production packer. A production packer will be set at 6800 over the tubing strings. And a Model N production packer will be set at 5100 over the Blinebry.



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A parallel tubing string will be run in the middle zone. Production from all three zones will be through parallel strings of 2 3/8-inch tubing in this particular well, two strings buttress thread and the EUE8 round W-2.91 collars.

Q Mr. Breining, will this installation as you have proposed it, will it allow artificial lift of all three zones if and when that becomes necessary?

A That is correct, and that will be shown later. It would be possible to isolate the zones with two packers in this installation here. Three packers are being run to enable us to run gas lift valves later on in the Justis Fusselman tubing string. This string of tubing can be removed at the top of the Baker Model N packer.

Q Artificial lift is definitely a possibility in this area, is it not?

A It will be later on.

Q You will be able to use artificial lift, which we are going to discuss today?

A Yes, sir. Conventional beam type pumping unit will be used. The Justis and the Ellenburger have indicated they will produce by water drive and therefore, large volumes of fluid are expected; and that is the reason for the gas.

Q Were Exhibits 1 through 4, all part of Exhibit A, prepared by you or under your supervision?

A Yes, they were.



MR. MORRIS: At this time, Mr. Examiner, we offer those exhibits into evidence.

EXAMINER UTZ: Without objection, they will be admitted into the record.

(Whereupon Exhibits 1-4 of Exhibits A were admitted in evidence.)

Q (by Mr. Morris) Referring back again to what has been marked as Exhibit B, with reference to the A. B. Coates "C" Well No. 12, would you state to the Examiner what Exhibit No. 1 of that series shows?

A That exhibit shows the location of the A. B. Coates "C" Well No. 12. It's located in Unit K, Section 24, Township 25 South, Range 37 East, Lea County, New Mexico.

This well was dually completed in the Tubb-Drinkard and Fusselman in July, 1958. It was completed under the New Mexico Oil Conservation Commission Order No. DC-737.

Q Does this exhibit also show the present formations in which this well is completed?

A That is correct. It is a Tubb-Drinkard-Fusselman dually completed well.

Q What is your proposal with respect to this well?

A We propose to triple complete this well by adding the Blinebry to the formation.

Q How does this compare to what you just described for Well No. 11?

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A There is no difference in the program. The zones are the same and the down-hole equipment will be the same. The only difference, a slight difference in the tops of the formations and the setting depths of the packers.

Q Do you have a well log on this well available?

A Yes, sir, we do.

(Whereupon Applicant's Exhibit 3B was marked for identification.)

Q Does this show the perforations similar to those that you testified to in Well 11?

A Yes, sir, it does.

Q Were Exhibits 1 through 4 in this series of exhibits prepared by you or under your direction?

A Yes, they were.

MR. MORRIS: At this time, Mr. Examiner, we offer Exhibits 1 through 4 of Exhibit B into evidence.

EXAMINER UTZ: Without objection, those exhibits will be entered into the record.

(Whereupon Exhibits 1 through 4 of Exhibit B admitted in evidence.)

EXAMINER UTZ: I have a clarifying question I would like to ask. The Blinebry is the upper completion in all of those, is it not?

A That is correct.

EXAMINER UTZ: How about the two lower completions? Do



you propose replacing or using the same equipment?

A It depends on the kind of equipment that is in the well right now. So we are using the present tubing strings; but in some instances, they don't have turn-down collars, and it's necessary to buy tubing. So it will vary. It will definitely vary.

EXAMINER UTZ: So the equipment that will be installed in the well will be new when it's picked up?

A That is right.

EXAMINER UTZ: That's all for now.

Q (by Mr. Morris) Referring now, Mr. Breining, to what has been marked as Exhibit C, with reference to the A. B. Coates "C" Well No. 20, I might point out this is the subject matter of Case 2652 -- we are jumping around in the order of the cases on the docket, but the exhibits should be in order. Referring you to Exhibit No. 1f that series of exhibits, could you state what that shows?

A That shows the location of the A. B. Coates "C" Well No. 20 located in Unit A, Section 24, Township 25 South, Range 37 East, Lea County, New Mexico. This well was dually completed in the Ellenburger and McKee zone in June of 1959 under the New Mexico Oil Conservation Commission Order DC-777.

Q What is your present proposal for this well?

A We propose that this well be completed as a triple completion by adding the Blinbry zone to the present intervals.

Q How does your proposed completion of this well differ from the method of completion just described for Wells 11 and 12?



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A The producing zones are different, but the down-hole equipment will be the same.

Q Do you have a log on this well available?

A Yes, we do.

(Whereupon Applicant's Exhibit 3C was marked for identification.)

Q Does this Exhibit 3C, does this Exhibit 3C show the perforations of various intervals on it?

A Yes, sir, it does.

Q Were Exhibits 1 through 4 in this case prepared by you or under your direction?

A Yes, they were.

Q Referring to that Exhibit 3, Mr. Breining, would you point out the perforations on that exhibit and give the production statistics of the zones?

A Yes. The top of the Blinebry formation is at 5555, and -- excuse me, 5055 feet; and the proposed perforations will be selected at intervals between 5295 and 5395. As stated previously, the 1961 average bottom hole pressure for the Blinebry pool was 1655 psi.

The McKee top is 7128 and this zone is presently perforated 7152 to 7160 and from 7164 to 7170, all three zones -- excuse me, I will read the Ellenburger. The Ellenburger top is at 7526 with seven-inch casing set at 7626, TD of 7750, an open-hole completion there.



The 1961 bottomhole pressure in the Ellenburger was 2634; all three zones are oil zones.

MR. MORRIS: At this time, Mr. Examiner, we offer Exhibits 1 through 4 in Case 2652.

EXAMINER UTZ: Without objection, they will be entered into the record of this case.

(Whereupon Applicant's Exhibits 1-4 of Exhibit C admitted in evidence.)

Q Referring next, Mr. Breining, to what has been marked as Exhibit D of this case, containing four exhibits -- and I might state that this well is the subject of Case 2650, I refer you to Exhibit No. 1 of that series of exhibits and ask you to explain what it shows, please.

A Exhibit No. 1 is a plat of the A. B. Coates "C" lease showing the location of Well No. 14. It's located in Unit G, Section 24, Township 25 South, Range 37 East, Lea County, New Mexico. This well was completed in July, 1958, as a Tubb, Drinkard and Montoya dual under provisions of the Oil Conservation Commission Order No. R-1242.

Q What is your proposal with respect to this well?

A We propose to triple complete this well by adding the Blinebry to the present producing interval.

Q What does Exhibit No. 2 of this series of exhibits show?

A Exhibit No. 2 is a plat of the Justis area showing that there are no triple completions, that at this time are completed



in the zones in question.

Q Do you have a log of that well available?

A Yes, we do.

(Whereupon Applicant's Exhibit 3D was marked for identification.)

Q Referring you to Exhibit 3D, Mr. Breining, will you point out the perforations on that log and state the exact description of each zone?

A The top of the Blinebry, which is the proposed triple completion zone, is at 4970 with a proposed perforation being selected at intervals between 5225 and 5294.

That is an oil zone having an original bottomhole pressure in 1961 of 1565 pounds. The middle zone, which is presently producing from the Tubb-Drinkard, with the top at 5602 and with perforations from 5876 to 5930. The June, 1961, bottomhole pressure in this zone was 1848. The Montoya is the lower zone in this case. The top is 6568 with perforations at 6840 to 6880. That is an oil zone having a bottomhole pressure in June of '61 of 2461 pounds.

Q Referring now to Exhibit 4 of this series, would you state to the Examiner what is shown upon that exhibit, some of the detailed information?

A The down-hole equipment which is proposed for the triple completion of this well, generally, the bottom packer is a Baker Model D which is set in the hole, is now set at 6490, the middle



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packer will be a Baker Model F, a retainer production packer set at 5800 over the top of the Justis-Tubb-Drinkard zone and the packer will bypass the parallel string and an anchor will be used to open the No. 2 tubing string through which the Justis Blinebry will be produced.

Q This differs from the equipment in the first three wells discussed?

A That is correct.

Q That is one of the major differences in the well?

A That is the big difference, and the reason for that is that those three zones are well separated. This is a solution gas drive reservoir. We do not anticipate any big water production, and therefore we propose to lift them at such time as it becomes necessary by conventional beam-type pumping units.

Our Baker parallel string anchor or over the top will assure a better pumping efficiency because there is not as much chance of a gas leak.

Q Were Exhibits 1 through 4 of Exhibit D prepared by you or under your direction?

A Yes, sir, they were.

MR. MORRIS: At this time, Mr. Examiner, we offer them.

EXAMINER UTZ: Exhibits 1 through 4 of Exhibit D, Case 2650, will be entered into the record.

(Whereupon Applicant's Exhibits 1-4 of Exhibit D admitted in evidence.)



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Q (by Mr. Morris) Mr. Breining, referring now to what has been marked as Exhibit E, concerning the A. B. Coates "C" Well No. 16, will you refer to Exhibit No. 1 and state to the Examiner what that shows, please? For the Examiner's information, this is with respect to Case 2651.

A The Exhibit No. 1 is a plat of the A. B. Coates "C" lease showing the lease location of Well No. 16, located in Unit O, Section 24, Township 25 South, Range 37 East. This well is currently a Drinkard-McKee dually completed in October '58 under Oil Conservation Commission, Order No. DC-69A1.

Q What is your proposal for this well?

A We propose to triple complete this well by adding the Blinebry zone to the present producing intervals.

Q How does your proposed triple completion of this well differ from the completion method just proposed for Well 14?

A The down-hole equipment will be the same; however, the producing zones are different.

Q Do you have a log on this well?

A Yes, sir, we do.

(Whereupon Applicant's Exhibit 3E was marked for identification.)

Q Referring to Exhibit No. 3E, Mr. Breining, would you point out the perforations shown upon this exhibit, and at the same time, state the characteristics of the zones involved?

A The proposed triple completion zone is the Blinebry with



a top located at 4990; the proposed perforations or selected intervals in the Blinebry from 5236 to 5302. 1961 average bottom-hole pressure for this oil zone was 1655.

The middle zone was -- in which the well is currently producing -- is the Tubb Drinkard with a top at 5617 and perforated at 5900 to 5932. June, 1961, the bottomhole pressure in this zone and well was 1900 pounds, 1519 pounds, pardon me. The McKee top was at 7398, perforated from 7560 to 76. The bottom-hole pressure in this case in June, 1961, was 1915 pounds.

Q Were Exhibits 1 through 4 of this Exhibit E prepared by you or under your direction?

A Yes, they were.

MR. MORRIS: We offer Exhibit E containing four exhibits in Case 2651 into evidence.

EXAMINER UTZ: Without objection, the Exhibits 1 through 4 will be entered into the record in Case 2651.

(Whereupon Applicant's Exhibits 1-4 were entered into evidence.)

Q (by Mr. Morris) Mr. Breining, referring now to what has been marked as Exhibit F pertaining to the Coates "C" Well No. 21 in -- this being in Case 2653, would you state to the Examiner what is shown upon Exhibit 1 of the series?

A That is a plat of the A. B. Coates "C" lease showing the location of Well No. 1, Unit J, Section 24, Township 25 South, Range 37 East, Lea County, New Mexico.



This well was dually completed in December of 1958 in the Montoya and McKee zones subject to the Oil Conservation Commission Order No. DC-726.

Q What is your present proposal for this well?

A Our proposal is the triple completion of this well by adding the Blinebry to the present completion intervals.

Q How does the proposed completion of this well differ from Wells 14 and 16 just described?

A The down-hole equipment designed is the same type of equipment with the producing zones being different.

Q Do you have a log available on this well?

A Yes, we do.

MR. MORRIS: I ask that it be marked as Exhibit 3, if the reporter please?

(Whereupon Applicant's Exhibit 3F was marked for identification.)

Q (by Mr. Morris) Referring to that exhibit, Mr. Breining, would you please point out the perforated intervals and characteristics of the zones?

A The Blinebry top is 5,011. That is the proposed zone. To add the Blinebry, we propose to perforate it at selected intervals between 5254 and 5346. The 1961 bottomhole pressure was 1655 pounds.

The middle zone which is presently producing is the



Montoya with a top at 6624. This interval was perforated from 6884 to 6922. It is an oil zone with bottomhole pressure in June of 1961 of 2265. The lower zone in this well was the McKee with the top at 7357 and perforations from 7360 to 76, 7434 to 44, 7448 to 58, and 7463 to 79.

Q That is an oil zone?

A That is an oil zone with the 1961 bottomhole pressure in this well amounting to 1523 psi.

Q Were Exhibits 1 through 4 in this case, 2653, prepared by you or under your direction?

A Yes, they were.

MR. MORRIS: At this time, we offer Exhibits 1 through 4 in this case.

EXAMINER UTZ: Without objection, Exhibits 1 through 4 in Case 2653 will be entered into the record.

(Whereupon Applicant's Exhibits 1-4 in Exhibit F admitted in evidence.)

Q (by Mr. Morris) Mr. Breining, on all of those wells, will it be possible to conduct zone segregation tests?

A Yes, it will be. We can run the regular three-pin pressure recorder test on packer leakage test or any other method presently described by the Commission.

Q In your opinion, are the proposed completions of all six of these subject wells in accordance with sound engineering and conservation practices?



A Yes, they are. The equipment has been tried and proven, and in my opinion, it's the best available on the market at this date.

Q In your opinion, will the approval of these applications prevent waste?

A Yes, they will. The Blinebry zone has relatively low reserves and a conventional well is uneconomically attractive, costing around \$80,000. The current price per barrel would be from \$1.50 to over \$3.00 per barrel.

By making the Blinebry completion, alone, the price would be from 60¢ to \$1.00 a barrel, and it will allow Tidewater to protect correlative rights and will prevent waste and also protect the rights of the royalty owners and the USGS.

Q All this is Federal land, is that right?

A That is correct.

Q Has Tidewater sought and received an approval from USGS to your proposals?

A Yes, we have their approval to all six wells.

MR. MORRIS: We have nothing further, and this concludes our presentation.

EXAMINER UTZ: Are there any other questions of the witness?

CROSS EXAMINATION

BY MR. PORTER:



Q Just as a matter of general information, I believe you mentioned that the Blinebry would probably not be economical to drill on a single completion. What kind of potential test do you get in the Blinebry area?

A About thirty barrels a day.

Q Do you experience a fairly rapid decline on that initial production test?

A The gas-oil ratio gets pretty high and you take a cut in your allowable, then of course your profit will drop.

Q That is my next question, thank you.

EXAMINER UTZ: All these wells will also be so equipped that they can be artificially lifted, if necessary?

A That is correct. All tubing is two-inch, I mean.

EXAMINER UTZ: Any other questions of the witness?

Any other statements in this case?

The witness may be excused.

The case will be taken under advisement and the Hearing is adjourned.

(Whereupon the proceedings of this Hearing were adjourned at 2:00 o'clock P.M.)

* * *



