

CASE No.

4828

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Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE HALL, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
September 13, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Inexco Oil Company  
for pool creation and special pool  
rules, Eddy County, New Mexico.

CASE NO. 4815

a n d

Application of Inexco Oil Company  
for a dual completion, Eddy County,  
New Mexico.

CASE NO. 4828

BEFORE: Daniel S. Nutter  
Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case Number 4815.

MR. HATCH: Case 4815: Application of Inexco Oil Company for pool creation and special pool rules, Eddy County, New Mexico.

MR. NUTTER: At this time we will also call Case Number 4828.

MR. HATCH: Case 4828: Application of Inexco Oil Company for a dual completion, Eddy County, New Mexico.

MR. NUTTER: For the purpose of testimony we will consolidate Case 4815 and Case 4828.

MR. KELLAHIN: Mr. Examiner, Thomas Kellahin of Kellahin and Fox, Santa Fe, appearing for Inexco Oil Company and I have one witness to be sworn.

\* \* \* \* \*

BERNARD J. MAHONY

appeared as a witness and, having been duly sworn according to law, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Mahony, will you please state your full name, your address, and your occupation for the record, please?

A Yes, sir. Bernard J. Mahony, 3528 Imperial, Midland, Texas, Division Manager for Inexco Oil Company in Midland, Texas.

Q Mr. Mahony, you have not previously testified before the

1 New Mexico Oil Conservation Commission, have you?

2 A No, sir.

3 Q Will you please, briefly, state your educational  
4 background and your employment experience?

5 A I have a Bachelors of Science degree from the New Mexico  
6 Institute of Mining and Technology, Socorro, New Mexico;  
7 Petroleum Engineering, I've worked for Texaco, Standard  
8 Oil of New Jersey, Sinclair Oil and Gas. I've been  
9 an independent operator and a consulting engineer over  
10 a period of seven years. I have worked for Drilling  
11 Well Control Inc., as a well killer and deep drilling  
12 specialist. I am presently manager of drilling and  
13 production for Inexco Oil Company, New Mexico, West  
14 Texas and Oklahoma.

15 Q You are then familiar with the production in Eddy  
16 County, New Mexico?

17 A Yes, sir.

18 Q Have you examined and are you familiar with the facts  
19 in this particular Application?

20 A Yes, sir.  
21 MR. KELLAHIN: Mr. Examiner, are the witness'  
22 qualifications as an expert acceptable?

MR. NUTTER: Yes, sir, they are.

23 Q (By Mr. Kellahin) Mr. Mahony, will you state briefly  
24 what the Applicant is seeking by these two applications?

25 A For special rules in Eddy County, New Mexico, we would

1 like to seek the creation of a new Strawn gas pool  
2 for a well located 1,980 feet from the south and  
3 west lines of Section 18, Township 21 South, Range 26  
4 East, Eddy County, New Mexico.

5 We seek further, the promulgation of special  
6 rules therefor, including a provision for 640 acre  
7 spacing.

8 In Case 4828, we are submitting the Application  
9 for a dual completion on the same well and the same  
10 location in Eddy County, New Mexico; that's the  
11 McMinn State Well Number 1, I've already given the  
12 location, so we may produce gas from the Strawn  
13 formation and the Morrow formation.

14 Q Have you prepared Exhibits in support of these two  
15 Applications?

16 A Yes, sir.

17 Q Referring to Applicant's Exhibit Number 1, I ask you  
18 to identify this and explain what information it  
19 contains.

20 A This is a map showing nine sections, Township 21 South,  
21 Range 26 East, Eddy County, New Mexico. In the center  
22 section, Section 18, is the well in question, the  
23 McMinn State Number 1. Adjacent to it are Morrow  
24 wells in Section 12, Section 24 and south of it in  
25 Section 19. That's about it. This map shows the

1 ownership of the leases surrounding the well in  
2 question.

3 Q Is Section 18 dedicated to this well?

4 A Yes, sir.

5 Q And what is the spacing with regard to the Morrow  
6 formation?

7 A 640 acres.

8 Q And you are seeking the same acreage spacing in the  
9 same section dedicated for the Strawn formation?

10 A Yes, sir.

11 Q I refer you to Exhibit 2 and ask you to identify it  
12 and explain briefly what information it contains.

13 A This Exhibit contains data pertinent to this particular  
14 well, the well name, location, producing formation,  
15 producing interval, reservoir temperature, calculated  
16 absolute open flow, porosity, water saturation, bottom  
17 hole pressure, well costs, estimated reserves,  
18 compressibility factor, gas price, condensate, royalty,  
19 taxes, operating costs, producing life, and return on  
20 investment.

21 Q With regards to the well costs, what does this figure  
22 represent?

23 A This figure represents the cost of the Strawn well.

24 Q I refer you to Exhibit 3 and ask you to identify it  
25 and explain briefly what information it contains.

- 1 A Exhibit 3 is a schematic drawing of the McMinn State  
2 Number 1. It shows the tubing, casing that we have,  
3 it shows the perforations, total depth, location of  
4 the packers.
- 5 Q Is this type of completion adequate to protect the  
6 two separate producing formations?
- 7 A Yes, sir.
- 8 Q Using this diagram, explain briefly what precautions  
9 you've taken to insure that separation.
- 10 A We've run a bond log from the bottom of the well to  
11 the top of the cement. We have set an Otis Perma-  
12 Lach Packer between the two zones to separate them  
13 and we have performed certain pressure tests on the  
14 well to make sure that we don't have any type of  
15 communication.
- 16 Q What was the result of those tests?
- 17 A They showed no communication, and the bond log showed  
18 an adequate cement job.
- 19 Q I refer you to Exhibit Number 4 and ask you to identify  
20 it and explain briefly what information it contains.
- 21 A Exhibit 4 is a compensated neutron formation density  
22 log which shows a portion of the well which was logged.  
23 It shows the Strawn formation, the Morrow formation,  
24 where we have perforated the Strawn, the porosity and  
25 water saturation, of the Strawn, it shows where we have

1 perforated the Morrow, the porosity and water saturations  
2 of the Morrow. It shows the different Morrow sands,  
3 the Morrow B sand and the C sand and the D sand. It  
4 also shows the total depth of the well.

5 Q In your Applications, you've asked for 640 acre spacing.  
6 Do you have any information presently available to you  
7 to you to indicate that this well will adequately drain  
8 640 acres?

9 A We don't have any production history at the present  
10 time. We don't have a line to the well yet.

11 Q That is why you are then seeking a temporary order  
12 for a period of one year?

13 A Yes, sir.

14 Q If you are committed to 320 acre spacing at this time,  
15 what effect will that have upon Inexco?

16 A At this time?

17 Q Yes, sir.

18 A It could create some economic waste.

19 Q Then, in your opinion, will approval of these two  
20 Applications prevent waste?

21 A Yes, sir.

22 Q Will it not impair correlative rights?

23 A It will not impair correlative rights.

24 Q Were Exhibits 1 through 4 prepared by you or under your  
25 direction?



1 A Yes, sir.

2 MR. KELLAHIN: Mr. Examiner, we move the submission  
3 of Exhibits 1 through 4.

4 MR. NUTTER: Applicant's Exhibits 1 through 4 will  
5 be admitted in evidence.

6 (Whereupon, Applicant's Exhibits 1 through 4 were  
7 marked and received into evidence.)

8 MR. KELLAHIN: We have nothing further at this  
9 time.

10 \* \* \* \* \*

11 CROSS-EXAMINATION

12 BY MR. NUTTER:

13 Q Mr. Mahony, on referral to the dual completion aspect  
14 of this Case, what is the bottom-hole pressure in the  
15 Strawn and the Morrow, please?

16 A Well, the bottom-hole?

17 Q What was the differential across the packer?

18 A The bottom-hole pressure in the Strawn is 4,542 pounds.  
19 I'm trying to find the bottom-hole pressure in the  
20 Morrow here, I'll find it in a few minutes.

21 Q Well, Mr. Mahony, you may not have the information;  
22 you may have to submit it to me. I'll go ahead with  
23 these.

24 We'll need the bottom-hole pressure on the Morrow.

25 I'd like the gravity of the gas in the Strawn and the

1           Morrow and the gravity of the liquids in each of the  
2           zones.

3       A     All right.

4       Q     Does either zone make water, Mr. Mahony?

5       A     All I can answer to that is no. We haven't seen any  
6           water out of either zone, but I think that we may  
7           eventually see some water.

8       Q     From which?

9       A     Possibly from both.

10      Q     Well, do you think you will have any problem with  
11           producing liquids through the annulus in this dual  
12           completion, then?

13      A     No, sir, I don't think so. The annulus is on the  
14           Strawn side and at the present time we have condensate  
15           being produced with the gas and I don't see any  
16           problems. Should such a problem arise, we would have  
17           to go back and do remedial work on it.

18      Q     I see. Now, you say you don't have a pipeline  
19           connection for the Strawn as yet, or the Morrow, for  
20           that matter?

21      A     Right.

22      Q     But you are seeking a temporary rule. What would that  
23           be from one year from the date of connection?

24      A     Yes, sir. At that time we'd have enough bottom hole  
25           pressure data and production data to be able to

dearnley, meier & mc cormick

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1 calculate a material balance and through this  
2 calculation, with the drainage area.

3 Q And so far you don't have any drawn down datum to  
4 show the profit in the Strawn?

5 A No, sir.

6 Q The effective drainage at all?

7 A No, sir. Now, that bottom-hole pressure on the  
8 Morrow was 4,320 PSI.

9 Q So you have got a differential there of 200 pounds  
10 between the two formations?

11 A Yes, we have a differential of about 220 pounds.

12 MR. NUTTER: Are there further questions of

13 Mr. Mahony?

14 (No response.)

15 MR. NUTTER: Do you have anything further,

16 Mr. Kellahin?

17 MR. KELLAHIN: No.

18 MR. NUTTER: We will have a 15 minute recess.

19 (Whereupon, the Hearing was recessed until 10:30

20 o'clock A.M.)

21 MR. NUTTER: We will call Case 4816.  
22  
23  
24  
25

1 STATE OF NEW MEXICO )  
2 ) ss  
3 COUNTY OF BERNALILLO )

4 I, JOHN DE LA ROSA, a Court Reporter, in and for the  
5 County of Bernalillo, State of New Mexico, do hereby certify  
6 that the foregoing and attached Transcript of Hearing  
7 before the New Mexico Oil Conservation Commission was  
8 reported by me; and that the same is a true and correct record  
9 of the said proceedings to the best of my knowledge, skill  
10 and ability.

11 John De La Rosa  
12 COURT REPORTER  
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4815-4828  
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John De La Rosa

I N D E X

PAGE

WITNESS:

BERNARD MAHONY

3

Direct Examination by Mr. Kellahin

9

Cross-Examination by Mr. Nutter

E X H I B I T S

OFFERED

ADMITTED

APPLICANT'S

Inexco Oil Company

5

9

Exhibit Number 1

6

9

Exhibit Number 2

6

9

Exhibit Number 3

7

9

Exhibit Number 4



# OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO**  
**P. O. BOX 2088 - SANTA FE**  
**87501**

**September 19, 1972**

GOVERNOR  
BRUCE KING  
CHAIRMAN

**LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER**

**STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR**

Mr. Tom Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4828  
Order No. R-4400  
Applicant:  
  
Inexco Oil Company

**Dear Sir:**

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC           x            
Artesia OCC           x            
Aztec OCC                           

Other \_\_\_\_\_

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 4828  
Order No. R-4400

APPLICATION OF INEXCO OIL COMPANY  
FOR A DUAL COMPLETION, EDDY  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 13, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of September, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Inexco Oil Company, seeks authority to complete its McMinn State Well No. 1, located in Unit K of Section 18, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the East Catclaw Draw-Strawn Gas Pool through the casing-tubing annulus and from the Catclaw Draw-Morrow Gas Pool through 2 7/8-inch tubing with separation of zones by a packer set at approximately 10,454 feet.
- (3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Inexco Oil Company, is hereby authorized to complete its McMinn State Well No. 1, located in Unit K of Section 18, Township 21 South, Range 26 East, NMPM,

-2-

CASE NO. 4828  
Order No. R-4400

Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the East Catclaw Draw-Strawn Gas Pool through the casing-tubing annulus and the Morrow formation from the Catclaw Draw-Morrow Gas Pool through 2 7/8-inch tubing, with separation of zones by a packer set at approximately 10,454 feet;

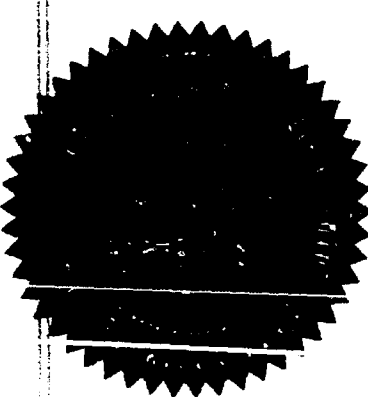
PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-in Test Period for the Catclaw Draw-Morrow Gas Pool.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*Bruce King*  
BRUCE KING, Chairman

*Alex J. Armiijo*  
ALEX J. ARMIJO, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/



1  
THE HOUSTON LITHOGRAPHING CORP.

*Cha 4828*

MESSAGE

SUBJECT MC MINN STATE NO. 1, Eddy County, New Mexico

DATE 8-16-72

Attached please find NMOCC Form C-107, Application For Multiple Completion  
with following attachments: (1) Diagrammatic Sketch; (2) Plat showing the  
location of all wells on applicant's lease; (3) Electric log.

TO NEW MEXICO OIL CONSERVATION COMMISSION  
Drawer DD  
Artesia, N. M. 88210

AUG 17 1972  
O. C. C.  
ARTESIA, OFFICE

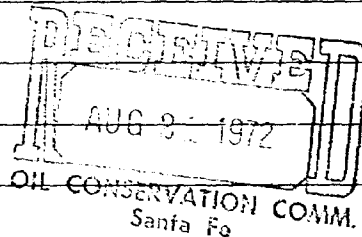
SIGNED

*Bernard J. Mahony*  
BERNARD J. MAHONY

REPLY

DATE 8-18-72

*Forward to Santa Fe.*



FROM

INEXCO OIL COMPANY  
106 Mid America Building  
Midland, Texas 79701

SIGNED

*W. A. Gussert*

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 13, 1972

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1972, from seventeen prorated pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for October, 1972.

CASE 4808: Application of Skelly Oil Company for a waterflood expansion and dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to expand its Grayburg-Jackson Skelly Unit Waterflood Project, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water through its Unit Well No. 114 located in Unit D of Section 14, Township 17 South, Range 31 East. Said Well No. 114 to be completed as a dual completion in such a manner as to permit the production of oil from the Fren-Sevens Rivers Pool and the injection of water into the Grayburg-Jackson Pool.

CASE 4809: Application of Saturn Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Antebellum Unit Area comprising 3,840 acres, more or less, of State and Federal lands in Township 23 South, Range 34 East, Lea County, New Mexico.

CASE 4810: In the matter of the application of the Oil Conservation Commission on its own motion to consider the revision of the special rules for the Devils Fork Gallup Associated Pool and the Escrito Gallup Associated Pool, Rio Arriba and San Juan Counties, New Mexico, promulgated by Orders Nos. R-1670-B and R-1793-A, respectively, to permit taking of gas-oil ratio and bottom-hole pressure tests on an annual basis rather than quarterly and semi-annually, as is now required.

CASE 4747: (Continued from the July 26, 1972, Examiner Hearing)

Application of Union Texas Petroleum, a Division of Allied Chemical Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the base of the Devonian formation underlying the N/2 of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico. Said acreage to be dedicated to its well to be located 1650 feet from the North line and 2310 feet from the East line of said Section 33. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4577: (Reopened)

In the matter of Case 4577 being reopened pursuant to the provisions of Order No. R-4181, which order established special rules and regulations for the Parkway-Wolfcamp Pool, Eddy County, New Mexico, including a provision for 160-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre or 80-acre spacing units.

CASE 4811: Application of Atlantic Richfield Company for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard gas proration unit comprising the N/2 SE/4 and NE/4 SW/4 of Section 36, Township 21 South, Range 37 East, Blinberry Gas Pool, Lea County, New Mexico, to be dedicated to its State 367 Well No. 3 located in Unit K of said Section 36.

CASE 4812: Application of Midwest Oil Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 104, authority to drill a wildcat gas well to test the Morrow formation at an unorthodox location 1320 feet from the South and East lines of Section 1, Township 18 South, Range 28 East, Eddy County, New Mexico, with the S/2 of said Section 1 to be dedicated to the well.

CASE 4813: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sitting Bull Unit Area comprising 6,665 acres, more or less, of Federal lands in Sections 28, 29, 31, 32, and 33 of Township 23 South, Range 22 East, and Sections 4 through 9 of Township 24 South, Range 22 East, Eddy County, New Mexico.

CASE 4814: Application of Inexco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Four Forks Unit Area comprising 3,133 acres, more or less, of Federal and Fee lands in Sections 3, 10, 11, 14 and 15 of Township 22 South, Range 25 East, Eddy County, New Mexico.

CASE 4815: Application of Inexco Oil Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn gas pool for its well located 1980 feet from the South and West lines of Section 18, Township 21 South, Range 26 East, Eddy County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing units.

CASE 4816: Application of Penroc Oil Corporation for a special gas-oil ratio limitation increase, Lea County, New Mexico. Applicant, in the above-styled cause, seeks amendment of the special rules and regulations for the Hobbs-Drinkard Pool promulgated by Order No. R-3811, as amended,

(Case 4816 continued from Page 2)

to establish a limiting gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil in said pool.

CASE 4817: Application of Phillips Petroleum Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Drag "B" Well No. 1 located in Unit K of Section 18, Township 23 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce gas from the South Carlsbad-Morrow Gas Pool through tubing and an undesignated Canyon gas pool through the casing-tubing annulus.

CASE 4818: Application of Tipperary Land and Exploration Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the North Bagley-Pennsylvanian Pool by the injection of water into the Strawn and possibly other formations by the injection of water through its Bess Well No. 1 located 660 feet from the North line and 1980 feet from the East line of Section 20, Township 11 South, Range 33 East, Lea County, New Mexico.

CASE 4819: Application of D. L. Hannifin for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in and under the S/2 of Section 24, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the South and East lines of said Section 24. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4820: Application of Anadarko Production Company for the creation of an associated pool, special rules therefor, downhole and surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new associated pool for the production of oil and gas from the Yates and Seven Rivers formations for its Loco Hills Federal "B" Wells Nos. 1 and 8 located, respectively, in Units P and K of Section 9, Township 17 South, Range 30 East, Eddy County, New Mexico, and the promulgation of special rules therefor including provisions for the classification of oil and gas wells, oil and gas well spacing, and an unlimited gas-oil ratio.

Applicant further seeks authority to commingle in the well-bore of said Well No. 1 the Yates-Seven Rivers production from the newly created pool and the Grayburg-Jackson Pool and to commingle on the surface the Yates-Seven Rivers production from said Well No. 8 with production from the Grayburg-Jackson Pool.

CASE 4821: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception

(Case 4821 continued from Page 3)

to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Pennsylvanian Pools in the wellbore of its State "BA" Well No. 8 located in Unit B of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4822: Application of Getty Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its State "BA" Well No. 9 located 660 feet from the North line and 2310 feet from the East line of Section 36, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico. Said well being nearer than 660 feet to another well capable of producing from the same pool.

CASE 4823: Application of Getty Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its A. B. Coates "C" Well No. 28 located 1820 feet from the North and West lines of Section 24, Township 25 South, Range 37 East, Justis Blinebry Pool, Lea County, New Mexico. Said well being located nearer than 660 feet to another well capable of producing from the same pool.

CASE 4824: Application of Getty Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its H. D. McKinley Well No. 11 located 760 feet from the North line and 550 feet from the East line of Section 30, Township 18 South, Range 38 East, Hobbs Grayburg-San Andres Pool, Lea County, New Mexico. Said well being nearer than 660 feet to another well capable of producing from the same pool.

CASE 4825: Application of Hanagan Petroleum Corporation for dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Catclaw Draw Unit Well No. 3 located in Unit D of Section 36, Township 21 South, Range 25 East, Eddy County, New Mexico, in such a manner as to produce gas from an undesignated Strawn gas pool through tubing and from the Catclaw Draw-Morrow Gas Pool through the casing-tubing annulus.

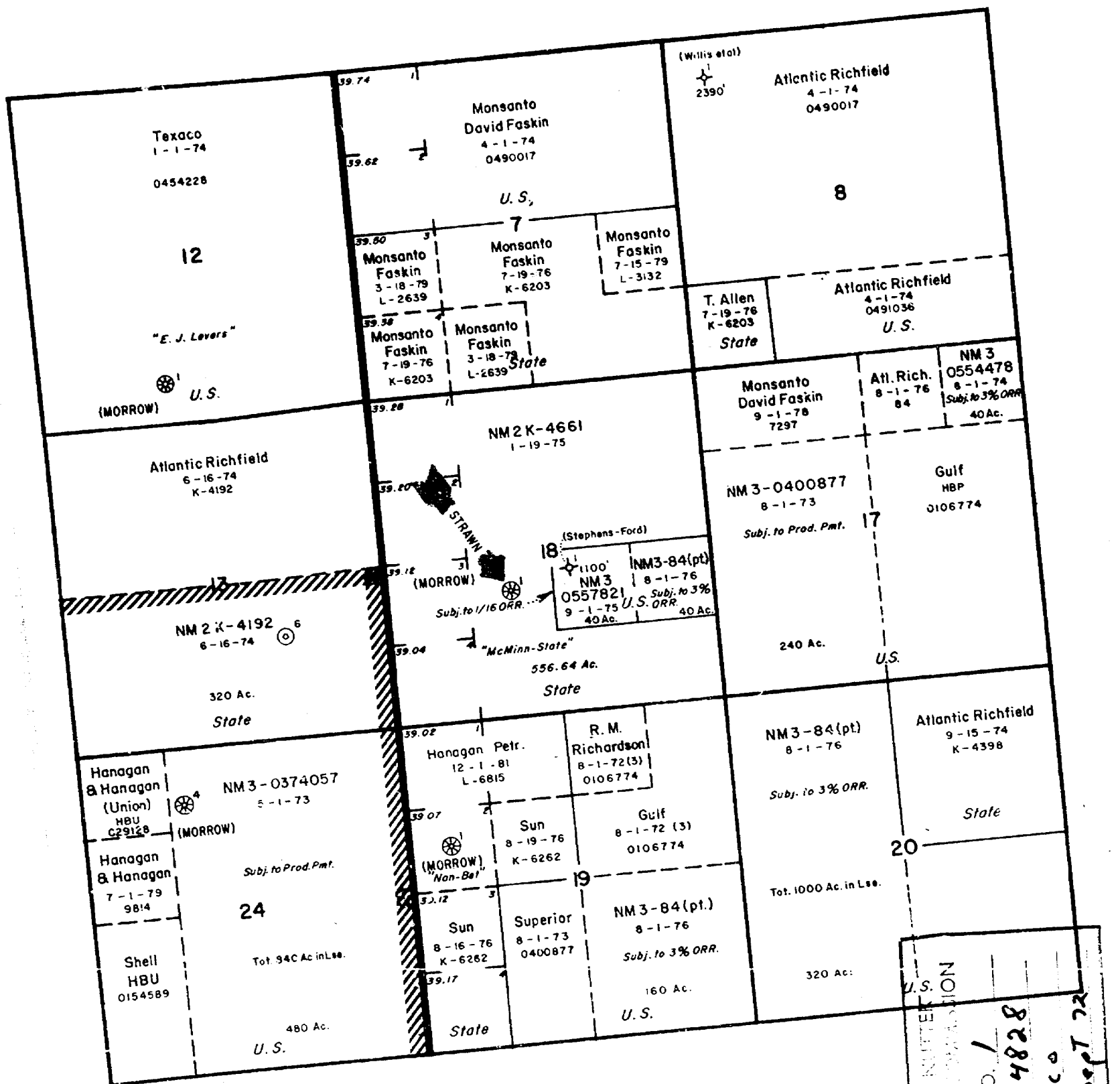
CASE 4826: Application of Hanagan Petroleum Corporation for pool creation, special pool rules, and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn gas pool for its well located 920 feet from the North and West lines of Section 36, Township 21 South, Range 25 East, Eddy County, New Mexico, and the promulgation of special rules therefor, including a provision for 640-acre spacing units. Applicant further seeks approval of an unorthodox location for the above-described well.

CASE 4827: Application of Robert N. Enfield for an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks

(Case 4827 continued from Page 4)

authority to drill a gas well at an off-pattern unorthodox location 990 feet from the North and East lines of Section 11, Township 15 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, with the E/2 of said Section 11 to be dedicated to the well.

CASE 4828: Application of Inexco Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the dual completion of its McMinn State Well No. 1 located 1980 feet from the South and West lines of Section 18, Township 21 South, Range 26 East, Eddy County, New Mexico, in such a manner as to produce gas from the Strawn formation and the Morrow formation adjacent to the Catclaw Draw-Morrow Gas Pool.



INEXCO OIL & GAS COMPANY  
**NO. 1 MC MINN - STATE**  
 SECTION 18 T-21-S R-26-E  
 EDDY COUNTY, NEW MEXICO  
 SCALE: 1" = 2000'

U.S. DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
 CASE NO. 4815 & 4828  
 BIT NO. 1  
 Submitted by Inexco  
 Hearing Date 13 Sept 72

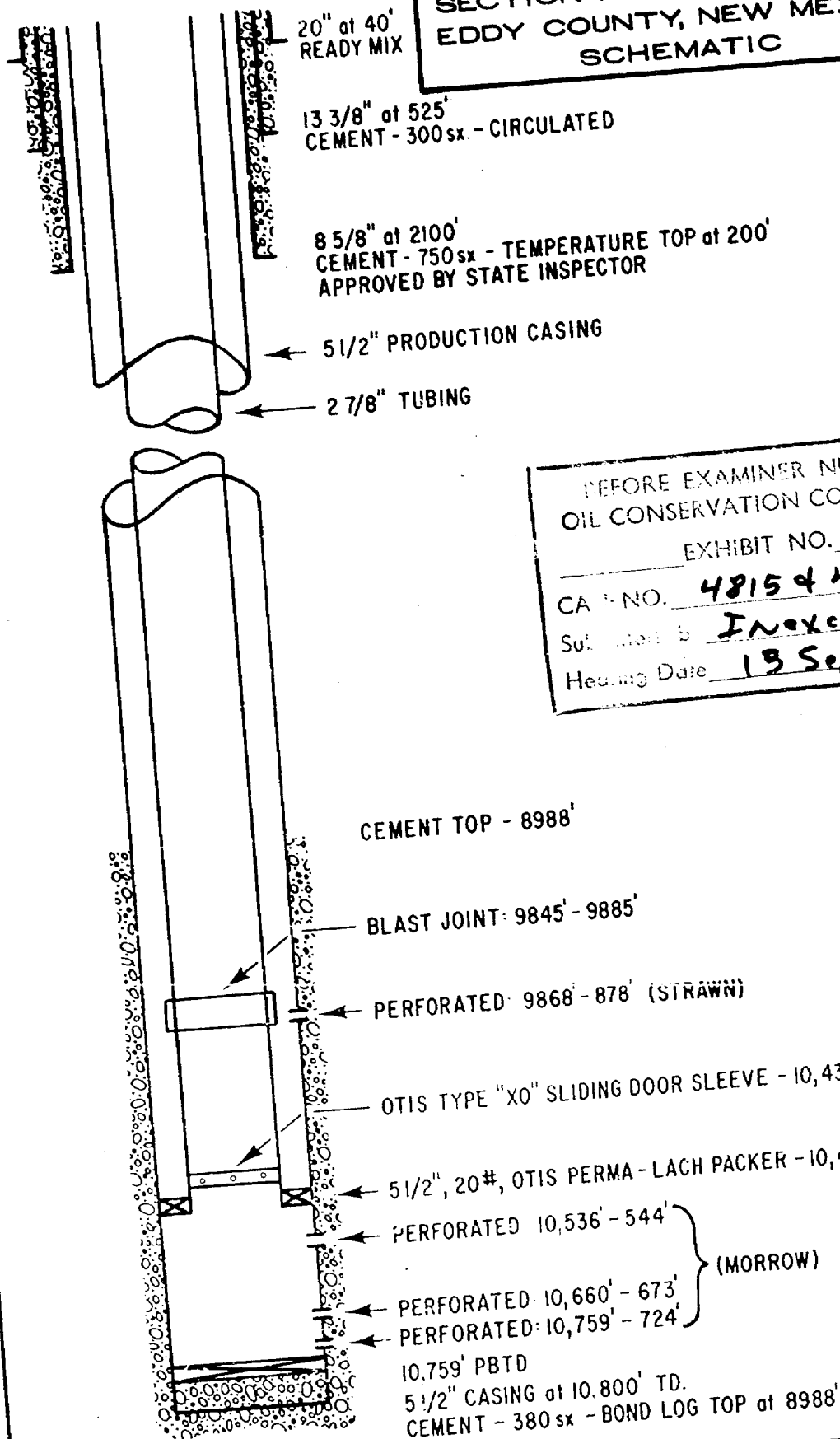
EXHIBIT  
NEW MEXICO OIL CONSERVATION COMMISSION  
CASE 4815  
APPLICATION FOR POOL CREATION AND SPECIAL POOL RULES

Well Name:	MC MINN STATE NO. 1
Location:	1980' FS&WL, Section 18, Township 21 South, Range 26 East, Eddy County, New Mexico.
Producing Formation:	Strawn
Producing Interval:	9868 to 9878
Reservoir Temperature:	176° F.
CAOF:	11.7 MMCFD
Porosity:	15.0%
Water Saturation:	22.5%
Bottom Hole Pressure:	4542
Well Cost:	\$225,000
Estimated Reserves:	2,200 MMCF Gas, 14,000 bbls. Condensate
Compressability Factor:	0.905
Gas Price:	32 cents per MCF
Condensate:	\$3.46 per barrel
Royalty:	12.5%
Taxes:	7 percent
Operating Cost:	\$150/month
Producing Life:	10 years
Return on Investment:	1.637 to 1

2  
4815 & 4828  
INEXCO  
13 Sept 72



INEXCO OIL & GAS COMPANY  
NO. 1 MC MINN - STATE  
SECTION 18 T-21-S R-26-E  
EDDY COUNTY, NEW MEXICO  
SCHEMATIC



BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 4815 & 4828

Submitted by INEXCO

Hearing Date 13 Sept 72

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APPLICATION FOR MULTIPLE COMPLETION

RECEIVED  
Form C-107  
5-1-61

AUG 17 1972

*Case 4828*

Operator <b>Inexco Oil Company</b>		County <b>Eddy</b>	Date <b>8-7-72</b>
Address <b>106 Mid-America Bldg., Midland, Texas</b>		Lease <b>McMinn State</b>	Well No. <b>1</b>
Location of Well <b>K</b>	Unit <b>18</b>	Township <b>21-S</b>	Range <b>26-E</b>

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X ; Operator Lease, and Well No.: \_\_\_\_\_

2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_

3. The following facts are submitted:

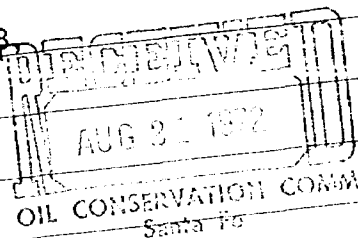
	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<b>Strawn</b>		<b>Morrow</b>
b. Top and Bottom of Pay Section (Perforations)	<b>9868-9878</b>		<b>10,536-10,544</b> <b>10,660-10,673</b> <b>10,706-10,724</b>
c. Type of production (Oil or Gas)	<b>Gas</b>		<b>Gas</b>
d. Method of Production (Flowing or Artificial Lift)	<b>Flowing</b>		<b>Flowing</b>

4. The following are attached. (Please check YES or NO)

- |   |   |   |
|---|---|---|
| Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>             | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>             | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.   |
| No <input type="checkbox"/>             | Yes <input checked="" type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*  |
| Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>             | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112A.)  |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

<b>Hanagan Petroleum Corp. - Box 1737,</b>	<b>Roswell, New Mexico</b>
<b>Texaco Oil Company - Box 728</b>	<b>Hobbs, New Mexico</b>



6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES \_\_\_\_\_ NO X . If answer is yes, give date of such notification \_\_\_\_\_

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Inexco Oil Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

*[Signature]*  
Signature

\*Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

RECEIVED

Case 4828

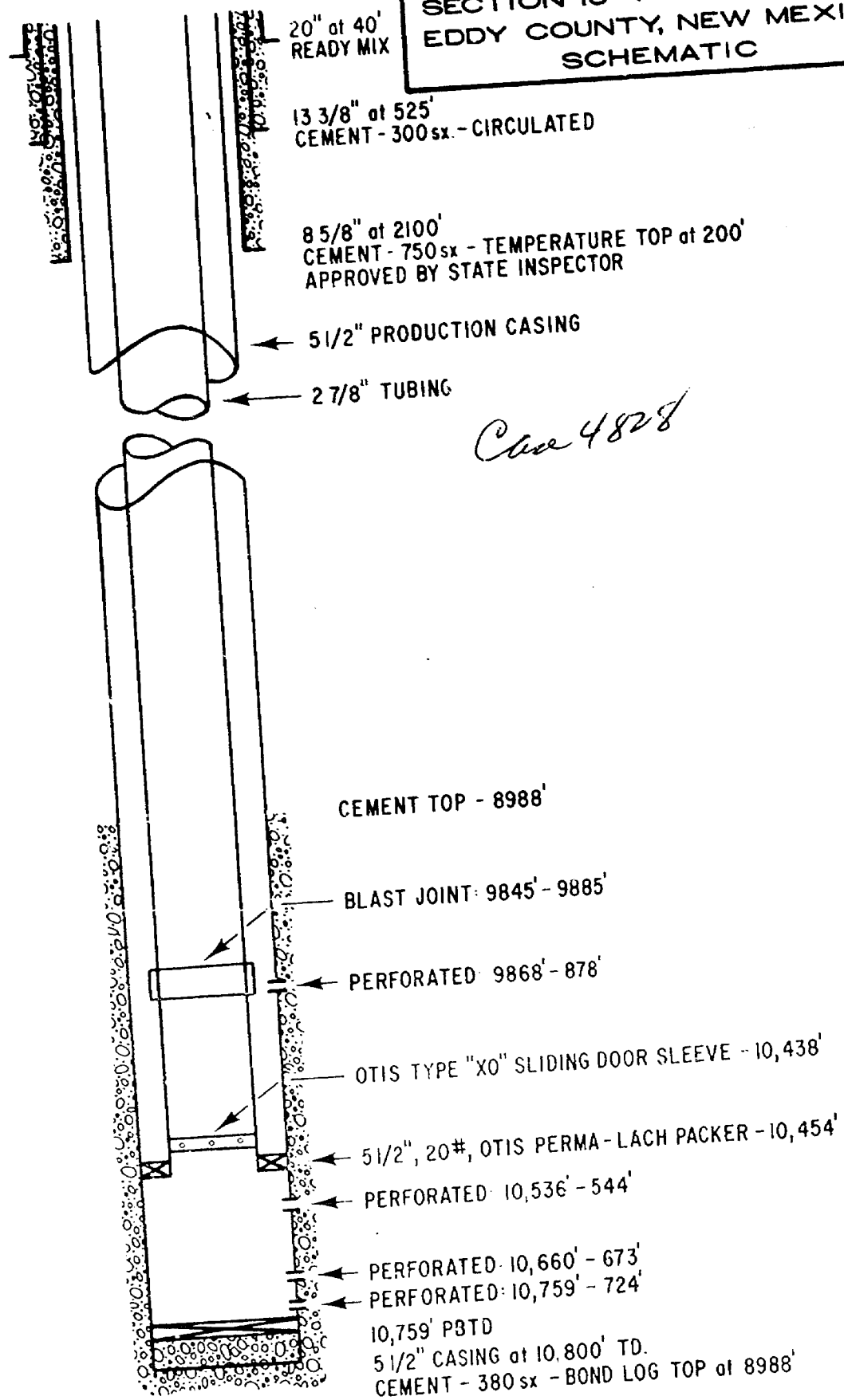
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

AUG 16 1972  
NEW MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG  
ARTESIA OFFICE

Form C-105  
Revised 1-1-65

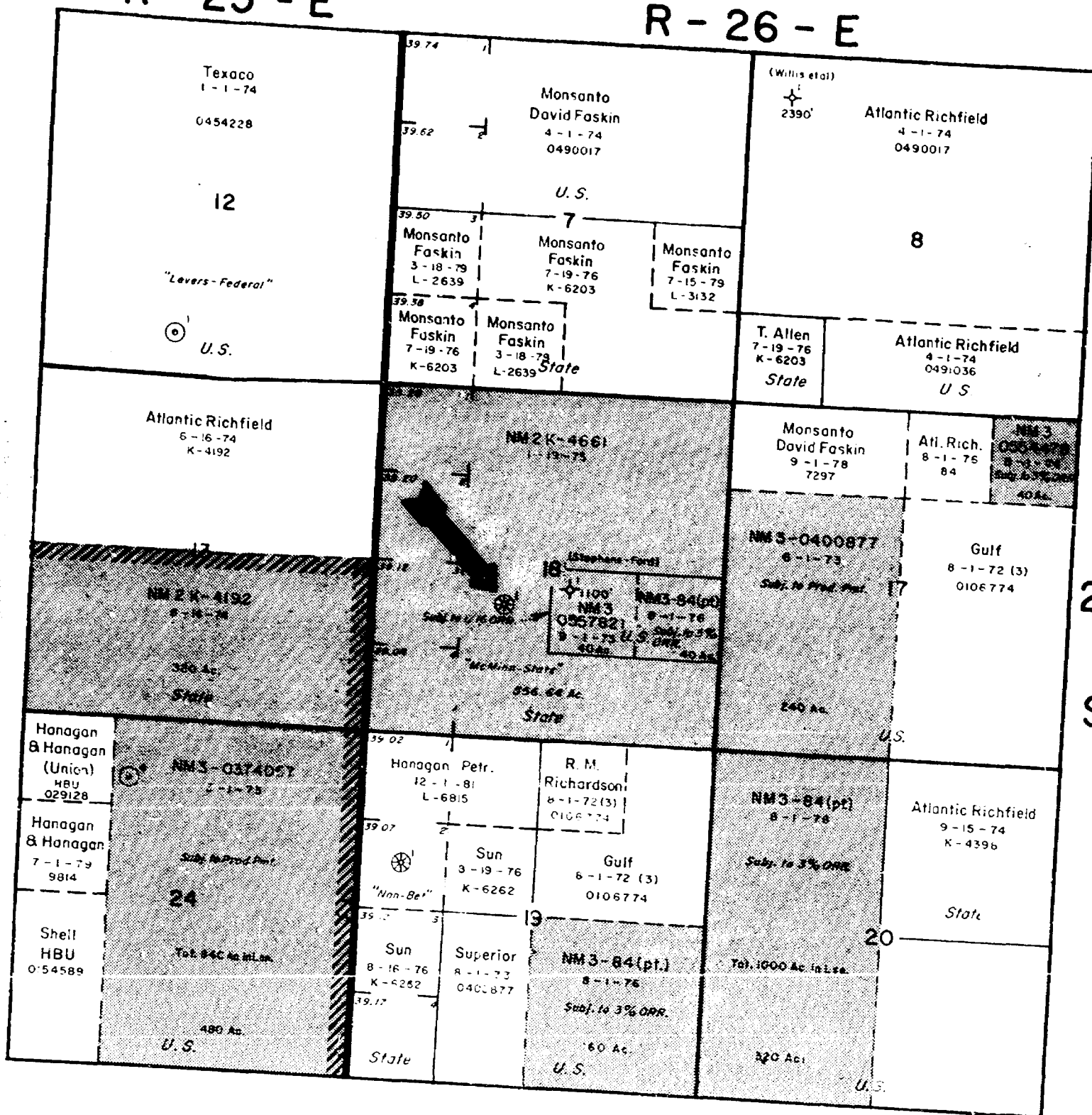
1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/>		5a. Indicate Type of Lease State <input checked="" type="checkbox"/> Fee <input type="checkbox"/>	
b. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>		6. State Oil & Gas Lease No.	
2. Name of Operator Inexco Oil Company		7. Unit Agreement Name	
3. Address of Operator 106 Mid-America Building, Midland, Texas 79701		8. Farm or Lease Name McMinn State	
4. Location of Well UNIT LETTER <u>K</u> LOCATED <u>1980</u> FEET FROM THE <u>south</u> LINE AND <u>1980</u> FEET FROM THE <u>west</u> LINE OF SEC. <u>18</u> TWP. <u>21-S</u> RGE. <u>26-E</u> NMPM		9. Well No. 1	
15. Date Spudded 5-13-72		16. Date T.D. Reached 6-29-72	
17. Date Compl. (Ready to Prod.) 8-3-72		18. Elevations (DF, RKB, RT, GR, etc.) 3310 GR	
19. Elev. Casinghead		20. Total Depth 10,800	
21. Plug Back T.D. 10,759		22. If Multiple Compl., How Many dual	
23. Intervals Drilled By Rotary Tools 0-10,800		24. Producing Interval(s), of this completion - Top, Bottom, Name 9,868 - 9,878 10,536-544 10,660-673 10,706-724	
25. Was Directional Survey Made No		26. Type Electric and Other Logs Run GR-BHC Sonic, CN-FDC, SP-DIL, PL-Micro, Dipmeter	
27. Was Well Cored No		28. CASING RECORD (Report all strings set in well)	
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE
13 3/8	48#	525'	17 1/2"
8 5/8	32#	2,100'	12 1/4"
5 1/2	17#	0-10,221	7 7/8"
	20#	10,221-10,800	
29. LINER RECORD		30. TUBING RECORD	
SIZE	TOP	BOTTOM	SACKS CEMENT
SIZE	DEPTH SET	PACKER SET	
2 7/8	10,454	10,454	
31. Perforation Record (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
9,868-878 0.33" jet, 2 hpf, 20 holes		DEPTH INTERVAL	
10,536-544 0.33" jet, 2 hpf, 16 holes		AMOUNT AND KIND MATERIAL USED	
10,660-673 0.33" jet, 2 hpf, 26 holes		Morrow-10,536-	
10,706-724 0.33" jet, 2 hpf, 36 holes		10,724 3,570 gals. acid for brkdown	
		10,724 16,000 gals. for treatment	
		Strawn-9,868-	
		9,878 1,000 gals. acid for brkdown	
33. PRODUCTION			
Date First Production SI gas well		Production Method (Flowing, gas lift, pumping - Size and type pump) flowing	
Date of Test 7-21-72 & 8-1-72		Well Status (Prod. or Shut-in) SI	
Hours Tested 31 1/2 & 8	Choke Size Meter Run	Oil - Bbl. 3500-Morrow	Gas - MCF 50 BLW
Flow Tubing Press. Strawn-2939	Casing Pressure 0	Water - Bbl. 2500-Strawn	Gas - Oil Ratio
Morrow-3403	Calculated 24-Hour Rate Strawn 7.5/MM	Oil Gravity - API (Corr.)	
34. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented		Test Witnessed By Tefteller, Inc.	
35. List of Attachments			
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.			
Manager, D.P.&E.		TITLE West Tex., N. Mex., Okla. Div. DATE 2-7-72	

INEXCO OIL & GAS COMPANY  
NO. 1 MC MINN - STATE  
SECTION 18 T-21-S R-26-E  
EDDY COUNTY, NEW MEXICO  
SCHEMATIC

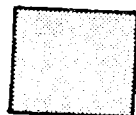


R - 25 - E

R - 26 - E



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21  
S



INEXCO ACREAGE

INEXCO OIL COMPANY  
NO. 1 MCMINN-STATE  
EDDY COUNTY, NEW MEXICO  
SCALE: 1" = 2000'

Case 4828

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4828

Order No. R-4400

APPLICATION OF INEXCO OIL COMPANY  
FOR A DUAL COMPLETION, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
September 13, 1962, at Santa Fe, New Mexico, before Examiner  
Daniel S. Nutter.

NOW, on this        day of September, 1962, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Inexco Oil Company,  
seeks authority to complete its McMinn State  
Well No. 1, located in Unit A of Section 18, Township  
21 South, Range 26 East, NMPM, Eddy County, New  
~~MESS~~ ~~MESS~~

Mexico, as a dual completion (conventional) ~~(combination)~~ to produce gas  
~~(tubingless)~~  
East Catclaw Draw Strawn Gas Pool through the casing tubing  
from the Strawn formation and ~~Pool through the Morrow~~

ad from  
formation adjacent to the Catclaw Draw-Morrow Gas Pool Through  
2 7/8 inch tubing with separation of zones  
by a packer set at approximately 10,454 feet

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Inexco Oil Company, is hereby authorized to complete its McMinn State Well No. 1, located in Unit K of Section 18, Township

21 ~~North~~ South, Range 26 ~~West~~ East NMPM, Eddy County, New

Mexico, as a dual completion <sup>(conventional)</sup> ~~(combination)~~ to produce gas <sup>xxxx</sup> ~~(tubingless)~~ from the Strawn formation and the Morrow formation

adjacent to the Catclaw Draw-Morrow Gas Pool through 2 7/8-inch tubing, with separation of zones by a packer set at approximately 10,454 feet

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage <sup>zone-segregation</sup> tests upon completion and annually thereafter during the Annual Shut-in Gas-Oil-Ratio Test Period for the Catclaw Draw-Morrow Gas Pool. Deliverability

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

CASE 9229: Application of FEDERAL  
STATES FOR SPECIAL DEPT. RECORDS  
AVAILABLE.