

**CASE 4915: Application of BELCO
FRINGELUM FOR A DUAL COMPLETION,
EDDY COUNTY, NEW MEXICO.**

4915

Application
Transcripts.

Small Exhibits

ETC.

dearnley, meier & mc cormick

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-0691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Wednesday, March 14, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Belco Petroleum
Corporation for a dual completion,
Eddy County, New Mexico.

Case No. 4915

BEFORE: Richard L. Stamets
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: We will call next Case 4915.

2 MR. CARR: Case 4915, Application of Belco Petroleum Corporation
3 for a dual completion, Eddy County, New Mexico.

4 MR. KELLAHIN: Thomas Kellahin of Kellahin and Fox, Santa Fe,
5 appearing on behalf of the Applicant, Belco Petroleum Corporation, and I
6 have one Witness to be sworn.

7 * * *

8 GLENN COPE,

9 appeared as a Witness on behalf of Belco Petroleum Corporation and after
10 being duly sworn according to law, testified as follows:

11 DIRECT EXAMINATION

12 BY MR. KELLAHIN:

13 Q Will you please state your name, by whom you are employed, and in
14 what capacity?

15 A My name is Glenn Cope, I'm employed by Belco Petroleum Corporation as
16 District Engineer in Midland, Texas.

17 Q Have you previously testified before this Commission or one of its
18 Hearing Examiners and had your qualifications as an expert witness
19 accepted and made a matter of record?

20 A Yes.

21 Q Have you examined and are you familiar with the facts surrounding
22 this particular Application by Belco?

23 A Yes.

24 MR. KELLAHIN: Mr. Examiner, are the Witness's qualifications
25 as an expert acceptable?

1 MR. STAMETS: They are.

2 Q (By Mr. Kellahin) Mr. Cope, will you state briefly, for the Examiner,
3 what Belco is seeking by this Application?

4 A Belco is requesting authority to produce the James Ranch Unit Well
5 Number 3 as a dually completed well from the Strawn formation through
6 perforations at 12,731 to 12,773 in the Atoka zone from perforations
7 at 12,998 to 13,005, as a dual completion.

8 Q Will you please refer to what has been marked as Applicant's
9 Exhibit Number 1?

10 A Exhibit Number 1 is a plat showing the James Ranch Unit Well Number
11 3 relative to the Shell James Ranch Unit Well Number 1. It simply
12 shows the location of the well.

13 Q What is the location of that well?

14 A The location of that well is in Unit letter J of Section 1, Township
15 23 South, Range 30 East, Eddy County, New Mexico.

16 Q What acreage is dedicated to the well?

17 A The east half of Section Number 1.

18 Q Will you please refer to what has been marked as Applicant's
19 Exhibit Number 2, identify it, and describe what information it
20 contains?

21 A Exhibit Number 2 is simply the New Mexico Oil Conservation Commission
22 Form C-107 which is the Application for Multiple Completion of the
23 subject well outlining the two zones which we are requesting
24 authority to produce in the dual completion in the Strawn zone and
25 the Atoka zone.

1 Q Will you please refer to what has been marked Applicant's Exhibit
2 Number 3, identify it, and describe what information it contains?

3 A Exhibit Number 3 is a well diagram with the complete diagram of the
4 downhole assembly of the subject well illustrated with perforations
5 of each zone, so indicated on the diagram.

6 Q Are there any pressure differentials between the two zones in which
7 you desire completion?

8 A Yes, there are slight pressure differentials. The Atoka zone's
9 stabilized bottomhole pressure is 8,024 pounds at 13,002 feet,
10 while the bottomhole pressure for the Strawn zone is 8,133 pounds
11 at 12,800 feet.

12 Q Can this slight pressure differential between the two zones be
13 handled by this type of completion?

14 A Yes, it can.

15 Q Does this method of completion conform to good engineering
16 practices so that there will be no communications between the two
17 zones?

18 A Yes, this is the most common type of dual completion, which is
19 known as a tubing-annulus dual, where one zone is produced through
20 the tubing and the second zone through the annulus between the
21 tubing and casing string.

22 Q Do you have the results of any pressure tests, bottomhole pressure
23 tests, or back pressure tests?

24 A Yes, I do.

25 Q What are those?

1 A We have potentialized both of the separate zones, the Atoka
2 potentializing for 39,000,000 cubic feet per day, while the Strawn
3 zone potentialized for 18,000,000 cubic feet per day.

4 Q In your opinion, Mr. Cope, will approval of this Application
5 prevent waste and protect the correlative rights of others?

6 A Yes, it will.

7 Q Were Exhibits 1 through 3 prepared either by you or under your
8 direction and supervision?

9 A Yes, they were.

10 MR. KELLAHIN: Mr. Examiner, we move for the introduction of
11 Applicant's Exhibits 1, 2, and 3.

12 MR. STAMETS: Without objection, the Exhibits will be admitted
13 into evidence.

14 MR. KELLAHIN: That concludes our direct examination.

15 MR. STAMETS: Are there any questions of the Witness?

16 (No response.)

17 * * *

18 CROSS EXAMINATION

19 BY MR. STAMETS:

20 Q Mr. Cope, I believe there is a previous order on this particular
21 dual completion.

22 A Yes, sir, that is correct. The previous order was to allow Belco
23 Petroleum Corporation to produce the Strawn zone and the Morrow
24 zone as a tubing-annulus dual. At this time we wish to abandon the
25 Morrow zone and produce the Atoka zone.

1 Q What's the status of the Morrow? Is it depleted or is it just a
2 lesser quality zone?

3 A The Morrow zone is not totally depleted at this time. However, the
4 producing rate of the zone has declined below 1,000,000 cubic feet
5 per day, and for a well as expensive as this one, that is a
6 noneconomical rate.

7 Q Do you have any particular desires about the original order as to
8 have it superseded?

9 A We just wish to produce the Atoka and the Strawn and disregard the
10 Morrow, whichever way it might be more conveniently handled.

11 Q What about the liquid production on the Strawn zone?

12 A The liquid production on the Strawn zone, it does make condensate.
13 It is not a rich zone, it makes approximately 15 barrels per
14 million.

15 Q If this should give you any problem in production --

16 A Pardon me, Mr. Examiner, may I correct my statement. The Strawn
17 zone makes 21.47 barrels per million.

18 Q If this liquid should cause any production problem, do you have
19 any remedies available?

20 A Well, sir, the Strawn zone is a zone that we have previously
21 received approval to produce, and we have studied it, and at this
22 time we anticipate no problems producing it through the annulus.
23 Our velocity is sufficient to remove all liquids from the
24 wellbore. Should, however, we have problems in the future, our
25 mechanical design is such that we can blank off the bottom zone,

1 being the Atoka, and open the sleeve illustrated on the diagram as
 2 a Baker Model "L" Sleeve, immediately above the packer at 12,847
 3 feet, and, you know, unload the well, should it be necessary.

4 Q Have you run a packer leakage test in this hole at the present time?

5 A Yes, sir, we have continuously in that we've been producing the
 6 Morrow, which, you know, floated on the line, and with our shut-in
 7 casing pressure on the Strawn being on the annulus, it was a
 8 continuous packer leakage test rather than the packer leakage test
 9 for a two-hour or four-hour duration.

10 MR. STAMETS: Are there any other questions of the Witness?

11 (No response.)

12 MR. STAMETS: He may be excused. Is there any further
 13 testimony in this case?

14 MR. KELLAHIN: No, sir.

15 MR. STAMETS: The case will be taken under advisement.

16 * * * *

17 STATE OF NEW MEXICO)
) ss
 18 COUNTY OF BERNALILLO)

19 I, JOHN DE LA ROSA, a Court Reporter, in and for the County of
 20 Bernalillo, State of New Mexico do hereby certify that the foregoing and
 21 attached Transcript of Hearing before the New Mexico Oil Conservation
 22 Commission was reported by me; and that the same is a true and correct
 23 record of the said proceedings to the best of my knowledge, skill and
 24 ability.

25 I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 4915,
 heard by me on March 14, 1973.

Richard L. Stamets, Examiner
 New Mexico Oil Conservation Commission

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I N D E X

WITNESS

PAGE

GLENN COPE

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Stamets

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E X H I B I T SADMITTEDOFFERED

Exhibit #1 - Plat

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Exhibit #2 - Form C-107

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Exhibit #3 - Well Diagram

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2083 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

March 22, 1973

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

Re: Case No. 4915, and 4916

Order No. R-4494 & R-4495

Applicant:

Belco Petroleum & Agua, Inc.

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, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC xx
Artesia OCC R-4494
Aztec OCC

OTHER R-4495 to State Engineer Office

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. 4915
Order No. R-4494

APPLICATION OF BELCO PETROLEUM
CORPORATION 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 March 14, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of March, 1973, 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, Belco Petroleum Corporation, seeks authority to complete its James Ranch Unit Well No. 3, located in Unit J of Section 1, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Strawn and Atoka formations, Los Medanos Field Area, through the casing-tubing annulus and through tubing, respectively.

(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.

(5) That Commission Order No. R-4479 which authorized the dual completion of said well in the Strawn and Morrow formations should be superseded.

-2-

Case No. 4915
Order No. R-4494

IT IS THEREFORE ORDERED:

(1) That the applicant, Belco Petroleum Corporation, is hereby authorized to complete its James Ranch Unit Well No. 3, located in Unit J of Section 1, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Strawn and Atoka formations, Los Medanos Field Area, through the casing-tubing annulus and through tubing, respectively.

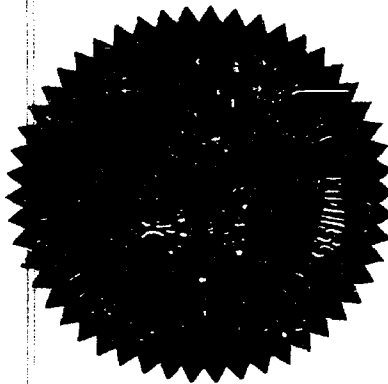
PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Strawn and Atoka Pools.

(2) That Commission Order No. R-4479 is hereby superseded.

(3) 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. Armijo
ALEX J. ARMILLO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 14, 1973

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for April, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves 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 April, 1973.

CASE 4915: Application of Belco Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its James Ranch Unit Well No. 3 located in Unit J of Section 1, Township 23 South, Range 30 East, Eddy County, New Mexico, in such a manner as to produce gas from the Strawn and Atoka formations, Los Medanos Field Area, through the casing-tubing annulus and through tubing, respectively.

CASE 4916: Application of Agua, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the openhole interval from 4400 feet to 5000 feet in its proposed SWD Well No. C-2 located in Unit C of Section 2, Township 22 South, Range 37 East, adjacent to the South Eunice-San Andres Pool, Lea County, New Mexico.

CASE 4917: Application of Gulf Oil Corporation for a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a 640-acre standard gas proration unit, Eumont Gas Pool, to two wells, the W. A. Ramsay Well No. 17 at a standard location in Unit J, and W. A. Ramsay Well No. 46 at a non-standard location in Unit E, Section 27, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 4918: Application of Twinlakes Oil Company for a dual completion and salt water injection, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its O'Brien "C" Well No. 3 located in Unit K of Section 1, Township 9 South, Range 28 East, in such a manner as to permit the attempted production of oil from the Twinlakes San Andres Pool and the injection of produced salt water into the Devonian formation, Twin Lakes-Devonian Pool, Chaves County, New Mexico, through parallel strings of 2 7/8-inch casing cemented in a common wellbore.

Rich Bass 1-Legg 27	26	25	30	29
	22	30	22	31
34	35	36	31	32
		Shell 1-James Rch Unit *		
3	2	1	6	5
		Belco 3-James Rch Unit ⊗		
Wills 1-Montgomery 10	11	12	7	8
⊗	23	30	23	31
15	14	13	18	17

BELCO PETROLEUM CORP.

MIDLAND DISTRICT

UNITED STATES
OIL COMMISSION

Belco UNIT NO. 1

CASE NO. 4915

Submitted by Cope

Hearing Date 14 MAR 73

BELCO PETROLEUM CORPORATION
JAMES RANCH UNIT WELL NO. 3

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

Form C-107
5-1-61

Belco Petroleum Corporation		Eddy	Date 3-13-73
2000 Wilco Building, Midland, Texas 79701		James Ranch Unit	Well No. 3
County J	Section 1	Township 23-S	Range 30-E

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 **XX**

2. If answer is yes, identify one such instance: Order No. ; Operator Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Strawn		Atoka
b. Top and Bottom of Pay Section (Perforations)	12,731' - 12,773'		12,998' - 13,005'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

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

- | | | |
|-------------------------------------|-------------------------------------|---|
| Yes | No | |
| <input checked="" type="checkbox"/> | <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. |
| <input checked="" type="checkbox"/> | <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. |
| <input type="checkbox"/> | <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.* |
| <input checked="" type="checkbox"/> | <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 112-A.) |

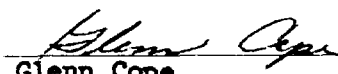
5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Shell Oil Company, P. O. Box 1509, Midland, Texas 79701

Bass Enterprises Production Company, Fort Worth National Bank Building, Fort Worth, Texas 76102

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES **XX** NO . If answer is yes, give date of such notification 3-13-73

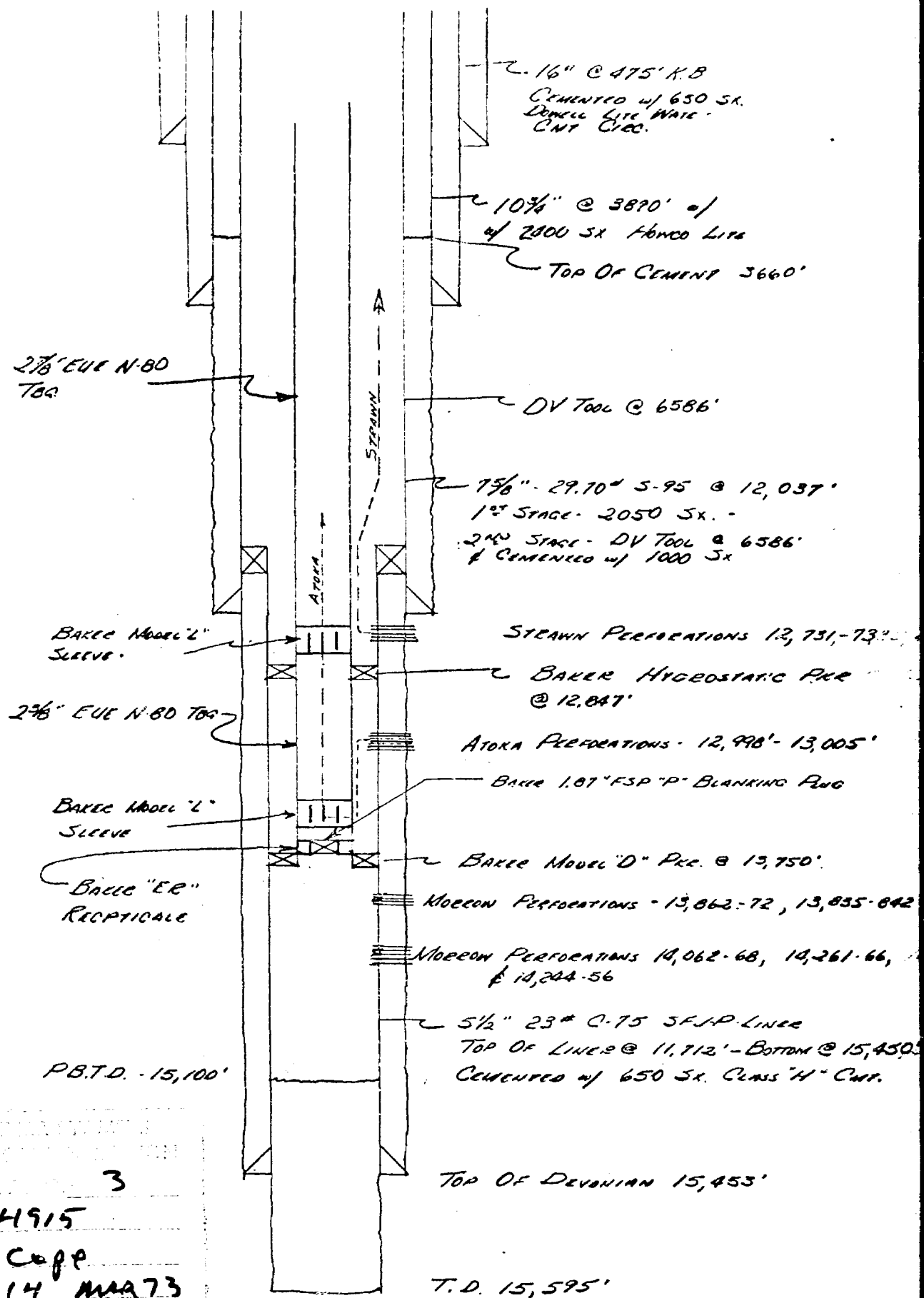
CERTIFICATE: I, the undersigned, state that I am the District Engineer of the Belco Petroleum Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.


Glenn Cope 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.

BELCO PIR CORP.
JAMES RANCH UNIT No. 3
WELL DIAGRAM



Belco 3
4915
Cape
14 MAR 73

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF BELCO PETROLEUM CORPORATION
FOR A DUAL COMPLETION, EDDY COUNTY,
NEW MEXICO

Case 4915

A P P L I C A T I O N

COMES now Belco Petroleum Corporation and applies to the Oil Conservation Commission of New Mexico for approval of a dual completion of its James Ranch Unit Well No. 3, Located in Unit J. of Section 1, Township 23 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, and in support thereof would show the Commission:

1. Applicant is the owner and operator of the above well, located as specified.
2. Applicant proposes to dually complete said well for the production of gas from undesignated Strawn and Atoka gas pools through the casing-tubing annulus and through tubing, respectfully.
3. The dual completion is in the interests of conservation, will result in the recovery of gas that would not otherwise be recovered, and the producing formations will not be damaged in making the completion proposed.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order approving the application as prayed for.

Respectfully submitted,

BELCO PETROLEUM CORPORATION

BY

W. F. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico

Attorneys for Applicant

DOCKET MAILED

Date 3/2/15

DRAFT

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. 4915

Order No. R-4494

APPLICATION OF BELCO PETROLEUM
CORPORATION

APPLICATION FOR
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
March 14, 1963, at Santa Fe, New Mexico, before Examiner
Richard L. Stamets.

NOW, on this _____ day of March, 1963, 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, Belco Petroleum Corporation,
seeks authority to complete its James Ranch Unit Well No. 3

~~WORTH~~ _____, located in Unit J of Section 1, Township

23 South, Range 30 East, NMPM, Eddy County, New
~~North~~ ~~West~~

Mexico, as a dual completion (conventional) ~~XXXX~~
(~~combination~~) to produce gas
(~~tubingless~~)

from the Strawn and Atoka formations ~~XXXXXXXXXXXX~~,
Pool through _____

Los Medanos Field Area, through the casing-tubing annulus and
through tubing, respectively.

(5) That Commission Order No. R-4479 which authorized the dual completion of said well ~~and from the~~ Strawn and Morrow formations should be superseded.

-2-

(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, Belco Petroleum Corporation, is hereby authorized to complete its James Ranch Unit Well No. 3, located in Unit J of Section 1, Township 23 ~~South~~ North Range 30 ~~East~~ West, NMPM, Eddy County, New Mexico, as a dual completion (conventional) ~~(combination)~~ oil to produce gas ~~(tubingless)~~ from the Strawn and Atoka formations, Los Medanos Field Area, through the casing-tubing annulus and through tubing, respectively.

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 ~~and segregation~~

tests ~~and~~ upon completion and annually thereafter during the Annual Shut-In Pressure Test ~~Gas-Oil Ratio Test~~ Period for the Strawn and Atoka Pools. Deliverability

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

(2) That Commission Order No. R-4479 is hereby superseded.

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