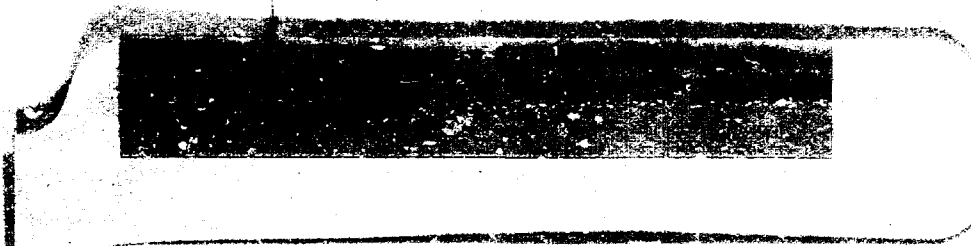


Case No.

1496

Application, Transcript,
Small Exhibits, Etc.



OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

September 19, 1958

Mr. Oliver Seth
P.O. Box 828
Santa Fe, New Mexico

Dear Mr. Seth:

On behalf of your client, Tidewater Oil Company, we enclose two copies of Order R-1242 issued September 17, 1958, by the Oil Conservation Commission in Case 1496, which was heard on August 20th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
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Y

**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. 1496
Order No. R-1242**

**APPLICATION OF TIDEWATER OIL
COMPANY FOR AN ORDER AUTHORIZING
AN OIL-OIL DUAL COMPLETION IN THE
JUSTIS-DRINKARD POOL AND IN AN
UNDESIGNATED MONTOKA POOL IN LEA
COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on August 20, 1958, at Santa Fe, New Mexico, before Elvis A. Uta, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of September, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner Elvis A. Uta, 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, Tidewater Oil Company, is the owner and operator of the A. B. Coates "C" Well No. 14, located 1650 feet from the North line and 2310 feet from the East line of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dually complete the said A. B. Coates "C" Well No. 14 in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from an undesignated Montoka pool through parallel strings of 2 3/8-inch EUE tubing.

CASE NO. 1496
Order No. R-1242

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

(5) That approval of the subject application will not cause waste nor impair correlative rights.

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Tidewater Oil Company, be and the same is hereby authorized to dually complete its A. B. Coates "C" Well No. 14, located 1650 feet from the North line and 2310 feet from the East line of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from an undesignated Montoya pool through parallel strings of 2 3/8-inch EUE tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A, of the Commission Rules and Regulations.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Justis-Drinkard Pool, commencing in the year 1959, and whenever the packer is disturbed, but not excluding any other tests and/or determinations as deemed necessary by the Commission.

IT IS FURTHER ORDERED, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing the Commission may terminate the

-3-
CASE NO. 1496
Order No. R-1242

authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-well production in the interests of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



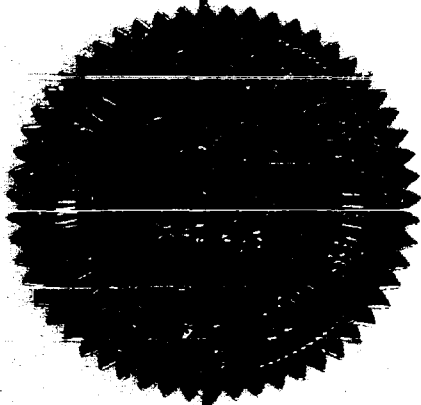
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 8-21-58

CASE NO. 1996

HEARING DATE 8-20-58

My recommendations for an order in the above numbered case(s) are
as follows:

- Approve application as requested.*
- 1. Use Usual Stual order.*
 - 2. Only need for hearing in this case
was the Undesignated Montoya.*

Ernest W. [Signature]

Staff Member

Case 1496

TIDEWATER OIL COMPANY
Box 147
Hobbs, New Mexico

SET FOR
EXAM.
HOBBS

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Tidewater Oil Company respectfully requests a hearing to consider this application for permission to complete its A. B. Coates "C" #14 as an oil-oil dual producer in such a manner as to permit production from the Drinkard and Montoya zones through parallel strings of 2-3/8" BUE tubing. In support of the application Tidewater Oil Company wishes to state the following:

Justis
Drinkard

Under
Montoya

1. Tidewater Oil Company's A. B. Coates "C" #14 is located 1690' PNL & 2310' PNL of Section 24 - T-25-S, R-37-E, Lea County, New Mexico.
2. This well has 12-3/8" surface casing set @ 537' and cemented to the surface, and 9-5/8" intermediate casing set @ 3318' and cemented to the surface. The production string will be 7" casing set at approximately 7000' and cemented back to approximately 4900'.
3. This well is currently drilling at 6000' with an estimated total depth of 7000'. The Drinkard zone was encountered at a depth of 5870' and it is anticipated that the Montoya will be encountered at approximately 6585'.
4. Both zones can be reasonably assumed to be productive. The Drinkard zone on drill stem test produced 26 BOPHR. The Montoya is producing in the northwest diagonal offset, Western Natural Wimberley #3 and a drill stem test recovered oil in the north offset, Tidewater's A. B. Coates #6.
5. The two producing zones will be isolated by means of a Baker Model "D" packer set at approximately 6535'.

Docket Mailed
8-1-58
JTP

6. The Drinkard zone produces 37.2° API gravity crude oil with a GOR of 800 ft³ per bbl. and a BHP of 2600 psi. The Matoya zone produces 36.4° API gravity crude with a GOR of 800 ft³ per bbl. and a BHP of 2660 psi.
7. The type packer used in this installation will easily withstand the differential pressures present in this well.
8. The manner and method of dual completing this well is mechanically sound and practical and is in the interest of conservation and the protection of correlative rights.
9. The applicant will comply with all New Mexico Oil Conservation Commission rules and regulations in maintaining separate production from these pay zones.
10. A plat is attached showing location of the well, offset operators and other duals in the area.
11. A diagrammatic sketch is attached showing the proposed dual completion.
12. By copy of this application and attachments all offset operators have been notified.

Respectfully submitted,

TIDEWATER OIL COMPANY

H. P. Shackelford
H. P. Shackelford,
Area Superintendent

STATE OF NEW MEXICO

COUNTY OF LEA

On this 3rd day of July, 1958, before me personally appeared H. P. Shackelford, to me known to be the person who executed the foregoing letter and states that the foregoing statements are true to the best of his knowledge and belief.

In Witness Whereof, I have set my hand and seal on the day and year first above written.

MY COMMISSION EXPIRES DECEMBER 2, 1959.

Harold E. Wilson Jr.
Notary Public in and for Lea
County, State of New Mexico

MAILING LIST

Gulf Oil Corporation
Box 2167
Hobbs, New Mexico

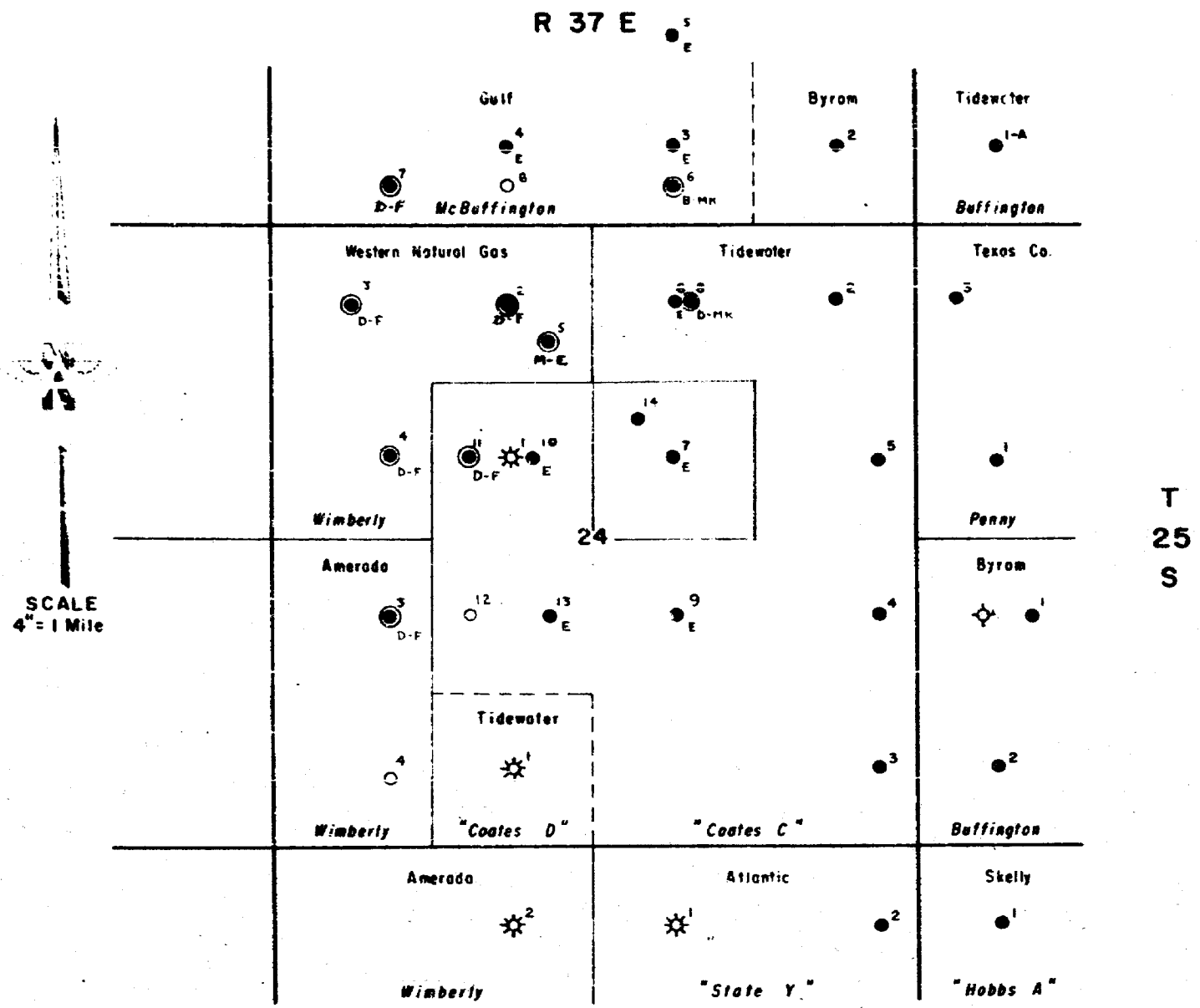
Amerada Petroleum Corporation
Box 312
Midland, Texas

Atlantic Refining Company
Box 871
Midland, Texas

Western Natural Gas Company
823 Midland Tower
Midland, Texas

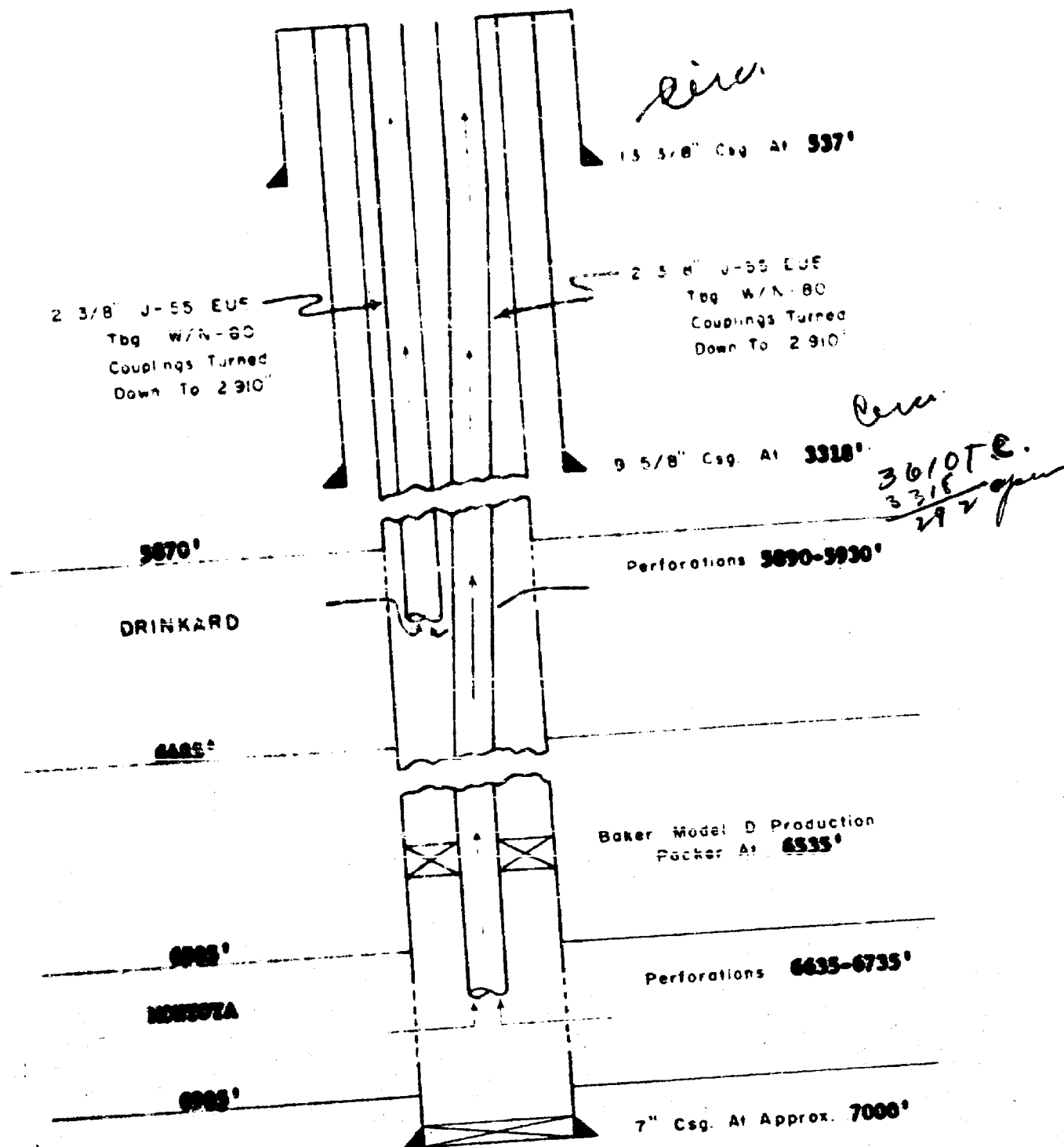
Texas Company
Box 1270
Midland, Texas

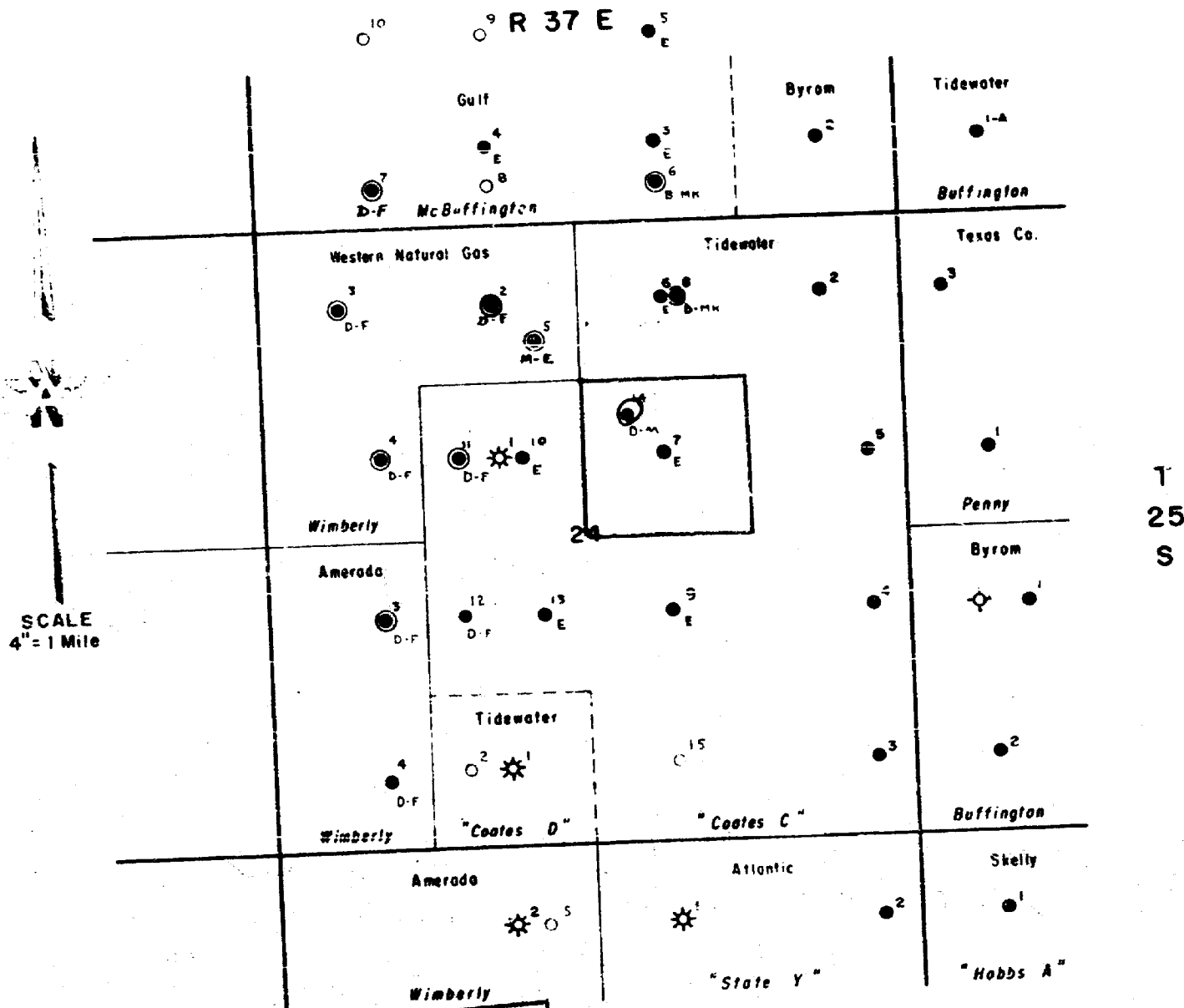
United States Geological Survey (2)
Box 1838
Hobbs, New Mexico



LEA COUNTY
NEW MEXICO

TIDEWATER OIL COMPANY
 DIAGRAMMATIC SKETCH DUAL COMPLETION INSTALLATION
 PROPOSED WELL A B COATES "C" NO. 14





BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Tidewater EXHIBIT NO. 1
CASE NO. 1496

NMCCC Case No. 1796
Tidewater Exhibit. 1

LEA COUNTY
NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 20, 1958

IN THE MATTER OF,

CASE NO. 1496

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
August 20, 1955

IN THE MATTER OF:

CASE NO. 1496 Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its A. B. Coats "C" No. 14 Well, located 1650 feet from the North line and 2310 feet from the East line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Drinkard Pool and an undesignated Montoya oil pool through parallel strings of tubing.

BEFORE:

Mr. Elvis A. Utz

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: The next case on the docket is Case 1496.

MR. PAYNE: Case 1496, Application of Tidewater Oil Company for an oil-oil dual completion.

MR. SETH: Oliver Seth appearing for Tidewater. Mr. Robert Miller is the witness.

(Witness sworn in).

ROBERT M. MILLER

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

DIRECT EXAMINATION

3

BY MR. SETH:

Q Would you state your name, please, Mr. Miller?

A Robert M. Miller.

Q And by whom are you employed?

A Tidewater Oil Company.

Q Where and in what capacity?

A In Hobbs, New Mexico as Area Petroleum Engineer.

Q Are you familiar with Tidewater's application in Case
1496 --

A Yes.

Q And in the area considered?

A Yes, sir.

Q You have testified previously before the Commission,
have you not?

A I have.

MR. SETH: May he testify as an expert?

MR. UTZ: He is acceptable.

Q (By Mr. Seth) Mr. Miller, would you please describe
the location of the well which is the subject of the application?

A Tidewater A. B. Coates "C" Well Number 14 is located
1650 feet from the North line and 2310 feet from the East line,
Section 24, Township 25 South, Range 37 East, Lea County, New Mexico.

Q Do you have a plat showing the location of this well?

A Yes sir, I have.

Q How is the well designated on Tidewater's Exhibit Number One?

A It shows an outline of the dedicated 40 acres in red and the well that is in the Northwest portion of that 40 acres is Well 14, which is a Drinkard-Montoya dual.

Q The LDM appears on the well, is that right?

A Yes sir, that is correct.

Q Would you describe the casing program that was followed in drilling this well?

A This well has 13 and 3 eights inch casing set at 537 feet and cemented to the surface, 9 and 5 eights inch intermediate set at 3318 and cemented to the surface and 7 inch casing set at 6973 and cemented back to 3610.

Q What are the producing sections or zones that were encountered in this well?

A Well, the objective was the Drinkard and the Montoya. The Montoya section was perforated 6840 to 80 and the Drinkard perforated 5876 to 5930. A Baker Model "D" production packer was set at 6490. The Montoya two and three eights inch tubing string was set at 6935 with a Baker parallel tubing anchor at 5989 and the Drinkard two and three eights inch tubing was run and set in anchor at 5989.

Q Do you have a log on this well that shows --

A Yes, I have a log that shows the perforations and a diagrammatic sketch of the well.

Q You have a diagram of the well, too?

A Yes, sir.

MR. UTZ: Do you wish this to be Exhibit Number Two?

MR. SETH: Yes, please.

MR. UTZ: Which exhibit number for the diagrammatic sketch?

MR. SETH: Number One.

Q (By Mr. Seth) Referring to Exhibit Two, which is the log of the well, would you indicate, please, what that shows with regard to this dual completion?

A On a reduced scale of this gamma ray neutron on the A. B. Coates "C" Number Fourteen, it shows the Montoya perforations, the plug-back, total depths.

Q What else is there on the sketch?

A On the 6800, actually, the Montoya perforations are from 6840 to 6880 and it shows also the plug-back, total depth, seven-inch casing set, and three eights inch tubing set for the Montoya section and the tubing perforation for the Montoya section.

Q Were there any unusual conditions encountered in the completion and drilling of this well?

A No sir, there weren't.

Q Do you have the production data on the well?

A Yes, the initial potential on the Drinkard section well, it flowed at 157.40, no water in six hours, daily rate of 192.90 through an 18/64 choke, tubing pressure at a 180, casing pressure at 550. GOR, 762 to 1 and produces 37.3 degrees API gravity.

Q You have a diagram of the well, too?

A Yes, sir.

MR. UTZ: Do you wish this to be Exhibit Number Two?

MR. SETH: Yes, please.

MR. UTZ: Which exhibit number for the diagrammatic sketch?

MR. SETH: Number One.

Q (By Mr. Seth) Referring to Exhibit Two, which is the log of the well, would you indicate, please, what that shows with regard to this dual completion?

A On a reduced scale of this gamma ray neutron on the A. B. Coates "C" Number Fourteen, it shows the Montoya perforations, the plug-back, total depths.

Q What else is there on the sketch?

A On the 6800, actually, the Montoya perforations are from 6840 to 6860 and it shows also the plug-back, total depth, seven-inch casing set, and three eights inch tubing set for the Montoya section and the tubing perforation for the Montoya section.

Q Were there any unusual conditions encountered in the completion and drilling of this well?

A No sir, there weren't.

Q Do you have the production data on the well?

A Yes, the initial potential on the Drinkard section well, it flowed at 157.40, no water in six hours, daily rate of 192.90 through an 18/64 choke, tubing pressure at a 180, casing pressure at 550, GOR, 762 to 1 and produces 37.3 degrees API gravity.

crude oil corrected to 60 degrees.

Q What about the Montoya section?

A The Montoya flowed at 157.40 and again there was no water or daily rate of 630 through a 60/64 choke, tubing pressure, 600 pounds, GOR, 676 to 1, and 35.7 degrees API corrected crude oil.

MR. UTZ: What was the crude oil again?

A 35.7 degrees.

Q (By Mr. Seth) Do you have any bottomhole pressure data?

A Yes sir, the Drinkard bottomhole pressure was 2502 PSI at pool datum of minus 2800 after forty-seven hours shut-in and the Montoya was 2841 PSI at pool datum of minus 3940 after forty-six hours shut-in.

Q Is the packer of the type that can be easily installed?

A Yes, sir.

Q In the Drinkard area?

A Yes sir, it is the same type and description that we have encountered here with these.

Q Is the completion such that whatever tests the Commission desires may be made from the zone separately?

A Yes, sir.

Q Would you refer to the diagrammatic sketch in Exhibit Three. Do you have any comments as to this exhibit?

A No sir, it just sets out a diagrammatic sketch of the

dual completion which is identical to that shown in red in Exhibit Two.

Q Is this dual type completion that you have here ever been made in this area?

A Yes sir, there are several in the area. Most of them essentially use the same type completion.

Q In your opinion, is it mechanically sound if properly installed?

A Yes, sir.

Q Well, will the dual completion if it is approved in this case be in the interest of conservation?

A Yes.

Q Would the production from both zones be at the same time?

A Yes sir, and protect correlative rights.

Q Do you have any other comments as to the proposed completion?

A Nothing other than the fact that at the same time the Montoya section is being produced, that the Drinkard is shut-in.

Q This well location is not within the Montoya Pool as it is presently designated today?

A It wasn't at the time of the application. I believe, however, Tidewater has filed application for extension to the Justis-Montoya Pool.

Q To include this 40 acres stretch, is that right?

A Yes, sir.

Q Were these Exhibits, One through Three, prepared under your direction and supervision?

A Yes sir, they were.

MR. SETH: We would like to offer Exhibits One through Three.

MR. UTZ: Without objections, Exhibits One through Three will be accepted into the record.

MR. SETH: That is all we have.

MR. UTZ: Do you have any questions of the witness?

MR. FISCHER: I do.

MR. UTZ: Mr. Fischer.

CROSS EXAMINATION

BY MR. FISCHER:

Q Mr. Miller, where was that Baker packer set?

A On a wire line.

Q On a wire line?

A Yes, sir.

Q And I didn't get the bottomhole pressure for the Drinkard. Could you give me that, please?

A Yes sir, it was 2502 at a pool datum of minus 2800.

Q And the Montoya was 2841?

A 2841, yes sir, at a pool datum of minus 3940.

Q How long did it take the Drinkard to stabilize?

A We haven't run a packer leakage test to the well yet.

Q What was the shut-in time on that?

A Forty-six hours.

Q On the Montoya?

A Forty-six on the Montoya, forty-seven on the Drinkard.

Q Thank you.

A In the previous bottom hole pressures of the Drinkard section, we have run 48 in 72 hours and was satisfied that it will stabilize in 46, 47 hours.

Q On your tubing, it shows on your log that that is that perforated part down there for both strings of tubing, isn't it?

A Where are you talking about?

Q Down there on your tubing perforations.

A It is 69 to 105.

Q Yes.

A Yes, it is a four-foot tubing perforation.

Q And the weight of the seven inch casing?

A Twenty-three pounds, I believe.

Q What type of collars have you used on your 2 and 3 eighth inch tubing?

A Let's see, I believe on this well the short string was 2 and 3 eighth ~~high~~ grade and the long string was 2 and 3 eighth nominal.

Q Has that been okayed?

A I don't believe that it has been turned down, no sir.

MR. FISCHER: That is all.

MR. PAYNE: Mr. Miller, this would have been eligible for administrative approval but for the fact that there was no previous dual authorized in it for the two zones, would it not?

A That is correct, yes sir.

MR. PAYNE: Thank you.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Miller, what is the nature of the crude as to the zone, is it sweet or sour?

A The Montoya zone is classified as intermediate or sweet grade and the Drinkard is classified as sour.

Q All cement has been circulated to the surface with the exception of the seven inch which was left at the 192 feet of open hole?

A Yes, sir. I am not certain about the 292, they brought that cement back to 3610, I believe.

Q The 9 and 5 inches was 3318?

A Yes, sir.

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

MR. PAYNE: No.

MR. UTZ: If not, the witness may be excused.

Are there any other further statements to be made in this

case?

MR. SETH: That is all we have.

MR. UPZ: If not, the case will be taken under advisement.

(Witness excused).

C E R T I F I C A T E

STATE OF NEW MEXICO)
 : ss
 COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 25th day of August, 1958,
 In the City of Albuquerque, County of Bernalillo, State of New Mexico.

Jerry Martinez
 NOTARY PUBLIC

My Commission Expires:
 January 24, 1962

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Bernalillo County Oil Conservation Commission
 held on August 10, 1958.
[Signature]
 New Mexico Oil Conservation Commission

DEARNLEY - MEIER & ASSOCIATES
 GENERAL LAW REPORTERS
 ALBUQUERQUE, NEW MEXICO
 Phone CHapel 3-6691

DOCKET: EXAMINER HEARING AUGUST 20, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1494: Application of Sinclair Oil and Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the establishment of a 280-acre non-standard gas proration unit in the Eument Gas Pool consisting of the W/2 E/2, E/2 NW/4, and NW/4 NW/4 of Section 19, Township 21 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Sinclair State 176 Well No. 3, located 2310 feet from the South line and 1650 feet from the East line of said Section 19.
- CASE 1495: Application of Continental Oil Company for permission to commingle oil from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the oil produced from the Skaggs-Drinkard Oil Pool and an undesignated Glorieta oil pool through its dually completed Skaggs B-12 No. 1 Well, located 660 feet from the North and West lines of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.
- CASE 1496: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its A. B. Coates "C" No. 14 Well, located 1650 feet from the North line and 2310 feet from the East line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Drinkard Pool and an undesignated Montoya oil pool through parallel strings of tubing.
- CASE 1497: Application of Ambassador Oil Corporation for approval of a lease automatic custody transfer system and for permission to commingle the production from more than sixteen wells. Applicant, in the above-styled cause, seeks an order authorizing it to install a lease automatic custody transfer system utilizing positive displacement meters to handle the production from all wells producing from the Caprock-Queen Pool within the limits of the North Caprock Queen Unit No. 2 in Chaves and Lea Counties, New Mexico, and to commingle the production from all wells within the said North Caprock Queen Unit No. 2.

Case 1496



TIDEWATER OIL COMPANY
MAIN OFFICE OCC

1958 JUL 7 AM 8:35

Box 547
Hobbs, New Mexico
July 3, 1958

SET DUAL
FOR 14
WELL FOR
HEARING
(SEE NEXT
PAGE)

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico


Gentlemen:

Transmitted in triplicate are two letters of application requesting permission to complete as oil-oil duals Tidewater Oil Company's A. B. Coates "C" Well Nos. 12 and 14 in Section 24, T-25-S, R-37-E, Lea County, New Mexico.

Tidewater has requested separate hearings to consider these applications. If in the meantime the Commission approves by its own motion that administrative approval is sufficient to have jurisdiction of the cause and subject matter presented, Tidewater Oil Company respectfully requests that administrative approval be given the subject dual wells.

Respectfully submitted,

TIDEWATER OIL COMPANY


H. P. Shackelford,
Area Superintendent

RNM:bb

TIDEWATER OIL COMPANY

A. B. COATES "C" NO. 14
PARALLEL STRING, OIL/OIL
DUAL, PRESENTED IN COMPLIANCE
TO NMOCC ORDER NO.

