

CASE 1561: Tidewater Oil Co. application
for oil-oil dual of A. B. Coates "C" Well
#17, 24-25S-37E.

Case No.

1561

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
DECEMBER 10, 1958

IN THE MATTER OF:

APPLICATION OF TIDEWATER OIL COMPANY, CASE 1561

TRANSCRIPT OF HEARING

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

BEFORE THE
OIL CONSERVATION COMMISSION
DECEMBER 10, 1958

IN THE MATTER OF:

Application of Tidewater Oil Company for a
dual completion. Applicant, in the above-
styled cause, seeks an order authorizing
it to dually complete its A. B. Coates "C"
Well No. 17, located in the SE/4 NE/4 of Sec-) Case 1561
tion 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-McKee Pool and oil from the Justis-)
Ellenburger Pool through parallel strings of)
tubing.)

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The next case on the docket will be
Case 1561.

MR. PAYNE: Case 1561, Application of Tidewater
Oil Company for a dual completion.

MR. SETH: Oliver Seth appearing for Tidewater. We
have just one witness. (Witness sworn.)

R. N. MILLER

the witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. SETH:

Q State your name, please?

A R. N. Miller.

Q By whom are you employed and in what capacity?

DEARNLEY, MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-2211

A Tidewater Oil Company as a petroleum engineer in Hobbs.

Q Are you familiar with Tidewater's application in this case 1561?

A Yes, sir, I am.

Q Have you testified previously before the Commission?

A Yes, sir.

MR. SETH: May he testify as an expert witness?

MR. NUTTER: Yes, sir, proceed.

Q (By Mr. Seth) Would you state, please, the general purpose of the application and the location of the well which is the subject of this application?

A The purpose of the application is to dually complete with two strings of tubing Tidewater Oil Company's A. B. Coates "C" Well Number 17, located in the southeast quarter of the north-east quarter of Section 24, Township 25 South, Range 37 East, in the Justis-Ellenburger and the Justis-McKee Oil Pool.

Q What is the completion situation on this well?

A This well was drilled to a total depth of 7950 feet with seven inch casing set at 7909 and cemented back to 5550. There was an intermediate string, 9 5/8 inches, set at 3316 feet, cemented to the surface. The surface string was set at 516 feet, 13 3/8. We propose to set a Baker Model D Production Packer at approximately 7700 feet and run 2 3/8 Nominal Vex through the Ellenburger section and run at 2 3/8 Hydril through the McKee,

producing the Ellenburger 7909 to 7950 open hole, and the McKee approximately 7210 to 7320 in the seven inch perforation.

Q Can you tell me, is this proposal similar to other installations in this general area?

A Other than the zones that the well will be completed in, it is almost identical to many other completions in the area, all of which have been very successful.

Q Would you state the characteristics of the two different pools?

A The Ellenburger produces 45 degree API gravity, has a gas-oil ratio of 1100 to one. The Ellenburger has currently a bottom hole pressure of 1350 psi. The McKee section produces oil with a gravity of 42 degrees API with a gas-oil ratio of a thousand to one approximately, and the current bottom hole pressure is 2770 psi.

Q Do you have a diagram of the proposed installation?

A Yes, sir.

(Marked Tidewater Oil Company
Exhibit 1 for identification.)

Q Now, state briefly what this proposed diagram shows?

A The diagrammatic sketch shows the proposed completion of A. B. Coates Tidewater 17 dually as a Justis-McKee and Justis-Ellenburger Well.

Q Is there anything unusual about the installation shown on Exhibit One?

A No, sir.

Q What is the approximate pressure differential across the packer?

A Across the packer it would be approximately 200 pounds. Actually, from the datum of the McKee to the datum of the Ellenburger would be 380 psi.

Q Is this type of packer capable of preventing leakage?

A Yes, sir, it will stand a greater differential than that.

Q Is there anything unusual about the sweet or intermediate grade crude?

A They are intermediate grade crudes. This location can be assumed to be productive as the Ellenburger tested 175 barrels of oil in three and a quarter hours on half inch choke or 1200 barrels a day. On a DST in this well through the McKee section, the well flowed an average of 27 barrels an hour for a three hour test.

Q If this application is granted, will it result in a prevention of waste and a saving of materials?

A Yes, sir, it will save over \$75,000 over the cost of drilling an additional well to produce the McKee section.

Q Is there anything further you'd like to state to the Commission in connection with this application?

A No, sir. I do have -- we have another exhibit here showing the location of the well.

Q You have a plat showing the location?

A Yes, sir, and the dedicated 40 acres.

(Marked Tidewater Oil Company
Exhibit 2 for identification.)

Q Were both of these prepared under your direction and supervision?

A Yes, sir.

MR. SETH: We'd like to move the introduction of Exhibits One and Two.

MR. NUTTER: Any objection to the introduction of Tidewater's Exhibits One and Two? If not, they will be admitted in evidence.

MR. SETH: That's all the direct we have.

MR. NUTTER: Are there questions of Mr. Miller? If not, he will be excused.

(Witness excused.)

MR. NUTTER: Does anyone have anything further he wishes to offer in case 1561? We will take the case under advisement, and we will take the next case.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

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

WITNESS my Hand and Seal this 16th day of December, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

John Calvin Bevell
NOTARY PUBLIC

My Commission Expires:
January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1571, heard by me on 12-10, 1958.

[Signature], Examiner
New Mexico Oil Conservation Commission

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

P.O. Box 871
Santa Fe, New Mexico
December 18, 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-1305 issued December 17, 1958,
by the Oil Conservation Commission in Case 1561, which was
heard on December 10th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
O
P
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. 1561
Order No. R-1305

APPLICATION OF TIDEWATER OIL COMPANY
FOR AN ORDER AUTHORIZING AN OIL-OIL
DUAL COMPLETION IN THE JUSTIS-McKEE
POOL AND JUSTIS-ELLENBURGER 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 December 10, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 December, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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. 17, located in the SE/4 NE/4 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. 17 in such a manner as to permit the production of oil from the Justis-McKee Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.

(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.

-2-
Case No. 1561
Order No. R-1305

(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. 17, located in the SE/4 NE/4 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-McKee Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.

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

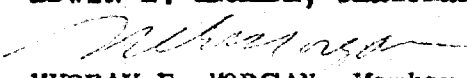
PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Justis-Ellenburger Pool.


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

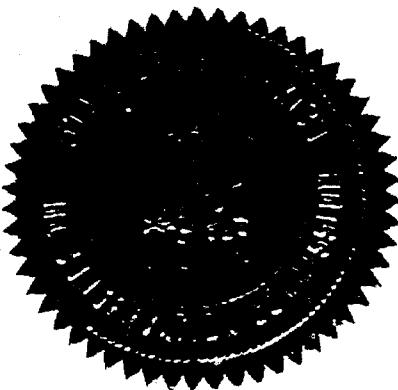
DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


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



1r/

DOCKET: EXAMINER HEARING DECEMBER 10, 1958

OIL CONSERVATION COMMISSION 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 1558: Application of Sunray Mid-Continent Oil Company for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Blinebry Oil Pool and Drinkard Pool on its State Land "15" Lease comprising the S/2 S/2 of Section 16, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant proposes to meter the production from the Blinebry Oil Pool prior to being commingled and to determine Drinkard Pool production by subtracting the metered volume on the total gauged production in the common tank battery.
- CASE 1559: Application of Sunray Mid-Continent Oil Company for an order authorizing a secondary recovery project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection with said project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a secondary recovery project in the Bisti-Lower Gallup Oil Pool for the injection of dry gas into the Gallup formation through its Federal "C" Well No. 18, located in the SW/4 NE/4 of Section 7, Township 25 North, Range 12 West, San Juan County, New Mexico. Applicant further proposes that special rules and regulations be promulgated to govern the operation of the above-referenced project, which rules would provide among other things for the conversion of additional injection wells without notice and hearing, the transfer of allowables from injection wells to producing wells, transfer of allowables from wells which have been shut-in for observation or to increase the efficiency of the project, exemption of all leases connected with the project from gas-oil ratio limitation provided gas produced therefrom is reinjected, and such other rules and regulations the Commission may deem appropriate.
- CASE 1560: Application of El Paso Natural Gas Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Huerfano Unit Well No. 92 (DG) located in the SW/4 NW/4 of Section 7, Township 26 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and gas from an undesignated Dakota gas pool.
- CASE 1561: Application of Tidewater Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its A. B. Coates "C" Well No. 17, located in the SE/4 NE/4 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-McKee Pool and oil from the Justis-Ellenburger Pool through parallel strings of tubing.
- CASE 1562: Application of British American Oil Producing Company for permission to institute a secondary recovery project in San Juan County, New Mexico, and for the promulgation of special rules and regulations in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing it to institute a secondary recovery project in the Bisti-Lower Gallup Oil Pool for the injection of dry gas and/or liquefied petroleum gas into the Gallup formation through four wells located in Sections 27 and 28, Township 26 North, Range 13 West, San Juan County, New Mexico. Applicant further proposes that

CASE 1562: (con't)

special rules and regulations be promulgated to govern the above-described project, which would include among other things conversion of additional injection wells without notice and hearing, transfer of allowables from injection wells, transfer of allowables from wells shut-in for observation purposes or to increase the efficiency of the project, exemption of all leases connected with the project from gas-oil ratio limitation provided gas produced therefrom is reinjected, and such other rules and regulations the Commission may deem appropriate.

CASE 1563:

Application of Caulkins Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Breech "A" Well No. D-204, located in the SE/4 SE/4 of Section 9, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the South Blanco-Tocito Oil Pool and the production of gas from the South Blanco-Dakota Gas Pool through parallel strings of tubing.

CASE 1564:

Application of Great Western Drilling Company for approval of a unit agreement and a pilot water flood project. Applicant, in the above-styled cause, seeks an order approving its proposed North Central Caprock Queen Unit Agreement embracing 2,040 acres, more or less, of state and federal lands in Sections 13, 14, 15, and 24, of Township 13 South, Range 31 East, and Sections 17, 18, and 19, of Township 13 South, Range 32 East, Caprock-Queen Pool, Chaves and Lea Counties, New Mexico, and for authority to institute a pilot water flood project in the Queen formation underlying said unit area.

CASE 1565:

Application of Continental Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Warren Unit Well No. 9 located in the SW/4 NW/4 of Section 27, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Warren-Tubb Gas Pool and oil from the Warren-Drinkard Oil Pool through parallel strings of tubing.

CASE 1566:

Application of Pan American Petroleum Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its East Saunders Unit Agreement embracing approximately 2,320 acres of state acreage in Township 14 South, Range 34 East, Lea County, New Mexico.

CASE 1567:

Application of Olsen Oils, Inc., for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the N/2 NW/4, SW/4 NW/4 and the NW/4 SW/4 of Section 25, Township 22 South, Range 37 East, Lea County, New Mexico; or in the alternative for a compulsory pooling order pooling all interests within the vertical limits of the Tubb Gas Pool in the NW/4 of said Section 25 as one Tubb Gas Unit and a like order pooling all interests within the vertical limits of the Tubb Gas Pool in the SW/4 of said Section 25 as another Tubb Gas Unit.

TIDEWATER OIL COMPANY

A. B. COATES "C" NO. 17
PARALLEL STRING, OIL/OIL
DUAL, PRESENTED IN COMPLIANCE
TO NMOCC ORDER NO.

2 $\frac{3}{8}$ " Tubing to McKee Section
2 $\frac{3}{8}$ " Tubing to Ellenburger Section

13 $\frac{3}{8}$ " Set at 516'
Cemented to Surface

9 $\frac{5}{8}$ " Set at 3316'
Cemented to Surface

Top of Perforations at 7210

Bottom of Perforations at 7320'

Tubing for McKee Section Set in
Baker Parallel Tubing Anchor at 7389

Baker Model "D" Production Packer
Set at 7700'

Tubing for Ellenburger Section
Set at 7932

7" set at 7909' & cemented back
to 5550'.

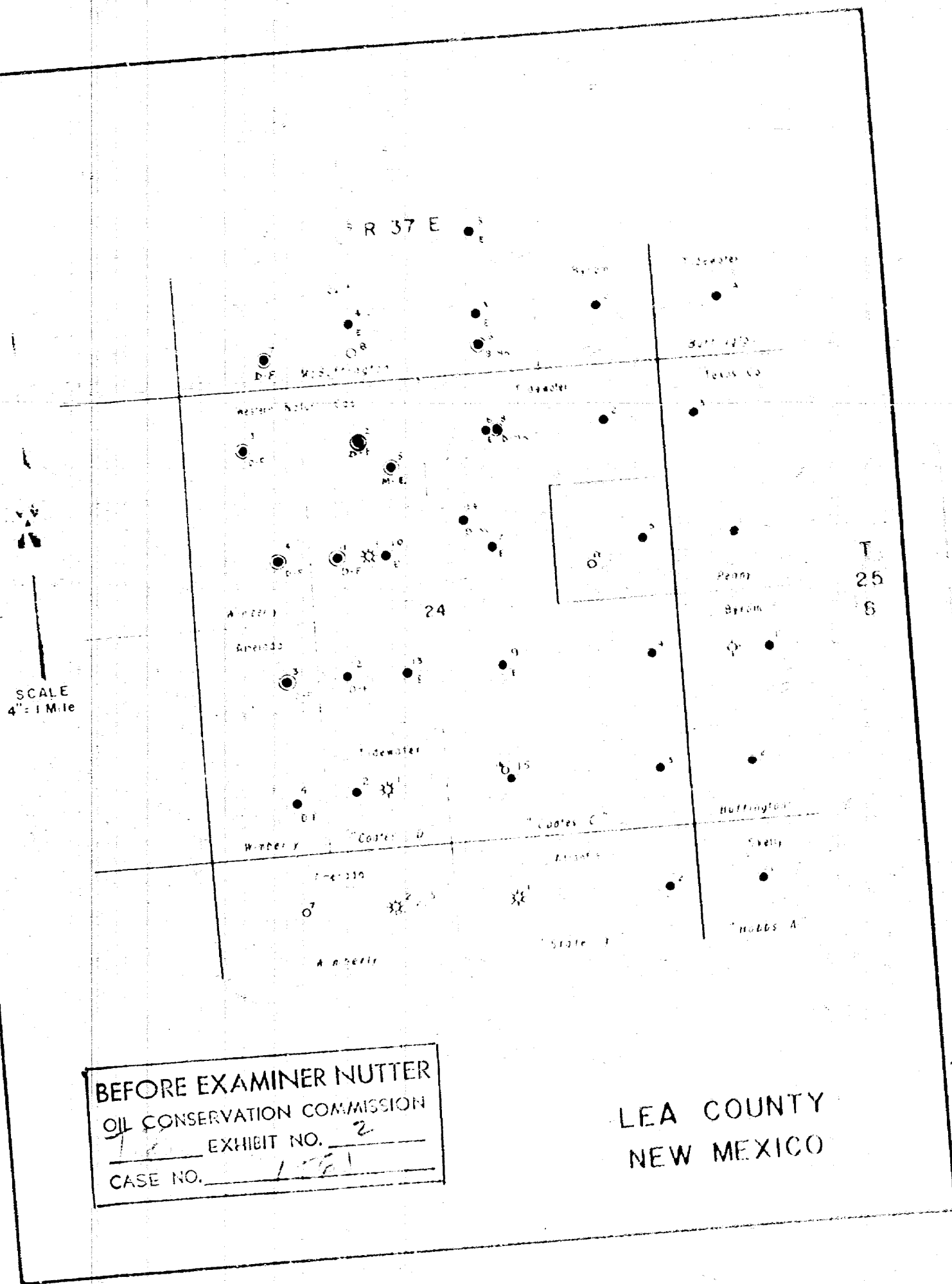
T.D. 7950'

BY W. L. MINER NUTTER
OIL FIELD SECTION COMMISSION
Tidewater FIELD NO. 1
CASE NO. 1561

SCALE
4" = 1 Mile

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1561

LEA COUNTY
NEW MEXICO



NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Justis Ellenburger-Justis McKee		County Lea	Date 11-1-58
Operator Tidewater Oil Company		Lease A. B. Coates "C"	Well No. 24 17
Location of Well	Unit H	Section 24	Township 25S
			Range 37E

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Justis McKee	Justis Ellenburger
b. Top and Bottom of Pay Section (Perforations)	7210-7320	O.H. 7909-7950
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flow	Flow

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

- Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, 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 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 c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- Yes 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.

Gulf Oil Corporation - P. O. Box 2167, Hobbs, New Mexico

Western Natural Gas Company - 823 Midland Tower, Midland, Texas

Amerada Petroleum Corp. P. O. Box 2040, Tulsa, Oklahoma

Atlantic Refining Company - P. O. Box 871, Midland, Texas

The Texas Company - P. O. Box 1270, Midland, Texas

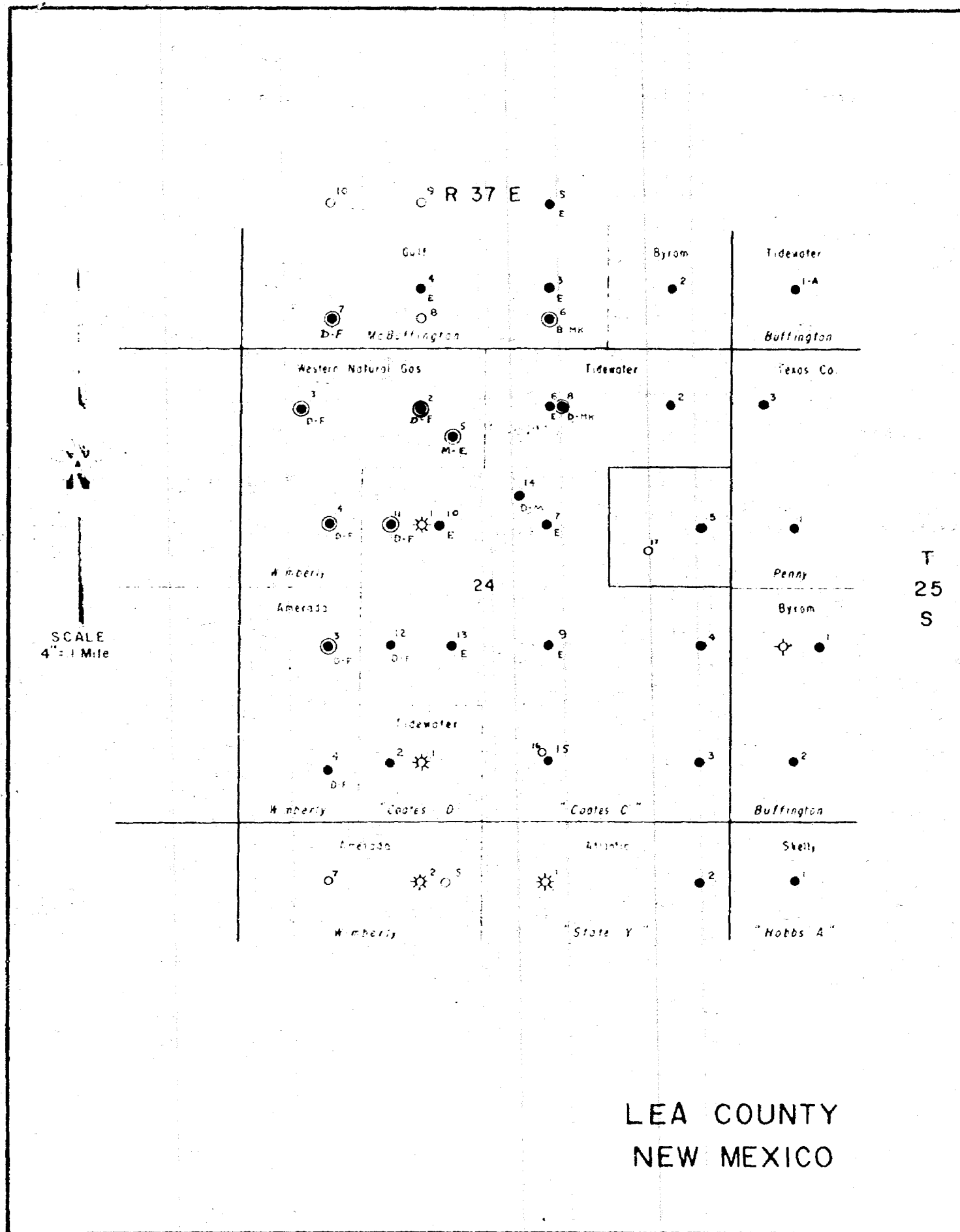
W. K. Byron - 817 N. Turner, Hobbs, New Mexico

Shelly Oil Company - Box 1650, Tulsa, Oklahoma

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 Area Supt. of the Tidewater 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.

- * 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 dual completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



TIDEWATER OIL COMPANY

A. B. COATES "C" NO. 17
 PARALLEL STRING, OIL/OIL
 DUAL, PRESENTED IN COMPLIANCE
 TO NMOCC ORDER NO.

2 3/8" Tubing to McKee Section

2 3/8" Tubing to Ellenberger Section

13 3/8" Set at 516'
 Cemented to Surface

9 5/8" Set at 3316'
 Cemented to Surface

Top of Perforations at 7210

Bottom of Perforations at 7310

Tubing for McKee Section Set in
 Baker Parallel Tubing Anchor at 7389

Baker Model "D" Production Packer
 Set at 7700'

Tubing for Ellenberger Section
 Set at 7932

7" set at 7909' & cemented back
 to 5550'.

T.D. 7950'

*gross 42"
 GOR 1000 bbl
 BHP 2770*

*27 B/W
 DST 31W*

*200 # fill
 around packer*

*gross 45"
 GOR 1100 bbl
 BHP 3150*

*MSBP
 in 3" hole
 12" dia*

*packer
 27" dia
 12" dia*