CASE 1575: Texas Co. application for oil-oil deal of Henderson Well #5, 30-21S-37E.

Casa Mo.

1575

Application, Transcript,
Small Exhibits, Etc.

OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

Date

CASE NO.	. 15-75	HEARING	DATE /- 7-	5-9	
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Staff Member

BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1575

TRANSCRIPT OF HEARING

January 7, 1959

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

BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case 1575 Application of the Texas Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Henderson Well No. 5 located in the NW/4 NE/4 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Penrose-Skelly Pool and oil from the Paddock Pool through parallel strings of tubing.

Mabry Hall Santa Fe, New Mexico January 7, 1959

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. JTZ: The next case on the docket will be 1575.

MR. PAYNE: Case 1575, "Application of the Texas Company for a dual completion."

(Whereupon, the documents were marked for identification as Applicant's Exhibits One, Two and Three).

MR. WHITE: May the record show the same appearances in this case as in the former case and the same witness and that he's been sworn.

MR. UTZ: Are there other appearances to be made in this case?

H. N. WADE

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Wade, are you the same Mr. Wade that testified in Case Number 1574?

A I am.

Q Are you familiar with the Texas Company's operations in the Penrose-Skelly Pool?

A Generally, yes sir.

MR. WHITE: Are the witness' qualifications acceptable in this case?

MR. UTZ: Yes sir, they are.

Q (By Mr. White) Mr. Wade, will you refer to the ownership map marked as Exhibit Number One and explain that, please?

A This ownership map was prepared not only to show the ownership, but to show all of the wells in the general vicinity of the Texas Company's Henderson lease, which is located in the north half of Section 30, Township 21 South, Range 37 East. The wells shown are also identified as to pay or pool by the legend in the lower left hand corner of the exhibit. Offset operators with their names and addresses are shown in the lower right hand corner of the exhibit. The proposed dual well, the D. M. Henderson Well

Number 5, has been circled in red. This well is located in the northwest quarter of the northeast quarter of Section 30.

- Q What two reservoirs are there involved?
- A Involved is the Penrose-Skelly and the Paddock.
- Q Has the Commission previously approved any dual completions in this area, to your knowledge?
 - A Not to my knowledge involving those two pays, no sir.
- Q Would you briefly discuss the nature of the reservoir fluids?

A We are in the process of completing this well and as a result, we don't have too much information concerning the actual fluid to be produced from the well itself. We do have some scanty background on the other wells on this lease which are completed in the paddock and in the Penrose-Skelly.

Q The --

A The Penrose-Skelly is being produced by our Well Number 1 which is located in the southeast of the northeast of Section 30. In that well, we have arrived at some reservoir fluid properties. The gravity is somewhere in the range of 33 to 34 degrees.

MR. UTZ: Which formation was this?

A The Penrose-Skelly as estimated from the production from Well Number 1. The gas-oil ratio ranges from three thousand to five thousand to one. We have roughly estimated, and it certainly is an estimate, that the original bottomhole pressure in this area from the Penrose-Skelly was about 1,280 pounds. From the Paddock,

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as indicated by production in Well Number 2, which is located in the northeast quarter of the northeast quarter of Section 30, we find that the gravity is 37 degrees. The gas-oil ratio is about five hundred to one and we have estimated that the original pressure in this reservoir was around 1800 pounds. We don't have up to date pressures in the reservoir. We can deduct this, though, and the Paddock formation has seemed to hold up considerably better than the Penrose-Skelly in this immediate vicinity. We gather from that that more than likely the bottomhole pressure has held up better in the Paddock than in the Penrose-Skelly. Using our estimates of 1280 pounds in the Penrose-Skelly and 1800 in the Paddock, it would be my guess that the difference between the pressures at this time would be even greater than the difference between those estimated original pressures.

We are, as I said, in the process of completion of these wells, which will involve the potentialing of both zones, at which time we plan to take bottomhole pressures in each, along with the packer leakage tests. At that time, we will have the information which will be necessary from a bottomhole pressure standpoint. On flow tests that we have gotten prior to the actual completion, the Penrose-Skelly zone in this well flowed immediately after recovering load oil at the rate of 27 barrels of oil per hour on a 24/64 inch choke. The tubing pressure during this test was 375 PSI. The Paddock zone, also during a preliminary flow test immediately after an acid treatment and immediately after recovering load oil, flowed

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120 barrels of new oil in 12 hours through a 20/64 inch choke. The tubing pressure during this test was 50 PSI. There were no gas-oil ratios taken from either zone during these initial flow tests.

Q (By Mr. White) Now, Mr. Wade, will you refer to what has been marked as Exhibit Two, being a diagramatic sketch of the dual completion, and explain the proposed program?

A Yes, this diagramatic sketch was designed to show the tubing, casing and packer arrangements to be employed in this well As indicated, there is 9 5/8 inch casing set at 1226 feet with the cement circulated to the surface. Five and a half--wait a minute 7-inch casing has been set at 5210, the top of the cement behind this casing is 2330. The perforated intervals of the two zones are shown. The Grayburg has been perforated from 3686 to 3714, from 3742 to 3762, from 3770 to 3792, from 3816 to 3826 and from 3850 to 3874. The Glorieta or Paddock interval has been perforated from 5172 to 5188 feet. The total depth on this well was 5210, plugged back to 5205, which was actually the drillout point on cement. There will be two strings of 2 3/8 inch tubing run in this well. The separation device will be a Baker model packer which is set at 5100 feet. The long string of tubing which will serve the Paddock or Glorieta zone is set at 5132 feet. The short string of tubing to serve the Grayourg zone is set at 3859 feet and is attached or anchored to the long string by means of a Baker parallel string and core with latching set at 3680 feet. I believe that's the information that --

Q In your opinion, will there be any communitization between the zones?

A No, sir.

Q Is this the same type equipment that has been previously approved by the Commission in the way of --

A Yes sir, in many instances.

Q Will you refer to what has been marked as Exhibit Three and explain that, please?

A Exhibit Three is a radioactivity log which has been run on the well and it merely shows colored in red the perforated intervals and the top and base of the two zones for which a dual is requested in this well. There is nothing unusual about this, it's just presented to show the characteristics of the electric bed by the radioactivity log of the two zones in question.

Q Were those exhibits prepared under your direction and supervision?

A Yes, sir.

MR. WHITE: At this time, we move for the admission of Exhibits One through Three.

MR. UTZ: Without objection, Exhibits One through Three will be accepted.

Q (By Mr. White) Mr. Wade, will the Texas Company be in the position to take whatever tests that may be required by the Commission from time to time?

A Yes, sir.

MR. WHITE: We have no further questions.

MR. UTZ: Mr. Wade, do you have knowledge of the type of crude in the Paddock and Penrose zones?

A Only generally, Mr. Utz. I think that the Penrose-Skelly oil will no doubt be sour and that the Paddock will be less so. To what degree, I am not aware.

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

MR. FISCHER: Yes.

MR. UTZ: Mr. Fischer?

MR. FISCHFR: Will one or both of your strings of tubing be shaped and bevelled at the collars, Mr. Wade?

A It is our operating practice to sc handle it. I am sure they will be, yes sir.

MR. FISCHER: On your long string of tubing, it doesn't show, but will it be a bull plug or a collar at the bottom?

A Our tubing is usually run bull plug.

MR. FISCHER: Your Paddock pay, is it a gas type drive or water drive?

A I don't know, I think it's probably under the influence of some water encroachment. Whether or not it's a pure water drive, I doubt it, but it certainly is under the influence of water as indicated by the water production on this and other leases in the area, yes sir.

MR. FISCHER: You did get a water production test on the Paddock, didn't you?

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A Let me see. I don't believe we did, or at least my information does not show that we did.

MR. FISCHER: I think that's all.

One other question, what type of a head do you have on that well?

A The make?

MR. FISCHER: Yes.

A I have no idea, Mr. Fischer.

MR. FISCHER: Well, is it a split doughnut?

A Most of our dual string equipment is. I am sure that is what it would be.

MR. FISCHER: Thank you.

MR. UTZ: Mr. Wade, I note that your Exhibit Two shows the lower zone to be Glorieta, whereas the Penrose-Skelly Pool is designated as Grayburg and Paddock. Is the Paddock a member of the Glorieta zone?

A Yes, sir.

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

If not, the witness may be excused.

(Witness excused).

MR. UTZ: Are there other statements to be made in this case?

If not, the case will be taken under advisement.

STATE OF NEW MEXICO)
: BP
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 Hearing was reported by me in Stenotype and that the same was reduced to typewritten transcript by me and contains a true and correct record of said hearing, to the best of my knowledge, skill and ability.

DATED this 9th day of January, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

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 the Hollson, heard by me on a 2

New Mexico Cil Conservation Commission

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

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

January 16, 1959



Mr. L. C. White Gilbert, White & Gilbert P.O. Box 787 Santa Fe, New Mexico

Dear Mr. White:



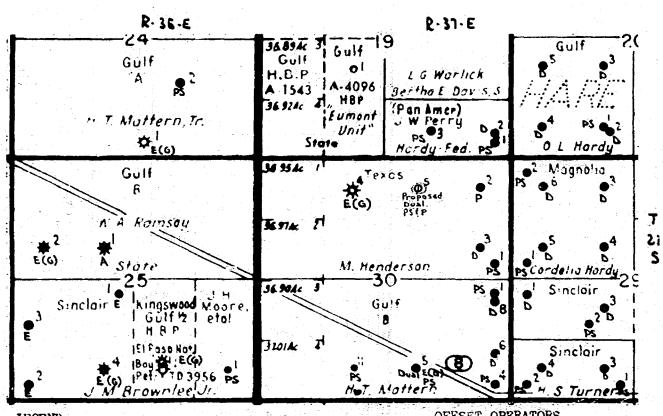
On behalf of your client, The Texas Company, we enclose two copies of Orders R-1319 and R-1320 issued January 14, 1959, by the Oil Conservation Commission in Cases 1574 and 1575, respectively, which were heard on January 7th at Santa Fe before an examiner.

Very truly yours.



A. L. Porter, Jr. Secretary - Director

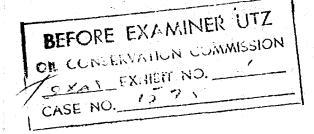
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LEGENT

A----Arrowhead D----Drinkard E----Eumont 011 E(G)-Eumont Gas P----Paddock PS---Penrose Skelly OFFSET OPERATORS

Gulf Gil Corp.-Box 669-Roswell, New Mexico Magnolia Pet. Co.-Box 2406-Hobbs, New Mexico Sinclair O&G Co.-520 E. Broadway-Hobbs, New Mexico J.W. Perry-Box 655-Cdessa, Texas J.H. Moore-1000 Green Acres Drive-Hobbs, N.M.



Ech. #1

CASE 1579:

Application of Amerada Petroleum Corporation for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Turner No. 2 Well located in the NW/4 SW/4 of Section 17, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Warren-McKee Pool and oil from an undesignated Connell pool through parallel strings of tubing.

CASE 1580:

Application of Cities Service Oil Company for permission to install lease automatic custody transfer equipment. Applicant, in the above-styled cause, seeks an order authorizing it to install lease automatic custody transfer equipment to receive and measure the oil produced and marketed from its Government "B" Lease in Sections 3 and 10, Township 14 South, Range 31 East, Chaves County, New Mexico. Applicant proposes to utilize positive displacement meters for measurement of the oil delivered to the pipeline.

CONTINUED CASE

CASE 1516:

Application of El Paso Natural Gas Company for two non-standard gas proration units and for the approval of one unorthodox gas well location. Applicant, in the above-styled gause, seeks an order establishing a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 SW/4 and the SW/4 SW/4 of Section 4, Township 25 South, Range 37 East, said unit to be dedicated to the applicant's Wells Federal No. 3 Well located 1980 feet from the South and West lines of said Section 4. Applicant further seeks the establishment of a 200-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SE/4 SW/4 of Section 4 and the NW/4 of Section 9, Township 25 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Wells Federal No. 11 Well located 430 feet from the South line and 2317 feet from the West line of said Section 4. Applicant further seeks approval of the unorthodox gas well location of the said Wells Federal No. 11 Well.

DOCKET: EXAMINER HEARING JANUARY 7, 1959

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

The following cases will be heard before Elvis A. Utz, Examiner: CASES 1572 - 1580

CASE 1572:

Application of Mrs. E. G. Woods for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of her Federal-Simon "A" Well No. 1 located in the NW/4 NE/4 of Section 29, Township 17 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Yates oil pool and oil from the Maljamar Pool through parallel strings of tubing.

CASE 1573:

Application of Southwestern, Inc. Oil Well Servicing for permission to make a "slim hole" completion. Applicant, in the above-styled cause, seeks an order authorizing it to utilize the "slim hole" method of completion for a well located in the SE/4 NW/4 Section 32, Township 16 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant proposes to utilize 2½ inch tubing as a substitute for casing in the above-described well.

CASE 1574:

Application of The Texas Company 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 W/2 NW/4, NE/4 NW/4, NW4 NE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to applicant's A. H. Blinebry NCT-3 Well No. 1 located 660 feet from the North and West lines of said Section 31.

CASE 1575:

Application of The Texas Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Henderson Well No. 5 located in the NW/4 NE/4 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Penrose-Skelly Pool and oil from the Paddock Pool through parallel strings of tubing.

CASE 1576:

Application of Sinclair Oil & Gas Company for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to convert its dry and abandoned No. 2 State Lea 403 Well to a salt water disposal well in the Devonian formation, South Vacuum-Devonian Pool; said well is located 660 feet from the South and West lines of Section 22, Township 18 South, Range 35 East, Lea County, New Mexico.

CASE 1577:

Application of Pure Oil Company for permission to install lease automatic custody transfer equipment. Applicant, in the above-styled cause, seeks an order authorizing it to install lease automatic custody transfer equipment to receive and measure the oil produced and marketed from the South Vacuum Unit located in Township 18 South, Range 35 East, Lea County, New Mexico. Applicant proposes to utilize positive displacement meters for measurement of the oil delivered to the pipeline.

CASE 1578:

Application of Amerada Petroleum Corporation for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Turner Well No. 1 located in the SN/4 SN/4 of Section 17, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Abo pool and oil from the Warren-McKee Pool through parallel strings of tubing.

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NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Case 1575

MISSION

Florida

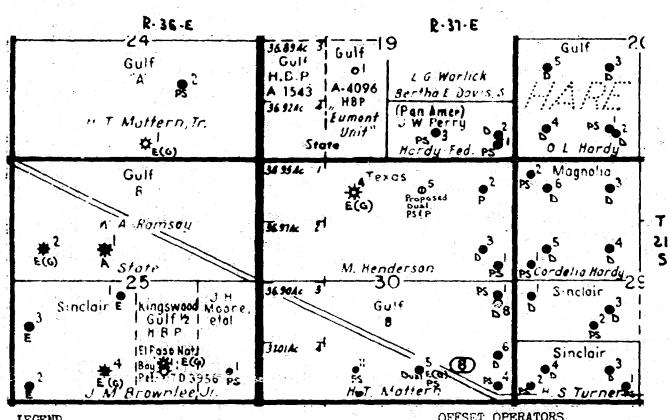
7-3-58

140 COMPLETION FOR DUAL COMPLETION

The state of the s		County	Date	11-26-58
Penrose-Skelly and Padd		l Lea	W-11 N	
Operator The Towns Commons	Lease	Vandangan	Well No.	0.
The Texas Company Location Unit	Section V. M.	Henderson Township	Range	
of Well B	30	21-5	78	37 - E
. Has the New Mexico Oil Conservation	Commission heretofore	e authorized the dual complet	ion of a well in thes	se same pools or in the same
zones within one mile of the subject				•
. If answer is yes, identify one such in			Lease, and Well No.	
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. The following facts are submitted:	11-	ner Zone	*	ower Zone
	<u> </u>		<u> </u>	
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b. Top and Bottom of			en e	
Pay Section	36501-37501 (Est.)	5100'-51	50' (Est.)
(Perforations)	041		011	
c. Type of production (Oil or Gas)	011		011	
d. Method of Production	Pump (Est.)		Pump (Es	t.)
(Flowing or Artificial Lift) The following are attached. (Please)	mark VES at NO)			
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		iting depth, location and type	e of packers and side	door chokes, and such other
information as may be pertin	ient.			
Vac				
Yes b. Plat showing the location			n offset leases, and	the names and addresses of
operators of all leases offse	etting applicant's lease.			
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* 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 proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



LEGEND

A----Arrowhead

D----Drinkard

E----Eumont Oil

E(G)-Eumont Gas

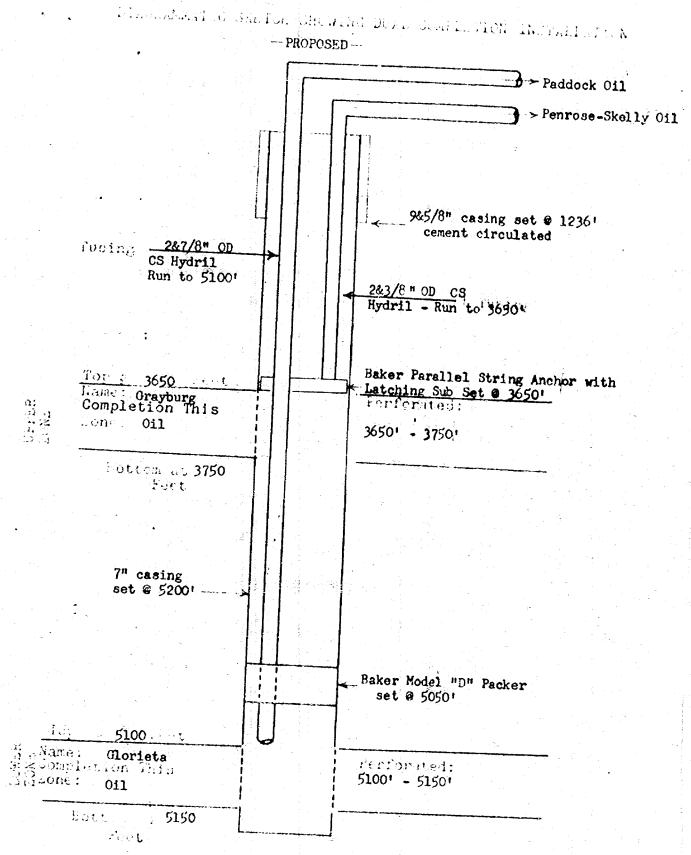
P----Paddock

PS---Penrose Skelly

OFFSET OPERATORS

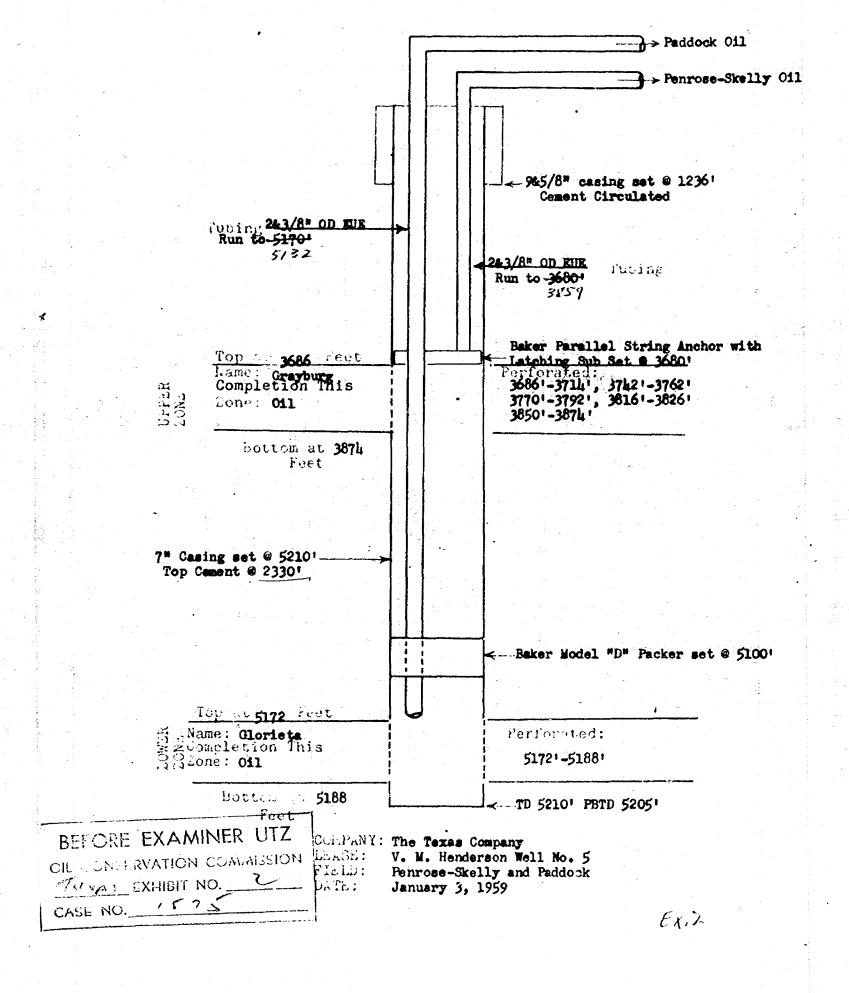
Gulf Cil Corp.-Pox 669-Roswell, New Mexico Magnolia Pet. Co.-Box 2406-Hobbs, New Mexico Sinclair O&G Co.-520 E. Broadway-Hobbs, New Mexico J.W. Perry-Box 655-Odessa, Texas

J.H. Moore-1000 Green Acres Drive-Hobbs, N.M.



V. M. Henderson Well No. 5
Penrose - Skelly and Paddock
November 24, 1958

Aba ari Marani Baini



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. 1575 Order No. R-1320

APPLICATION OF THE TEXAS COMPANY FOR AN OIL-CIL DUAL COMPLETION IN THE PENBOSE-SKELLY POOL AND IN THE PADDOCK POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 7, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, 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 A day of January, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, 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, The Texas Company, is the owner and operator of the Henderson Well No. 5, located 660 feet from the North line and 1980 feet from the East line of Section 30, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete the above-described Henderson Well No. 5 in such a manner as to permit the production of oil from the Penrose-Skelly Pool and the production of oil from the Paddock Pool through parallel strings of 2-3/3 inch OD EUE 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. 1575 Order No. R-1320

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, The Texas Company, be and the same is hereby authorized to dually complete its Henderson Well No. 5, located 660 feet from the North line and 1980 feet from the East line of Section 30, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Penrose-Skelly Pool and the production of oil from the Paddock Pool through parallel strings of 2-3/8 inch OD EUE 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 Gas-Oil Ratio Test Period for the Penrose-Skelly 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

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Momber

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