

CASE 1991: Application of ~~TEPACO~~ INC.
FOR ~~Oil~~ Oil Qual of C. D. FALEY "B" W
WELL NO. 3.

Case No.

1991

Application, Transcript,
Small Exhibits, Etc.

No. 17-60

DOCKET: EXAMINER HEARING JUNE 22, 1960

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

*NOTE: Case Nos. 1995 through 2001 and Case 1972 will not be heard before 1 p.m.

- CASE 1989: Application of Amerada Petroleum Corporation for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its State SR "A" Well No. 1, located in the SW/4 SW/4 of Section 14, Township 9 South, Range 32 East, Lea County, New Mexico, with the injection to be in the Devonian formation in the interval from 11,102 feet to 11,130 feet.
- CASE 1990: Application of Continental Oil Company for a waterflood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a waterflood project in the Skaggs Pool on its Southeast Monument Unit by the injection of water into the Grayburg formation through six wells located in Sections 19, 24, and 30, Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.
- CASE 1991: Application of Texaco Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its C. P. Falby "B" Well No. 3, located in Unit M, Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Edmont Pool and oil from the Penrose-Skelly Pool through parallel strings of one-inch O.D. tubing and 2 1/16-inch O.D. tubing respectively.
- CASE 1992: Application of Texaco Inc. for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Dollarhide-Queen Pool from its United Royalty "A" Lease comprising the S/2 SW/4, NE/4 SW/4, and the SE/4 NW/4 of Section 19, Township 24 South, Range 38 East, Lea County, New Mexico, its Royalty Holding Company Lease comprising the SW/4 NW/4 of said Section 19, and from its W. L. Stephen Estate Lease, comprising the N/2 NW/4 of said Section 19, after separately metering the production from each lease.

CASE 1993:

Application of Shell Oil Company for an amendment of Order R-1101-A. Applicant, in the above-styled cause, seeks an order amending Order R-1101-A to include the following-described leases in the commingling and automatic custody transfer authorization granted in said order:

Linam Lease, NE/4 NE/4 and NW/4 NW/4, Section 3,
Lowe Land Lease, NW/4 NE/4 and NE/4 NW/4,
Section 3

both in Township 20 South, Range 35 East, Lea County, New Mexico.

CASE 1994:

Application of Intex Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its Puerto-Chiquito Unit Agreement, which unit will embrace approximately 12,721 acres of Federal and fee land in Township 26 North, Range 1 East, Rio Arriba County, New Mexico.

* The following cases will not be heard before 1 p.m.

CASE 1995:

Application of Redfern and Herd, Inc., John J. Redfern, Jr., and J. H. Herd for an order force pooling the interests in a 320 acre gas unit in the Dakota Producing Interval. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the N/2 of Section 32, Township 29 North, Range 11 West, San Juan County, New Mexico, insofar as the Dakota Producing Interval is concerned, including Pan American Petroleum Corporation and including the following person who has not consented to communitization: Sam Carson, 511 E. Main Street, Farmington, New Mexico.

CASE 1996:

Application of Leonard Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal Ginsberg Well No. 9, located in Unit D, Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Justis-Fusselman Pool and oil from the Blinebry formation adjacent to the Justis-Blinebry Pool through parallel strings of 2 3/8-inch tubing.

CASE 1997: Application of Sun Oil Company for permission to commingle the production from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Wolfcamp production from several separate leases in Sections 2, 3, 4, 8, 9, 10, and 11 of Township 9 South, Range 34 East, Lea County, New Mexico, and Section 35 of Township 8 South, Range 34 East, Roosevelt County, New Mexico.

CASE 1998: Application of Great Western Drilling Company for an order force-pooling the interests in a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, holder of a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, seeks an order force-pooling all interests in said unit within the vertical limits of the Eumont Gas Pool, including interests of the following persons who have not consented to communitization: S. E. Cone, c/o J. R. Cone, Attorney-in-Fact, Great Plains Life Building, Lubbock, Texas, H. L. Lowe, Great Plains Life Building, Lubbock, Texas, Abner M. Jack, Box 425, Scooba, Mississippi, and W. M. Beauchamp, Ancillary Guardian of the Estate of William Howard Jack, c/o District Clerk, Lovington, New Mexico and also the following persons whose addresses are unknown: Henry Hall, The Estate of Fred B. Caylor, B. A. Bowers, The Estate of George F. Henneberry, deceased, Mrs. Joy Mabel Stanley, and The Heirs of Elizabeth A. Anderson, and also an unknown person whose address is unknown.

CASE 1999: Application of Socony Mobil Oil Company for an exception to Rule 107 (e) (1). Applicant, in the above styled cause, seeks an exception to Rule 107 (e) (1) in order to complete the following-described wells as "slim-hole" completions in the Devonian formation at depths in excess of 5,000 feet:

Federal "A" Well No. 1, 2510 feet from
the North and West Lines of Section 21

Santa Fe "F" Well No. 2, 1980 feet from
the South line and 660 feet from the West
line of Section 20

both in Township 9 South, Range 36 East, Lea County, New Mexico.

Docket No. 17-60

CASE 2000:

Application of Gulf Oil Corporation for permission to commingle the production from three separate leases and for permission to install an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Monument Pool production from the following-described leases in Lea County, New Mexico: R. R. Bell (NCT-G) lease consisting of the S/2 SE/4 of Section 13, Graham State (NCT-H) lease consisting of the W/2 SW/4 of Section 13, and the H. T. Orcutt (NCT-D) lease consisting of the W/2 NE/4 of Section 13, all in Township 20 South, Range 36 East. Applicant further seeks permission to install an automatic custody transfer system to handle the Monument Pool production from said leases.

CASE 1972: (Continued)

Application of Gulf Oil Corporation for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Blinebry gas condensate and Tubb gas condensate from all wells on its T. R. Andrews lease comprising the E/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

CASE 2001:

Application of Franklin, Aston and Fair, Inc., for an amendment of Order No. R-1573-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1573-A to provide an alternative to the shut-in provisions contained therein as relating to certain leases in the Empire-Abo Pool, Eddy County, New Mexico.

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
TEXACO INC. FOR PERMISSION TO DUALY)
COMPLETE ITS C. P. FALBY "b" WELL)
NUMBER 3 LOCATED IN SECTION 8 TOWNSHIP)
22 SOUTH, RANGE 37 EAST, LEA COUNTY,)
NEW MEXICO, AND FOR PERMISSION TO USE)
A TUBING STRING HAVING AN INSIDE)
DIAMETER OF LESS THAN 1.75 INCHES)
BEING AN EXCEPTION TO RULE 112-A (c).)

Case No. 1091

A P P L I C A T I O N

Comes now Texaco Inc. and makes application for an order permitting the dual completion of its C. P. Falby "b" well Number 3 and for an exception to Rule 112-A (c) and states:

1. In support of its application to dually complete the subject well reference is made to Exhibit "A" and incorporated herein by reference.

2. A plat showing the location of the lease, the subject well and all the off-set operators so far as known is attached hereto marked Exhibit "B" and made a part hereof by reference.

3. That the proposed manner and method of installing the dual completion is set forth on the diagrammatic sketch attached hereto as Exhibit "C" and made a part hereof by reference.

4. That the subject well was scheduled to be dually completed as a Penrose-Skelly oil well and a Eumont gas well. The design of the casing string called for a four and one-half inch casing to be set at 3800 feet and it was proposed to produce the Penrose-Skelly through the two and three-eighths inch tubing and flow the Eumont gas up the casing-tubing annulus. The subject well was completed in the zones originally proposed. However, the Eumont zone completion is oil rather than gas. Therefore, in order to dually complete the well, it is necessary that one string of tubing be less

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

1 than 1.75 inches I.D. Applicant proposes to run one string of two and one-
2 sixteenth inch O.D. Hydril tubing to produce the lower completion (Penrose-
3 Skelly) and run a string of one inch O.D. "CS" Hydril to produce the Eumont
4 oil in the upper zone. The Eumont is a flowing well and it is anticipated
5 that it will flow for the duration of its economical life.

6 WHEREFORE, Applicant prays that this matter be set down for hearing
7 before the Commission, or one of its Examiners, that notice be given in
8 accordance with law and that the application be granted upon such terms and
9 conditions as may be just and reasonable in the premises.

10 TEXACO INC.

11 By GILBERT, WHITE AND GILBERT

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13 By Lewis D.
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NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name Eumont (Oil) and Penrose-Skelly		County Lea	Date May 20, 1960
Operator TEXACO Inc.		Lease C. P. Falby "b"	Well No. 3
Location of Well M	Unit 8	Township 22-S	Range 37-E

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 ☒
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.: 6801991

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Penrose	Grayburg
b. Top and Bottom of Pay Section (Perforations)	3468-3490'; 3498-3508' 3530-3544'; 3562-3567'	3684-3692'; 3698-3710' 3716-3737'; 3750-3762' 3782-3795'
c. Type of production (Oil or Gas)	Oil	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Artificial Lift

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.*
- *No 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 on the lease on which this well is located together with their correct mailing address.

Shell Oil Company, P. O. Box 845, Roswell, New Mexico

Pan American Petroleum Corp., P. O. Box 268, Lubbock, Texas

Permian Oil Company, 1223 Petroleum Life Bldg., Midland, Texas

Neville G. Penrose, Inc., P. O. Box 988, Eunice, New Mexico

Gulf Oil Corp., P. O. Drawer 669, Roswell, New Mexico

Texas-Pacific Coal & Oil Co., P. O. Box 1688, Hobbs, New Mexico

Carper Drilling Company, Inc., 200 Carper Building, Artesia, New Mexico

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

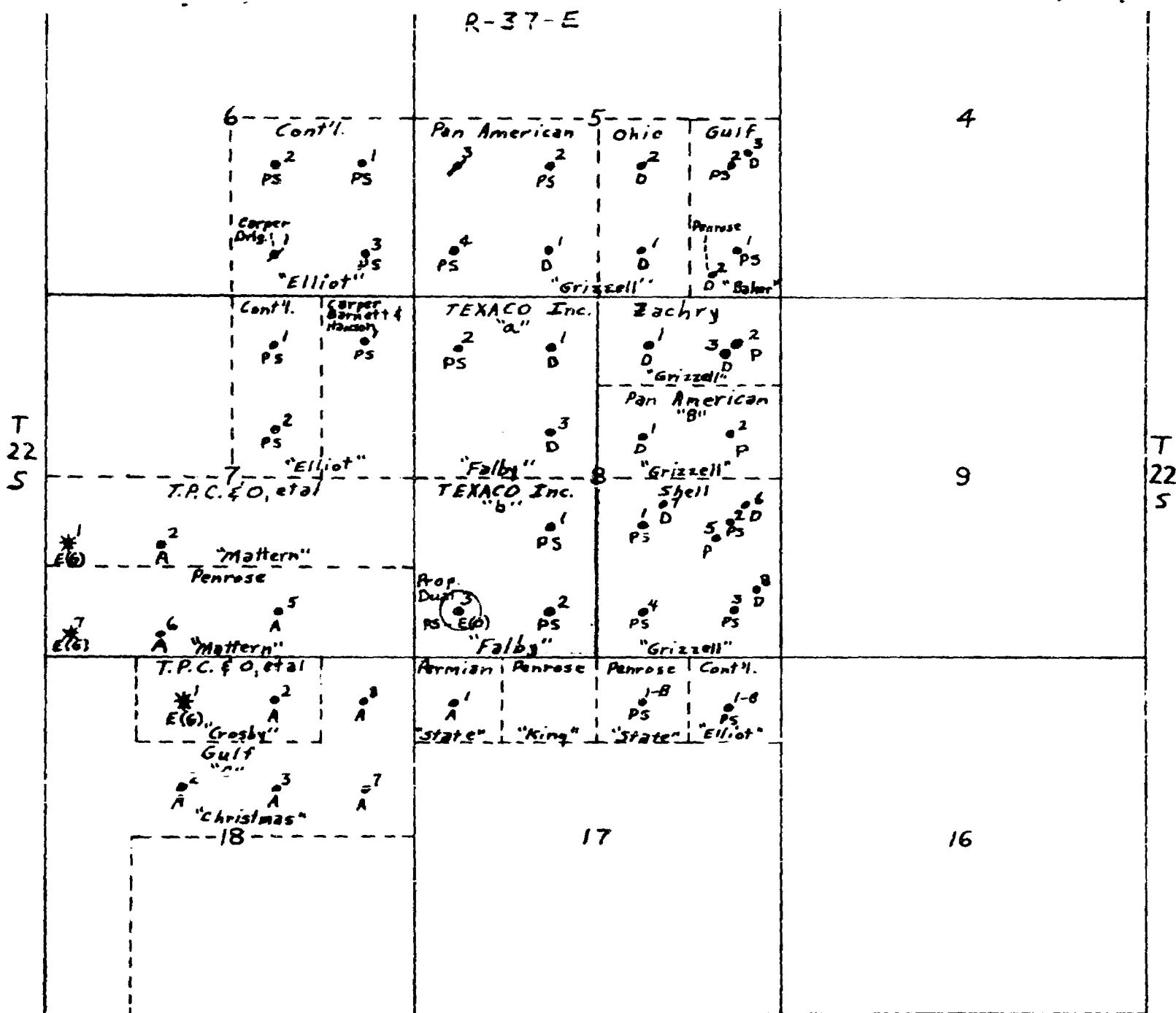
CERTIFICATE: I, the undersigned, state that I am the Div. Proration Engr. of xx TEXACO Inc. (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

*To be presented at hearing

J. E. Robinson, Jr.
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 or 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 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.

EXHIBIT "A"



PLAT OF TEXACO Inc. C. P. FALBY "b" LEASE AND OFFSET LEASES

Lea County, New Mexico

Scale: 1" = 2000'

LMF 5-19-60

LEGEND

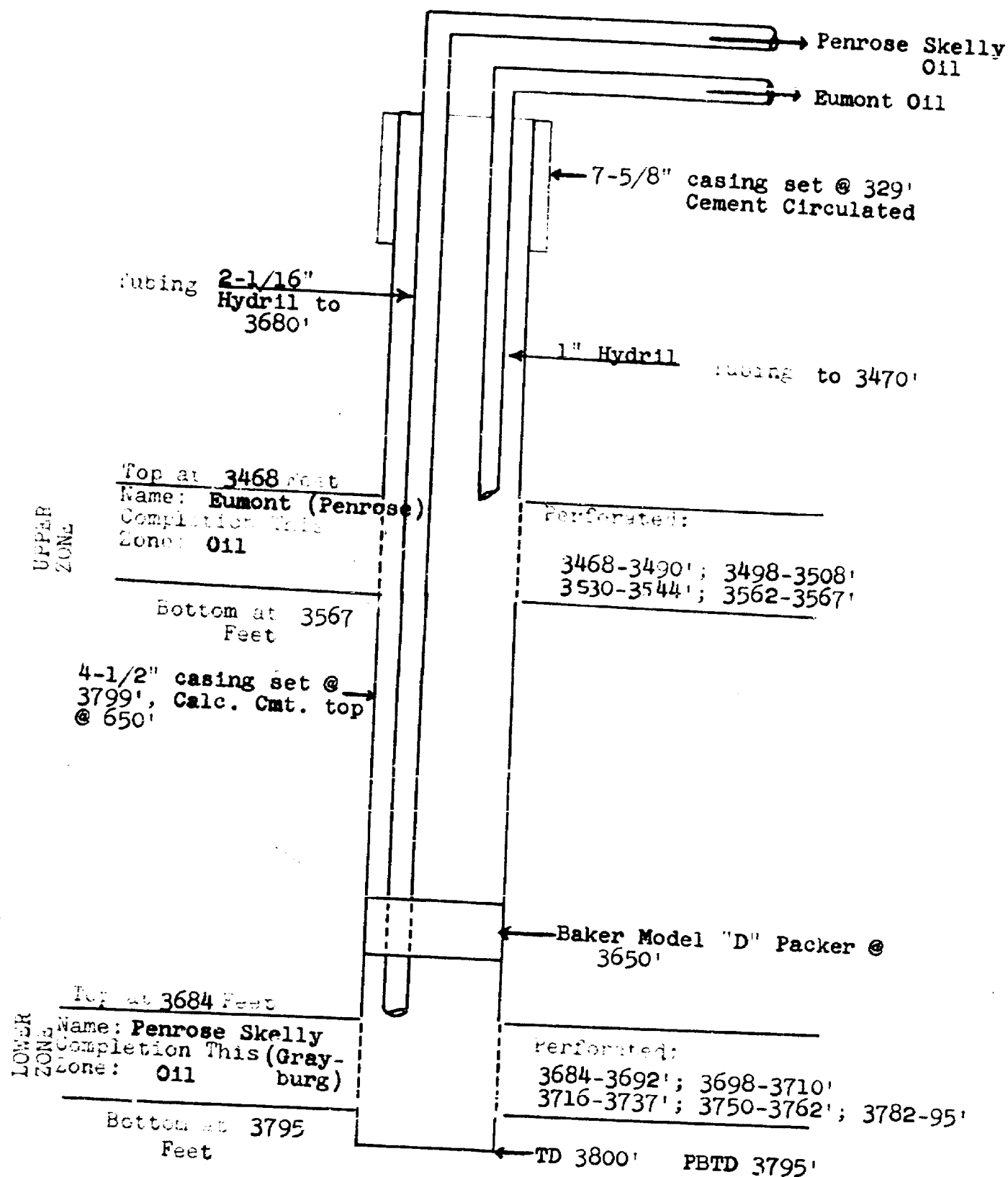
PS....Penrose Skelly Pool
 E(G)...Eumont (Gas) Pool
 E(O)...Eumont (Oil) Pool
 A ... Arrowhead Pool
 D ... Drinkard Pool
 P ... Paddock Pool

OFFSET OPERATORS

Shell Oil Co., P. O. Box 845, Roswell, N. Mex.
 Pan American Pet. Corp., Box 268, Lubbock, Tex.
 Permian Oil Co., 1223 Pet. Life Bldg, Midland,
 Texas
 Neville G. Fenrose, Inc., Box 988, Eunice, N. M.
 Gulf Oil Corp., Drawer 669, Roswell, N. Mex.
 TP Coal & Oil Co., Box 1688, Hobbs, New Mexico
 Carper Drilling Co., Inc., 200 Carper Bldg,
 Artesia, N. Mex.

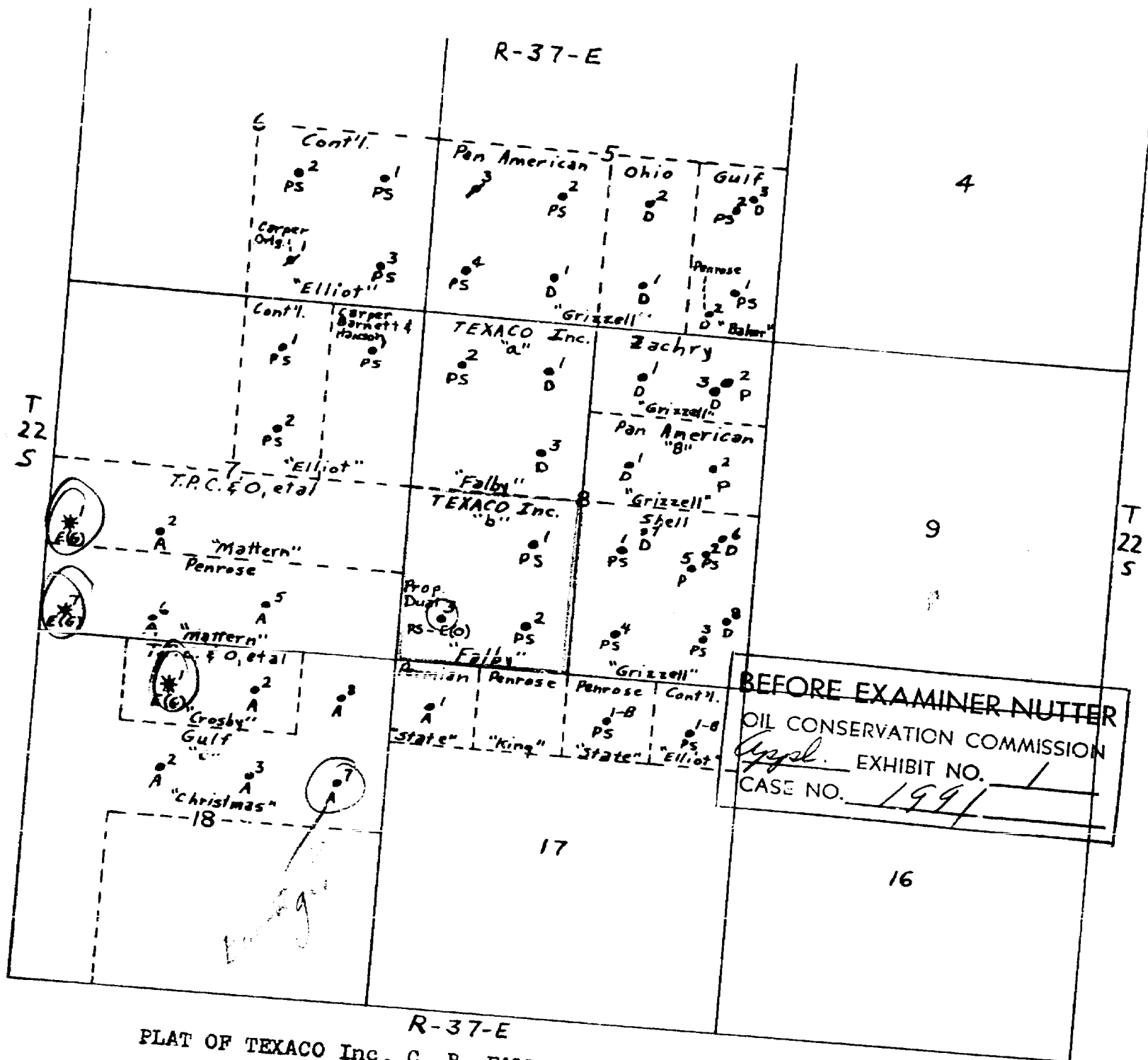
EXHIBIT "B"

Diagrammatic Section Showing Down Completion in Well No. 3



COMPANY: TEXACO Inc.
LEASE: C. P. Falby "b" Well No. 3
FIELD: Eumont (Oil) and Penrose-Skelly
DATE: May 19, 1960

EXHIBIT "C"



PLAT OF TEXACO Inc. C. P. FALBY "b" LEASE AND OFFSET LEASES
 Lea County, New Mexico
 Scale: 1" = 2000'
 LMF 5-19-60

LEGEND

PS....Penrose Skelly Pool
 E(G)...Eumont (Gas) Pool
 E(O)...Eumont (Oil) Pool
 A ... Arrowhead Pool
 D ... Drinkard Pool
 P ... Paddock Pool

OFFSET OPERATORS

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 Gulf Oil Corp., Drawer 669, Roswell, N. Mex.
 TP Coal & Oil Co., Box 1688, Hobbs, New Mexico
 Carper Drilling Co., Inc., 200 Carper Bldg,
 Artesia, N. Mex.

Form 2-22-60
(7-1-60)

2-RAN
3-EJ

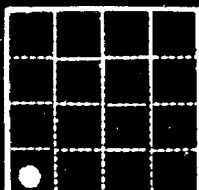
(SUBMIT IN TRIPPLICATE)

Project Form No. 2-22-60
Approved October 12-60-22

Land Office Los Cruces

Lease No. 033706 (b)

Unit _____



APPROVED

UNITED STATES

APR 8 1960 DEPARTMENT OF THE INTERIOR

J. L. GORDON GEOLOGICAL SURVEY

J. L. GORDON

ACTING DISTRICT ENGINEER

RECEIVED

APR 8 1960

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASINGS.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Lease No. 41697
C. P. Falby (b) Lease

April 7, 1960

Well No. 3 is located 660 ft. from S line and 660 ft. from W line of sec. 8

SW 1/4 Sec. 8
Penrose-Sully (011)
Element (011)

2-22-S
1-37-E
Los
(County or Subdivision)

NEW
Mexico
(State or Territory)

The elevation of the derrick floor above sea level is 3423 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudlogging jobs, cementing jobs, etc.; and all other important proposed work.)

FORMATIONS EXPECTED		SIZE CASING			CASING PROGRAM (Approx.)	
Top of Anhydrite	1035'				Set at	Cement
" Yates	2572'	7-5/8"	24#	New	330'	200 ex.
" Queen	3339'	4-1/2"	9.5#	New	3800'	300 ex.
" Penrose	3445'					
" Grayburg	3619'					
Total Depth	3800'					

0/4 to 26.59 S., P.O. Box 1838, Helms, NM

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company TEKACO Inc.
P. O. Box 3109
Address Midland, Texas

TEKACO Inc.

By J. J. Valten
J. J. Valten

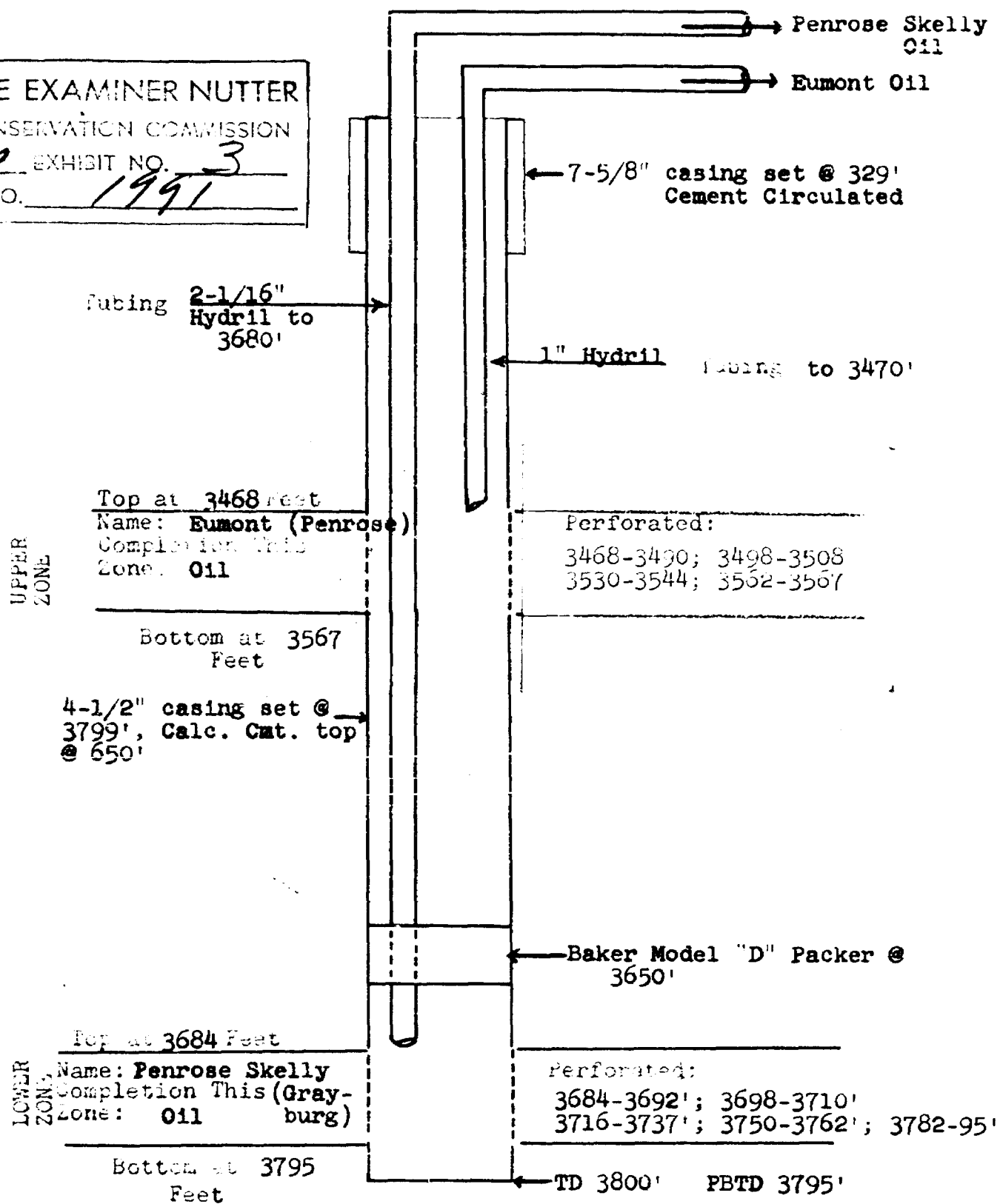
Title Division Civil Engineer

7 Mch 31 am 9 AM 4-13-60

T.I. 100%

DIAGNOSTIC SECTION SHOWING BORE COMPLETION INSTALLATION

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Opp EXHIBIT NO. 3
CASE NO. 1991



COMPANY: TEXACO Inc.
LEASE: C. P. Falby "b" Well No. 3
FIELD: Eumont (Oil) and Penrose-Skelly
DATE: May 19, 1960

Cy 1994

TEXACO Inc.
C. P. Falby "B" Well No. 3
Eumont (Oil) and Penrose-Skelly Pools
Lea County, New Mexico

Reservoir Properties

	<u>Eumont (Oil)</u>	<u>Penrose-Skelly</u>
Type of Crude	Sour	Sour
GOR (ft. 3/bbl.)	5005	TSTM (Swabbing)
Gravity (° API)	33.5	36.0
Productivity		
BOPD	*72	** 34 (Estimated)
BWPD	* 0	**160 (Estimated)
BHP (psi)		
Producing Method	To be run later Flow	To be run later Pump

*Actual 8-hour initial potential test.
Estimated from swabbing tests.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JUNE 22, 1960

IN THE MATTER OF:

CASE 1991 Application of Texaco Inc. for an oil-oil dual
completion. Applicant, in the above-styled cause,
seeks an order authorizing the dual completion of
its C. P. Falby "B" Well No. 3, located in Unit N,
Section 8, Township 22 South, Range 37 East, Lea
County, New Mexico, in such a manner as to produce
oil from the Eumont Pool and oil from the Penrose-
Skelly Pool through parallel strings of one-inch O.
D. tubing and 2 1/16 inch O.D. tubing respectively.

BEFORE:

Daniel S. Mutter, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. PAYNE: Case 1991. Application of Texaco Inc. for
an oil-oil dual completion.

MR. WHITE: If the Examiner please, Charles White of
Gilbert, White & Gilbert, Santa Fe, New Mexico, appearing on be-
half of the applicant. I have one witness to be sworn.

(Witness sworn)

(Whereupon, Texaco's Exhibits Nos.
1 through 5 were marked for iden-
tification.)

J. E. ROBINSON, JR.



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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Robinson, would you state your full name?

A J. E. Robinson, Jr.

Q By whom are you employed and in what capacity?

A Texaco, Incorporated as division proration engineer.

Q Have you previously testified before the Commission as a petroleum engineer?

A Yes, sir, I have.

Q Have your qualifications been acceptable?

A Yes, sir, they have.

Q Mr. Robinson, are you familiar with the subject application?

A Yes, sir, I am.

Q Will you refer to what has been marked as Exhibit No. 1, being an ownership plat, and explain that, please?

A Exhibit No. 1 is an ownership plat where we have outlined in the yellow border Texaco's Falby "B" lease located in Section 8, 22 South, 37 East, Lea County, New Mexico. We have our Well No. 3 which we propose to dually complete by running parallel strings of 2 and 1/16 inch hydril and 1 inch hydril to be completed as a Penrose-Skelly and a Eumont oil well.

Q Will you give the engineering planning of the well and



also a brief history of the well?

A This well was set up to be drilled as a dual completion from the Penrose-Skelly, which would be an oil well and the Eumont gas. We proposed originally to set 4 and 1/2 inch casing at T.D. We would complete the Penrose-Skelly by pumping through 2 and 3/8 inch tubing, and we would flow the Eumont gas up the tubing casing annulus. Our geological information showed that this well would be drilled on a high for the Eumont gas. There are several Eumont gas wells in the immediate area, and none of these wells were producing any large amounts of oil. They were all gas wells. So, that is the reason that we set this well up to be drilled as a dual completion to flow the Eumont gas up the tubing casing annulus.

Q Is your testimony further substantiated by Exhibit 2, and, if so, identify and explain that, please?

A Yes, sir. Exhibit No. 2 is a Form 9-3 31-A, which was submitted to the U.S.G.S. on April 7, 1960, wherein we proposed on our casing design to set 7 and 5/8ths inch 24 pound casing, surface casing at 330 feet, and we would cement this with 200 sacks of cement. Then, we would set 4 and 1/2 inch casing of 9 and 1/2 pound to be set at 3800 feet to be cemented with 300 sacks of cement, and we would dually complete this well as a Penrose-Skelly oil in the Eumont gas. It was approved by Mr. J. L. Gordon, the acting district engineer, on April the 8th.

Q Mr. Robinson, did Texaco, before drilling into the Eumont, have any reason to foresee the possibility that this well



might be brought in as an oil producer rather than a gas well?

A No. sir, we had no indication whatsoever that we would get oil from this zone. As I previously stated, all wells in this area were completed as gas wells, and we were drilling on a high. We would be drilling some twenty to thirty feet higher than some wells that were or are presently completed in the Eumont gas pool.

Q Would you explain the present condition of the well and your proposed completion, and in so doing, refer to Exhibit No. 3, the diagrammatic sketch?

A Exhibit No. 3 is a diagrammatic sketch showing our proposed dual completion installation. It shows that we set our 7 and 5/8ths inch casing at 329 feet, with the cement being circulated. We drilled to a T.D. of 3800 feet, and cemented this with 300 sacks of cement, with the cement being estimated at a top of 350 feet. We perforated the Penrose-Skelly through five sets of selected perforations, and then we perforated the Eumont Penrose through four sets of selected perforations, and after we did this, then we completed the zone as an oil zone. Now, we have presently set a Baker Model "D" packer at 3650 pounds. Before this Baker packer was set, we put an expendable plug in the packer. When we finally complete the well, we will set down on it with our 2 and a 1/4 inch hydril, and it will take approximately 4000 pounds of pressure to shove this expendable plug on through the packer. Then we will run a 1 inch string of hydril where we will flow the Eumont oil up the 1 inch hydril string, and we will pump the Penrose-Skelly Grayburg



formation through the 2 and 16th inch hydril.. The 2 and 16th inch hydril will be latched in to the Baker Model "D" packer. However, the 1 inch hydril will swing free in the well since at no time do we expect ever to have to pump this Eumont oil. We think that it will flow to its economic limit, and also from the performance of the Eumont as we complete this reservoir, we think that we will start getting an increase in our gas-oil ratio as we believe that we are completed in a localized oil ring, and as we deplete, the gas-oil ratio will increase.

Q Will you refer to Exhibit No. 4, and state the reservoir properties?

A Exhibit No. 4 shows the reservoir properties for both the Eumont oil and the Penrose-Skelly pools. The Eumont oil is a sour type crude. It has a GOR of 5,005 cubic feet per barrel. It has a gravity corrected as sixty degrees API of 33.5. The well was completed on an actual eight-hour potential, flowing 72 barrels of oil in eight hours with no water. We do not have any pressures on this zone at the present time. We will run bottom hole pressures and all flowing pressures when we run our packer leakage test. The Penrose-Skelly also has a sour type crude. The gas-oil ratio was too small to measure on a swabbing test. It has a gravity of thirty-eight degrees with an estimated swabbing test of 34 barrels of oil per day with 160 barrels of water. We have not run the bottom hole pressure on this zone, and we will pump the zone when completed.



Q Now, will you explain your acoustical log, please?

A Exhibit No. 5 is a Lane Wells acoustical log which we ran on the well. The left hand side is their gamma ray log with the velocity log on the right hand side. We have marked the top of the upper zone, the Penrose Fumont oil, at 3468 feet. We have four selected perforations in this zone which I have marked from 3468 to 3490, and from 3498 to 3508, and from 3530 to 3544, and from 3562 to 3567. The lower zone, the Grayburg zone of the Penrose-Skelly pool has five sets of perforations which I have marked from 3684 to 3692, 3698 to 3710, and 3716 to 3737, from 3750 to 3762, and from 3782 to 3795. We have selected the most permeable streaks in these zones and selectively perforated them.

MR. WHITE: If the Examiner please, in our application we referred to Exhibit A and incorporated that in our application. That was a completed form for dual completion under the Commission's printed form. If you desire, we can introduce that in evidence or let it stand as a part of the pleadings as Exhibit 1.

MR. WUTTER: This will be entered into the actual record of the case, Mr. White.

Q (By Mr. White) Were Exhibits 1 through 5 prepared by you or under your direction, Mr. Robinson?

A Yes, sir, they were.

MR. WHITE: At this time we offer the Exhibits 1 through 5.

MR. WUTTER: Texaco's Exhibits 1 through 5 will be



entered.

(Whereupon, Texaco's Exhibits Nos. 1 through 5 were received in evidence.)

MR. WHITE: That completes our direct examination.

MR. NUTTER: Does anyone have any questions of Mr. Robinson?

MR. PAYNE: Yes, sir.

MR. NUTTER: Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Robinson, is either zone producing at the present time?

A Yes, sir. At the present time we have 2 and a 16th inch hydril where we are producing the Eumont oil.

Q You have 2 and a 16th?

A Yes.

Q And you propose to change that installation and use a 2 and 1/16th to produce the Penrose-Skelly?

A Yes, sir.

Q And 1 inch to produce the Eumont?

A That is correct, yes, sir.

Q I presume that the Eumont is a top allowable oil well, is that right?

A Yes, sir, it is. It has a gas-oil ratio of 5005 whereas the gas-oil ratio limit of the Eumont is 10,000 to 1.



Q Do you anticipate any problems in the production of top oil allowable from the Eumont through 1 inch tubing?

A No, sir, we do not. As I have previously testified, we think that this zone will flow to depletion through the 1 inch hydril.. I have calculated the pressure drop that would occur by producing through 1 inch hydril.. We have a pressure drop of 14 pounds per thousand foot, or we would have a pressure drop of 49 pounds for 3500 feet. We do not expect to have any difficulty at all in producing this flowing zone through 1 inch hydril..

Q Mr. Robinson, is the southwest quarter of the southwest quarter of Section 8 presently dedicated to a Eumont gas well?

A It was on our initial C-123 that we submitted; along with our drilling application we designated that. However, we will now designate the 40 acres surrounding Well No. 3 as a Eumont oil well.

Q Well, are there any other Eumont gas wells located on Section 8?

A No, sir, there are none.

MR. PAYNE: Thank you.

BY MR. NUTTER:

Q I suppose this well has changed your geological picture of what the Queen sand looks like, correct?

A It hasn't exactly changed our structure interpretation. However, it has changed our thinking that as long as you drill on a high, you'll always get gas. I think this more or less kind of



confuses all of our petroleum engineers and our geologists, too, as to why we should go up high on structure and get oil.

Q You did encounter the Penrose sand high as expected?

A It did not run as high as we had expected. It dropped off about 30 feet. However, we completed this well higher than some of these local Eumont gas wells that are producing gas where we got oil.

Q Do you expect that this will actually be low on the structure, or is it just a little synclinally low where there may be an acceleration of oil?

A Well, we think probably there's just a small ring there, and in order probably to get this small ring, we'd either have to have a very small closure there or some type of a comparable barrier between this well here and some of the offsetting wells there that would trap this small oil ring.

Q Now, I note on your Exhibit 1, Mr. Robinson, over here in Section 2, there are two Eumont gas wells; there appears to be one in Section 18. I don't see any other Eumont wells depicted on this Exhibit. Are there any, except your No. 3?

A In Section 7 there are two Eumont gas wells. In Section 18 we only have one shown. However, Gulf has recently completed this Christmas "C" Well No. 7, I believe, as a Eumont gas. They also have a Well No. 5, which is not shown, in Section 18, that are Eumont gas wells, as well as two other wells located in the south half of Section 18 that are also Eumont gas wells.



Q Now, I'm having some difficulty orienting this area as to the Eumont pool as a whole. Is this on the east flank of the pool?

A The best of my recollection, this is along the northeastern flank of the reservoir. However, I may stand to be corrected.

Q 22 South would be pretty far south of the pool, I think, Mr. Robinson. What do you expect to do in the event that the Eumont is still productive but fails to flow?

A At such time that the Eumont would fail to flow, if it would, however, we do not anticipate that to happen, but should it happen, I believe probably at that time that the Penrose-Skelly will probably be depleted, and in that case we would put a plug in the Baker Model "D" and pump the Eumont oil up a single string of tubing.

Q It would appear from the initial potential on the Penrose-Skelly that that zone might not have too bright a future?

A Yes, that is correct.

Q At such time as it would become necessary to pump the Eumont, you could abandon the Penrose-Skelly?

A Yes.

Q It's impossible to artificially lift the Eumont through the 1 inch, is it not?

A Yes, sir, I believe it would be. It would be extremely difficult to find any type of rod that we could pump through the 1 inch.



Q Would it be possible to install any gas lift valves on that 1 inch tubing, or is there room in the 4 and 1/2 inch casing for that?

A No, sir, there's not room enough in this 4 and 1/2 inch casing. We're going to the limit at the present time in running the 2 and a 16th and 1 inch hydril.. We have a clearance of around, I believe, two-tenths of an inch clearance in our casing to run these strings now.

Q Has the Eumont changed its producing characteristics in any respects since it has been completed and put on production?

A No, sir, not to my knowledge it hasn't. We haven't run any additional test. Of course, we will when we dually complete the well, but to my knowledge it has not at the present time.

Q How long has the Eumont been producing?

A Approximately fifteen to twenty days.

MR. NUTTER: Any further questions of Mr. Robinson? He may be excused.

(Witness excused)

MR. NUTTER: Do you have anything further, Mr. White?

MR. WHITE: No, sir, we have nothing further.

MR. NUTTER: Does anyone have anything further for Case 1991? We'll take the case under advisement and take a fifteen-minute recess.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, 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 machine shorthand 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, the 3rd day of June, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

My Commission expires:

June 19, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1991 heard by me on 6/22, 1960.
Ada Dearnley, Examiner
New Mexico Oil Conservation Commission



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. 1991
Order No. R-1706

APPLICATION OF TEXACO, INC. FOR
AN OIL-OIL DUAL COMPLETION IN
THE EUMONT POOL AND THE PENROSE-
SKELLY 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 June 22, 1960, 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 30th day of June, 1960, 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 is the owner and operator of the C. P. Falby "B" Well No. 3, located in the SW/4 SW/4 of Section 8, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dually complete the above-described C. P. Falby "B" Well No. 3 in such a manner as to permit the production of oil from the Eumont Pool through 1-inch OD tubing and the production of oil from the Penrose-Skelly Pool through 2 1/16-inch OD tubing.

(4) That the well, when originally drilled, was equipped with 4 1/2-inch casing. That the size of said casing prohibits running parallel strings of standard-size tubing. That while it will be impossible to artificially lift the Eumont oil zone through the 1-inch tubing, it is expected that said zone will flow, at least until after the Penrose-Skelly zone is depleted, at which time the Eumont oil can be produced through standard-size tubing.

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CASE No. 1991
Order No. R-1706

(5) That at the present time the mechanics of the proposed dual completion appear to be feasible and in accord with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant, Texaco Inc., be and the same is hereby authorized to dually complete its C. P. Falby "B" Well No. 3, located in the SW/4 SW/4 of Section 8, Township 22 South, Range 37 East, 22PM, Lea County, New Mexico, in such a manner as to permit the production of oil from the Eumont Pool through 1-inch OD tubing and the production of oil from the Penrose-Skelly Pool through 2 1/16-inch OD tubing.

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


PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual 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 the applicant to comply with any requirement of this order, the Commission may terminate the authority herein granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest of conservation.

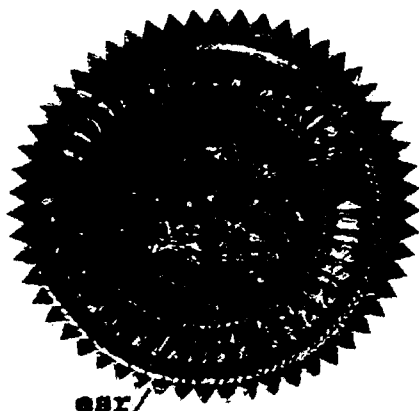
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



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

³⁰
June 26, 1960

Mr. Charles White
Box 787
Santa Fe, New Mexico

Dear Sir:

On behalf of your client, Texaco Inc., we enclose
two copies of Order R-1706 in Case 1991 issued by
the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Carbon copy of order sent to:

Oil Conservation Commission
Hobbs, New Mexico

C
O
P
Y