

CASE 4016: Application of AMERICAN  
TRADING & PRODUCTION CORP. FOR A  
DUAL COMPLETION, LEA COUNTY.

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Case Number

4016

Application  
Transcripts.

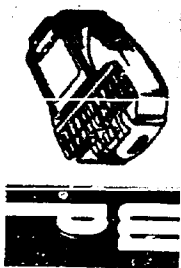
Small Exhibits

ETC.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 8, 1969  
EXAMINER HEARING

-----  
IN THE MATTER OF: )  
)  
)

Application of American )  
Trading and Production )  
Corporation for a dual )  
completion, Lea County, )  
New Mexico. )  
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Case No. 4016

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JANUARY 8, 1969 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Nina Williams	RW Byram	Artesia - Santa Fe
James B. Henry	DAVID FASKEN	MIDLAND TEXAS
Iron D. Hedrick	Kerr-McGee Corp.	Oklahoma City, Okla.
James E. Hinkle	Am. Trading & Prod. Co.	Roswell.
JW Vidrine	American Trading & Prod. Corp.	MIDLAND TEXAS
Jason Kellah	Kellah & Fox	Santa Fe
J.M. Anderson	Sinclair Oil Corp.	Midland S.F.
Boole Kelly	White Oilfield Products	
Richard S. Martin	Montgomery et al	Santa Fe
A.L. Carter, Jr.	O.C.C.	" "
William J. Ly May	Le May and Stevens	Santa Fe
W. Raymond Lark	Wilson Oil Company	Artesia N.M.
Q. Loeel	Wilson Oil	Artesia
MP Gace	Corine Gace	PO Box 1416 Midland
James E. Hinkle	Corine Gace	Santa Fe
James E. Hinkle	Corine Gace	Midland, Texas
James E. Hinkle	Corine Gace	Midland, Texas

MR. NUTTER: The hearing will come to order, please.  
The first case this morning will be Case 4016.

MR. HATCH: Case 4016, Application of American  
Trading and Production Corporation for a dual completion,  
Lea County, New Mexico.

MR. HINKLE: Clarence Hinkle of Hinkle, Bondurant &  
Christy, appearing on behalf of American Trading and Production  
Corporation. We have one witness and two exhibits, and I would  
like to have Mr. Jim Vidrine sworn.

(Whereupon, Applicant's Exhibits  
Numbers 1, 2, inclusive,  
were marked for identification.)

J. W. VIDRINE

called as a witness by the Applicant, having been first duly  
sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HINKLE:

Q Will you state your name, your address, and by whom  
you are employed?

A I am J. W. Vidrine, Petroleum Engineer, American  
Trading and Production Corporation, Midland, Texas.

Q What is your position with American Trading?

A I am a graduate Petroleum Engineer, District Engineer  
for Midland District, and have been employed by American Trading

16 years.

Q Have you previously testified before the New Mexico Oil Conservation Commission?

A Yes, I have.

Q Did you testify in connection with the dual completion of the No. 1 well in the southeast Lea Unit?

A Yes, I did.

Q And your qualifications as a Petroleum Engineer are a matter of record with the Commission?

A It is a matter of record.

Q Are you familiar with the completion of the No. 2 well in the southeast Lea Unit?

A Yes, I am familiar with it.

Q Were you the engineer in charge of the completion of that well?

A I was in engineer in charge of the completion.

Q As well as the No. 1 well?

A As well as the No. 1 well.

Q Refer to Exhibit Number 1, and explain what this is and what it shows?

A Exhibit 1 is an ownership land plat showing the unitized area of some two thousand acres of land, and the two locations, No. 1 in Section 26, and No. 2 in its present

location in Section 25. It is located 660 feet from the west, and 1,830 feet from the south line of Section 25, inside the unit boundary.

Q When was that well started, and when was it completed to its total depth, the No. 2 well?

A Commenced drilling April 22, and reached total depth September 10, 1968.

Q What is the total depth?

A 14,643 feet.

Q Did you encounter production in paying quantities in this well?

A We encountered commercial production at 11,315, in the Wolfcamp, and 12,850 in the Morrow, and the Devonian was completely watered out at 14,546.

Q Did you make drill stem tests in connection with the Wolfcamp and Morrow?

A We made drill stem tests in the Morrow and the Wolfcamp.

Q What did they show?

A The drill stem tests in the Morrow at 11,348 to 11,479.

Q Was that the Morrow or the Wolfcamp?

A This is the Wolfcamp, recovered commercial gas and oil, gas to surface in ten minutes, and recovered approximately six

barrels per hour during the five hour test. 52 gravity oil of condensate. Recorded a bottom hole pressure initially of 6,791, and a final bottom hole pressure of 5,336.

Q What did your drill stem tests in the Morrow show?

A The volume of gas recorded in this Wolfcamp was 860 MCF per day rate, with a flowing tube and pressure of 1,200 pounds of pressure at the surface through a quarter-inch tube.

Q What about the drill stem tests on the Morrow?

A We also tested commercial oil and gas out of the Morrow from the interval 12,827 to 12,938. We had gas up in five minutes, and tested for two hours, recovered 1.4 million cubic feet of gas rate per day, and also five and a half barrels of 53 gravity oil or condensate.

Q Is that five and a half barrels per hour?

A Per hour. The initial pressure was 6,897 pounds, initial bottom hole pressure, and our final bottom hole pressure was 6,021 pounds.

Q I believe you testified that the well, your test in the Devonian was 100 per cent water?

A The drill stem tests in the interval of the Devonian was 13,495 to 13,627.

Q After this well was drilled to its total depth, and this drill stem test made, did you attempt to dually complete



this well in the Wolfcamp and Morrow Formations?

A Yes, we did. We contacted the Hobbs District Office and discussed conventional dual completion with Mr. Ramy.

Q Did you go over the manner in which you intended to dually complete this well with the engineer?

A Yes, we did.

Q With the engineer at Hobbs?

A We did on November 26.

Q Refer to Exhibit Number 2, and explain what this is and what it shows?

A Exhibit Number 2 is a diagrammatic sketch of the actual installation on the American Trading Southeast Lea Well No. 2. We initially started drilling April 22, 1968, a seventeen and a half-inch hole, and set a surface conductor pipe at 857 feet, and cement circulated, 650 sacks of cement circulated to the surface.

We continued drilling a twelve and a quarter-inch hole, and set another protective string, surface string, at 5,433 feet, and used 725 sacks of cement to circulate the cement into the base of the salt, top of the cement was 3,450, and continued drilling a nine and a half-inch hole through the Wolfcamp, which bottomed under the Wolfcamp at 11,980 feet, and used 1,100 sacks of cement to circulate two stages of cement from 11,980 to 7,780

feet.

We continued drilling a six and a half-inch hole to the top of the Devonian, at which point we set a five and a half-inch liner, and cemented the liner with 300 sacks, and circulated cement into the seven and five-eighths casing, the liner hanger set at 11,835 feet.

Drilled into the Devonian with four and five-eighths-inch hole, and drill stem tested water. Then set a wire line bridge plug inside the five and a half-inch liner at 14,250 feet, and ran a ten foot cement plug, protective plug on top of the cast iron bridge plug. The Morrow was then perforated with mud in hole across the interval of 12,856 to 13,082 in five different intervals, and stimulated and tested with Reynolds tubing, which was taken out of the hole, and the wire line packer set with a knockout plug, production packer set at 12,705 feet.

The Wolfcamp was then tested and stimulated with Reynolds tubing, perforated at 11,410 feet to 11,422 feet. Reynolds tubing was taken out of the hole, and permanent conventional parallel strings run, a long string, Morrow string with the upper packer, hydraulic packer run first with seals at the bottom, packer seals, side door circulating sub, and protective joint across the Wolfcamp perforations, and mud

displaced before setting into the packer, and were treated with fresh water up to the upper packer, and then set inside the lower packer and tested with hydraulic water pressure to 2,000 pounds to test the seal.

The tree was buttoned up and flanged. A short string, Wolfcamp string, parallel string was then inserted in the hole, and with a sealed assembly and a latch inside the upper packer, a plug wire line run in this short string, and hydraulic pressure applied to set the hydraulic packer, the packer set with 2,400 pounds of pressure. Tubing was also tested at that time, a short string tubing. The wire line plug was removed, and each zone swabbed separately.

Q I believe you stated that you made tests after the packers were set in connection with each of these?

A Open flow potential on the Wolfcamp was used as a test to test the packers, the lower packer for communication. We submitted and filed with the Commission a potential on the Wolfcamp, and at the same time taking a packer leakage test recorded on pressure charts to show there was no communication between the Morrow pressure and the Wolfcamp pressure.

Q This packer leakage testing will be filed with the Commission?

A The packer leakage tests will be filed.

Q Is that what you would term a conventional dual completion?

A Yes, this is considered a conventional dual completion, two string parallel.

Q In your opinion, will this effectively separate the two zones?

A In my opinion, after conclusive packer leakage tests, this test confirms our effective dual separation between the Morrow and Wolfcamp.

Q And will it permit each zone to be separately produced and tested from time to time?

A Yes, it will.

Q And will be in the interests of conservation and the prevention of waste?

A Yes, it will.

MR. HINKLE: Mr. Examiner, we filed one log of the well with the application. We have two additional copies, if you would like to have them?

MR. NUTTER: Are they all the same logs, Mr. Hinkle?

MR. HINKLE: Yes.

MR. NUTTER: I think we have sufficient.

MR. HINKLE: I believe that is all we have on direct.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Vidrine, you mentioned what the calculated absolute open flows are on the bottom hole pressure on the packer leakage tests. Could you give us what the CAO is for each of the two zones?

A The Wolfcamp zone calculated 1,000,090 cubic feet, and the pressures on the Wolfcamp initially during initial test was 2,300 pounds--excuse me, the Morrow pressure, 2,300 pounds. The Wolfcamp pressure was 1,730. We opened the Morrow first, the pressure bled to 93 pounds, and the Morrow appears to be loaded with water, and only recorded 144 MCF for its initial test. The Wolfcamp pressure at the end of the 24 hour Morrow test was 1,931 pounds.

Q So you calculated a little over a million a day for the Wolfcamp, but you are not making anything from the Morrow?

A No, we will have to swab it in and retest it. But during this packer leakage test, the last 24 hours we take the open flow on the Wolfcamp, and recorded 1,000,090 cubic feet.

Q You do feel you will be able to make a well in the Morrow, however?

A Yes, it will be a small producer.

Q In the absence of special pool rules, the Wolfcamp and

the Morrow would both be on Statewide rules, and the Wolfcamp would be 160 acre, and the Morrow would be 320 acre. The limits of the unit applies only to the southwest quarter of Section 25. What will you do there? Will you attempt to form a nonstandard unit, excluding everything but that southwest quarter, or unitize this acreage with acreage outside the unit?

A No sir, since we think it is going to be a small producer, we would probably take the penalized acreage and get a nonstandard unit.

Q You realize that you would have to file for that with the Secretary of the Commission?

A Yes.

MR. NUTTER: Any further questions of Mr. Vidrine? You may be excused. Do you have anything further?

MR. HINKLE: No. I would like to offer Exhibits 1 and 2 in evidence.

MR. NUTTER: Applicant's Exhibits 1 and 2 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Numbers 1, 2, inclusive, were admitted in evidence.)

Does anyone have anything further they wish to offer in Case 4016?

I N D E X

<u>WITNESS</u>		<u>PAGE</u>
J. W. VIDRINE		
Direct Examination by Mr. Hinkle		2
Cross Examination by Mr. Nutter		10

<u>EXHIBITS</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Applicant's Exhibits Numbers 1 and 2	2	11

STATE OF NEW MEXICO     )  
                                   )     ss.  
 COUNTY OF BERNALILLO    )

I, SAMUEL MORTELETTE, Court Reporter 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, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

*Samuel Mortelette*  
 COURT REPORTER

I do hereby certify that the foregoing is a true and correct copy of the transcript of the hearing before the New Mexico Oil Conservation Commission, held on 1/8/69, at 4016.

*Samuel Mortelette*  
 New Mexico Oil Conservation Commission



GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

P. O. BOX 2088  
SANTA FE

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

January 13, 1969

Mr. Clarence Hinkle  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: Case No. 4016  
Order No. R-3658  
Applicant:  
American Trading and Production  
Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC       

Aztec OCC       

Other \_\_\_\_\_

**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. 4016  
Order No. R-3658**

**APPLICATION OF AMERICAN TRADING AND  
PRODUCTION CORPORATION FOR A DUAL  
COMPLETION, LEA COUNTY, NEW MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 a.m. on January 8, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of January, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS:**

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, American Trading and Production Corporation, seeks authority to complete its Southeast Lea Unit Well No. 2, located in Unit L of Section 25, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce gas from an undesignated Wolfcamp gas pool and from an undesignated Morrow gas pool through parallel strings of 2 3/8-inch tubing, with separation of the zones by a packer set at approximately 12,705 feet.

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

(4) That approval of the subject application will prevent waste and protect correlative rights.

-2-

CASE No. 4016  
Order No. R-3658

IT IS THEREFORE ORDERED:

(1) That the applicant, American Trading and Production Corporation, is hereby authorized to complete its Southeast Lea Unit Well No. 2, located in Unit L of Section 25, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce gas from an undesignated Wolfcamp gas pool and an undesignated Morrow gas pool through parallel strings of 2 3/8-inch tubing, with separation of the zones by a packer set at approximately 12,705 feet;

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

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-in Pressure Test Period for the undesignated Morrow gas pool.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

esr/

OIL CONSERVATION COMMISSION  
DISTRICT

OIL CONSERVATION COMMISSION  
BOX 871  
SANTA FE, NEW MEXICO

DATE Dec. 5, 1968

Re: Proposed NSP \_\_\_\_\_  
Proposed Triple \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed NFO \_\_\_\_\_  
Proposed DC X

Gentlemen:

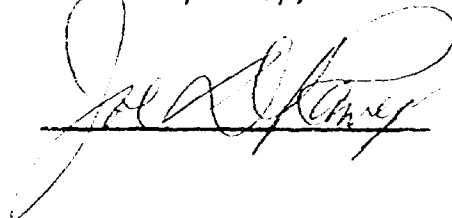
I have examined the application dated 12/4/68  
for the American Trading & Production Corp. SE Lea Unit #2-L 25-20-35  
Operator Lease and Well No. S-T-R

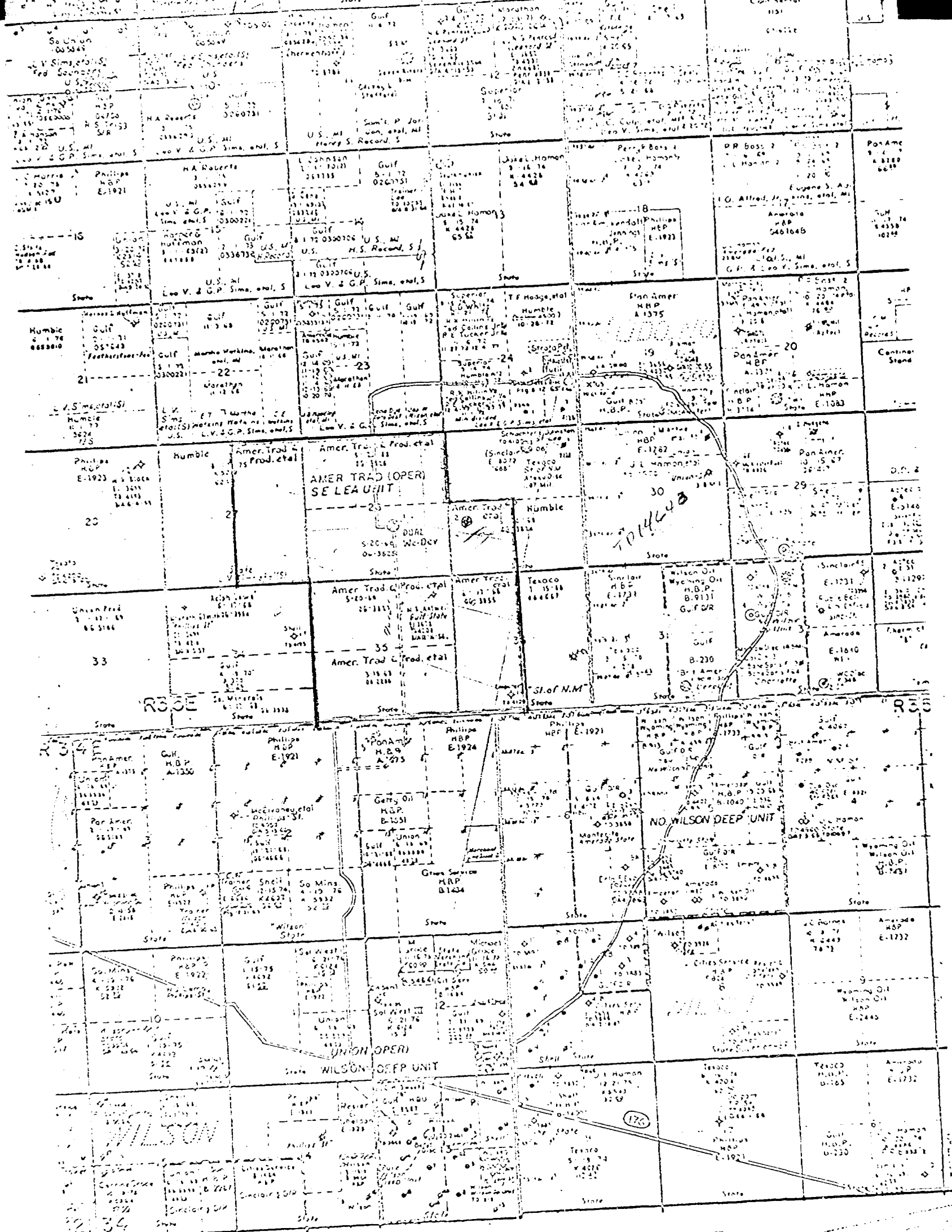
and my recommendations are as follows:

O.K.---J.D.R.

O.K.---J.W.R.

Yours very truly,

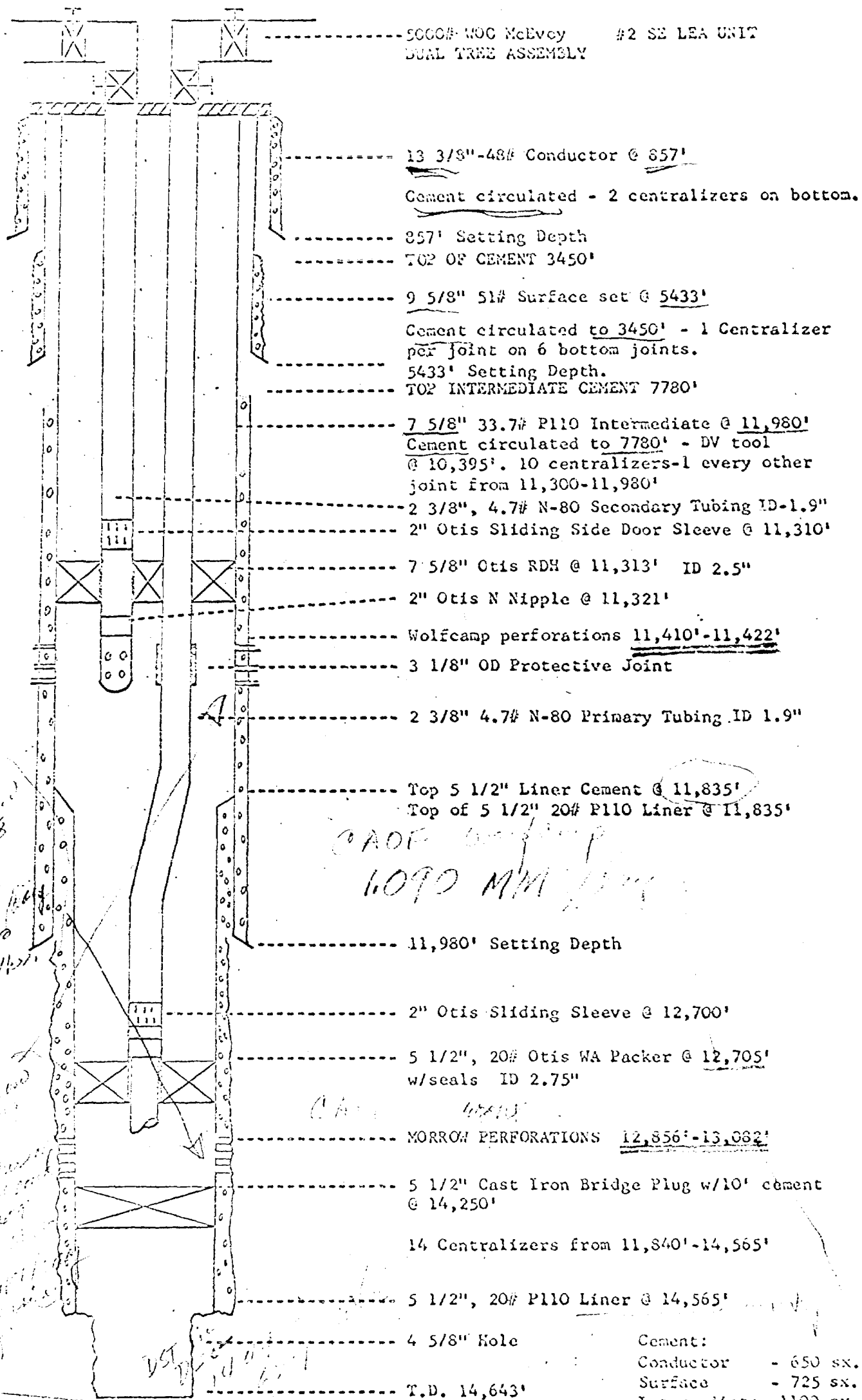




SOUTHEAST LEA UNIT

LEA COUNTY, NEW MEXICO

AMERICAN TRADING AND  
PRODUCTION CORPORATION



BEFORE EXAMINATION

Ch. 10, p. 10

441

1154

[illegible]

Cement:  
Conductor - 650 sx.  
Surface - 725 sx.  
Intermediate - 1100 sx.  
Liner - 300 sx.

Ch. L. O.

CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER  
  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY, JR.

LAW OFFICES  
**HINKLE, BONDURANT & CHRISTY**  
600 HINKLE BUILDING  
ROSWELL, NEW MEXICO 88201

December 13, 1968

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) MU 3-4691  
OF COUNSEL: HIRAM M. DOW

TELEPHONE (505) 622-6510  
POST OFFICE BOX 10

*Page 4016*

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

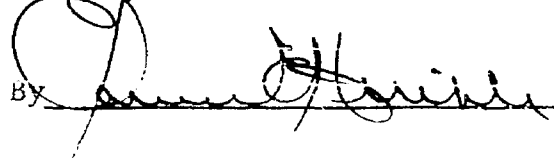
We enclose herewith in triplicate application of American Trading and Production Corporation for dual completion of the Southeast Lea Unit Well No. 2, Lea County, to produce gas-condensate from the Wolfcamp and Morrow formations.

There is also enclosed a copy of the well log which is referred to in the application.

We would appreciate your setting this matter down for hearing on the examiner's docket which we understand will be held on January 8, 1969.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

BY 

CEH:cs  
Enc.

DOCKET MARKED

Date 12/15/68

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF AMERICAN TRADING AND )  
PRODUCTION CORPORATION AS UNIT OPERATOR )  
OF THE SOUTHEAST LEA UNIT AGREEMENT FOR )  
APPROVAL OF DUAL COMPLETION OF THE SOUTH- )  
EAST LEA UNIT WELL NO. 2 LOCATED IN UNIT )  
L, SECTION 25, TOWNSHIP 20 SOUTH, RANGE )  
35 EAST, LEA COUNTY, NEW MEXICO TO PRO- )  
DUCE GAS-CONDENSATE FROM THE WOLFCAMP )  
AND MORROW FORMATIONS. )

No. 4176

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Comes American Trading and Production Corporation, acting by and through the undersigned attorneys, and hereby makes application as unit operator of the Southeast Lea Unit Agreement for approval of dual completion of the Southeast Lea Unit Well No. 2 located in Unit L, Section 25, Township 20 South, Range 35 East, Lea County, New Mexico to produce gas-condensate from the Wolfcamp and Morrow formations, and in support thereof respectfully shows:

1. That American Trading and Production Corporation is the unit operator of the Southeast Lea Unit Agreement embracing lands of the State of New Mexico situated in Sections 25, 26, 27, 35 and 36, Township 20 South, Range 35 East, Lea County, New Mexico. That applicant as the unit operator has caused to be drilled the Southeast Lea Unit Well No. 2 located in Unit L, Section 25, Township 20 South, Range 35 East and said well is in the process of being completed to produce gas-condensate from the Wolfcamp formation through perforations from 11,410 feet to 11,422 feet and gas-condensate from the Morrow formation through perforations from 12,856 feet to 13,082 feet.

2. That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat showing



location of the Southeast Lea Unit Well No. 2 as well as the Southeast Lea Unit Well No. 1, together with the boundaries of the Southeast Lea Unit Area and all wells which have been drilled within a radius of 2 miles of the unit area.

3. That said well is in the process of being completed as a dual well by the running of two strings of tubing through one of which gas-condensate will be produced from the Wolfcamp formation and gas-condensate will be produced from the Morrow formation through perforations as above indicated. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "B" application of applicant for multiple completion on Form C-107 giving all information required under the rules of the Commission.

4. That there is also attached hereto, made a part hereof, and for purposes of identification marked Exhibit "C", a diagrammatic sketch showing the manner in which the well will be completed, showing the casing strings, including diameters and setting depths; centralizers and location thereof; quantities used and tops of cement; perforated intervals; tubing strings and setting depths; location of packers; and other pertinent information.

5. There is also filed herewith copy of Schlumberger Composite Gamma Ray-Neutron log of the Southeast Lea Unit Well No. 2.

6. That all of the offset operators have been furnished with a copy of applicant's application for multiple completion as shown by Form C-107 which is attached hereto.

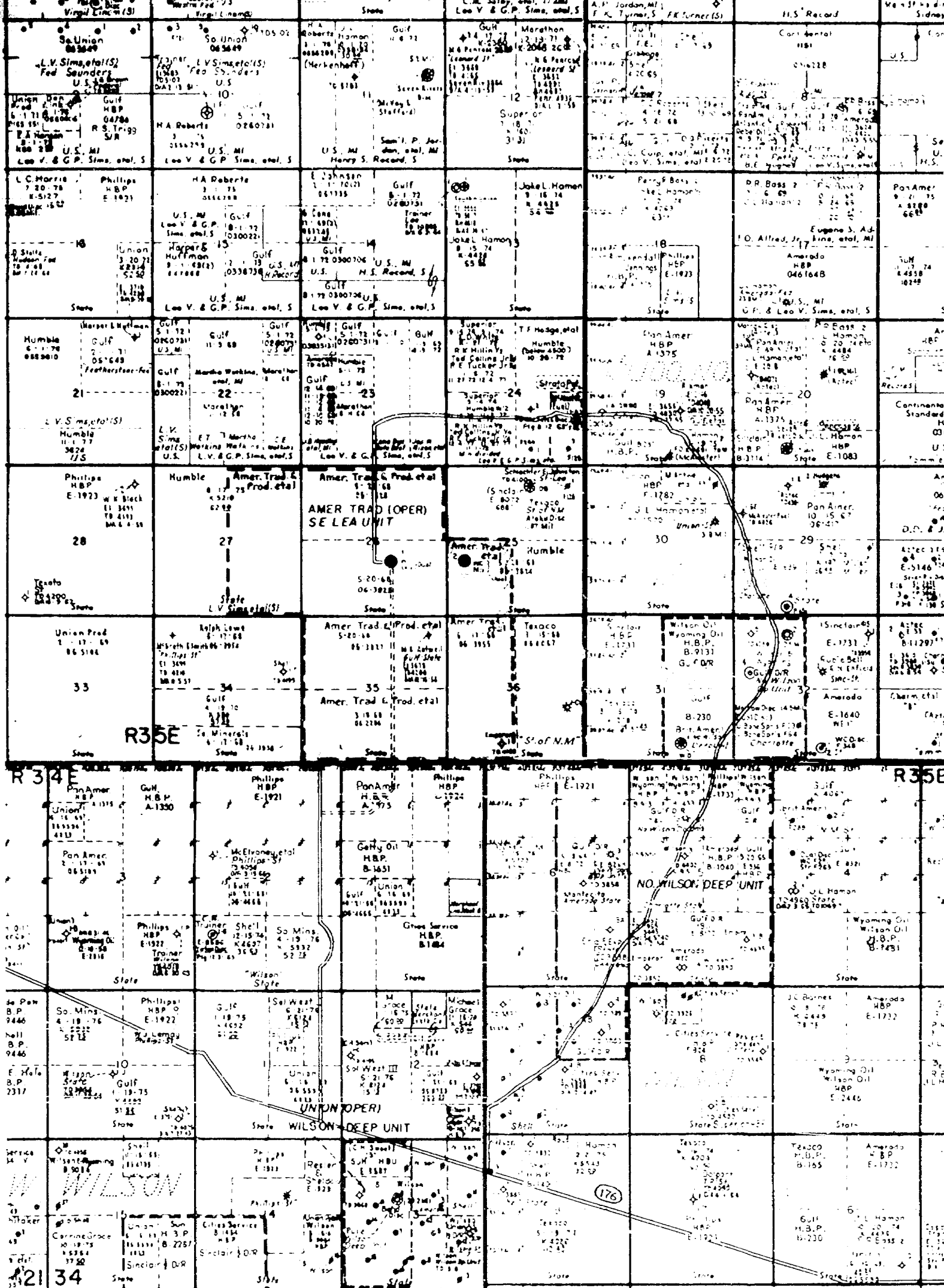
7. Applicant respectfully requests that this matter be set down for the first examiner's hearing in January 1969.

Respectfully submitted,

AMERICAN TRADING AND PRODUCTION  
CORPORATION

By 

Member of the Firm of  
HINKLE, BONDURANT & CHRISTY  
P.O. Box 10  
Roswell, New Mexico  
Attorneys for Applicant



SOUTHEAST LEA UNIT  
LEA COUNTY, NEW MEXICO

Office 4-16  
EXHIBIT A

Operator	American Trading and Production Corporation	County	Lea	Date	November 26, 1968
Address	P. O. Drawer 952, Midland, Texas 79701	Lease	SE Lea Unit	Well No.	2
Location Unit	Section	Township	Range		
L	25	20-S	35-E		

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO 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	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Undesignated-Wolfcamp		Undesignated-Morrow
b. Top and Bottom of Pay Section (Perforations)	11,410'-11,422' Perforations		12,856'-13,082' (Reperforations)
c. Type of production (Oil or Gas)	Gas-Condensate		Gas-Condensate
d. Method of Production (Flowing or Artificial Lift)	Flowing		Flowing

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

- X a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolifters and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- X 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.
- X \*c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.\*
- X 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.

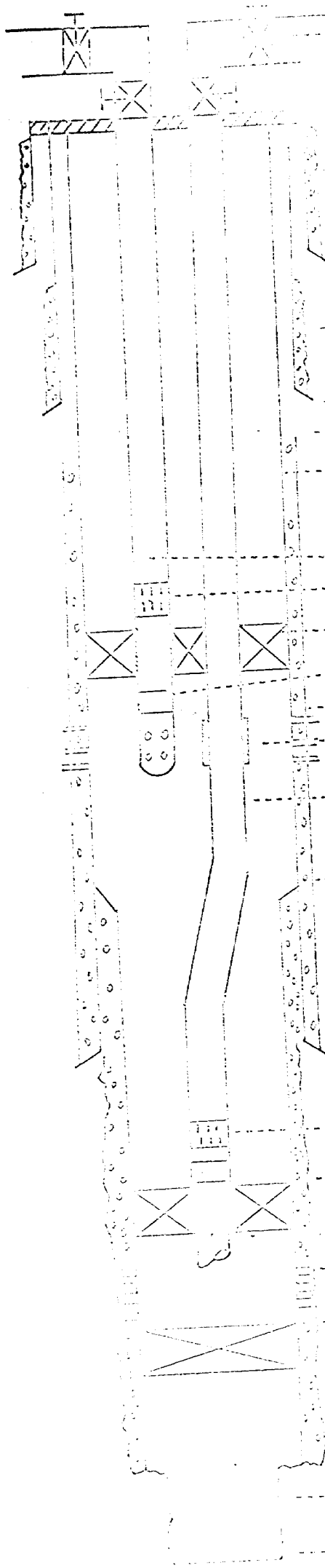
Marathon Oil Co. P. O. Drawer 1398, Roswell, N.M. 88201	Superior Oil Co. P. O. Box 1900, Midland, Texas 79701
Humble Oil & Refining Co. P. O. Box 1600, Midland, Texas 79701	Pan American Pet. Corp. P. O. Box 1410, Ft. Worth, Texas 76101
Phillips Petroleum Co. P. O. Box 791, Midland, Texas 79701	Sinclair Oil and Gas Co. P. O. Box 1470, Midland, Texas 79701
Gulf Oil Corp. P. O. Box 1938, Roswell, N.M. 88201	Ralph Lowe Estate P. O. Box 832, Midland, Texas 79701
Texaco Inc P. O. Box 2246, Roswell, N.M. 88201	Southern Minerals Corp. P. O. Box 1816, Midland, Texas 79701

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 November 26, 1968.

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

W. L. Pruitt  
Signature

- \* Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard production unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.



12 3/4" OD Cement 7 511'

Cement circulated - 2 centralizers on bottom.

557' Setting Depth.

TOP OF CEMENT 5450'

6 5/8" 519 Surface Set 5433'

Cement circulated to 5450' - 1 Centralizer per joint on 6 bottom joints.

5433' Setting Depth.

TOP INTERMEDIATE CEMENT 7730'

7 5/8" 33.7# P110 Intermediate @ 11,920'

Cement circulated to 1700' - UV tool

@ 10,395'. 10 centralizers - 1 every other joint from 11,300-11,920'

2 3/8" 4.7# X-80 Secondary Tubing ID 1.9"

2" Otis Sliding Side Door Sleeve @ 11,310'

7 5/8" Otis RDM @ 11,315' ID 2.5"

2" Otis N Nipple @ 11,321'

Wolfcamp perforations 11,410'-11,422'

3 1/8" OD Protective Joint

2 3/8" 4.7# X-80 Primary Tubing ID 1.9"

Top 5 1/2" Liner Cement @ 11,835'

Top of 5 1/2" 20# P110 Liner @ 11,335'

11,930' Setting Depth

2" Otis Sliding Sleeve @ 12,700'

5 1/2" 20# Otis WA Racker @ 12,705' w/seals ID 2.75"

Norman Perforations 12,855'-12,861'

5 1/2" Otis Iron Bridge Plug w/10' cement @ 14,750'

4 Centralizers from 11,340'-14,750'

5 1/2" 20# P110 Liner @ 14,805'

6 5/8" Hole

T.D. 14,860'

6 5/8" Hole  
Cemented  
14,860' - 14,860'  
14,860' - 14,860'  
14,860' - 14,860'

*Handwritten signature*

DRAFT

GMH/esr

*ALP*  
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:

*GMH*  
CASE No. 4016

*DM*  
Order No. R- 3658

APPLICATION OF AMERICAN TRADING AND PRODUCTION CORPORATION  
FOR A DUAL COMPLETION, 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 8, 1969, at Santa Fe, New Mexico, before Examiner  
Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of January, 1969, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, American Trading and Production Corporation,  
seeks authority to complete its Southeast Lea Unit  
Well No. 2, located in Unit L of Section 25, Township  
20 South, Range 35 East, NMPM. Lea County, New  
~~North~~ ~~West~~  
Mexico, as a dual completion (conventional) ~~oil~~  
~~(combination)~~ to produce gas  
~~(tubingless)~~  
~~from the~~ ~~Pool~~ ~~through~~  
from an undesignated Wolfcamp gas pool and from an undesignated  
Morrow gas pool through parallel strings of 2 3/8 -inch tubing,  
with separation of the zones by a packer set at approximately  
12,705 feet.

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

(4) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, American Trading and Production Corporation, is hereby authorized to complete its Southeast Lea Unit Well No. 2, located in Unit L of Section 25, Township 20 ~~North~~ South, Range 35 ~~West~~ East, NMPM, Lea County, New Mexico, as a dual completion (conventional) ~~(combination)~~ =oil= to produce gas ~~(tubingless)~~ xxx from the ~~Pool through~~ from an undesignated Wolfcamp gas pool and an undesignated Morrow gas pool through parallel strings of 2 3/8 -inch tubing, with separation of the zones by a packer set at approximately 12,705 feet;

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

PROVIDED FURTHER, that the applicant shall take ~~zone segregation~~ packer-leakage tests upon completion and annually thereafter during the Annual ~~Gas-Oil Ratio Test~~ Shut-in Pressure Test Period for the undesignated Morrow gas pool. ~~Block Deliverability~~ Block Deliverability

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

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