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

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Application Transcripts.

Small Exhibits

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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.

Case No. 4016

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING



NEW MEXICO OIL CONSERVATION COMMISSION

| EXAMINER | HEARING | | |
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| SANTA | FE | , NEW | MEXICO |

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

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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 Engin ar, 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.
 - O 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.
- Ω 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 hangar set at 11,835 feet.

Drilled into the Devonian with four and five-eighthsinch 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.

- O This packer leakage testing will be filed with the Commission?
 - A The nacker leakage tests will be filed.

O 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.

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

A Yes, it will.

O 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 enl 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.

? 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?

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| J. W. VIDRINE | |
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| Cross Examination by Mr. Nutter | 10 |

| EXHIBITS | MARKED | ADMITTED |
|--------------------------------------|--------|----------|
| Applicant's Exhibits Numbers 1 and 2 | 2 | 11 |

STATE OF NEW MEXICO)

COUNTY OF BERNALILLO)

I, SAMUEL MORTELETTE, Court Reporter in and for the County of Bernalille, 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.

Symuel Mortelette
COURT REPORTER

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GOVERNOR DAVID F. CARGO CHAIRMAN

State of New Mexico Gil Conservation Commission

LAND COMMISSIONER GUYTON B. HAYS MEMBER



P. O. BOX 2088 SANTA FE STATE GEOLOGIST A. L. POPTER, 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. Secretary-Director

ALP/ir
Carbon copy of order also sent to:
Hobbs OCC x
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Other

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMSERVATION CONMISSION 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.

MOW, 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 Scutheast 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 THEREPORE 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, EMPM, 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 packerleakage 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

TOTE COMPERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEK J. ARMIJO. Member

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

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OIL CONSERVATION CONSISSION I DISTRICT

| OIL CONSERVATION COMMISSION | DATE_ | Dec. 5 | 1968 |
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| Gentlemen: | | | |
| I have examined the application dated | 1: | 2/4/68 | / |
| for the American Trading & Production Corp. Operator Lease and Well | SE Lea | Unit #2-L_ | 25-20-35 |
| and my recommendations are as follows: | | | |
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| 3 | 0 | Gement circulated - 2 centralizers on bottom. |
| | | |
| | | 857' Setting Depth TOP OF CEMENT 3450' |
| 13 | | |
| la la | 3 | 9 5/8" 51# Surface set @ 5433' |
| | | Cement circulated to 3450' - 1 Centralizer per joint on 6 bottom joints. |
| | | 5433' Setting Depth. |
| | Ö | TOP INTERMEDIATE CEMENT 7780' |
| 0 | | 7 5/8" 33.7# PllO Intermediate @ 11,980' Cement circulated to 7780' - DV tool |
| | | @ 10,395'. 10 centralizers-1 every other |
| 0 | | joint from 11,300-11,980 ⁴ -2 3/8", 4.7# N-80 Secondary Tubing ID-1.9" |
| 0 11:1 | . 0 | 2" Otis Sliding Side Door Sleeve @ 11,310" |
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1 Charle O

CLARENCE E.HINKLE
W.E.BONDURANT, JR.
S.B.CHRISTY IV
LEWIS C.COX.JR.
PAUL W.EATON, JR.
CONRAD E.COFFIELD

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

Chi 4016

11 8 27

10

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

CEH:cs Enc.

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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 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.

No. 4016

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

Member of the Firm of

HINKLE, BONDURANT & CHRISTY

P.O. Box 10

Roswell, New Mexico

Attorneys for Applicant

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SOUTHEAST LEA UNIT

LEA COUNTY, NEW MEXICO

EXH!BIT "A"

MAIN MEMORS OFF. COMMISSION MORE COMMISSION SANTA FL, NEW MEXICO

EXHIBIT "B"

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

3 Cam C-107

| Operator Accorded a Production on | C | | Date |
|---|--|---|--|
| <u> </u> | | Leta | Hoverber 26, 1963 |
| iddress | • | | Well No. |
| 1. 0. pander 998, N | | SE Lea Unit | Bana |
| , | 25 | 20-S | Nange 35-E |
| or Well 1. Has the New Mexico Oll Conservati | | | The state of the s |
| | | | war in alege state prote of in the |
| same zones within one mile of the s | | | |
| . If answer is yes, identify one such in | istance: Order No. | ; Operator, Lease, and W | eli No.: |
| | | | |
| 7: 11: 5 5 3 5 3 5 3 | | | į |
| . The following facts are submitted: | Upper Zone | lrtermediate Zone | Lower Zone |
| a. Name of Pool and Formation | - | | Musicani and Manna |
| 5. Top and Bottom of | Undesignated-Wolfcer | 10 | Undesignated-Morro |
| Pay Section | 11,410'-11,422' | 7 2 | 12,856'-13,082' |
| (Perforations) | Perforations | | (Renewiorations) |
| e. Type of production (Oil or Gas) | Gas-Condensate | | Gis-Condensate |
| d. Method of Production | | (| |
| (Flowing or Artificial Lift) | Flowing | | Floriat |
| The following are attached. (Please | mark YES of NO) | | |
| | or other acceptable log with tops | s and bottoms of producing zones n is filed, it shall be submitted : | and intervals of perforation indicat |
| List all offset operators to the lease | i di salah dan mengangan dan kecamatan dan kelanggan dan dan dan dan dan dan dan dan dan d | | |
| | | , | |
| Marathon Gil Co. | | Superior Oil Co. | |
| P. O. Drawer 1398, Roswe | | P. O. Box 1900, 1 | fidland, Texas 79701 |
| Humble Gil & Refining Co | | Pan American Pet | - |
| P. O. Box 1600, Midland, | Texas 79701 | | St. Worth, Texas 76101 |
| Phillips Petroleum Co. | | Sinclair Oil and | |
| P. O. Box 791, Midland, | Texas 79701 | | Midland, Texas 79701 |
| Gulf Oil Corp. | N. W. 02001 | Ralph Lowe Estate | |
| P. O. Box 1938, Roswell, | N.A. 88201 | | idland, Texas 79701 |
| Texaco Inc | N. M. 90001 | Southern Minerals | - |
| P. C. Box 2248, Roswell, | | | Midland, Texas 79701 |
| Were all operators listed in item 5 ab of such notification <u>November</u> | | / St this application: 128 | NO If answer is yes, give c |
| CERTIFICATE: 1, the undersigned, | state that I am theDistric | t Ingineer of the | American Trading and |
| Production Corporations | | | |
| nder my supervision and direction and t | | | |
| | | カバス カ | 7 |
| | | Weled | U1115 |
| | | w w | • |

Should waivers from all offset operators not accompany an application for administrative approval, the New Morico Oil Conservation Commission will held 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.

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

The second second second N/ 18 18 July 18 dangat circulated - 2 describiners on bottom. iliiii oga Suoring Jupek and the committee of the contraction of the contrac 5 5/CM Std Surlace 520 - 54351 Commence directlated to 3450% - 1 Controllizer 3.5.20 per joint on 6 bottom joines. FOSS! Setting Depth. TOP INTHINTEDIATE CHMENT 7780! -- 7 5/8" 33.79 2119 Interpretate 8 11,980' Coment circulated to 1700' - UN tool 10 0 10,395'. 10 controlingue-1 every other joint from 11,300-11,830----2 3/3", 4.7# N-80 Secondary Tubing 10-1.9" S -- of Ocis Sliding Slde Joor Sleeve & 11,310' 1: 7 5/8" Obis RDW 0 11,373' ID 2.5" 5 _____ 20 Otis N Nipple @ 11,3211 Egonomicolog ----- 3 1/8" OD Protective Joint 222 00 00 ------ 2 3/8" 4.7# N-80 Primary Tubing ED 1.9" c -------- Top 5 1/2" Liner Coment 6 11,835" Top of 5 1/2" 20% Pli0 Liner 3 11,035' 3 0 5 . . . ----- 11,980' Setting Depth 2" Otis Sliding Sleeve 3 12,700" .____ 5 1/2", 20/ Otis MA Packur 6 12,705" w/Jeals ID 2.75" LLLE MARKON CARMORATIONS 10,0539-10,0519 ulli 5 1/25 Olsi Iran udiba ilian Mila elleni . Majiba 14 Centraliners from 11,0001-14,5051 ----- 5 1/2", 202 Filo liner 5 14,505 2 32.04 284.420 () = 1.145 1.145.42 () = 1.145 2.146.44 () = 4.145

Andrew Fred Co

DRAFT
GMH/esr

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:

| SM |
|----|
|----|

| COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: | • |
|--|--|
| | CASE No. 4016 |
| | Order No. R- <u>365</u> 8 |
| APPLICATION OF AMERICAN TRADING AND PRODUCTOR A DUAL COMPLETION, LEA CONTENT MEXICO. | |
| ORDER OF THE COMMISS | CON |
| BY THE COMMISSION: | |
| This cause came on for hearing at 9 January 8 , 1969, at Santa Fe. New Mex Daniel S. Nutter . | |
| NOW, on this <u>day of January</u> a quorum being present, having considered and the recommendations of the Examiner, a in the premises, | the testimony, the record |
| FINDS: | |
| (1) That due public notice having a law, the Commission has jurisdiction of the matter thereof. | nis cause and the subject |
| American (2) That the applicant, <u>Corporati</u> | Trading and Production |
| seeks authority to complete its <u>Southeast</u> | Lea Unit |
| Well No. 2 , located in Unit L of S | Section <u>25</u> , Township |
| 20 South, Range 35 East, NMPM. Le | |
| Mexico, as a <u>dual</u> completion tember | entional) =oid= ination)= to produce gas agless)== |
| from thePool | -through= <u>-========</u> |
| from an undesignated Wolfcamp gas pool and | |
| Morrow gas pool through parallel strings | of 2/8 -inch tubing, |
| with separation of the zones by a packer | set at approximately |
| 19 705 feet | |

- (3) That the mechanics of the proposed <u>dual</u> 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:

| IT IS THEREFORE ORDERED: |
|--|
| American Trading and Production |
| (1) That the applicant, <u>Corporation</u> |
| 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 West |
| (conventional) =oil= Mexico, as a <u>dual</u> completion (conventional) =oil= (conventional) =oil= (conventional) =oil= (conventional) |
| from=the=================================== |
| from an undesignated Wolfcamp gas pool and an undesignated Morrow |
| gas pool through parallel strings of $2\frac{3}{8}$ -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 fluit-in frequentless are dil Ratio Test Period for the undesignated Morrow gas pool. Rack. Daliverability

(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.