

CASE 6469: CONTINENTAL OIL COMPANY FOR
A DUAL COMPLETION, EDDY COUNTY, NEW
MEXICO

CASE NO.

6468

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6469

Order No. R- 5949

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A DUAL COMPLETION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on
February 28, 1979, at Santa Fe, New Mexico, before
Examiner Richard L. Stamets.

NOW, on this day of March, 1979, the
Division Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company,
seeks authority to complete its Federal 34 Well
Well No. 1, located in Unit N of Section 34, Town-
ship 20 South, Range 26 East, NMPM Eddy
County, New Mexico, as a dual completion (conventional) to
(combination)
(tubingless)

produce gas from the Springs-Upper Pennsylvanian Pool and an
undesignated Morrow pool through parallel strings of tubing.

(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, Continental Oil Company, is hereby authorized to complete its Federal 34 Well No. 1, located in Unit N of Section 34, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) ~~(combination)~~ ~~(tubingless)~~ ^{gas}

to produce ~~gas~~ ^{oil} from the Springs-Upper Pennsylvanian Pool and ^{Gas} an undesignated Morrow Pool through parallel strings of tubing,

with separation of the zones to be achieved by means of a packer set at approximately 8100 feet

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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 gas wells in Southeastern New Mexico Pool~~

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

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

for the 28th:

Contl Oil Co

dual completion (conventional)

Fed 34 Well #1. N-34-20S-26E Eddy

gas Springs Upper Penn
undesignated narrow

parallel strings of log.

called in by Hugh Ingraham Hbr
10:30 am 2/8/74

L. P. Thompson
Division Manager
Production Department
Hobbs Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

February 14, 1979

Case 6469

Oil Conservation Division (3)
Department of Energy & Minerals
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. Dan Nutter

Gentlemen:

Application for Multiple Completion - Federal 34 No. 1, Section 34, T-20-S,
R-26-E, Eddy County, New Mexico

Attached in triplicate is Continental Oil Company's application for multiple completion of the above named well. Per Mr. Nutter's phone conversation with Hugh Ingram of this office, we understand that this application will be scheduled for Examiner Hearing on February 28, 1979.

Yours very truly,

[Signature]
for L. P. Thompson

HAI/jj

enc

cc w/enc: Jason W. Kellahin, Santa Fe

FEB 15 1979

CONSERVATION COM.

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Lea Eddy		Date
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease Federal 34		Well No. 1
Location or Well	Unit N	Section 34	Township 20-S	Range 26W

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	Springs Upper Penn		Undesignated Morrow
b. Top and Bottom of Pay Section (Perforations)	Proposed 8045' - 55		10296' - 10,300'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flow		Flow

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

- Yes a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and /or turbolizers 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.
- 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.
- _____ 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.*
- Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Amoco Production Company, P. O. Box 3092, Houston, Texas 77001

Cities Service Oil Company, Box 1919, Midland, Texas 79701

Gulf Energy & Minerals Company, P. O. Box 1150, Midland, Texas 79702

NOTE: This application is set for an Examiner Hearing on February 28, 1979.

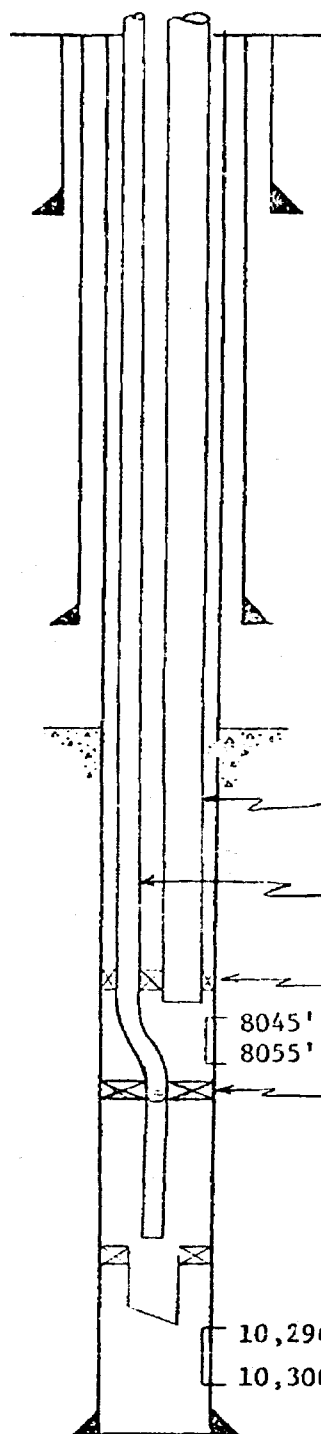
6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO X. If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Continental Oil (Company) (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

[Signature]
Signature

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and one every 2 joints thereafter).

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2 1/16" IJ, J-55, tbg. set at 8100'. O.D.-2.063". I.D.-1.751".

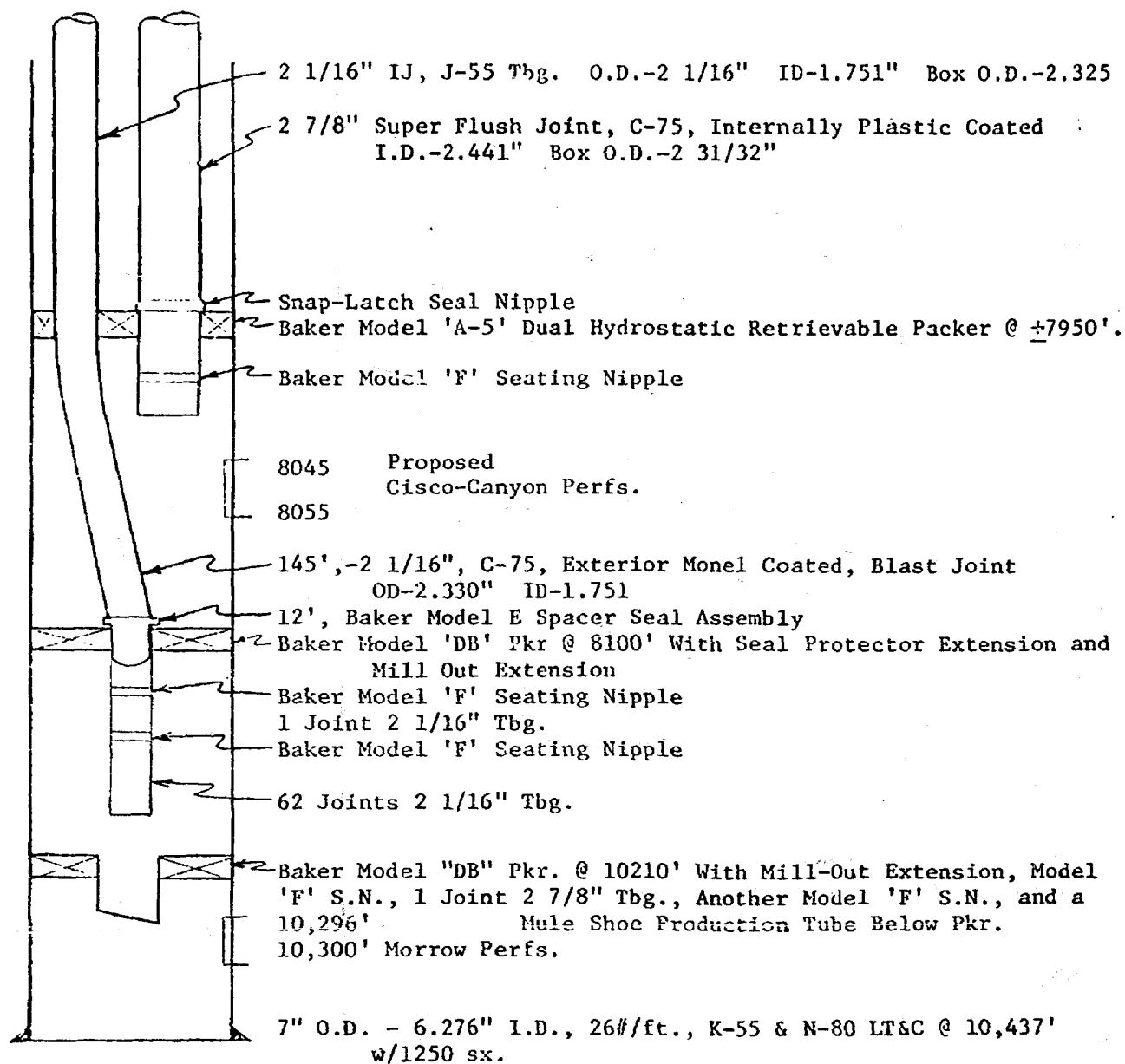
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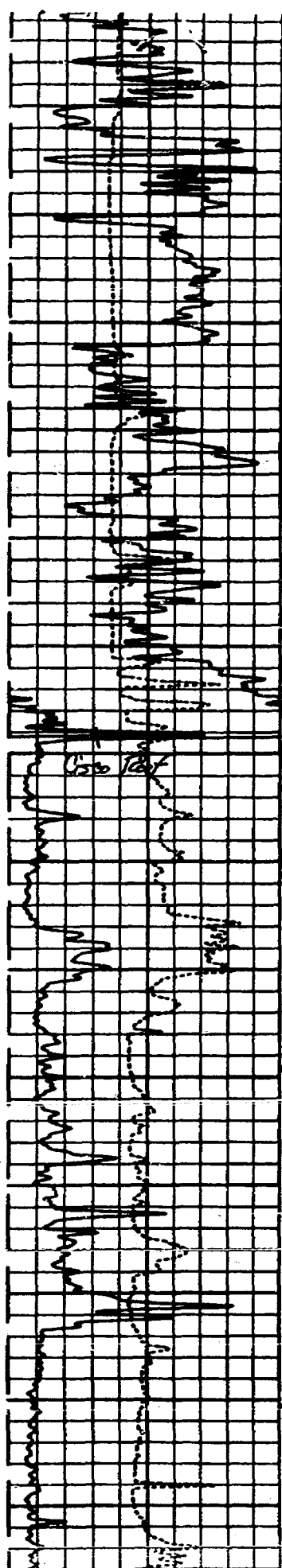
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Baker model "DB" at 10,210'. With 2 BFC S.N. and mule shoe
prod. tube.

7" O.D.-6.276" I.D. 26# N-80 & K-55 LT & C @ 10,437'. Cmmt
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35 scratchers - 10,000'-10,500'. (One placed every 15').

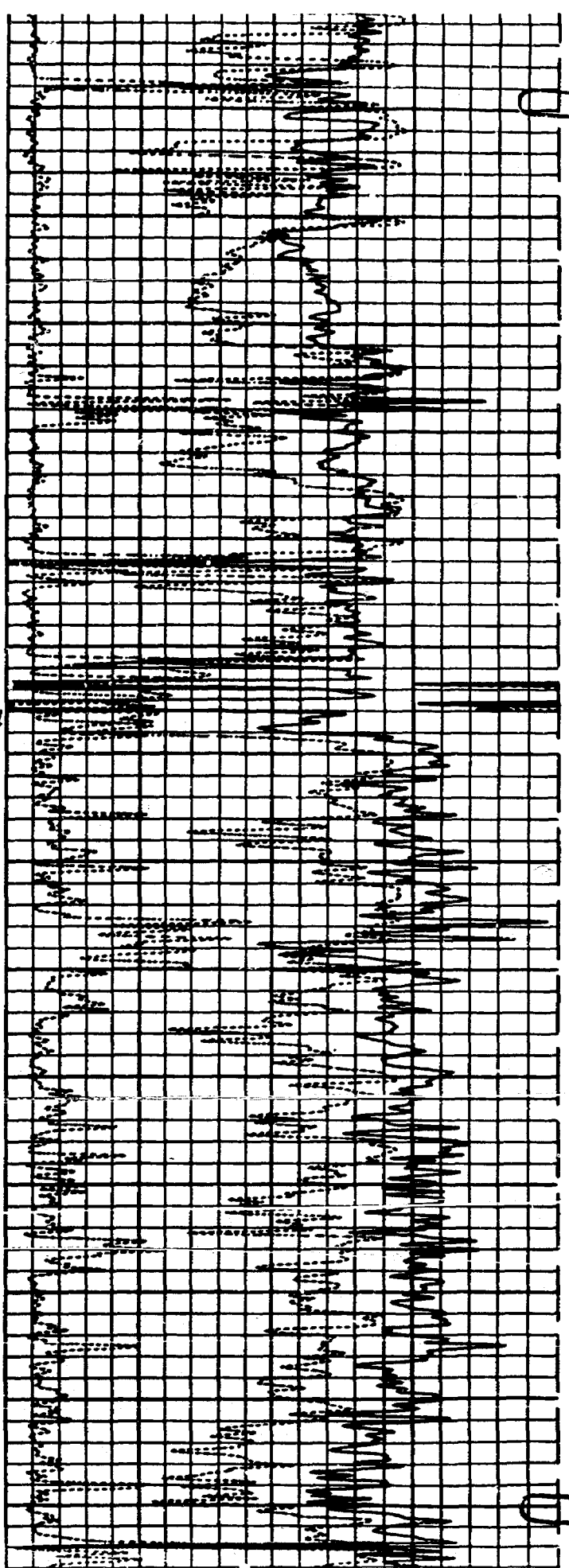
Details of
Proposed Equipment for Dual Completion

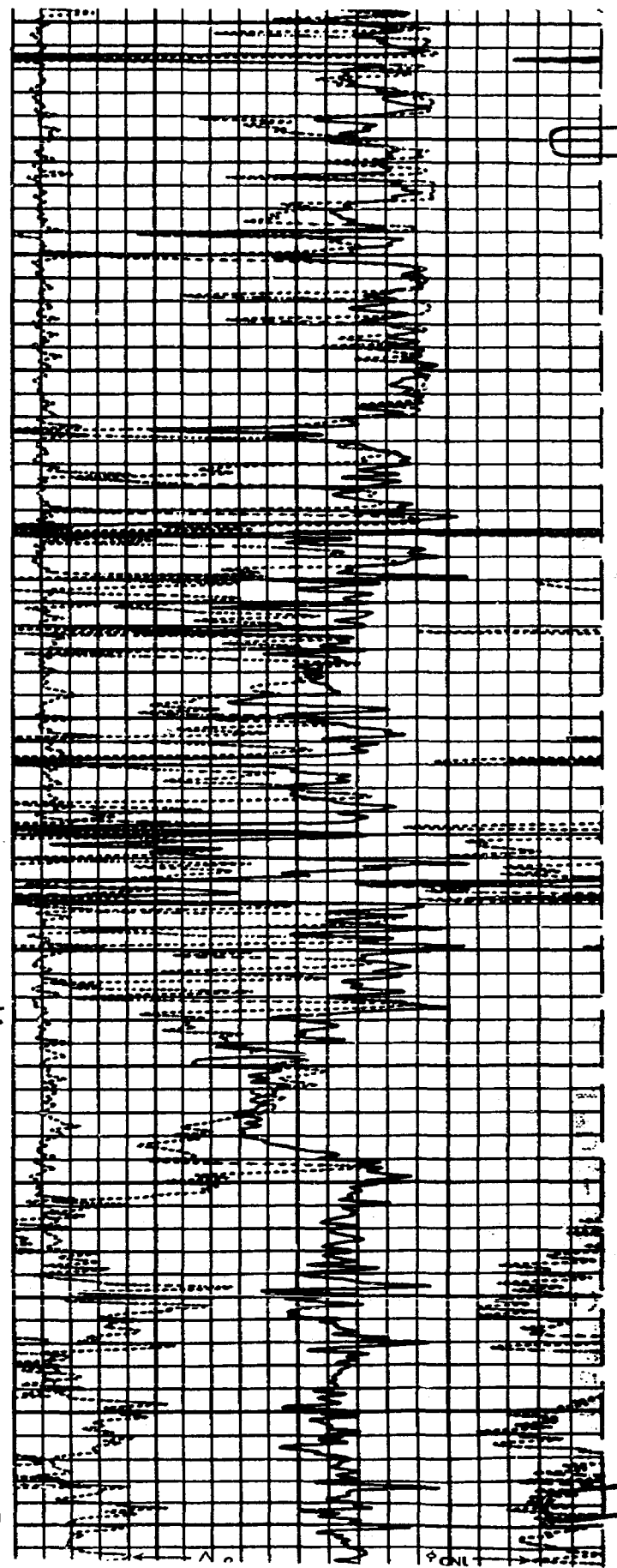
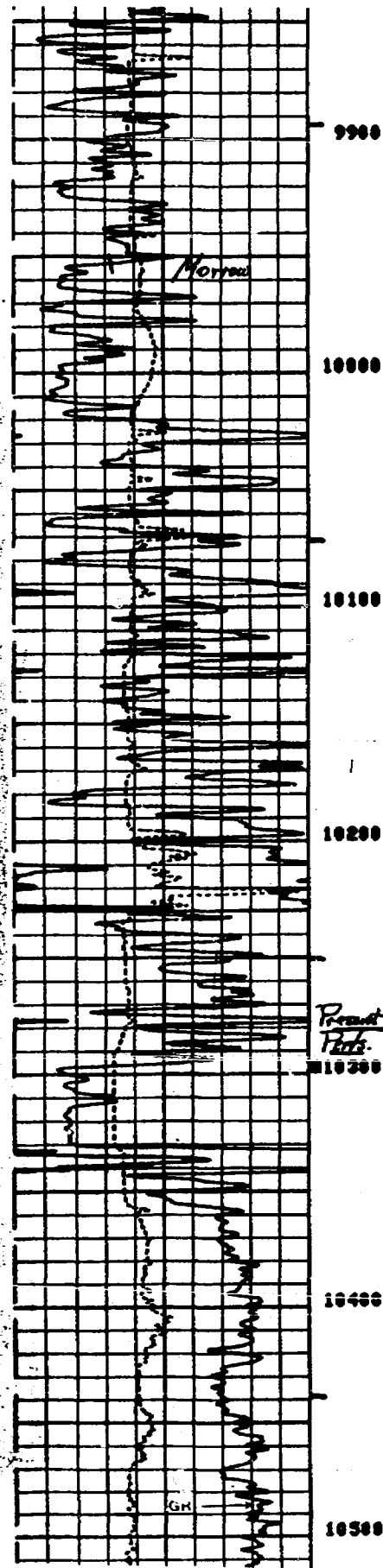


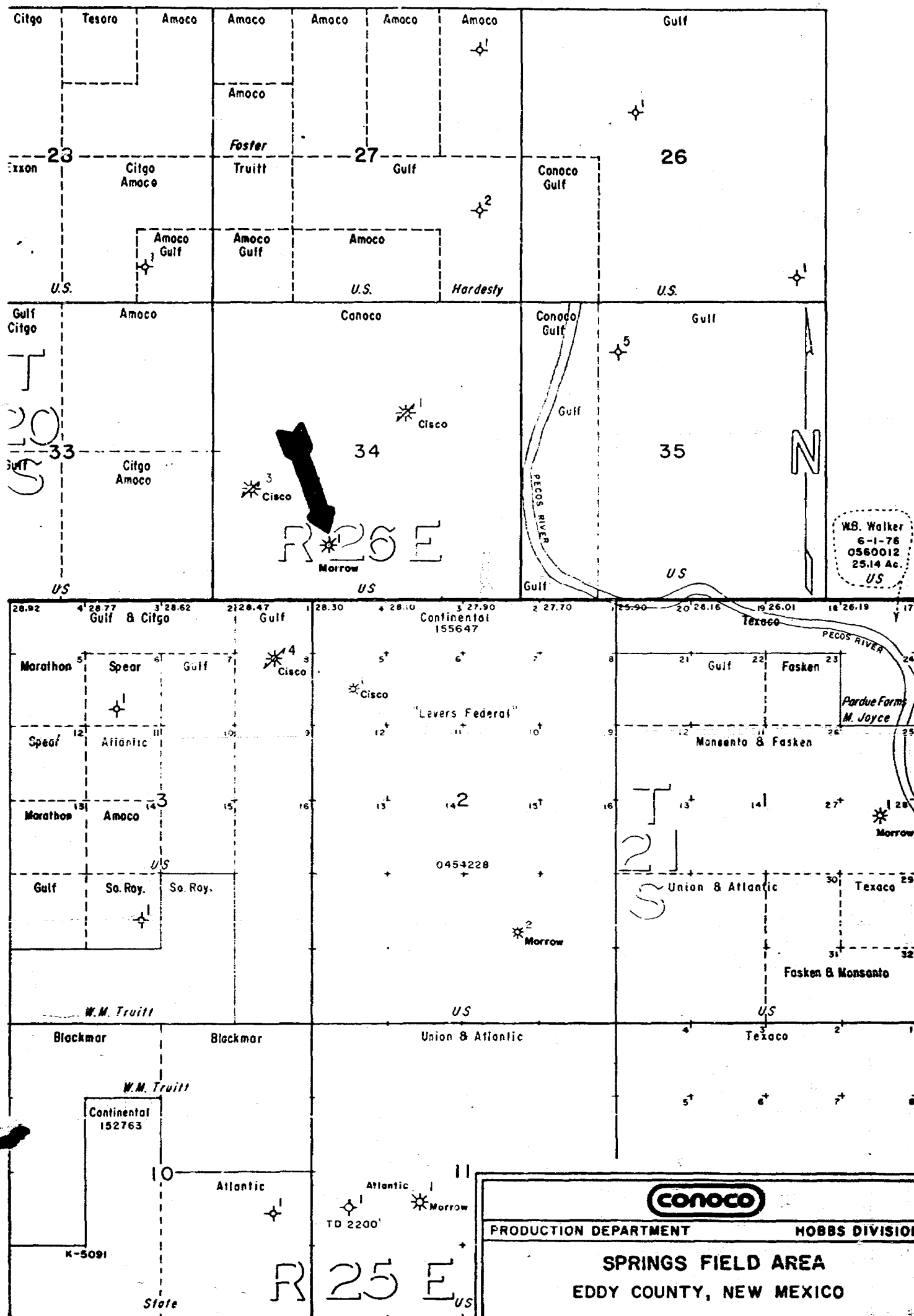


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NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

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Operator Continental Oil Company		County Lea		Date
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NOTE: This application is set for an Examiner Hearing on February 28, 1979.

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

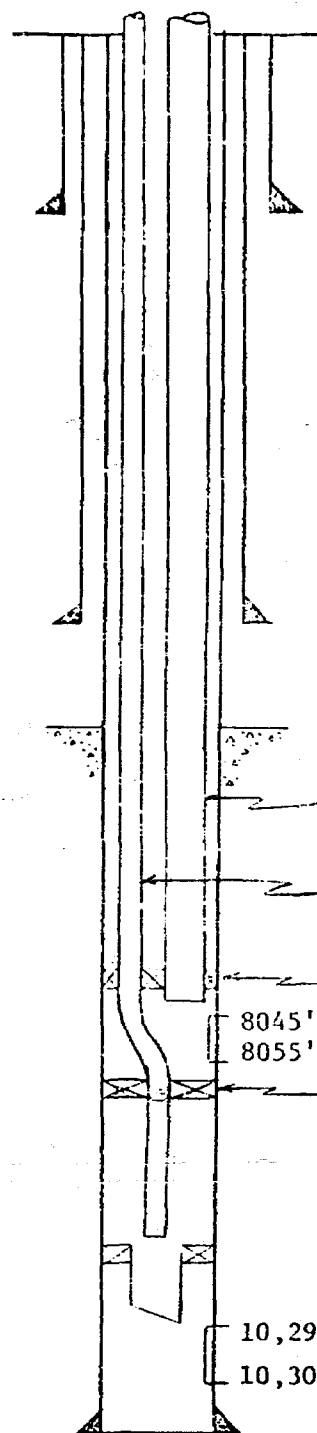
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NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, N.M.

[Signature]
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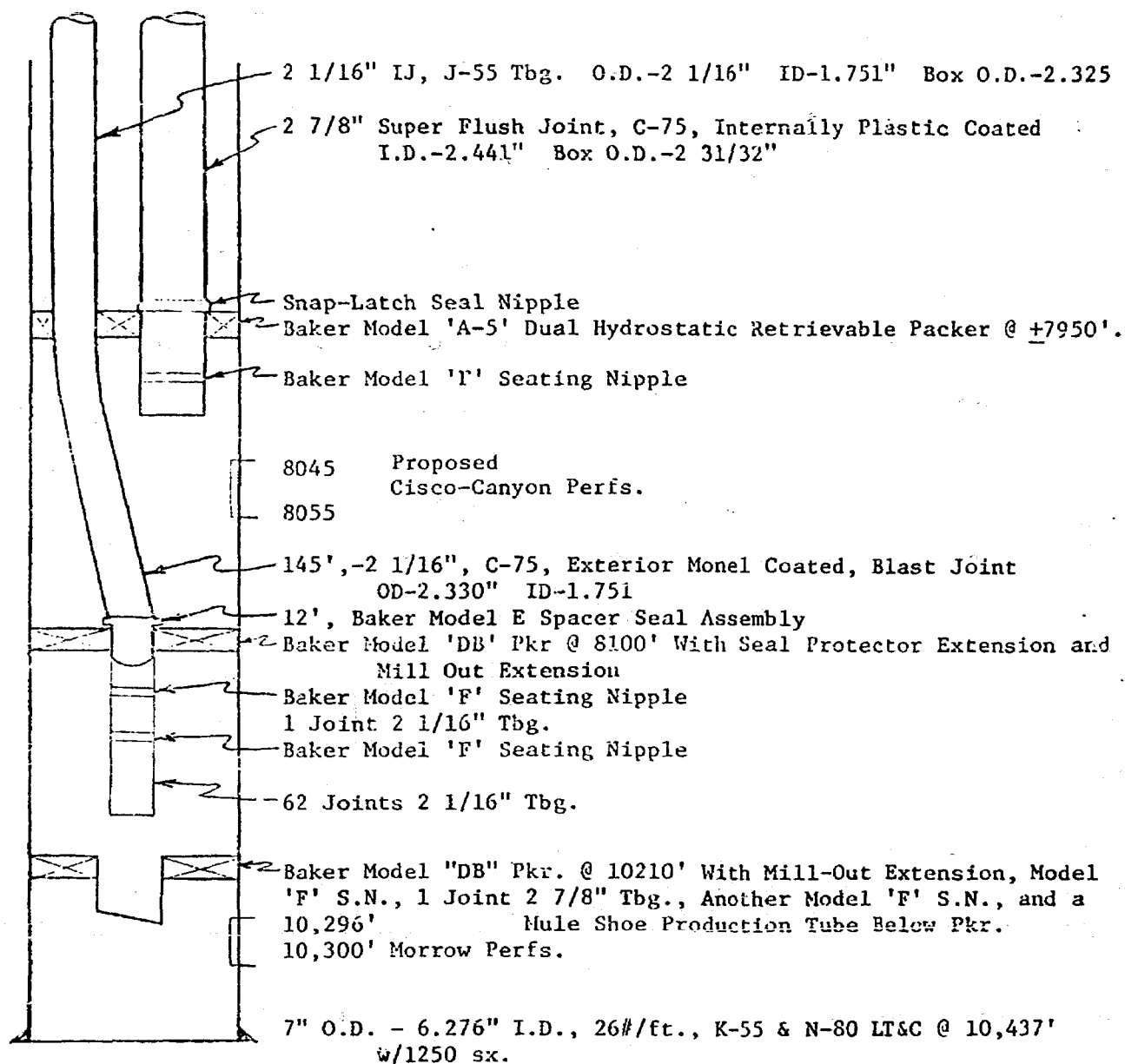
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Details of
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FOIA b(7) - The SOC name, location and birthdate reference data were withheld by the requester.

WCCING DATA

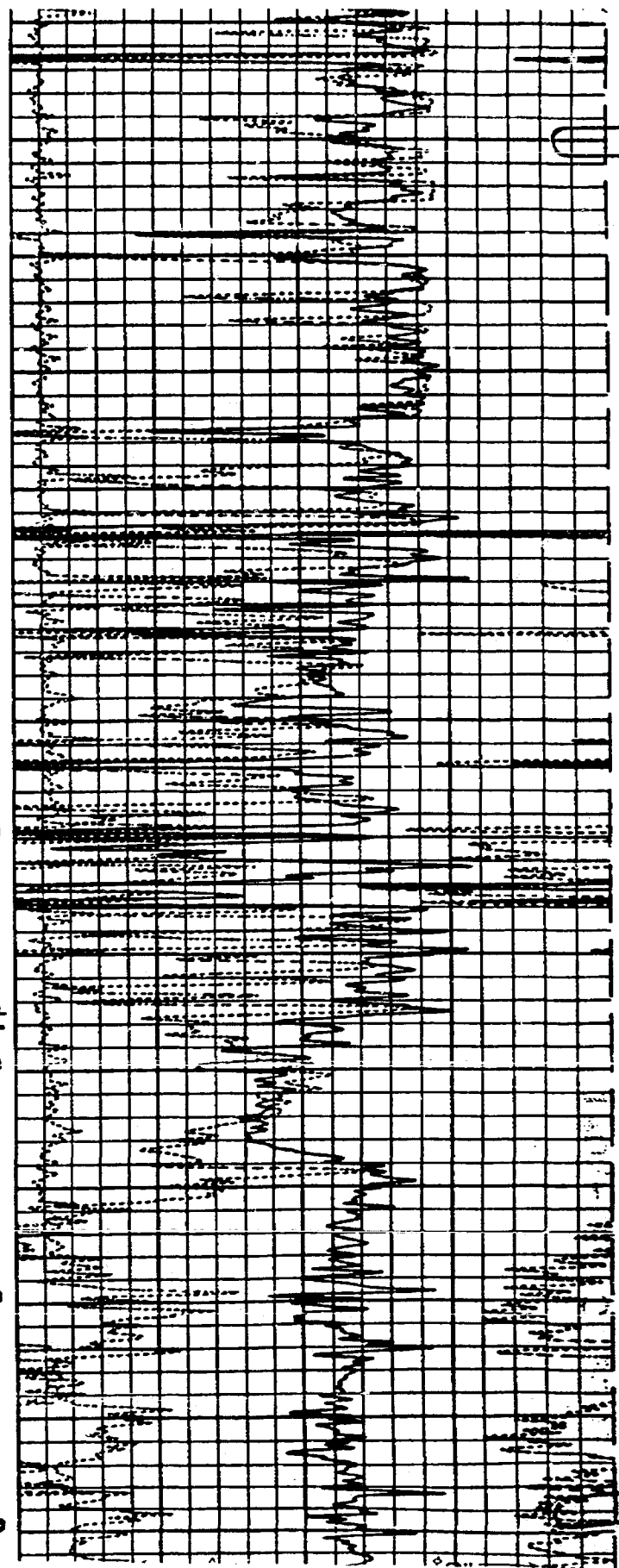
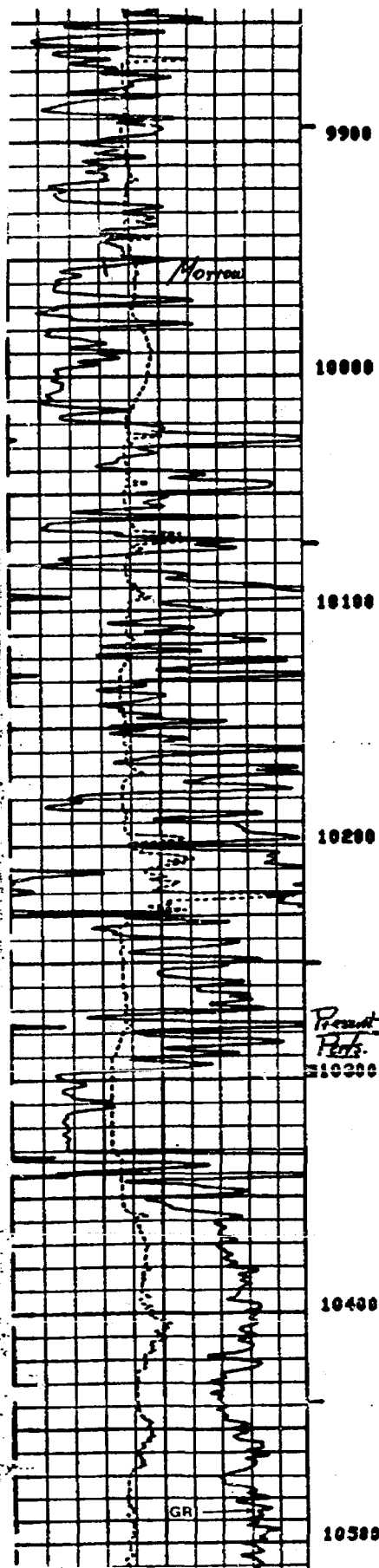
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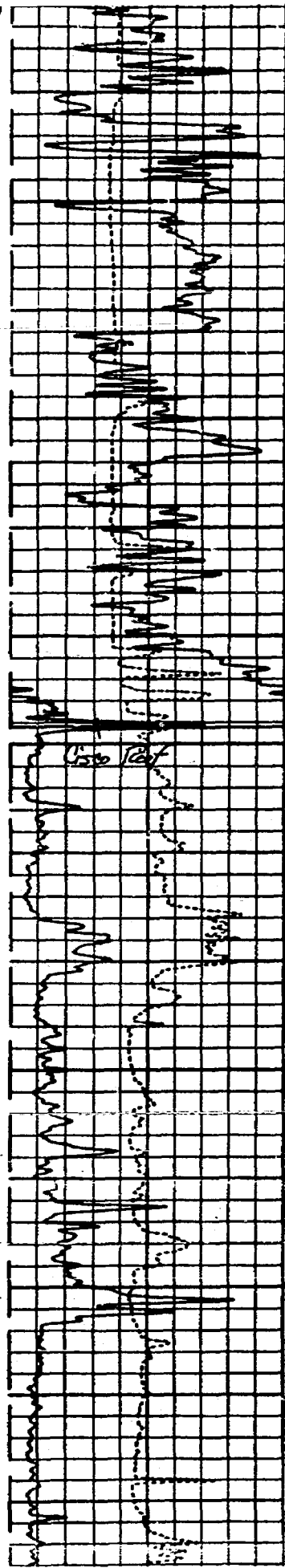
CONFIDENTIAL DATA

LOGGING DATA									
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All measurements are obtained based on information from patients. We cannot and do not guarantee the accuracy or correctness of any test results, and we shall not accept in the case of gross or willful negligence on our part, be held or responsible for any loss, expense or damages incurred.

Form 100-1 (Rev. 1-15-60)





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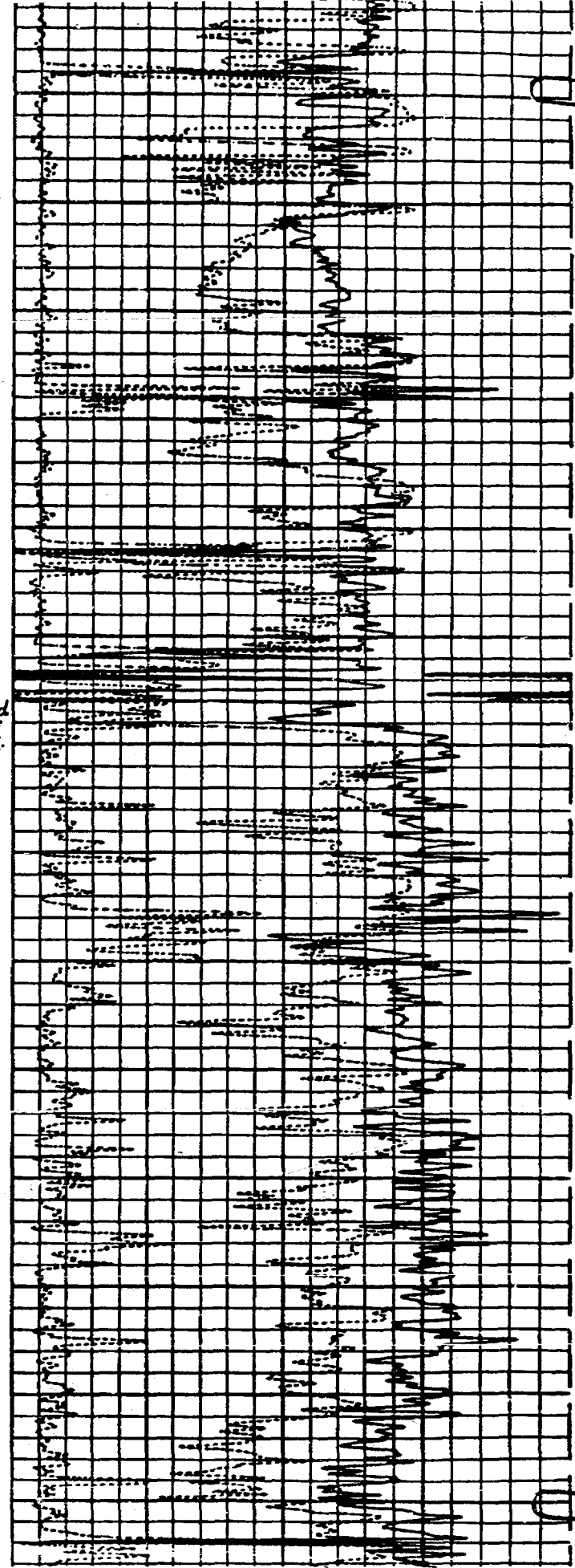
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P. 10/15

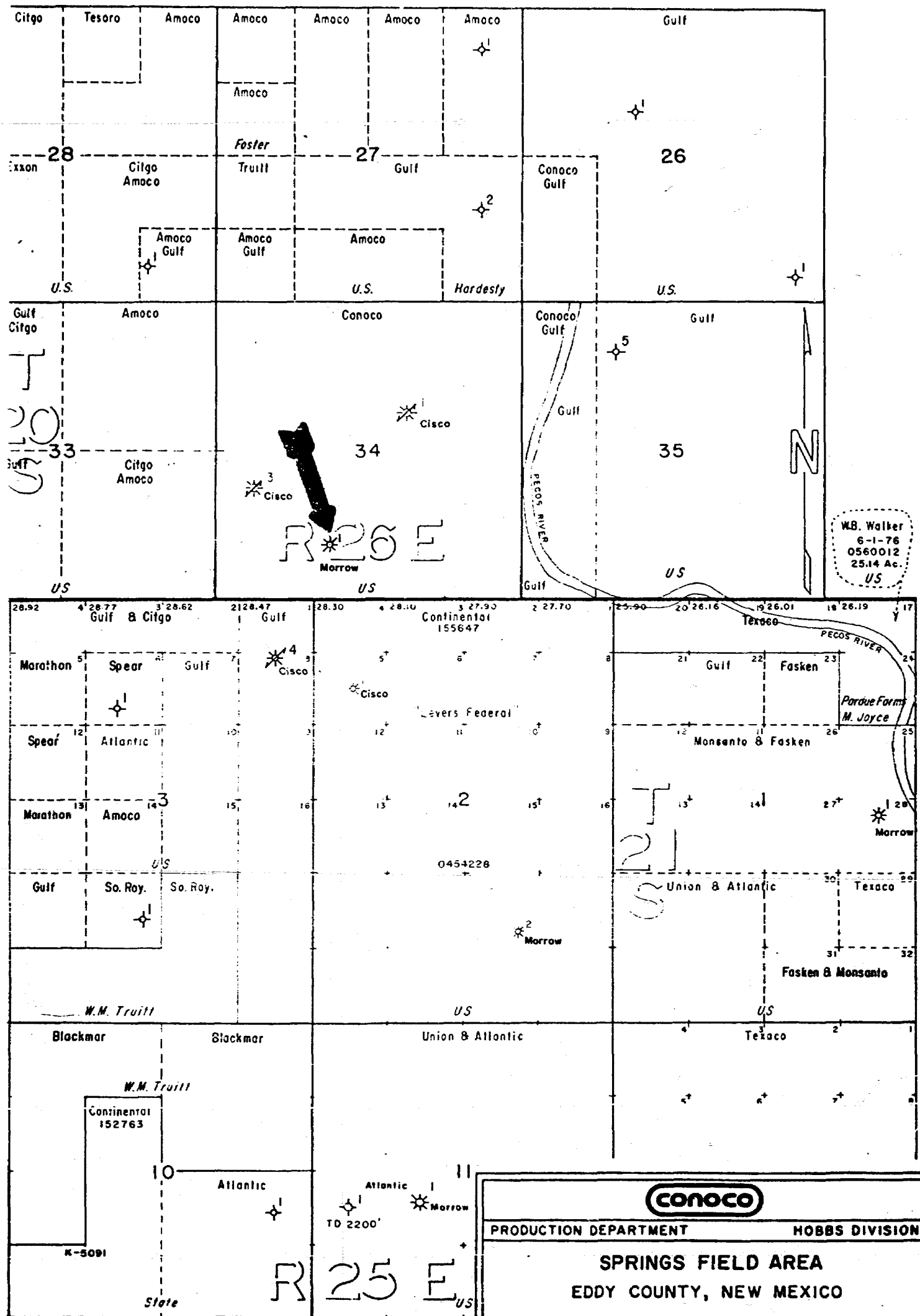
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NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

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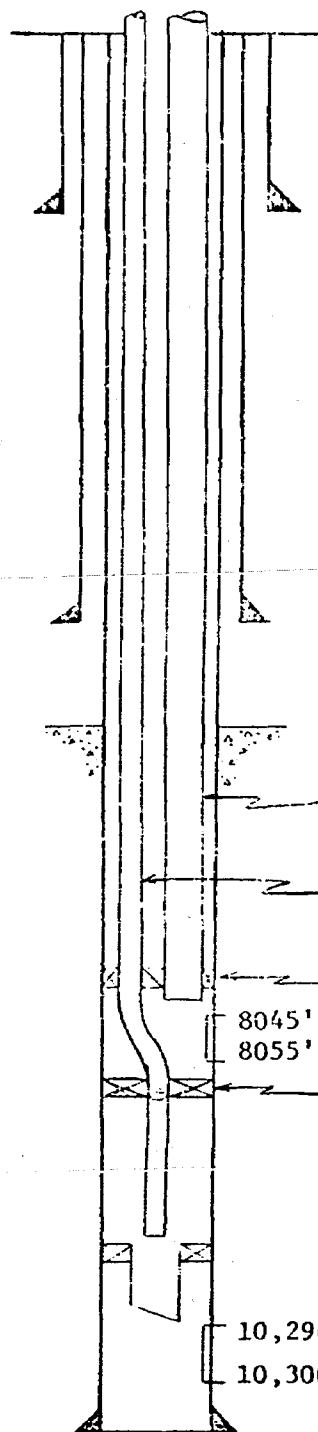
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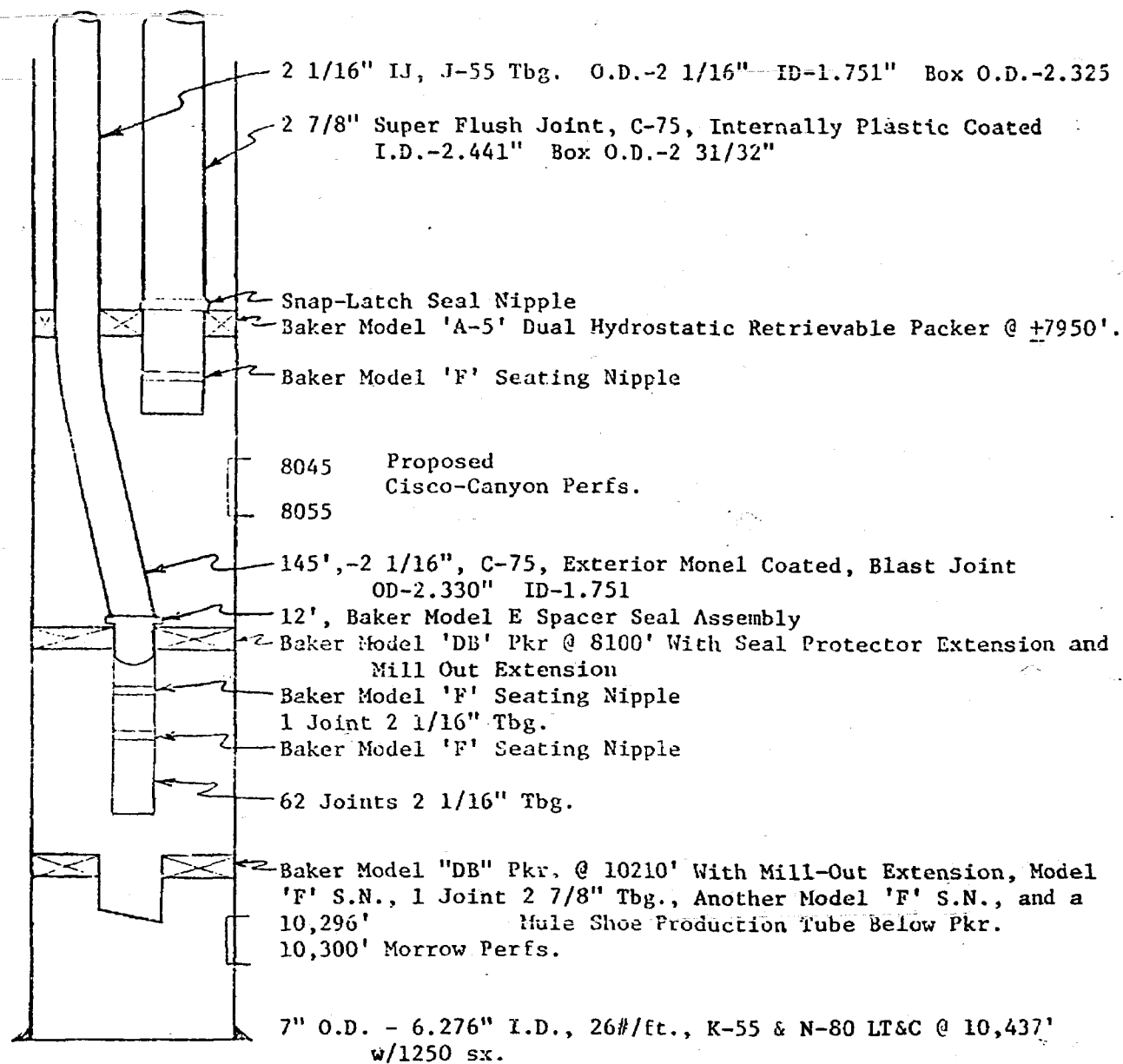
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Details of
Proposed Equipment for Dual Completion



FOIA b 7 - D The wall note located and positive reference was made. Classified by the Recorder

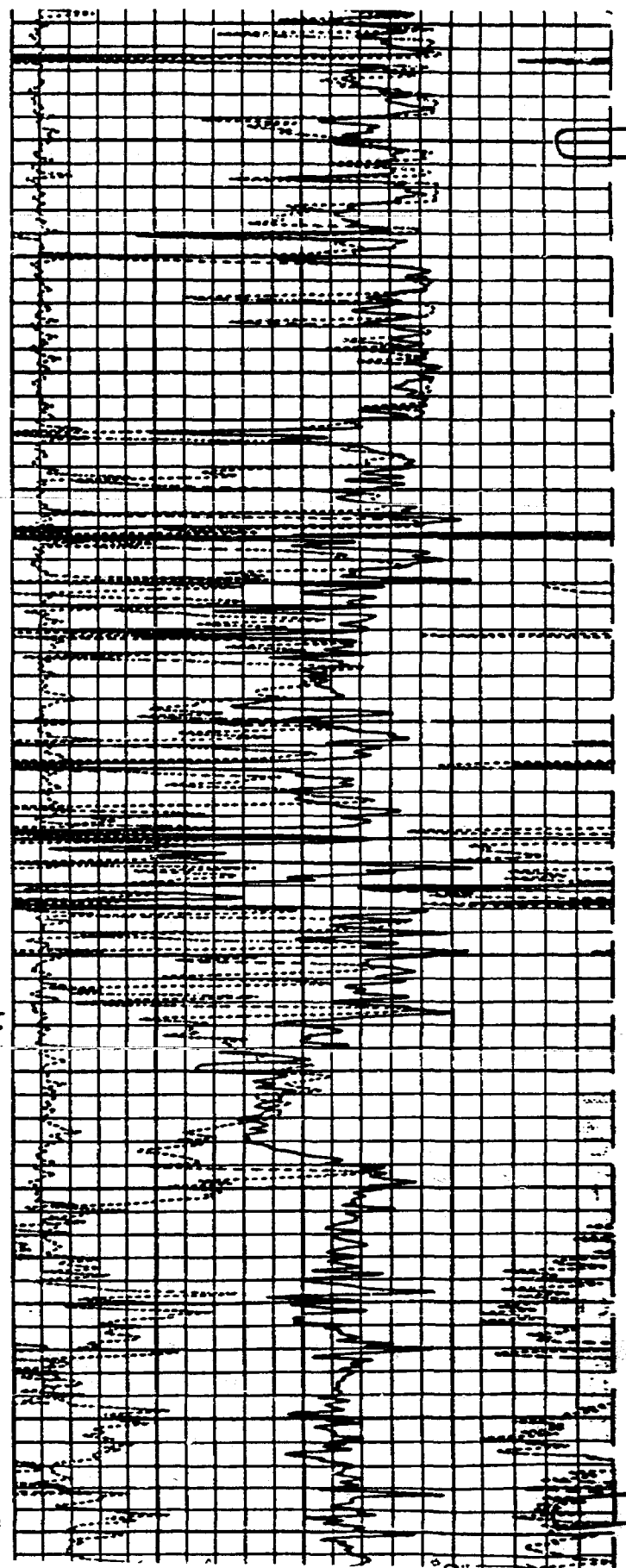
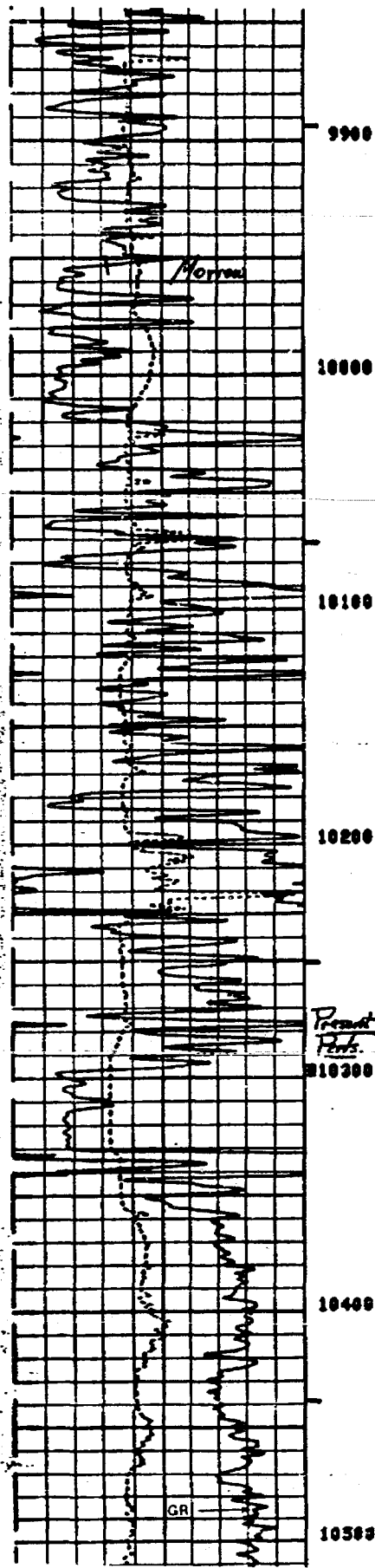
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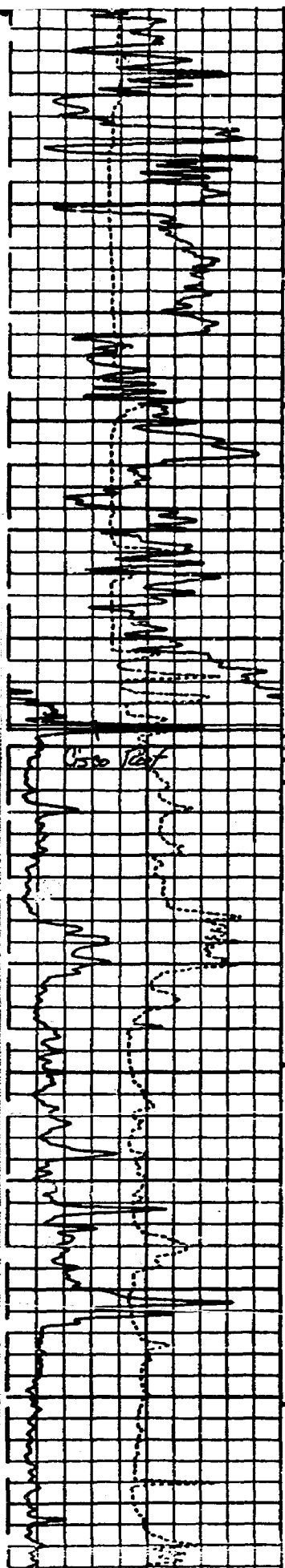
Base No.	ONE (Start)	SCALE CHANGES
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CALIBRATION DATA	
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All information is obtained from electronic or other measurements and we cannot and do not guarantee the accuracy or correctness of any measurements and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages or expenses incurred, sustained or caused resulting from any information made by any of our officers, agents or employees. These measurements are also subject to Class II of the General





Revised
Part.

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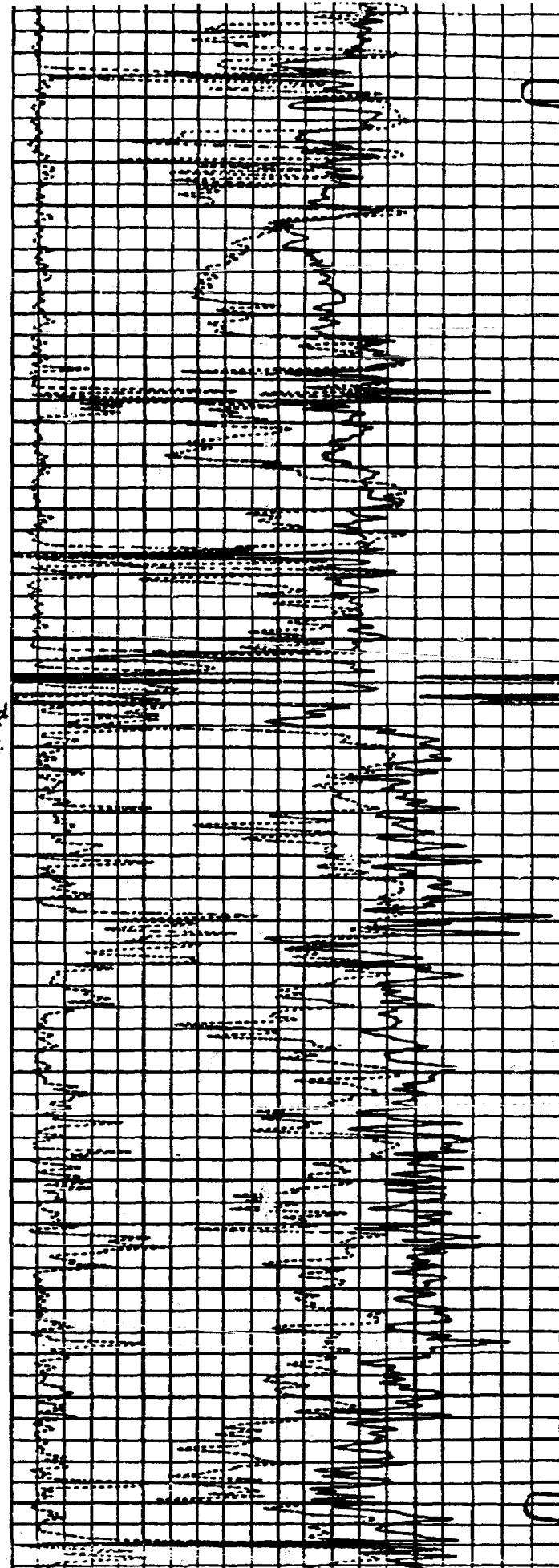
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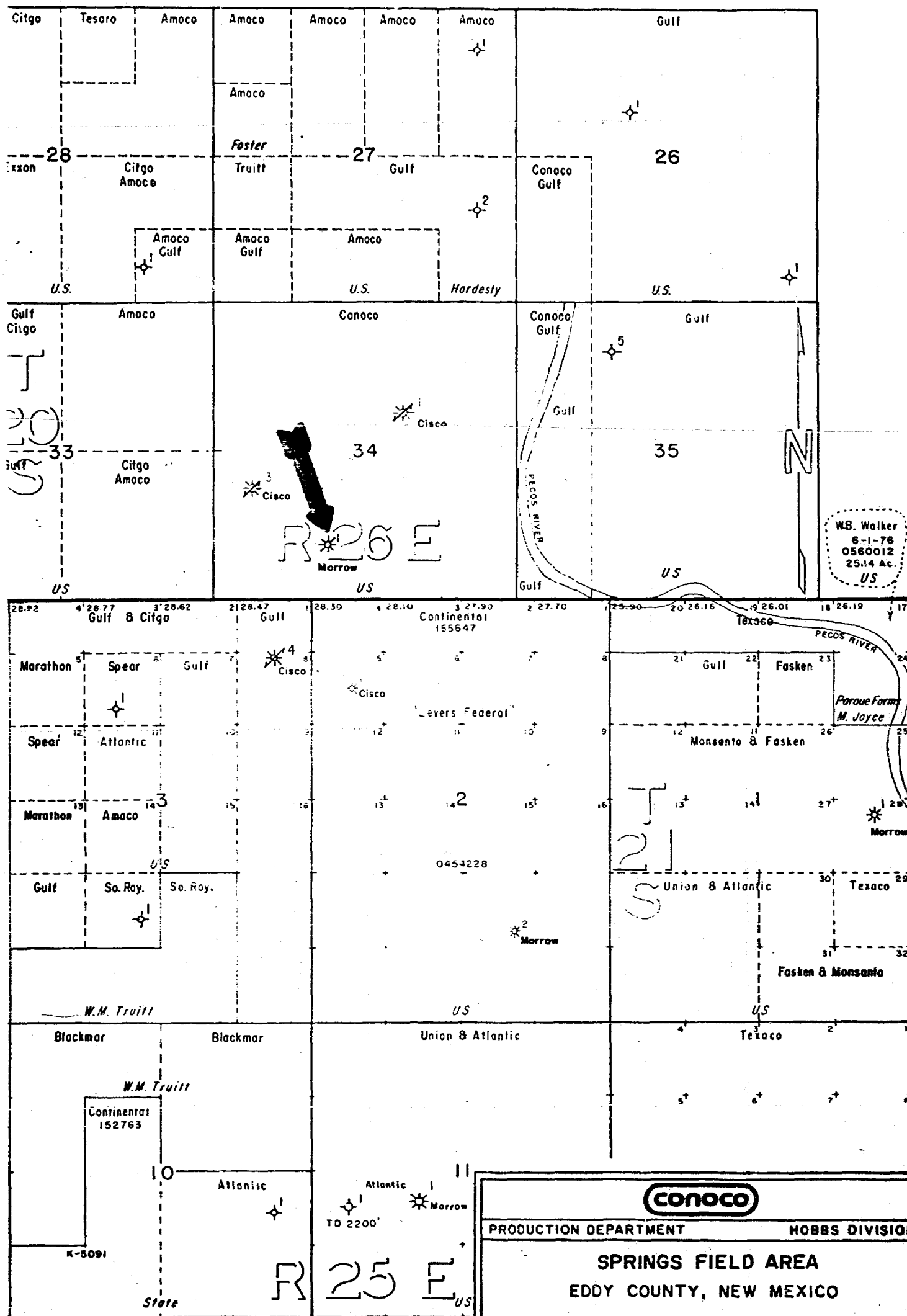
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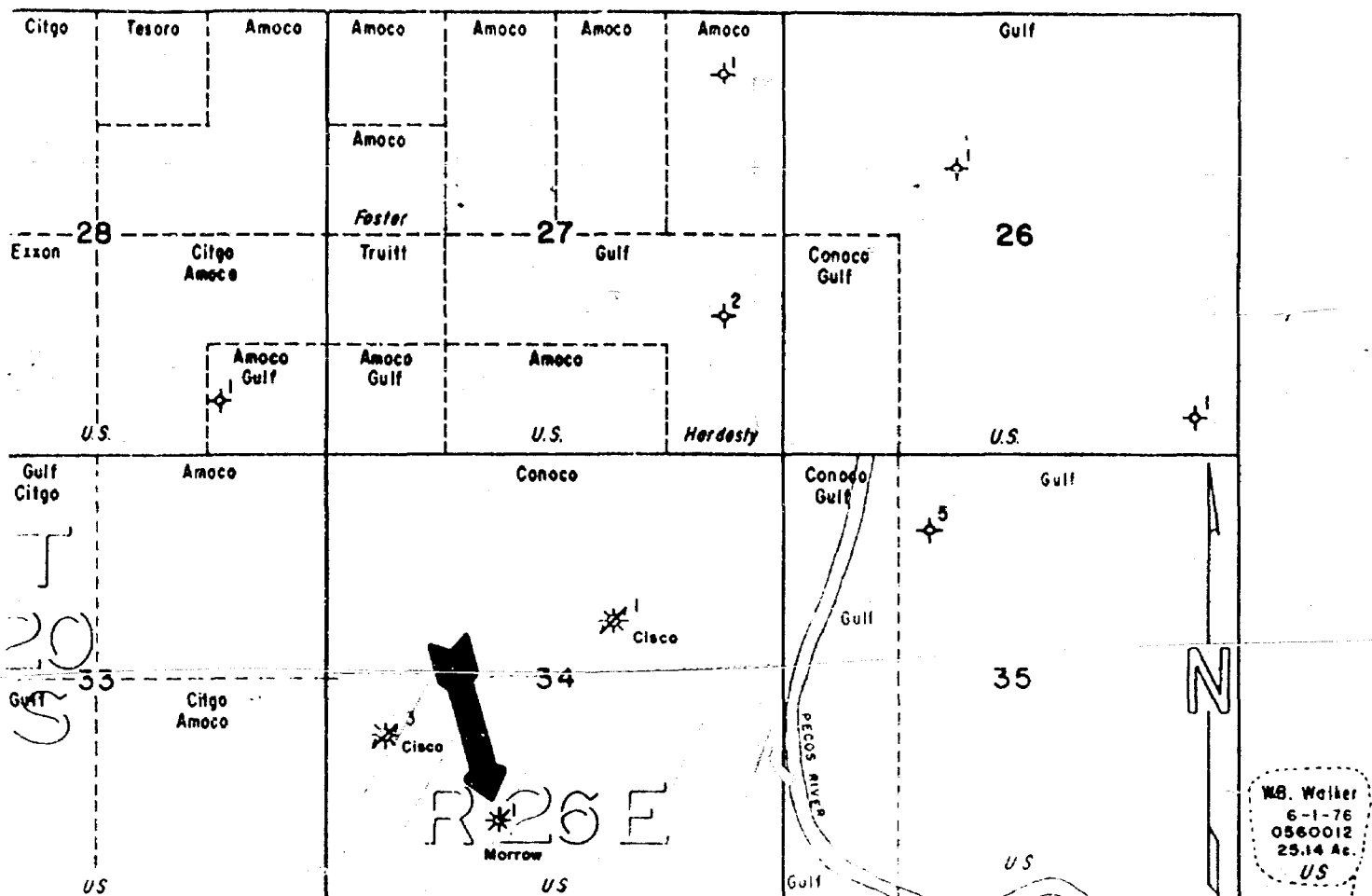
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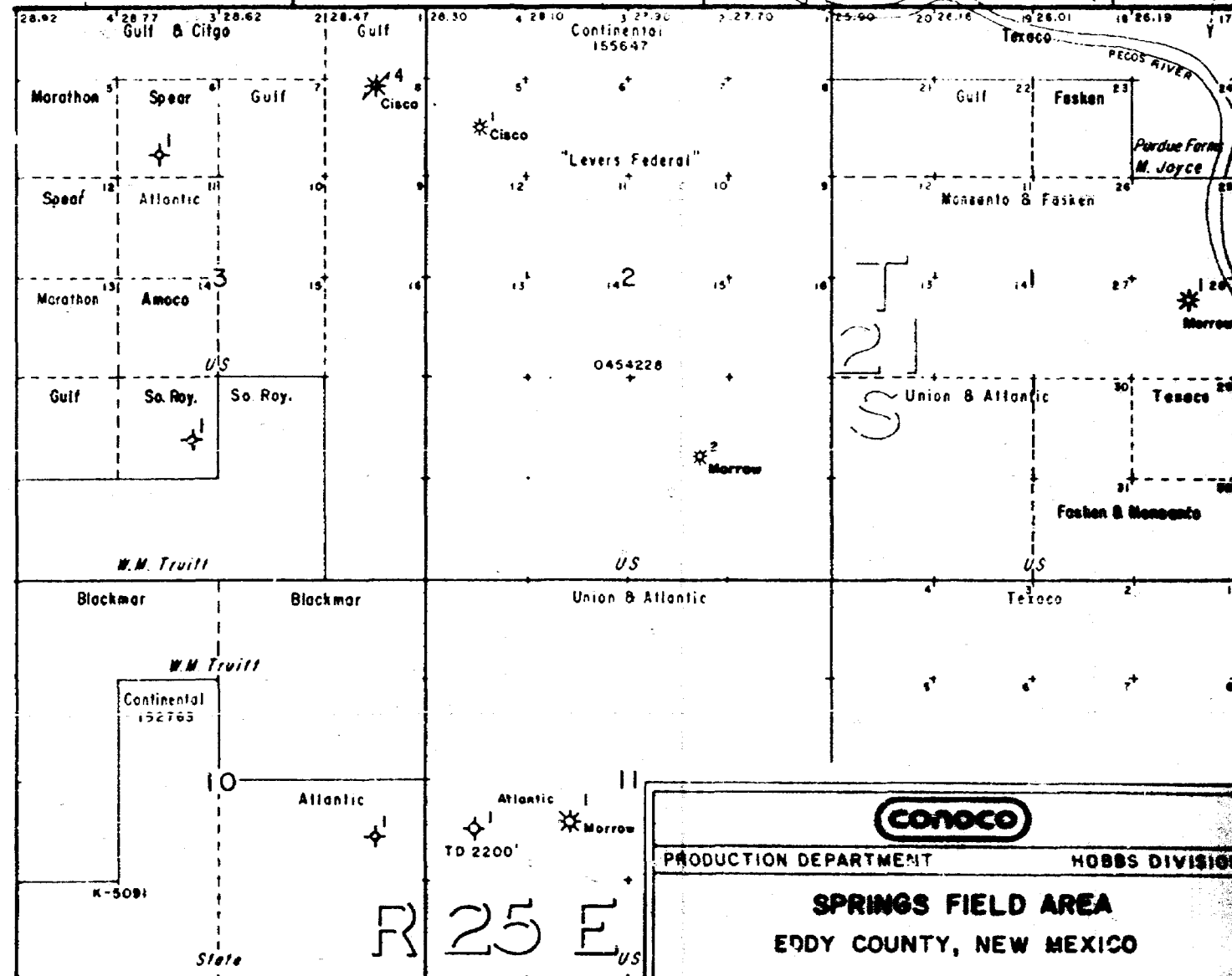
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W.B. Walker
6-1-76
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PRODUCTION DEPARTMENT
HOBBS DIVISION

SPRINGS FIELD AREA
EDDY COUNTY, NEW MEXICO

SCALE

LBO 2-78
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NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

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d. Method of Production (Flowing or Artificial Lift)	Flow		Flow

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

- Yes a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameter 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.
- _____ 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.*
- Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Amoco Production Company, P. O. Box 3092, Houston, Texas 77001

Cities Service Oil Company, Box 1919, Midland, Texas 79701

Gulf Energy & Minerals Company, P. O. Box 1150, Midland, Texas 79702

NOTE: This application is set for an Examiner Hearing on February 28, 1979.

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

CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Continental Oil Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

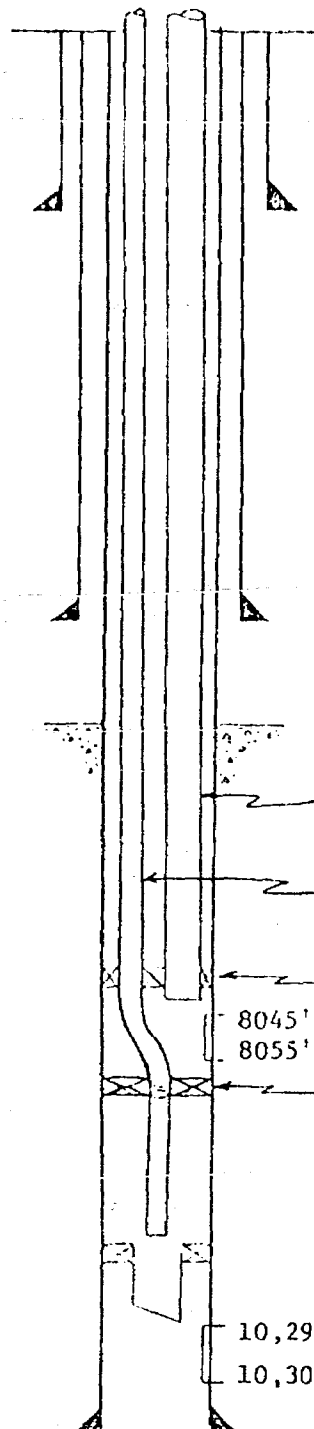
James D. Thompson

Signature

* Should waivers from all offset operators not accompany an application for administrative _____

EXHIBIT NO. 2

Federal 34 #1
 960' FSL & 1980' FWL, 24-20-26
 '0'-13.5' AGL.



16" O.D.-15.25" I.D., 65# H-40 @ 275'. Cmnt w/450 sx (circ).
 5 centralizers 0-275'. (One on each of the bottom 3 joints
 and one every 2 joints thereafter).

9 5/8" O.D.-8.921" I.D., 36# K-55 @ 2820'. Cmnt w/1075 sx
 (circ). 7 centralizers 2480'-2820'. (One on each of the
 bottom 4 joints and one every 2 joints thereafter).

TOC 4430' Temp. survey.

2 7/8" O.D. super flush joint, C-75, internally plastic coated
 tbg. set @ +7950'. O.D.-2 31/32". I.D.-2.441".

2 1/16" I.J., J-55, tbg. set at 8100'. O.D.-2.063". I.D.-1.751"

Baker Model 'A-5' hydrostatic retrievable pkr. set at +7950'.

8045'
 8055'

Baker model "DB" at 8100' with 2 BFC S.N. & 62 joints 2 1/16"
 tbg. below to 10,100'.

Baker model "DB" at 10,210'. With 2 BFC S.N. and mule shoe
 prod. tube.

10,296'
 10,300'

7" O.D.-6.276" I.D. 26# N-80 & K-55 LT & C @ 10,437'. Cmnt
 w/1250 sx. 37 centralizers - 7000'-10500'. (One on each of
 the bottom 12 joints and one every 3 joints thereafter).
 35 scratchers - 10,000'-10,500'. (One placed every 15').

EXHIBIT NO. 3

Details of
Proposed Equipment for Dual Completion

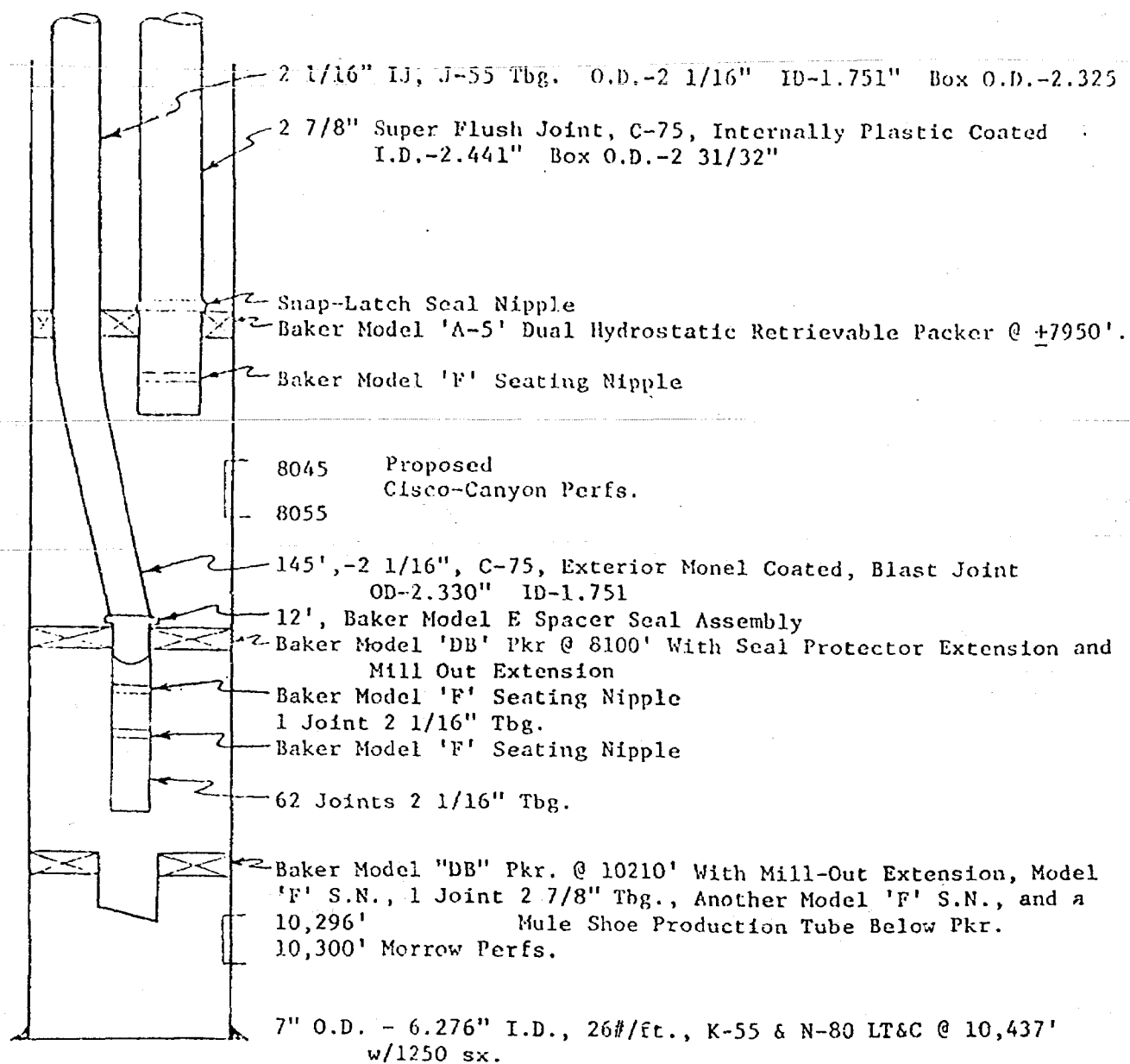
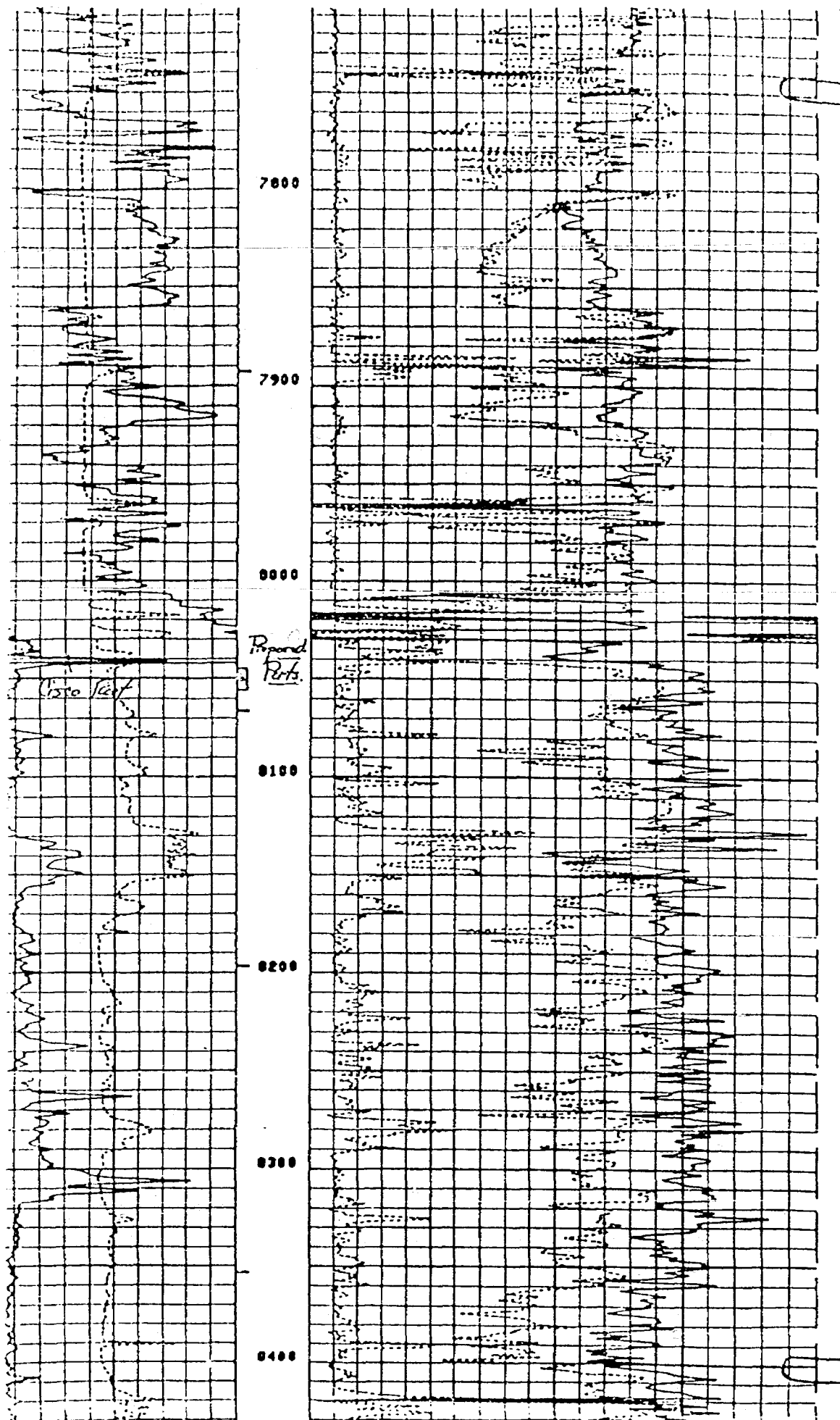
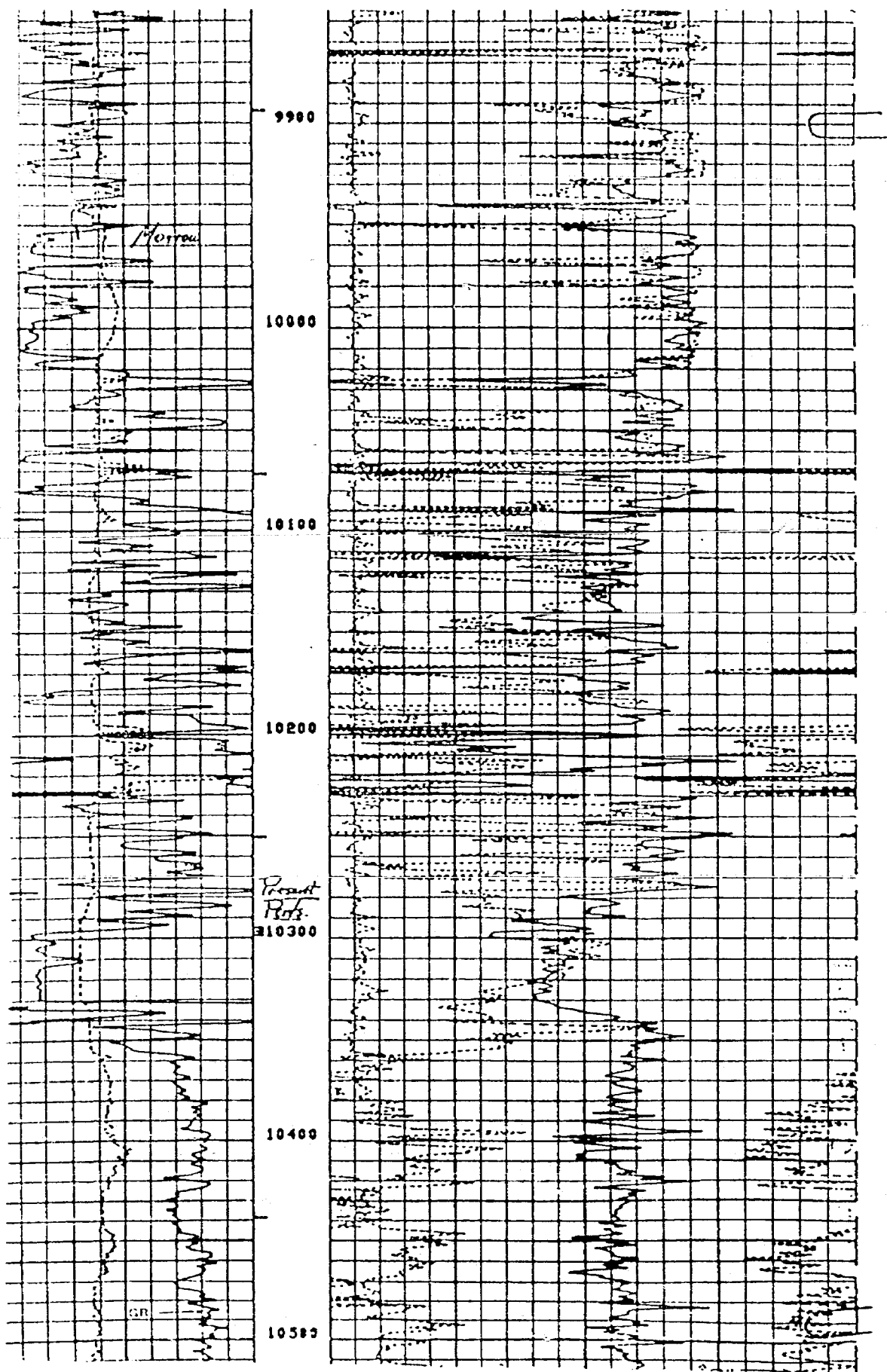
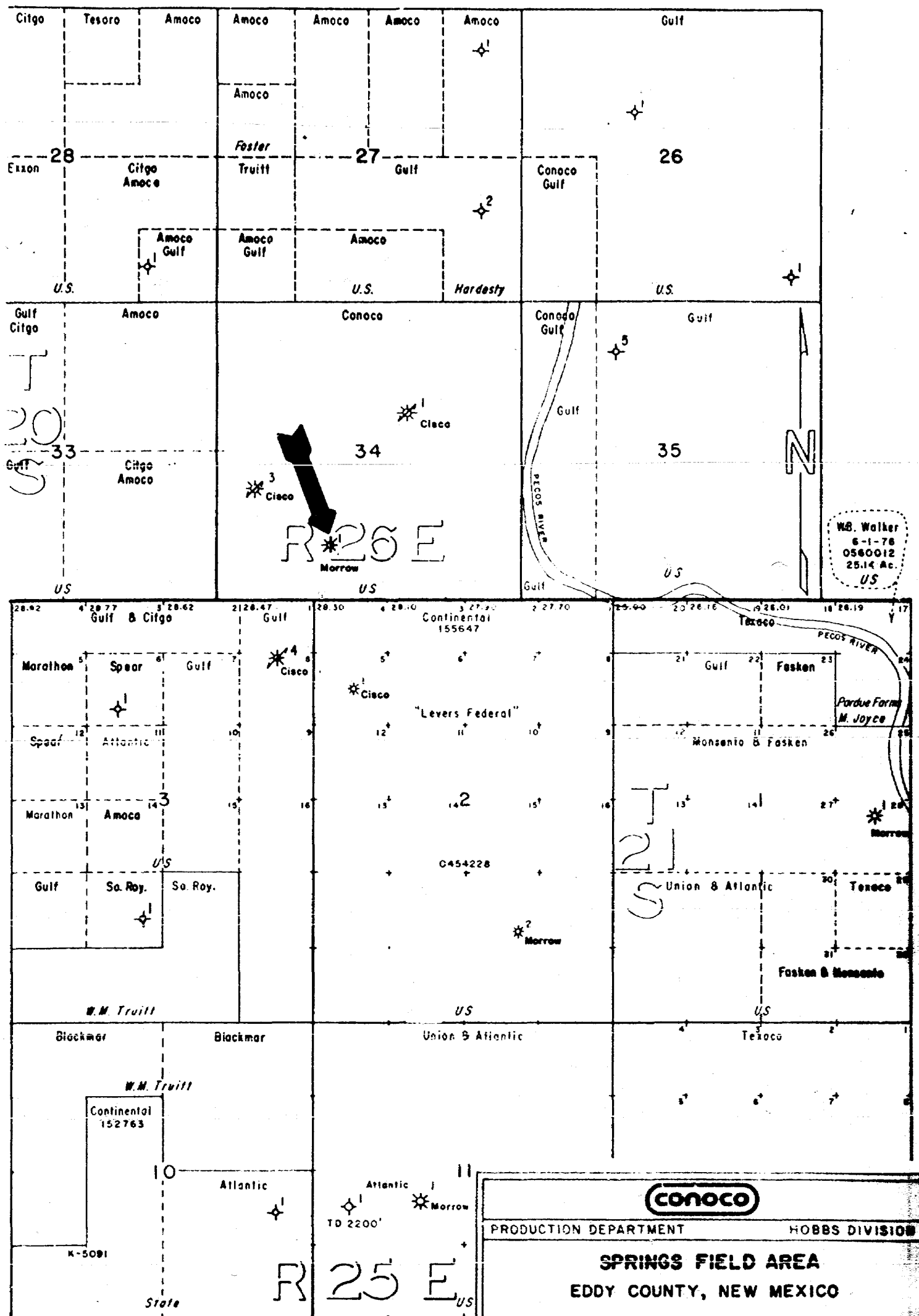


EXHIBIT NO. 5
(Page 1 of 3)







conoco

PRODUCTION DEPARTMENT HOBBS DIVISION

SPRINGS FIELD AREA

EDDY COUNTY, NEW MEXICO

EXHIBIT NO. 1

SCALE

0' 1000' 2000'

LBO 2-79

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Eddy	Date February 14, 1979
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease Federal 34	Well No. 1
Location of Well	Unit N	Section 34	Township 20-S
		Range 26E	

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	Springs Upper Penn		Undesignated Morrow
b. Top and Bottom of Pay Section (Perforations)	Proposed 8045' - 55'		10296' - 10,300'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flow		Flow

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

Yes a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers 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.

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.

_____ 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. *

Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Amoco Production Company, P. O. Box 3092, Houston, Texas 77001

Cities Service Oil Company, Box 1919, Midland, Texas 79701

Gulf Energy & Minerals Company, P. O. Box 1150, Midland, Texas 79702

NOTE: This application is set for an Examiner Hearing on February 28, 1979.

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

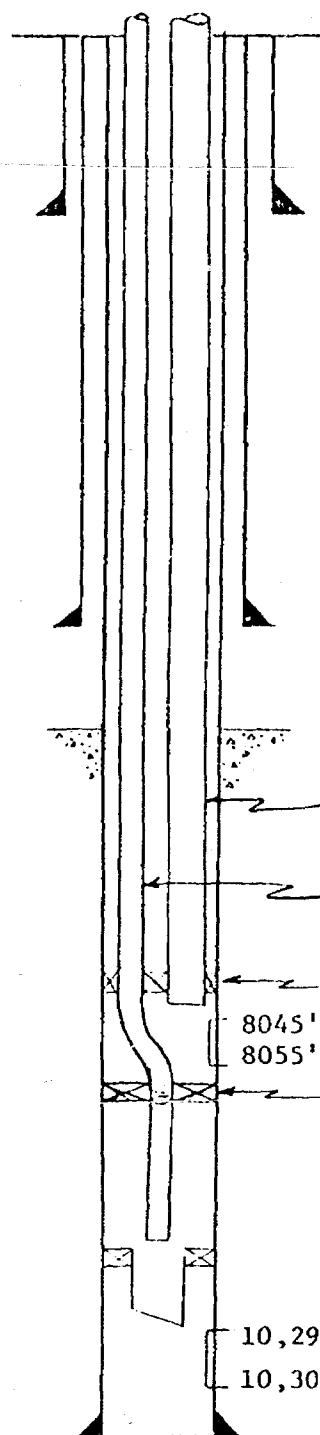
CERTIFICATE: I, the undersigned, state that I am the Division Manager of the Continental Oil Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

~~Signature~~

Signature

EXHIBIT NO. 2

Federal 34 #1
960' FSL & 1980' FWL, 24-20-26
'0'-13.5' AGL.



16" O.D.-15.25" I.D., 65# H-40 @ 275'. Cmmt w/450 sx (circ).
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and one every 2 joints thereafter).

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TOC 4430' Temp. survey.

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tbg. set @ +7950'. O.D.-2 31/32". I.D.-2.441".

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Baker Model 'A-5' hydrostatic retrievable pkr. set at +7950'.

8045'
8055'

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10,296'

10,300'

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EXHIBIT NO. 3

Details of
Proposed Equipment for Dual Completion

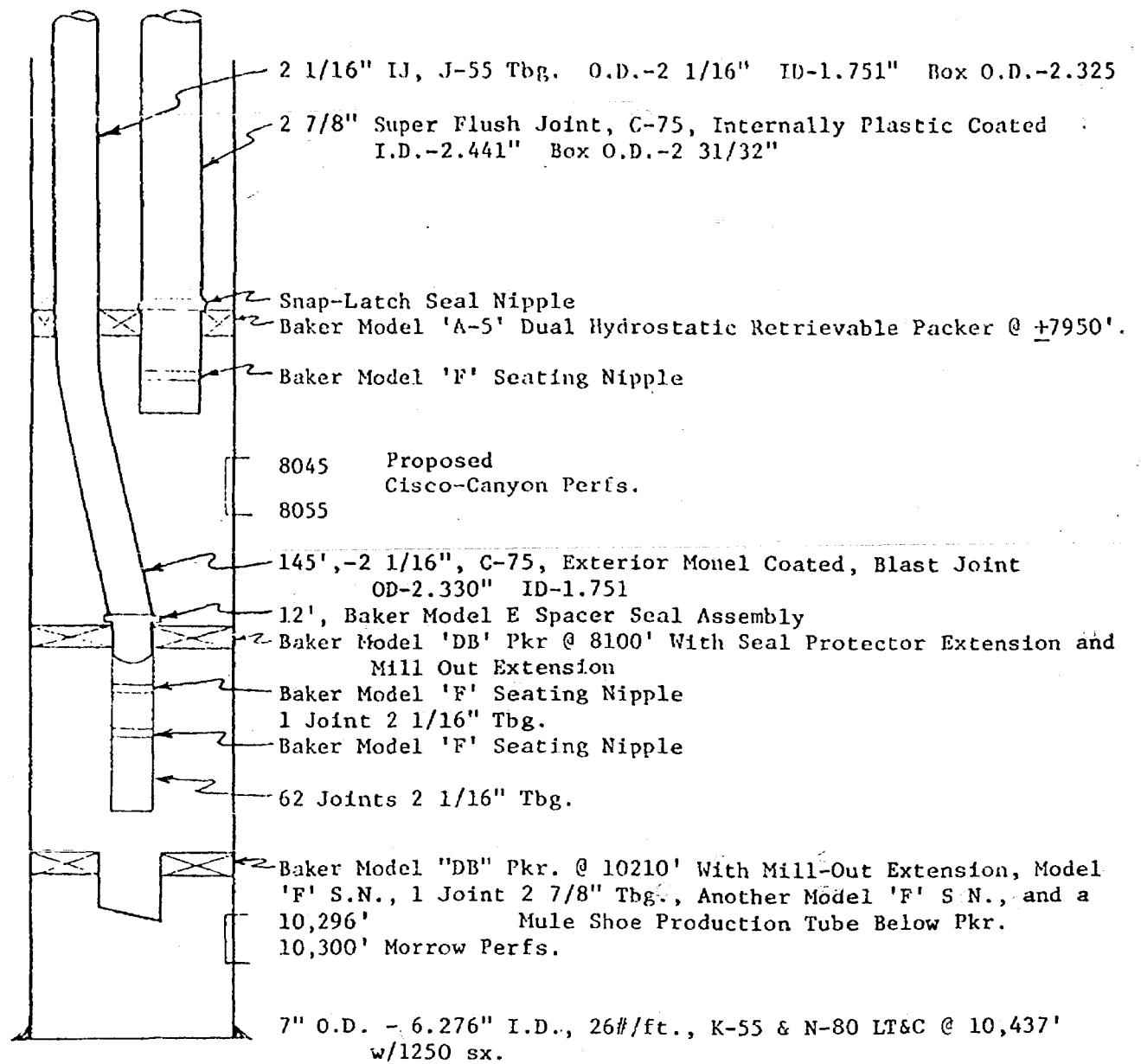
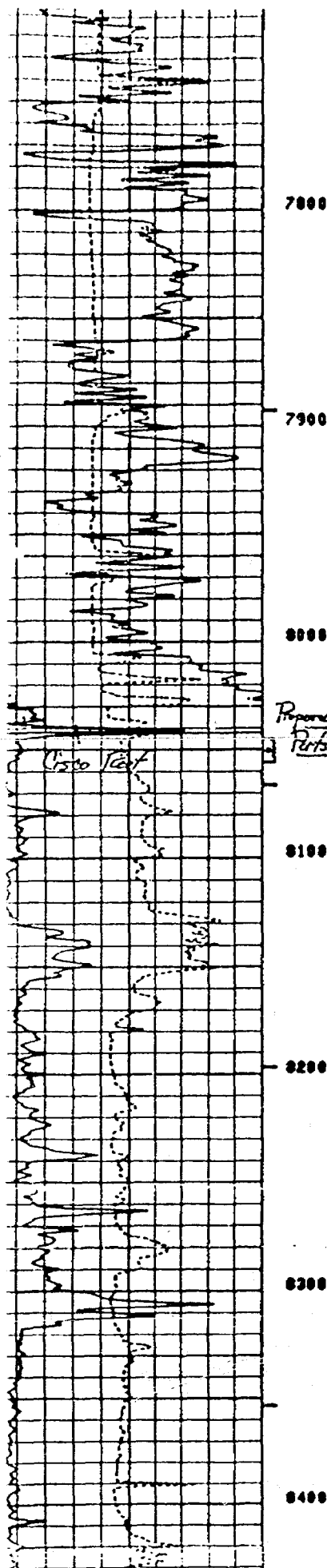


EXHIBIT NO. 4

EXHIBIT NO. 5
(Page 1 of 3)



7800

7900

8000

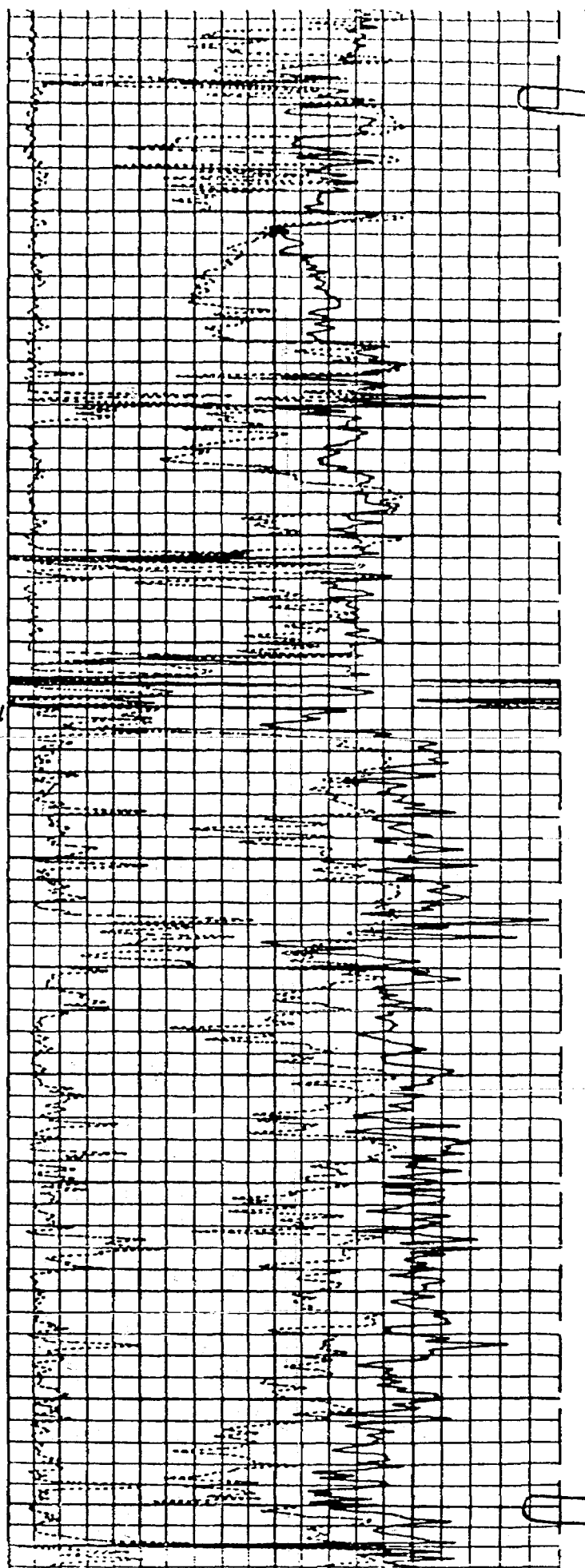
Proposed
Perfs.

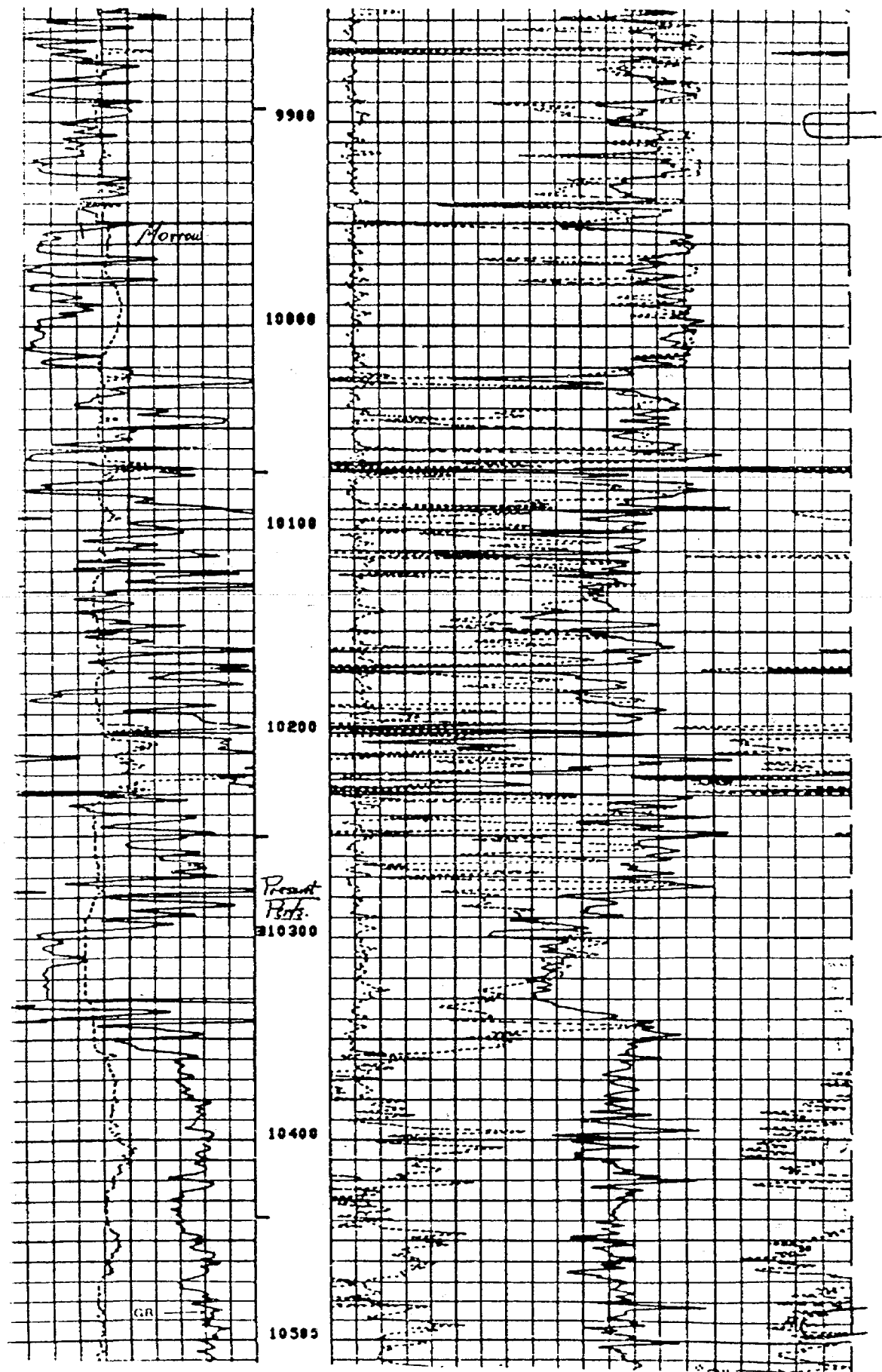
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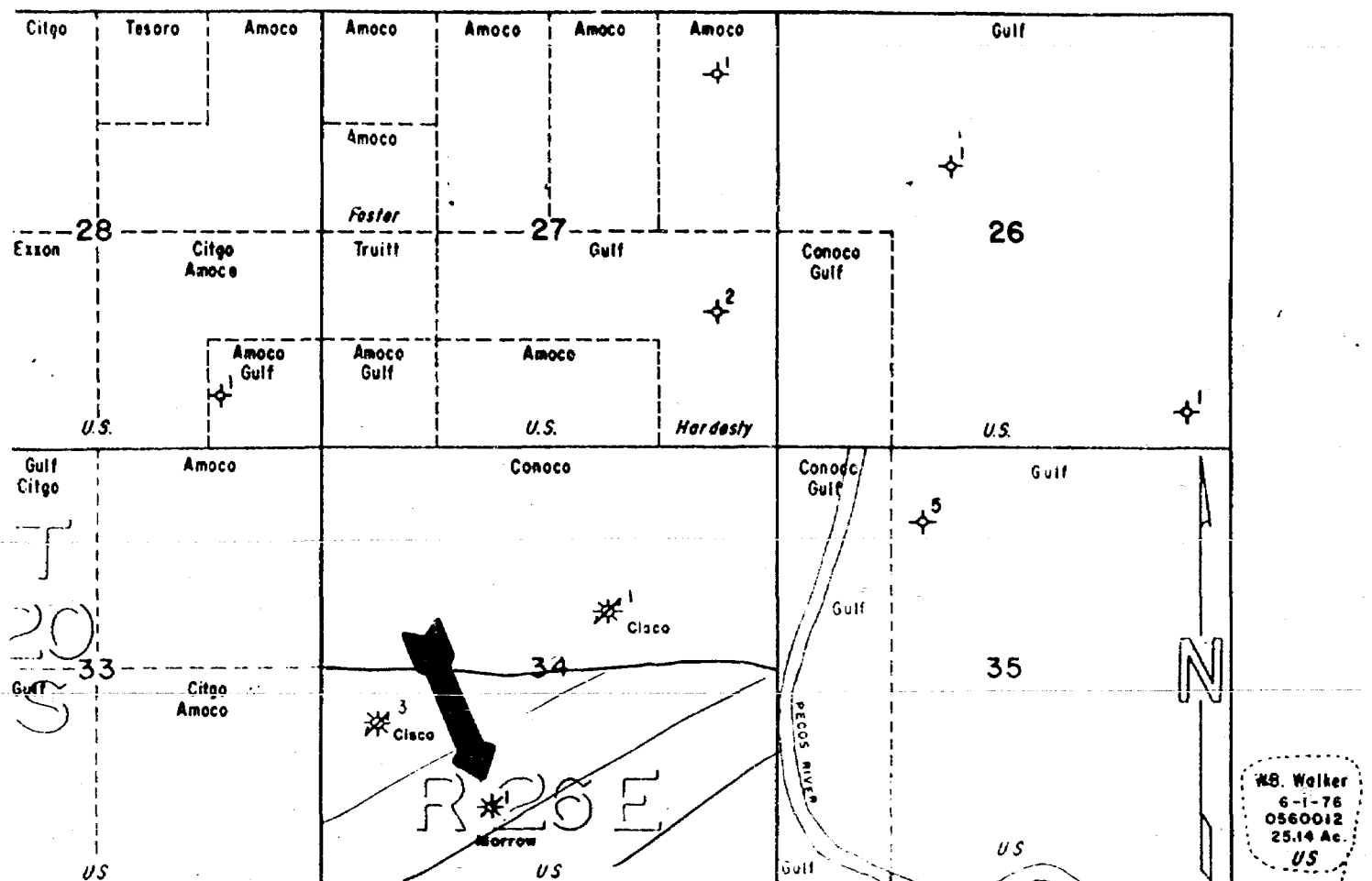
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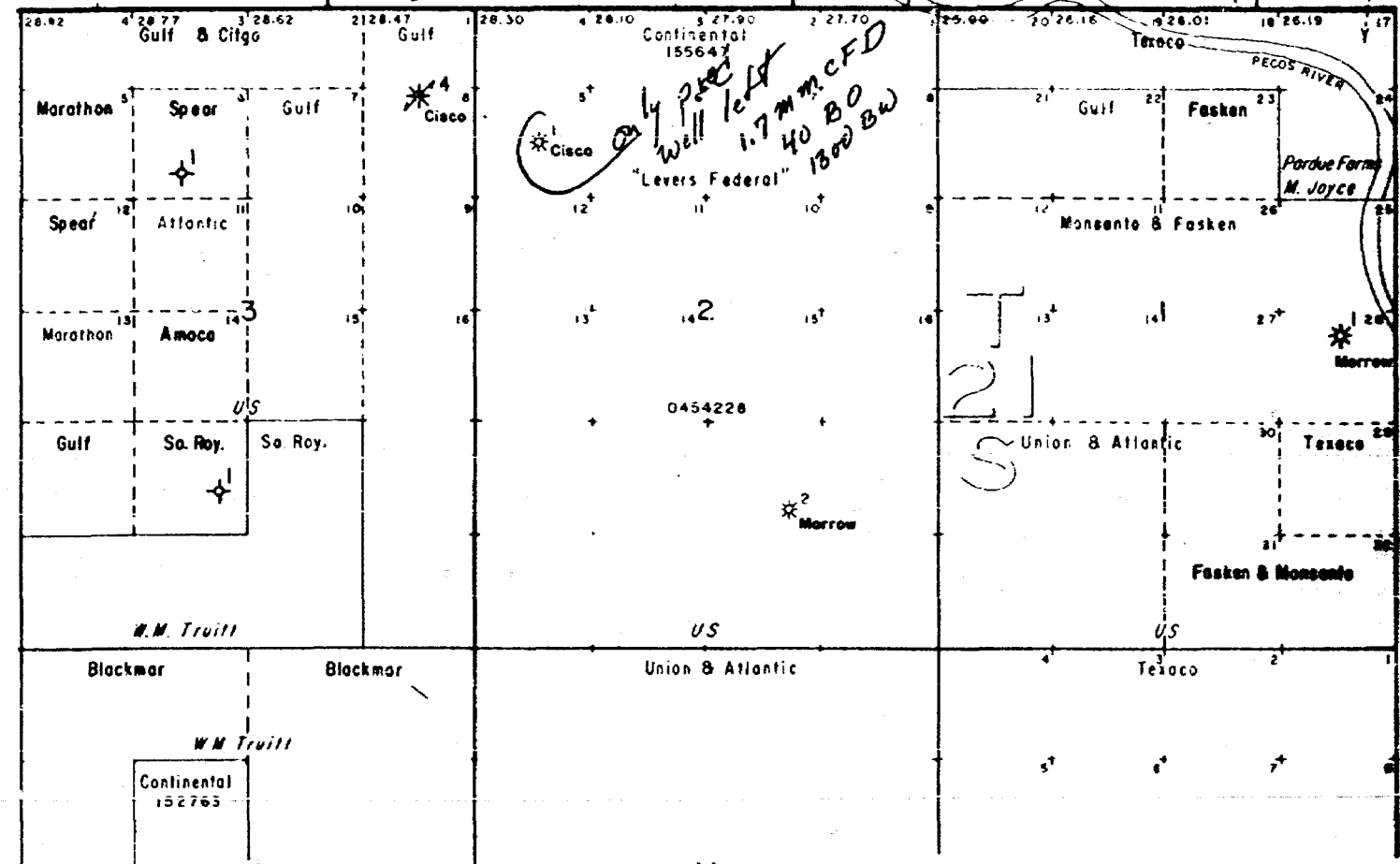
8400







W.B. Walker
6-1-76
0560012
25.14 Ac.
U.S.



BEFORE EXAMINATION
OIL COMMISSION DIVISION
State

CASE NO. **6467**

Submitted by

Hearing Date

CONOCO

PRODUCTION DEPARTMENT HOBBS DIVISION

SPRINGS FIELD AREA
EDDY COUNTY, NEW MEXICO

SCALE
0 1000' 2000'

L80 2-79

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

5-1-61

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Eddy		Date February 14, 1979
Address P. O. Box 460, Hobbs, New Mexico 88240		Lease Federal 34		Well No. 1
Location or Well	Unit N	Section 34	Township 20-S	Range 26E

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	Springs Upper Penn		Undesignated Morrow
b. Top and Bottom of Pay Section (Perforations)	Proposed 8045' - 55'		10296' - 10,300'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production (Flowing or Artificial Lift)	Flow		Flow

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NOTE: This application is set for an Examiner Hearing on February 28, 1979.

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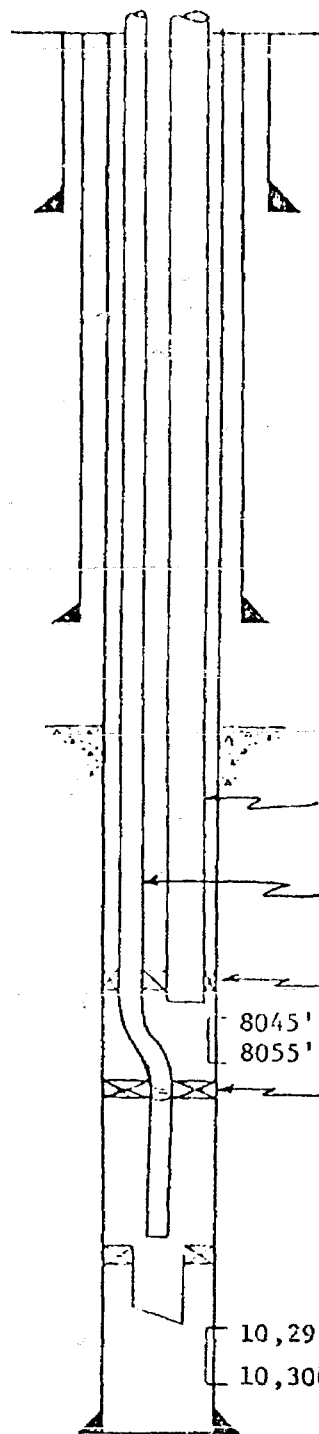
* Should waivers from all offset operators not accompany an application for administrative

BEFORE EXAMINER STAMPS	
OIL CONSERVATION DIVISION	
JAN 22 1979	
CASE NO. 6469	Signature
Hearing Room	
EXHIBIT NO. 2	

Federal 34 #1
960' FSL & 1980' FWL, 24-20-26
'0'-13.5' AGL.

WALLETS
3

6469



16" O.D.-15.25" I.D., 65# H-40 @ 275'. Cmmt w/450 sx (circ).
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and one every 2 joints thereafter).

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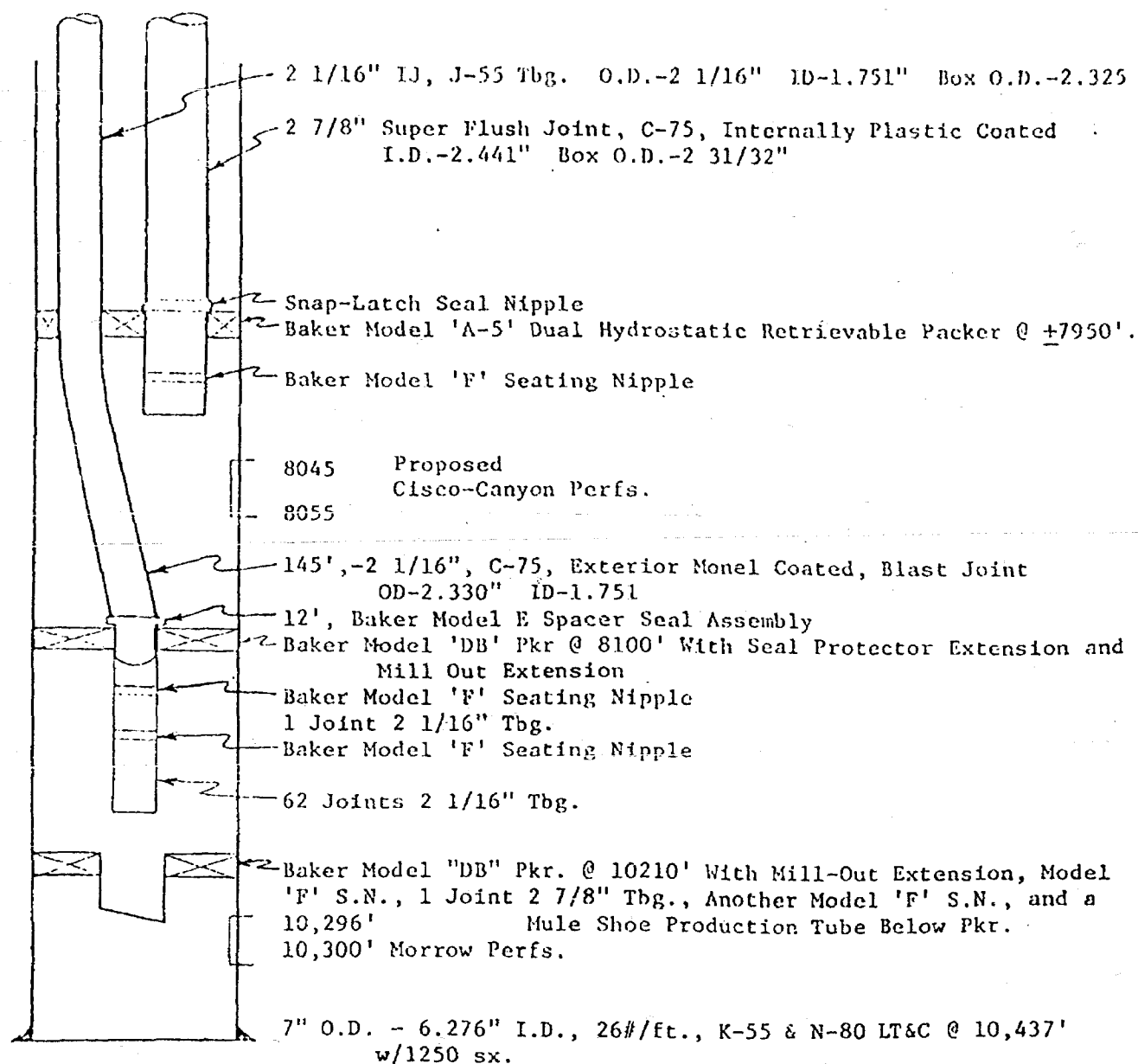
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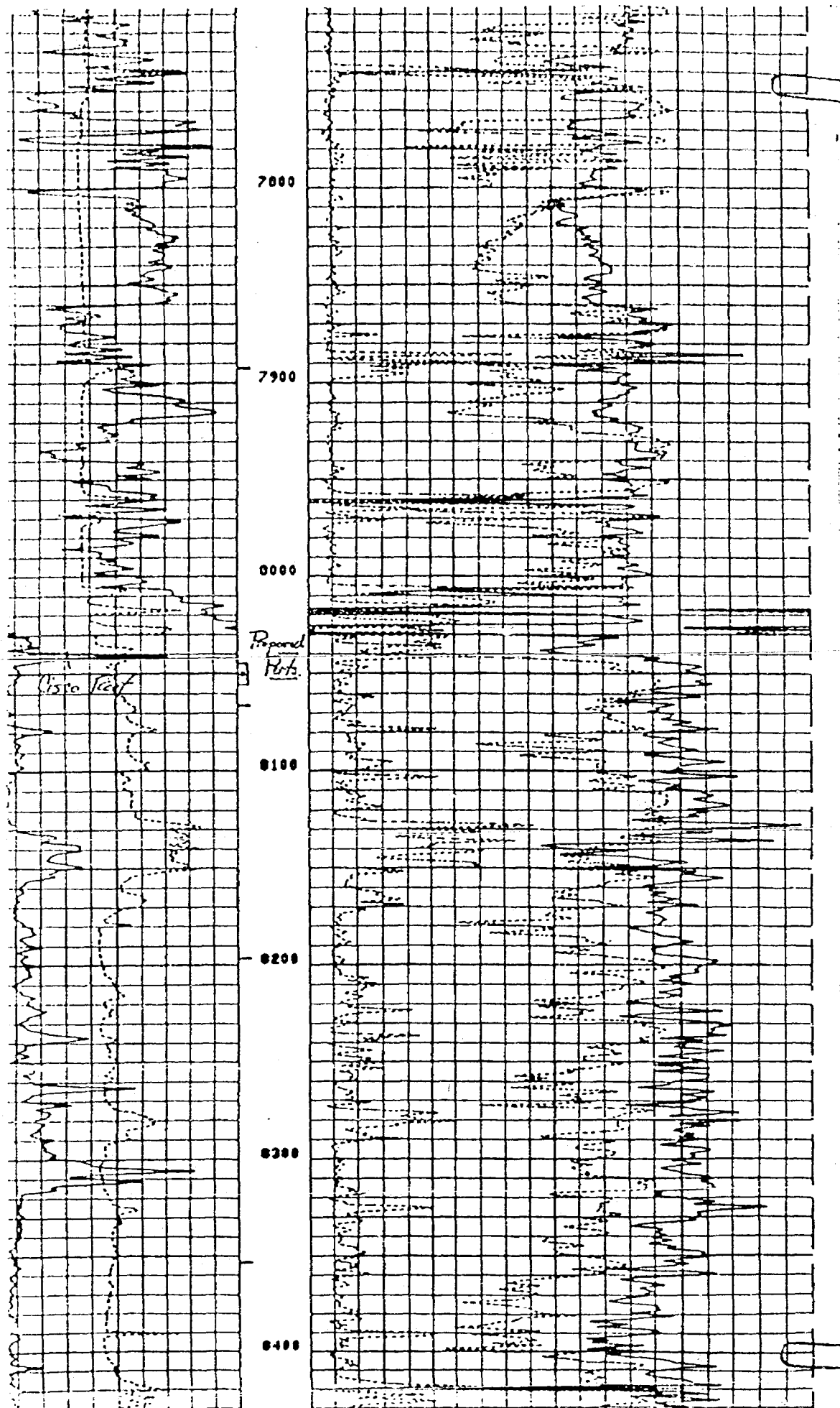
EXHIBIT NO. 3

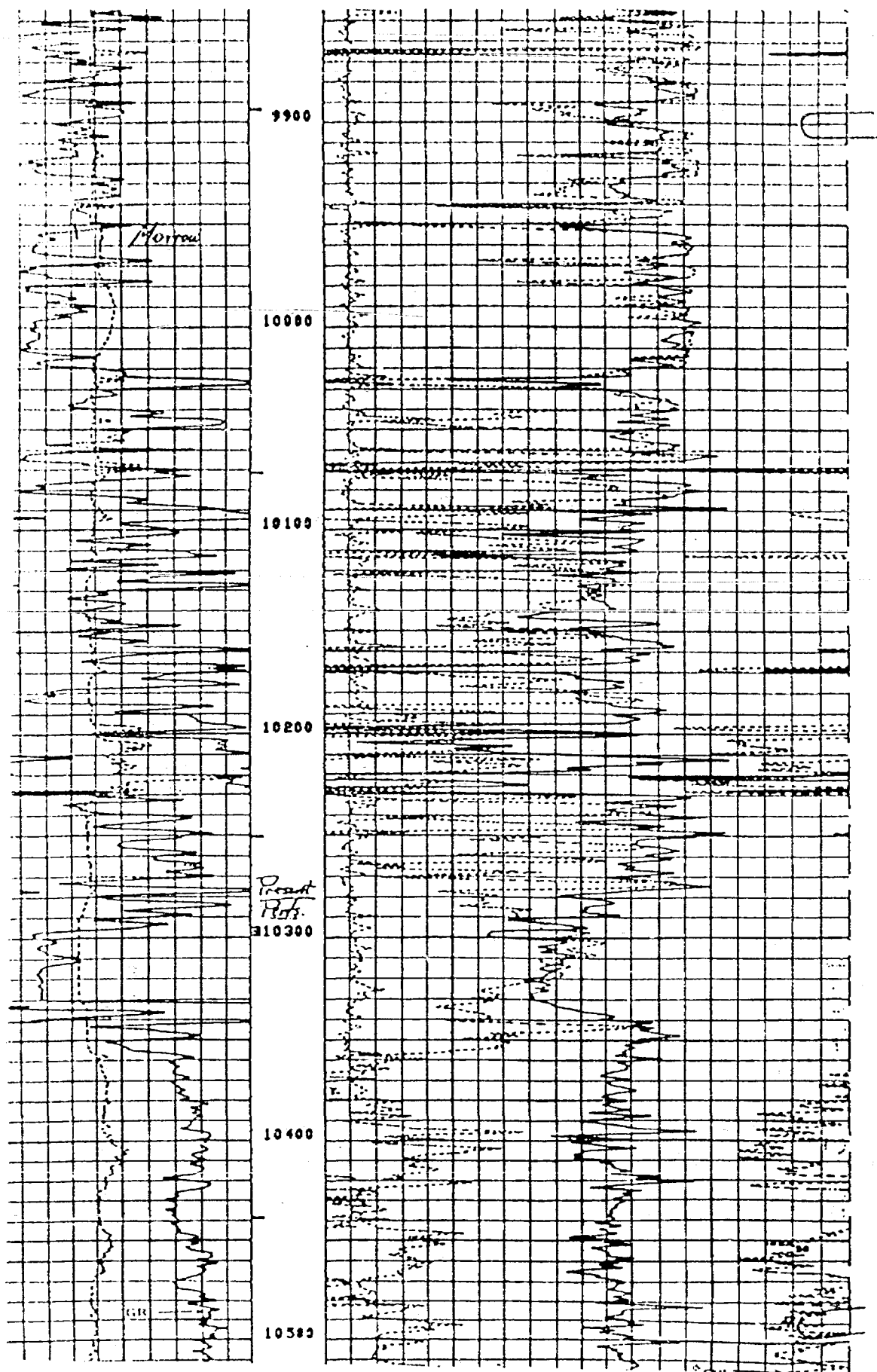
Details of
Proposed Equipment for Dual Completion



BEFORE EXAMINER-STATAMETS	
OIL COMPLETION DIVISION	
DATE	4
CASE NO.	6469
Submitted by	
Hearing Date	
EXHIBIT NO. 4	

BEFORE HAZARD RISK STAMETS
CIVIL RIGHTS DIVISION
CASE NO. 5
C. 6469
Subject
Hearing Date





- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been unitized and what formations are subject to a waterflood project under the South Penrose-Skelly Unit, Sections 6 and 7, Township 22 South, Range 37 East, Lea County, New Mexico, and of the vertical limits of the Eumont and Penrose-Skelly Pools in said sections.
- CASE 6465: Application of Getty Oil Company for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its J. W. Sherrell Well No. 9 located 2250 feet from the South line and 1650 feet from the East line of said Section 31.
- CASE 6466: Application of Getty Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Wolfcamp pool and gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.
- CASE 6467: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Wolfcamp formation for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing.
- CASE 6468: Application of Dome Petroleum Corporation for an exception to Order No. R-1069, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2 of Order No. R-1069, as amended, for the Bisti-Lower Gallup Oil Pool to approve the following 13 non-standard proration units: the W/2 NW/4, W/2 NE/4, E/2 SW/4, and the E/2 SE/4 of Sections 3, 4, and 9, and the W/2 NW/4 of Section 10, all in Township 26 North, Range 14 West, San Juan County, New Mexico.
- CASE 6469: Application of Continental Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Fed. 34 Well No. 1 located in Unit N of Section 34, Township 20 South, Range 26 East, Eddy County, New Mexico, to produce gas from the Springs-Upper Pennsylvanian Pool and an undesignated Morrow pool through parallel strings of tubing.
- CASE 6470: Application of Phillips Petroleum Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements to permit an infill drilling program in its East Vacuum Unit Area, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico, and a finding that such infill wells are necessary to effectively and efficiently drain that portion of their proration units which is not presently being drained by any existing well. Applicant specifically seeks such waivers and findings now for ten wells, all in Township 17 South, Range 35 East, and located as follows: Unit K of Section 27; Units M and O, Section 28; Units B, I, and M of Section 32; Units C, H, and M of Section 33; and Unit C of Section 34.
- CASE 6471: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6472: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6473: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.
- CASE 6474: Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6469
Order No. R-5949

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A DUAL COMPLETION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on February 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of March, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks authority to complete its Federal 34 Well No. 1, located in Unit N of Section 34, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Springs-Upper Pennsylvanian Gas Pool and an undesignated Morrow Gas Pool through parallel strings of tubing.

(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. 6469
Order No. R-5949

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to complete its Federal 34 Well No. 1, located in Unit N of Section 34, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from the Springs-Upper Pennsylvanian Gas Pool and an undesignated Morrow Gas Pool through parallel strings of tubing, with separation of the zones to be achieved by means of a packer set at approximately 8100 feet.

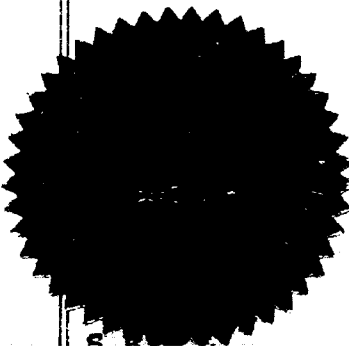
PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for gas wells in Southeastern New Mexico.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY,
Director

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil) CASE
Company for a dual completion,) 6469
Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca, S.W. (505) 471-4401
Santa Fe, New Mexico 87501

I N D E X

LOWELL DECKERT

Direct Examination by Mr. Kellahin 3

E X H I B I T S

Applicant Exhibit One, Plat	8
Applicant Exhibit Two, Application	8
Applicant Exhibit Three, Sketch	8
Applicant Exhibit Four, Sketch	8
Applicant Exhibit Five, Log	8

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (995) 411-2402
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6469.

2 MS. TESCHENDORF: Case 6469. Application of
3 Continental Oil Company for a dual completion, Eddy County,
4 New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Santa Fe, New
6 Mexico, appearing on behalf of Continental Oil Company, and
7 I have one witness to be sworn.

8 (Witness sworn.)
9

10 LOWELL DECKERT

11 being called as a witness and having been duly sworn upon
12 his oath, testified as follows, to-wit:
13

14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name, by whom
17 you're employed, and in what capacity?

18 A My name is Lowell Deckert. I'm employed
19 by Continental Oil Company as Petroleum Engineer.

20 Q Mr. Deckert, have you previously testified
21 before the Oil Conservation Division?

22 A Yes, I have.

23 Q Have you made a study of and are you familiar
24 with the facts surrounding this particular application?

25 A Yes.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (909) 471-4468
Santa Fe, New Mexico 87501

1 MR. KELLAHIN: We tender Mr. Deckert as an
2 expert witness.

3 MR. STAMETS: He's considered qualified.

4 Q (Mr. Kellahin continuing.) Please refer to
5 what we've marked as Exhibit Number One, identify it, and
6 tell us what Continental is seeking.

7 A Continental Oil Company has drilled a well
8 in proration unit "N" of Section 34, Township 20 South,
9 Range 26 East, Eddy County, New Mexico.

10 We propose to produce this well in the
11 Springs Upper Penn Pool, otherwise known as the Cisco, and
12 the undesignated Morrow, as a dual gas well, through pro-
13 posed perforations 8,045 to 55 in the Cisco, and 10,296 to
14 300 in the Morrow.

15 There are no other multiple completions in
16 the same pools within one mile of this well.

17 Q What is the unit to be assigned to the well?

18 A We propose to assign the south half of Sec-
19 tion 34 to this well.

20 Q I notice that there are other Cisco wells
21 in this area. Which of the Cisco wells are still producing?

22 A There's only one remaining producing well,
23 and that's our Levers Federal No. 1, located in Unit letter
24 "E" of Section 2 of Township 21 South, Range 25 East.

25 Q What's the current status of this well?

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SSE) 171-2463
Santa Fe, New Mexico 87501

1 A It is producing at the rate of 1.7-million
2 cubic feet of gas per day with 40 barrels of oil and 1300
3 barrels of water per day.

4 Q Mr. Deckert, why have you sought this appli-
5 cation?

6 A We want to meet the offset Cisco drainage
7 and accelerate the recovery of both Cisco and Morrow reserves.
8 We do not believe that separate Cisco and Morrow wells can
9 be economically justified because we estimate the cost of
10 an additional well at \$600,000.

11 Q The subject well is at what footage location
12 within the south half of Section 34?

13 A Okay, it's located 960 feet from the south
14 line and 1980 feet from the west line of Section 34.

15 Q Okay. Please refer to what you've marked
16 as Exhibit Two, and identify that for us, please?

17 A Okay. Exhibit Two is the application for
18 multiple completion Form C-107, which has been filed.

19 Q All right, sir, and Exhibit Number Three?

20 A Exhibit Three is a diagrammatic sketch of
21 the proposed downhole well equipment, showing all casing
22 strings, sizes, setting depths, cementing data, and packers.

23 Q Okay. In your opinion, Mr. Deckert, can
24 both the Cisco and the Morrow formations be effectively and
25 efficiently produced from a well completed as is indicated

SALLY WALTON BOYD
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2020 Pina Blanes (985) 471-2462
Santa Fe, New Mexico 87501

1 on Exhibit Numbers Three and Four?

2 A Yes, I do. We realize that the Cisco fluids
3 are corrosive because of the H₂S content. We've measured
4 anywhere from 80 to 220 grains of H₂S per 100 cubic feet.

5 We have performed a number of corrosion
6 coupon tests on the Cisco production at the south offsetting
7 Levers Federal No. 1, and these tests show an untreated
8 corrosion rate of 1.7 mills per year.

9 Q What corrosion detective or preventative
10 measures are you going to take for this well?

11 A Well, we propose several things. One thing,
12 we propose to squeeze the Cisco with corrosion inhibitor,
13 and during the producing life we plan to monitor the corro-
14 sion rate with both iron counts and corrosion coupons.

15 Q What is the size of the tubing used for the
16 Cisco?

17 A For the Cisco we propose to use 2-7/8ths
18 flush joint, internally plastic-coated tubing to accommodate
19 the water production.

20 Q What volumes of water production do you anti-
21 cipate, Mr. Deckert?

22 A Well, we initially anticipate anywhere from
23 6 to 800 barrels of water per day out of the Cisco.

24 Q With a well completed in this manner, what
25 volume of water production could be handled with a 2-7/8ths

SALLY WALTON BOYD
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1 inch tubing?

2 A We think that we can -- our calculations
3 indicate that we can handle up to 2500 barrels a day through
4 the 2-7/8ths with the reservoir pressures that we know exist
5 there.

6 Q What are you doing with the produced water?

7 A We've got a salt water disposal well in --
8 it would be in proration A of Section 4 of 21, 25. We're
9 disposing of water into the Cisco formation below the gas/
10 water contact.

11 Q If I understood you correctly, you say you
12 currently are producing only the Morrow?

13 A In the Federal 34, yes.

14 Q In this well? Okay.

15 A Matter of fact, it has just been completed.
16 It hasn't been put on line yet. We've just tested at this
17 point.

18 Q Okay. Please refer to Exhibit Number Five
19 and identify it.

20 A Exhibit Five is a gamma ray -- an open hole
21 gamma ray neutron formation density log, which shows the top
22 of the Cisco Reef at 8,040 feet and the top of the Morrow
23 zone at 9,954 feet.

24 The present Morrow perforations are from
25 10,296 to 300, and they're indicated on the log section.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
1030 Palm Beach (305) 411-4462
Boca Raton, New Mexico 87601

1 We propose to perforate the Cisco from
2 8,045 to 55 feet.

3 Q Were Exhibits One through Five prepared by
4 you?

5 A Yes, they were.

6 Q In your opinion, Mr. Deckert, will approval
7 of this application prevent waste and protect correlative
8 rights?

9 A Yes.

10 MR. KELLAHIN: We move the introduction of
11 Exhibits One through Five.

12 MR. STAMETS: These exhibits will be admitted.
13 Any questions of the witness? The witness will be excused.

14 Anything further in this case?

15 The case will be taken under advisement.

16 (Hearing concluded.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Elan (505) 471-2403
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
 CERTIFY that the foregoing and attached Transcript of
 Hearing before the Oil Conservation Division was reported
 by me; that the said transcript is a full, true, and correct
 record of the hearing, prepared by me to the best of my
 ability, knowledge, and skill, from my notes taken at the
 time of the hearing.

Sally W. Boyd, C.S.R.

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 3030 Plaza Elan (566) 471-2463
 Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
 a complete and correct transcript of the hearing in
 the Examination of Case No. 6468
 heard by me on 2-28 19 72
Richard R. [Signature], Examiner
 Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
28 February 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil) CASE
Company for a dual completion,) 6469
Eddy County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SSE) 471-2462
Santa Fe, New Mexico 87501

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I N D E X

LOWELL DECKERT

Direct Examination by Mr. Kellahin

3

E X H I B I T S

Applicant Exhibit One, Plat

8

Applicant Exhibit Two, Application

8

Applicant Exhibit Three, Sketch

8

Applicant Exhibit Four, Sketch

8

Applicant Exhibit Five, Log

8

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (605) 471-2402
Santa Fe, New Mexico 87501

1 MR. STAMETS: Call next Case 6469.

2 MS. TESCHENDORF: Case 6469. Application of
3 Continental Oil Company for a dual completion, Eddy County,
4 New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Santa Fe, New
6 Mexico, appearing on behalf of Continental Oil Company, and
7 I have one witness to be sworn.

8 (Witness sworn.)

9
10 LOWELL DECKERT
11 being called as a witness and having been duly sworn upon
12 his oath, testified as follows, to-wit:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name, by whom
17 you're employed, and in what capacity?

18 A My name is Lowell Deckert. I'm employed
19 by Continental Oil Company as Petroleum Engineer.

20 Q Mr. Deckert, have you previously testified
21 before the Oil Conservation Division?

22 A Yes, I have.

23 Q Have you made a study of and are you familiar
24 with the facts surrounding this particular application?

25 A Yes.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SSE) 471-2462
Santa Fe, New Mexico 87501

1 MR. KELLAHIN: We tender Mr. Deckert as an
2 expert witness.

3 MR. STAMETS: He's considered qualified.

4 Q (Mr. Kellahin continuing.) Please refer to
5 what we've marked as Exhibit Number One, identify it, and
6 tell us what Continental is seeking.

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Penn Plaza (800) 471-3401
Santa Fe, New Mexico 87501

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2020 Plaza Elanosa (999) 471-2465
Santa Fe, New Mexico 87501

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CERTIFIED SHORTHAND REPORTER
2020 Plaza Elanera (985) 471-1462
Sanita Pk., New Mexico 87101

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CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

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CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (305) 471-2413
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY
 CERTIFY that the foregoing and attached Transcript of
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SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 3030 Palm Bluffs (602) 471-2462
 Santa Fe, New Mexico 87501

Sally W. Boyd
 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
 a true and correct transcript of the hearing in
 the case of No. 6469.
 heard on 2-28-79.
Richard L. Thomas, Examiner
 Oil Conservation Division