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

CASE NO.

6468

APPlication,
Transcripts,
Small Exhibits,

ETC.

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
PPLICATION OF CONTINENTAL OIL COMPANY FOR A DUAL COMPLETION, EDDY
COUNTY, NEW MEXICO.
ORDER OF THE DIVISION
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This cause came on for hearing at 9 o'clock a.m. on
February 28 , 19 ⁷⁹ , at Santa Fe, New Mexico, before
Examiner Richard L. Stamets
NOW, on this day of March , 19 ⁷⁹ , the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
n the premises,
FINDS:
(1) That due public notice having been given as required by
aw, the Division has jurisdiction of this cause and the subject
matter thereof.
(2) That the applicant, Continental Oil Company,
eeks authority to complete its Federal 34 Well
ckk No. 1 , located in Unit N of Section 34 , Town-
hip 20 South , Range 26 East , NMPM Eddy
ounty, New Mexico, as a dual completion (conventional) to (combination) (tubingless)
xxxik roduce gas from the Springs-Upper Pennsylvanian Pool and an
undesignated Morrow fool through parallel strings of tubing.

	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)
	gas (tubingless)
	to produce gas from the Springs-Upper Pennsylvanian Pool and
	an undesignated Morrow Pool through parallel strings of tubing
	with separation of the somes to be achieved bymen
Pat	acker 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 -/cakaga tests upon completion and
	annually thereafter during the Annual Shot-In Pressure
	Test Period for the ges wells in Southeastern New Mexico Deck
	(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.

(3) That the mechanics of the proposed dual completion

for the 28th:

Contl Oil Co

dual completion (conventional)

Fed 34 Week # 1 N-34-205-26E Elly

gas Springs apper Penn

unlesignated morrow

parallel strings of thy.

called in by Hugh Jugraham Har



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,

L. P. Thompson

HAI/jj

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

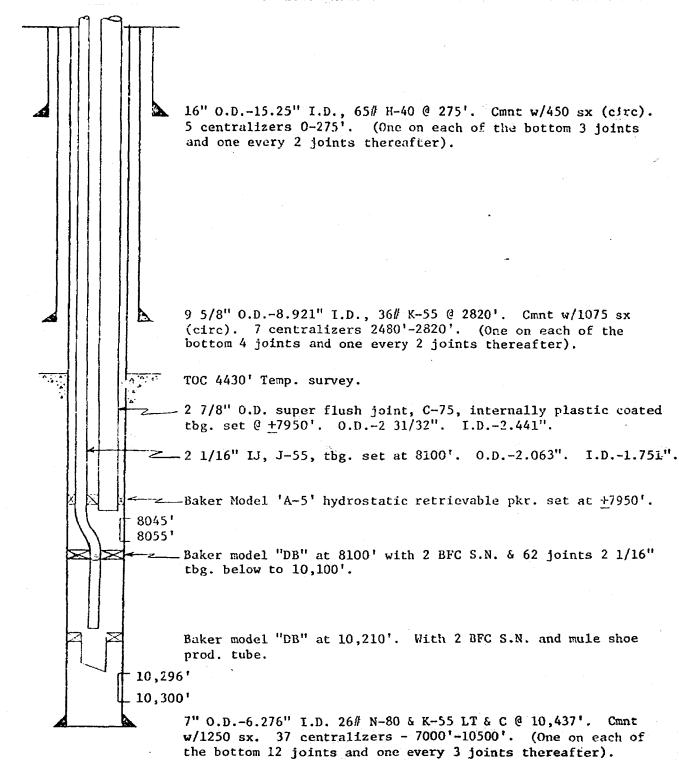
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NEW MEXICO OIL CONSERVATION COMMISSION

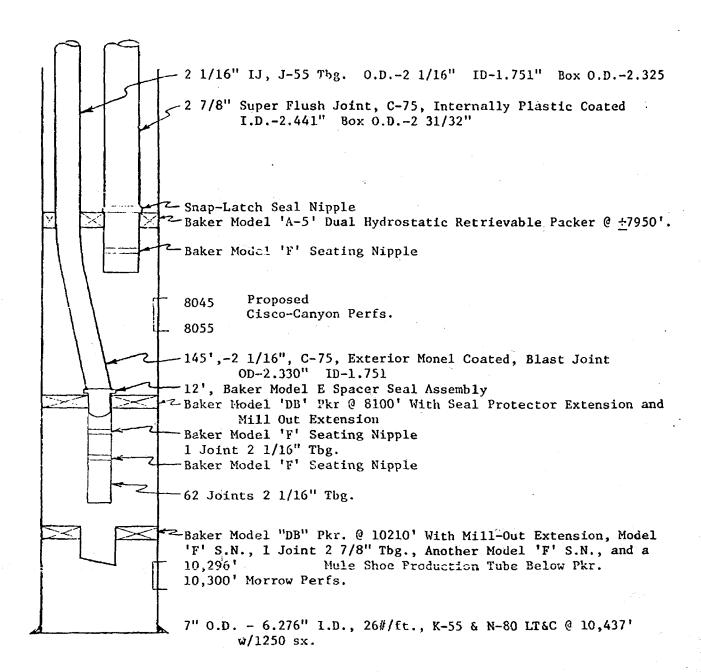
SANTA FE, NEW MEXICO

APPLICATION FOR MULTIPLE COMPLETION

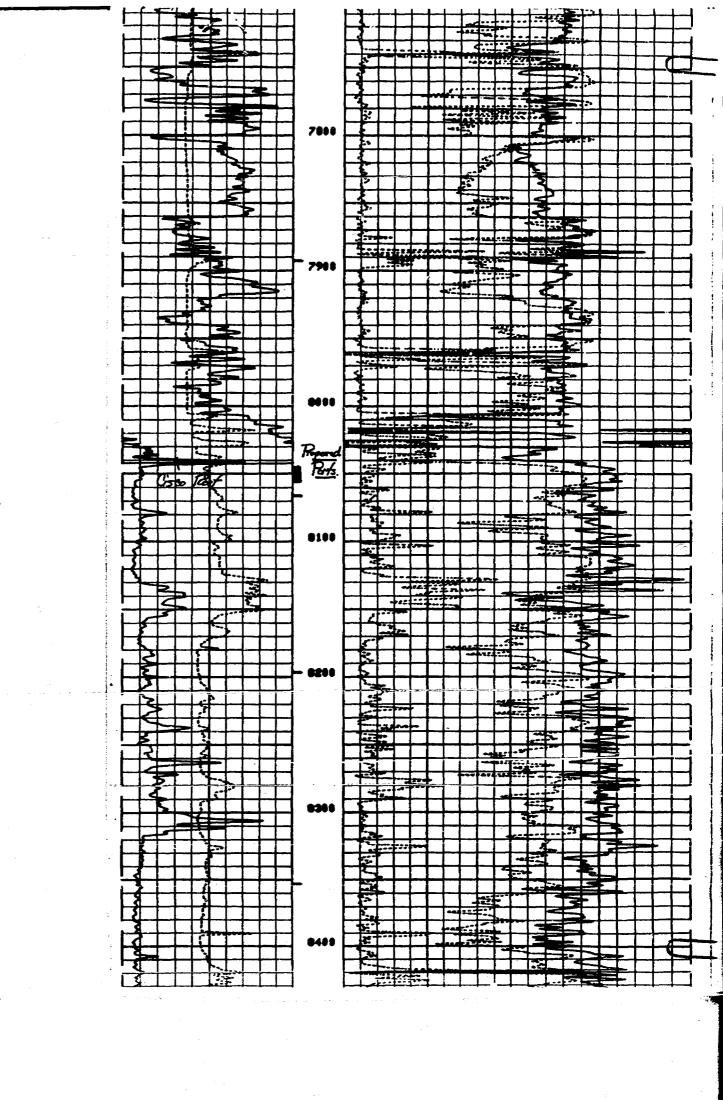
-			
Operator Continental Oil Compan	ıv	County Lea Eddy	Date
ddress	<u></u>	Lease	Well No.
P. O. Box 460, Hobbs,	New Mexico 88240	Federal 34	1
ocation Unit	1	Township	Range
or Well N	34	20-S	26₩-
 Has the New Mexico Oil Conservat 			a well in these same pools or in the
same zones within one mile of the s. If answer is yes, identify one such i			Well No.:
. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Springs Upper Pen	nn e	Undesignated Morrow
b. Top and Bottom of	Proposed		
Pay Section	8045' - 55	[10296' - 10,300'
(Perforations)			
c. Type of production (Oil or Gas) d. Method of Production	Gas		Gas
(Flowing or Artificial Lift)	Flow	. 1	Flow
. The following are attached. (Please	e mark YES of NO)		
thereon. (If such log is no List all offset operators to the lease Amoco Production Co	ot available at the time applic on which this well is locate	cation is filed, it shall be submitted ed together with their correct mailing 192, Houston, Texas 7700	address.
Gulf Energy & Miner	cals Company, P. O.	Box 1150, Midland. Texas	s 79702
NOTE: This applica	ation is set for an	Examiner Hearing on Febr	ruary 28, 1979.
			······································
Were all operators listed in Ran Slat of such notification		•	NO X. If answer is yes, give date
CERTIFICATE: Labe undersigned, Company (com	state that I am the Divis pany), and that I am authorize	ion Manager of the	Continental 011 ort; and that this report was prepared
der my supervision and direction and			
		- Uffice	ishature
		pplication for administrative approva (20) days from date of receipt by the	ol, the New Mexico Oil Conservation Commission's Santa Fe office. If,
OTE: If the proposed multiple comple	tion will result in an unorthod	ng is received by the Santa Fe offic dox well location and/or a non-stand of the same should be filed simultan	



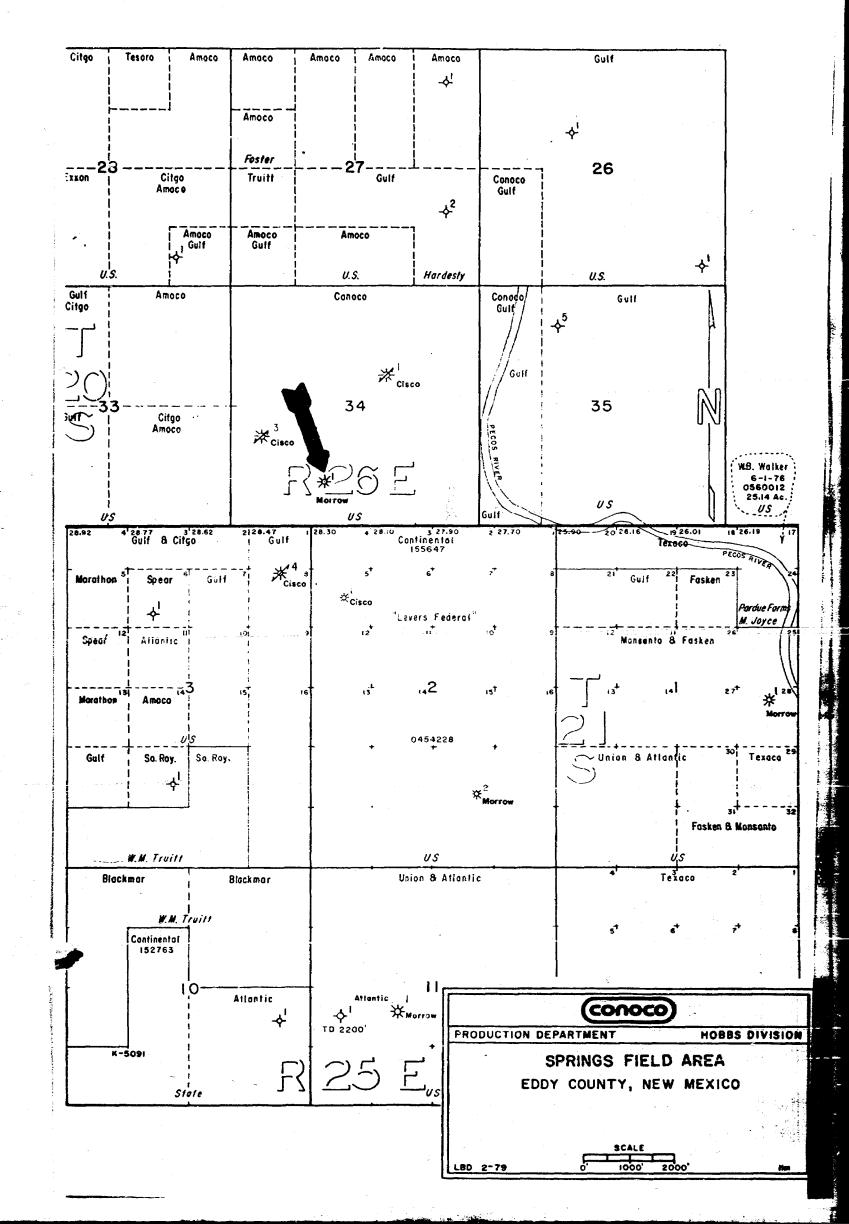
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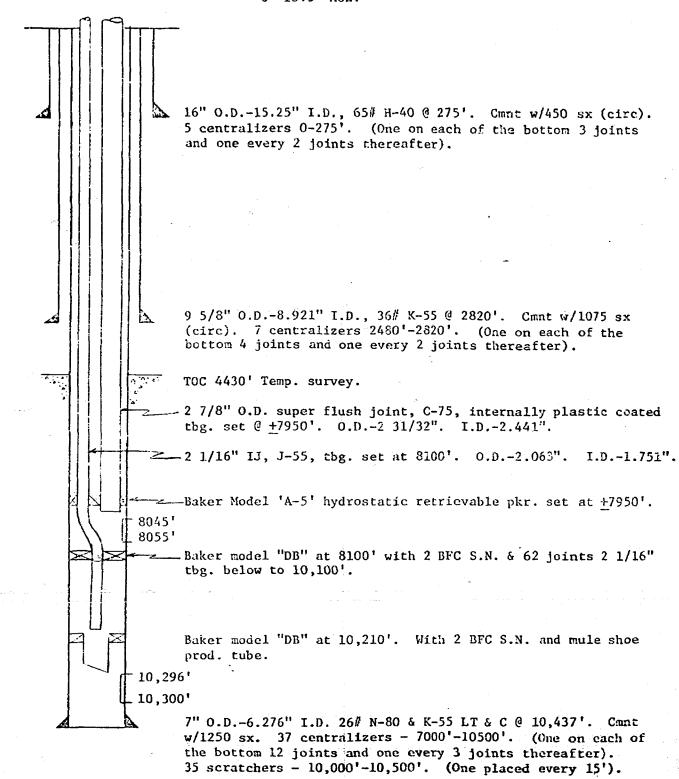


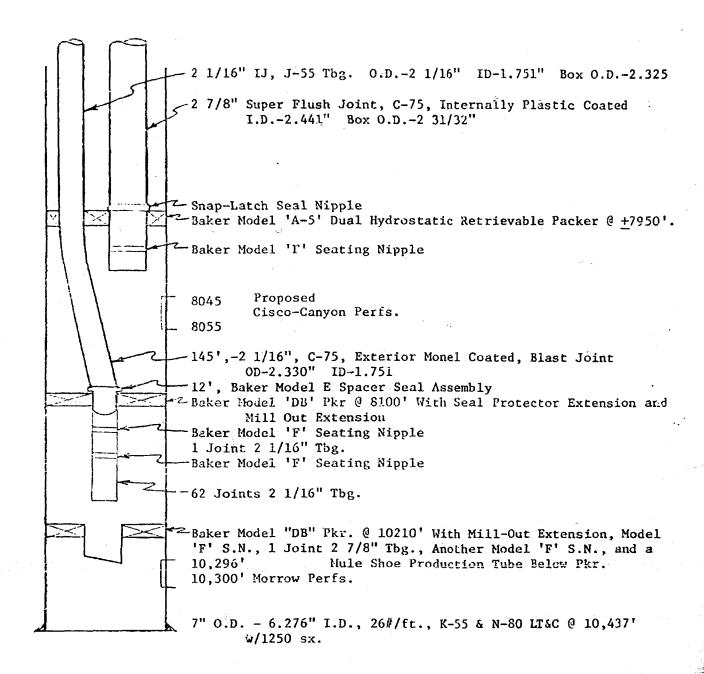
NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR MULTIPLE COMPLETION

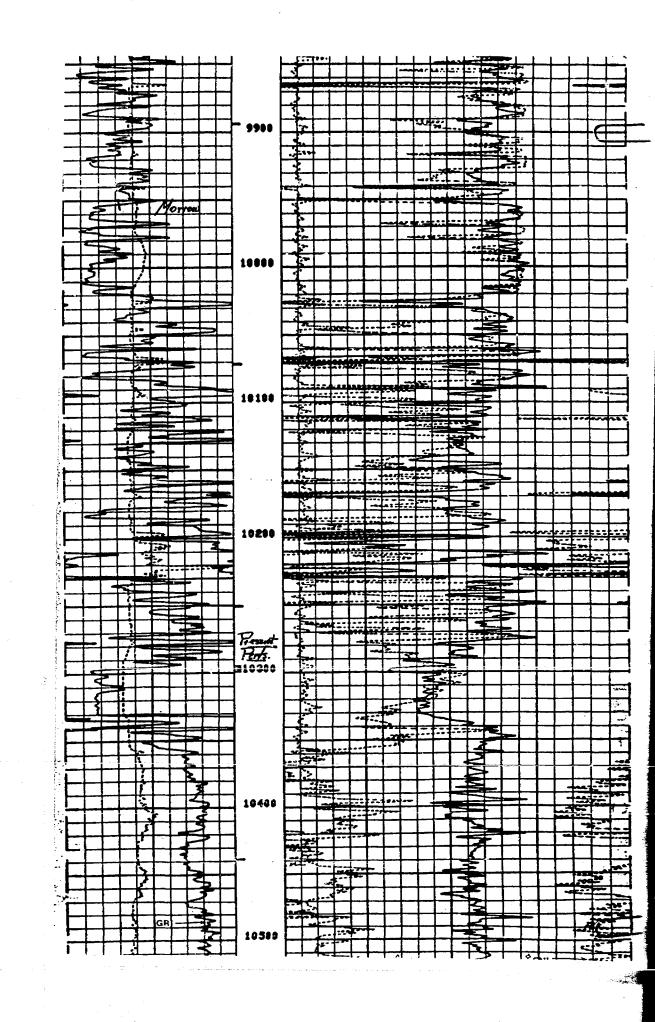
Operator Continental Oil Company	У	County Lea / J.	Date		
Address P. O. Box 460, Hobbs,	New Mexico 88240	Lease Federal 34	Well No.		
The state of the s		Township	Range		
or Well N	34	20 - S	26₩ ₹		
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3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone		
a. Name of Pool and Formation	Springs Upper Penr		Undesignated Morrow		
b. Top and Bottom of					
Pay Section	Proposed	}	102061 10 2001		
(Perforations)	8045' - 55		10296' - 10,300'		
c. Type of production (Oil or Gas)	Gas		Gas		
d. Method of Production	771 000		Plane		
(Flowing or Artificial Lift)	Flow		Flow		
thereon. (If such log is not 5. List all offset operators to the lease Amoco Production Co	t available at the time applica	ntion is filed, it shall be submitted it together with their correct mailing 92, Houston, Texas 7700	address.		
Gulf Energy & Miner	als Company, P. O.	Box 1150, Midland. Texas	s 7º702		
NOTE: This applica	tion is set for an	Examiner Hearing on Febr	uary 28, 1979.		
of such notification	state that I am the Divisi	Lon Manager of the	Continental Oil		
under my supervision and direction and the	half) find that it mentionizes that the facts stated therein as	d by said company to make this report true, correct and complete together	ort; and that this seport was prepared best of my knowledge.		
	TON CONT		- ma		
Commission will hold the applica	perators not accompany an appartude of twenty (2 protest nor request for hearing		Commission's Santa Fe office. If, e, the application will then be processed.		
		the same should be filed simultane			

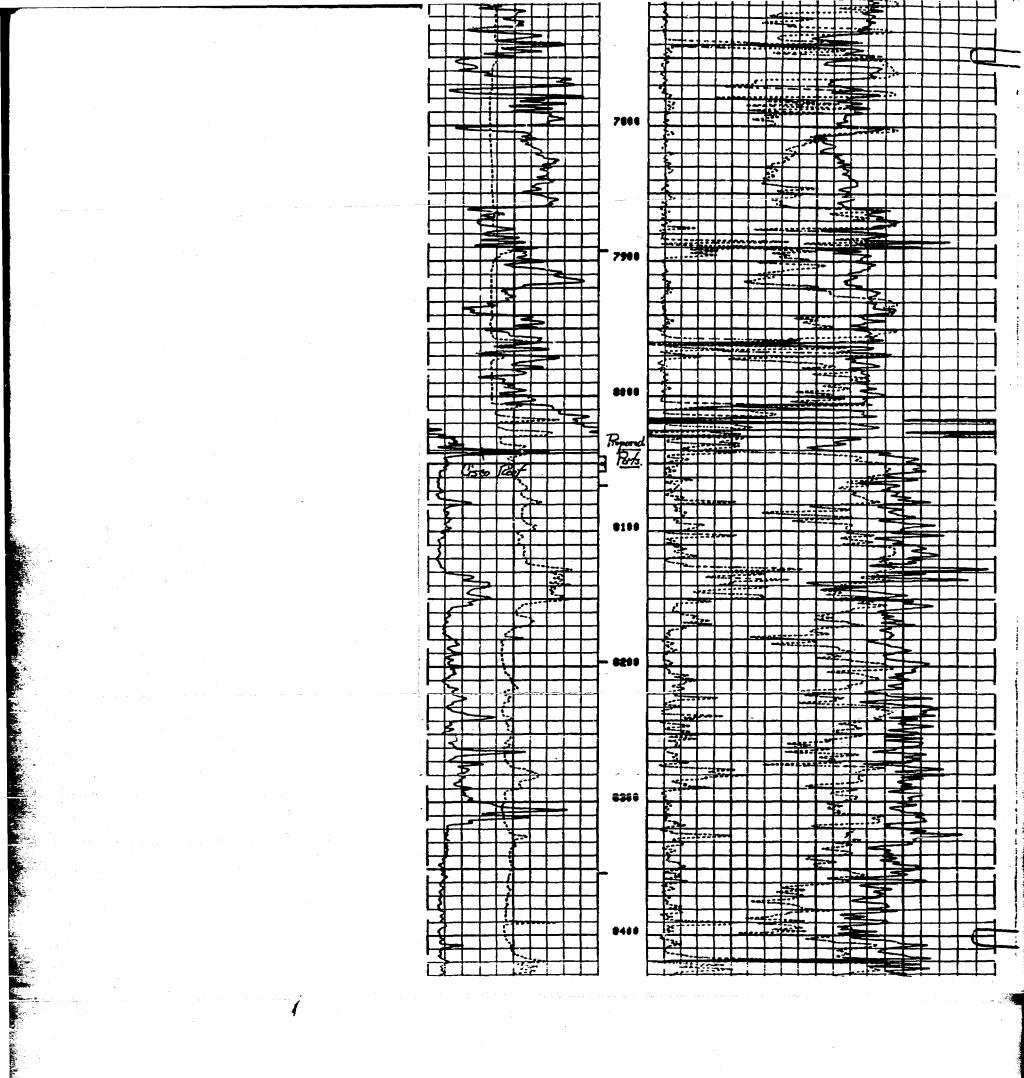


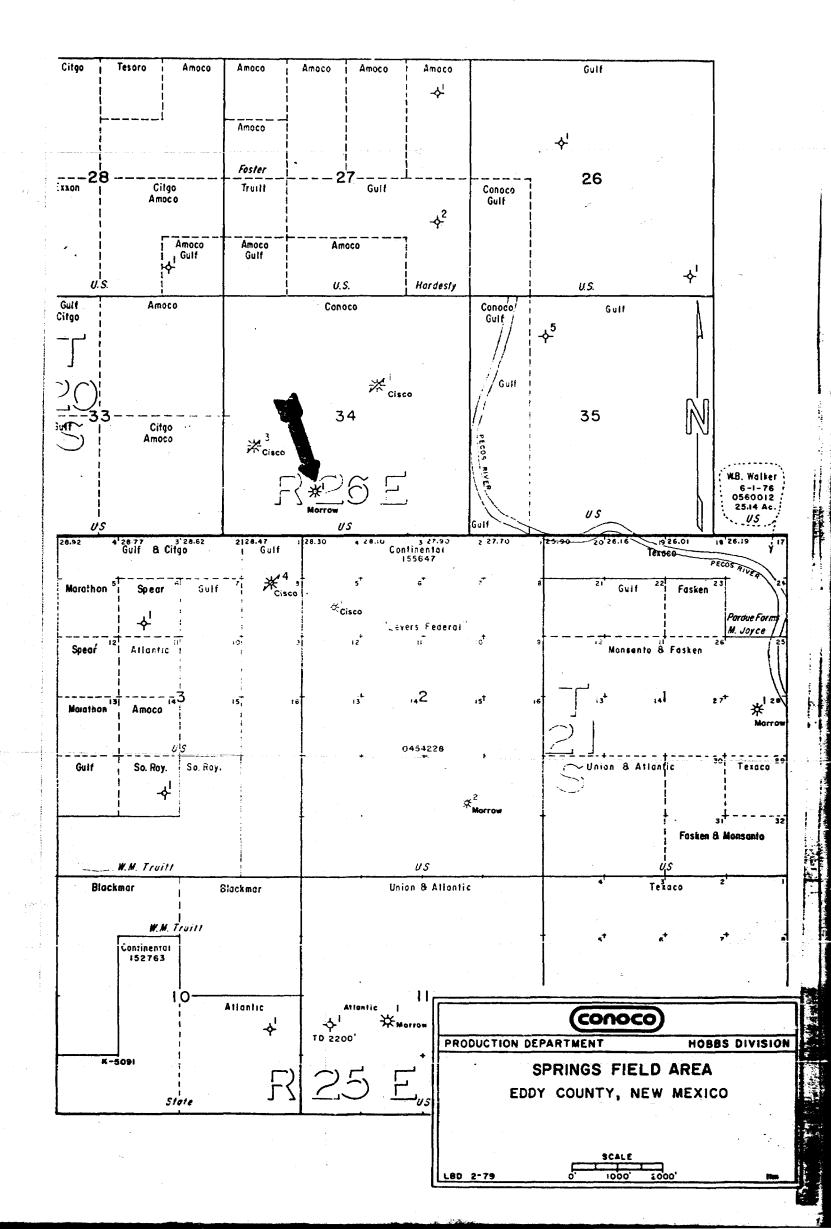


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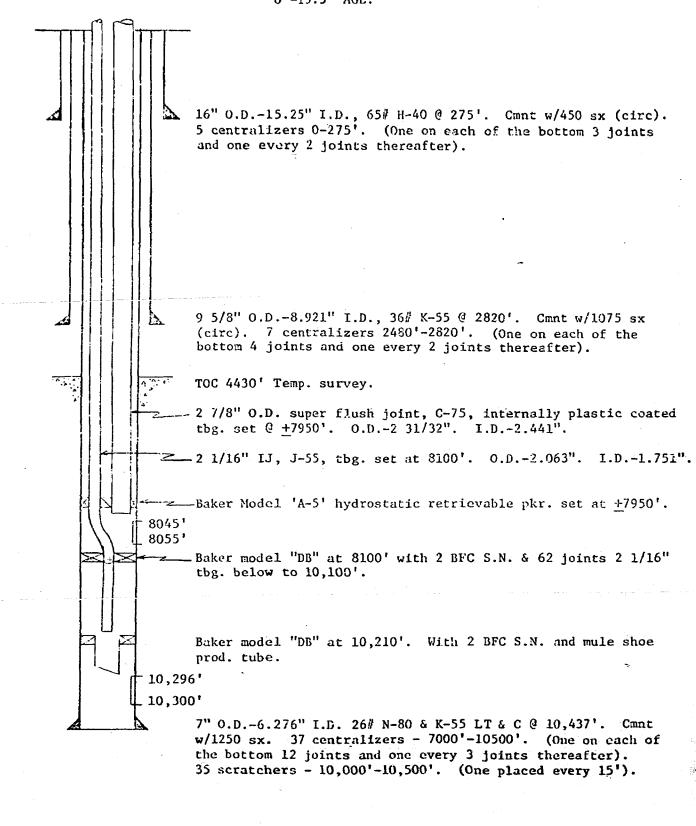


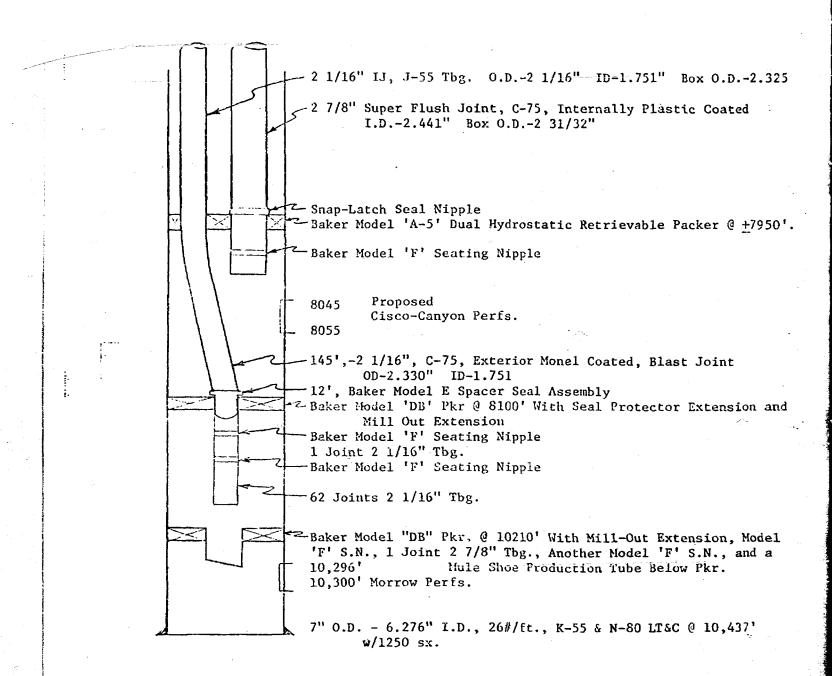


SANTA FE, NEW MEXICO

APPLICATION	FOR	MULTIPLE	COMPLETION
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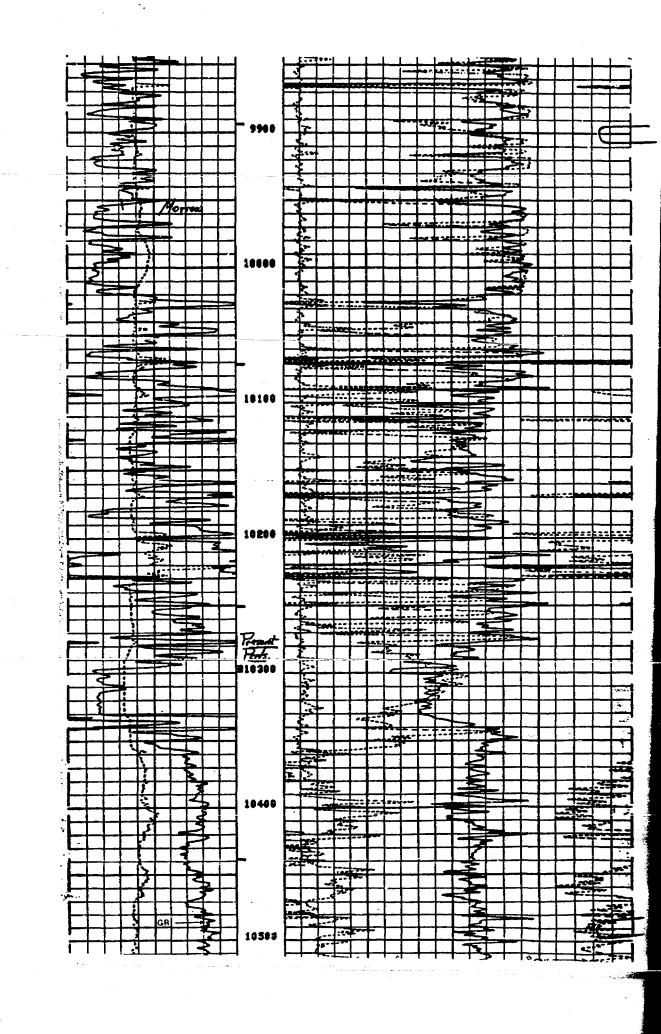
Presenter Continental Oil Company	y	County Lea Eddy	Date
Address P. O. Box 460, Hobbs, N	New Mexico 88240	Lease Federal 34	Well No.
	Section 00240	Township	Range
or Well N	34	20-S	26H-1
			of a well in these same pools or in the
same zones within one mile of the standard in the same is yes, identify one such in	ubject well? YES	NO <u>X</u>	
. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Springs Upper Pen	n	Undesignated Morrow
b. Top and Buttom of			
Pay Section	Proposed		102061 10 2001
(Perforations)	8045' - 55		10296' - 10,300'
c. Type of production (Oil or Gas)	Gas		Gas
d. Method of Production	Flore		P1 ov
(Flowing or Artificial Lift)	Flow		Flow
thereon. (If such log is not List all offset operators to the lease	available at the time applic on which this well is locate mpany, P. O. Box 30	eation is filed, it shall be submitted together with their correct mailing 2, Houston, Texas 77	ing address.
		Box 1150, Midland. Tex	as 79702
8			
NOTE: This applica	tion is set for an	Examiner Hearing on Fe	bruary 28, 1979.
1979	. .		<u></u>
Were all operators histed in Item 5 about of such notification	ove notified and furnished a	copy of this application? YES	NO X. If answer is yes, give date
CERTIFICATE: 1, the undersigned, s		ion Manager of t	beContinental 011
der my supervision and direction and th			•
		plication for administrative appro	oval, the New Mexico Oil Conservation he Commission's Santa Fe office. If,
OTE: If the proposed multiple completi	on will result in an unorthod	ng is received by the Santa Fe off lox well location and/or a non-stu f the same should be filed simulu	fice, the application will then be processe andard proration unit in either or both of aneously with this application.

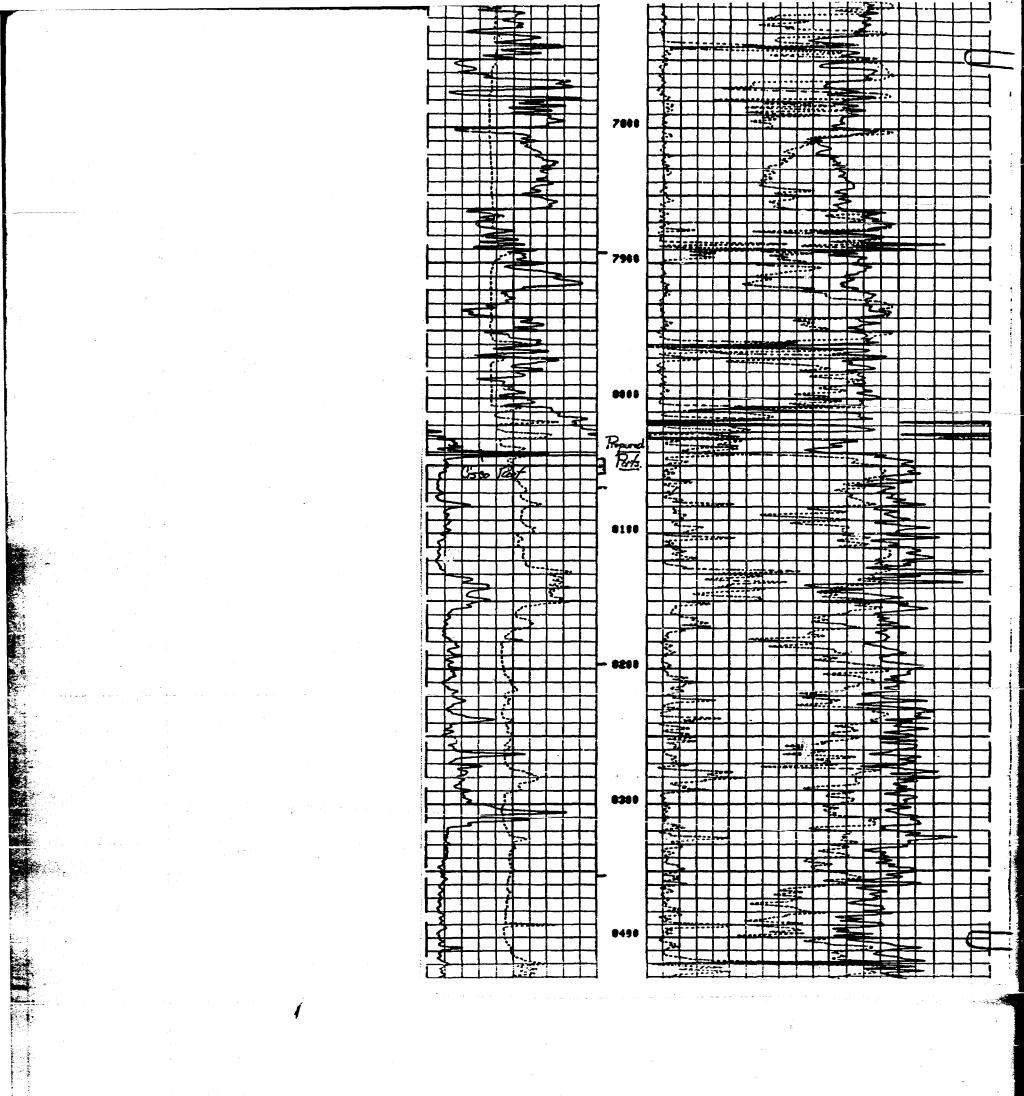


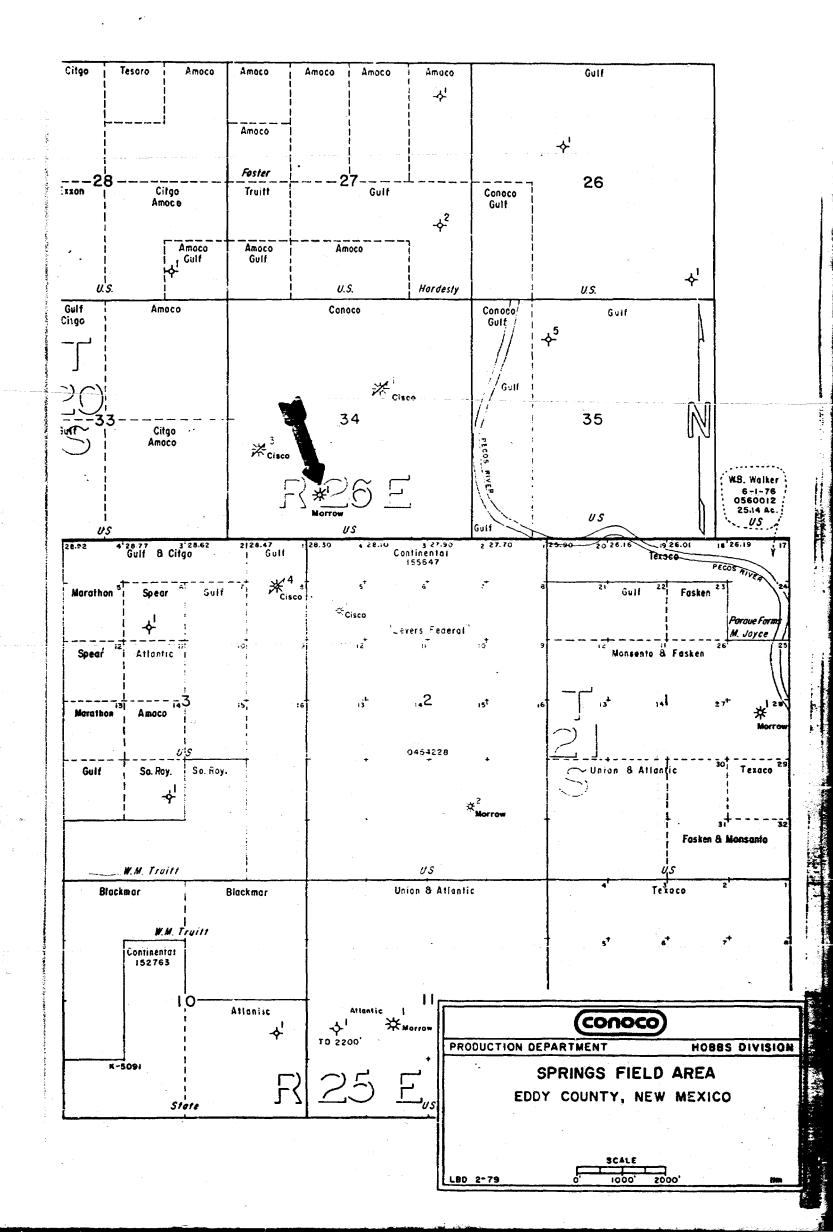


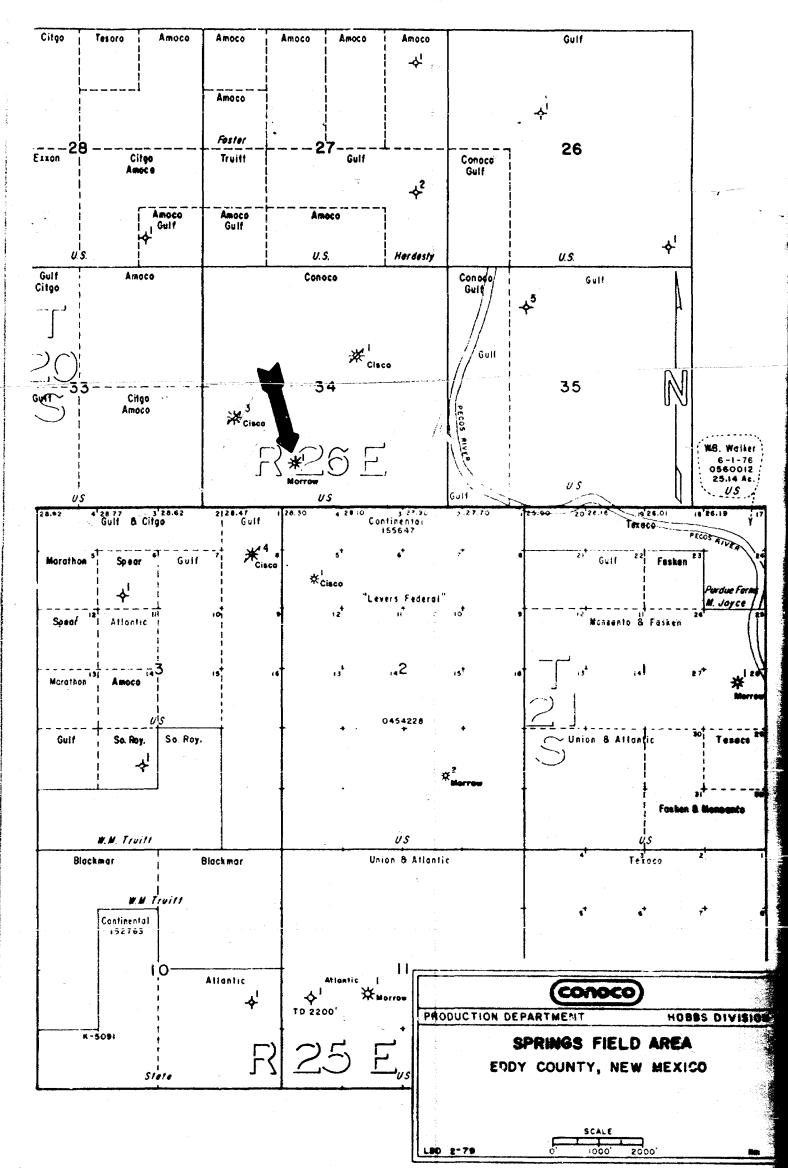
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SANTA FE, NEW MEXICO

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company		County Eddy	Date February 14, 1979		
Address P. O. Box 460, Hobbs, N	ew Mexico 88240	Lease Federal 34	Well No.		
		wnship	Range		
or Well N	34	20 - \$	26E		
1. Has the New Mexico Oil Conservation	n Commission héretofore auth	orized the multiple completion of	a well in these same pools or in the		
same zones within one mile of the su	bject well? YESN	<u> </u>			
2. If answer is yes, identify one such in	stance: Order No.	; Operator, Lease, and	Well No.:		
3. The following facts are submitted:	Upper Zone	Intermediate	Lower		
	Zone	Zone	Zone		
a. Name of Pool and Formation	Springs Upper Penn		Undesignated Morrow		
b. Top and Buttom of	Proposed				
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e. Type of production (Oil or Gas)	Gas		Gas		
d. Method of Production	Flow		Flow		
(Flowing or Artificial Lift)					
4. The following are attached. (Please i	mark YES of NO)				
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6. Were all operators listed in Item 5 abo of such notification	Divisio	n Managar	NO X. If answer is yes, give date Continental 011		
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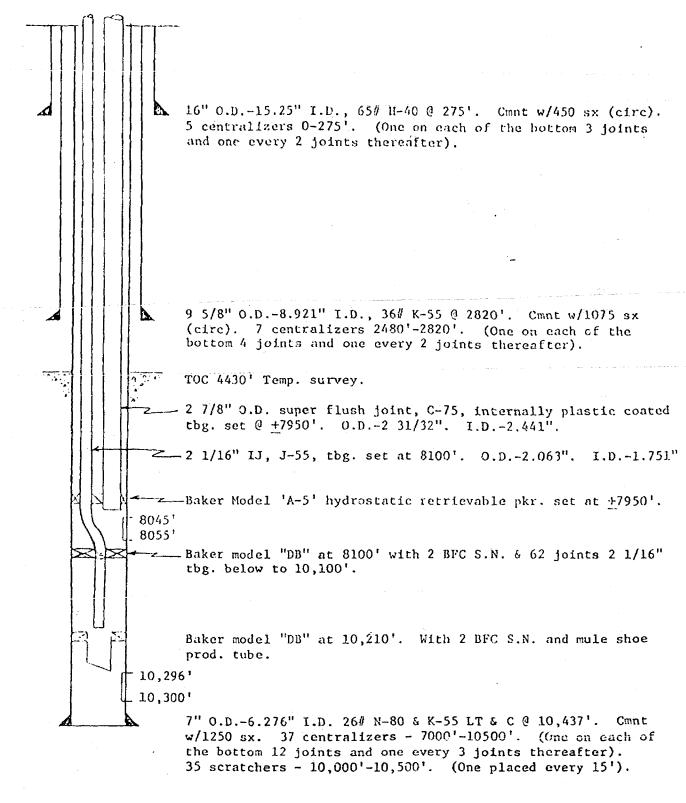
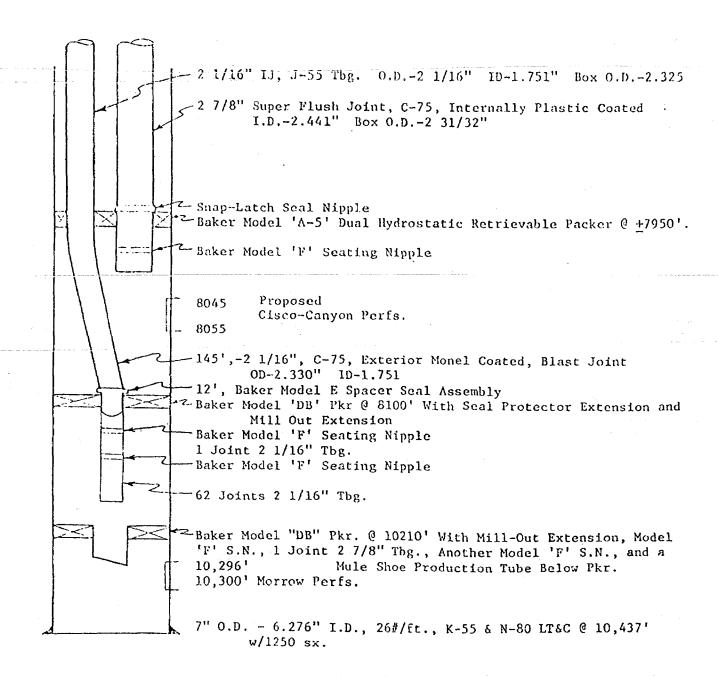
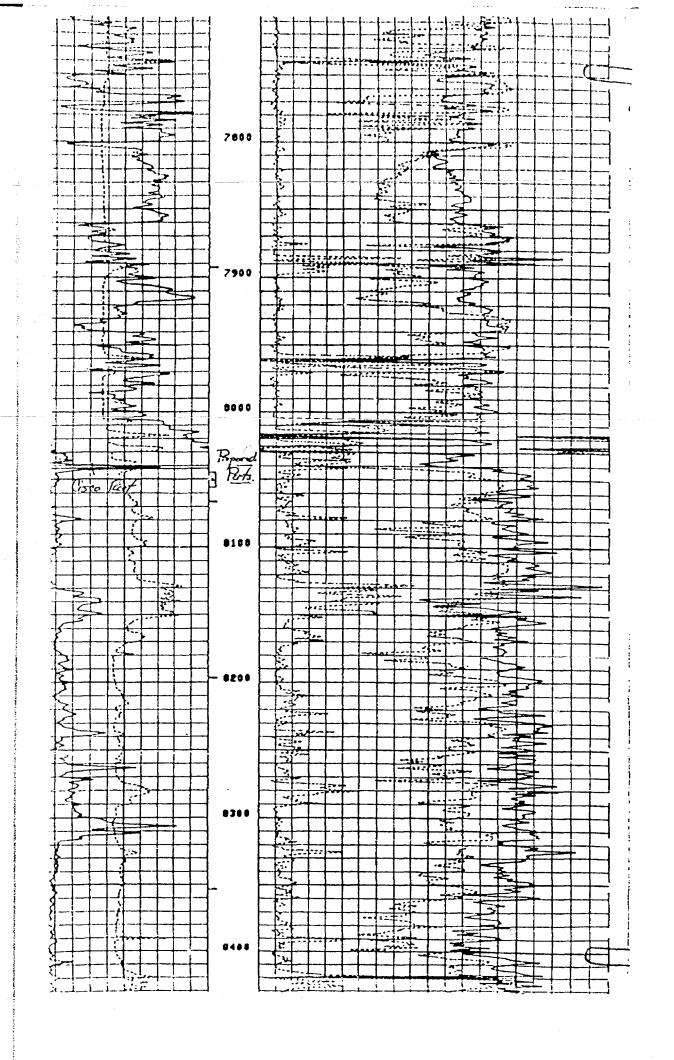
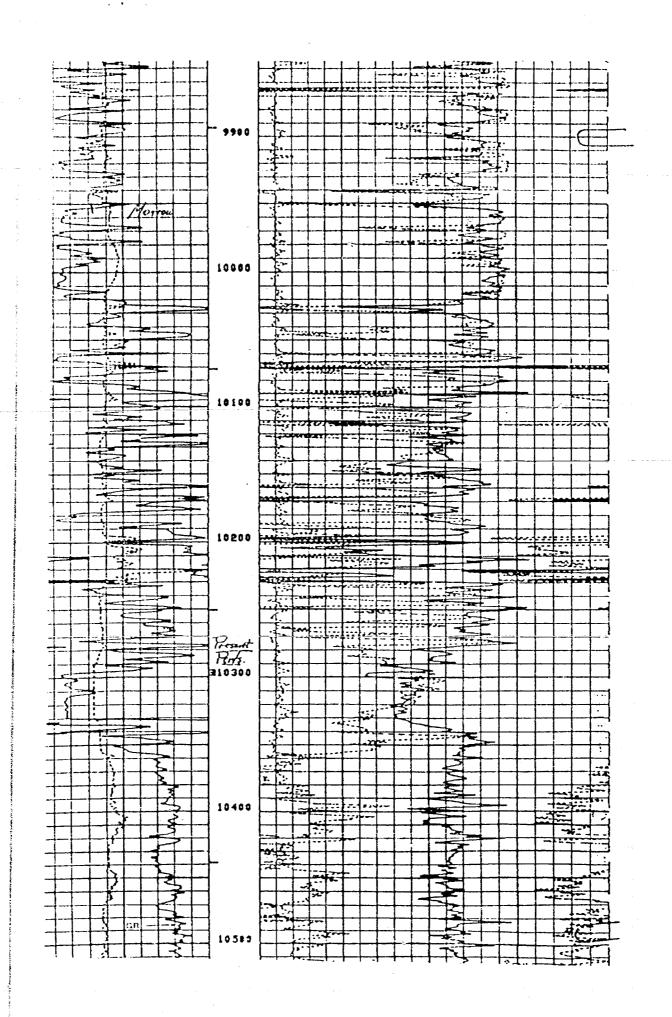


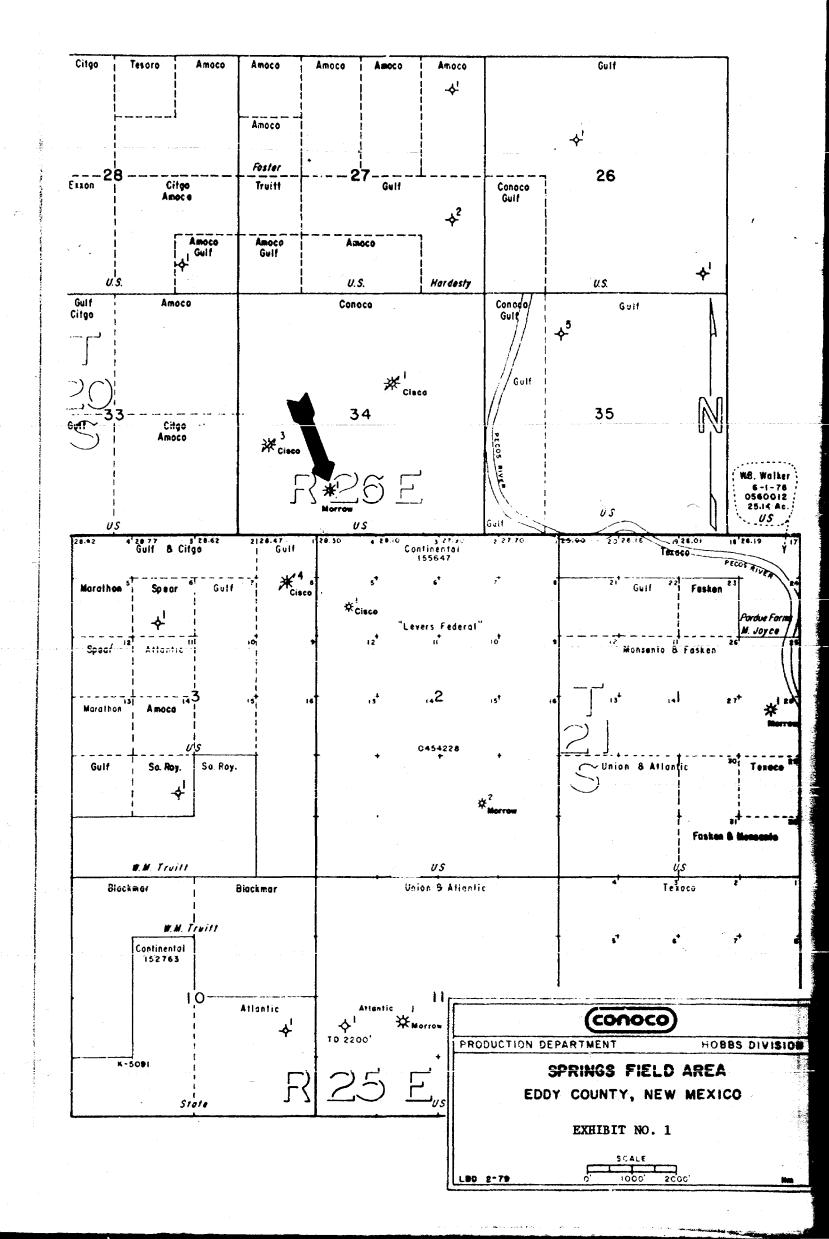
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NEW "TXICO OIL CONSERVATION COMMYTION

SANTA FE, NEW MEXICO

APPLICATION FOR MULTIPLE COMPLETION

Operator Continental Oil Company	v	County	Eddv	Date	February 14, 1979		
	<i>y</i>	Lease	Aug v		Well No.		
Address P. O. Box 460, Hobbs, I	New Mexico 88240		ieral 34		1 .		
	Section	Township		Range			
or Well N	34	20-S			26E		
1. Has the New Mexico Oil Conservation	on Commission heretofore	authorized th	e multiple completion of	of a well i	n these same pools or in the		
same zones within one mile of the s	ubject well? YES						
. If answer is yes, identify one such in	astance: Order No		; Operator, Lease, and	d Well No.	<u> </u>		
. The following facts are submitted:	Upper Zone		Intermediate Zone		. Lower Zone		
e. Name of Pool and Formation	Springs Upper Pe	enn			Undesignated Morrow		
b. Top and Bottom of							
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(Perforations)	8045' - 55	ļ		•	10296' - 10,300'		
c. Type of production (Oil or Gas)	Gas				Gas		
d. Method of Production		-			· ·		
(Flowing or Artificial Lift)	Flow				Flow		
. The following are attached. (Please	mark YES or NO)						
c. Waivers consenting to such have been furnished copies Yes d. Electrical log of the well thereon. (If such log is not List all offset operators to the lease Amoco Production Corcities Service Oil (Gulf Energy & Miner)	es of the application.* or other acceptable log with available at the time apponential this well is local ampany, P. O. Box. Company, Box 1919	ith tops and be dication is fil- ated together v 3092, House , Midland	ottoms of producing zoned, it shall be submitted with their correct mailing ston, Texas 770	nes and in ed as prov. ng address 001	tervals of perforation indicate ided by Rule 112-A.)		
NOTE: This applica	tion is set for a	n Examine	r Hearing on Fel	bruary	28, 1979.		
Were all operators listed in Item 5 about of such notification	ove notified and furnished	a copy of this	application? YES	NO _X	If answer is yes, give da		
CERTIFICATE: 1, the undersigned, s	state that I am the Divi	ision Mana	iger of the	ne	ntinental Oil		
ider my supervision and direction and th	any), and that I am authori	ized by said c	ompany to make this re	e best of	•		
	·			Signature			

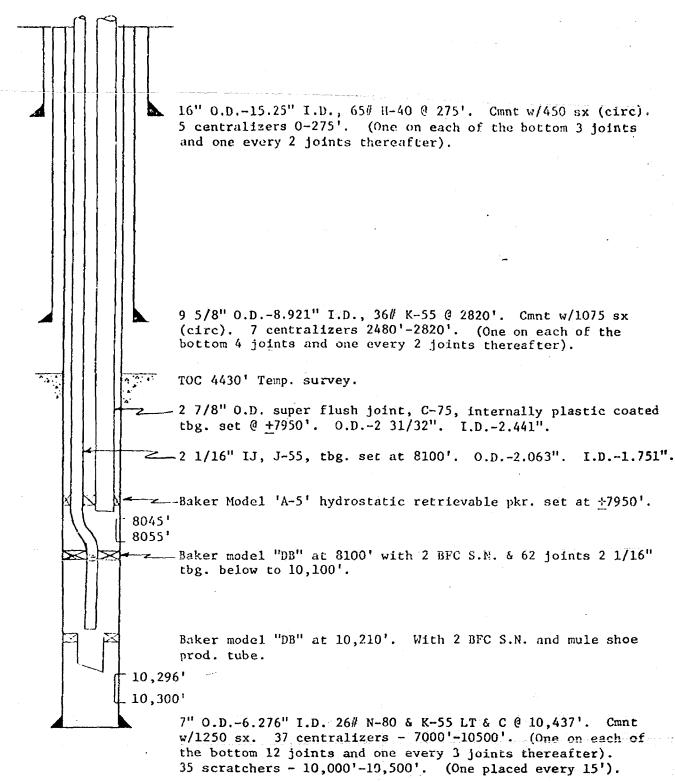
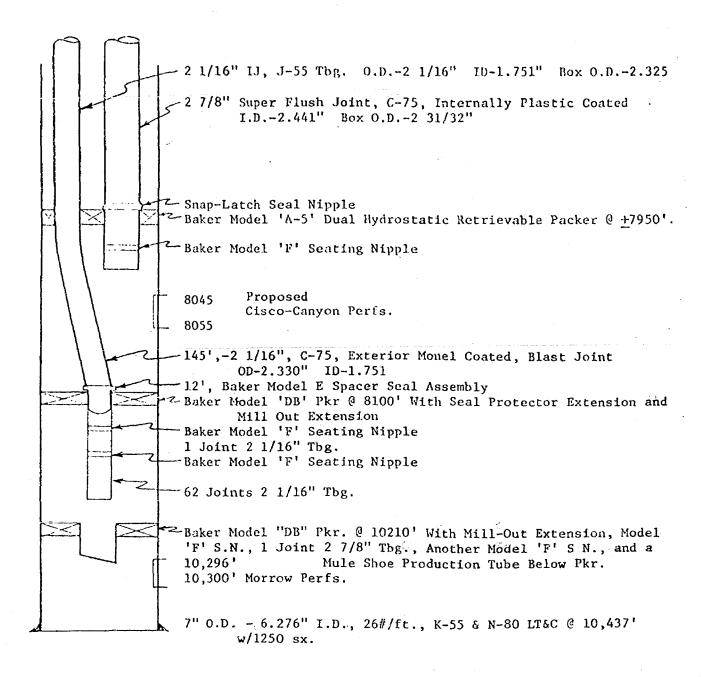
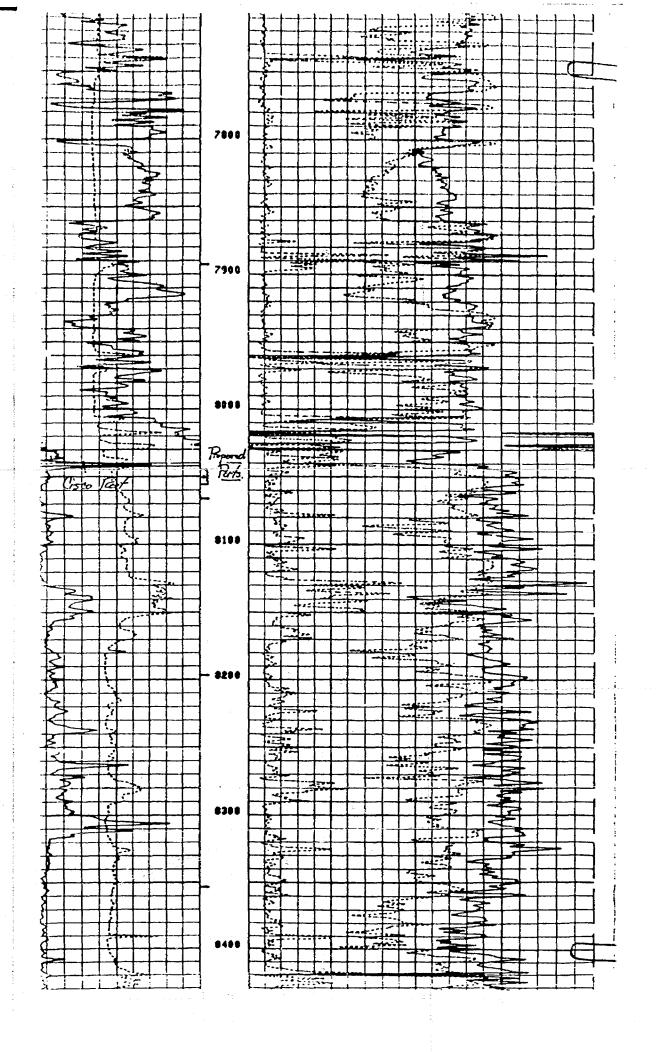
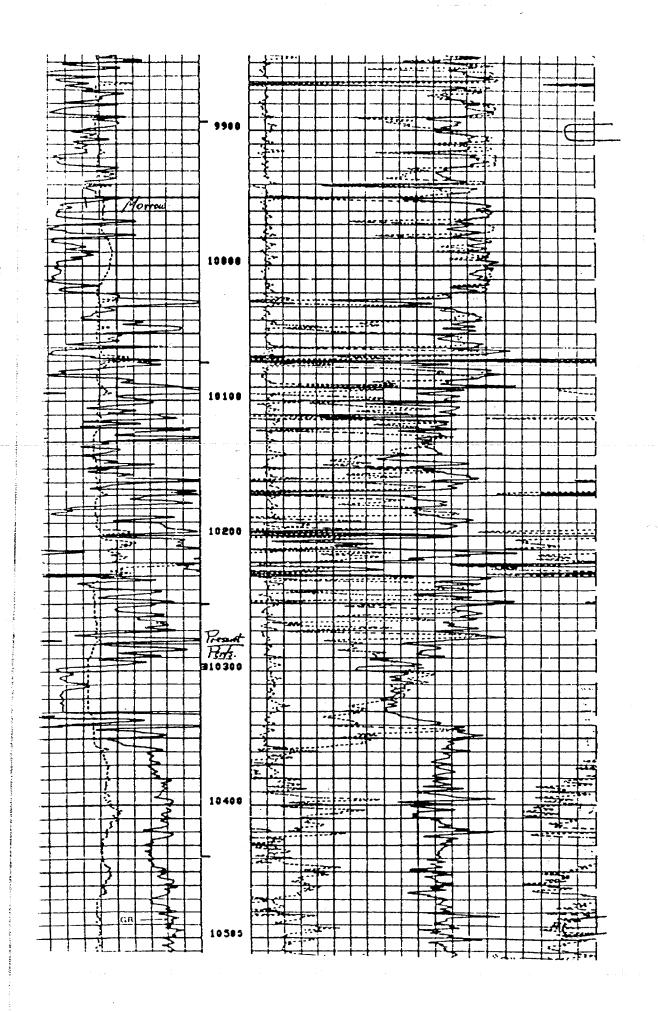


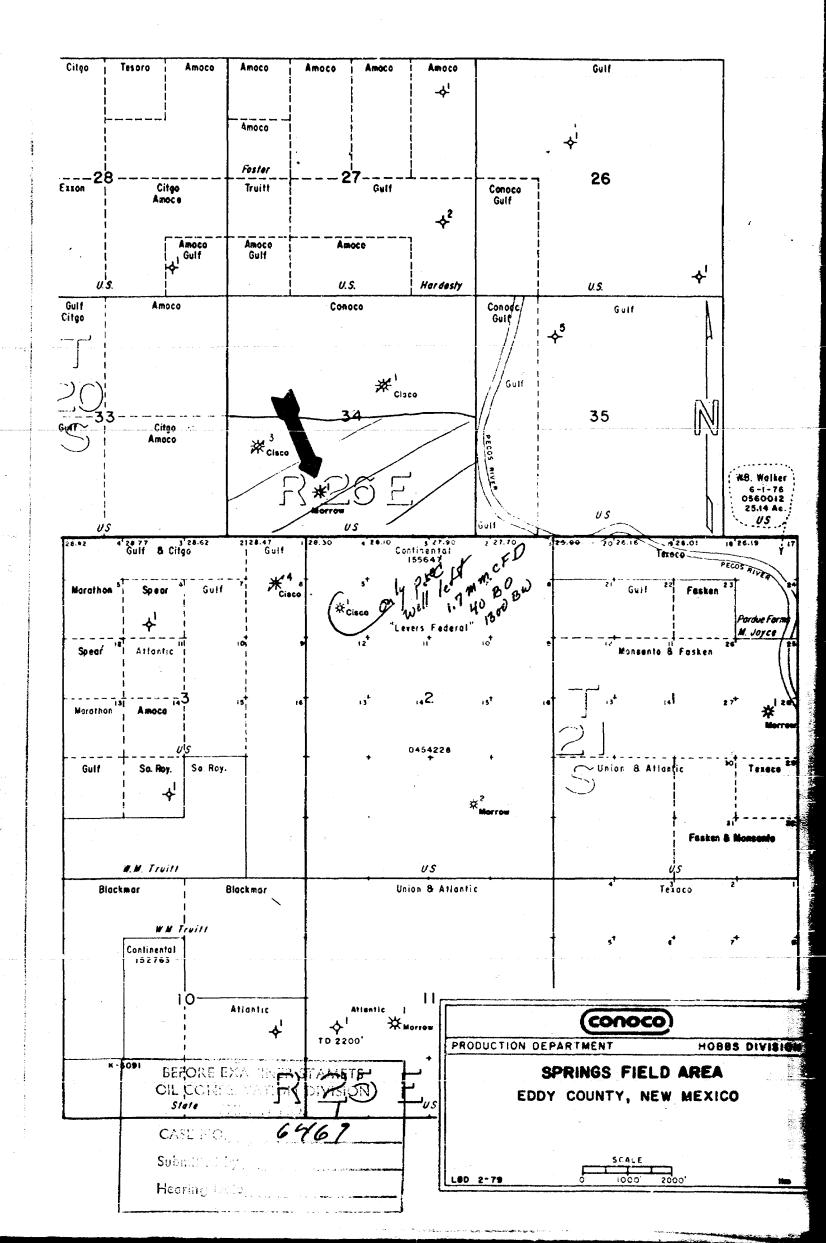
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SANTA FE, NEW MEXICO

APPLICATION FOR MULTIPLE COMPLETION

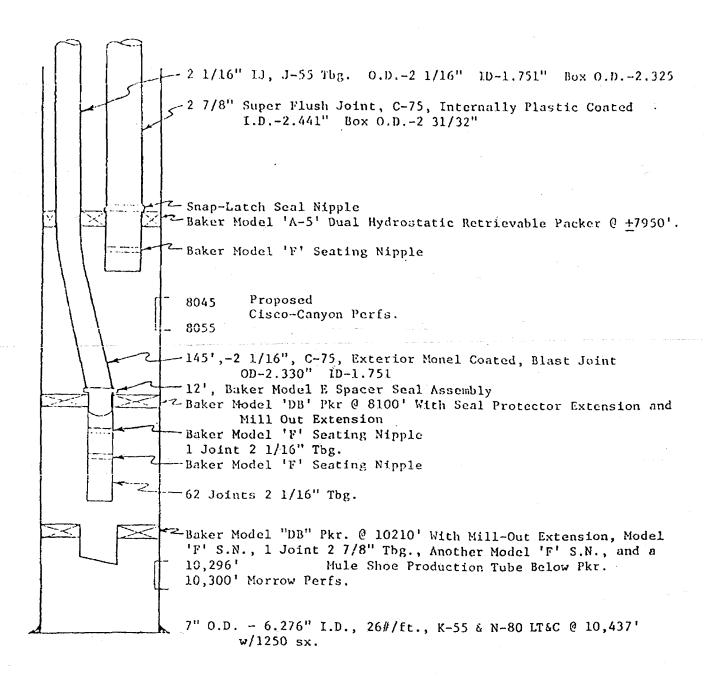
Operator Continental Oil Company	County Eddy Dat		February 14, 1979	
Address		Lease	Well	No.
P. O. Box 460, Hobbs, 1		Federal 34		1
	Section	Township	Rang	
or Well N	34	20-S	lasias at a sull	26E
1. Has the New Mexico Oil Conservation			etion of a well	in these same pools or in the
same zones within one mile of the s			1 W - 11 M	
2. If answer is yes, identify one such in	istance: Otder No.	; Operator, Lea	se, and well ive	0.:
3. The following facts are submitted:		1-1		1
	Upper Zone	Intermedia Zone	7(6	Lower Zone
a. Name of Pool and Formation	Springs Upper Per	in .		Undesignated Morrow
b. Top and Bottom of		***		
Pay Section	Proposed			
(Perforations)	8045' - 55	‡		10296' - 10,300'
e. Type of production (Oil or Gas)	Gas			Gas
d. Method of Production				Į-
(Flowing or Artificial Lift)	Flow	1		Flow
4. The following are attached. (Please	mark YES of NO)			<u> </u>
and setting depth, location Yes b. Plat showing the location operators of all leases offs c. Waivers consenting to such have been furnished copies Yes d. Electrical log of the well	on and type of packers and so of all wells on applicant's lease. The multiple completion from eas of the application. To or other acceptable log with available at the time application which this well is located in many, P. O. Box 30 Company, Box 1919,	ide door chokes, and such of lease, all offset wells on of each offset operator, or in line tops and bottoms of produceation is filed, it shall be sued together with their correct 192, Houston, Texas Midland, Texas 79	ieu thereof, evi ing zones and ubmitted as pro t mailing addres 77001	d the names and addresses of dence that said offset operators intervals of perforation indicated wided by Rule 112-A.)
NOTE: This applica	tion is set for an	Examiner Hearing o	n February	28, 1979.
6. Were all operators listed in Item 5 about such notification CERTIFICATE: I, the undersigned, Company	state that I am the Divis	copy of this application? Y	of the Co	ontinental Oil
under my supervision and direction and the				
under my supervision and direction and th	nat the facts stated therein	are tipe, correct and complet	n programmer obest 8	Man Sheatheage.
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Federal 34 #1

EXHIBIT NO. 3

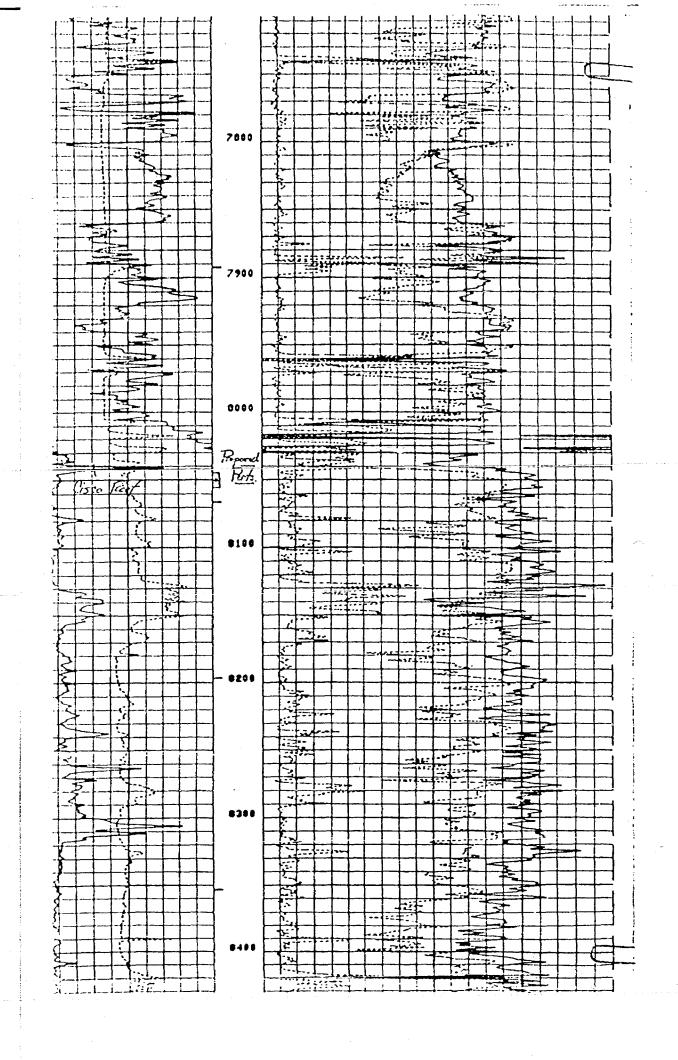
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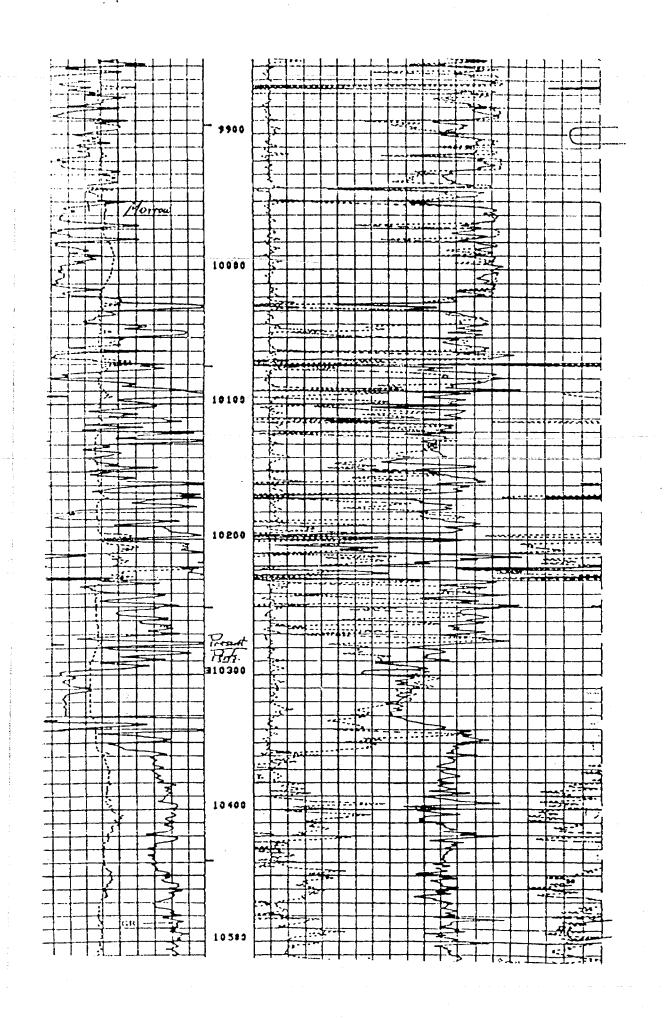


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- CASE 6464: Application of Dallas McCasland for clarification of Orders Nos. R-2789 and R-2794, Lea County, New Mexico. Applicant, in the above-styled cause, seeks clarification of Orders Nos. R-2789 and R-2794 to determine what formations have been 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 0il 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 profation 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 Vell 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 weivers 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, N, 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 bubing.
- (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 QIL CONSERVATION DIVISION

JOE D. RAMEY,

dr/



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

JERRY APODACA

NICK FRANKLIN SECRETARY

March 20, 1979

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Mr. Tom Kellahin Kellahin & Kellahin	Re:	CASE NO. 6469 ORDER NO. R-5949		
Attorneys at Law Post Office Box 1769 Santa Fe, New Mexico		Applicant:		
		Continental Oil Compan	Y	
Dear Sir:			~	
Enclosed herewith are Division order recent	two c	opies of the above-referen	ced	
Yours very truly, JOE D. RAMEY Director				
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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)
Company for a dual completion,)
Eddy County, New Mexico.)

CASE 6469

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

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

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INDEX.

LOWELL DECKERT

Direct Examination by Mr. Kellahin

EXHIBITS

Applicant Exhibit One, Plat

Applicant Exhibit Two, Application

Applicant Exhibit Three, Sketch

Applicant Exhibit Four, Sketch

Applicant Exhibit Five, Log

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MR. STAMETS: Call next Case 6469.

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MS. TESCHENDORF: Case 6469. Application of

Continental Oil Company for a dual completion, Eddy County,

New Mexico.

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

(Witness sworn.)

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LOWELL DECKERT

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

- Q Would you please state your name, by whom you're employed, and in what capacity?
- A. My name is Lowell Deckert. I'm employed by Continental Oil Company as Petroleum Engineer.
- Q Mr. Deckert, have you previously testified before the Oil Conservation Division?
 - A Yes, I have.
- Q. Have you made a study of and are you familiar with the facts surrounding this particular application?

A Yes.

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

MR. STAMETS: He's considered qualified.

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

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

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

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

- Q What is the unit to be assigned to the well?
- A. We propose to assign the south half of Section 34 to this well.
- Q I notice that there are other Cisco wells in this area. Which of the Cisco wells are still producing?
- There's only one remaining producing well, and that's our Levers Federal No. 1, located in Unit letter "E" of Section 2 of Township 21 South, Range 25 East.
 - Q What's the current status of this well?

SALLY WALTON BOY SERVED SHORTHAND REPORT STORING BRIDGE (\$65) (171-9 Posts Fe, New Mexico 171-9 SALLY WALTON BOYD
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A It is producing at the rate of 1.7-million cubic feet of gas per day with 40 barrels of oil and 1300 barrels of water per day.

Mr. Deckert, why have you sought this application?

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

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

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

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

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

Q All right, sir, and Exhibit Number Three?

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

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

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on Exhibit Numbers Three and Four?

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

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

- What corrosion detective or preventative
 measures are you going to take for this well?
- A. Well, we propose several things. One thing, we propose to squeeze the Cisco with corrosion inhibitor, and during the producing life we plan to monitor the corrosion rate with both iron counts and corrosion coupons.
- Q What is the size of the tubing used for the Cisco?
- A. For the Cisco we propose to use 2-7/8ths flush joint, internally plastic-coated tubing to accommodate the water production.
- Q What volumes of water production do you anticipate, Mr. Deckert?
- A Well, we initially anticipate anywhere from 6 to 800 barrels of water per day out of the Cisco.
- Q With a well completed in this manner, what volume of water production could be handled with a 2-7/8ths

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inch tubing?

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

- What are you doing with the produced water?
- A We've got a salt water disposal well in -it would be in proration A of Section 4 of 21, 25. We're
 disposing of water into the Cisco formation below the gas/
 water contact.
- Q If I understood you correctly, you say you currently are producing only the Morrow?
 - A. In the Federal 34, yes.
 - Q In this well? Okay.
- A. Matter of fact, it has just been completed.

 It hasn't been put on line yet. We've just tested at this point.
- Q Okay. Please refer to Exhibit Number Five and identify it.
- A. Exhibit Five is a gamma ray -- an open hole gamma ray neutron formation density log, which shows the top of the Cisco Reef at 8,040 feet and the top of the Morrow zone at 9,954 feet.

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

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

- Q Were Exhibits One through Five prepared by you?
 - A Yes, they were.
- Q. In your opinion, Mr. Deckert, will approval of this application prevent waste and protect correlative rights?

A Yes.

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

MR. STAMETS: These exhibits will be admitted.

Any questions of the witness? The witness will be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

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.

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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)
Company for a dual completion,)
Eddy County, New Mexico.)

CASE 6469

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

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

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STATEMENT BLACK (501) 171-2143

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LOWELL DECKERT

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CERTIFY that the foregoing and attached Transcript of

Hearing before the Oil Conservation Division was reported

I, SALLY W. BOYD, a Court Reporter, DO HEREBY

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.