CASE 7223. SUR OIL COMPANY FOR A DIFATE COMPLETION AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO

CASE NO.

7223

APPlication, Transcripts, Small Exhibits,

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 2 OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. 3 SANTA FE, NEW MEXICO 22 April 1981 EXAMINER HEARING IN THE MATTER OF: Application of Sun Oil Company for a) dual completion and simultaneous CASE dedication, Lea County, New Mexico.) 7223 BEFORE: Daniel S. Nutter 11 12 TRANSCRIPT OF HEARING 13 APPEARANCES 15 16 For the Oil Conservation Ernest L. Padilla, Esq. 17 Division: Legal Counsel to the Division State Land Office Bldg. 18 Santa Fe, New Mexico 87501 19 20 For the Applicant: W. Thomas Kellahin, Esq. KELLAHIN & KELLAHIN 21 500 Don Gaspar Santa Fe, New Mexico 87501 22 23

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1 2 MR. NUTTER: We'll call next Case Number 3 7223. MR. PADILLA: Application of Sun Oil 5 Company for a dual completion and simultaneous dedication, Lea County, New Mexico. 7 MR. KELLAHIN: I'm Tom Kellahin of Santa 8 Fe, New Mexico, appearing on behalf of the applicant, and I have one witness. 10 11 (Witness sworn.) 12 13 DAVID G. MENDOZA 14 being called as a witness and being duly sworn upon his oath, 15 testified as follows, to-wit: 16 17 DIRECT EXAMINATION 18 BY MR. KELLAHIN: 19 Q. Mr. Mendoza, would you please give us 20 your name and occupation? 21 My name is David G. Mendoza. I work 22 for Sun Oil Company in the capacity of petroleum engineer, 23 production engineer. Mr. Mendoza, have you previously testi-24 25 fied before the Division as a petroleum engineer?

~

1 2 No, sir. Would you explain to the Examiner when 3 and where you obtained your engineering degree? I obtained a Bachelor of Science degree in petroleum engineering from the University of Texas at 6 7 Austin in 19 -- December of 1978, and was employed by Sun Oil Company shortly after that. Have you made a study of the data and 9 facts surrounding Sun's application for approval of a dual 10 11 completion and simultaneous dedication of acreage? Yes, sir. 12 13 And have you prepared certain exhibits with regards to your presentation? 14 15 Yes, sir. 16 MR. KELLAHIN: We tender Mr. Mendoza 17 as an expert petroleum engineer. 18 MR. NUTTER: Mr. Mendoza is qualified. Mr. Mendoza, let's turn to your packet 19 Q. of exhibits and direct your attention to Exhibit Number One, 20 which is the plat. I'd like to have you identify for us the 21 22 160-acre proration unit, first of all. 23 Okay, that 160 acres unit is located in Section 1 of Township 22 South and Range 37 East, and --24 Where is -- excuse me, go ahead.

P

1			5
2	Α.	Further description of that.	1
3	<u></u> <u></u> <u></u> <u></u>	Right. Let me ask you, where ar	e-the
4	existing Tubb gas wel	is located within that proration	unit?
5	А.	The existing Tubb gas well will	be in
6	Unit L, and No. 4 the	re. It should be highlighted in	red on
7	the plat.		
8	Q	The orange dot?	63
9	А.	The orange dot is the well that	we're
10	attempting to simulta	neous dedicate the unit with f	or.
11	Q.	All right. So No. 5 currently p	roduces
12	from the Tubb formati	on?	
13	A.	No, No. 4 is our present well.	
14	Q	All right, No. 4 is the current	producera
15	А.	Right.	
16	ρ	No. 5, we will dually produce fr	om the
17	Tubb formation.		
18	A.	We will recomplete in the Tubb f	ormation
19	Q.	All right, and then both those w	ells,
20	for purposes of the T	ubb proration unit, will be simul	taneous1
21	dedicated to 160 acre	s?	
22	A.	That's correct.	-
23	a	And what is the Tubb Pool identi	fied
24	in this area? Has it	got a name? Is there a pool nam	ie?
25	А.	It's the Tubb Oil and Gas Pool.	
25	A.	It's the Tubb Oil and Gas Pool.	

6 2 All right, 3 Tubb Field. Is that a prorated gas pool? Yes, it is. How do you propose to produce the wells with regards to the unit allowable? We will probably not produce No. 5, 9 No. 4. The total production out of those will not exceed the 10 nonmarginal allowable prorated in the field by the Commission. 11 Would you want the opportunity to 12 produce either or both wells in some combination so long as 13 it does not exceed the unit allowable for this proration unit? 15 Not necessarily. It would change or 16 vary with the allocation. 17 All right, sir, let me direct your attention to Exhibit Number Two and have you identify that for us. 20 This is basically offset information to our 160-acre lease, and it is breaking down by township, 22 range, and section, and the operator, lease, and well, and unit location, and some of them have specific locations on it. The acres dedicated to the units and whether they're multi-well units, marginal or nonmarginal units, the gatherers.

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production as of January '81, and the cumulative as of
                           Okay, let's turn to Exhibit Number Three,
1
2
    December Of 179.
                             This cross section is basically -- high-
 3
      Which is your cross section.
       lighted in green -- yellow is the -- our productive interval
  4
        in the Tubb formation that we will attempt to recomplete the
  5
   6
                                That No. 2 Well there is not significant
    7
          and whoever made this plat up for me included it in here,
     8
         No. 5 Well.
                                 Is there any difference between the
     9
     10
                                  No, that's just to differentiate be-
      11
            green and the yellow color?
       12
                                    All right, but they are both Tubb sec-
             tween the -- the different sections.
       13
        14
         15
                          Q.
                                      In your opinion does the Tubb formation
          16
               tions?
                                      yes.
          17
                 correlate between the Well No. 4 and Well No. 5?
           18
                                         All right, sir, if you'll turn to Ex-
            19
             20
                   hibit Number Four and tell us what that is.
                                          This is basically a production decline
             21
                    curve showing some history of, a ten year history of our
              22
               23
               24
                25
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1
 2
    present gas well and we stuck it in the exhibits for informa-
 3
    tive purposes.
                           Okay.
                           MR. NUTTER: Now, Mr. Mendoza, before
 5
    you leave that exhibit, if I'm reading it right, that No. 4
 6
 7
    Well right now is making about 270 Mcf a day, is that correct?
 8
                           That's correct.
                           MR. NUTTER: Okay.
                           All right, sir, Exhibit Number Five.
10
11
                           Okay, this is basically a brief history
    of our present well, showing location, elevations, and downhold
12
    setup, and previous stimulation, and so forth, and some cumu-
13
14
    lative. The cums there are given at the bottom, our Tubb
    cums. It doesn't indicate here but that's what they are,
15
                           All right.
16
                           Exhibit Number Six?
17
                           It's a two year production history on
18
19
    this -- our prsent gas well.
                           The No. 4?
20
                 Q.
                                    It's in Mcf per month.
                           Right.
21
                           All right, sir, let's go to Exhibit
22
23
    Number Seven.
                           This is a present downhole setup of
24
25
    our gas well and it is a dual well and produces Blinebry gas
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9
 1
 2
    up the casing and Tubb up through the tubing and separated by
 3
    a production packer.
                           No. 4 Well will remain the same?
                           Will remain the same.
                           Okay. Go to Number Eight.
 7
                           This is a history of the No. 5 Well,
 8
    which we intend to recomplete as a Tubb gas wall, and it's
 9
    pretty straightforward there.
                           It is presently, I should point out, an
10
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    oil well in the Granite Wash Wantz Field.
                           And Exhibit Number Nine, Mr. Mendoza.
12
13
                           This is the present downhole setup of
    our No. 5 Well, showing we're flowing this well up through
14
15
    the tubing isolated by a packer.
                           And it currently produces only the --
16
17
                           Granite Wash,
18
                           -- Granite Wash oil.
19
                           Oil.
                           All right. How will you recomplete the
20
21
    well as a dual completion?
22
                           That is shown in Exhibit Ten and that
         a di maga A
     is our suggested completion downhole setup of the well,
23
                           You're going to bring the Tubb gas up
24
25
     the annulus?
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1 Up the -- yes. A. And what's the composition of that gas? 2 Q. Is it reasonably dry or does it make any kind of liquids or 3 4 hydrocarbons? Yes, reasonably dry, yes. We produce 5 very negligible liquids at the wellhead. The only liquid 6 production that we actually get is from the gatherer when we 7 8 get it to their plant. That's based upon information derived 9 Q. from the Tubb formation produced in the No. 4 Well? 10 11 Right. A. All right. You anticipate this well 12 Q. 13 will do similar to the No. 4 Well? 14 True. In your opinion is the method of com-15 pletion for the dual completion consistent with sound engineer-16 17 ing practices with regards to dual completion? 18 True. A. All right. Let's go to Number Eleven 19 Q. 20 and have you tell me what that is. This is a table of data that we have 21 accumulated for our present gas well, showing shut-in pressures, 22 cums at different time, and condensate cume, bottom hole 23 pressures, and deviation factors we have calculated, which we 24 25

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1
                                                          11
     will use in Exhibit Eleven to formulate --
 2
                           Do you anticipate any ---
                           I mean Twelve.
                           -- significant pressure differential
     between Granite Wash and the Tubb formations in the No. 5
     Well?
                            There will be some significant, but
     not anything to damage our downhole setup, if that's --
10
                           Can you anticipate for me what you
                 Ŋ.
11
     would estimate to be that pressure differential?
12
                            200 pounds, approximately, at the
                 A.
13
     surface.
                           And that's well within the design
14
                 Q.
     limits of the packer to be set in that well?
15
16
                            Yes.
                            All right, sir, let's go to Exhibit
17
18
     Number Twelve, is it?
19
                            Yes.
20
                            All right.
                            That is a pressure decline curve ex-
21
     trapolated out to determine initial gas in place for the No.
22
23
     4 Woll that we use in our calculations.
                            It looks like about 4.9 Bcf?
24
                 Q.
25
                            True.
```

***** \

12 And what quantity of gas have you re-Q. covered now? 3.5. So there are some additional reserves: Q. to be recovered? From our present well, yes. A. All right, sir, let's turn to Exhibit Number Thirteen for discussion and summarize for me what this 10 calculation is for. 11 This calculation here is actually to 12 solve the curve, or P/Z curve and get an accurate figure of 13 gas in place for the No. 4 Well and eventually back calculate 14 the acreage to drain by that well. 15 Your back calculation shows that the existing Tubb well, the No. 4 Well, is only draining 94 16 17 acres? 18 That's true. And in your opinion are there additional 19 reserves underlying the 160-acre proration unit that are 20 not going to be recovered by the No. 4 Well? 21 22 That is true. 23 All right, sir. Let's go to Number 24 Fourteen. 25 Okay, this is our calculations for

1			13
2	recoverable	reserves	from our new well that we're proposing
~ 3	to recomplet	te in the	Tubb.
4		Q.	And what is that recoverable reserve
5	number?		
6	. 	Α.	858,000 Mcf.
. 7		Q	All right. In your opinion are those
8	reserves tha	at would b	e recovered from the new well in the Tubb
9	formation th	nat would	not otherwise be recovered from the No. 4
10	Well?		
11		Α.	That is true.
12		Q.	And Exhibit Number Fifteen.
13		Α.	This is the given data that we have
14	used in our	calculati	ons.
15		Q	And in your opinion, Mr. Mendoza, will
16	approval of	the dual	completion and the simultaneous dedication
17	of this acre	eage be in	the best interest of conservation, the
18	prevention	of waste,	and the protection of correlative rights?
19		A.	Yes, I do.
20		Q.	Were Exhibits One through Fifteen pre-
21	pared by yo	u or compi	led under your direction?
22		A.	That's correct.
23	i sa		MR. KELLAHIN: We move the introduction
24	of Exhibits	One throu	igh Fifteen.
25			MR. NUTTER: Exhibits One through Fifteen

.

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1 14 will be admitted in evidence. CROSS EXAMINATION BY MR. NUTTER: Mr. Mendoza, apparently this No. 5 Well Q. must be located about 330 out of the corner down here? That is true. A. Now have you obtained approval of a nonstandard location for the Tubb formation for this well? 10 11 No, not for the Tubb formation. A. MR. KELLAHIN: It's only been approved 12 13 as to the Granite Wash. Which is an oil well --14 15 Right. -- so it's a standard location for that. 16 It would be a nonstandard location for 17 Now you realize you have to get approval 18 as a nonstandard location as a gas well? 19 MR. KELLAHIN: Yes, sir, we understand 20 21 that. And that is not included in the call of 22 this hearing. Now, it would be eligible for administrative 23 approval inasmuch as it was drilled deeper and one of the categories that can be approved administratively is recompletion

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that the foregoing 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.

Sally W. Boyd CSR

Examiner

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7125

Oil Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 22 April 1981 EXAMINER HEARING 5 IN THE MATTER OF: Application of Sun Oil Company for a) CASE dual completion and simultaneous 7223 dedication, Lea County, New Mexico. 8 BEFORE: Daniel S. Nutter 10 11 TRANSCRIPT OF HEARING 12 13 APPEARANCES 14 15 Ernest L. Padilla, Esq. 16 For the Oil Conservation Legal Counsel to the Division State Land Office Bldg. Division: 17 Santa Fe, New Mexico 37501 18 19 W. Thomas Kellahin, Esq. For the Applicant: KELLAHIN & KELLAHIN **20** 500 Don Gaspar Santa Fe, New Mexico 87501 21 22 23

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1 2 MR. NUTTER: We'll call next Case Number 7223. MR. FADILLA: Application of Sun Oil Company for a dual completion and simultaneous dedication, Lea County, New Mexico. MR. KELLAHIN: I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant, and I have one witness. 11 (Witness sworn.) 12 13 DAVID G. MENDOZA 14 being called as a witness and being duly sworn upon his oath, 15 testified as follows, to wit: 16 17 DIRECT EXAMINATION 18 BY MR. KELLAHIN: 19 Q. Mr. Mendoza, would you please give us 20 your name and occupation? 21 My name is David G. Mendoza. I work 22 for Sun Oil Company in the capacity of petroleum engineer, 23 production engineer. Mr. Mendoza, have you previously testi-

25 | fied before the Division as a petroleum ingineer?

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1		4
2	λ.	No, sir.
3	Q ,	Would you explain to the Examiner when
4	and where you obtained	your engineering degree?
5	A.	I obtained a Bachelor of Science degree
ő	in petroleum engineeri	ng from the University of Texas at
7	Austin in 19 Decemb	er of 1978, and was employed by Sun Oil
8	Company shortly after	that.
9	Q	Have you made a study of the data and
10	facts surrounding Sun'	s application for approval of a dual
11	completion and simultar	neous dedication of acreage?
12	Ă.	Yes, sir.
13	Q	And have you prepared certain exhibits
14	with regards to your p	resentation?
15	A.	Yes, sir.
16		MR. KELLAHIN: We tender Mr. Mendoza
17	as an expert petroleum	engineer.
18		MR. NUTTER: Mr. Mendoza is qualified.
19	Ď.	Mr. Mendoza, let's turn to your packet
20	of exhibits and direct	your attention to Exhibit Number One,
21	which is the plat. I'd	d like to have you identify for us the
22	160-acre proration uni	t, first of all.
23	A.	Okay, that 160 acres unit is located
24	In Section 1 of Townsh	ip 22 South and Range 37 East, and

Where is -- excuse me, go ahead.

	1 5
	A. Further description of that.
•	Right. Let me ask you, where are the
	existing Tubb gas wells located within that proration unit?
5	A. The existing Tubb gas well will be in
6	Unit L, and No. 4 there. It should be highlighted in red on
7	the plat.
8	The orange dot?
9	The orange dot is the well that we're
10	attempting to simultaneous dedicate the unit with for.
11	Q All right. So No. 5 currently produces
12	from the Tubb formation?
13	A. No, No. 4 is our present well.
14	Q All right, No. 4 is the current producer:
15	A. Right.
16	No. 5, we will dually produce from the
17	Tubb formation.
18	A. We will recomplete in the Tubb formation.
19	Q All right, and then both those wells,
20	for purposes of the Tubb proration unit, will be simultaneously
21	dedicated to 160 acres?
22	
23	The state of the s
24	Tupp Pool identified
25	in this area? Has it got a name? Is there a pool name?
L	A. It's the Tubb Oil and Gas Pool.

1 б 2 All right. 3 Tubb Field. Is that a prorated gas pool? 5 Yes, it is. 6 How do you propose to produce the wells 7 with regards to the unit allowable? We will probably not produce No. 5, The total production out of those will not exceed the 10 nonmarginal allowable prorated in the field by the Commission. 11 Would you want the opportunity to 12 produce either or both wells in some combination so long as 13 it does not exceed the unit allowable for this proration 14 unit? 15 A. Not necessarily. It would change or 16 vary with the allocation. 17 All right, sir, let me direct your 18 attention to Exhibit Number Two and have you identify that 19 for us. 20 This is basically offset information 21 to our 160-acre lease, and it is breaking down by township, range, and section, and the operator, lease, and well, and 23 unit location, and some of them have specific locations on 24 it. The acres dedicated to the units and whether they're multi-well units, marginal or nonmarginal units, the gatherers

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1 2 production as of January '81, and the cumulative as of December of '79. 3 Okay, let's turn to Exhibit Number Three, 5 which is your cross section. This cross section is basically -- high-7 lighted in green -- yellow is the -- our productive interval in the Tubb formation that we will attempt to recomplete the No. 5 Well. 10 That No. 2 Well there is not significant 11 and whoever made this plat up for me included it in here. 12 Is there any difference between the 13 green and the yellow color? 14 No, that's just to differentiate be-15 tween the -- the different sections. 16 All right, but they are both Tubb sec-17 tions? 18 Yes. 19 In your opinion does the Tubb formation 20 correlate between the Well No. 4 and Well No. 5? 21 Yes, it does. 22 All right, sir, if you'll turn to Ex-23 hibit Number Four and tell us what that is. 24 This is basically a production decline 25 curve showing some history of, a ten year history of our

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                                                           8
    present gas well and we stuck it in the exhibits for informa-
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    Well right now is making about 270 Mcf a day, is that correct?
                           That's correct.
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16
                          All right.
17
                           Exhibit Number Six?
                           It's a two year production history on
    this -- our prsent gas well.
                           The No. 4?
                          Right. It's in Mcf per month.
                          All right, sir, let's go to Exhibit
23
    Number Seven.
24
                          This is a present downhole setup of
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our gas well and it is a dual well and produces Blinebry gas

,	1
	2 up the casing and Tubb up through the tubing and separated by
	3 a production packer.
	No. 4 Well will remain the same?
	A. Will remain the same.
	Okay. Go to Number Eight.
	This is a history of the No. 5 Well,
	which we intend to recomplete as a Tubb gas well, and it's
•	pretty straightforward there.
10	·
11	It is presently, I should point out, an
12	oil well in the Granite Wash Wantz Field.
	And Exhibit Number Nine, Mr. Mendoza.
13	A. This is the present downhole setup of
14	our No. 5 Well, showing we're flowing this well up through
15	the tubing isolated by a packer.
16	And it currently produces only the
17	A. Granite Wash.
18	Q Granite Wash oil.
19	A. Oil.
20	All right. How will you recomplete the
21	well as a dual completion?
22	A. That is shown in Exhibit Ten and that
23	is our suggested completion downhole setup of the well.
24	Q You're going to bring the Tubb gas up
25	the annulus?
	and the grade things to be defined as an experience of the second and the second as a second transfer of the second and the second as a s

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11
      will use in Exhibit Eleven to formulate ---
                            Do you anticipate any ---
                            I mean Twelve.
                          . -- significant pre sure differential
      between Granite Wash and the Tubb formations in the No. 5
      Well?
                            There will be some significant, but
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                           200 pounds, approximately, at the
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                            Yes.
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      Number Twelve, is it?
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                            Yes.
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                            It looks like about 4.9 Bcf?
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12 2 And what quantity of gas have you re-3 covered now? 3.5. So there are some additional reserves to be recovered? From our present well, yes. All right, sir, let's turn to Exhibit Number Thirteen for discussion and summarize for me what this 10 calculation is for. 11 This calculation here is actually to 12 solve the curve, or P/Z curve and get an accurate figure of 13 gas in place for the No. 4 Well and eventually back calculate 14 the acreage to drain by that well. 15 Your back calculation shows that the 16 existing Tubb well, the No. 4 Well, is only draining 94 17 acres? 18 That's true. 19 And in your opinion are there additional 20 reserves underlying the 160-acre proration unit that are 21 not going to be recovered by the No. 4 Well? 22 That is true. 23 All right, sir. Let's go to Number 24 Fourteen. Ohay, this is our calculations for

1 13 recoverable reserves from our new well that we're proposing to recomplete in the Tubb. And what is that recoverable reserve number? 858,000 Mcf. Λ. All right. In your opinion are those reserves that would be recovered from the new well in the Tubb formation that would not otherwise be recovered from the No. 4 10 We11? 11 That is true. 12 And Exhibit Number Fifteen. 13 This is the given data that we have 14 used in our calculations. 15 And in your opinion, Mr. Mendoza, will 16 approval of the dual completion and the simultaneous dedication 17 of this acreage be in the best interest of conservation, the 18 prevention of waste, and the protection of correlative rights? 19 Yes, I do. 20 Were Exhibits One through Fifteen pre-21 pared by you or compiled under your direction? 22 That's correct. 23 MR. KELLAHIN: We move the introduction 24 of Exhibits One through Fifteen. 25 MR. NUTTER: Exhibits One through Fifteen

1 14 2 will be admitted in evidence. 3 CROSS EXAMINATION BY MR. NUTTER: Mr. Mendoza, apparently this No. 5 Well 7 must be located about 330 out of the corner down here? That is true. Now have you obtained approval of a 10 nonstandard location for the Tubb formation for this well? 11 No, not for the Tubb formation. 12 MR. KELLAHIN: It's only been approved 13 as to the Granite Wash. 14 Which is an oil well ---15 Right. 16 -- so it's a standard location for that. 17 It would be a nonstandard location for -18 Now you realize you have to get approval 19 as a nonstandard location as a gas well? 20 MR. KELLAHIN: Yes, sir, we understand 21 that. 22 And that is not included in the call of 23 this hearing. Now, it would be eligible for administrative 24 approval inasmuch as it was drilled deeper and one of the 25 categories that can be approved administratively is recompletion

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of a well that was previously drilled to another horizon.

MR. KELLAHIN: That was our understanding

and that is our intent.

MR. NUTTER: Okay, are there further questions of Mr. Mendoza? He may be excused.

Do you have anything further, Mr.

Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: Does anyone have anything

they wish to offer in Gase Number 7223?

We'll take the case under advisement.

(Hearing concluded.)

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREEY CERTIFY that the foregoing 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.

Sulgler, Boyd CSE

I do hereby coming that the foregoing is a complete record of the proceedings in the Exeminer hearing of Case No. 19 81.

The Exeminer hearing of Case No. 19 81. Oil Conservation Division

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Other

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

May 1, 1981

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

**	
Mr. Thomas Kellahin Kellahin & Kellahin Attorneys at Law	Re: CASE NO. 7223 ORDER NO. R-6667
Post Office Box 1769 Santa Fe, New Mexico	Applicant:
	la de la companya de
Dear Sir:	Sun 011 Company
Enclosed herewith are two Division order recently e	copies of the above-referenced ntered in the subject case.
Pours very truly,	oubject case.
JOE D. RAMEY Director	
JDR/fd	# • • • • • • • • • • • • • • • • • • •
Copy of order also sent to:	
Hobbs OCD X Artesia OCD X Aztec OCD X	

Docket No. 14-81

Dockets Nos. 15-81 and 16-81 are tentatively set for May 6 and 20, 1981. Applications for hearing must be filed at least 22 days in advance of hearing data.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 22, 1981

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Danie'. S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 7220: Application of McClellan Oil Corporation for a unit agreement, Chaves County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Connor Unit Area, comprising 5,120 acres, more or less, of State and Federal lands in Township 13 South, Range 29 East.
- CASE 7221: Application of Maddox Energy Corporation for a unit agreement, Eddy County, New Hexico.

 Applicant, in the above-styled cause, seeks approval for the Flower Draw Unit Area, comprising 3,760 acres, more or less, of State lands in Townships 25 and 26 South, Range 28 East.
- CASE 7222: Application of GMW Oil Company for a unit agreement, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Starman Unit Area, comprising 2,803 acres, more or less, of State, Federal, and fee lands in Township 26 South, Range 35 East.
- CASE 7211: (Continued from April 8, 1981, Examiner Hearing)

Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the North Rock Lake State Unit Area, comprising 2,880 acres, more or less, of State land in Township 22 South, Range 35 East.

- CASE 7223: Application of Sun Oil Company for a dual completion and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of a well to be drilled in Unit M of Section 1, Township 22 South, Range 37 East, to produce oil from the Wantz-Granite Wash Pool and gas from the Tubb formation and to simultaneously dedicate the SW/4 of said Section 1 to said well and to its Lynch Christmas Com Well No. 4 in Unit L.
- CASE 7224: Application of S & I Oil Company for compulsory pooling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations underlying the SW/4 SW/4 of Section 2, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7225: Application of Knox Industries, Inc. for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow location of its Maddox Well No. 1 to be drilled 1980 feet from the South line and 660 feet from the West line of Section 12, Township 23 South, Range 34 East, Northeast Antelope Ridge Field, the S/2 of said Section 12 to be dedicated to the well.
- CASE 7226: Application of Enserch Exploration, Inc. for salt water disposal, Roosevelt County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Montoya formation in the interval from 7902 feet to 7930 feet in its Rader Well No. 2 in Unit E of Section 32, Township 5 South, Range 33 East.
- CASE 7227: Application of Alpha Twenty-One Production Company for an unorthodox gas well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard proration unit comprising the E/2 SW/4 and SW/4 SE/4 of Section 21, Town-ship 21 South, Range 37 East, Hare-San Andres Gas Pool, to be dedicated to its Lansford Well No. 1 at an unorthodox location 660 feet from the South line and 1650 feet from the West line of said Section 21.
- CASE 7228: Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Wolfcamp-Pennsylvanian location of its Rio Penasco "KD" Well No. 3 to be drilled 990 feet from the North line and 660 feet from the East line of Section 11, Township 19 South, Range 25 East, the N/2 of said Section 11 to be dedicated to said well and to applicant's Rio Penasco "MF" Federal Well No. 1 located in Unit F.

)

Examiner Hearing - Hednesday - April 22, 1981

- CASE 7229: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Application of lates retroleum corporation for an unorthodox gas well location, cody county, new Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Morrow-Pennsylvanian location of its Sharp "QS" Com. Well No. 1 to be drilled 660 feet from the South and East lines of Section A Tourship 17 South Pages 26 Section A Tourship 17 South Pages 27 Section A Tourship 18 Sec Section 4, Township 17 South, Range 26 East, the S/2 of said Section 4 to be dedicated to the well.
- Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underlying the E/2 of Section 13, Township 17 South, Range 28 East, to be dedicated to formation underly CASE 7184: (Continued from Narch 11, 1981, Examiner Hearing) costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Hexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formations underlying the S/2 SW/4 of Section 7, Township 29 North, Range 14 West, to be and Callup formation 14 West, and Callup formation 14 West, and Callup formation 15 West, CASE 7230: operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Gallup formations underlying the S/2 SE/4 of Section 11, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the dedicated to a well to be drilled at a standard location of the cost thereof as well as actual cost of drilling and completing said well and the allocation of applicant as operator of the well, and a operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. CASE 7231:
- Application of Caribou Four Corners, Inc. for compulsory pooling, San Juan County, New Mexico. Application or caribou rour corners, inc. for computsory pooling, ban duan country, new mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde and Gallup formacions underlying the E/2 SW/4 of Section 12, Township 29 North, Range 15 West, to be and Gallup formacions underlying the E/2 SW/4 of Section 12, Township 29 North, Range 15 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the CASE 7232: cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating one completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7233: Application of Bass Enterprises Production Co. for directional drilling, Lea County, New Mexico. Application of pass interprises from the country to directionally drill its Montieth Well No. 3, Applicant, in the above-styled cause, seeks authority to directionally drill its Montieth Well No. 3, the surface location of which is 2130 feet from the South line and 1980 feet from the East line of Section 13, Township 16 South, Range 36 East, Northeast Lovington-Pennsylvanian Pool, and drill said well in an easterly direction to bottom it not closer than 510 feet to the outer houndary of the well in an easterly direction to bottom it not closer than 510 feet to the outer boundary of the dedicated unit, being the N/2 SE/4 of said Section 13.
- Application of Getty Oil Company for a dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Farming E Well appricanc, in the above-styled cause, seeks approval for the dust completion of its rarming E Mel. No. 1-E located in Unit I of Section 2, Township 24 North, Range 6 West, to produce oil from the Gallup formation thru the casing-tubing annulus and gas from the Dakota formation thru tubing. CASE 7234:

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 7223 Order No. R-6667

APPLICATION OF SUN OIL COMPANY FOR A DUAL COMPLETION AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on April 22, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of April, 1981, 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, Sun Gil Company, seeks authority to complete its Walter Lynch Well No. 5, located in Unit M of Section 1, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Wantz-Granite Wash Pool through 2 7/8-inch tubing and gas from the Tubb formation through the casing-tubing annulus, separating the zones by means of a packer set at approximataly 7300 feet, and to simultaneously dedicate the SW/4 of said Section 1 to said well and to its Lynch Christmas Com Well No. 4 in Unit L.
- (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, provided however, that said well should not be produced as a gas well in the Tubb

-2-Caso No. 7223 Order No. R-6667

formation until the unorthodox gas well location for said well has been approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sun Oil Company, is hereby authorized to complete its Walter Lynch Well No. 5, located in Unit M of Section 1, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Wantz-Granite Wash Pool through 2 7/8-inch tubing and gas from the Tubb formation through the casing-tubing annulus, and to simultaneously dedicate the SW/4 of said Section 1 to said well and to its Lynch Christmas Com Well No. 4 in Unit L.

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 Gas-Oil Ratio Test Period for the Wantz-Granite Wash 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.

> STATE OF NEW MEXICO OF CONSERVATION DIVISION

JOE D. RAMEY

Director

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fd/

WALTER LYNCH #5
TUBB GAS FIELD
Lea County, New Mexico
CASE #7223

April 22,1981

David G. Mendoza

LYNCH CHRISTMAS #4

HISTORY

LOCATION: 440' FNL & 440' FWL, SW/4 (UNIT L), SEC. 1, T-22-S, R-37-E,

LEA COUNTY, NEW MEXICO.

ELEVATIONS: DF 3364' GL 3350.7'

8/1947: MID CONTINENT PETROLEUM CORP. DRILLED WELL TO A TD OF 7233'. WELL

WAS DEEMED AS A DRY HOLE AND IN SEPT. 1947 WELL WAS PLUGGED AND

ABANDONED.

LEFT IN HOLE: 13-3/8" 40# CSG SET @ 219' CMTD TO SURF W/250 SX

8-5/8" 32# CSG SET @ 2849' CMTD TO SURF @/1750 SX

6-7/1954: WELL WAS RE-ENTERED TO COMPLETE AS A DUAL GAS WELL (BLINEBRY/TUBB).

DRLD OUT CMT PLUGS TO 6600', RAN 5½ 13# & 17# CSG TO 6548'. CMTD CSG W/450 SX, TOC @ 4605' BY TEMP. SUR. PERF TUBB FROM 6055-6138', 6000-604", 15/32" HOLE, TOTAL 472 HOLES.

ACDZ TUBB W/500 GAL MUD ACID & 3000 GAL REGULAR ACID.

PERF BLINEBRY FROM 5535-5700', 5460-5515, 15/32" HOLE, TOTAL 880 HOLES.

ACDZ BLINEBRY W/500 GAL MUD ACID & 3000 GAL REGULAR ACID.

INITIAL PRODUCTION TEST: TUBB 4800 MCFPD ESTIMATED ON 3 HR TEST.

BLINEBRY 5040 MCFPD ESTIMATED ON 3 HR TEST.

CURRENT TEST: 3/28/81 0 BF 266 MCFPD

CUMULATIVE: DECEMBER 1980 3622.2 MMCF 22145 BO

> DECEMBER 1979 3511.7 MMCF 22105 BO

BEFORE EXAMINER NUTTER OIL CONSERVATION DIVISION Sun Di/Co EXHIBIT NO.5 CASE NO. 7223

LYNCH CHRISTMAS #4T
TUBB PRODUCTION HISTORY

	1979 MCFPM	1980 MCFPM	<u>, , , , , , , , , , , , , , , , , , , </u>
JANUARY	9529	9441	
FEBRUARY	8535	8595	
MARCH	10745	8973	
APRIL	10079	7744	•
MAY	ু 9815	7793	
JUNE	9896	10609	
JULY	8998	8243	
AUGUST	10490	10833	
 SEPTEMBÉR	9055	9774	· ·
OCTOBER	9997	9851	
NOVEMBER	9728	9315	
DECEMBER	10066	9308	

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Sun0:/Co EXHIBIT NO. 6
CASE NO. 7223

	WELL COMPLETION SKETCHES LYNCH Christmas #4 WELL	BliNEBRY / TU	ıbb	<u> </u>
	PRESENT COMPLETION			ORIGINAL COMP.
	SUGGESTED COMPLETION			WELL CLASS
	PERMANENT WELL BORE DATA	V _X XX		DATA ON THIS COMPLETION
	- <u> </u>			
	13/8, 40# (sq set@ 219'	X		
	cmtd to surf w/250 SX	isel	h	
		• • • • • • • • • • • • • • • • • • •		
	8 %, 32 # csq set@ 2849' cmtd to surf w/1750 5x	X -		
	cmtd to surf w/1750 SX			
		FINE TEACHERS IN THE SECOND SE		Blivebry perts:
.]				5535-5700, 5460-5515
ا (ع				
				BAKER D-S PRODUCTION PKI
				@ 5900' w/Typs "E"
				Locator the seal assemble
l. Least				6000 - 6045
	5½", 13# έ 17# csg seT			
	@ 6548', cmto w/450 sx PBTD @ 6477'	\(\frac{x}{x} \frac{x}{x} \frac{x}{x} \frac{x}{x} \} \)	• ·	
		\x\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\		6600 - 7233 ! mun & cm
	Drilled out to 6600'	<u>}</u>		placed IN 1947
				NSERVATION DIVISION
1				EXHIBIT NO. Z
;	TOP 7233'		CASE NO.	7223

WALTER LYNCH #5

HISTORY

LOCATION: 330' FSL 330' FWL, UNIT M, SEC. 1, T-22-S, R-37-E, LEA COUNTY, NEW MEXICO

ELEVATION: GL 3350.3; KB 3362.7

SPUDDED 6-12-77 COMPLETED 7-27-77

TD 7897 PBTD 7884

CASING: 8-5/8" 24# K-55 SET @ 1175 CMTD W/650 SX CIRC TO SURF. 5½" 15.5# K-55 SET @ 7897 W/700 SX, CMT THRU 'DV' TOOL W/530 SX @ 3994, TOP @ 1200 BY TEMP. SURVEY.

PERFORATED WANTZ GRANITE WASH 7338-7366 1JSP2F, 15 HOLES TOTAL, SWAB IN NATURAL

8-4-77 POTENTIAL TEST: FLWD UNDER PKR IN 24 HRS. 69 BO NO WTR 14/64 CHK TP 420# 429.4 MCF GOR 6223/1 API GRAV 42.4 $^{\circ}$.

10-1-77: ADD NEW G.W. PERFS - PERFORATED G.W. 7380-90 1JSP2F, 11 HOLES TOTAL BEFORE F 37 BO NO WTR, AFTER 38-44 BO NO WTR

2-9-78: JOB TO ACDZ LWR G.W. PERFS - PERFORATED G.W. 7380-90 ISOLATE NEW PERFS & ACDZ W/250 GAL 15% MCA & 750 GAL 15% NEFEHCL 2-10-78: PUTENTIAL TEST 24 HRS. F 79 BO, NO WTR, 412 MCF, GOR 5222/1 11/64 CHK, TP 360 - THRU BTM PERFS.

10-15-79: RAISED PKR TO 7303 AND PRODUCE ALL G.W. PERFS.

TEST: 3/19/81 14 BOPD 0 BWPD 253 MCF

CUMULATIVE: JANUARY, 1981: 27747 BO 1218 BW 197.1 MMCF

OIL CONSERVATION DIVISION

Sun 0:16 EXHIBIT NO. 8

CASE NO. 7223

Walter Lynch #5	WANTER CONTRACTOR	
WELL	WANTZ: GRANITE WASH	4-1-81 DATE
PRESENT COMPLETION		
		ORIGINAL COMP.
SUGGESTED COMPLETION	Time I	WELL CLASS
PERMANENT WELL BORE DATA		DATA ON THIS COMPLETIO
<u> </u>		21/8", 6.5 + , J-55 TE
	- 2 2	
5.//		
85/8", 24#, K-SS CSG		
mid @ 1175' with		
650SX, circ 80 SX	W.	
OC @ 1200' BY TEMP.	X	
survey		
V TOOL @ 3994', cmtd		
hru with 530 sx		
		E EXAMINER MUTTER
		NOISERVATION DIVISION
		EXHIBIT NO. 9
	CASE NO.	1/425
	-	
		On hoo see dad work se
		BAKER Model "R" pkr
	‡ G	1.W. PERFS 7338-66
		JSP2F, Total 15 holes
2", 15.5#, K-55 CSG	g T	.W. PERFS 7880-90

£15.

314 A

WELL COMPLETION SKETCHES	Tubb : Tubb #5C	
Walter Lynch #5	WANTZ: GRANITE WASH *	5T 4-1-81 DATE
PRESENT COMPLETION		ORIGINAL COMP.
SUGGESTED COMPLETION	700	WELL CLASS
PERMANENT WELL BORE DATA		DATA ON THIS COMPLETION
		1.) OTIS PERMAINCH PKR
		2.) Over shot the SEAL divider 4.38" OD with
		TYPE "N" LANDING NipplE
8 5/8", 24#, K-55 CSG		
CMTd@ 1175' with		3.) Cross over sub 23/8" x 21/8"
650SX, CIRC 80 SX	- X	4.) 1 JT 2/8" thay '
TOC @ 1200' BY TEMP. SURVEY		5.) "xo" sliding Side Doo
		6.) 21/8" J-SS TBG
DV TOOL @ 3994, cmtd they with 530 sx		TO SURFACE
		-11 D. of -1 Am. O
		Tubb PERFS: APROX: @ 6080-6150, 6020-607
	_	
)	5	
	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ 	
	_	BEFORE EXAMINER NUTTI
		OIL CONSERVATION DIVISION
		Sun0:/Co EXHIBIT 110.10 CASE NO. 7223
	_	G.W. PERFS 7338-66
		1 JSP2F, Total 15 holes
5/2", 15.5 # , K-55 CSG		G.W. PERFS 7880-90 1JSPF., Total 11 holes
contd @ 7897' with 700		a pur ta prof. to a try material control and to delicable delican management

TABLE I

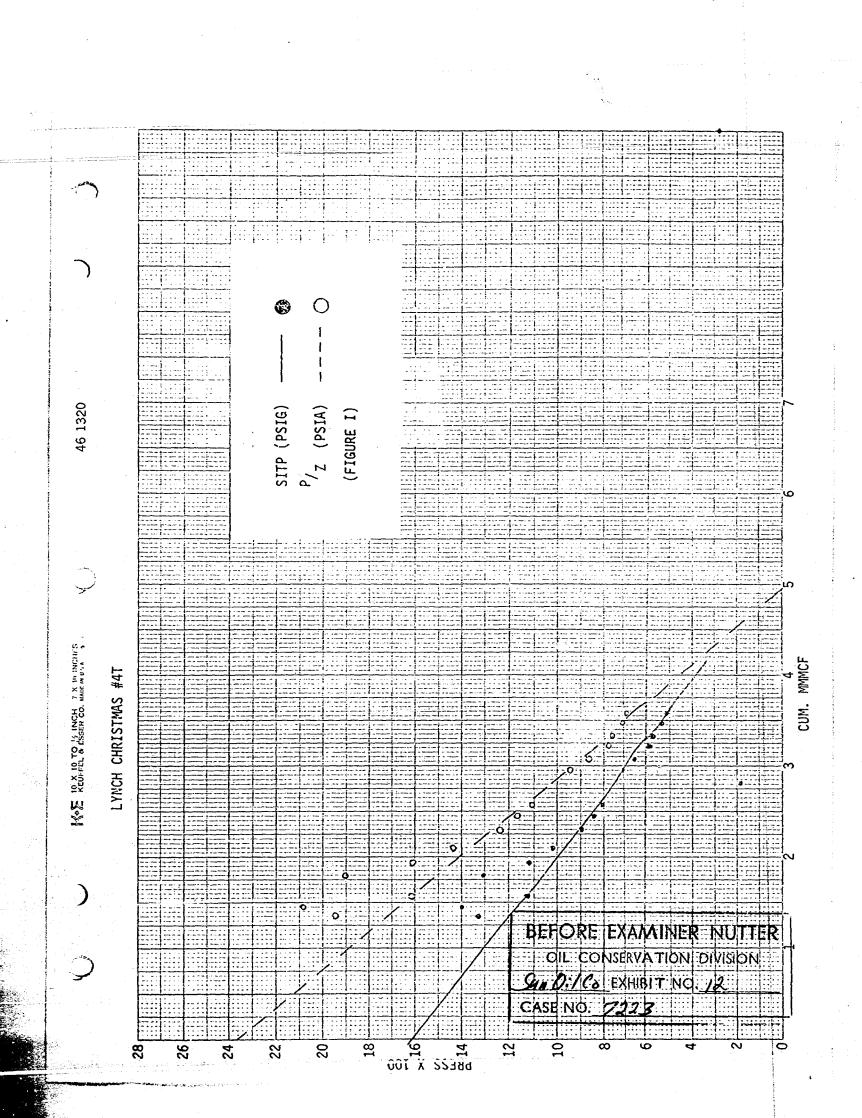
LYNCH CHRISTMAS GU #4T
TUBB GAS

DATE	SITP(psig)	GAS CUM. MCF	CUM. CONDENSATE (BBLS.)	BHP(psia)	Z
7-10-64	1337	1358194	19504	1568	.805
6-18-65	1406	1471270	19865	1648	.79
7-29-66	1131	1580029	20308	1329	.82
1-13-67	1315	1623436	20394	1543	.805
10-8-68	1350	1822391	21271	1583	.80
7-11-69	1123	1946236	21458	1320	.82
7-10-70	1027	2106992	21533	1209	.84
7-09-71	900	2302349	21596	1061	85
5-05-72	854	2455644	21756	1008	. 86
3-09-73	817	2595757	21833	965); . 87
7-16-74	197	2824981	21842	245	\\ 98
7-15-75	711	2963707	21865	842	.88
7-06-76	657	3097740	21972	780	.89
8-01-77	590	3230572	22002	702	.895
8-22-78	579	3353599	22094	689	.90
7-31-79	542	3463973	22094	646	.91
7-22-80	527	3570725	22126	629	.915

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Sue D. Co EXHIBIT NO. //

CASE NO. 7223



CALCULATIONS

Solve for equation * * (acres) for present gas well Lynch Christmas #4 (Tubb)

** A =
$$\frac{\text{FVF X NG}}{\text{H X (1-SW) X Ø X 7758 X RF}}$$

Step 1: Calculate for Formation Volume Factor (FVF) at initial bottom hole conditions.

$$FVF = \frac{15.025}{520} \frac{ZT}{P} = .0289 \frac{ZT}{P} \frac{Cu. Ft.}{SCF} = \frac{.0289}{5.6146} \frac{ZT}{P} = .005146 \frac{ZT}{P} \frac{Bb1.}{SCF}$$

FVF = 5.146
$$\frac{ZT}{P}$$
 $\frac{Bb1}{MSCF}$ = 5.146 x $\frac{(.79)(560)}{1867}$ = 1.219 Bb1./MSCF

Solve Gas Volume in Place (NG) from Material Balance Equation "A": $P/Z = M \times NG + B$ (See Figure 1).

"B" =
$$\frac{P}{Z}$$
 At NG = 0 B = $\frac{1867}{.79}$ = 2363.29 PSIA

"M" =
$$\frac{P/Z}{NG}$$
 (Slope of straight line Fig. 1)

$$M = \frac{2363.29 - 709.89}{0 - 3463973} = -4.773 \times 10^{-4} \text{ PSIA/MSCF}$$

Solving EQ "A" for NG at P/Z = 0

Step 3: Solve for NG (Total Gas Recovered) at abandonment. Abandonment conditions: $P_{ABN} = 75 PSIA$, $Z_{ABN} = .99 NG_{ABN} = \frac{P/Z - B}{M} = \frac{75/.99 - 2363.29}{-4.773 \times 10^{-4}} = \frac{4792651.21 MCF}{M}$

$$MG_{ABN} = \frac{P/Z - B}{M} = \frac{75/.99 - 2363.29}{-4.773 \times 10^{-4}} = \frac{4792651.21 \text{ MCF}}{4.792651.21 \text{ MCF}}$$

Recovery Factor RF =
$$\frac{NG_{ABN}}{NG}$$
 = $\frac{4792651.21}{4951235.49}$ = 96.79%

Step 4: Solve EQ **

$$A = \frac{1.219 \times 4792651.21}{128 \times (1-.35) \times .10 \times 7758 \times .9679}$$

A = 94 Acres drained by present gas well.

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

C. .. 1. 1. EXHIBIT NO. 13

CASE NO. 7223

Solve for NG (Recoverable Reserves) from new well

Step 1: Solve for FVF for new well at time of recompletion P_{RC} = 597 PSIA, Z_{RC} = .92

FVF = $5.146 \times \frac{560(.92)}{597} = 4.441 \text{ Bb1/MSCF}$

Step 2: Solve for NG (Total Gas in Place) using EQ * in undrained acreage 160 - 94 = 66 Acres

NG (in place) = $\frac{66 \times 128 \times (1 - .35) \times .10 \times .7758}{4.441}$ = 959,260 MCF

Step 3: Solve for FVF at abandonment Abandonment conditions: PABN = 75 PSIA, ZABN = .99

 $FVF_{ABN} = 5.146 \times \frac{560 (.99)}{75} = 38.039 \text{ Bb1/MSCF}$

Step 4: Solve for Gas Volume left in place at abandonment using EQ *

NG (left) = $\frac{66 \times 128 \times (1 - .35) \times .10 \times 7758}{38.039}$

NG (left) = 111,992 MCF

NG (Recoverable Reserves) = NG (in place) - NG (left @ ABN)

= 959,260 - 111,992

Recoverable Reserves = 850,000 MCF from New Well

BEFORE EXAMINER NUTTER

OIL CONSERVATION DIVISION

Sun Diles EXHIBIT NO. 14

CASE NO. 7223

.

GIVEN DATA (MEASURED OR CALCULATED)

Reservoir Temperature $T = 100^{\circ} F$

Specific Gravity SG = .65

Average Porosity $\emptyset = 10\%$

Water Saturation SW = 35%

Net Height H = 128 ft.

Initial Bottom Hole Pressure P = 1867 PSIA

Initial Deviation Factor at P and T Z = .79

Bottom Hole Pressure at Abandonment PABN = 75 PSIA

Deviation Factor at Abandonment ZABN = .99

OIL CONSERVATION DIVISION

Sun Di/Co EXHIBIT NO. 15

CASE NO. 7223

Walter Lynch #5	WANTZ: GRANT FIEL	D VY//31C	<u> </u>
PRESENT COMPLETION	· · · · · · · · · · · · · · · · · · ·	l	ORIGINAL COMP.
SUGGESTED COMPLETION			WELL CLÁSS
PERMANENT WELL BORE DATA	Tin I		DATA ON THIS COMPLE
			,
	_		21/8", 6.5≠, J-55
8 5/6", 2+ # , K-55 CSG			
contd@ 1175' with			
650SX, circ 80 SX	- Win		
TOC @ 1200' BY TEMP.	X		
SURVEY			
		• • • • • • • • • • • • • • • • • • • •	4 · ·
	- ·· · · · · · · · · · · · · · · · · ·		
DV TOOL @ 3994, cmtd thru with 530 sx			
	wear and the second sec		
1			
	_ 3		
	÷		
	-	BEFC	DRE EXAMINER NUT
	-		CONSERVATION DIVISIO
	_		10 EXHIBIT NO. 9
	-,,,	CASE	10. 7223
	_		BAKER Model "R" P
		$\overline{\mathbf{X}}$	@ 7303'
	-		C. W. Ocofe 3330 (
		青	G.W. PERFS 7338-6 1JSP2F, TOTAL 15 h
		#	G.W. PERFS 7880-

TELL COMPLETION SKETCHES	Tubb : Tubb # 5C
Walter Lynch #5	WANTZ: GROW'TO MICH TO THE
WELL	WANTZ: GRAVITE WASH *5T 4-1-81 PATE
	DATE
PRESENT COMPLETION	ORIGINAL COMP.
SUGGESTED COMPLETION	
PERMANENT WELL BORE DATA	WELL CLASS
BURE DATA	DATA ON THIS COMPLETION
	1.) OTIS PERMAINCH PKI
	2.) Over shot the SEAL
	aivider 4.38" OD with
	TYPE "N" LANDING NipplE
	_1.791 "IO
85/8", 24#, K-55 CSG	
Cinia @ 1175 With	3.) CROSS OVER SUB
650SX, circ 80 SX	23/8" x 21/8"
	XI II A ZU
TOC @ 1200' BY TEMP.	4.) 1 JT 2/8" +bg
SILRVEY	5.) ((1) 1) 1)
	5.) "xo" sliding side Doo
	6.) 21/8" J-SS TBG
DV TOOL @ 3994, cmtd	TO SURFACE
thru with 530 sx	
	Tubb PERFS: APROX: @
	6080-6150, 6020-6070
-	
	← 6
<u> </u>	000
	3 ————
<u> </u>	4
	2
	BEFORE EXAMINER NUTTER
	OIL CONSERVATION DIVISION
	Sandi/Co, EXHIBIT 10 P
	CASE NO7223
	G.W. PERFS 7338-66
	1JSP2F, TOTAL 15 holes
5/2", 15.5#, K-55 CSG	G.W. PERFS 7880-90 1. J.S.P.F., Total 11 holes
Critd @ 7897 with 7005X	1JSPF, Total 11 holes
	· · · · · · · · · · · · · · · · · · ·

Wes .

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TABLE I

LYNCH CHRISTMAS GU #4T
TUBB GAS

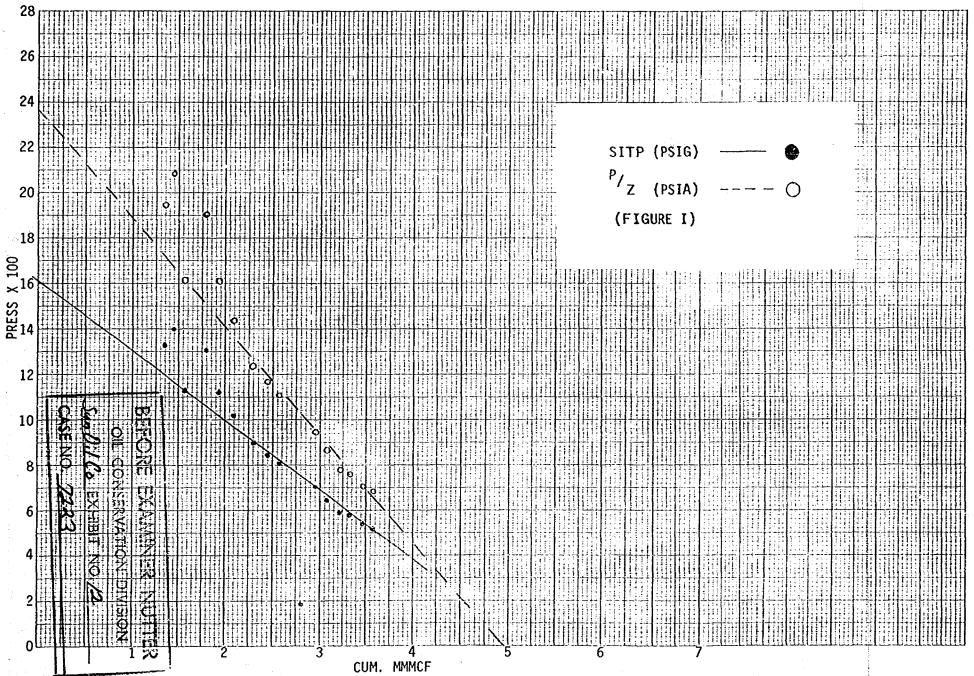
DATE	SITP(psig)	GAS CUM. MCF	CUM. CONDENSATE (BBLS.)	BHP(psia)	Z
7-10-64	1337	1358194	19504	1568	.805
6-18-65	1406	1471270	19865	1648	. 79
7-29-66	1131	1580029	20308	1329	.82
1-13-67	1315	1623436	20394	1543	.805
10-8-68	1350	1822391	21271	1583	.80
7-11-69	1123	1946236	21458	1320	.82
7-10-70	1027	2106992	21533	1209	.84
7-09-71	900	2302349	21596	1061	. 85
5-05-72	854	2455644	21756	1008	.86
3-09-73	817	2595757	21833	965	.87
7-16-74	197	2824981	21842	246	.98
7-15-75	711	2963707	21865	842	.88
7-06-76	657	3097740	21972	780	89
8-01-77	590	3230572	22002	702	.895
8-22-78	579	3353599	22094	689	.90
7-31-79	542	3463973	22094	646	.91
7-22-80	527	3570725	22126	629	.915

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
EXHIBIT NO. //
ASE NO. 7223

KEE 10 X 10 TO 15 INCH 7 X 10 INCHES

46 1320





CALCULATIONS

Solve for equation * * (acres) for present gas well Lynch Christmas #4 (Tubb)

** A =
$$\frac{\text{FVF X NG}}{\text{H X (1-SW) X } \cancel{0} \text{ X 7758 X RF}}$$

Step 1: Calculate for Formation Volume Factor (FVF) at initial bottom hole conditions.

$$FVF = \frac{15.025}{520} \frac{ZT}{P} = .0289 \frac{ZT}{P} \frac{Cu. Ft.}{SCF} = \frac{.0289}{5.6146} \frac{ZT}{P} = .005146 \frac{ZT}{P} \frac{Bb1.}{SCF}$$

FVF = 5.146
$$\frac{ZT}{P}$$
 $\frac{Bb1}{MSCF}$ = 5.146 X $\frac{(.79)(560)}{1867}$ = $\frac{1.219 \text{ Bb1./MSCF}}{}$

Step 2: Solve Gas Volume in Place (NG) from Material Balance Equation "A": $P/Z = M \times NG + B$ (See Figure 1).

"B" =
$$\frac{P}{Z}$$
 At NG = 0 B = $\frac{1867}{.79}$ = 2363.29 PSIA

"M" = $\frac{P/Z}{NG}$ (Slope of straight line Fig. 1)

At NG = 0 P/Z = 2363.29 PSIA At NG = 3463973 MCF P/Z = 646/.91 = 709.89 PSIA (See Table 1 7/31/79)

$$M = \frac{2363.29 - 709.89}{0 - 3463973} = -4.773 \times 10^{-4} \text{ PSIA/MSCF}$$

Solving EQ "A" for NG at P/Z = 0

Step 3: Solve for NG (Total Gas Recovered) at abandonment. Abandonment conditions: $P_{ABN} = 75 \text{ PSIA}, Z_{ABN} = .99$

$$NG_{ASN} = \frac{P/Z - B}{M} = \frac{75/.99 - 2363.29}{-4.773 \times 10^{-4}} = \frac{4792651.21 \text{ MCF}}{}$$

Recovery Factor RF =
$$\frac{NG}{NG}$$
 = $\frac{4792651.21}{4951235.49}$ = 96.79%

Step 4: Solve EQ **

$$A = \frac{1.219 \times 4792651.21}{128 \times (1-.35) \times .10 \times 7758 \times .9679}$$

A = 94 Acres drained by present gas well.

OIL CONSERVATION DIVISION

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CASE NO. 7223

Calculations Page 2

Solve for NG (Recoverable Reserves) from new well

Step 1: Solve for FVF for new well at time of recompletion $P_{RC} = 597 \text{ PSIA}, Z_{RC} = .92$

FVF = $5.146 \times \frac{560(.92)}{597} = 4.441 \text{ Bb1/MSCF}$

Step 2: Solve for NG (Total Gas in Place) using EQ * in undrained acreage 160 - 94 = 66 Acres

NG (in place) = $\frac{66 \times 128 \times (1 - .35) \times .10 \times 7758}{4.441}$ = 959,260 MCF

Step 3: Solve for FVF at abandonment Abandonment conditions: $P_{ABN} = 75 \text{ PSIA}$, $Z_{ABN} = .99$

 $FVF_{ABN} = 5.146 \times \frac{560 (.99)}{75} = 38.039 \text{ Bb1/MSCF}$

Step 4: Solve for Gas Volume left in place at abandonment using EQ *

NG (left) = $\frac{66 \times 128 \times (1 - .35) \times .10 \times 7758}{38.039}$

NG (left) = 111,992 MCF

NG (Recoverable Reserves) = NG (in place) - NG (left @ ABN) = 959,260 - 111,992

Recoverable Reserves = 850,000 MCF from New Well

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Sun Oil Co EXHIBIT NO. 14
CASE NO. 17223

GIVEN DATA (MEASURED OR CALCULATED)

Reservoir Temperature $T = 100^{\circ} F$

Specific Gravity SG = .65

Average Porosity Ø = 10%

Water Saturation SW = 35%

Net Height H = 128 ft.

Initial Bottom Hole Pressure P = 1867 PSIA

Initial Deviation Factor at P and T Z = .79

Bottom Hole Pressure at Abandonment PABN = 75 PSIA

Deviation Factor at Abandonment ZABN = .99

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
SUND://G EXHIBIT NO. 5

CASE NO. 7223

WALTER LYNCH #5
TUBB GAS FIELD
Lea County, New Mexico
CASE #7223

April 22,1981

David G. Mendoza

LYNCH CHRISTMAS #4

HISTORY

LOCATION: 440' FNL & 440' FWL, SW/4 (UNIT L), SEC. 1, T-22-S, R-37-E, LEA COUNTY, NEW MEXICO.

ELEVATIONS: DF 3364' GL 3350.7'

8/1947: MID CONTINENT PETROLEUM CORP. DRILLED WELL TO A TO OF 7233'. WELL WAS DEEMED AS A DRY HOLE AND IN SEPT. 1947 WELL WAS PLUGGED AND ABANDONED.

LEFT IN HOLE: 13-3/8" 40# CSG SET @ 219' CMTD TO SURF W/250 SX 8-5/8" 32# CSG SET @ 2849' CMTD TO SURF @/1750 SX

6-7/1954: WELL WAS RE-ENTERED TO COMPLETE AS A DUAL GAS WELL (BLINEBRY/TUBB). DRLD OUT CMT PLUGS TO 6600', RAN 5½ 13# & 17# CSG TO 6548'. CMTD CSG W/450 SX, TOC @ 4605' BY TEMP. SUR. PERF TUBB FROM 6055-6138', 6000-6045', 15/32" HOLE, TOTAL 472 HOLES. ACDZ TUBB W/500 GAL MUD ACID & 3000 GAL REGULAR ACID. PERF BLINEBRY FROM 5535-5700', 5460-5515, 15/32" HOLE, TOTAL 880 HOLES. ACDZ BLINEBRY W/500 GAL MUD ACID & 3000 GAL REGULAR ACID.

INITIAL PRODUCTION TEST: TUBB 4800 MCFPD ESTIMATED ON 3 HR TEST. BLINEBRY 5040 MCFPD ESTIMATED ON 3 HR TEST.

CURRENT TEST: 3/28/81 0 BF 266 MCFPD

CUMULATIVE: DECEMBER 1980 3622.2 MMCF 22145 BO DECEMBER 1979 3511.7 MMCF 22105 BO

BEFORE EXAMINER MUTTER
OIL CONSERVATION DIVISION
Sun0:100 EXHIBIT NO. S
CASE NO. 72.23

LYNCH CHRISTMAS #4T
TUBB PRODUCTION HISTORY

		1979 MCFPM	1980 MCFPM		
	JANUARY	9529	9441		
	FEBRUARY	8535	8595		
	MARCH	10745	8973		
	APRIL	10079	7744		•
*	MAY	9815	7793	· · · · · · · · · · · · · · · · · · ·	
\bigcirc	JUNE	9896	10609		
·e.·•	JULY	8998	8243		
	AUGUST	10490	10833		
	SEPTEMBER	9055	9774	•	
	OCTOBER	9997	9851		
	NOVEMBER	9728	9315		
	DECEMBER	10066	9308		

OIL CONSERVATION DIVISION

Sun O: 1 Co EXHIBIT NO. 6

CASE NO. 1223

	WELL COMPLETION SKETCHES		
	LYNC H Christmas #4	BliNEBRY / Tubb	4-1-81 DATE
	PRESENT COMPLETION SUGGESTED COMPLETION PERMANENT WELL BORE DATA	V, XX	ORIGINAL COMP. WELL CLASS DATA ON THIS COMPLETION
	13 %", 40 = csq set@ 219' cmtd to surf w/250 SX		
The second secon	85/8", 32 # csq set@ 2849' cmtd to surf w/1750 5X		
And the second s			Blive bry perfs: 5535-5700, 5460-5515
			Baker D-S PRODUCTION PKI @ 5900' W/TYPS "E" LOCATOR they seal assembly Tubb Perfs: 6055-6138, 6000-6045
	5½", 13# \$ 17# csg set @ 6548', cmto w/450 sx PBTD @ 6477' DRilled out to 6600'	()	GCOO - 7233! MUD & CM. PLACED IN 1947 RE EXAMINER NUTTER
		Sep. 0:10	CONSERVATION DIVISION 20 EXHIBIT NO. 7

WALTER LYNCH #5

HISTORY

LOCATION: 330' FSL 330' FWL, UNIT M, SEC. 1, T-22-S, R-37-E, LEA COUNTY, NEW MEXICO

ELEVATION: GL 3350.3; KB 3362.7

SPUDDED 6-12-77 COMPLETED 7-27-77

TD 7897 PBTD 7884

CASING: 8-5/8" 24# K-55 SET @ 1175 CMTD W/650 SX CIRC TO SURF. 5½" 15.5# K-55 SET @ 7897 W/700 SX, CMT THRU 'DV' TOOL W/530 SX @ 3994, TOP @ 1200 BY TEMP. SURVEY.

PERFORATED WANTZ GRANITE WASH 7338-7366 1JSP2F, 15 HOLES TOTAL, SWAB IN NATURAL

8-4-77 POTENTIAL TEST: FLWD UNDER PKR IN 24 HRS. 69 BO NO WTR 14/64 CHK TP 420# 429.4 MCF GOR 6223/1 API GRAV 42.40.

10-1-77: ADD NEW G.W. PERFS - PERFORATED G.W. 7380-90 1JSP2F, 11 HOLES TOTAL BEFORE F 37 BO NO WTR, AFTER 38-44 BO NO WTR

2-9-78: JOB TO ACDZ LWR G.W. PERFS - PERFORATED G.W. 7380-90 ISOLATE NEW PERFS & ACDZ W/250 GAL 15% MCA & 750 GAL 15% NEFEHCL 2-10-78: POTENTIAL TEST 24 HRS. F 79 BO, NO WTR, 412 MCF, GOR 5222/1 11/64 CHK, TP 360 - ₹HRU BTM PERFS.

10-15-79: RAISED PKR TO 7303 AND PRODUCE ALL G.W. PERFS.

TEST: 3/19/81 14 BOPD 0 BWPD 253 MCF

CUMULATIVE: JANUARY, 1981: 27747 BO 1218 BW 197.1 MMCF

OIL CONSERVATION DIVISION EXHIBIT NO. 8

CASE NO. 7223

KELLAHIN and KELLAHIN

Attorneys at Law

500 Don Gaspar Avenue
Post Office Box 1769

Santa Fe, New Mexico 87501

March 24, 1981

Telephone 982-4285 Area Code 505

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

Mr. Joe Ramey Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

RE: Sun Oil Company Walter Lynch Well No. 5 Wantz Granite Wash Field MAR 28 1981

OIL CONSERVATION DIVISION SANTA FE

CUSE 7223

Dear Joe:

Please set the enclosed application for hearing on April 22, 1981.

Very truly yours,

W. Thomas Kellahin

WTK:jm Enclosure

cc: Mr. J.T. Harris

1

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINEKALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF SUN OIL COMPANY FOR DUAL COMPLETION AND SIMULTANEOUS DEDICATION OF ACREAGE, LEA COUNTY NEW MEXICO

MAR 28 1981

OIL CONSCRIPTION DIVISION

$\underline{\underline{A}} \ \underline{\underline{P}} \ \underline{\underline{P}} \ \underline{\underline{L}} \ \underline{\underline{I}} \ \underline{\underline{C}} \ \underline{\underline{A}} \ \underline{\underline{T}} \ \underline{\underline{I}} \ \underline{\underline{O}} \ \underline{\underline{N}}$

Case 7223

Comes now SUN OIL COMPANY, by and through its attorneys and applies to the Oil Conservation Division of New Mexico for authority to drill a gas-oil dual completion and to simultaneously dedicate the subject well to acreage already dedicated to a producing Tubb well, and in support would show:

- 1. Applicant is the owner of the right to drill on the SW/4 of Section I, T22S, R37E, Lea County New Mexico.
- 2. Applicant is the operator of an existing well, Lynch Christmas Com. No. 4 well located in Unit L of Section 1, which currently produces gas from the Tubb formation and to which the SW/4 of Section 1 is dedicated.
- 3. Application proposes to drill a second well in the SW/4 of said Section 1, to be located in Unit M, said well to be a gas-oil Dual Completion with the oil production from the Wantz Granite Wash Field and the gas production from the Tubb formation.
- 4. The second well is necessary in order to effectively and efficiently drain the Tubb formation underlying the SW/4 of this section.

Approval of this application will produce gas and oil that could not otherwise be produced, will prevent waste, protect correlative rights, and will be in the interests of conservation.

WHEREFORE, applicant requests that this application be set for hearing and that after notice and hearing an order be entered granting the application as requested.

KELLAHIN & KELLAHIN

W. Thomas Kellahin P.O. Box 1769 Santa Fe, New Mexico (505) 982-4285

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF SUN OIL COMPANY FOR DUAL COMPLETION AND SIMULTANEOUS DEDICATION OF ACREAGE, LEA COUNTY NEW MEXICO



APPLICATION

Case 7223

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KELLAHIN & KELLAHIN

W. Thomas Kellahin P.O. Box 1769

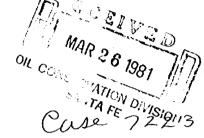
Santa Fe, New Mexico 87501 (505) 982-4285

STATE OF NEW MEXICO

DEPARTMENT OF ENERGY AND MINERALS

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF SUN OIL COMPANY FOR DUAL COMPLETION AND SIMULTANEOUS DEDICATION OF ACREAGE, LEA COUNTY NEW MEXICO



$\underline{A} \ \underline{P} \ \underline{P} \ \underline{L} \ \underline{I} \ \underline{C} \ \underline{A} \ \underline{T} \ \underline{I} \ \underline{O} \ \underline{N}$

Comes now SUN OIL COMPANY, by and through its attorneys and applies to the Oil Conservation Division of New Mexico for authority to drill a gas-oil dual completion and to simultaneously dedicate the subject well to acreage already dedicated to a producing Tubb well, and in support would show:

- 1 Applicant is the owner of the right to drill on the SW/4 of Section 1, T22S, R37E, Lea County New Mexico.
- 2. Applicant is the operator of an existing well, Lynch Christmas Com. No. 4 well located in Unit L of Section 1, which currently produces gas from the Tubb formation and to which the SW/4 of Section 1 is dedicated.
- 3. Application proposes to drill a second well in the SW/4 of said Section 1, to be located in Unit M, said well to be a gas-oil Dual Completion with the oil production from the Wantz Granite Wash Field and the gas production from the Tubb formation.
- 4. The second well is necessary in order to effectively and efficiently drain the Tubb formation underlying the SW/4 of this section.

5. Approval of this application will produce gas and oil that could not otherwise be produced, will prevent waste, protect correlative rights, and will be in the interests of conservation.

WHEREFORE, applicant requests that this application be set for hearing and that after notice and hearing an order be entered granting the application as requested.

KELLAHIN & KELLAHIN

W. Thomas Kellahin P.O. Box 1769 Santa Fe, New Mexico 87501 (505) 982-4285

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. 7223
Order No. R- (()
APPLICATION OF SUN GIL COMPANY
FOR A DUAL COMPLETION AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.
ORDER OF THE DIVISION
BY THE DIVISION:
This cause came on for hearing at 9 o'clock a.m. on
April 22 , 19 81 , at Santa Fe, New Mexico, before
Examiner Daniel S. Nutter
NOW, on this day of April , 1981 , 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 b
law, the Division has jurisdiction of this cause and the subject
matter thereof.
(2) That the applicant, Sun Oil Company toully its Walter Lynch Well No. 5, localed seeks authority to/complete xxxxx a well to be drilled in Unit M
Wekk ros x x x x x x x x x x x x x x x x x x x
ship 22 South Range 37 East NMPM, Lea
County, New Mexico, as-a
(conbination)
oil Wash Pool and as from the
produce xgas from the Wantz-Granite Wash Pool and gas from the through the casing tubing annulus, seath time the same by means ubb formation and to simultaneously dedicate the SW/4 of said
ection 1 to said well and to its Lynch Christmas Com Well No. 4 in
nit L. Carit

(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, provided however, that said well should not be produced as a gas well in the Tubb formation IT IS THEREFORE ORDERED: MAY'S the mortheday gas well location &,
(1) That the applicant, Sun Oil Company
is hereby authorized to complete item a well to be drilled
×Well×Nox××××××××××××××××××××××××××××××××××
Township 22 South , Range 37 East , NMPM, Lea
County, New Mexico, as a dual completion (conventional) (combination) (tubingless) to produce gasx from the Wantz-Granite Wash Pool and gas from the
Tubb formation and to simultaneously dedicate the SW/4 of
said Section 1 to said well and to its Lynch Christmas Com Well
No. 4 in Unit L.
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
pesker leakage tests upon completion and
annually thereafter during the Annual Gas-Bil Ratio
Test Period for the Wantz-Granite Wash 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.

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