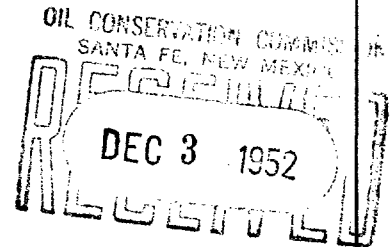


BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO



TRANSCRIPT OF HEARING

CASE NOS. 440,
441,
442.

November 20, 1952.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

November 20, 1952

In the Matter of:

Application of Humble Oil & Refining Co.
for dual completion of its Fopeano No. 1,
SE SW 25-20S-36E (Eunice-Monument Pool)
to permit production of oil from Grayburg,
gas from Queen.

Case No. 440.

In the Matter of:

Application of Humble Oil & Refining Co.,
for dual completion of its State "B" No. 1,
SW NW 29-21S-36E (Eunice-Monument Pool)
to permit production of oil from Grayburg,
gas from Yates.

Case No. 441.

In the Matter of:

Application of Humble Oil & Refining Co.,
for dual completion of State "B" No. 7,
NE SE 29-21S-36E (Eunice-Monument Pool)
to permit production of oil from Brayburg,
gas from Yates.

Case No. 442.

(Consolidated)

(Notice of Publication read by Mr. Graham.)

MR. SHAVER: Prior to filing the applications in these three
cases we mailed copies of the applications to all the offset
operators and in Case No. 440 we submitted the application to the

United States Geological Survey and secured their approval. I thought you would like the record to show that.

R O B E R T S. D E W E Y

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SHAVER:

Q Would you state your name, please?

A Robert S. Dewey.

MR. SHAVER: I am sure the Commission will waive Mr. Dewey's qualifications.

MR. SPURRIER: We have qualified Mr. Dewey some time ago.

MR. SHAVER: I think to expedite this matter we will introduce our exhibits after Mr. Dewey has finished testifying and at this time, Mr. Dewey, we would like for you to explain the matters set forth in the application in all three cases, if you would please.

A The Case 440 concerns the application of Humble Oil and Refining Company to dually complete the well known as Humble Federal 4 Fopeano No. 1 in Eunice-Monument field in Lea County, New Mexico. This well is located in the southeast quarter of the southwest quarter of Section 25, Township 20 South, Range 36 East, Lea County, completed June 17, 1937 total depth 3850 feet. The well had five and one-half casing set at 3699 feet. The relative location of this well with the surrounding property will be shown on one of the Exhibits that we will submit to the Commission. This well is, was completed from 3699 feet to 3850

feet in the Grayburg formation. This application to dually complete the well is our intention to set a formation type packer between the Grayburg formation and produce the oil from the Grayburg formation through the tubing and to produce the gas from above the formation packer from the Queen formation through the tubing casing annulus. We will use conventional type equipment to do this in such a way that the pressures may be taken in either/or both formation. We are familiar with the regulations of the Commission relative to such dually completed wells and will use our best effort to comply with Commission's orders to maintain separation of the production from the two pay horizons. I would like to introduce as Exhibit "A" a plat showing the location of this particular well with the relationship to the offsetting leases and wells surrounding it. In Exhibit "B", which I would like to submit, we have shown a schematic drawing of a current condition of the well relative to depth, casing and supplemental mining procedure. In Exhibit "C", which I would like to submit, we have shown the schematic diagram of our intention relative to where we intend to perforate the casing mainly from 3440 feet to 3630 feet and the approximate location of the production packer which will separate the Queen formation from the Grayburg formation and will allow us to produce those two formations in a separate manner. I offer this as an Exhibit in this case.

MR. SHAVER: I think we would like to mark this as Exhibit No. 1 with the attachment and introduce it now in Case 440.

MR. SPURRIER: Without objection it will be received.

A Case No. 441 concerns the application of Humble Oil and Refining Company to dually complete its State "B" No. 1 in Eunice-Monument field, Lea County, New Mexico. This well is located in the southwest quarter of the northwest quarter of Section 29, Township 21 South, Range 36 east, Lea County, New Mexico and was completed November 18, 1934, at a total depth of 3971 feet. Seven inch production casing is set at 3941 feet. This well is currently producing from the open hole from 3941 feet to 3971 feet from the Grayburg formation. Our application concerns itself with permission to dually complete this well in such a way as to produce the oil from the Grayburg formation through the tubing and produce gas from the Yates formation through the tubing casing annulus by perforating a seven inch casing at approximately 3200 to 3550 feet opposite the Yates formation and setting a formation type production packer below the casing formation at approximately 3600 feet to separate the two pay zones. In this well we will set the conventional type of equipment used to effect the purpose of the keeping the two zones separate and allow them to be produced separately. We will comply with all the rules and regulations of the Commission relative to control of dually completed wells. We have here, as Exhibit "A" a plat showing the location of this well with relationship to other wells on the lease and to the surrounding leasehold interests and their wells. On Exhibit "B" we have a schematic drawing showing the current completion of State N.M.

State "B" No. 1 well, showing the location of casing strings, amounts of cement used, total depth and that type of information. On Exhibit No. 3 we have a schematic diagram of proposed dual completion of this well indicating a point at which we desire to perforate the casing and the point at which we intend to set the production packer to keep the two formations separate.

MR. SHAVER: At this time we would like to introduce this application as the Exhibit No. 1 in Case No. 441.

MR. SPURRIER: Without objection it will be received.

(Exhibit No. 1, Case No.
441 Marked for Identification)

Mr. Dewey: Case 442 concerns itself with application of Humble Oil and Refining Company to dually complete Humble N.M. State "B" No. 7 Eunice-Monument field, Lea County, New Mexico. This well is located in the northeast quarter, the southeast quarter of Section 29, Township 21 South, Range 36 east, Lea County, and was completed February 1st, 1936, to a total depth of 3900 feet. Five and one-half inch casing was set at 3807 feet. This well is currently producing as associated gas well from perforation 3730 and 3775 feet. The well was originally completed as an oil well but is being currently produced as an associated gas well from associated formation. It is our intention to dually complete this well in such a manner as to produce gas from the Grayburg formation through the tubing and gas from the Yates formation through the tubing casing annulus in the following manner: Perforate the 5-1/2 inch casing from approximately 3200

to 3500 feet, set a production type packer below the casing perforation at approximate depth of 3600 feet to separate the two pay zones. The manner or method of dual completion is shown on the Exhibit C. We are familiar with and will comply with all rules and regulations of the New Mexico Oil Conservation Commission to maintain separation of these two pay zones.

On Exhibit "A" we have indicated the location of this well on the Humble lease and also its relative position to the surrounding lease holders and the wells thereon. The Exhibit "B" we indicate schematically the manner in which this well was completed relative to casing sizes, casing depths and amount of cement used and also the fact that the bottom of the hole has been cemented back to 4015 feet to approximately 3790 feet. On exhibit "C" we indicate schematically the points at which we intend to perforate the casing and the point at which we intend to set the production type packer to segregate the two pay zones.

We also submit a radioactive log taken on this well by Lane Wells.

MR. SHAVER: At this time we would like to submit this application with the attachments as Humble's Exhibit No. 1 in Case No. 442.

MR. SPURRIER: Without objection it will be received.

(Humble's Exhibit No. 1,
in Case 442, Marked for
Identification)

Q Mr. Dewey, do you have anything else you would like to add to your statements?

A I think not.

MR. SHAVER: I believe that is all we have.

MR. GRAHAM: Why all this influx of dual completions at this time?

A Why, I think it is due to the fact that gas is marketable to where it has not been in the past and of course everybody wants to obtain his share of the market.

MR. GRAHAM: You are not confronted with any drainage problem?

A We will be unless we protect correlative rights by making that gas marketable.

MR. GRAHAM: It is available for - - there are available facilities for marketing the gas?

A There are in this area. We feel we will have no trouble marketing the gas.

MR. SHAVER: Do you have, at this time do you have a market available for the sale of the gas?

A I understand that the final negotiations have not been consummated but they have progressed far enough that we have reasonable assurance it will be marketable.

MR. SPURRIER: Anyone have a question?

MR. DAILEY: I would like to ask a question on Case No. 442. That was on the State "B" No. 7 which ended too. As I understand your testimony it would be gas from the Grayburg and gas from the Yates?

A As far as I know nobody else has a gas to gas dual

completion in New Mexico. Is that what you are driving at?

MR. DAILEY: I don't know of any other. I was just wondering on the volume which might be produced from the Grayburg horizon.

A We intend to market as much gas as we make within the Commission's regulations and within our ability to find a market. We haven't set any definite amount of gas to market from either one of these zones, of course the Commission has certain definite regulations, you know, relative to how much withdrawal can be made.

MR. DAILEY: Would that Grayburg gas be subject to your gas-oil ratio restrictions?

A Associated gas, I understand, is. It comes under the regulations for associated gas. Did you understand otherwise?

MR. DAILEY: Well, I just wanted to be sure.

MR. SPURRIER: Any other questions? If not the witness may be excused.

(Witness excused.)

Any comments in this case? If not we will take the case under advisement and go to Case No. 438.

STATE OF NEW MEXICO)
 :
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 440, 441 and 442, inclusive, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on November 20, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this _____ day of November, 1952.

REPORTER

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

JAN 12 1953

CASE 442:

(Readvertised) Humble's application for dual completion of its State 'B' No. 7 well, NE SE 29-21S-36E (in the Eunice-Monument Pool) to permit production of associated gas from the Grayburg formation and gas from the Yates.

TRANSCRIPT OF HEARING

December 16, 1952

BEFORE: Hon. Ed. Mechem, Governor and Chairman
Hon. Guy Shepard, Land Commissioner and Member
Hon. R. R. Spurrier, Director and Member


STATE OF NEW MEXICO

ss

COUNTY OF BERNALILLO

I HEREBY CERTIFY That the within transcript of hearing in the above styled cause before the Oil Conservation Commission of the State of New Mexico is a true record of the same to the best of my knowledge, skill and ability.

DONE at Albuquerque, New Mexico, December 20,
1952.



E. E. Greeson
Reporter

MR. SPURRIER: The next case on the docket is Case No. 442.

(Mr. Graham reads the notice of publication.)

MR. SHAVER: Mr. Chairman, we would like Mr. Dewey sworn as our witness.

My name is Charles Shaver, representing the Humble Oil & Refining Company. This case was readvertised because we didn't consider the notice sufficiently broad to cover the matter set forth in the application. And we would like to have Mr. Dewey make a statement into the record concerning the applications on file and also the testimony heard by this Commission at its November meeting.

Will you proceed, Mr. Dewey, please?

(Mr. Dewey, having been first duly sworn, made the following statement:)

MR. DEWEY: In the original application dated October 17, 1952, to dually complete Humble New Mexico State B-7, Eunice Monument Field, in paragraphs (d) and (3), the text called for "gas and oil from the Grayburg formation." On Exhibit C, the interval from 3200 to 3550 feet which is to be perforated was not clearly identified as opposite the Yates formation and the casing perforations from 3730 to 3775 were not identified as opposite the Grayburg formation. This application did not include

a statement that "the applicant will continue to produce associated gas from the Grayburg zone subject to existing and all future field rules regulating the proration of this gas."

Subsequent to the filing of the application dated October 17, 1952, the hydrocarbon production coming from the Grayburg formation was tested. From this test it was determined that there was only a mist or thin spray of oil produced with the gas, and that the well was essentially producing associated gas.

As the testimony entered in this case on November 20, 1952 was correct, request is made to incorporate said testimony and make it a part of this hearing. Request is also made to substitute the corrected application dated November 24, 1952 for the original application dated October 17, 1952. The changes between these two applications are part of this current hearing. The defects in the original application are cured in the application of November 25, 1952.

MR. SHAVER: We have nothing further from this witness, Mr. Chairman.

MR. SPURRIER: Is there any question of this witness?

MR. WALKER: I represent the Gulf Oil Corporation.
Mr. Dewey, when you state you will follow the rules

for the proration of production of this gas, that means it will be on a volumetric basis?

MR. DEWEY: That is correct, Mr. Walker.

MR. SPURRIER: Anyone else? If not, the witness may be excused.

MR. SHAVER: Mr. Chairman, in view of Mr. Dewey's statement and his testimony, we respectfully urge the Commission to approve Humble's application for dual completion in this case, No. 442.

That's all we have at this time.

MR. SPURRIER: Is there anyone else to be heard in this case? If not, you may be excused.

The case will be taken under advisement.

Before we move on to the next case, I would like to make an announcement.

Since so many of you are present this morning. We have had quite a problem in our advertisements of new cases with our thirty-day limit. Some companies have asked us to advertise cases within two weeks of the hearing. And while we have a legal ten-day notice, the very same companies that ask us to make those short advertisements are the ones that protest when they don't get the docket on time. Now, that is something we are going to try to eliminate. And we don't mean to be arbitrary, but unless we get a case thirty days before the next hearing date, we

will not advertise it for the following regular hearing.

Now, in cases of emergency, we can hold a special hearing.

____°____