BEFORE THE

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

CASE 593: In the matter of the application of Stanolind Oil & Gas Company for permission to dually complete its State 'E', Tract 17, Well No. 1, SW/4SE/4 Section 1, Township 17 South, Range 36 East, Lea County, New Mexico, in such manner as to permit production of oil from the Paddock zone of the Lovington-Paddock Oil Pool (through the tubing) and gas from the Queen formation through the casing-tubing annulus.

TRANSCRIPT OF HEARING

October 15th, 1953

BEFORE: Honorable Ed. L. Mechem, Governor Honorable E. S. Walker, Land Commissioner Honorable R. R. Spurrier, Director, OCC

STATE OF NEW MEXICO) ss COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the within transcript of proceedings before the Jil Conservation Commission is a true record of the same to the best of my knowledge, skill and ability.

DONE at Santa Fe, N. M., this 17th day of October, 1953 .

Mariane C. allan

SWORN TO before me this 17th day of October, 1953.

Notary Public

My Commission Expires:

M. Commission Expires January 24, 1954

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COM. SPURRIER: The next case is 593. (Mr. Graham reads the advertisement of the case.) M^R. R. G. HILTZ: May I make a statement? COM. SPURRIER: Yes. Come forward please.

R. G. HILTZ

having been first duly sworn testified as follows:

This is the application of Stanolind Oil and Gas Company to dually complete its State 'E', Tract 17, Well No.1 in the Queen gas formation and Paddock formation for oil, both formations which have been previously recognized by the Commission to be separate producing horizons.

The State "E" well is located 1980' from the east line and 660' from the south line of Section 1, Township 17 S, Range 36 E in Lea County, New Mexico.

This well is currently completed as a gas well in the Queen formation and authority is being sought to deepen the well and produce oil from the Lovington-Paddock field. A formal hearing

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in this matter is required under Rule 112 (a) because the Queen gas well is not within the limits of the gas pool which has been defined by the Commission.

Upon initial completion in the Queen - the surface casing on this well was thirteen feet. It was set at three hundred and seven feet with two hundred sacks of cement to the surface. A nine and five-eighths inch casing was set at three thousand one hundred and two feet with five hundred and fifty sacks of cement. Seven inch casing was set at four hundred and fifty-five feet with three hundred sacks of cement. The initial total depth of the well was four thousand nine hundred and eighty feet, but it was ultimately plugged back to four thousand, one hundred and fifty three feet. The top of the pay was encountered at three thousand eight hundred and ninety six feet and the casing was perforated from three thousand nine hundred and one feet to three thousand nine hundred and eleven feet.

The well was initially completed on December 1st, 1939 as a gas well in the Queen with an initial potential of 6900 MCF per day through three and one-half inch tubing.

At present there is no basic line equipment for the gas in the immediate area and all gas from the Queen is used for pumping wells, drilling rigs and a portion of it is used in domestic consumption. It is proposed that the well be deepened to the Paddock and it will be accomplished as follows:

The well would be deepened to approximately six thousand, one

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hundred and ninety one feet and a five inch liner would be set inside the seven inch casing at approximately four thousand four hundred feet to total depth and will be cemented with approximately one hundred and fifty sacks of cement, which is the amount calculated to fill the space behind the five inch liner. It is expected that the top of the pay will be encountered at six thousand one hundred and twenty feet and that the oil production will be from open hole below that depth. To satisfactorily isolate the two producing horizons, a Baker Retained Production Packer will be set inside the seven inch casing at approximately three thousand nine hundred and forty five feet. Appropriate tests will be conducted on this packer to make certain there is no connection between the two producing horizons.

In concluding our request, I should like to point out that we are familiar with the Orders put out by the Commission and that we are willing to comply with all such Orders.

COM. SPURRIER: Any questions of the witness?

(No questions indicated.)

COM. SPURRIER: If not, the witness can be excused.

(Witness excused.)

COM. SPURRIER: We will take the case under advisement and move on to Case 556 and 557.

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