

W. D. GIRAND
LAWYER
231 LEA COUNTY STATE BANK BUILDING
HOBBS, NEW MEXICO

TELEPHONE:
EXPRESS 3-9116
POST OFFICE BOX 1445

January 18, 1957.

Oil Conservation Commission of New Mexico,
Santa Fe, New Mexico.

Gentlemen:

Enclosed you will find, in triplicate, Application of R. Olsen for an Order authorizing an oil-oil dual completion of the well known as Olsen-Sarkeys #1 located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25, Township 21 South, Range 37 East, Lea County, New Mexico.

By copy of this letter, I am furnishing copies of the Application to all interested parties.

Very truly yours,


W. D. GIRAND.

G/bc
Encls.

cc: Sinclair Oil & Gas Company,
Petroleum Tower Building,
Midland, Texas.

Harper Oil Company,
Hightower Building,
Oklahoma City 2, Oklahoma.

Gulf Oil Corporation,
P. O. Box 669,
Roswell, New Mexico.

Magnolia Petroleum Company,
Box 662,
Roswell, New Mexico.

R. Olsen Oil Company,
2805 Liberty Bank Building,
Oklahoma City 2, Oklahoma.

Continental Oil Company,
(For Federal Unit)
Roswell, New Mexico.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO.

IN THE MATTER OF THE APPLICATION OF)
R. OLSEN FOR PERMISSION TO EFFECT DUAL)
COMPLETION (OIL-OIL) OF ITS OLSEN-)
SARKEYS WELL #1, LOCATED 1980 FEET SOUTH)
OF THE NORTH LINE AND 660 FEET EAST OF)
THE WEST LINE OF SECTION 25, TOWNSHIP)
21 SOUTH, RANGE 37 EAST, N.M.P.M., LEA)
COUNTY, NEW MEXICO, IN THE BLIMEBRY AND)
TUBBS POOL.)

CASE NO. 1205

COMES NOW R. Olsen, Operator of that certain well designated as Olsen-Sarkeys Well #1 located 1980 feet South of the North line and 660 feet East of the West line in the SW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 25, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and files this his Application for an oil-oil dual completion producing oil from the Blimebry through perforation points between 5,640 feet to 5,830 feet and producing oil from the Tubbs Pool through perforation points from 6230 to 6316 feet.

Applicant would show that the well was spudded on October 8, 1956 and completed on January 8, 1957. Applicant would further show that on November 14, 1956, applicant filed his request for an Order authorizing the dual completion of the subject well as a gas-gas well producing from the Blimebry Gas Pool and the Tubbs Gas Pool. The Application was acted upon by the Secretary-Director on December 1, 1956

granting applicant the right and privilege to dually complete the well, subject to certain terms and provisions as more fully set out in Order of the Commission designated as Order No. DC-377.

Complying with the Order of the Commission authorizing the dual completion, the applicant drilled the well to a total depth of 7215 feet. However, after numerous tests the well was plugged back to 6390 feet in the Tubbs formation. This zone was perforated between 6230 feet and 6316 feet. Tests were made in accordance with good producing practices for twenty-four hours. The well made 180 barrels of oil cut .06 of 1% of acid water with a GOR of 1,035 to 1 from the Tubbs formation. Thereafter, tests were made in the upper zone, the Blimebry, and after acid treatments and thirty-six hours swabbing the well produced from the Blimebry Zone 100 barrels of oil cutting 20% mud and acid water with a GOR of 3500 to 1. Applicant estimates the well capable of making eighty barrels of oil per day with a GOR of 3500 to 1 from the Blimebry Zone.

Applicant would further show that the well was completed in accordance with the requirements of administrative Order No. DC-377. The production packer set at 5960 feet is a Baker

Model D retainer production packer, Product No. 415-D with Baker Model E Locator Tubing Seal Assembly, Product No. 442-E2. Two strings of two-inch tubing 4.70 lbs. test are located in the hole and the casing is a seven-inch OD 23 lb. test casing set at 6404 feet below the surface. Attached to this Application and made a part hereof is a cross-section of the packer marked Exhibit 1 and made a part hereof.

That attached to this Application is a section plat showing the well location, the offset ownership and the acreage dedicated to the dual completion. Applicant refers the Commission to its Exhibit No. 1 to show the perforation points in the two zones involved.

Applicant would show the Commission that the well in question (Olsen-Sarkeys #1) was drilled and completed in good faith and in belief that the well would be productive of gas in both the Blimebry and Tubbs Zones. The applicant having previously made Application on November 14, 1956 for authority to dually complete and having received an Order of the Commission, dated December 1, 1956, No. DC-377, authorizing such completion.

Applicant would show that after the granting of Order No. DC-377, applicant spent large sums of money attempting to

effectuate a dual completion of the well as a gas-gas well. However, the completion of the well resulted in the discovery of oil in both zones. This is very unusual in the area and could not be anticipated or foreseen by the applicant. Failure to allow applicant to dually complete the well as an oil-oil well will result in great waste of money in that the production can be recovered from the one well bore due to the completion methods used by the applicant eliminating the cost that would be incurred in the drilling and equipping of an additional well.

Applicant would show that the methods and equipment used in the completion of the well are the accepted methods and equipment used in the industry in dual completions of oil-oil wells. Pressure leakage tests were made by John West, licensed engineer, and witnessed by the Commission's representative. These tests show that the production from the two zones cannot and will not be co-mingled.

Applicant would further show that applicant should be relieved from the obligation set out in Order DC-377 for the reason that the production encountered being oil, rather than gas, applicant is incapable of complying therewith and that said Order should be rescinded.

The applicant, by registered mail, has forwarded a copy of this Application to each of the following Operators offsetting the subject well:

Sinclair Oil & Gas Company,
Petroleum Tower Building,
Midland, Texas.

Harper Oil Company,
Hightower Building,
Oklahoma City 2, Oklahoma.


Gulf Oil Corporation,
P. O. Box 669,
Roswell, New Mexico.

Magnolia Petroleum Company,
Box 662,
Roswell, New Mexico.

R. Olsen Oil Company,
2805 Liberty Bank Building,
Oklahoma City 2, Oklahoma.

Continental Oil Company,
(For Federal Unit)
Roswell, New Mexico.

WHEREFORE, applicant prays that this matter be set down for hearing at the earliest possible date and upon hearing, the applicant be relieved of the requirements of Order No. DC-377, dated December 1, 1956, issued by the Commission, and that the Commission enter its Order authorizing the dual completion of the Well known as Olsen-Sarkeys Well #1 located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico, granting unto such well an allowable from the Blimebry Oil Pool as well as an allowable from the Tubbs Oil Pool in accordance with Rule 505 of the Rules of the Commission.


W. D. GIRAND
(BOX 1445, HOBBS, NEW MEXICO)
ATTORNEY FOR APPLICANT.

**NEW MEXICO
OIL CONSERVATION COMMISSION**

Form C-128

Well Location and/or Gas Proration Plat

Date _____

Operator R. OLSEN Lease SARKEYS

Well No. 1 Section 25 Township 21 South Range 37 East NMPM

Located 1,980 Feet From North Line, 660 Feet From West Line,

LEA County, New Mexico. G. L. Elevation _____

Name of Producing Formation Blimebry, Tubbs Pool _____ Dedicated Acreage 40

(Note: All distances must be from outer boundaries of Section)

			Contin- ental Unit				
2	3	2	4 2	1	9	2	0
	Sin- clair	Magno- lia					
	Gulf Harper	R. Olsen Sarkeys o #1	Gulf				
2	6	2	5	3	0	2	9
	Olsen Oil	Olsen Oil *	Sin- clair				
3	5	3	6	3	1	3	2
	2		1		6		5

NOTE

This section of
form is to be
used for gas
wells only.



SCALE: 1"=1000'

1. Is this Well a Dual Comp. ? Yes ___ No ___.
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage ? Yes ___ No ___.

Name _____
Position _____
Representing _____
Address _____

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed _____

Registered Professional Engineer and/or
Land Surveyor