

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1460

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6691

May 28, 1958

Application of Phillips Petroleum Company for :  
an oil-oil dual completion and for permission :  
to commingle production from two separate pools. :  
Applicant, in the above-styled cause, seeks an :  
order authorizing the dual completion of its :  
New Mex "A" Well No. 1 located 1983 feet from : CASE NO.  
the South line and 2313 feet from the West line :  
of Section 25, Township 16 South, Range 33 East, : 1460  
Lea County, New Mexico, in such a manner as to :  
permit the production of oil from the Kemitz- :  
Wolfcamp Pool and oil from an undesignated Pen- :  
nsylvanian pool through parallel strings of :  
tubing. The applicant also proposes to produce :  
the Wolfcamp and Pennsylvanian production from :  
said well into common storage. :

BEFORE:

ELVIS A. UTZ, Examiner.

## TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Call the hearing to order, and the next case on the docket will be Case 1460.

MR. PAYNE: Case 1460. Application of Phillips Petroleum Company for an oil-oil dual completion and for permission to commingle production from two separate pools.

MR. MORGAN: I am F. C. Morgan representing Phillips Petroleum Company. I am the only witness and would like to be sworn.

(Witness sworn.)

MR. MORGAN: I have qualified before as an expert witness. Shall I requalify myself again?

MR. UTZ: No, your qualifications are acceptable.

MR. MORGAN: This application is to allow dual completion of our New Mex "A" Well No. 1, located 1983 feet from the South line and 2313 feet from the West line of Section 25, Township 16 South, Range 33 East, Lea County, New Mexico. The well is currently drilling at about 11,100 toward a projected total depth of 11,580. We wish to dual the well so as to produce from both the Pennsylvanian and Wolfcamp formations.

We will now pass out Exhibit A. This is a plat showing the offset operators and producing wells in the area around the subject well. Phillips Petroleum Company acreage is shown in blue and the subject well is shown in red.

We anticipate commercial Wolfcamp production in this well at approximately 10,780 to 10,830 feet, based on positive drill stem tests, and also offset Kemnitz Wolfcamp wells to the Northeast and east. Commercial Pennsylvanian production is anticipated at approximately 11,450 to 11,530 feet based on an undesignated Pennsylvanian Pool well located 3/4 mile northwest of the subject well in the NW/4 of Section 26, Township 13 South, Range 33 East, which potentialled for 190 barrels in 21 hours. Our actual completion intervals will be determined after log analysis.

13 3/8 surface casing was set in this well at 374 feet with cement circulated to the surface. This will afford adequate

protection to any fresh water zones.

We anticipate setting 7 inch casing at total depth with sufficient cement to connect with the intermediate casing.

We will now pass out Exhibit B. Our plan for dual completion is to set a Baker Model D retainer packer at approximately 11,400 after perforating the desired intervals of the Pennsylvanian and Wolfcamp zones. 2 inch up-set tubing will be set into the Baker Model D packer to handle Pennsylvanian production. A Brown Type "C" parallel string anchor will be installed in the 2 inch up-set tubing string. This tool's function is to serve as an anchor for the 2 inch CS Hydril tubing serving the Wolfcamp production. This anchor was selected rather than a packer because of the probability that the Wolfcamp will require artificial lift in the future and this will permit the benefits of anchored tubing, downhole gas-oil separation, and corrosion inhibition, if required, at that time.

We plan to conduct a packer leakage test after dual completion of the well at other intervals as specified by the New Mexico Oil Conservation Commission.

Based on other operators information, we anticipate a bottom hole pressure in the Pennsylvanian of approximately 4500 pounds per square inch. The Wolfcamp bottom hole pressure should be about 3100 pounds per square inch. The packer will easily handle this pressure differential.

The Pennsylvanian oil gravity is 39 degree API and Wolfcamp

oil gravity is about 41 degree API . The gas-oil ratio of the Pennsylvanian should be 1300 cubic feet per barrel, and the Wolfcamp should be 1200. The Pennsylvanian crude is a green color and the Wolfcamp a brown color. Both zones are classified as sweet.

We propose dual completion of this well rather than twin single completed wells because we consider our proposed mechanical arrangement sound and because a savings of approximately \$190,000 will result by dual completion. Further, the reserves are sufficiently small that the Pennsylvanian zone could not be economically developed at this time as a single completion.

As a further part of this application, we propose to produce Pennsylvanian and Wolfcamp crudes into common storage. Our original application proposed to produce and measure Pennsylvanian crude through a metering separator incorporating a dump type meter. Wolfcamp oil production was to be determined by deducting metered Pennsylvanian oil from total gauged production.

We will now pass out Exhibit C. In view of recent Commission Order No. R-1158, we now propose to modify this portion of our application as reflected in the exhibit to request permission to commingle production after production from each of the two zones involved has been separately measured by means of positive displacement meters. State land is involved, therefore, royalty interests in the two zones are identical. I move that our application be so amended at this time.

MR. UTZ: You want to amend that?

MR. MORGAN: That is the intent, because of the order that came out in our last case stating it was your desire that meters be on both zones, and we -- In other words, we are complying here because we didn't have the benefit of that hearing at the time we filed on this one.

MR. UTZ: Without objection, the application will be amended.

MR. MORGAN: This concludes my testimony, unless there are questions, and I would like to move that Exhibits A, B, and C be placed in evidence.

MR. UTZ: Without objection, Exhibits, A, B, and C will be placed in evidence. Are there any questions of the witness?

#### CROSS EXAMINATION

BY: MR. UTZ:

Q These are positive displacement meters that you are going to meter both zones with, aren't they?

A Yes, sir.

Q Is there a savings on positive displacement meters as compared to metering ~~the~~ separators?

A Yes, sir, there is. We calculate that it would cost us, counting our separators into the two positive displacement type meters, a total of \$1308.00. In other words, by going the way we have recommended here. To go the route that we had previously

sought approval for, that is, to go on one metering separator and one conventional separator, that would cost us \$1345.00, or essentially the same as this. In view of the Commission's ruling that metering be done in both zones, we proposed the two PD meters because it would be cheaper. Two meters would cost us right at \$1800.00, so we do save money, and also monthly calibration is not required, so there would be a little incentive from the operators standpoint of one over the other.

MR. UTZ: Are there any further questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Any further statements in this case? If not, we will take the case under advisement.

STATE OF NEW MEXICO            )  
                                       )  
 COUNTY OF BERNALILLO        )    ss

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript, and that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 9th day of June, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Joseph A. Trujillo*  
 Notary Public

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner Hearing of Case No. 1460, held by me on *May 28*, 1958.  
*Ernest J. [Signature]*, Examiner  
 New Mexico Oil Conservation Commission



*Case file  
(Order R-1201)*

**PHILLIPS PETROLEUM COMPANY**

P. O. Box 2105  
Hobbs, New Mexico

June 27, 1958

In re: Case No. 1460 - Order No. R-1201  
New Mex "A" Well No. 1 - Kemnitz-Wolfcamp Pool

Mr. A. L. Porter, Jr., Secretary-Director  
New Mexico Oil Conservation Commission - 2  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

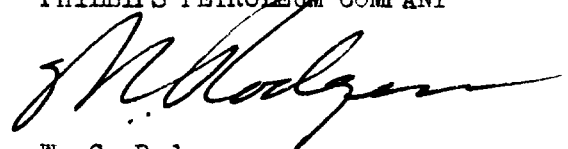
Reference is made to your letter dated June 23, 1958, wherewith you furnished us copies of Order R-1201, granting permission for an oil-oil dual completion in the subject well in the Kemnitz-Wolfcamp Pool and an undesignated Pennsylvanian pool.

This is to advise that the Pennsylvanian formation in this well was not commercially productive and the well was singly completed in the Wolfcamp formation.

We appreciate the Commission's favorable consideration in this matter.

Very truly yours,

PHILLIPS PETROLEUM COMPANY



W. C. Rodgers  
District Superintendent  
Production Department

cc: Oil Conservation Commission  
Hobbs, New Mexico