

**BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO**

IN THE MATTER OF:

Case No. 1572

TRANSCRIPT OF HEARING

January 7, 1959

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NEW MEXICO OIL CONSERVATION COMMISSION

Mabry Hall

Santa Fe, NEW MEXICO

REGISTERHEARING DATE Examiner January 7, 1959 TIME: 9:00 a.m.

NAME:	REPRESENTING:	LOCATION:
<i>Leah E. Shy</i> <i>H.N. Wade</i> <i>J.H. Kline</i> <i>O. Seth</i> <i>Ralph L. Gray</i> <i>Edward B. Stewart</i> <i>James B. Shaw</i> <i>R. E. Brosch</i> <i>B.M. Anderson</i> <i>S. L. Mott</i> <i>H.C. Wells</i> <i>J.R. Murphy Jr.</i> <i>James E. Smith</i> <i>Upchurch, J.</i> <i>Jason Kellahin</i> <i>Nancy Royal</i>	<i>State Engr. Office</i> <i>The Texas Co.</i> <i>El Paso Natural Gas</i> <i>Seth, Murphy, F. & Aude</i> <i>Mrs. C. B. Woods</i> " " " " " " <i>Ameradr Pet. Corp.</i> <i>Sinclair Oil & Gas Co.</i> <i>Citico Service Oil Co.</i> <i>The Pure Oil Co.</i> <i>The Pure Oil Co.</i> " " " " <i>El Paso Natural Gas</i> <i>Kellahin & Fox</i> <i>N.M. Statehouse Reporter</i>	<i>Santa Fe</i> <i>Ft. Worth</i> <i>El Paso.</i> <i>Santa Fe</i> <i>Artesia</i> " <i>Alamogordo</i> <i>Hobbs</i> <i>Midland, Tex</i> <i>Hobbs N.M.</i> <i>Ft. Worth Tex.</i> <i>Ft. Worth Tex.</i> <i>Roswell.</i> <i>Gal, N.M.</i> <i>Santa Fe</i> <i>Santa Fe</i>

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Application of Mrs. E. G. Woods for a dual completion.
Applicant, in the above-styled cause, seeks an order
authorizing the dual completion of her Federal Simon
"A" Well No. 1 located in the NW/4 NE/4 of Section 'Case 1572
29, Township 17 South, Range 32 East, Lea County,
New Mexico, in such a manner as to permit the pro-
duction of oil from an undesignated Yates oil Pool
and oil from the Maljamar Pool through parallel
strings of tubing.

Mabry Hall
Santa Fe, New Mexico
January 7, 1959

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order, please. The
first case on the docket will be Case 1572.

MR. PAYNE: Case 1572, "Application of Mrs. E. G. Woods
for a dual completion."

MR. STEWART: This is an application by Mrs. E. G. Woods
for dual completion on their dual 112 --

MR. UTZ: What is your name, please?

MR. STEWART: Edward Stewart, Artesia.

MR. UTZ: Are there any other appearances to be made in
this case?

If not, you may proceed.

(Witness sworn in).

MR. UTZ: Do you have any exhibits to be marked in this case?

MR. GRAY: Yes, we have three exhibits.

MR. UTZ: I would like to mark those exhibits at this time to avoid confusion during the testimony.

(Whereupon, the documents were marked for identification as Exhibits One through Four).

RALPH L. GRAY

called as a witness, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. STEWART:

Q State your name, please?

A Ralph L. Gray.

Q Where do you live, Mr. Gray?

A Artesia, New Mexico.

Q What is your occupation?

A Independent consulting engineer.

Q Have you testified before this Commission before as an expert witness?

A Yes, I have.

MR. STEWART: Is that sufficient?

MR. UTZ: His qualifications are accepted.

Q (By Mr. Stewart) Are you familiar with this application

by Mrs. Woods for a dual completion, Mr. Gray?

A Yes, I am.

Q Did you assist in the preparation of the application?

A Yes, sir.

Q Are you familiar with the location of the lease in question, Federal Lease 060199 of the applicant and the wells located thereon?

A Yes.

Q And are you familiar with the offset wells?

A Yes, sir.

Q Did you prepare Applicant's Exhibit Number One, the plat showing the location of the wells?

A Yes sir, I did.

MR. STEWART: I would like to introduce that exhibit, Mr. Utz, at this time.

MR. UTZ: Do you want to formally offer this exhibit at this time or do you want to wait until you get through and offer them all at the same time?

MR. STEWART: I'll offer them all at the same time.

MR. UTZ: Just go ahead and refer to this exhibit until --

Q (By Mr. Stewart) Referring now to Applicant's Exhibit Number One, the well in question is marked with a red arrow, Well Number 1-A, is that correct?

A Yes, the Simon Number 1-A is the well on which the application is made and that's designated by the red arrow.

Q And the offset wells are what wells, Mr. Gray?

A The offset wells are Continental Mitchell 4-B and Carper 1-A and the Simon 1-N and also the Woods Number 2-A Simon.

Q Do you know the distance from the applicant's Well 1-A and the other three wells you mentioned?

A Well, that would be approximately 1320 feet between wells.

Q Now, referring to Applicant's Exhibit Two, did you prepare that exhibit?

A Yes, I did.

Q And what is that exhibit?

A Exhibit Two shows the mechanical means in which this dual completion will be made. This shows the location of the 7-inch casing at 3541, it also shows the total depth of the well at 4,020 feet. The present producing horizon is the Maljamar pay, which is open hole from the casing point to total depth. This is the interval that is now producing. This also shows the approximate location of the red sand at approximately 3,050 feet, and the diagram shows that in the event that the red sand is productive, a production permanent type packer will be set in the lower part of the 7-inch casing and then two strings of 2 3/8 OD tubing will be run. The dual completion will then be effected in this manner.

Q It was you who recommended this type of completion, was it not?

A Yes, sir.

Q Are you familiar with the dual completion of wells in this manner by the use of the dual strings of tubing and the Baker packer?

A Yes, I am.

Q In your opinion, will the Baker packer and the dual strings--that would be parallel strings--of tubing prevent communitization between the two producing zones?

A Yes sir, it will.

Q Referring to Applicant's Exhibit Number Three, I'll ask you to identify that exhibit?

A Exhibit Number Three is a copy of the radioactivity log which was recently run on this well. It just merely shows the producing formation and all of the other formations from the surface to the total depth.

Q It shows the zone in which the upper completion is to be attempted?

A Yes, that's right.

Q Now, if this dual completion is permitted, will it accomplish the prevention of waste, in your opinion?

A This dual completion should prevent waste by making it possible to recover oil from the red sand, which might otherwise not be produced.

Q Because it might be feasible to complete it dually where it wouldn't be feasible to complete a new well?

A That's right, sir.

Q Will the rest of the operators be injured or impaired, in your opinion?

A No, they will not.

MR. STEWART: Now I would like to state, Mr. Utz, that filed with the application was the waiver of Carper Drilling Company, which is one of the two offset operators.

Q (By Mr. Stewart) And I will ask you now, Mr. Gray, whether you have had any discussion with any agent or employee of Continental Oil Company, who is the other offset operator, as to their opposition or consent to this application?

A Yes, I have had a discussion with the district superintendent of Continental Oil Company and he advised me verbally that they had no objection to the application.

MR. STEWART: At this time, we would like to introduce our four exhibits, Mr. Utz.

MR. UTZ: Without objection, Exhibits One through Four will be accepted.

MR. STEWART: I believe that's all we have, sir.

(Whereupon, the document was marked for identification as Applicant's Exhibit Number Five).

MR. STEWART: We will offer this, Mr. Utz, as Exhibit Number Five.

MR. UTZ: Without objection, Exhibit Number Five will be accepted.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Gray, is the red sand that you referred to on your Exhibit Number Two commonly known as the Yates?

A That's the Queen formation.

Q Queen?

A Yes, sir.

Q The lower formation is the Grayburg?

A Grayburg-San Andres.

Q Have you knowledge of the pressures in each of these zones?

A We have the pressure information on the Grayburg-San Andres pays, and I don't have the exact pressure figure with me. But in this particular area, the pressure would be approximately 850 pounds.

Q The Maljamar?

A Maljamar.

Q Bottomhole?

A That, like I say, isn't exact. It may be in the range of 850 to 950, in that general range. We have no pressure information on the red sand since it doesn't produce or isn't producing in this area.

Q You have no idea at all then as to what the bottomhole pressure would be in the Queen?

A If the sand has the original pressure, we would expect

the pressure to be oh, possibly 1,000 to 1,100 pounds. That would be an estimate.

Q How about the gravity on these two zones, do you have any information on that?

A The gravity of the Maljamar pay is about 36 degrees, and since there is no red sand oil in this particular area, of course we wouldn't know what to expect, but if it follows the general rule of red sand, it should be around 35 or 36 gravity, too.

Q Do you have knowledge of the type of crude, sour or sweet?

A It would be a medium crude, I think sort of an intermediate type.

Q Both formations?

A Yes. Of course, the Maljamar crude is a sour crude. The red sand is not quite as sour as the Maljamar; in fact, I think the red sand would likely be considered a sweet crude, although not entirely.

MR. UTZ: Are there other questions of the witness?

MR. FISCHER: I have two questions.

MR. UTZ: Mr. Fischer?

MR. FISCHER: Mr. Gray, you said you have a 7-inch casing?

A That's right.

MR. FISCHER: What size is it?

A I don't have that information, the records aren't too

clear. This is one of those old wells and usually twenty-pound pipe was run. I would guess that that is probably what it is.

MR. FISCHER: Do you think you can get--are you going to do anything to either one or both of your two strings of tubing or are these both upset tubing?

A I understand that both strings of tubing will be upset; however, one string will be turned down and have bevelled collars.

MR. FISCHER: Just one string?

A Yes, sir.

MR. FISCHER: That's all I have.

MR. UTZ: Mr. Gray, would your client be willing to run any tests the Commission requires to prove separation --

A Yes.

MR. UTZ: Between the two zones?

A We will be glad to run any packer leakage test or any other test the Commission would desire.

MR. UTZ: Are there other questions of the witness?

If there are no other questions, the witness may be excused.

(Witness excused).

MR. UTZ: Are there other statements to be made in this case?

If there are no other statements, the case will be taken under advisement.

STATE OF NEW MEXICO)
 : ss
 COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype and that the same was reduced to typewritten transcript by me and contains a true and correct record of said hearing, to the best of my knowledge, skill and ability.

DATED this 8th day of January, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


 Notary Public

My Commission Expires:
 January 24, 1962

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 1572
 heard by me on 1-7, 1959.

 Examiner
 New Mexico Oil Conservation Commission