

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1626

TRANSCRIPT OF HEARING

APRIL 8, 1959

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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1626 Application of Pan American Petroleum Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of it's Gallegos Canyon Unit Well No. 83 located 990 feet from the North and East lines of Section 26, Township 28 North, Range 12 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota gas pool through parallel strings of 2-3/8 inch tubing.

Room 109
Santa Fe, New Mexico
April 8, 1959

BEFORE:

E. J. Fischer, Examiner.

TRANSCRIPT OF HEARING

MR. FISCHER: We will take up next Case 1626.

MR. PAYNE: Case 1626, "Application of Pan American Petroleum Corporation for an oil-gas dual completion."

MR. NEWMAN: Kirk Newman of Atwood and Malone of Roswell, New Mexico representing the applicant. We have one witness.

MR. FISCHER: Are there any other witnesses to be presented in this case? Proceed.

(Witness sworn in.)

CHARLES R. MARSHALL

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

DIRECT EXAMINATION

BY MR. NEWMAN:

Q Will you state your name and your employment, please, sir?

A My name is Charles R. Marshall, I am employed by Pan American Petroleum Corporation as a Petroleum Engineer in Farmington.

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

A Yes, I have.

MR. NEWMAN: Are the witness' qualifications acceptable?

MR. FISCHER: They are.

Q (By Mr. Newman) Would you state the nature and purpose of this application?

A Pan American seeks approval to dually, to produce as a dual completion their Gallegos Canyon Unit No. 83 located 990 feet from the north line and 990 feet from the east line of Section 26, T 28 North, Range 12 West.

Q What's the reason that application was not made for administrative approval of this dual completion?

A The dual completion of this well met all the requirements

for administrative approval except for the fact that it is located more than one mile from any other dual completion.

(Thereupon, the documents were marked Pan American's Exhibits One, Two and Three for identification.)

MR. NEWMAN: Would you pass out these exhibits?

Q (By Mr. Newman) Would you refer to what has been marked Pan American's Exhibit Number One and state what is shown thereon?

A Pan American's Exhibit Number One is a map of a portion of the Gallegos Canyon Unit on which I have circled in red the Gallegos Canyon Unit No. 83.

Q Is there another well on there also circled in red?

A Yes, the Gallegos Canyon Unit No. 84, which is the next application on this hearing where we are applying for dual completion, that is also circled in here.

Q Are you the operator of this Gallegos Canyon Unit No. 83 Well?

A Yes, Pan American operates it.

Q Would you refer now to what has been marked as Pan American's Exhibit Number Two, which is the log of the well, and state what it shows?

A Pan American's Exhibit Number Two is an electrical log on the Gallegos Canyon Unit No. 83 which indicates the tops of

various formations, and perforations in this well as well as perforated intervals and completion information. This log indicates that the Gallup in this well, which the top is approximately 5248, was perforated with two shots per foot between 5548 and 5620 and simulated with a sand-oil fracture treatment. The Dakota formation was perforated between 6200 and 6230 and 6280 and 6294 and simulated with a sand-water fracture treatment. The potential of the Gallup treatment was 89 barrels of oil in eight hours through a three-quarter inch choke and on a temperature gauge, the Dakota gauged 1250 MCF of gas daily.

Q Mr. Marshall, what is the present status of this well?

A This well is producing from the Gallup pay and the Dakota pay is shut in; it is pumping from the Gallup.

Q Would you now refer to what has been marked as Pan American's Exhibit Number Three and state what that exhibit shows?

A Exhibit Number Three is a diagramatic sketch of the equipment in the hole in the Gallegos Unit No. 83 showing that the surface casing is set at 523 feet with 9 5/8, 33.3 pound casing. The cement was circulated to the surface. The seven-inch oil string was set at 6342 and cemented by the two-stage method and the top of the cement of the upper stage was at 1200 feet by a semiton log at 4432 in the lower stage. This exhibit also indicates that a Baker Model D Production Packer is set at 6110 and the Dakota is tubed to 6206 with two and three eighths inch 4.7 pound

tubing with turned down couplings with a diameter of 2.91. Also the Gallup is tubed with two and three eighths inch 4.7 pound tubing with turned down couplings.

Q Will there be any communication between the production from the two prospective producing horizons?

A No, there would be no communication. The packer leakage test was conducted on this well and it has subsequently been approved by the Commission's Aztec office, which indicated that no communication, either at the surface or the packer existed between the two producing intervals.

Q Mr. Marshall, will the permission for a dual completion of this well result in any waste?

A The dual completion of this well would have no bearing on waste except for the fact that economic waste would be prevented by preventing the necessity of drilling an unnecessary well.

Q Are correlative rights in any way affected?--

A No, they are not.

Q --by this dual completion?

A No.

Q Were these exhibits prepared by you or at your direction?

A Exhibits One and Two, and Exhibit Three is a Schlumberger electrical log.

MR. NEWMAN: We would like to offer Pan American's

Exhibits One, Two and Three.

MR. FISCHER: If there is no objection, they will be so received.

MR. NEWMAN: That's all we have.

MR. FISCHER: Any questions of Mr. Marshall?

CROSS EXAMINATION

BY MR. FISCHER:

Q Mr. Marshall, these two strings of tubing, it isn't shown here, but are they bull plugged on the bottom?

A I am not sure whether they are bull plugged or --

Q Pin collared?

A --or cross pinned.

Q You have some sort of a stop down there, is that right?

A Yes, I believe that's correct.

Q Is the long string of tubing a continuous string without sleeves or chokes?

A Yes, I believe there may be a sidedoor choke above the packer.

Q Is there a safety joint in there?

A Not to my knowledge.

Q Just the Chevron packing?

A Yes.

Q Could you tell us the location of this other dual completion in these zones that's more than a mile away, or the

closest one?

A Do you mean to 83?

Q Yes, sir.

A The nearest well that I know about is No. 84, which is the next case.

Q I thought it was possibly just outside of a mile away?

A No, it is just outside of the West Kutz Dakota Field. However, I don't beleive there is a dual completion in that.

MR. FISCHER: Thank you. Any other questions?

The witness may be excused.

(Witness excused)

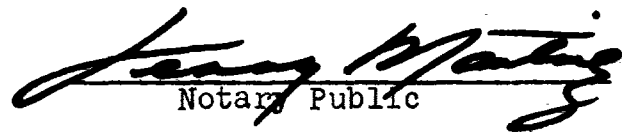
MR. FISCHER: Any statements to be made?

The case will be taken under advisement.

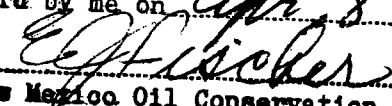
STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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 were 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 proceedings, to the best of my knowledge, skill and ability.

DATED this 15th day of April, 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. 1626, heard by me on Apr 8, 1959.

Examiner
New Mexico Oil Conservation Commission