

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 28, 1960.

IN THE MATTER OF:

APPLICATION OF SOUTHWEST PRODUCTION COMPANY
for approval of an unorthodox oil well loca-
tion in the Gallegos-Gallup Oil Pool for
its Rummel Federal Well No. 1, located 790
feet from the North line and 1190 feet from
the West line of Section 36, Township 27
North, Range 12 West, San Juan County, New
Mexico.

CASE
NO. 2039

BEFORE:

Hon. Daniel S. Nutter, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: Hearing will come to order, please. Next case will be 2039.

MR. PAYNE: Case 2039. Application of Southwest Production Company for approval of an unorthodox oil well.

MR. VERITY: George L. Verity of Farmington, appearing for the applicant. This is one of the oil wells we drilled, a Dakota well, in the NW/4 of the NW/4 of Section 36, Township 27 North, Range 12 West. It was dry in the Dakota and they plugged it back to the Gallup, and we would like to make a Gallup well and produce it as a Gallup well. With just that much introduction, I would like for Mr. Smith to be sworn as a witness.

(Witness sworn.)

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C A R L W. S M I T H, a witness, called by the Applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. VERITY:

Q State your name, please?

A Carl W. Smith.

Q Mr. Smith, for whom are you employed?

A Southwest Production.

Q What is your position with them?

A Production superintendent.

Q Mr. Smith, how long have you been employed in the oil patch?

A Since 1927.

Q For how long have you been completing oil wells?

A Since 1934.

Q Did you have occasion to supervise the drilling and completion of Southwest Production Company's Rummel Federal Number 1 Well?

A Yes, sir, I did.

Q Where is that well located exactly, with reference to the North and West line of Section 36, Township 27 North, Range 12 West?

A That well is located 790 feet from the North line, 1190 feet from the West line of Section 36-27-12.

Q Does that locate this well only 130 feet from the East



line of the 40-acres within which it is located?

A That is correct.

Q What were you intending to drill this well to and complete it in, at the time it was staked?

A We intended to drill and complete this well in the Dakota zone.

Q And what total depth did you drill the well to?

A The well was drilled to a total depth of 6258.

Q Did you get production in the Dakota?

A Yes; not sufficient production to be commercial, however.

Q So that you couldn't complete it as either an oil or gas well in the Dakota?

A That is correct.

Q Do you have productive oil above the Dakota in this zone?

A Yes, sir.

Q Where did you encounter this?

A That was in the Gallup zone.

Q Did you test the Gallup zone?

A Yes, we did.

Q And did you then determine that you could complete in the Gallup zone and make it a commercial well?

A Yes, sir.

Q How did you go about that, have you completed this well for Gallup production?

A Yes, we have.



Q Tell the Commission, if you will please, what you did in this connection.

A You want the Gallup?

Q Did you set a Packer in this well to seal off any lower zones below the Gallup?

A Yes.

Q What kind of Packer did you set?

A Halliburton Drilling Company magnesium retainer.

Q What depth was this Packer set?

A The Packer was set at 5988; and with the subsequent perforations from 6080 to 3041 hundred -- I beg your pardon, 5770; we set the Packer at 5770 instead of the figure I gave awhile ago.

Q Then did you perforate above that Packer setting?

A That is correct.

Q At what depth did you perforate?

A From 5116 to 5340.

Q Did you perforate at intervals on down to 5340?

A Correct.

Q Now then, at the present time, will this well make oil?

A Yes, sir, it will.

Q In commercial quantities?

A Yes.

Q Does your company desire to produce it from the Gallup zone?

A They do.



Q Do you think it would be wasteful to require you to re-drill this well in the center of the 40?

A Well, I think it would.

Q It would hardly justify a brand new well at that point?

A That is correct.

Q Mr. Smith, do you know who owns the acreage to the East of this well, that is, in the NE/4 of the NW/4 of Section 36?

A Southwest Production.

Q Is the royalty interest and overriding royalty the same as it is in the 40-acres upon which the well is located?

A It is.

MR. VERITY: I believe that is all.

MR. NUTTER: Any questions of the witness, Mr. Smith?

CROSS-EXAMINATION

BY MR. PAYNE:

Q Mr. Smith, do I understand you correctly that the only acreage you are including is your own?

A That is correct.

MR. NUTTER: And the royalty is identical?

A That is correct.

Q (By Mr. Payne) You perforated from 5116 to 5340?

A That is correct.

Q A magnesium plug was set at 5770?

A All that were tested were squeezed out of the Dakota zone.

Q Is there any cement above that?



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A No, sir, there is not.

Q You have the Dakota, all the Dakota perforations that you tested have been squeezed off?

A That is correct.

Q Is this well in a designated pool?

A No, it is not.

MR. VERITY: This is about a mile North of the Gallegos Oil Pool, according to your local office over there. Currently, this well is making about 15 barrels a day; it actually would not be feasible to drill to the center of the tract.

MR. NUTTER: It is a top allowable well?

A It is not.

MR. NUTTER: Any further questions of Mr. Smith?

(No response.)

MR. NUTTER: You may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Verity?

MR. VERITY: I have nothing further.

MR. NUTTER: Does anyone have anything further?

(No response.)

MR. NUTTER: We will take the case under advisement.



STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

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

WITNESS My Hand and Seal, this the 6th day of August, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Llewellyn I. Nelson
 NOTARY PUBLIC.

My Commission Expires:

June 14, 1964.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 2039
 heard by me on 7/28, 1960.

[Signature], Examiner
 New Mexico Oil Conservation Commission

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