

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
April 25, 1962

IN THE MATTER OF:

Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State "CK" Well No. 2, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion in the Drinkard, Blinebry and Paddock Oil Pools with the production of oil from the Blinebry and Drinkard formations and the production of undetermined hydrocarbons from the Paddock formation.

CASE
2540

BEFORE:

Elivs A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2540.

MR. MORRIS: Application of Pan American Petroleum Corporation for a triple completion, Lea County, New Mexico.

(Witness Sworn)

MR. COOTER: Paul Cooter of Atwood and Malone, Roswell, appearing for the applicant.

MR. UTZ: Are there appearances in this case? You may proceed.



W. J. STANDIDGE, JR. called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. COOTER:

Q State your name for the record, please.

A W. J. Standidge, Junior.

Q Mr. Standidge, by whom are you employed and in what capacity?

A I'm employed by Pan American Petroleum Corporation in their Lubbock district office. I am a petroleum engineer senior grade.

Q Have you previously testified before the Commission?

A I have.

MR. COOTER: Are the witness's qualifications acceptable to the Commission?

MR. UTZ: Yes, they are.

Q (By Mr. Cooter) Mr. Standidge, what is the location of the proposed triple completion?

A The well which we propose to triple complete is known as the Pan American State "CK" No. 1. It is located approximately three miles northwest of Eunice, New Mexico, in Section 19, Township 21 South, Range 37 East. The location itself is spotted 330 feet from the south, west and east lines of the Northeast Quarter of the Southwest Quarter of Section 19.



(Whereupon, Applicant's Exhibit No. 1, attachments 1 through 5, marked for identification)

Q That is as shown on attachment 1 of Exhibit 1?

A That is as shown on attachment 1 in Exhibit 1. I might bring out at this time the fact that this is a multiple pay area with a number of multiple completions in existence already. For example, the Pan American State "CK" No. 2, located a quarter of a mile south, is a dual Drinkard-Paddock oil well. The Texaco Henderson No. 6 in Unit C of Section 30 is reported to be a triple Drinkard Oil-Dlinebry Gas-Paddock oil well. The Perry, I believe he calls that Federal No. 5, located in Unit O of Section 19 is a dual Blinebry-Paddock well. Perry also has in Unit P a well No. 2 Federal which is a dual Drinkard-Blinebry well. You have heard this morning Case Number 2535 which involves Amerada's application for permission to quadruple complete their Warlick Well No. 1 "A", located a half a mile east of Pan American's well.

Q Mr. Standidge, I now direct your attention to attachment No. 2 of Exhibit Number 1 and ask you to relate what that is.

A Attachment Number 2 is a schematic or diagrammatic sketch showing the manner in which Pan American has completed Well No. 2. Starting at the top on the right we have 13 and 3/8 inch surface casing set at 519 feet with 500 sacks of cement, this cement circulated to the surface. We have 9 and 5/8 inch

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intermediate casing set at 3624 with 200 sacks of cement. The top of this cement is at 2400. We have 7 inch casing set at 6754, with 125 sacks of cement plus 40 percent diacil, plus 450 sacks of neat cement. The top of this cement is at 2320 which is up inside the intermediate pipe. We have packers, Otis type. WE production packers set above the Drinkard perforations; and the next packer is above the Blinebry perforations and below the Paddock perforations. Separate strings of tubing are provided to produce each of the three intervals. The Drinkard perforations are at 6649-59, the Blinebry is selectively perforated in a number of two-foot intervals ranging from 5803 to 5938. The Paddock is perforated at 5158 to 68. On initial testing the Drinkard interval flowed 88 barrels of oil and no water in 12 hours on a 14/64 choke with a 750 gas-oil ratio and a corrected API gravity 38.4 degrees. The Blinebry flowed 61 barrels of oil and no water on a 14/64 inch choke, with a gas-oil ratio of 2429. The corrected gravity was 14.7 degrees. The Paddock interval on an initial test flowed 77 barrels of oil and no water on a 19/64 inch choke with a gas-oil ratio of 134. The corrected gravity was 37.9.

Q In your opinion, Mr. Standidge, from the method of completion of this well, would there be a separation or would that separation be maintained between the production zones?

A In my opinion, yes, this is what I believe is termed



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a conventional multiple completion with separate strings of tubing provided for each interval in a cased hole. The packers are made by a reputable manufacturer and packer leakage tests are now being conducted to determine that there is no communication within the well bore.

Q Has Pan American procured waivers from the offset operators?

A There are four offset operators involved as we have secured telegrams from each of these four people, copies of which are shown as attachments 3-A, B, and C, two being on one page. I might point out that the J. W. Perry interest which offsets us to the east is also known as Peak Oil Company which their waiver is signed for.

Q I now invite your attention to attachment 4 to the Exhibit and ask you to relate what that is.

A Attachment 4 is a gamma ray neutron log of the well in question. We have indicated thereon in red the various perforated intervals.

Q I call your attention to the attachment 5, it is a copy of your application to the Commission, is it not?

A Attachment 5 is a copy of our original application. At the time that application was submitted, I call your attention to the fact that we had not tested the Paddock and we were unable to designate for sure that it would be oil productive



However, since then it has produced oil.

Q Were the attachments to Exhibit 1, attachments 1 through 4 --

A 5.

Q Well, 5 being a copy of the application, but were the actual attachments either prepared by you or under your direct supervision and control?

A They were.

MR. COOTER: We offer all of the attachments 1 through 5, which compose Exhibit 5, into evidence.

MR. UTZ: Without objection, the Exhibit 1 with attachments 1 through 5 will be entered into this case.

Q)By Mr. Cooter) Do you have anything further to state?

A We might point out that we think this will protect correlative rights, and by triple completing the well it will avoid economic waste in that an additional unnecessary well will not be required. We were quite fortunate on this well, everything seemed to click. We completed the well for \$110,000. We estimate that three separate wells to this horizon would cost in the neighborhood of \$195,000.00, effecting a savings of \$85,000.

MR. COOTER: That's all we have.

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CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Standidge, was the test on your Paddock test a 12 hour test or did you give it time -- I believe that was a 24 hour test?

A 24 hours.

Q On the Blinebry it was how long?

A The Blinebry, 24 hour test.

Q And it was 12 on the Glorieta?

A That is correct.

Q Do you have the tops of these three formations available?

A I believe I can call them for you on the log. I would pick the top of the Drinkard at approximately 6,320; the top of the Blinebry at 5,520; 22, thereabouts; the top of the Glorieta at 5,105, the Paddock, the uppermost producing member in the Glorieta.

Q Did you testify to the fact that this well had been drilled or not?

A This well has been drilled and initial tests have been taken.

Q Have you taken a packer leakage test yet?

A They are in the process of taking the packer leakage test. They would have been well along, however, when they went

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out to take them, they found the Paddock dead and they had to swab it back in. It has a very low flowing pressure, I think 50 pounds.

MR. UTZ: Any other questions of the witness? The witness may be excused.

(Witness excused)

MR. UTZ: Any other statements in this case? The case will be taken under advisement.



STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, 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 under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 25th day of April, 1962, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
 NOTARY PUBLIC

My Commission Expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2540, heard by me on April 25, 1962.

Th. H. [Signature], Examiner
 New Mexico Oil Conservation Commission

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