

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 3, 1963

EXAMINER HEARING

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IN THE MATTER OF:

Application of Skelly Oil Company for a dual com- ) CASE 2724  
pletion, Eddy County, New Mexico. Applicant, in )  
the above-styled cause, seeks authorization for )  
the dual completion (conventional) of its Dow "B" )  
Well No. 21, located in Unit I of Section 21, )  
Township 17 South, Range 31 East, Eddy County, )  
New Mexico, to produce oil from the Fren and )  
Grayburg-Jackson Pools through parallel strings )  
of tubing. )  
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BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please.  
The first case this morning will be Case 2724.

MR. DURRETT: Application of Skelly Oil Company for a  
dual completion, Eddy County, New Mexico.

MR. WHITE: If the Examiner please, Charles White of  
Gilbert, White, and Gilbert. We have one witness at this time to  
be sworn, Mr. Jerry Moritz.

(Whereupon, Applicant's Exhibits  
Nos. 1 & 2 marked for identifica-  
tion.)

(Witness sworn.)

JERRY I. MORITZ

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



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DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1963

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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The following cases will be heard before Daniel S. Nutter, Examiner, or  
Elvis A. Utz, as alternate examiner:

- CASE 2724: Application of Skelly Oil Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization for the dual completion (conventional) of its Dow "B" Well No. 21, located in Unit I of Section 21, Township 17 South, Range 31 East, Eddy County, New Mexico, to produce oil from the Fren and Grayburg-Jackson Pools through parallel strings of tubing.
- CASE 2725: Application of Standard Oil Company of Texas for allowable transfer, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to conduct pressure interference tests on its Jicarilla 4-26 lease, Section 26, Township 28 North, Range 1 West, Boulder-Mancos Pool, Rio Arriba County, New Mexico. Applicant proposes to shut-in Well No. 4 and produce its allowable equally from Wells Nos. 2 and 3.
- CASE 2726: Application of Continental Oil Company for a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization for the dual completion (conventional) of its Rattlesnake Well No. 144, located in Unit N, Section 2, Township 29 North, Range 19 West, as a dual completion (conventional) to produce gas from the Upper Pennsylvanian formation and oil from the Lower Pennsylvanian formation, Rattlesnake Pennsylvanian Field, San Juan County, New Mexico.
- CASE 2727: Application of Continental Oil Company to establish special rules and regulations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special rules and regulations for the Oil Center-Blinebry Pool in Township 21 South, Range 36 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2728: Application of Continental Oil Company for commingling authority, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle the production from the Drinkard, Tubb and Wantz Abo Oil Pools on its J. H. Nolan lease with Blinebry Gas Pool liquids pro-

duced on its J. H. Nolan Unit, Section 11, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 2729: Application of Scanlon-Shepard for a waterflood project, Chaco Wash Oil Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Mesaverde formation through certain wells in Sections 21, 22, 27 and 28, Township 20 North, Range 9 West, McKinley County, New Mexico.

CASE 2716: (Continued)  
Application of Markham, Cone & Redfern for a multiple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the multiple completion of its Eubanks Well No. 3, located in Unit K, Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce a limited amount of gas from the Blinebry Gas Pool, oil from the Blinebry Oil Pool and oil from each of two pays in the Drinkard Pool. Separation of the four zones would be achieved by means of three packers.

## DIRECT EXAMINATION

BY MR. WHITE:

Q Will you state your name for the record, please?

A Jerry Irvin Moritz.

Q By whom are you employed and in what capacity?

A I am employed by Skelly Oil Company as a production engineer.

Q Where are your headquarters?

A In Hobbs, New Mexico.

Q Have you previously testified before the New Mexico Oil Conservation Commission or one of its Examiners?

A No.

Q Will you briefly state to the Examiner your professional qualifications, such as your educational background and your professional experience?

A I was graduated from the University of Tulsa with a B.S. Degree in June of 1960, at which time I went to work for Skelly Oil Company in Hobbs District. I have worked with them since then.

MR. WHITE: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

Q (By Mr. White) Are you familiar with the subject application?

A Yes.

Q Will you briefly state what the Skelly is seeking by

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the application?

A They are seeking to dually complete Dow "B" No. 21 in the Seven Rivers and San Andres formations.

Q Where is this well located?

A On Exhibit No. 1 here, it is shown to be located 1980 from the south line and 600 feet from the east line of Section 21, Township 17 South, Range 31 East, Eddy County.

Q Again referring to Exhibit 1, will you further explain the exhibit, please?

A This exhibit shows outlined in yellow the subject lease, Skelly's Dow "B" Lease, with the subject well, the Dow "B" 21 shown in red. Also shown on this plat is the offset operators, Skelly Oil Company Lynch "A" Lease and Lynch "B" Lease to the east, and Murchison and Closuts State "B" Lease and Kersey-Macy and the Getty State "E" Lease to the north, and Sinclair's Turner "B" to the west; and then Skelly has an undeveloped lease to the south.

Also shown here are the Seven Rivers wells shown in the dark black circle, the Grayburg and San Andres wells with a vertical slash, the Abo wells with a horizontal slash, and the Pennsylvanian gas wells, and then one Glorieta well with the X through it.

Q What is the present status of this well?

A Presently the San Andres is producing top allowable. The Seven Rivers is shut in waiting approval of this hearing.



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Q Will you now refer to and explain what has been marked as Exhibit No. 2, being a diagrammatic sketch?

A This is a diagrammatic sketch of the dual completion. This well originally was a deep Pennsylvanian gas well. It has 13-3/8 inch casing set at 207 feet with 225 sacks of cement circulated on that. Intermediate casing is 8-5/8ths set at 3605 with 1900 sacks and cement circulated on this. We had 5-1/2 inch OD set at 11,878 with 1755 sacks, with the top of the cement at 5106. As I said before, this was a deep Pennsylvanian well, with the total depth of 11,963.

We completed this well in the Atoka, and it produced there until about May of '60, at which time it would not produce any more and we plugged it back with a bridge plug set at 7330 and perforated the Abo; and this Abo, we could not get anything out of it, it swabbed dry. So here at this recent recompletion, we set a bridge plug at 7183 with two sacks of cement on top, and come back up and cut our 5-1/2 casing at 4825 and pulled same; set 150 foot cement plug in and out of the stub there, 5-1/2; and then we set a Halliburton "DC" cement retainer at 3590 and squeezed 100 foot cement plug below this retainer, and it puts it back up to the point where we recompleted it.

This plugback operation was approved by the United States Government. This is a Federal lease here.

Q Will you state what your downhole equipment will be as far as the proposed dual completion?



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A Well, we will have the deep string, San Andres, set in a Baker Model "D" Packer at 3330; 2-3/8ths OD tubing set at 3425 with a seating nipple set at 3387 and perforated 3381 to 3391. Then we will have for the Seven Rivers a string of 2-3/8ths OD tubing set at 2381, seating nipple at 2350, perforated 2351 to 2354. We presently have equipment to pump this well from the Seven Rivers. The pumping unit and pump are in it.

Q Will it be possible to pump both reservoirs if the necessity arises?

A Yes, they are set up to be pumped.

Q Is there any difference between the figures stated on Exhibit 2, that's your diagrammatic sketch, and that which was attached to your application?

A Yes, there is. The first exhibit was the one that was estimated perforations. This is the exact. We perforated in the Seven Rivers 2271 to 2330. That was the gross interval. I do have the exact, if you would like to have it. The San Andres, we perforated 3358 to 3493. Now the tubing, as I said before, was set for the San Andres at 3425; for the Seven Rivers it was set at 2381. There's one other difference; the original application did not show this Halliburton "DC" cement retainer set at 3590.

Q Will you give the crude characteristics?

A The Seven Rivers was brought in for a potential of 120 barrels of oil per day plus 15 barrels of water per day, with a GOR of 883, and the gravity was 37.1 degrees. The San Andres



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was brought in with a flowing IP of 283 barrels of oil with no water; GOR of 1,071, with the gravity 36.4 degrees.

Q Do you anticipate any paraffine or corrosion problems?

A We have had in our other wells up there in the San Andres, we do have paraffine problems.

Q How do you intend to cope with those problems?

A We have been able to control that by scraping every three months.

Q Have you found that to be a satisfactory remedy?

A Yes.

Q Give the economic advantage of this proposed dual completion.

A Well, assuming that we do not dual complete, if we were to make a single San Andres out of the 21, it would cost us \$22,000, and to single complete the Dow 21 in the Seven Rivers would cost \$8,000, bringing the two wells to \$30,000. The dual completion has cost \$15,000, saving is approximately \$15,000 by dual completing.

Q In dually completing this well, did you use the same type of equipment that has been accepted by the Commission or used by the industry in general?

A Yes.

Q Will the granting of the application tend to protect correlative rights and prevent waste?

A Yes.



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

A Yes.

MR. WHITE: At this time we offer the exhibits. That will conclude our testimony.

MR. NUTTER: The exhibits will be received in evidence.

(Whereupon, Applicant's Exhibits  
Nos. 1 & 2 admitted in evidence.)

MR. NUTTER: Does anyone have a question of Mr. Moritz?  
Do you have anything further you wish to offer, Mr. White?

MR. WHITE: I believe that's all.

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

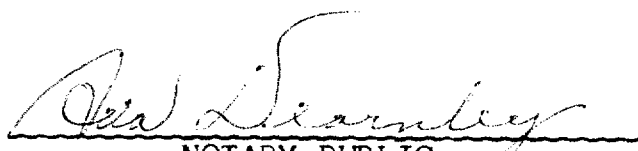
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STATE OF NEW MEXICO     )  
                                   ) ss  
 COUNTY OF BERNALILLO    )

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 Proceedings before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

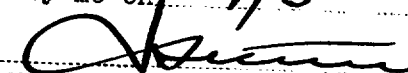
WITNESS my Hand and Seal this 21st day of January, 1963.

  
 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 No. 2724 heard by me on 1/3, 1963.

  
 \_\_\_\_\_, Examiner  
 New Mexico Oil Conservation Commission

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## NEW MEXICO OIL CONSERVATION COMMISSION

Examiner HearingSanta Fe, NEW MEXICOREGISTERHEARING DATE January 3, 1963TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
Jerry D. Moritz & Co. White R.A. Montgomery Whitman	SKELLY OIL CO. Robert White & Co. Inc. J.M. Murray M. Fox Supply	HOBBS, N.M. Santa Fe, N.M. Hobbs Hobbs, N.M.
Wynn E. George Edward O. Hollaway P.T.M. Grath James Kellahi Fred Van Matre John J. Rasmussen R.L. Freeborn M.P. Barber John Whaley J.G. Snigum Frank E. Stry	Standard Oil Company of Ind. " " " " " " U.S.G.S. Kellahi & Fox Continental Oil Co. O.C.O. Continental Oil Co. " " " " " " State Engng.	Houston, Texas " " " " " " Farmington Santa Fe Durango, Colo. Santa Fe Roswell Hobbs Farmington Santa Fe

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Examiner HearingSanta Fe, NEW MEXICOREGISTERHEARING DATE January 3, 1963 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
Jester Marshall	Gulf Oil Corp	Roswell
Bird Kasler	"	"
W. J. Vintner	Continental Oil Co.	Denver
J. C. [unclear]	O.C.C.	Santa Fe
McChesney	Sun Oil Co	Roswell NM
Gordon H. Mayberry	Continental Oil Co	Denver
L.C. White	Markham, Cone & Redfern	Santa Fe
To Storm	Markham, Cone & Redfern	Hobbs