

CASE NO. 5450: TEXACO INC. FOR
DOWNHOLE COMMINGLING, LEA COUNTY, NEW
MEXICO.

CASE No.

5450

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 2, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc., for
downhole commingling, Lea County,
New Mexico.

Case No. 5450

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William Carr, Esq.
Legal Counsel for the
Commission
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

Booker Kelly, Esq.
WHITE, KOCH, KELLY &
McCARTHY
McKee Building
220 Otero
Santa Fe, New Mexico

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

I N D E X

WAYNE C. PIERCE

Direct Examination by Mr. Kelly

PAGE
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Cross Examination by Mr. Stamets

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E X H I B I T S

Marked

Admitted

Applicant's Exhibits Nos.
1 through 6

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PIERCE-DIRECT

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MR. STAMETS: Call the next case, 5450.

MR. CARR: Case 5450. Application of Texaco, Inc., for downhole commingling, Lea County, New Mexico.

MR. KELLY: Booker Kelly of White, Koch, Kelly & McCarthy, Santa Fe, on behalf of the Applicant. I have one witness and ask that he be sworn.

MR. STAMETS: Are there any other appearances in this case? The Witness will stand and be sworn, please.

(Witness sworn.)

WAYNE C. PIERCE

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

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name and position and by whom employed?

A My name is Wayne Pierce; I'm District Production Engineer for Texaco, Incorporated, in Hobbs, New Mexico.

Q Have you previously qualified as an expert witness in the field of petroleum engineering?

A Yes, I have.

Q Referring to what has been marked as Exhibit 1,

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would you state briefly what Texaco seeks by this Application?

A Texaco seeks authority to downhole commingle production from the Weir-Blinebry East and Skaggs-Drinkard Pool in the M.B. Weir "B" Federal Well No. 9, located in Section 12, Township 20 South, Range 37 East, in Lea County, New Mexico. Exhibit 1 is a plat indicating the location of the subject lease with the subject well indicated by the red arrow. Also indicated are the existing producers in the Weir-Blinebry East Pool marked by a red dot and the Skaggs-Drinkard producers in the area indicated by a green dot or a green circle. I would like to add here that on our off set C.H. Weir "B" lease to the northwest our Well No. 5 currently has these same two zones downhole commingled, which were approved by a previous order.

Q Then there are also two similar dual completions on the same lease, is that correct?

A That is correct; they are not downhole commingled at this time.

Q Okay. Referring to your data sheet, Exhibit No. 2, would you give the present status of this well?

A Exhibit 2 is a data sheet for the two zones in

question. The upper pool, which is the Weir-Blinebry East zone is currently pumping; it has an estimated bottomhole pressure of 900 psi; the crude is sour; it has a gravity of 36.1, and the current test on this zone is 17 barrels of oil and 16 barrels of water per day with a COR of 5595. The selling price of the crude now is eight fifty per barrel. This is the same for both zones and it will not change after downhole commingling. I might add that the royalty is common for both zones and production from these two zones is currently surface commingled.

The lower zone, the Skaggs-Drinkard zone is currently flowing; it has a measured bottomhole pressure of 498 psi; the type of crude is the same, it is sour; the gravity is identical, and the current test on this zone is 7 barrels of oil per day and no water.

The net gain from wellbore commingling will be approximately \$42.50 per day, which is based on a production increase of 5 barrels per day which we will attribute to the Weir-Blinebry East zone by producing gas interference by venting gas up the off stream.

Q Just from a mechanical viewpoint you will have a more efficient production?

A That is correct. We will be able to vent the

gas, which will reduce gas interference, through the pump, increasing the pump efficiency.

Q Now, I take it the crudes are completely compatible?

A That is correct; they are.

Q Your bottomhole pressure in the Skaggs is a measured pressure, is that correct?

A That is correct, and we will be pumping the well down below the bottomhole pressures of either zone, which will eliminate any cross-flow effect between the two zones.

Q All right. Referring to Exhibit 3, would you explain that?

A Exhibit 3 is a schematic of the present completion of the well; it was drilled to a total depth of 6890 feet in 1964; surface pipe was set at 1415 feet and it was cement circulated; two strings of 8-7/8 casing were then set and cemented at total depth and completions were made in the Blinebry zone at 5773 to 6010 feet and in the Drinkard zone from 6782 to 6837. As indicated, the Blinebry zone is currently pumping and the Drinkard zone is currently flowing.

Q Is that a steady flow?

A No, sir. It flows only intermittently; it logs up and down periodically and it is in need of artificial-lift equipment at this time.

Q Okay. Exhibit 4 is your proposed --

A (Interrupting) Right. This is a proposed completion where we have indicated on the schematic where we intend to communicate the two zones from 6782 to 6792, and this will be accomplished by perforating a cross from the Blinebry zone into the Drinkard zone to establish communication. Pumping equipment will then be run into the Drinkard string and both zones will then be produced up the Drinkard.

Q Is this the similar installation that you have in your other downhole commingled well that is off set to the north?

A That is correct.

Q Have you had any problems with that well?

A No, sir.

Q All right. Exhibit No. 5 is your performance curve on the Skaggs-Drinkard. Will you give the Examiner a brief history of the production of this zone?

A This well was drilled in 1964 and the Drinkard zone was initial potential test; flowed 78 oil and no

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water, and the zone is currently producing 7 barrels of oil per day and no water on flow test. The well has a cumulative production in the Drinkard zone of 57,500 barrels and it has a remaining life of not more than one year. Our remaining reserve is 2500 barrels under current operations.

Q Do you feel that the well has just about reached its depletion state?

A Under existing status, yes.

Q What effect will commingling have on the life of this well or this zone?

A It will in effect allow us to recover additional reserves by producing it to a lower economic limit and also extend the life of the zone.

Q Do you have an estimate of the increased production that will result from commingling?

A Yes, sir. We anticipate an increase in our recoverable reserves of 4200 barrels and an extension in the life of this zone by one-and-a-half years.

Q You will be actually extending the life of the Skaggs-Drinkard by commingling, is that right?

A That is correct.

Q That is in addition to your 5-barrel-a-day

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increase efficient production?

A From the Weir-Blinebry East, that is right.

Q Okay. Exhibit No. 6 is the same information on your Blinebry East. Would you go over that?

A Yes. The Weir-Blinebry East zone again was completed in 1964 and on initial potential test this well flowed 88 oil and no water; in July of 1969 production had declined as indicated on the performance curve, at which time the well was reentered, additional pay was opened in the Blinebry zone below the existing completion at that time, and the well was stimulated and resulted in an increase of production to the rate of 72 barrels of oil per day and 26 water. The well was placed on artificial lifts at this time. Production has gradually declined to its current rate of 17 oil and 16 water. The Blinebry zone has a cumulative production of 90,600 barrels and under existing operations it has a life of 7 years and remaining reserves of 23,000 barrels.

I might add that on the curve during June and July of 1971 there was a drastic drop in production. This was due to some downhole mechanical problems which necessitated extensive fishing operations. They were rectified and the well was returned to equitable producing

status.

Q Now, in your opinion, will the granting of this Application extend the life of this well and thereby allow you to produce hydrocarbons that would otherwise be wasted or left in place?

A Yes, sir.

Q Do you feel it would have any adverse effect on the offset operators or on correlative rights?

A No, sir. There is only one offset operator, Conoco, and they were notified of this request by a copy of this Application.

Q Do you have a suggestion to the Commission as far as allocating production from the two zones after commingling?

A Yes, we do. We recommend that allocation be made on the basis of 75 percent to the Weir-Blaine East zone, the upper zone, and 25 percent to the Skaggs-Drinkard zone.

Q Were Exhibits 1 through 6 prepared by you or under your supervision?

A Yes.

MR. KELLY: I would move the introduction of Texaco's Exhibits 1 through 6.

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MR. STAMETS: They will be admitted into evidence.

(Whereupon, Texaco's Exhibits
Nos. 1 through 6 were admitted into
evidence.)

MR. KELLY: I have no further questions on direct,
Mr. Examiner.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Pierce, could the water in the Blinebry zone
be any problem so far as the Drinkard zone is concerned?

A No, sir. We don't anticipate any problem.
Now, is that in regard to corrosive conditions?

Q Corrosion or potential for damaging the
Drinkard?

A No, sir, we don't anticipate any problem with
it.

Q And it is a similar situation which you have
in the other well?

A That is correct.

Q Do you expect any production gains from the
Drinkard because of the installation of the pump?

A No. We are attributing the production increase
to the Blinebry zone. Based on the production performance

analysis we feel like the Drinkard zone is readily approaching its economic limit so far as life and also as far as recoverable reserves under the existing conditions, and by commingling we only intend to recover reserves that we would not otherwise recover.

Q I was just noticing from Exhibit No. 2 that that well is currently flowing and has no pump in it?

A Yes.

Q It would seem under normal circumstances that installation of the pump would increase production from the Drinkard for a period of time.

A Based on our bottomhole pressure data, it indicates there is very little fluid in the hole and there is a possibility that there will be a short increase in production, but it won't be a sustained increase.

Q It would tend to stabilize as it was?

A That's correct.

Q Okay. The allocation, the 75 percent and 25 percent, does that apply to the gas as well?

A Yes, sir. This allocation is based on current test data and the anticipated increase that we are attributing to the Blinbry zone. We do not anticipate any large increase in gas production from either zone.

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Q Does this type of completion cause any problem if either of these zones were water flooded?

A Of course they would then have to be segregated again, but I don't foresee any problem so far as returning them to individual producing status as far as each zone is concerned.

MR. STAMETS: Are there any other questions of the Witness? He may be excused. Anything further in this case?

MR. KELLY: Nothing further.

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

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STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Richard L. Nye
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5450 heard by me on 4-27-75.
Richard L. Nye, Examiner
New Mexico Oil Conservation Commission

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TEL. (505) 982-0386



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

April 16, 1975

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
PHIL R. LUCERO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Booker Kelly
White, Koch, Kelly & McCarthy
Attorney at Law
Post Office Box 787
Santa Fe, New Mexico

Re: CASE NO. 5450
ORDER NO. R-4999

Applicant:

Texaco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X
Artesia OCC _____
Aztec OCC _____

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5450
Order No. R-4999

APPLICATION OF TEXACO INC. FOR
DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 2, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of April, 1975, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., is the owner and operator of the M. B. Weir "B" Federal Well No. 9, located in Unit O of Section 12, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle East Weir-Blinebry and Skaggs-Drinkard production within the wellbore of the above-described well.

(4) That from the East Weir-Blinebry zone, the subject well is capable of marginal production only.

(5) That from the Skaggs-Drinkard zone, the subject well is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

-2-

Case No. 5450
Order No. R-4999

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 75 percent of the commingled production should be allocated to the East Weir-Blinbry zone, and 25 percent of the commingled production to the Skaggs-Drinkard zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to commingle East Weir-Blinbry and Skaggs-Drinkard production within the wellbore of the M. B. Weir "B" Federal Well No. 9, located in Unit 0 of Section 12, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

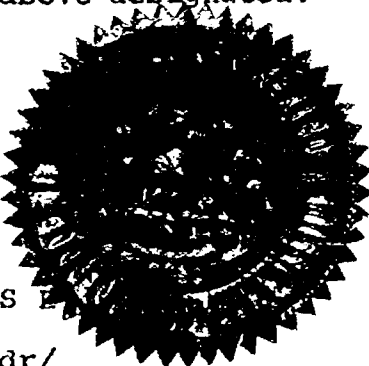
(2) That 75 percent of the commingled production shall be allocated to the East Weir-Blinbry zone and 25 percent of the commingled production shall be allocated to the Skaggs-Drinkard zone.

(3) That the operator of the subject well shall immediately notify the Commission's Hobbs District office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

PHIL R. LUCERO, Member

A. L. PORTER, Jr., Member & Secretary

S E

dr/

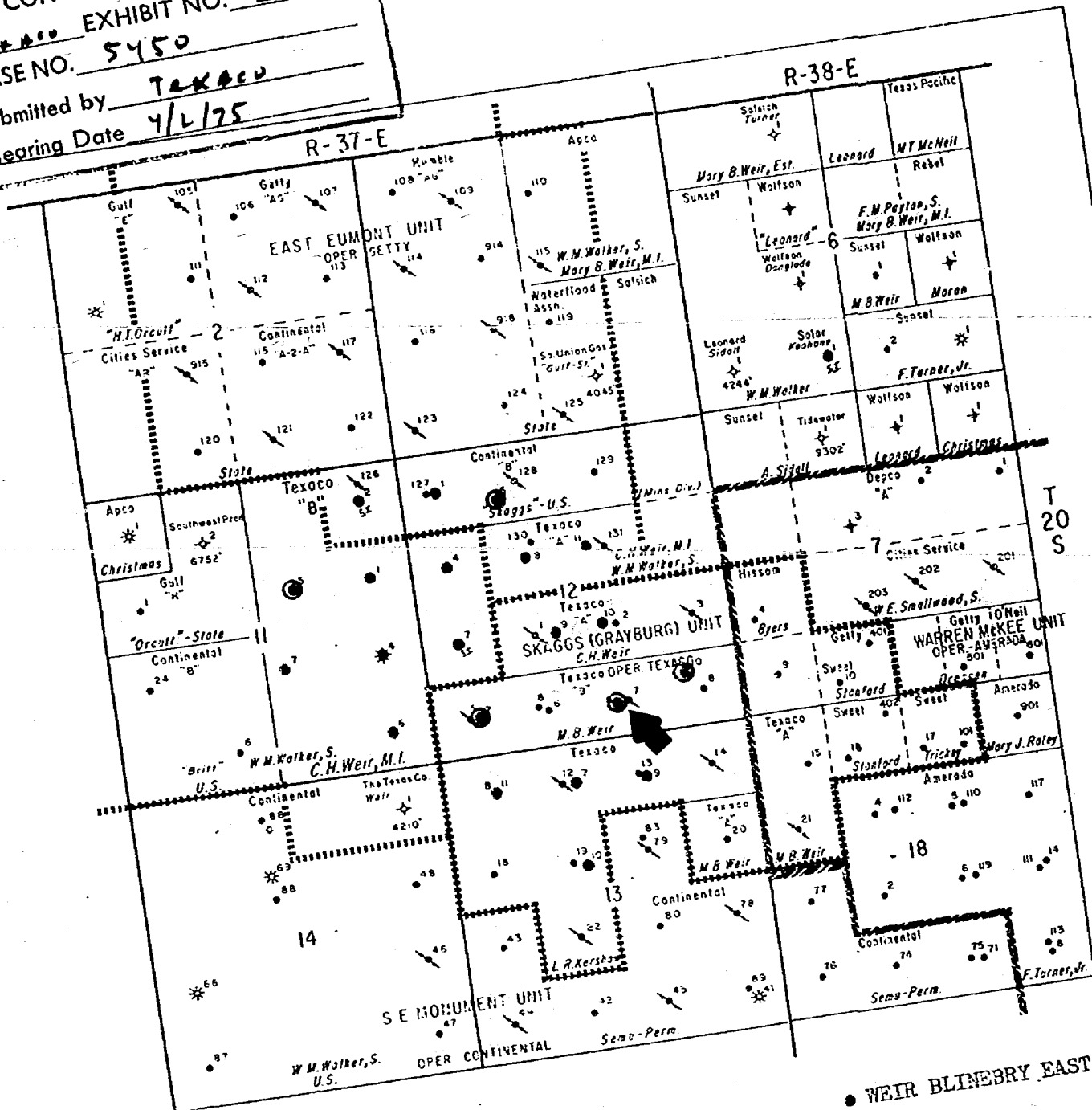
BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 5450

Submitted by TEXACO

Hearing Date 4/2/25



LEGEND

- PRODUCING WELL
- INJECTION WELL
- ☆ DRY HOLE
- UNIT BOUNDARY

TEXACO'S
M.B. WEIR "B" LEASE
LEA COUNTY, NEW MEXICO
SCALE: 1"=2000'

- WEIR BLINEBRY EAST
- SKAGGS DRINKARD

DATA SHEET FOR WELLBORE COMMINGLING

BEFORE EXAMINER STAMETS ②
OIL CONSERVATION COMMISSION

Operator: TEXACO Inc.

Address: P. O. Box 728, Hobbs, New Mexico 88240

Lease and Well No: M. B. Weir "B" Federal No. 9

Location: Unit 0; 660 Feet from the South Line and

2180 Feet from East Line of Section 12;

Township 20 S, Range 37 E; Lea County.

WELL DATA

	<u>Upper Pool</u>	<u>Lower Pool</u>
Name of Pool	<u>Weir Blinebry East</u>	<u>Skages Drinkard</u>
Producing Method	<u>Pump</u>	<u>Flow</u>
BHP	<u>900 Est.</u>	<u>498</u>
Type Crude	<u>Sour</u>	<u>Sour</u>
Gravity	<u>36.1</u>	<u>36.1</u>
GOR Limit	<u>2000</u>	<u>2000</u>
Completion Interval	<u>5773'-6010'</u>	<u>6782'-6837'</u>
Current Test Date	<u>1-30-75</u>	<u>1-31-75</u>
Oil	<u>17</u>	<u>7</u>
Water	<u>16</u>	<u>0</u>
GOR	<u>5595</u>	<u>10,562</u>
Selling Price of Crude-\$/BBL.	<u>8.50</u>	<u>8.50</u>
Daily Income - \$/Day Surface Commingled	<u>144.50</u>	<u>59.50</u>

COMMINGLED DATA:

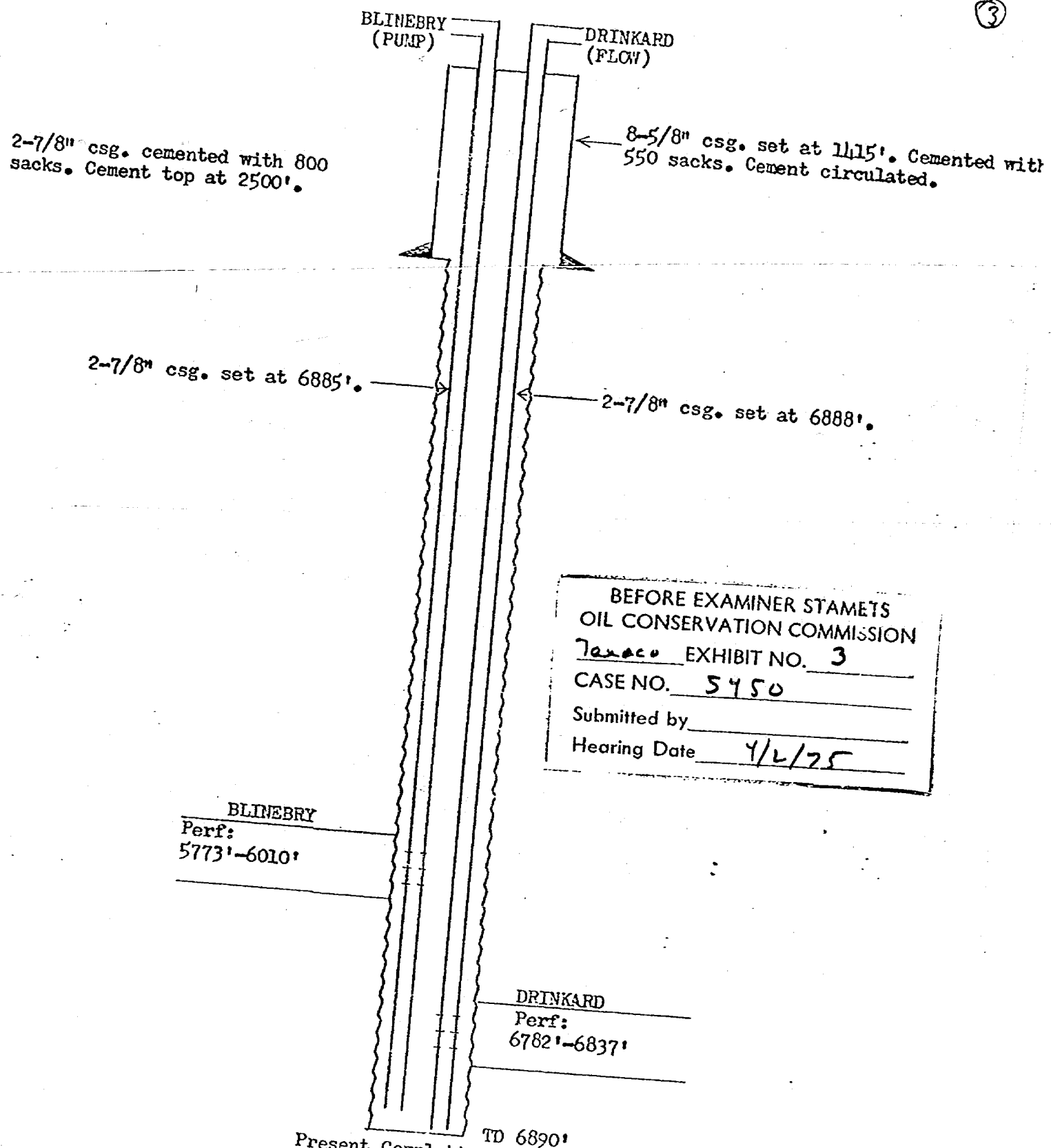
Gravity of Commingled Crude 36.1

Selling Price of Commingled Crude - \$/BBL. 8.50

Daily Income - \$/Day 246.50

Net (Gain) (~~xxxxx~~) From Wellbore Commingling - \$/Day 42.50 (Production increase of
based on current producing rates. 5 BOPD)

3



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Texaco EXHIBIT NO. 3
CASE NO. 5450
Submitted by _____
Hearing Date 4/2/75

Present Completion
TEXACO INC.
M.B. WEIR "B" FED. NO. 9
WEIR BLINEBRY EAST POOL
AND
SKAGGS DRINKARD POOL
LEA COUNTY, NEW MEXICO

JBS 2-28-75

(4)

2-7/8" csg. cemented with 800 sacks. Cement top at 2500'.

BLINEBRY
DRINKARD
(PUMP)

8-5/8" csg. set at 1415'. Cemented with 550 sacks. Cement circulated.

2-7/8" csg. set at 6885'.

2-7/8" csg. set at 6888'.

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

TEXACO EXHIBIT NO. Y

CASE NO. 5450

Submitted by _____

Hearing Date 7/2/75

BLINEBRY

Perf:
5773'-6010'

DRINKARD

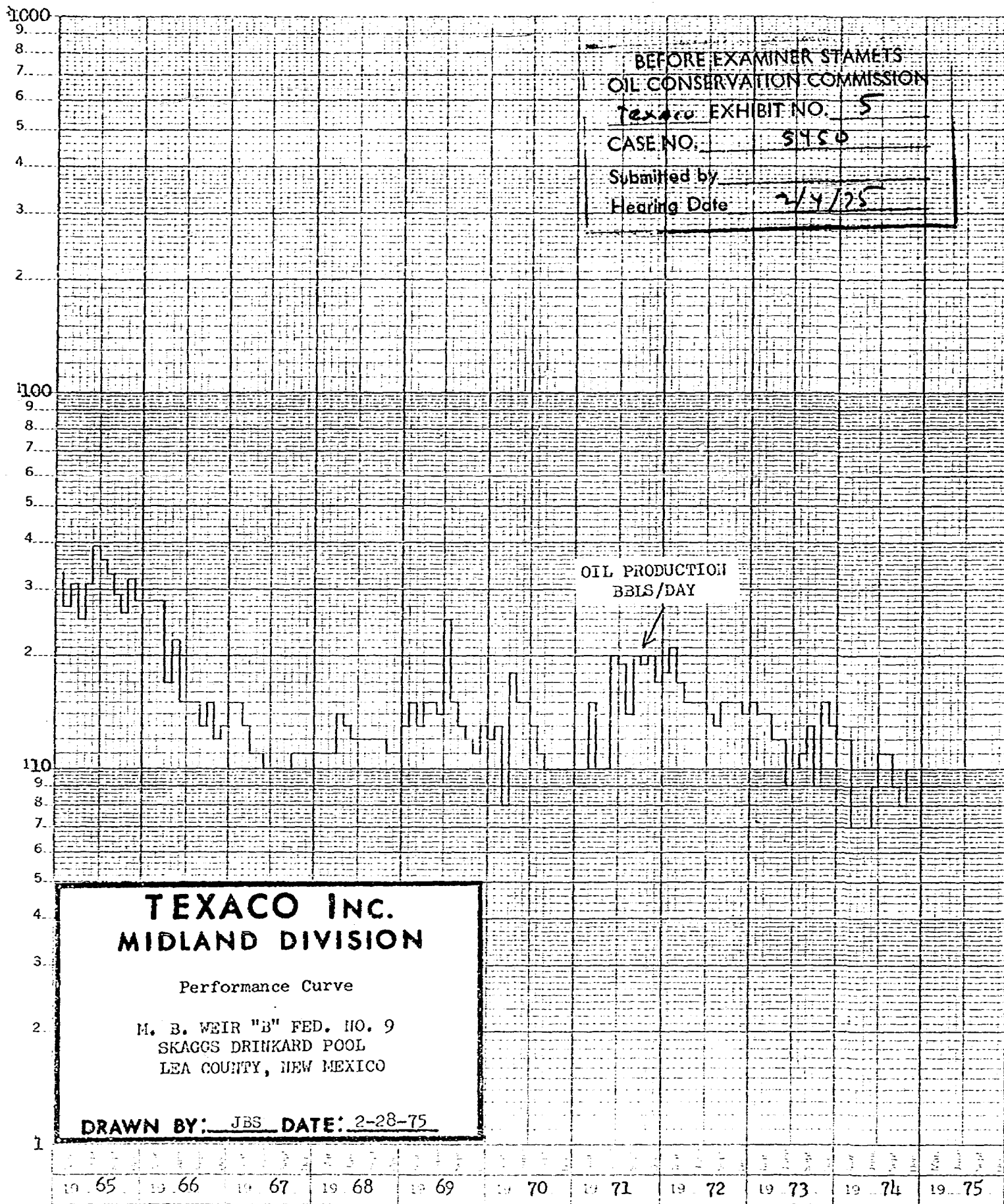
Perf:
6782'-6837'

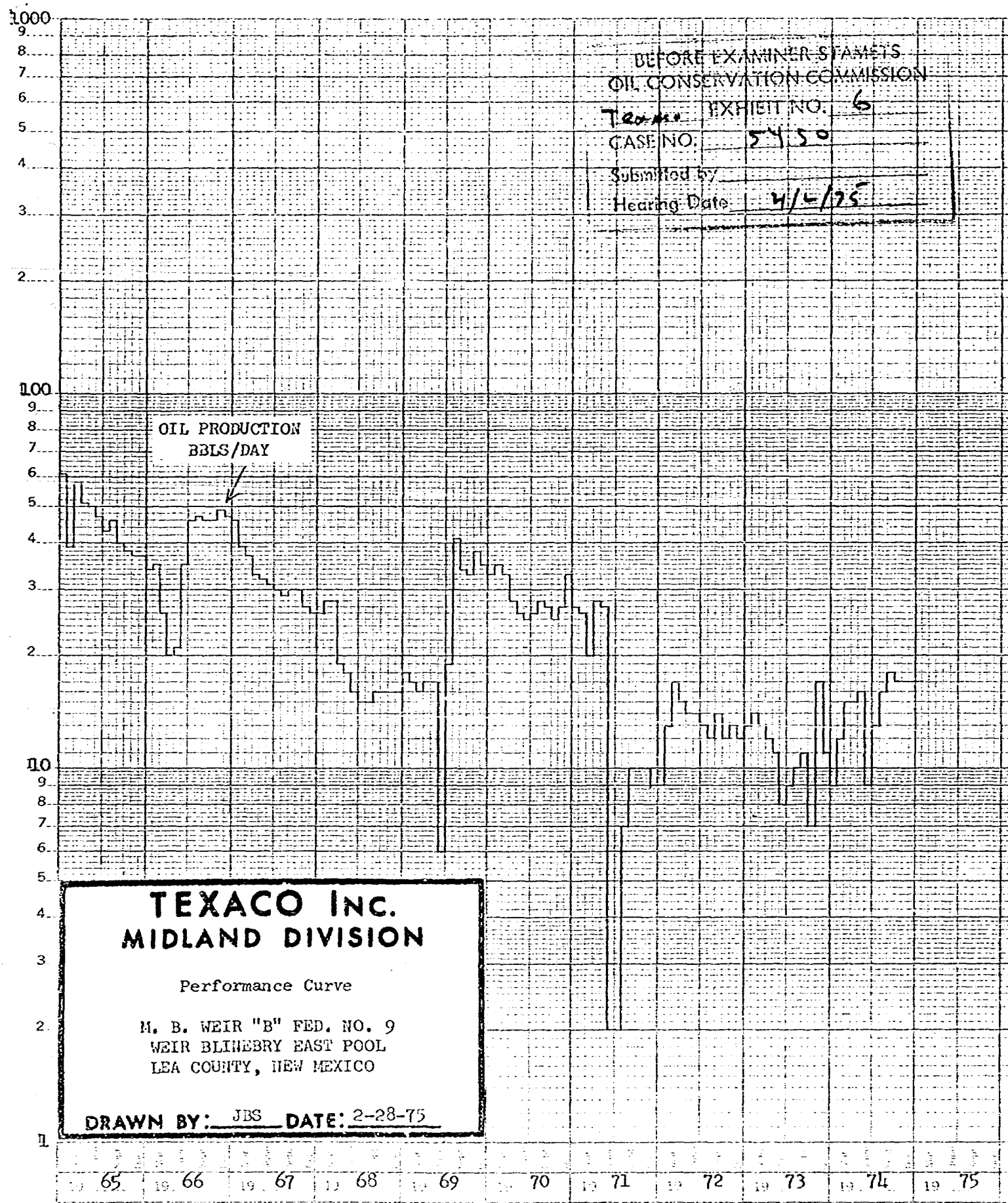
TD 6890'

Proposed Completion
TEXACO INC.
M.B. WEIR "B" FED. NO. 9
WEIR BLINEBRY EAST POOL
AND
SKAGGS DRINKARD POOL
LEA COUNTY, NEW MEXICO

JBS 2-28-75

5





OFFSET OPERATORS

Continental Oil Co.
P. O. Box 460
Hobbs, New Mexico 88240

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator TEXACO Inc.		Pool See Below		County Lea												
Address P. O. Box 728, Hobbs, New Mexico 88240				TYPE OF TEST - (X) <input checked="" type="checkbox"/>	Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BBL
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
M. B. Weir "B" Federal	9 -	0	12	20S	37E											
<u>Weir Blinebry East</u>						1-30-75	P			23	24	16	36.1	17	95.1	5595
<u>Skaggs Drinkard</u>						1-31-75	P	26/64	60	11	24	0	36.1	7	73.9	10,562

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


(Signature)

Assistant District Superintendent

(Title)

February 3, 1975

(Date)



COLEMAN PETROLEUM ENGINEERING COMPANY

PHONE 393-3813

3713 W. MARLAND ST.

P. O. BOX 1829

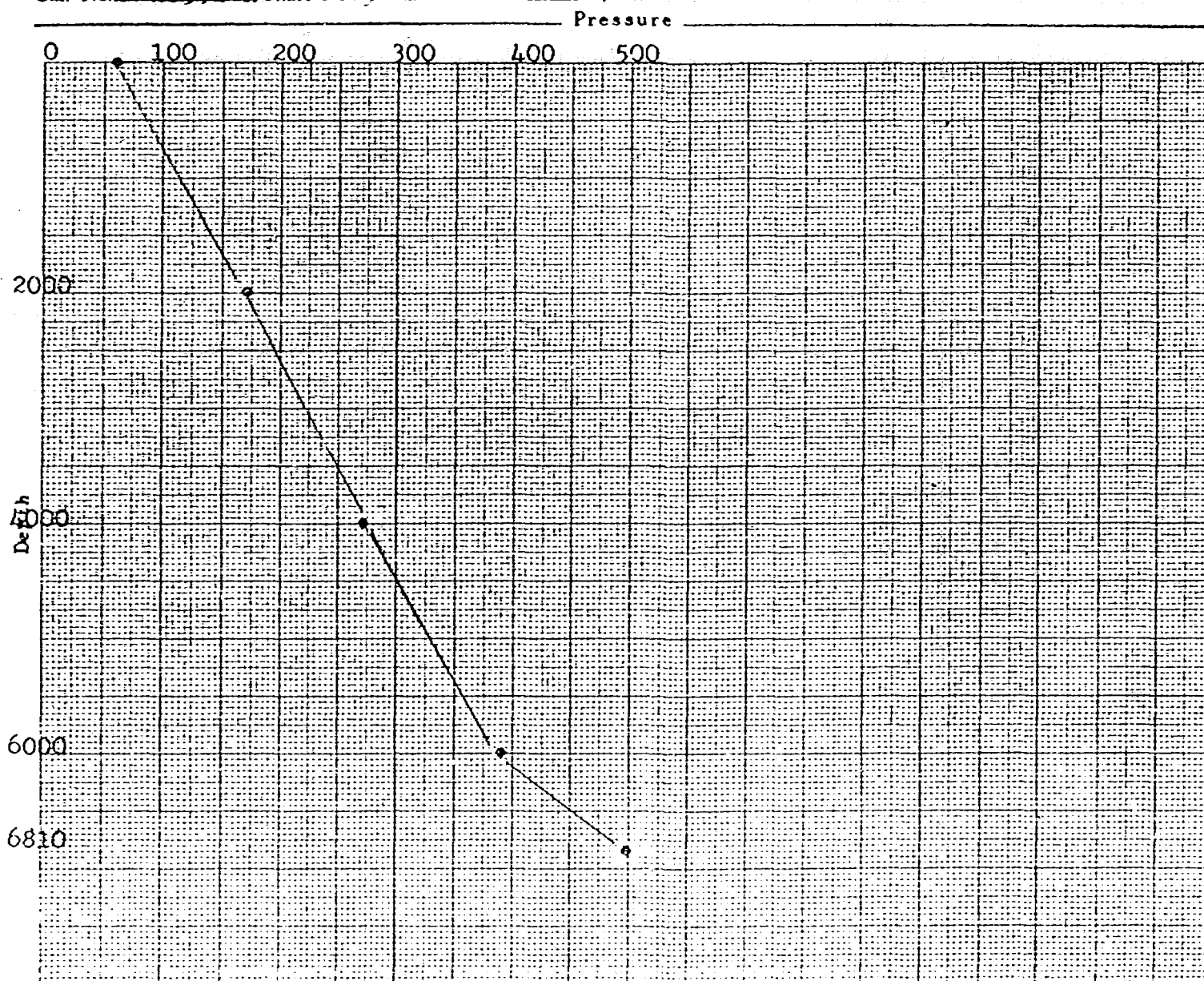
HOBBS, NEW MEXICO 89240

BOTTOM HOLE PRESSURE RECORD

OPERATOR Texaco, Inc.
FIELD Skaggs FORMATION Drinkard
LEASE M.R. Weir R WELL No. 9
COUNTY Lea STATE New Mexico
DATE 1-27-75 TIME 1:15 Pm
Status Flowing on chok Test depth 6810'
Time S. I. Last test date -
Tub Pres. 50 BHP last test -
Cas. Pres. - BHP change -
Elev. 3571' KB Fluid top Flowing
Datum (-3239)** Water top -
Temp. @ 100' F Run by Peacock
Cal. No. A 20592 NChart No. 3

Depth	Pressure	Gradient
0	61	-
2000	170	.055
4000	270	.050
6000	390	.060
6810(-3239)	498**	.133

** Mid Point of Casing Perforations



Docket No. 8-75

Dockets Nos. 9-75 and 10-75 are tentatively set for hearing on April 16 and April 30, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 2, 1975

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5408: (Continued from the March 5, 1975, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. E. Medlock and Reliance Insurance Company and all other interested parties to appear and show cause why the Queen Ridge No. 1 Well located in Unit M of Section 36, Township 10 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5449: Application of Belco Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests of Pennsylvanian age or older underlying the W/2 of Section 20, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to its Belco Martin Well No. 1, to be drilled at a standard location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the well and a charge for the risk involved in drilling said well.

CASE 5450: Application of Texaco Inc., for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle East Weir-Blinbry and Skaggs-Drinkard production in the wellbore of its M. B. Weir "B" Federal Well No. 9, located in Unit O of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 5451: Application of Consolidated Oil and Gas, Inc., for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Ballard-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of its Linda 1-31 Well, located in Unit M of Section 31, Township 27 North, Range 8 West, San Juan County, New Mexico.

CASE 5452: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Totah-Gallup Oil and Basin-Dakota Gas production in the wellbore of its Federal I well No. 1, located at a standard location in Unit E of Section 11, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 5453: Application of Dugan Production Corporation for a non-standard gas proration unit and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the SW/4 of Section 14, Township 24 North, Range 5 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, to be dedicated to a well at a standard location in Unit L of said Section 14. Applicant further seeks authority to commingle Otero-Gallup Oil and Basin-Dakota Gas production in the wellbore of said well.

CASE 5448: Southeastern New Mexico nomenclature case calling for the creation, extension, and abolishment of certain pools in Lea and Chaves Counties, New Mexico:

(a) CREATE A new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Legg-Morrow Gas Pool. The discovery well is the Brunson & McKnight, Inc. R. F. Leggett Well No. 1 located in Unit H of Section 33, Township 21 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM
SECTION 33: E/2

(b) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the East Lusk-Bone Springs Pool. The discovery well is the Sun Oil Company Jennings Federal Com Well No. 1 located in Unit F of Section 15, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
SECTION 15: NW/4

(c) ABOLISH the East Skaggs-Drinkard Gas Pool in Lea County, New Mexico, described as:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 19: SE/4

(d) EXTEND the Skaggs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 18: N/2 and SE/4
SECTION 19: E/2

(e) EXTEND the Corbin-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
SECTION 36: NW/4

(f) EXTEND the South Corbin-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
SECTION 17: W/2
SECTION 18: E/2
SECTION 20: W/2

(g) EXTEND the D-K Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
SECTION 30: SW/4

(h) EXTEND the Hobbs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
SECTION 33: NE/4

(i) EXTEND the Querecho Plains-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
SECTION 23: NW/4

(j) EXTEND the Sawyer-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
SECTION 9: Lots 3 and 4 and W/2 SW/4

(k) EXTEND the North Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
SECTION 14: SW/4

(l) EXTEND the Sulimar-Queen Pool in Chaves County, New Mexico, to include therein:

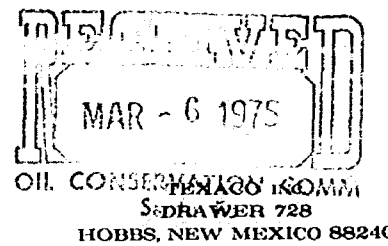
TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
SECTION 19: NW/4

(m) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 1: NW/4



March 5, 1975



New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Examiner Hearing
Application for Downhole Commingle
M.B. Weir "B" Federal No. 9
Weir (Blinebry East) and
Skaggs (Drinkard) Pools
Lea County, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

It is requested that an examiner hearing be scheduled to consider TEXACO's application to downhole commingle the Weir (Blinebry East) and Skaggs (Drinkard) Pools in the M. B. Weir "B" Federal Well No. 9 located in Unit 0 of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

Please find enclosed three copies of exhibits required for hearing application.

All offset operators and the USGS are being notified of this application by copy of letter.

Yours very truly,

J. V. GANNON
District Superintendent

JBS/kw
MAS, Jr.
NMOCC-Hobbs
USGS-Hobbs
Offset Operators
JSR
Enclosures

DOCKET MAILED

Date 3/21/75

Case 5450

DATA SHEET FOR WELLBORE COMMINGLING

Operator: TEXACO Inc.

Address: P. O. Box 728, Hobbs, New Mexico 88240

Lease and Well No: M. B. Weir "B" Federal No. 9

Location: Unit 0; 660 Feet from the South line and
2180 Feet from East Line of Section 12;
 Township 20 S, Range 37 E; Lea County.

WELL DATA

	<u>Upper Pool</u>	<u>Lower Pool</u>
Name of Pool	<u>Weir Blinbry East</u>	<u>Skaggs Drinkard</u>
Producing Method	<u>Pump</u>	<u>Flow</u>
BHP	<u>900 Est.</u>	<u>498</u>
Type Crude	<u>Sour</u>	<u>Sour</u>
Gravity	<u>36.1</u>	<u>36.1</u>
GOR Limit	<u>2000</u>	<u>2000</u>
Completion Interval	<u>5773'-6010'</u>	<u>6782'-6837'</u>
Current Test Date	<u>1-30-75</u>	<u>1-31-75</u>
Oil	<u>17</u>	<u>7</u>
Water	<u>16</u>	<u>0</u>
GOR	<u>5595</u>	<u>10,562</u>
Selling Price of Crude-\$/BBL.	<u>8.50</u>	<u>8.50</u>
Daily Income - \$/Day Surface Commingled	<u>144.50</u>	<u>59.50</u>

COMMINGLED DATA:

Gravity of Commingled Crude 36.1
 Selling Price of Commingled Crude - \$/BBL. 8.50
 Daily Income - \$/Day 246.50

Net (Gain) (~~Loss~~) From Wellbore Commingling - \$/Day 42.50 (Production increase of
 based on current producing rates. 5 BOPD)

Case 5450

OFFSET OPERATORS

Continental Oil Co.
P. O. Box 460
Hobbs, New Mexico 88240

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-65

Operator TEXACO Inc.		Pool See Below				County Lea										
Address P. O. Box 728, Hobbs, New Mexico 88240						TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL.
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
M. B. Weir "B" Federal	9 -	0	12	20S	37E											
<u>Weir Blinebry East</u>						1-30-75	P			23	24	16	36.1	17	95.1	5595
<u>Skaggs Drinkard</u>						1-31-75	F	26/64	60	11	24	0	36.1	7	73.9	10,562

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


(Signature)

Assistant District Superintendent

(Title)

February 3, 1975

(Date)

Case 5450



COLEMAN PETROLEUM ENGINEERING COMPANY

PHONE 393-3813

3713 W. MARLAND ST.

P. O. BOX 1829

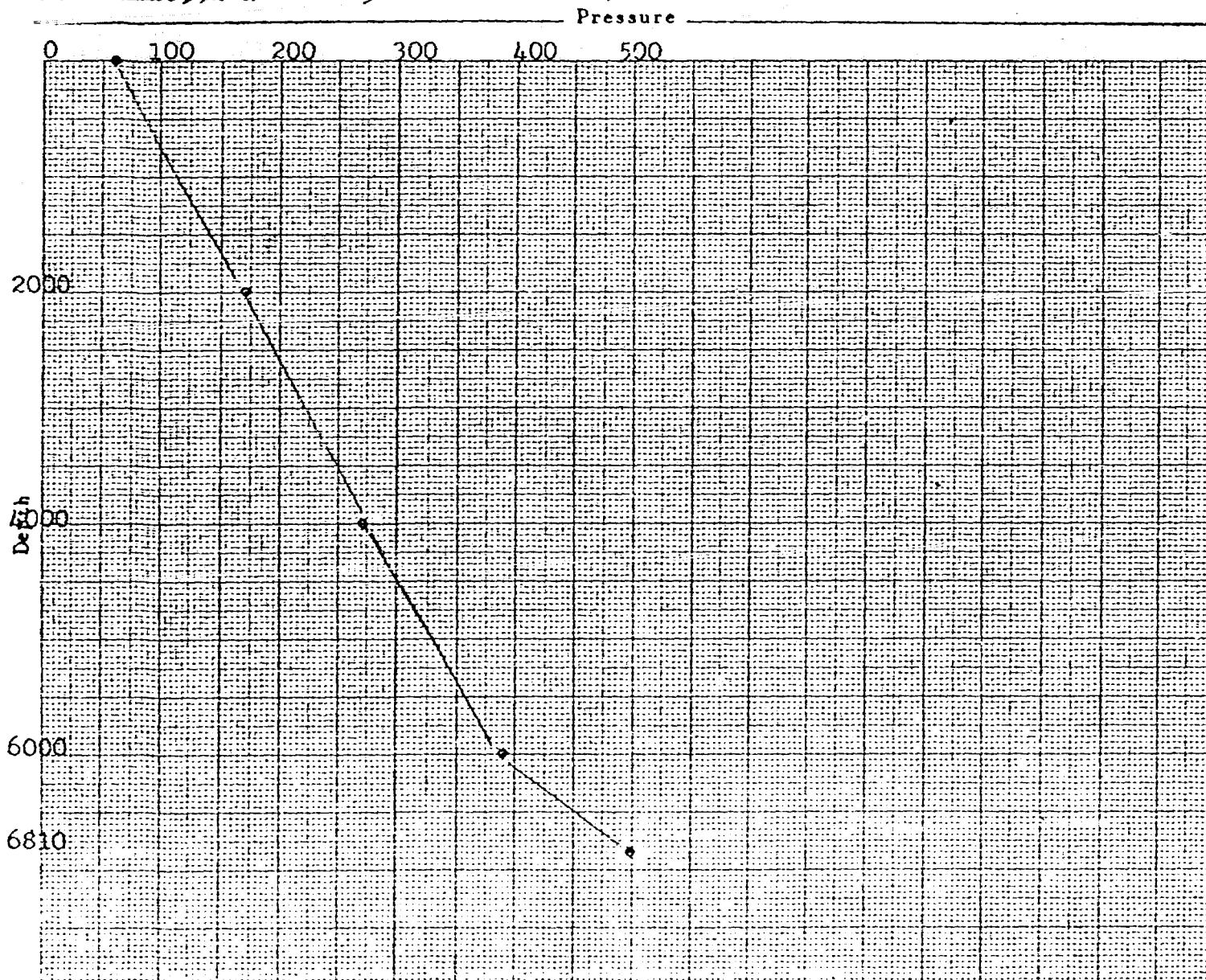
HOBBS, NEW MEXICO 88240

BOTTOM HOLE PRESSURE RECORD

OPERATOR Texaco, Inc.
 FIELD Skaggs FORMATION Drinkard
 LEASE M.B. Weir B WELL No. 9
 COUNTY Lea STATE New Mexico
 DATE 1-27-75 TIME 1:15 Pm
 Status Flowing on chokes Test depth 6810'
 Time S. I. _____ Last test date _____
 Tub Pres. 50 BHP last test _____
 Cas. Pres. _____ BHP change _____
 Elev. 3571' KB Fluid top Flowing
 Datum (-3239)** Water top _____
 Temp. @ 100 F Run by Peacock
 Cal. No. A 20592 NChart No. 3

Depth	Pressure	Gradient
0	61	-
2000	170	.055
4000	270	.050
6000	390	.060
6810(-3239)	498**	.133

** Mid Point of Casing Perforations



Case 5450

2-7/8" csg. cemented with 800
sacks. Cement top at 2500'.

BLINEBRY
(PUMP)

DRINKARD
(FLOW)

8-5/8" csg. set at 1415'. Cemented with
550 sacks. Cement circulated.

2-7/8" csg. set at 6885'.

2-7/8" csg. set at 6888'.

BLINEBRY
Perf:
5773'-6010'

DRINKARD
Perf:
6782'-6837'

TD 6890'

Present Completion
TEXACO INC.
M.B. WEIR "B" FED. NO. 9
WEIR BLINEBRY EAST POOL
AND
SKAGGS DRINKARD POOL
LEA COUNTY, NEW MEXICO

JBS 2-28-75

Case 5450

2-7/8" csg. cemented with 800
sacks. Cement top at 2500'.

BLINEBRY
DRINKARD
(PUMP)

8-5/8" csg. set at 1415'. Cemented with
550 sacks. Cement circulated.

2-7/8" csg. set at 6885'.

2-7/8" csg. set at 6888'.

BLINEBRY
Perf:
5773'-6010'

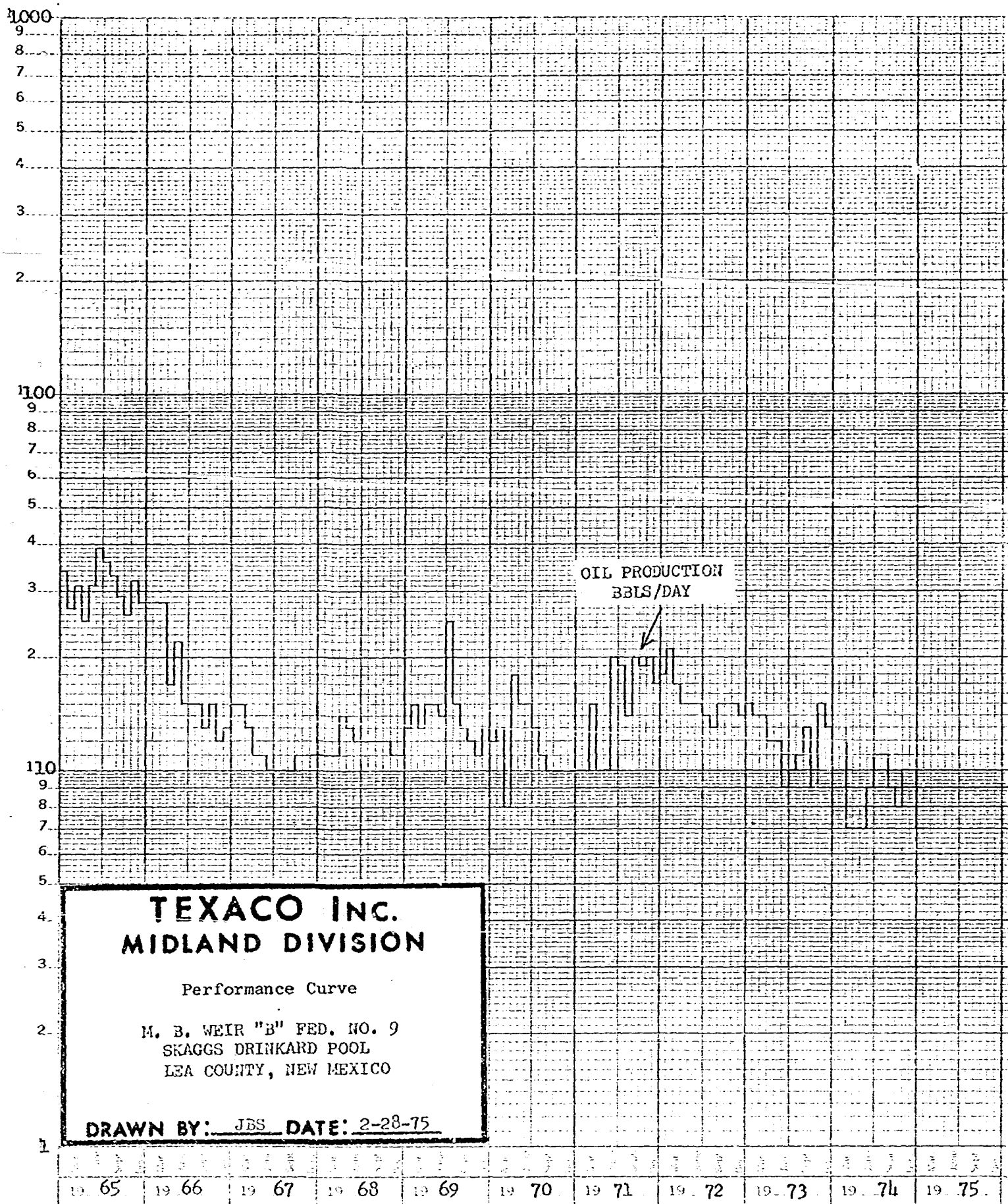
DRINKARD
Perf:
6782'-6837'

TD 6890'

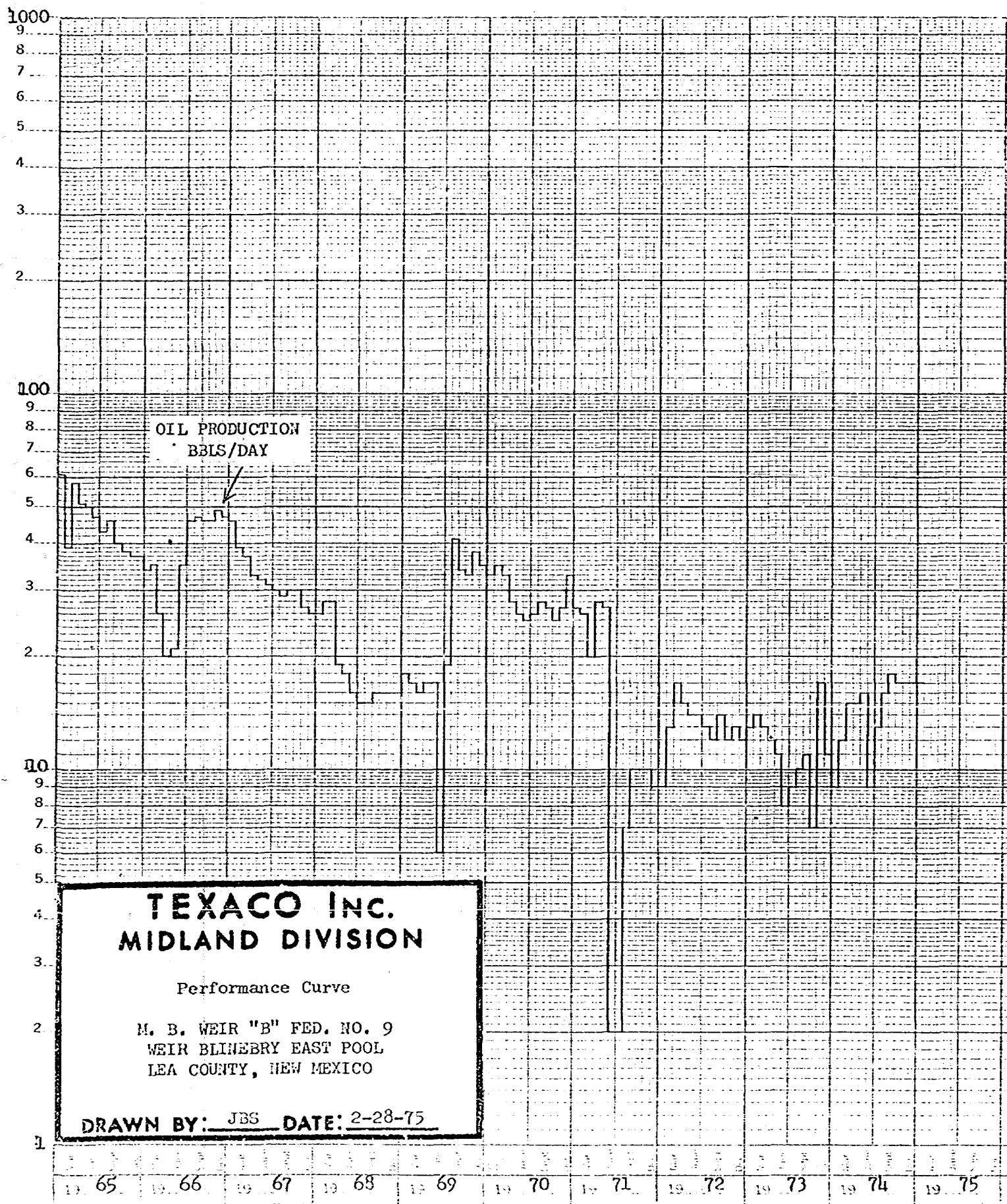
Proposed Completion
TEXACO INC.
M.B. WEIR "B" FED. NO. 9
WEIR BLINEBRY EAST POOL
AND
SKAGGS DRINKARD POOL
LEA COUNTY, NEW MEXICO

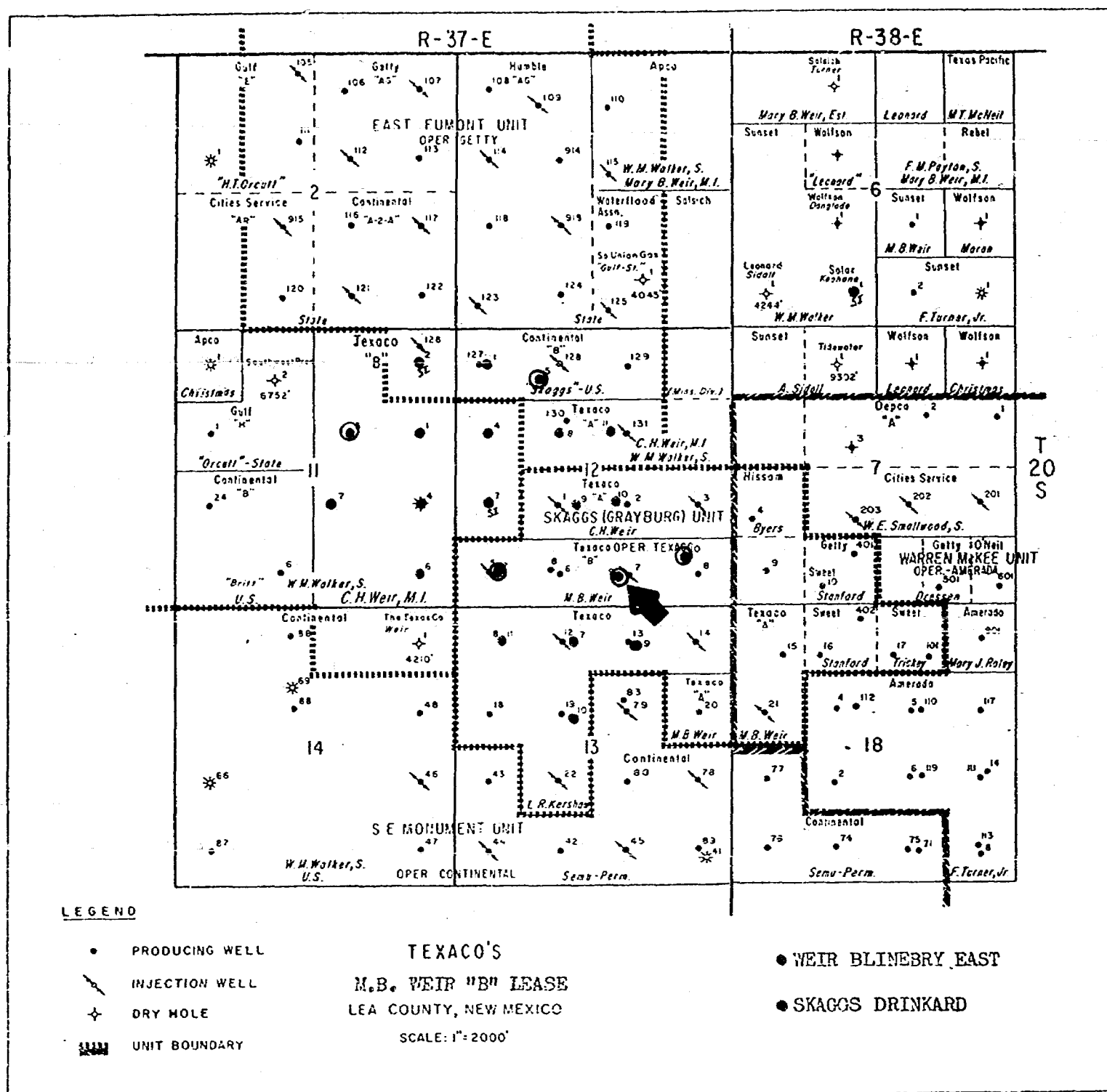
JBS 2-28-75

Case 5450



Case 5450





DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

ALP

CASE NO. 5450

Order No. R-4999

APPLICATION OF TEXACO INC. FOR
DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

Bill

Ac

John

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 2, 1955
at Santa Fe, New Mexico, before Examiner Richard L. SUMMERS

NOW, on this day of April, 1955, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Texaco Inc., is the owner and
operator of the M. B. Weir "B" Federal Well No. 9, located in
Unit O of Section 12, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico.

(3) That the applicant seeks authority to commingle East Weir-Blinebry and Skaggs-Drinkard production within the wellbore of the above-described well.

(4) That from the East Weir-Blinebry zone, the subject well is capable of ~~low~~ marginal production only.

(5) That from the Skaggs-Drinkard zone, the subject well is capable of low marginal production only.

(6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 75 percent of the commingled ~~production~~ AAA production should be allocated to the East Weir-Blinebry zone, and 25 percent of the commingled ~~production~~ AAA production to the Skaggs-Drinkard zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to commingle East Weir-Blinebry and Skaggs-Drinkard production within the wellbore of the M. B. Weir "B" Federal Well No. 9, located in Unit O of Section 12, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

-3-

Case No. 5450

Order No. R-

(2) That 75 percent of the commingled production shall be allocated to the East Weir-Blinebry zone and 25 percent of the commingled production shall be allocated to the Skaggs-Drinkard zone.

(3) That the operator of the subject well shall immediately notify the Commission's Hobbs District office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.