

CASE 5633: Appl. of SHELL OIL
CO. for downhole commingling,
Lea County

CASE NO.

5633

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



OIL CONSERVATION COMMISSION

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

87501

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO
March 11, 1976



STATE GEOLOGIST
EMERY C. ARNOLD

Re: CASE NO. 5633
ORDER NO. R-5175

Mr. Sumner Buell
Montgomery, Federici, Andrews,
Hannahs & Buell
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico 87501

Applicant:

Shell Oil Company

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

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. 5633
Order No. R-5175

APPLICATION OF SHELL OIL COMPANY
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 March 3, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 10th day of March, 1976, 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, Shell Oil Company, is the owner and operator of the J. P. Well No. 1, located in Unit C of Section 2, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Blinebry, Tubb-Drinkard and Devonian production within the wellbore of the above-described well.

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

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

(6) That from the Devonian zone, the subject well is capable of low marginal production only.

(7) 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.

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Case No. 5633
Order No. R-5175

(8) 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.

(9) 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.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 24 percent and 47 percent of the commingled oil and gas production, respectively, should be allocated to the Blinebry zone, 22 percent and 27 percent of the commingled oil and gas production, respectively, to the Tubb-Drinkard zone, and 54 percent and 26 percent of the commingled oil and gas production, respectively, should be allocated to the Devonian zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to commingle Blinebry, Tubb-Drinkard and Devonian production within the wellbore of the J. P. Well No. 1, located in Unit C of Section 2, Township 25 South, Range 37 East, NMPM, Justis Field, Lea County, New Mexico.

(2) That 24 percent and 47 percent of the commingled oil and gas production, respectively, shall be allocated to the Blinebry zone, 22 percent and 27 percent of the commingled oil and gas production, respectively, shall be allocated to the Tubb-Drinkard zone and 54 percent and 26 percent of the commingled oil and gas production, respectively, shall be allocated to the Devonian zone.

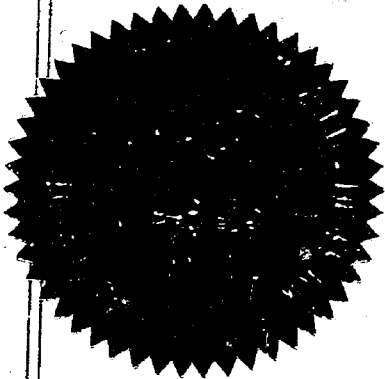
(3) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

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

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Case No. 5633
Order No. R-5175

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 3, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company for
downhole commingling, Lea County,
New Mexico.

CASE
5633

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

For the Applicant:

Sumner G. Buell, Esq.
MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BUELL
Attorneys at Law
350 East Palace Avenue
Santa Fe, New Mexico

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21
22
23
24
25

1 MR. STAMETS: We will call Case 5633.

2 MR. CARR: Case 5633, application of Shell Oil
3 Company for downhole commingling, Lea County, New Mexico.

4 MR. BUELL: Mr. Examiner, I'm Sumner Buell with
5 Montgomery, Federici, Andrews, Hannahs and Buell in Santa Fe
6 appearing on behalf of the applicant and we have one witness
7 to be sworn.

8 MR. STAMETS: Are there any other appearances? The
9 witness will stand and be sworn, please.

10 (THEREUPON, the witness was duly sworn.)

11 MR. STAMETS: You may proceed, Mr. Buell.

12 R. W. KRETZLER

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

15 DIRECT EXAMINATION

16
17 BY MR. BUELL:

18 Q Would you state your name, please?

19 A R. W. Kretzler.

20 Q Mr. Kretzler, where do you reside?

21 A In Midland, Texas.

22 Q And by whom are you employed and in what capacity?

23 A I'm employed by Shell Oil Company as a Senior
24 Operating Engineer.
25

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1 Q Have you previously testified before the New Mexico
2 Oil Conservation Commission or one of its examiners and had
3 your qualifications accepted as a matter of record?

4 A Yes, I have.

5 Q Are you familiar with what is sought in the applica-
6 tion in Case 5633?

7 A I am.

8 MR. BUELL: Are the witness's qualifications
9 acceptable?

10 MR. STAMETS: They are.

11 Q (Mr. Buell continuing.) What is sought in this
12 application, Mr. Kretzler?

13 A Shell is seeking permission to downhole commingle the
14 Blinebry, Drinkard and Devonian that are three producing zones
15 in the Shell State J. P. No. 1 located in the North Justis
16 Field, Lea County.

17 Q Referring you to what has been marked as Exhibits
18 One-A, One-B and One-C would you describe for the Examiner
19 what the exhibits show?

20 A These are structure maps. Exhibit One-A is contoured
21 on the Blinebry. It shows the well in question outlined with
22 a red circle. The well is located in the northeast of the
23 northwest quarter of Section 2, Township 25 South, Range 37
24 East.

25 Exhibit One-B is a similar plat contoured on top of

1 the Drinkard and One-C is the Devonian structure.

2 The black dots on all three maps are the current wells
3 that produce as shown on the latest proration schedule.

4 Q Now, referring you to Exhibit Two-A, would you
5 describe what that shows, please?

6 A Exhibit Two-A is the current configuration of the
7 wells. It is a semi-tubingless completion in that there are
8 two strings of two-and-seven-eighths inch casing cemented in
9 the well and an additional string of four-and-a-half inch
10 casing. The well was drilled in 1962 and it now produces with
11 a scab liner over some perforations that are in communication
12 with the Blinebry zone. The Devonian string has a casing patch
13 in the Blinebry perforated interval and it produces through
14 tubing under an inflatable Lynnes packer.

15 Q What are the present producing characteristics of
16 this well at the present time?

17 A The well is currently, it is in communication, we
18 have had problems with the separation tools holding. It
19 is nearing the end of its flowing life and it needs to be
20 placed on artificial lift.

21 Q Referring you to Exhibit Two-B, would you discuss
22 that?

23 A Exhibit Two-B is our proposed completion, assuming
24 that the Commission will permit us to downhole commingle the
25 well, in that we are proposing to place the well on a single

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1 lift, do additional perforating in the large casing string,
2 whereas we would have better communication between the three
3 zones, we would use the annulus of the four-and-a-half inch
4 casing and the two tubingless completions as gas vents for
5 the pumping installation.

6 Q Okay. Why does Shell feel it will be beneficial to
7 commingle this particular well?

8 A Well, first it is a matter of economics, I suppose,
9 and secondly we calculate that we will recover an additional
10 six thousand barrels of oil by producing the well with a single
11 economic limit. If we have to squeeze the well and place all
12 three zones on artificial lift we are talking about an expendi-
13 ture of somewhere around a hundred and sixteen thousand dollars.
14 If we are permitted to produce the well with a single lift,
15 commingled downhole, we are talking about an expenditure of
16 some forty-three thousand dollars and we envision some seventy-
17 three thousand dollar saving by commingling.

18 Q Have you arrived at a formula for allocating
19 production in the various zones?

20 A Yes, we have calculated the remaining reserves, both
21 oil and gas for the three zones and our proposed formula would
22 be twenty-four percent of the oil production assigned to the
23 Blinebry, thirty-seven percent of the gas from the Drinkard
24 zone, twenty-two percent of the oil and twenty-seven percent of
25 the gas and for the Devonian, fifty-four percent of the oil

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1 and twenty-six percent of the gas.

2 Q Now, how did you arrive at that allocation?

3 A These reserves were calculated on the basis of an
4 exponential decline of the producing characteristics of the
5 production of the well.

6 Q Referring you to Exhibits Three A, B and C, are these
7 the graphs showing the decline?

8 A Yes, these are the production histories since '69
9 on, showing the declined production and the projected reserves,
10 along with the calculations shown on Exhibits Three-A, B and
11 C for the three zones.

12 Q Those calculations are in the lower righthand corner
13 of that exhibit?

14 A That is correct.

15 Q Referring you to Exhibit Four, what does that show?

16 A Exhibit Four is merely a tabulation of the reported
17 production data that has been shown on these production plots.

18 Q Do you feel there will be any cross flow or communica-
19 tion between the three zones due to this commingling?

20 A I really don't believe so because we intend to keep
21 the well pumped off.

22 Q How about the bottom-hole pressures in these wells
23 are they fairly close, or in these zones?

24 A Well, it is pretty hard to take bottom-hole pressures
25 when the well is in communication but a test taken last week,

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1 we have a bottom-hole pressure in the Devonian zone of some
2 eight hundred and forty-three pounds, which does not appear to
3 be in communication with the shallower zone at this time. The
4 bottom-hole pressure of the two shallower zones are the
5 Blinebry six hundred pounds and the Drinkard six hundred and
6 fifty pounds. Now, these pressures were taken at different
7 datum and when you relate them to a common datum, say at the
8 Blinebry interval, they relate very closely to the same pressure.

9 Q How about the ownership in this well, is it common
10 both royalty and working interest owner throughout the three
11 zones?

12 A Yes, it is, Shell owns one hundred percent.

13 Q Do you know if there are any additional wells in
14 the area that are commingled?

15 A We understand that the Commission has granted
16 permission to other operators. Texaco to the north has been
17 granted permission for these three zones, plus additional
18 zones in similar tubingless completions.

19 Q And referring you to Exhibit Number Five, would you
20 identify that?

21 A Exhibit Five is our letter to the Land Office
22 Commissioner, requesting that we are permitted to downhole
23 commingle and his answer.

24 Q And it was?

25 A Affirmative.

1 Q Affirmative. Is it your opinion that the granting
2 of this application would prevent waste and protect correlative
3 rights?

4 A I believe it would. In fact, it ought to increase
5 the recovery from the well.

6 Q Were Exhibits One through Four and the sub-parts
7 prepared by you or under your supervision?

8 A They were.

9 MR. BUELL: I move Exhibits One through Five.

10 MR. STAMETS: These exhibits will be admitted.

11 (THEREUPON, Applicant's Exhibits One through
12 Five were admitted into evidence.)

13 MR. BUELL: I have nothing else, Mr. Examiner.

14 CROSS EXAMINATION

15 BY MR. STAMETS:

16 Q Mr. Kretzler, you will be installing a pumping unit
17 in this well?

18 A Yes, sir.

19 Q Do you anticipate that the production will be such
20 that you will be essentially unrestricted as far as an
21 allowable is concerned?

22 A I don't understand your question.

23 Q What total volume of production do you expect from
24 the commingled well?
25

1 A. The well makes about twenty-two barrels of oil a
2 day and the ratio is somewhere around eight thousand.

3 Q. Do you anticipate any significant increase in the
4 production?

5 A. Well, I suppose we might pick up ten barrels of oil
6 or so a day initially by placing it on the pump.

7 Q. Now, you've got, oh, maybe a two hundred pound
8 differential there, do you think that is enough to cause any
9 problem with oil migrating from one zone to the other in this
10 well?

11 A. Not as long as we pump it off, we are looking at
12 essentially the bottom-hole pressure at any given level, so
13 we wouldn't expect any large amount of migration.

14 Q. Did you indicate that the fluids are compatible?

15 A. Yes, they are, the oil is sweet.

16 MR. STAMETS: Are there any questions of the witness?
17 He may be excused.

18 (THEREUPON, the witness was excused.)

19 MR. STAMETS: Anything further in this case?

20 MR. BUELL: No.

21 MR. STAMETS: We will take the case under advise-
22 ment.
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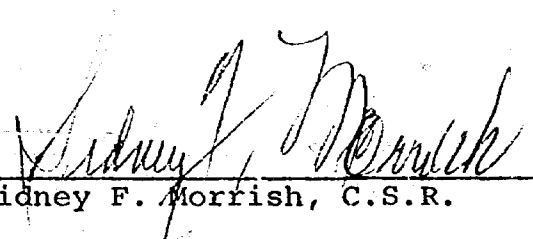
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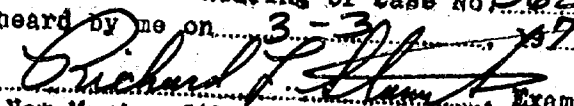
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand 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.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5633
heard by me on 3-31-1976

Richard L. Ham, Examiner
New Mexico Oil Conservation Commission

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BEFORE THE
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7 wells. It is a semi-tubingless completion in that there are
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19 is nearing the end of its flowing life and it needs to be
20 placed on artificial lift.

21 Q Referring you to Exhibit Two-B, would you discuss
22 that?

23 A Exhibit Two-B is our proposed completion, assuming
24 that the Commission will permit us to downhole commingle the
25 well, in that we are proposing to place the well on a single

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2 whereas we would have better communication between the three
3 zones, we would use the annulus of the four-and-a-half inch
4 casing and the two tubingless completions as gas vents for
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12 three zones on artificial lift we are talking about an expendi-
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23 are they fairly close, or in these zones?

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1 we have a bottom-hole pressure in the Devonian zone of some
2 eight hundred and forty-three pounds, which does not appear to
3 be in communication with the shallower zone at this time. The
4 bottom-hole pressure of the two shallower zones are the
5 Blinebry six hundred pounds and the Drinkard six hundred and
6 fifty pounds. Now, these pressures were taken at different
7 datum and when you relate them to a common datum, say at the
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14 the area that are commingled?

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16 permission to other operators. Texaco to the north has been
17 granted permission for these three zones, plus additional
18 zones in similar tubingless completions.

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20 identify that?

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22 Commissioner, requesting that we are permitted to downhole
23 commingle and his answer.

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1 Q Affirmative. Is it your opinion that the granting
2 of this application would prevent waste and protect correlative
3 rights?

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5 the recovery from the well.

6 Q Were Exhibits One through Four and the sub-parts
7 prepared by you or under your supervision?

8 A They were.

9 MR. BUELL: I move Exhibits One through Five.

10 MR. STAMETS: These exhibits will be admitted.

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12 Five were admitted into evidence.)

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14

15 CROSS EXAMINATION

16 BY MR. STAMETS:

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18 in this well?

19 A Yes, sir.

20 Q Do you anticipate that the production will be such
21 that you will be essentially unrestricted as far as an
22 allowable is concerned?

23 A I don't understand your question.

24 Q What total volume of production do you expect from
25 the commingled well?

1 A. The well makes about twenty-two barrels of oil a
2 day and the ratio is somewhere around eight thousand.

3 Q Do you anticipate any significant increase in the
4 production?

5 A Well, I suppose we might pick up ten barrels of oil
6 or so a day initially by placing it on the pump.

7 Q Now, you've got, oh, maybe a two hundred pound
8 differential there, do you think that is enough to cause any
9 problem with oil migrating from one zone to the other in this
10 well?

11 A Not as long as we pump it off, we are looking at
12 essentially the bottom-hole pressure at any given level, so
13 we wouldn't expect any large amount of migration.

14 Q Did you indicate that the fluids are compatible?

15 A Yes, they are, the oil is sweet.

16 MR. STAMETS: Are there any questions of the witness?

17 He may be excused.

18 (THEREUPON, the witness was excused.)

19 MR. STAMETS: Anything further in this case?

20 MR. BUELL: No.

21 MR. STAMETS: We will take the case under advise-
22 ment.

23

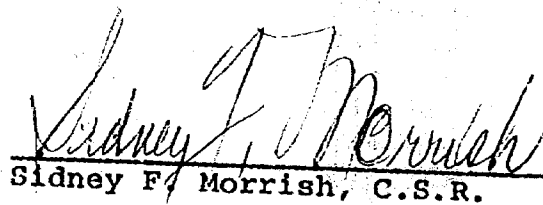
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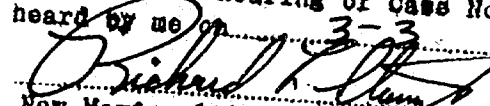
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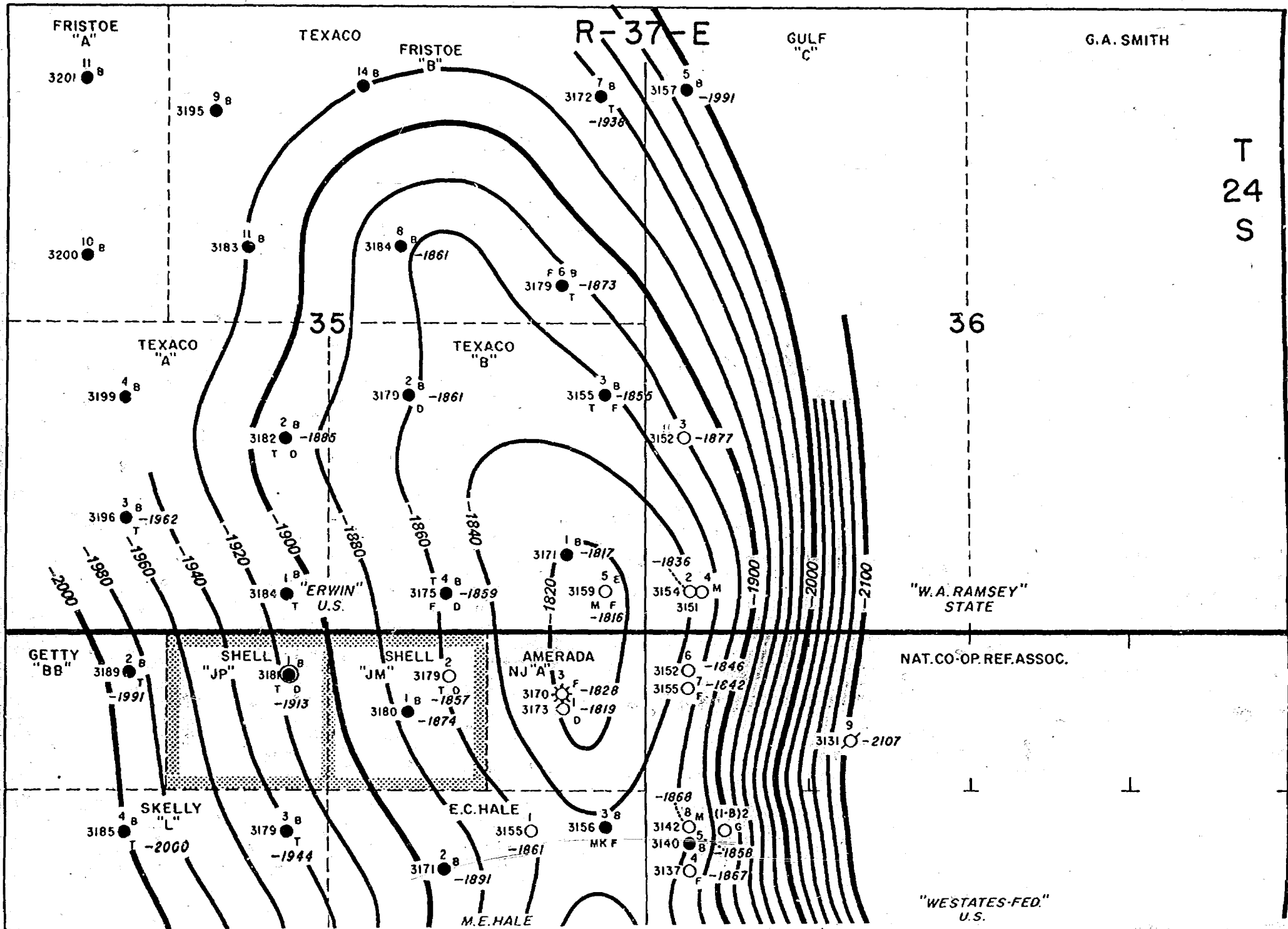
sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

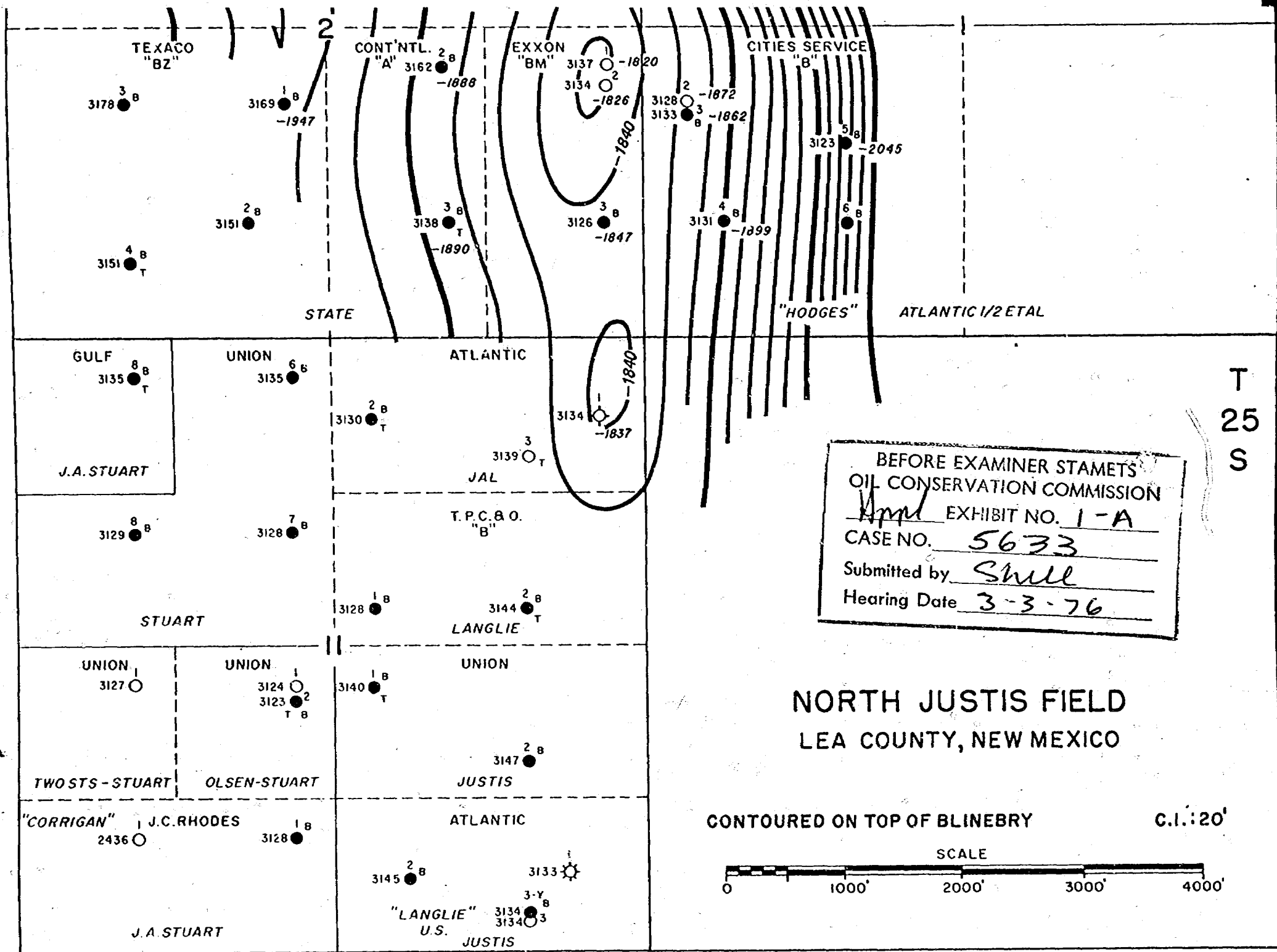
REPORTER'S CERTIFICATE

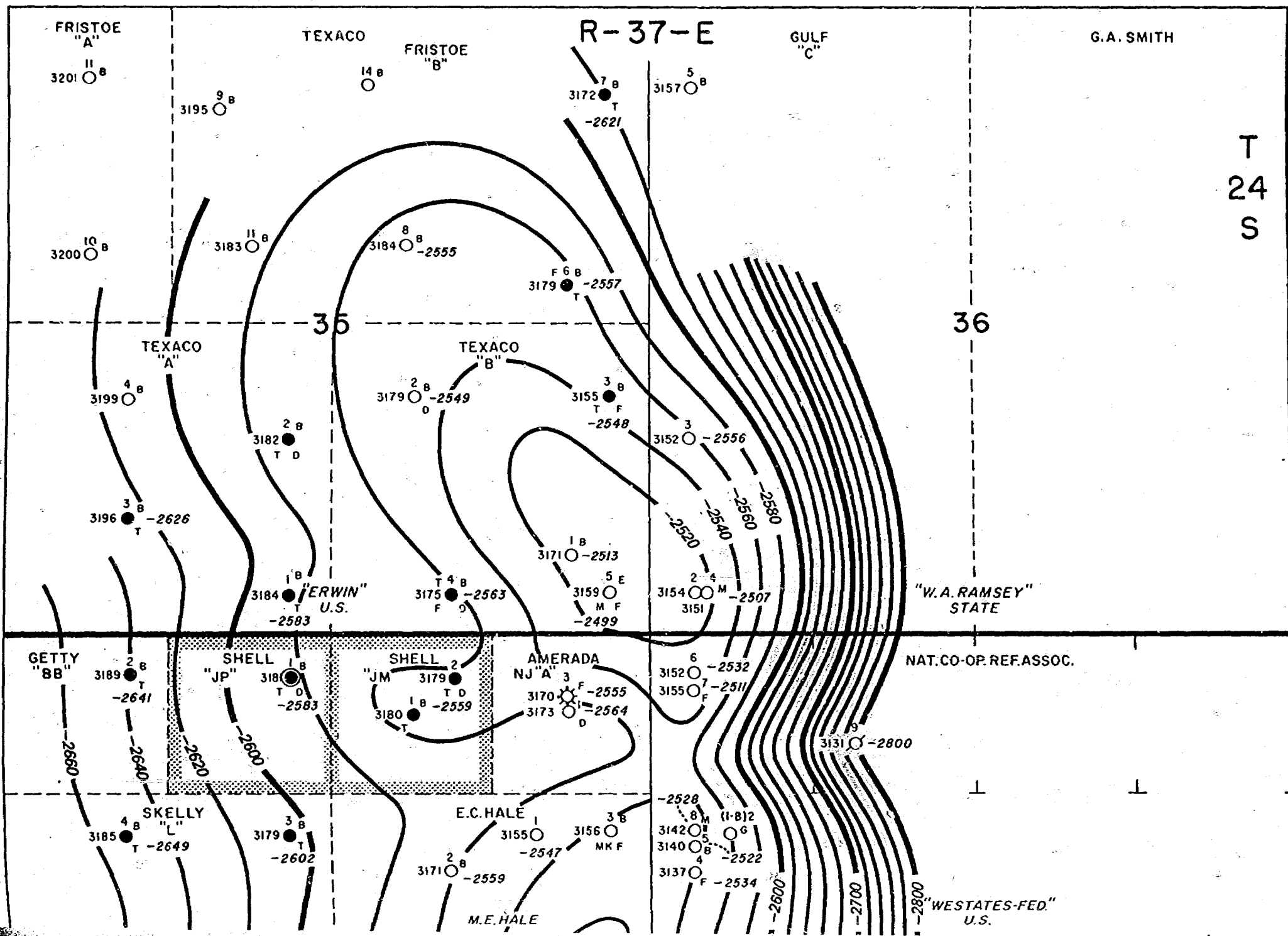
I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and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


Sidney F. Morrish, C.S.R.

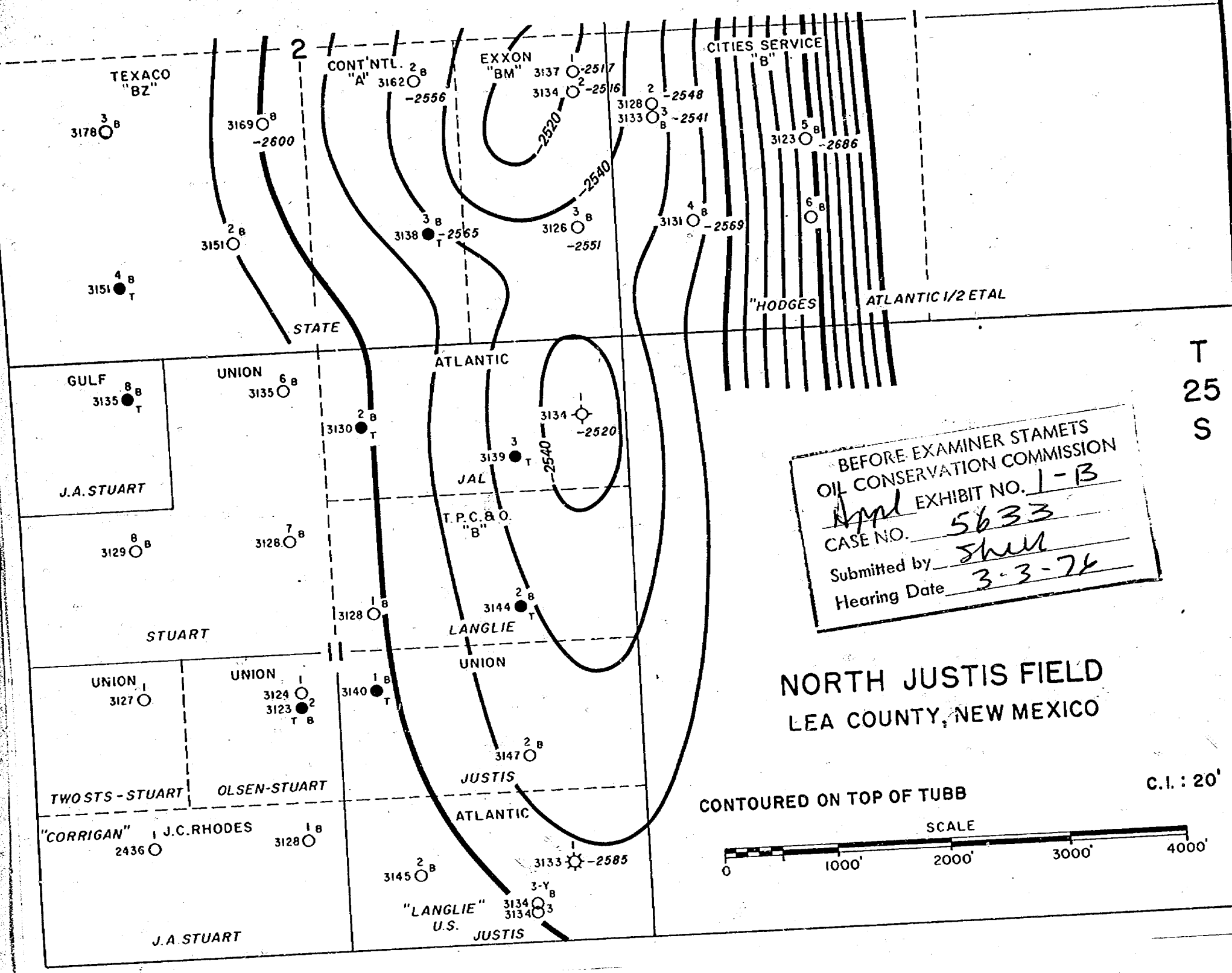
I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5633
heard by me on 3-3-1976

Richard A. Blum, Examiner
New Mexico Oil Conservation Commission







T
24
S

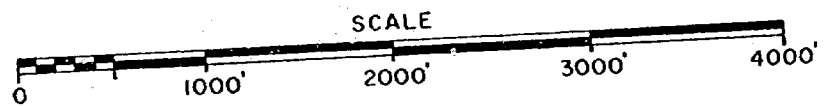


BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1-B
CASE NO. 5633
Submitted by J. H. H.
Hearing Date 3-3-76

NORTH JUSTIS FIELD
LEA COUNTY, NEW MEXICO

CONTOURED ON TOP OF TUBB

C.I. : 20'



R-37-E

GULF
"C"

G.A. SMITH

T
24
S

FRISTOE
"A"

TEXACO

FRISTOE
"B"

3201 11 B

3195 9 B

14 B

3172 7 B
T

3157 5 B

3200 10 B

3183 11 B

3184 8 B

F 6 B
3179 T

TEXACO
"A"

35

TEXACO
"B"

36

3199 4 B

3179 2 B
D -3663

3155 3 B
T F

3182 2 B
T D

3152 3 -3686

3196 3 B
T -3885

3184 1 B
"ERWIN"
T U.S. -3745

3175 4 B
T D -3620

3171 1 B
-3514

3159 5 E
M F

3154 2 M
3151 4 -3578

GETTY
"BB"

3189 2 B
T

SHELL
"JP"

3181 1 B
T D -3750

SHELL
"JM"

3179 2 T D
3180 1 B -3601
T -3631

AMERADA
NO "A"

3170 3 F
3173 1 D -3504

NAT.CO-OP.REF.ASSOC.

3131 9

SKELLY
"L"

3185 4 B
T

3179 3 B
T

E.C.HALE

3171 2 B
-3651

3155 1

-3545

3156 3 B

MK F

3142 8 M

3140 5 B

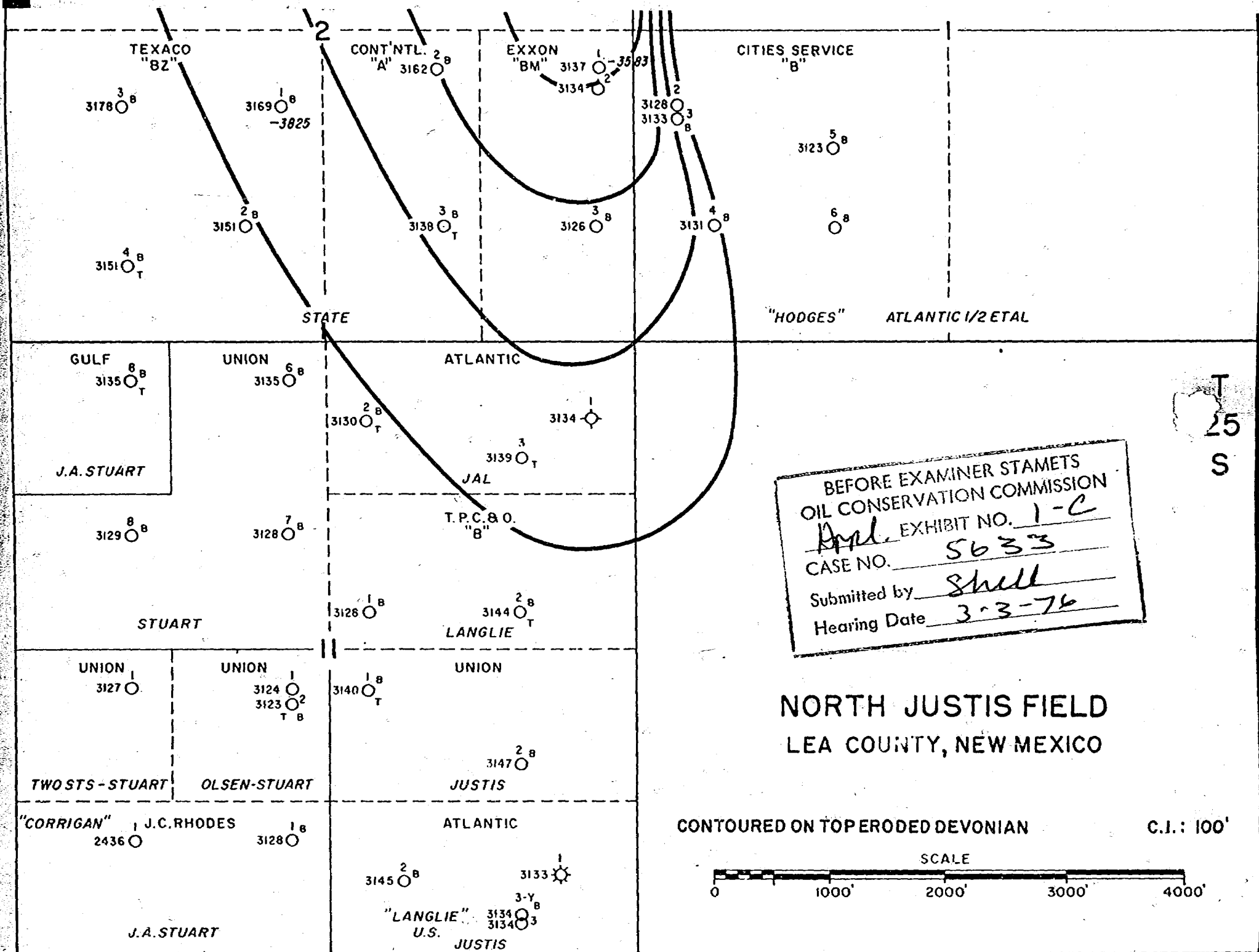
3137 4 F

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OG

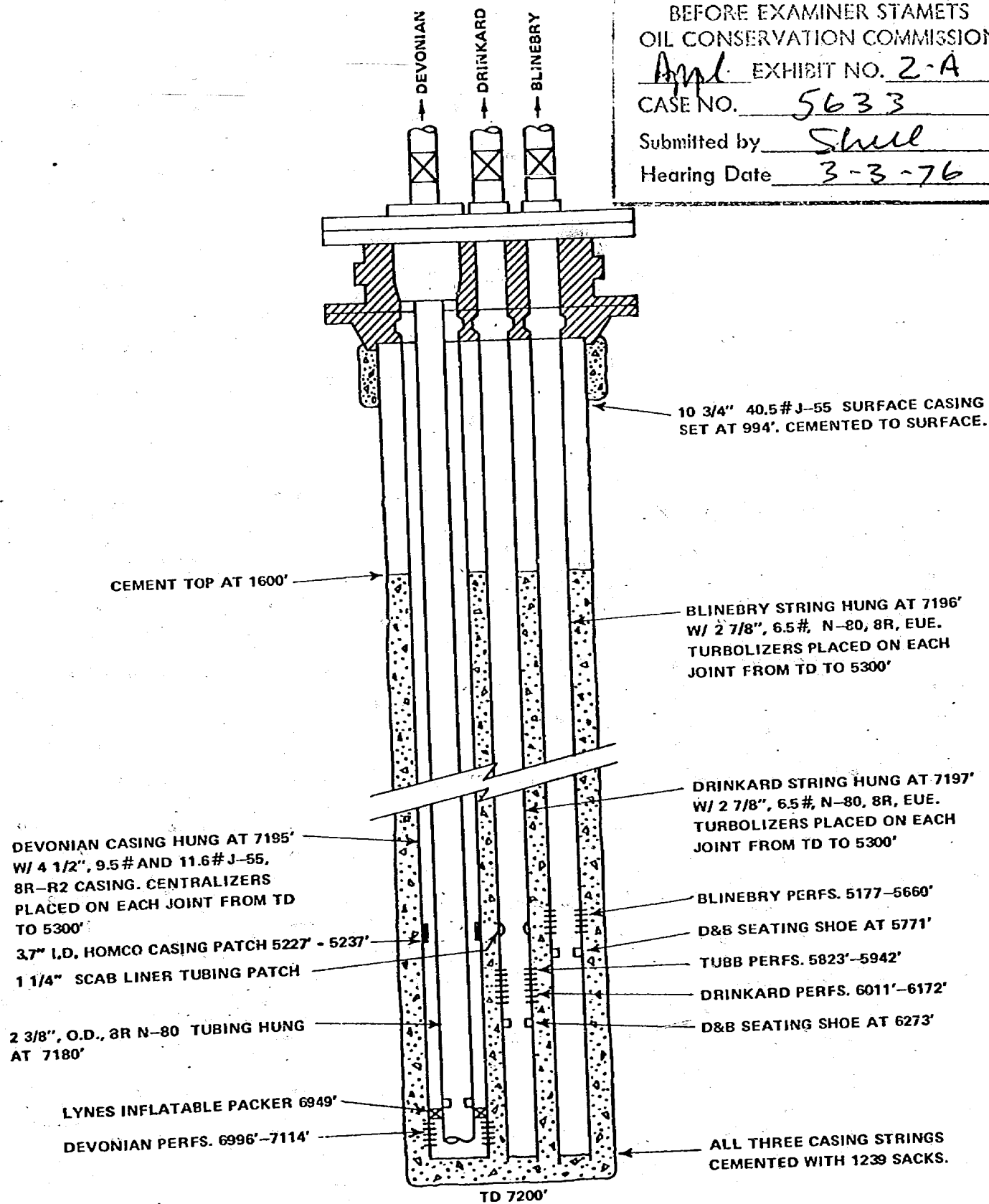
"WESTATES-FED."
U.S.

M.E.HALE

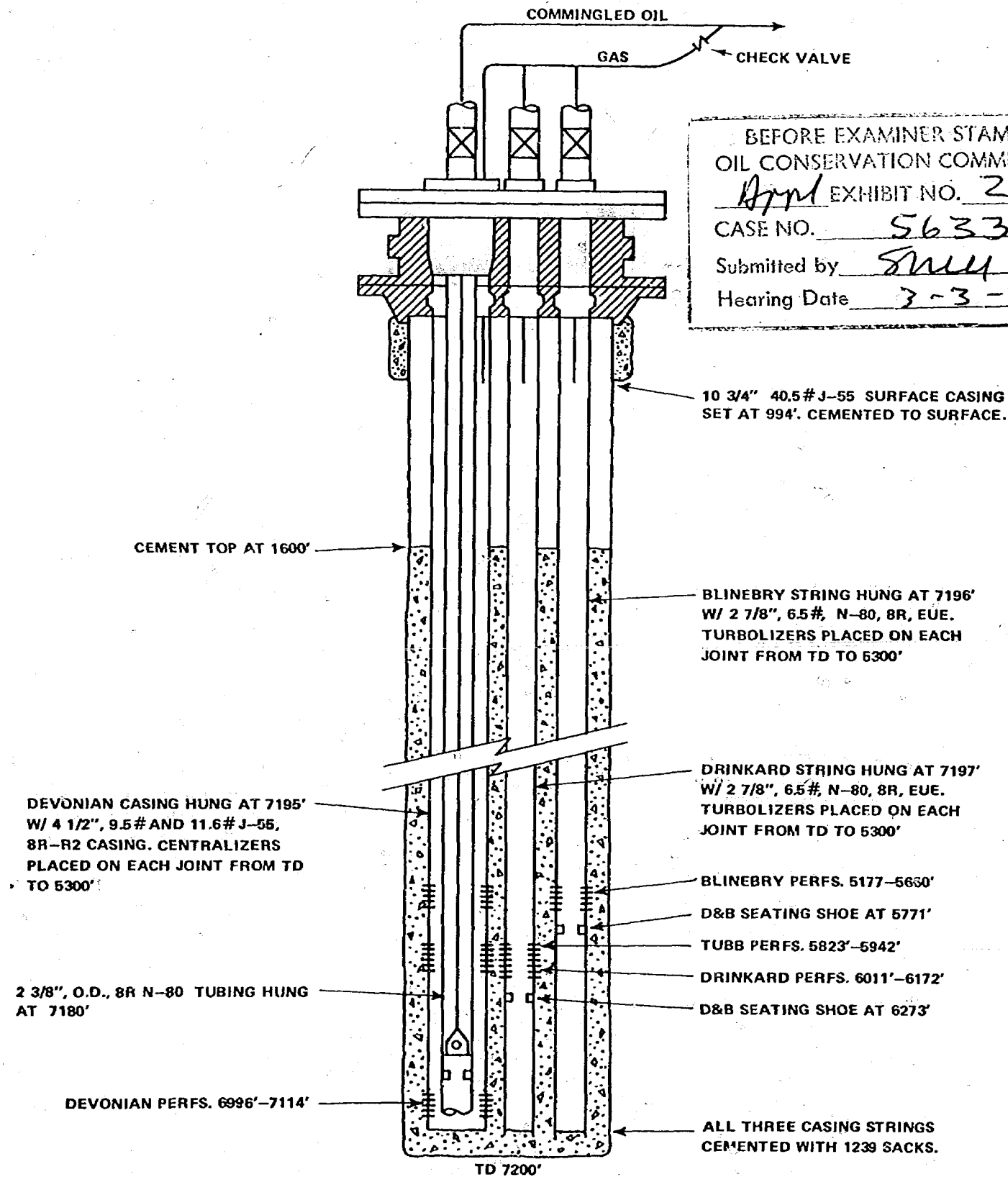


SHELL STATE JP NO.1
PRESENT TRIPLE COMPLETION
DEVONIAN-DRINKARD-BLINEBRY
SECTION 2, T-25-S, R-37-E
LEA COUNTY, NEW MEXICO

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
Appl. EXHIBIT NO. 2-A
CASE NO. 5633
Submitted by Shell
Hearing Date 3-3-76



SHELL STATE JP NO.1
 PROPOSED COMMINGLE
 DEVONIAN-DRINKARD-BLINEBRY
 SECTION 2, T-25-S, R-37-E
 LEA COUNTY, NEW MEXICO



SHELL, JP NO. 1
LEA COUNTY, NEW MEXICO

JUSTIS OILFIELD																
WELL S T R			JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YR-PROD	MP ACCUM
SHELL OIL COMPANY																

1969	STATE JP IC 225537E	OIL GAS WAT	524 1809	522 1524	546 2337	548 2475	574 1624	527 1325	537 1330	519 5075	530 1257	527 2666	533 1086	513 1309	5540F 23817	80578
1970	STATE JP IC 225537E	OIL GAS WAT	406 2685	309 1243	1126 3668	178 3124	2256 27719	1756 26075	1738 25406	1261 76096	1371 19778	1322 75167	1555 15510	992 12716	14160F 182291	94738
1971	STATE JP IC 225537E	OIL GAS WAT	1286 31907	1025 22921	1228 28119	1072 24547	1033 23670	2568 51289	1031 20161	1986 19076	18432 14919	838 15050	931 16274	973 14350F	291424	111639
1972	STATE JP IC 225537E	OIL GAS WAT	921 14552	917 14633	599 10264	551 11219	632 11665	756 25418	805 22617	783 21579	722 19750	677 19466	695 15579	701 16979	8759F 203814	120398
1973	STATE JP IC 225537E	OIL GAS WAT	615 14602	502 11137	594 14121	563 13689	210 1726	551 13909	467 12024	428 13053	416 12763	428 12550	473 11750	466 10469	5713F 142580	126111
1974	STATE JP IC 225537E	OIL GAS WAT	462 14084	469 14455	540 19403	443 9170	509 14391	484 16426	484 13698	398 12694	358 12631	394 17316	421 17251	307 12346	5269F 176369	131380
1975			293 11108	254 9906	321 9467	278 10266	303 9326	301 12774	347 4951	394 6074	268 2848	301 2809	393 4342	243 3928		135,076
			—	—	—	35	20	—	176	141	117	99	41	138	33	

JUSTIS TUBB CREEKARD																
WELL S T R			JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YR-PROD	MP ACCUM
1969	STATE JP IC 225537E	OIL GAS WAT	370 1723 57	338 1643 68	341 2306 75	328 1629 82	294 1709 74	267 3154 67	266 3065 67	248 2420 141	210 2327 70	244 2523 70	242 2258 30	250 3050 31	3398F 27547 832	63872
1970	STATE JP IC 225537E	OIL GAS WAT	375 1410	197 2302 33	102 967 17	2760 24976 71	184 4089	145 5813	203 8093 116	196 8504 195	192 7531 192	203 10489 203	125 3858	35 1025	4717F 41352 929	68589
1971	STATE JP IC 225537E	OIL GAS WAT	129 4010 14	244 6837 58	420 14055 123	422 13853 141	396 12938 122	99 2682 15	303 8479 65	328 9093 60	288 7752 87	203 5173 101	421 9726 24	259 6306 111	3522F 100844 921	69373
1972	STATE JP IC 225537E	OIL GAS WAT	265 5557 49	210 4722 53	171 4192 43	135 4044	173 4548	216 2366 51	230 2106 38	224 2012 45	207 1840 23	193 1808 55	273 2009 25	382 3019 64	2663F 38271 446	72036
1973	STATE JP IC 225537E	OIL GAS WAT	274 2123 61	223 1708 37	258 2003	207 1645 25	597 15130 73	215 1764 57	200 1580 55	184 3175 108	179 3130 44	153 2563 75	148 2085 37	186 2378 30	2824F 39354 600	74860
1974	STATE JP IC 225537E	OIL GAS WAT	123 2131 20	166 2895 55	181 3671 29	157 5121 29	239 3977 55	229 4386 62	226 3628 96	214 3880 125	174 3484 97	182 4517 89	193 4520 64	184 4202 61	2268F 46432 786	77128
1975			205 4412 57	169 3771 47	228 3861 27	167 3496 47	182 3177 24	87 2103 —	134 5947 —	152 7319 24	161 5348 21	218 6361 29	117 4017 —	61 1975 61		79,006

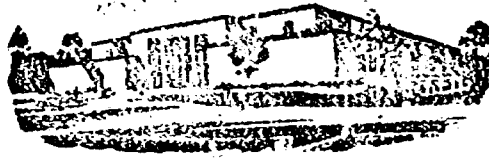
JUSTIS DEYCHIAN, NORTH																	

1969	STATE IC	JP 225537E	OIL GAS WAT	455 2560	422 2289	444 3568	328 1214	401 2598	416 2961	429 2972	395 4282	420 2810 32	365 1301	423 2420	439 3221	4997F 32145 32	88786
1970	STATE IC	JP 225537E	OIL GAS WAT	219 2395 62	365 2581		352 3729	433 5756	373 5930 25	297 4536	364 6197 56	508 7820 102	724 21823 58	808 14535 35	320 5544 14	4756F 80165 352	93542
1971	STATE IC	JP 225537E	OIL GAS WAT	715 12537	537 8761	614 10237	518 8658	577 5652	140 1585	515 7526	478 6907	433 6071 29	431 5737 51	481 5805 30	486 6078	5925F 90394 110	99654
1972	STATE IC	JP 225537E	OIL GAS WAT	460 5443	393 4674 22	249 3696	348 5280 43	261 3606 65	405 5522	432 4913	420 4688	387 4253	434 881	398 3632 25	255 2503	4492F 49131 153	104136
1973	STATE IC	JP 225537E	OIL GAS WAT	419 3905 82	419 3983 22	387 3735 59	356 3525 21	418 4293 31	307 3134 23	291 3033 21	367 2712 27	387 2367 38	427 3785 47	443 2670 28	436 2369	4644F 39331 399	108784
1974	STATE IC	JP 225537E	OIL GAS WAT	431 3145 27	331 2472	360 3135 35	249 2210 13	389 2760 38	370 3044	281 1929 17	319 2458	279 2373	393 4197	302 3002	344 3343	4048F 34108 130	112832
1975				278 2513 37	197 1877	321 2294	289 2488 92	377 2803 94	232 2394	274 2503	208 2031 20	268 1826	261 1567	281 1161 21	304 1352 22		116,116

TOTAL OIL PRODUCTION
330,198



State of New Mexico



TELEPHONE
505-827-2748

Commissioner of Public Lands

March 1, 1976

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Re: Downhole Commingling of Shell
State JP No. 1, Justis Blinebry,
Justis Tubb-Drinkard and Justis
Devonian, North Pools,
Unit C, Section 2, T-25-S, R-37-E
Lea County, New Mexico

ATTENTION: Mr. J. D. Hughes

Gentlemen:

Your request for downhole commingling three pools in the State JP
No. 1 well has been reviewed by this office.

We have no objection to your request provided you follow the New
Mexico Oil Conservation requirements.

There is a Ten (\$10.00) Dollar filing fee. Please remit at your
earliest convenience.

Very truly yours,

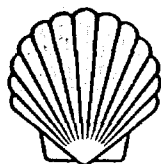
PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
cc:

New Mexico Oil Conservation Commission
Santa Fe, New Mexico
Lease No. B-1167

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
April EXHIBIT NO. 5
CASE NO. 5633
Submitted by Shell
Hearing Date 3-3-76



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

February 26, 1976

James Huff
B-1167

Subject: Downhole Commingling of Shell
State JP No. 1, Justis Blinebry,
Justis Tubb-Drinkard and Justis
Devonian, North Pools,
Unit C, Section 2, T-25-S, R-37-E
Lea County, New Mexico

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

RECEIVED
1 3 22 AM '76
OFFICE
MIDLAND, TEXAS

Gentlemen:

Shell Oil Company requests your support in a hearing with the Conservation Commission, March 3, 1976, at Santa Fe, New Mexico, for downhole commingling three pools in the subject well. This request is made as communication exists between the three casing strings plus the need to place all zones on artificial lift.

While opening additional pay in 1970 in the 2 7/8-inch Blinebry completion, the other two casing strings of the slim-hole cased well were inadvertently perforated. Communications were "repaired" by placing a retrievable scab liner in the 2 7/8-inch Drinkard casing and flowing the Devonian zone via the 4 1/2-inch casing from beneath a packer. Considerable problems have been experienced in maintaining pressure separations, and the retrievable tools have to be repaired periodically.

More recently the well has been produced by stop cocking, but the pressure has declined to a point where all three zones will barely flow and need to be placed on artificial lift.

We estimate that to repair the communication problem by squeeze cementing and installing three pumping units, an expenditure of \$116,000 would be required. By downhole commingling and producing the well with a single pumping unit, an initial savings of some \$72,000 is indicated. By operating the well with a single lift system, an additional 6,000 barrels of oil will be recovered as the well will have a single economic limit due to commingling. This will increase the remaining reserves from 39,000 to 45,000 barrels of oil. If approved, we recommend that the future production be allocated on the basis of the individual zones' remaining reserves as follows: Blinebry 24% oil, 47% gas; Drinkard 22% oil, 27% gas; and Devonian 54% oil, 26% gas.

COMMISSIONER OF PUBLIC LANDS

2

Since pressure communication again exists and there is a distinct possibility of losing the entire wellbore and reserves during squeezing operations, we request your concurrence to our proposal to deplete the well as outlined above.

Yours very truly,

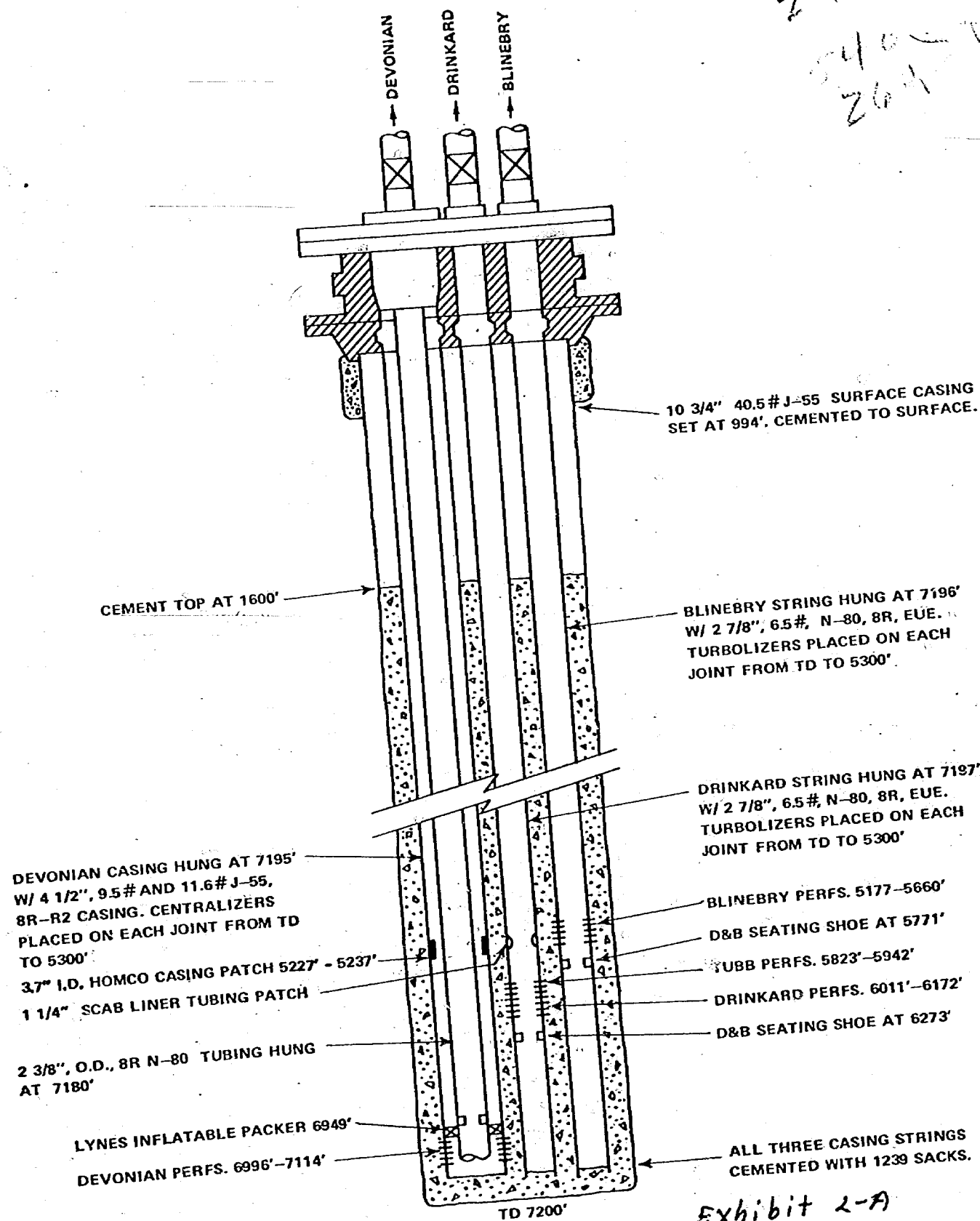
J.D. Hughes
for J. D. Hughes
Operations Manager-Midland
Mid-Continent Division

JWH:DCW

RECEIVED
MAR 1 9 22 AM '76
STATE LAND OFFICE
SANTA FE, N.M.

SHELL STATE JP NO.1
PRESENT TRIPLE COMPLETION
DEVONIAN-DRINKARD-BLINEBRY
SECTION 2, T-25-S, R-37-E
LEA COUNTY, NEW MEXICO

150-R
47-A-B
721-DR
271-DR
540-TR
264-TR



SHELL STATE JP NO.1
PROPOSED COMMINGLE
DEVONIAN-DRINKARD-BLINEBRY
SECTION 2, T-25-S, R-37-E
LEA COUNTY, NEW MEXICO

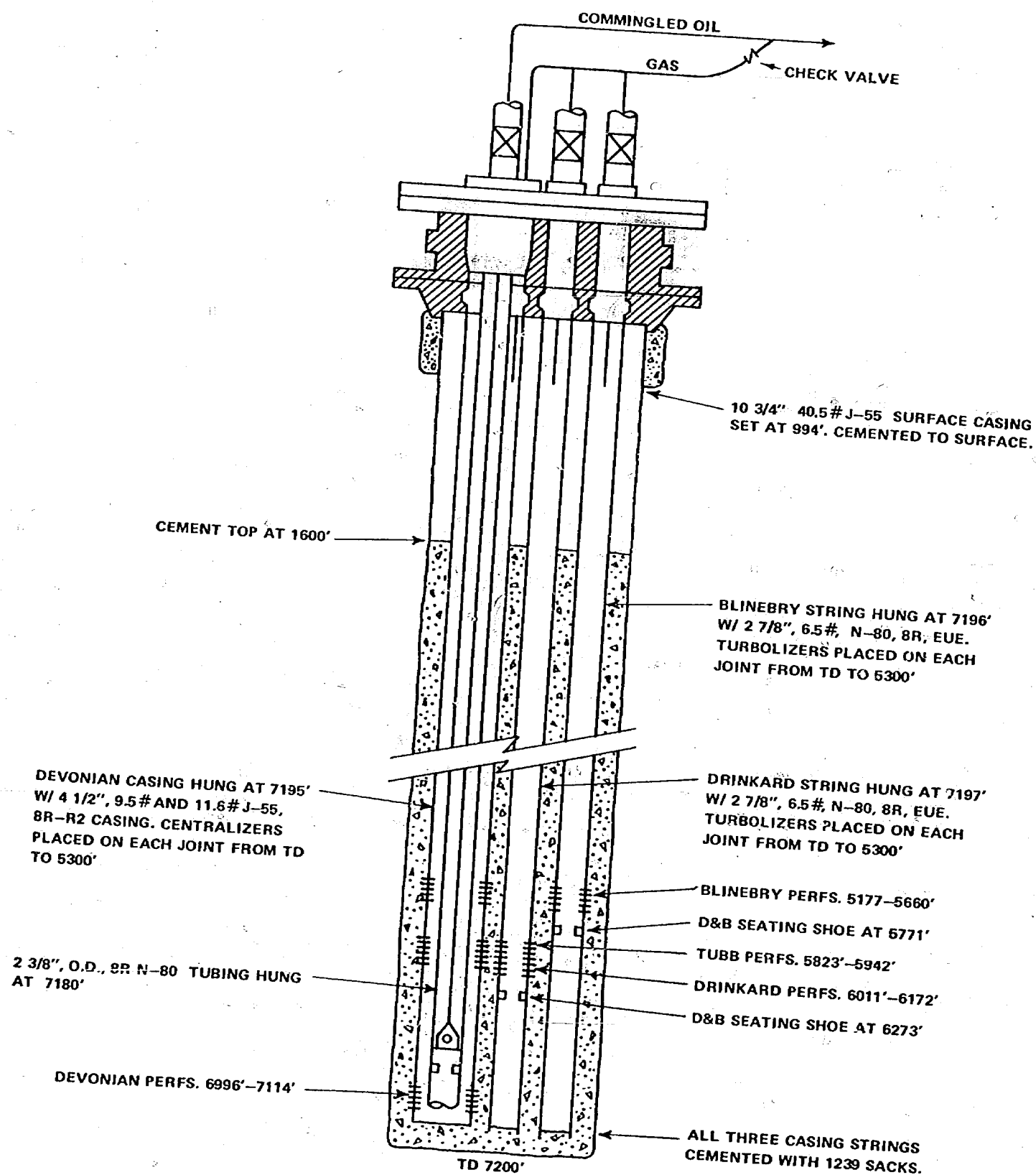


Exhibit 2-B
Case 5633

SHELL, JP NO. 1
LEA COUNTY, NEW MEXICO

JUSTIS BLINERDAY																
WELL S. T. R.		JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YR-PROD MP	ACCUM	
SHELL OIL COMPANY																

1969	STATE JP IC 225537E	OIL GAS WAT	524 1809 1524	422 1524 2337	466 2337 2475	448 2475 1624	374 1624 1325	327 1325 1330	217 5075 1257	230 2685 1088	427 2685 1309	333 1088 1309	313 2381 29	5580F 2381 29	80578	
1970	STATE JP IC 225537E	OIL GAS WAT	408 2685 1243	309 1243 1126	368 1126 3124	378 3124 2254	2254 2254 26075	1756 26075 25404	1734 25404 26075	1251 26075 19774	1371 19774 75167	1322 75167 15510	972 15510 19716	14160F 19716 1451	94738	
1971	STATE JP IC 225537E	OIL GAS WAT	1286 31907 81	1025 22921 28189	1228 28189 24547	1072 24547 23630	1033 23630 25289	25289 25289 20181	1031 20181 19076	19076 19076 18432	18432 18432 14919	14919 14919 15050	931 15050 16274	14350F 16274 291424	111639	
1972	STATE JP IC 225537E	OIL GAS WAT	921 14572 144	917 14693 52	599 10264 80	551 11219 65	632 11665 25418	756 25418 22617	805 22617 21375	783 21375 19750	722 19750 19486	677 19486 15573	695 15573 16979	701 203814 833	8759F 203814 833	120398
1973	STATE JP IC 225537E	OIL GAS WAT	413 14662 59	502 11737 33	594 14121 13689	563 13689 1726	210 1726 13909	551 13909 12024	467 12024 13053	428 13053 12743	416 12743 12550	428 12550 11750	473 11750 10469	466 142582 410	5713F 142582 410	126111
1974	STATE JP IC 225537E	OIL GAS WAT	462 14084 29	462 14455 29	540 19403 28	443 9170 18	509 14891 26	484 16426 27	484 13698 30	398 12694 25	358 12631 44	394 17316 29	421 17251 23	307 12346 23	5269F 174369 308	131380
1975			253 11108	254 9906	321 9467	278 10266	303 9326	301 12774	347 4951	268 6074	268 2848	301 2809	393 4342	243 3928	135,076	
			—	—	35 20	20 20	—	176	141	117	99	41	138	33		

JUSTIS TURB DRINKARD																	
WELL S T R			JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YR-PROD	MP	ACCUM
1969	STATE JP IC 225537E	OIL GAS WAT	370 1723 57	338 1643 68	341 2306 75	328 1629 82	294 1709 74	267 3154 67	266 3065 67	248 2420 141	210 2327 70	244 2523 70	242 2258 30	250 3059 31	3398F 27547 832		63872
1970	STATE JP IC 225537E	OIL GAS WAT	375 1410	197 2302 33	102 967 17	2760 26976 71	184 4089	145 5813	203 8093 116	196 8504 195	197 7531 192	203 10489 203	125 3558	35 1025	4717F 41257 928		68589
1971	STATE JP IC 225537E	OIL GAS WAT	129 4010 14	244 6837 58	430 14065 123	422 13853 141	396 12938 122	99 2682 15	303 8479 65	328 9093 60	288 7752 81	203 5173 101	421 9726 24	259 6206 111	3522F 10084 921		69373
1972	STATE JP IC 225537E	OIL GAS WAT	245 5557 49	210 4712 53	171 4192 43	139 4044	173 4548	216 2365 91	230 2106 38	224 2012 45	207 1840 23	193 1888 55	273 2009 25	342 3019 64	2663F 38271 484		72336
1973	STATE JP IC 225537E	OIL GAS WAT	274 2123 61	223 1703 37	258 2003	207 1645 23	591 15130 73	215 1764 57	200 1680 53	184 3175 108	179 3130 44	153 2563 75	148 2085 37	186 2378 39	2464F 39354 600		74860
1974	STATE JP IC 225537E	OIL GAS WAT	123 2131 20	166 2895 55	181 3671 29	157 5121 29	239 3977 59	229 4386 62	226 3628 96	214 3880 125	174 3484 97	182 4537 89	193 4520 64	184 4202 61	2268F 48432 786		77128
1975			205 4412 87	169 3771 47	228 3861	167 3496 47	182 3177 24	87 2103 —	134 5947 —	152 7319 24	161 5348 21	218 6361 29	117 4017 —	61 1975 61			79,006

JUSTIS DEVONIAN, NORTH																	

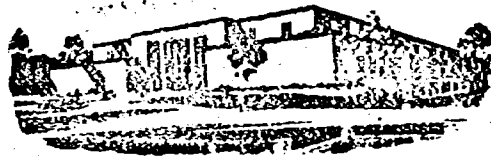
1969	STATE IC	JP 225537E	OIL GAS WAT	465 2560	422 2289	444 3508	328 1214	401 2598	416 2961	429 2972	485 4282	420 2810 12	365 1301	423 2429	439 3221	4997F 32143 32	88786
1970	STATE IC	JP 225537E	OIL GAS WAT	219 2395 62	365 2581	352 3779	433 5758	373 5920 25	299 4530	364 6197 56	508 7820 102	724 21823 58	808 14535 35	320 5544 14	4756F 80965 352	93542	
1971	STATE IC	JP 225537E	OIL GAS WAT	715 12537	537 8761	614 10237	516 8658	577 5652	140 1635	515 7526	478 6907	433 6071 29	431 5737 51	481 5805 30	486 6078	5925F 90394 110	99654
1972	STATE IC	JP 225537E	OIL GAS WAT	469 5443	393 4674 22	249 3696	348 5280 43	261 3608 65	405 5522	432 4913	420 4688	387 4293	434 881	398 3632 25	255 2503	4452F 49111 155	104136
1973	STATE IC	JP 225537E	OIL GAS WAT	410 3905 82	419 3983 22	397 3735 59	356 3505 21	419 4293 31	307 3134 23	291 3033 21	367 2712 27	387 2367 38	427 3765 47	443 2670 28	436 2369	4648F 39331 393	108784
1974	STATE IC	JP 225537E	OIL GAS WAT	431 3185 27	331 2472	340 3135 35	249 2210 13	369 2760 38	370 3704	281 1929 17	319 2458	279 2373	393 4197	302 3002	344 3343	4048F 34108 130	112832
1975				278 2513 37	197 1877	321 2294	289 2488	377 2803	232 2384	274 2503	208 2031	268 1826	261 1567	281 1161	304 1352	116,116	
							92	94			20			21	22		

TOTAL OIL PRODUCTION
330,198

Exhibit 4
Case 5633



State of New Mexico



Commissioner of Public Lands

March 1, 1976

TELEPHONE
505-827-2748

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

Re: Downhole Commingling of Shell
State JP No. 1, Justis Blinbry,
Justis Tubb-Drinkard and Justis
Devonian, North Pools,
Unit C, Section 2, T-25-S, R-37-E
Lea County, New Mexico

ATTENTION: Mr. J. D. Hughes

Gentlemen:

Your request for downhole commingling three pools in the State JP No. 1 well has been reviewed by this office.

We have no objection to your request provided you follow the New Mexico Oil Conservation requirements.

There is a Ten (\$10.00) Dollar filing fee. Please remit at your earliest convenience.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s
cc:

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Lease No. B-1167

Exhibit 5
Case 5633



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

February 26, 1976

James Hull

B-1167

Subject: Downhole Commingling of Shell
State JP No. 1, Justis Blinebry,
Justis Tubb-Drinkard and Justis
Devonian, North Pools,
Unit C, Section 2, T-25-S, R-37-E
Lea County, New Mexico

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

RECEIVED
MAR 1 9 22 AM '76
OFFICE
SANTA FE, N.M.

Gentlemen:

Shell Oil Company requests your support in a hearing with the Conservation Commission, March 3, 1976, at Santa Fe, New Mexico, for downhole commingling three pools in the subject well. This request is made as communication exists between the three casing strings plus the need to place all zones on artificial lift.

While opening additional pay in 1970 in the 2 7/8-inch Blinebry completion, the other two casing strings of the slim-hole cased well were inadvertently perforated. Communications were "repaired" by placing a retrievable scab liner in the 2 7/8-inch Drinkard casing and flowing the Devonian zone via the 4 1/2-inch casing from beneath a packer. Considerable problems have been experienced in maintaining pressure separations, and the retrievable tools have to be repaired periodically.

More recently the well has been produced by stop cocking, but the pressure has declined to a point where all three zones will barely flow and need to be placed on artificial lift.

We estimate that to repair the communication problem by squeeze cementing and installing three pumping units, an expenditure of \$116,000 would be required. By downhole commingling and producing the well with a single pumping unit, an initial savings of some \$72,000 is indicated. By operating the well with a single lift system, an additional 6,000 barrels of oil will be recovered as the well will have a single economic limit due to commingling. This will increase the remaining reserves from 39,000 to 45,000 barrels of oil. If approved, we recommend that the future production be allocated on the basis of the individual zones' remaining reserves as follows: Blinebry 24% oil, 47% gas; Drinkard 22% oil, 27% gas; and Devonian 54% oil, 26% gas.

COMMISSIONER OF PUBLIC LANDS

2

Since pressure communication again exists and there is a distinct possibility of losing the entire wellbore and reserves during squeezing operations, we request your concurrence to our proposal to deplete the well as outlined above.

Yours very truly,

J.D. Hughes
for *P.A. Lowery*

J. D. Hughes
Operations Manager-Midland
Mid-Continent Division

JWH:DCW

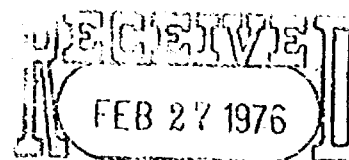
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MAR 1 9 22 AM '76
STANDARD OFFICE
STANDARD M.M.



SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

February 25, 1976



OIL CONSERVATION COMM.
Santa Fe

Case 5633

Subject: Request for Examiner Hearing
Application for Downhole Commingling
of Shell, JP Well No. 1, Blinebry,
Tubb-Drinkard and Devonian Pools,
Unit C, Section 2, T-25-S, R-37-E,
Justis Field, Lea County, New Mexico

TO OFFSET OPERATORS
(See attached list)

Gentlemen:

Shell Oil Company has requested that an examiner hearing be scheduled for March 3, 1976, to consider Shell's application to downhole commingle the Blinebry, Tubb-Drinkard and Devonian Pools, Unit C, Section 2, T-25-S, R-37-E, Justis Field, Lea County, New Mexico.

The Commissioner of Public Lands has also been notified of this application.

Your support in this matter will be appreciated.

Yours very truly,

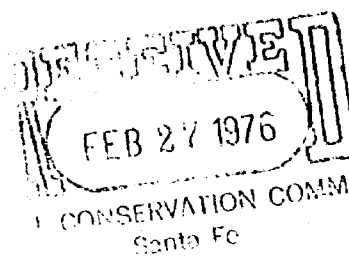
J. D. Hughes
Operations Manager-Midland
Mid-Continent Division

JES:DCW

Attachments

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

OFFSET OPERATORS
SHELL, JP WELL NO. 1
SECTION 2, T-25-S, R-37-E
LEA COUNTY, NEW MEXICO



GETTY OIL COMPANY
P. O. BOX 249
HOBBS, NM 88240

E. C. HALE
P. O. BOX 763
HOBBS, NM 88240

SKELLY OIL COMPANY
P. O. BOX 1351
MIDLAND, TX 79701

TEXACO INC.
P. O. BOX 3109
MIDLAND, TX 79701

Dockets Nos. 9-76 and 10-76 are tentatively set for hearing on March 17 and March 31, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 3, 1976

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. Statets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5621: (Continued and Readvertised)

Application of El Paso Natural Gas Company, as agent for Northwest Production Corporation, for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Basin-Dakota and Blanco-Mesaverde gas production in the wellbore of the Northwest Production Corporation Jicarilla 119N Well No. 4, located in Unit II of Section 6, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

CASE 5631: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of the Special Rules for the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, to permit the drilling of wells in said pool at any point within a 40-acre tract not closer than 330 feet to the outer boundary thereof.

CASE 5632: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of the Special Rules for the Devils Fork-Gallup Pool, Rio Arriba County, New Mexico, to delete therefrom the provisions for a volumetric withdrawal formula and substitute therefor a casinghead gas equivalent formula similar to that in effect for the Angels Peak-Gallup Pool, as promulgated by Order No. R-1410-C.

CASE 5633: Application of Shell Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinberry, Tubb-Drinkard and Devonian production in the wellbore of its J. P. No. 1 Well located in Unit C of Section 2, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico.

CASE 5634: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Duncan Dome Unit Area comprising 7,641 acres, more or less, of State lands in Township 17 South, Ranges 17 and 18 East, Chaves County, New Mexico.

CASE 5635: Application of Sundance Oil Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the perforated interval from approximately 3852 to 3858 feet in its Ingram Federal Well No. 2 located in Unit I of Section 5, Township 8 South, Range 31 East, Tom-Tom-San Andres Pool, Chaves County, New Mexico.

CASE 5636: Application of Julian Ard for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled in the center of the SW/4 SE/4 of Section 32, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, Lea County, New Mexico, in exception to the provisions of Rule 4, Order No. R-3850.

CASE 5637: Application of R. C. Bennett & J. C. Ryan for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Exxon-State Well No. 2, located in Unit F of Section 25, Township 19 South, Range 28 East, Eddy County, New Mexico, to produce gas from the Upper Pennsylvanian formation through the casing-tubing annulus and gas from the Morrow formation through tubing.

CASE 5638: Application of Belco Petroleum Corporation for Amendment of Order No. R-5111, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Commission Order No. R-5111, which order pooled all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 5, Township 22 South, Range 27 East, to be dedicated to a well drilled at an unorthodox location 660 feet from the South line and 1980 feet from the West line of said Section 5. Applicant proposes the amendment of said order to pool all such mineral interests in the formations of Mississippian and Siluro-Devonian age underlying the W/2 of said Section 5 and to approve the unorthodox location of the well for said formations.

CASE 5639: Application of Franklin, Aston & Fair for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Strawn production for its Aztec State No. 3 Well located 710 feet from the North line and 2110 feet from the East line of Section 36, Township 17 South, Range 32 East, Lea County, New Mexico, and for the promulgation of special rules therefor, including a provision for 160-acre spacing units.

CASE 5640: Application of Phillips Petroleum Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of East Brunson-Ellenburger, East Brunson-McKee and Drinkard oil production in the wellbore of its Sims No. 6 Well located in Unit M of Section 24, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 5641: Application of John Yuronka for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the Queen formation through the open-hole interval from approximately 3400 to 3875 feet in his State JC "I" Well No. 1 located in Unit B of Section 16, Township 23 South, Range 36 East, Langille-Mattix Pool, Lea County, New Mexico.

CASE 5642: Application of Penroc Oil Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Canyon and Morrow production in the wellbore of its JCB-State Well No. 1, located in Unit O of Section 2, Township 20 South, Range 28 East, Eddy County, New Mexico.

CASE 5643: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Eddy and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Arkansas Junction-San Andres Pool. The discovery well is the Coquina Oil Corporation State KKN Well No. 1, located in Unit J of Section 20, Township 18 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 20: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Cabin Lake-Atoka Gas Pool. The discovery well is the Corinne Grace Livingston Ridge Unit Well No. 1Y, located in Unit L of Section 36, Township 21 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM
Section 36: W/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Grayburg-San Andres production and designated as the Cemetery-Grayburg San Andres Pool. The discovery well is the Gulf Oil Corporation Jones Federal NCT-A Well No. 1, located in Unit I of Section 14, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 14: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Cemetery-Wolfcamp Gas Pool. The discovery well is the David Fasken Seven Rivers Federal Well No. 1, located in Unit C of Section 17, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 17: N/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Henshaw-Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Marco Polo EA State Well No. 1, located in Unit H of Section 32, Township 16 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 32: NE/4

(f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Queen-Grayburg and San Andres production and designated as the South Loco Hills Queen-Grayburg-San Andres Pool. The discovery well is the Gene A. Snow Alscott Well No. 1, located in Unit I of Section 31, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 31: SE/4 NE/4 & NE/4 SE/4
Section 32: S/2 NW/4, N/2 SW/4, W/2 NE/4 and SE/4 NE/4

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the West Lusk-Morrow Gas Pool. The discovery well is the Adobe Oil Company Hannifin State Com Well No. 1, located in Unit P of Section 16, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 16: S/2

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Otis-Morrow Gas Pool. The discovery well is the Apexco Inc. Walterschied Com Well No. 1, located in Unit G of Section 35, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 26: W/2
Section 35: All

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Penasco Draw-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Scout EH Federal Com Well No. 2, located in Unit I of Section 27, Township 18 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 27: E/2

(j) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Scanlon-Morrow Gas Pool. The discovery well is the Harvey E. Yates Fannie Lou Federal Well No. 1, located in Unit G of Section 31, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 31: N/2

(k) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Queen production and designated as the Square Lake-Queen Gas Pool. The discovery well is the Corpening Enterprises Exxon State Well No. 1, located in Unit M of Section 16, Township 16 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 16: SW/4

(l) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 21: S/2 SE/4 & E/2 SW/4
Section 28: N/2 NE/4

(m) EXTEND the North Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 13: N/2
Section 14: All

(n) EXTEND the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM
Section 35: E/2
Section 36: W/2

(o) EXTEND the Cruz-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 19: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 25: SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 30: SW/4

- (q) EXTEND the La Rica-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 3: All

- (r) EXTEND the Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 21: SW/4

- (s) EXTEND the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 24: E/2

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 19: W/2

- (t) EXTEND the Tonto (Seven Rivers) Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 13: SW/4
Section 14: S/2

- (u) EXTEND the Townsend-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: Lots 1, 2, 7, 8, 9, 10, 15, & 16, and SE/4

- (v) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 16: All
Section 34: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 3: All

CASE 5098: (Reopened) (Continued from February 18, 1976 Examiner Hearing)

In the matter of Case 5098 being reopened pursuant to the provisions of Order No. R-4682, which order established special rules for the Red Tank-Morrow Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SHELL OIL COMPANY TO COMMINGLE
PRODUCTION FROM A TRIPLY COMPLETED
WELL LOCATED IN SECTION 2, TOWNSHIP
25 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

No. 5633

APPLICATION

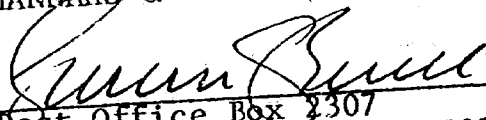
Comes now SHELL OIL COMPANY, and makes application to commingle production in its Shell J.P. No. 1 Well, and in support thereof states:

1. SHELL OIL COMPANY is the operator of the Shell J.P. No. 1 Well located in Unit C, Section 2, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. The said Shell J.P. No. 1 Well is presently completed and producing from the Justis Blinebry, Justis Tubb Drinkard, and Justis Devonian North pools.
3. Applicant proposes to downhole commingle production from the above-named three zones.

WHEREFORE, Applicant asks that this matter be set before the Commission or one of its examiners, as the Commission may desire, and that the granting of the application will prevent waste and protect correlative rights.

Respectfully submitted,

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BUELL

By 
Post Office Box 2307
Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SHELL OIL COMPANY TO COMMINGLE
PRODUCTION FROM A TRIPLY COMPLETED
WELL LOCATED IN SECTION 2, TOWNSHIP
25 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

No. 5633

APPLICATION

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Respectfully submitted,

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BUELL

By 

Post Office Box 2307
Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SHELL OIL COMPANY TO COMMINGLE
PRODUCTION FROM A TRIPLY COMPLETED
WELL LOCATED IN SECTION 2, TOWNSHIP
25 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

No. 5633

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WHEREFORE, Applicant asks that this matter be set before the Commission or one of its examiners, as the Commission may desire, and that the granting of the application will prevent waste and protect correlative rights.

Respectfully submitted,

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BUELL

By 
Post Office Box 2307
Santa Fe, New Mexico 87501

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SHELL OIL COMPANY TO COMMINGLE
PRODUCTION FROM A TRIPLY COMPLETED
WELL LOCATED IN SECTION 2, TOWNSHIP
25 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

No. 5633

APPLICATION

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1. SHELL OIL COMPANY is the operator of the Shell J.P. No. 1 Well located in Unit C, Section 2, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

2. The said Shell J.P. No. 1 Well is presently completed and producing from the Justis Blinebry, Justis Tubb Drinkard and Justis Devonian North pools.

3. Applicant proposes to downhole commingle production from the above-named three zones.

WHEREFORE, Applicant asks that this matter be set before the Commission or one of its examiners, as the Commission may desire, and that the granting of the application will prevent waste and protect correlative rights.

Respectfully submitted,

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & BURLL

By 
Post Office Box 2307
Santa Fe, New Mexico 87501

Attorneys for Applicant

dr/

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. 5633

Order No. R- 5175

APPLICATION OF SHELL OIL COMPANY
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 March 3, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of March, 1976, 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, Shell Oil Company, is the owner and operator of the J. P. Max Well No. 1, located in Unit C of Section 2, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Blinebry, Tubb-Drinkard and Devonian production within the wellbore of the above-described well.

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

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

(6) -- - *
(7) 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.

(6) That from the Devonian zone, the subject well is capable of low marginal production only.

-2-

Case No. _____
Order No. R- _____

(6) 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, 24 percent and 47 percent of the commingled oil and gas production, ^{respectively} should be allocated to the Blinebry zone, ^{22 percent and 27 percent} of the commingled oil and gas production, ^{respectively} to the Tubb-Drinkard zone, and 54 percent and 26 percent of the commingled oil and gas production, ^{respectively} should be allocated to the Devonian zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to commingle Blinebry, Tubb-Drinkard and Devonian production within the wellbore of the J. P. Well No. 1, located in Unit C of Section 2, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico.

(2) That ^{24 percent} and ^{47 percent} of the commingled oil and gas production, ^{respectively} shall be allocated to the Blinebry zone, ^{22 percent and 27 percent} of the commingled oil and gas production, ^{respectively} shall be allocated to the Tubb-Drinkard zone, and ^{54 percent and 26 percent} of the commingled oil and gas production, ^{respectively} shall be allocated to the Devonian 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.