

CASE 5704: GULF OIL CORP. FOR
DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO

CASE NO.

5704

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO 88240

December 13, 1976

C
O
P
Y

Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico

Case 5704

Re: Downhole Commingling
Order No. R-5273

Gentlemen:

This is to advise that the temporary allocation formula as outlined in your letter of December 9, 1976, for Blinebry and Drinkard production from your H. T. Mattern (NCT-B) No. 16 located in Unit D of Section 31, T-21-S, R-37-E, is satisfactory with this office.

Yours very truly,

OIL CONSERVATION COMMISSION

Jerry Sexton
Supervisor, District 1

mc
cc-OCC, Santa Fe

Gulf Energy and Minerals Company-U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCTION MANAGER

December 9, 1976

P. O. Box 670
Hobbs, New Mexico 88240

5774

Re: H. T. Mattern (NCT-B) No. 16
Downhole Commingling Order
No. R-5273

Mr. Jerry Sexton
District Supervisor
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, NM 88240

Dear Sir:

In accordance with the provisions of Downhole Commingling Order No. R-5273, Gulf Oil Corporation requests a temporary allocation formula for the Blinebry and Drinkard Pools in the subject well.

In conjunction with this, we are submitting a decline curve and a three year production history from the Blinebry Pool and tests on the attached C-116's for the Drinkard Pool and commingled Blinebry and Drinkard Pools.

It is our recommendation, based on the attached data, the following allocation be made on the commingled production:

Blinebry Oil	31%	Blinebry Gas	72%
Drinkard Oil	69%	Drinkard Gas	28%

If you are in agreement with this temporary allocation formula, please advise.

Yours very truly,

By: *D. F. Berlin*
C. D. BORLAND

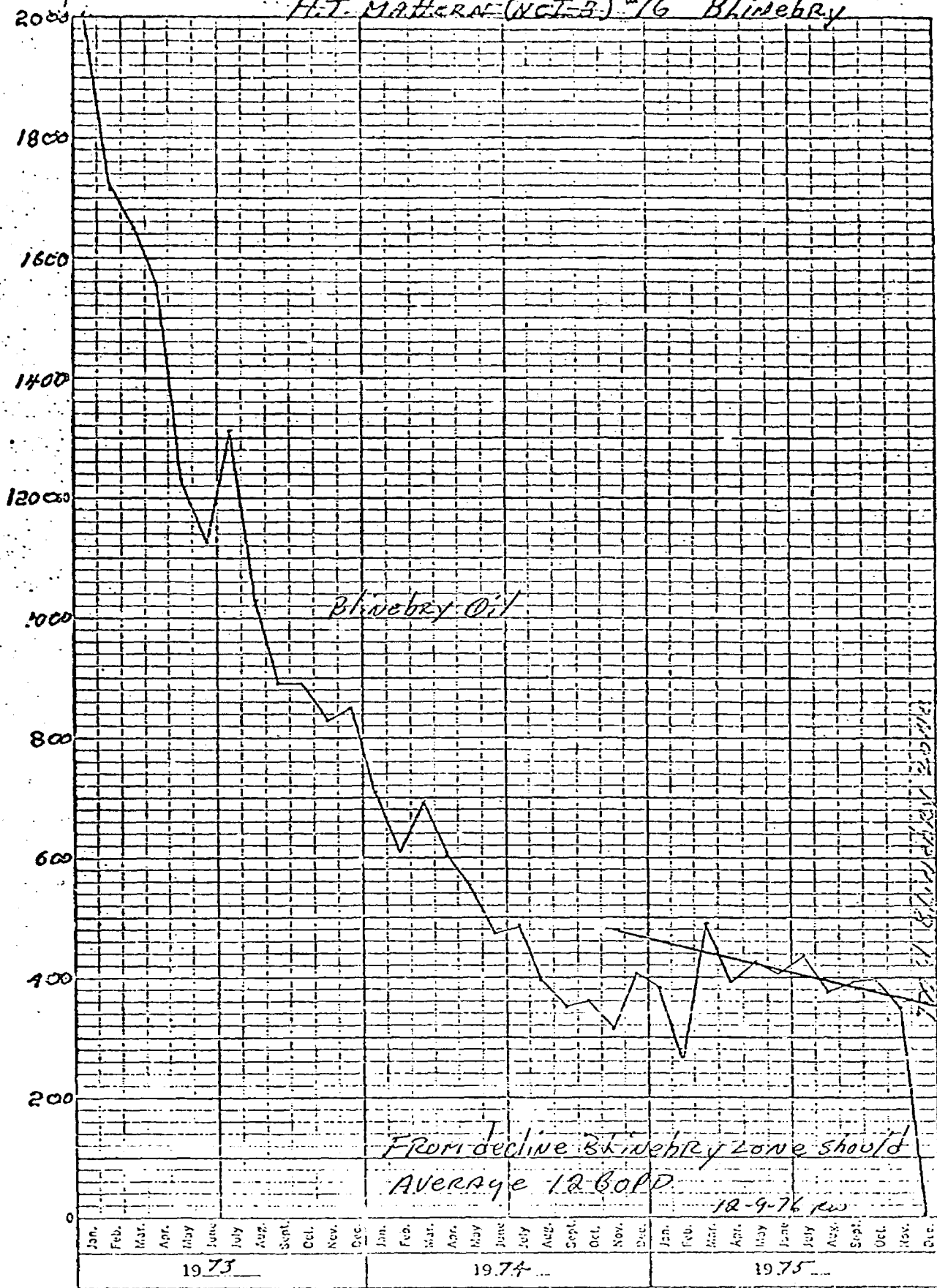
Attachments
RDW/dch



A DIVISION OF GULF OIL CORPORATION

öbl's/Mo. oil

H.T. MATHERA (WCT-3) #16 Blinebry



BLINEBY OIL & GAS

[illegible]

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-118
Revised 1-1-65

Operator Gulf Oil Corporation		Pool Drinkard				County Lea										
Address P. O. Box 670, Hobbs, NM 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	T.B.G. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BSL
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
H. T. Mattern (NCT-B)	16	D	31	21	37	9-17-76	P 2" w/o	35	-	24	16	39.1	27	47	1,741	
<p>Test on Drinkard zone prior to downhole commingling under Order No. R-5273.</p>																

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]

(Signature)

Well Tester

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-55

Operator Gulf Oil Corporation		Pool Blinebry-Drinkard DHC #R-5273				County Lea										
Address P. O. Box 670, Hobbs, NM 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	TSG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT./BBL.
		U	S	T	R							WATER BBL.	GRAV. OIL	OIL BBL.	GAS M.C.F.	
H. T. Mattern (NCT-B)	16	D	31	21	37	12-2-76	P	2" w/o	40	-	24	178	38.9	14	16.	1,142
Special test in conjunction with other data submitted for allocation of production under DHC #R-5273																

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.

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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]
(Signature)

Well Tester

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. 5704
Order No. R-5273

APPLICATION OF GULF OIL CORPORATION
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 July 7, 1976,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of August, 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, Gulf Oil Corporation, is the owner
and operator of the H. W. Mattern (NCR-B) well no. 16, located
in Unit D of Section 31, Township 21 South, Range 37 East, NMPM,
Lea County, New Mexico.

(3) That said well is presently completed in and producing
from the Drinkard formation only.

(4) That the applicant proposes to perforate said well
to also produce from the Blinbry formation, and to commingle
said Blinbry production with the Drinkard production in the
wellbore of said well.

(5) That from the Drinkard formation, said well is capable
of marginal production only.

(6) That it is expected that the Blinbry formation will
be capable of marginal production only upon completion of said
well in said formation.

(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.

(8) That the reservoir characteristics of each of the subject zones in the aforesaid well is expected to be 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 the operator, upon completion of the well, should consult with the supervisor of the Hobbs district office of the Commission to determine an allocation formula.

(11) That an administrative procedure should be established whereby additional wells may be completed in the manner described above on applicant's H. T. Mattern (NCT-B) Lease.

(12) That the authority for downhole commingling of production in the wellbore of the subject well or in wells approved by administrative procedure should be subject to rescission by the Secretary-Director of the Commission and the requirement for down-hole separation equipment in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which render down-hole commingling inadvisable.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to commingle Blinebry and Drinkard production within the wellbore of its H. T. Mattern (NCT-B) Well No. 16 located in Unit D of Section 31, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That upon completion of said well to produce from both the Blinebry and Drinkard formations, the applicant shall consult with the supervisor of the Hobbs district office of the Commission to determine the proper formula for allocation of oil and gas production to each zone open in the well.

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

-3-

Case No. 5704
Order No. R-5273

(4) That the Secretary-Director of the Commission may authorize the completion of other wells on applicant's H. T. Mattern (NCT-B) Lease in Section 31, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in the manner described in Order No. (1) above and subject to the provisions of this order when the application for such commingling is filed in accordance with the applicable provisions of Rule 303 C 2 of the Commission Rules and Regulations.

(5) That the Secretary-Director of the Commission shall have authority to rescind downhole commingling authority for any well approved for such commingling by this order or pursuant to the provisions of Order No. (4) above in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which in his opinion render downhole commingling inadvisable.

(6) 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



Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

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

S E A L

dr/

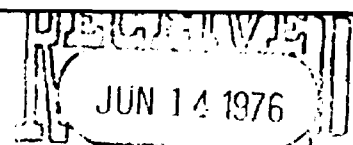
Memo

From
D. S. NUTTER
CHIEF ENGINEER

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Remedy B.6 B1 is right
 The reason B.6 is right
 Total of 4500 = 700
 GOR 2019.7

(Case 5704



Gulf Energy and Minerals Company - U.S.A.

II CONSERVATION COMM

PRODUCTION DEPARTMENT
MIDLAND DISTRICT

B. L. Choate
DISTRICT PRODUCTION MANAGER
R. F. Ward, Jr.
DISTRICT OPERATIONS MANAGER
C. E. Fields
DISTRICT SERVICES MANAGER
A. J. Evans, Jr.
DISTRICT ENVIRONMENTAL, SAFETY,
AND JOINT OPERATIONS MANAGER
J. C. Howard
DISTRICT EMPLOYEE RELATIONS MANAGER

P. O. Drawer 1150
Midland, Texas 79701

June 10, 1976

Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

ATTN: Mr. Joe D. Ramey

RE: Application of Gulf Oil Corporation
for Exception to Rule 303 to Allow
Down-Hole Commingling, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests that a hearing be scheduled on your Examiner's Hearing Docket of July 7, 1976 to consider Gulf's application for down-hole commingling of the below listed wells in the Drinkard and Blinbry Pools.

H. T. Mattern (NCT-B) Well No. 16
Unit D, Section 31, T-21-S, R-37-E

H. T. Mattern (NCT-C) Well No. 5
Unit I, Section 18, T-21-S, R-37-E

H. T. Mattern (NCT-C) Well No. 8
Unit A, Section 18, T-21-S, R-37-E

William A. Ramsay (NCT-B) Well No. 6
Unit H, Section 25, T-21-S, R-36-E

Gulf will request that the combined allowable of the two zones in each well be assigned at the wells' commingled ability to produce, but not to exceed one top oil and gas allowable as established for the Blinbry Oil and Gas Pool, i. e., 107 barrels of oil and 428 MCF per day of gas. Gulf




A DIVISION OF GULF OIL CORPORATION

OIL CONSERVATION COMMISSION
PAGE 2
June 10, 1976



will further seek authority to establish a procedure for administrative approval of future applications for similar down-hole commingling authority on these three leases.

Yours very truly,


R. F. WARD, JR.

CFK:mw

cc: New Mexico Oil Conservation Commission
Post Office Box 1980
Hobbs, New Mexico 88240

James E. Sperling
Post Office Box 2168
Albuquerque, New Mexico 87100

Dockets Nos. 21-76 and 22-76 are tentatively set for hearing on August 4 and August 18, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINEE HEARING - WEDNESDAY - JULY 7, 1976
9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

- CASE 5704: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its H. T. Mattern (NCT-B) Well No. 16 located in Unit D of Section 31, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5705: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its H. T. Mattern (NCT-C) Wells Nos. 5 and 8, located, respectively, in Units J and A of Section 18, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5706: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Drinkard and Blinebry production in the wellbore of its William A. Ramsay (NCT-B) Well No. 6 in Unit H of Section 25, Township 21 South, Range 36 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional commingling authority on this lease.
- CASE 5707: Application of Harrington Transportation Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Llano Inc. Terry Well No. 1, to be drilled at a point 1650 feet from the North line and 1980 feet from the East line of Section 14, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.
- CASE 5708: Application of Roger C. Hanks for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the approximate interval from 10,300 feet to 10,550 feet in his King Disposal Well No. 1 located in Unit C of Section 9, Township 20 South, Range 25 East, Eddy County, New Mexico.
- CASE 5709: Application of Tahoe Oil and Cattle Company for an exception to the provisions of Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate an earthen salt water disposal pit in the NW/4 SW/4 of Section 2, Township 20 South, Range 30 East, Eddy County, New Mexico.
- CASE 5710: Application of Benson-Montin-Greer Drilling Corporation for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the two following described non-standard gas proration units in Township 32 North, Range 13 West, Ute Dome-Dakota Gas Pool, San Juan County, New Mexico:
- a 250.64-acre unit comprising the N/2 of Section 30 to be dedicated to applicant's La Plata F-30 Well No. 2, located 900 feet from the North line and 827 feet from the West line of said Section 30;
- a 250.80-acre unit comprising the S/2 of Section 30 to be dedicated to applicant's La Plata K-30 Well No. 1 located 1508 feet from the South line and 825 feet from the West line of said Section 30.
- CASE 5691: (Readvertised and Reopened)
- Application of Hanson Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 990 feet from the North line and 2600 feet from the West line of Section 25, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.
- CASE 5702: Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Tubb Gas Pool and Drinkard Oil Pool production in the wellbore of its Brunson "B" Well No. 7 located in Unit N of Section 3, Township 22 South, Range 37 East, Lea County, New Mexico.

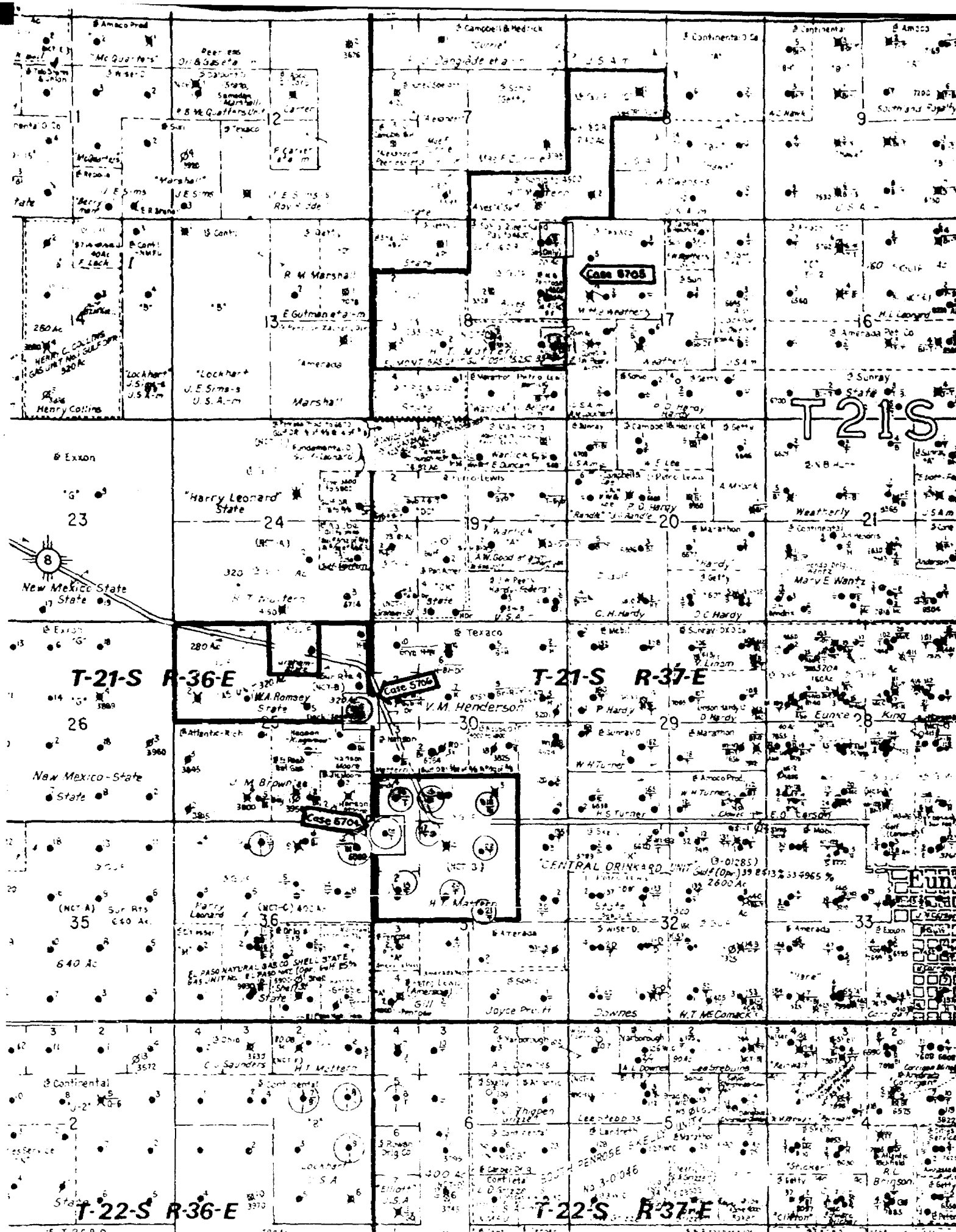
TABULATION OF PRODUCTION
GULF OIL CORPORATION

H. T. MATTERN (NCT-B) WELL NO. 16
BLINEBRY OIL AND GAS POOL
LEA COUNTY, NEW MEXICO

<u>MONTH</u>	<u>OIL (BBLs)</u>	<u>GAS (MCF)</u>	<u>WATER (BBLs)</u>
<u>1973</u>			
January	2,057	8,489	3,503
February	1,718	7,956	3,064
March	1,653	7,616	3,503
April	1,551	642	4,350
May	1,226	7,859	4,495
June	1,125	8,374	4,405
July	1,314	11,917	4,405
August	1,024	10,391	4,712
September	889	6,595	2,280
October	883	16,715	4,712
November	828	1,926	2,280
December	850	15,489	2,356
<u>1974</u>			
January	713	13,292	4,712
February	611	12,203	4,256
March	696	17,426	4,712
April	602	16,533	2,280
May	555	12,743	4,712
June	472	11,821	2,280
July	484	11,057	4,712
August	394	10,117	2,434
September	349	6,575	1,368
October	369	3,428	1,368
November	315	3,614	1,100
December	404	3,927	1,368
<u>1975</u>			
January	381	3,908	1,368
February	265	2,529	1,040
March	489	4,560	1,368
April	388	4,544	1,318
May	426	4,801	1,300
June	405	4,919	420
July	438	5,064	434
August	376	TSTM	341
September	387	0	330
October	398	5,174	434
November	348	4,924	330
December	-	-	-




CUMULATIVE OIL PRODUCTION 12-1-75 41,592

EXHIBIT 3A
CASE 5704



GULF OIL CORPORATION
LEA COUNTY, NEW MEXICO
1" = 3000'

LEGEND

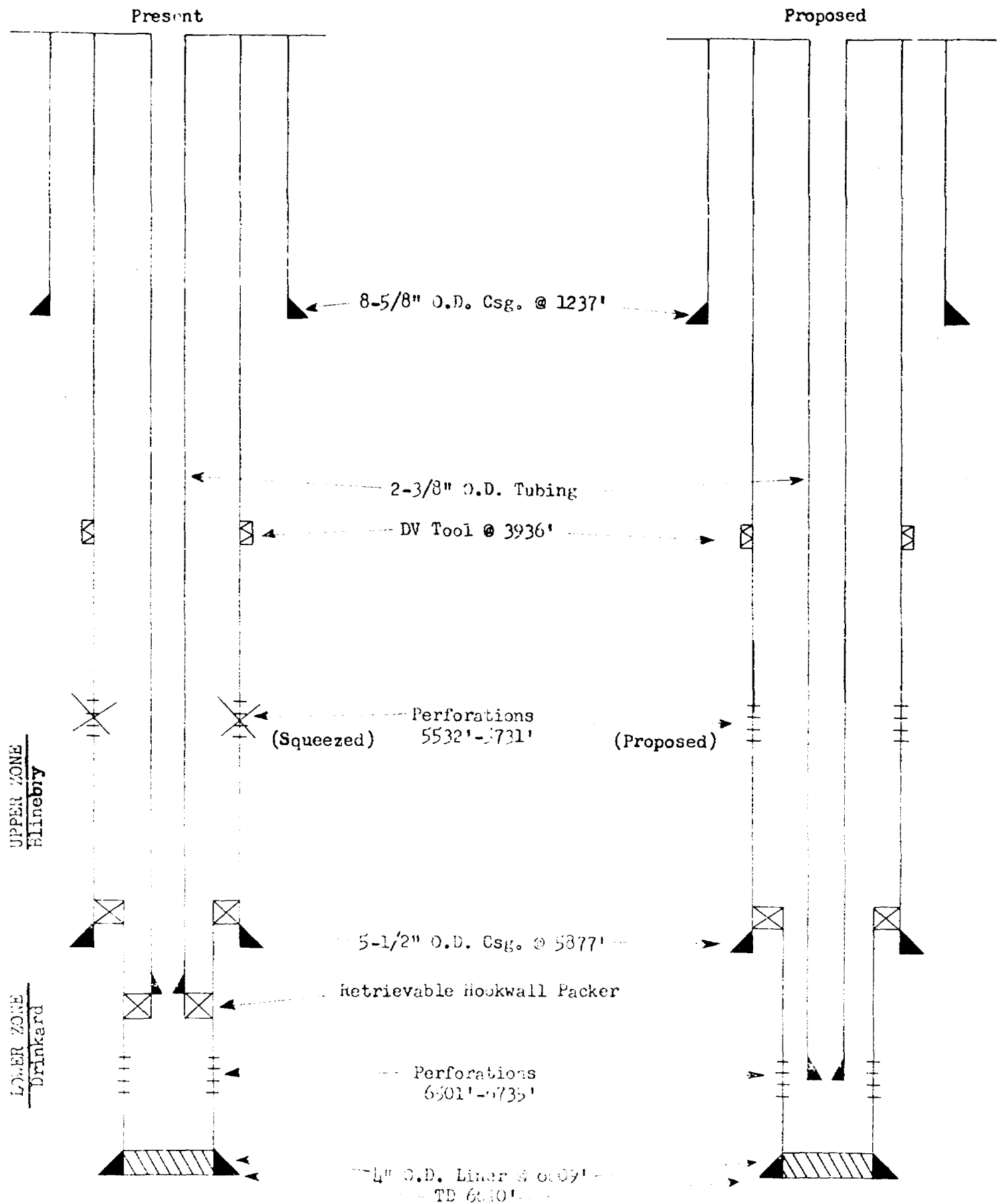
-  DRINKARD POOL
-  BLINEBRY POOL
-  PROPOSED BLINEBRY-DRINKARD COMMINGLING

Exhibits
Case 5704

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 5704-5705-5706

SCHEMATIC DIAGRAM

GULF OIL CORPORATION
H.T. MATTHEW (KCT-B) WELL No. 16
UNIT D, 330' FWL & 330' FWL, SEC 31, T-21-S, R-37-E
LEA COUNTY, NEW MEXICO



BEFORE EXAMINATION
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 5704

EXHIBIT 2
CASE 5704

TABULATION OF PRODUCTION
GULF OIL CORPORATION

H. T. MATTERN (NCT-B) WELL NO. 16
BLINEBRY OIL AND GAS POOL
LEA COUNTY, NEW MEXICO

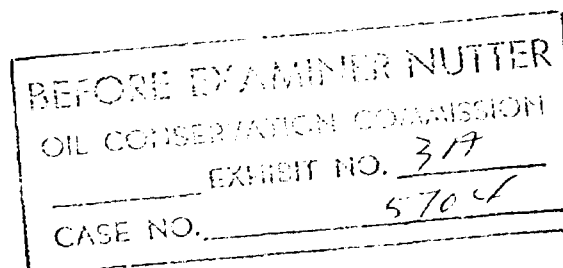
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<u>1974</u>			
January	713	13,292	4,712
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March	696	17,426	4,712
April	602	16,533	2,280
May	555	12,743	4,712
June	472	11,821	2,280
July	484	11,057	4,712
August	394	10,117	2,434
September	349	6,575	1,368
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CUMULATIVE OIL PRODUCTION 12-1-75 41,592

EXHIBIT 3A
CASE 5704



TABULATION OF PRODUCTION
GULF OIL CORPORATION

H. T. MATTERN (NCT-B) WELL NO. 16
DRINKARD POOL
LEA COUNTY, NEW MEXICO

<u>MONTH</u>	<u>OIL</u> <u>(BBLS)</u>	<u>GAS</u> <u>(MCF)</u>	<u>WATER</u> <u>(BBLS)</u>
<u>1976</u>			
January	909	11	540
February	1,882	7,633	812
March	2,067	7,836	1,798
April	1,222	3,584	588
May	794	1,732	651

CUMULATIVE OIL PRODUCTION 6-1-76

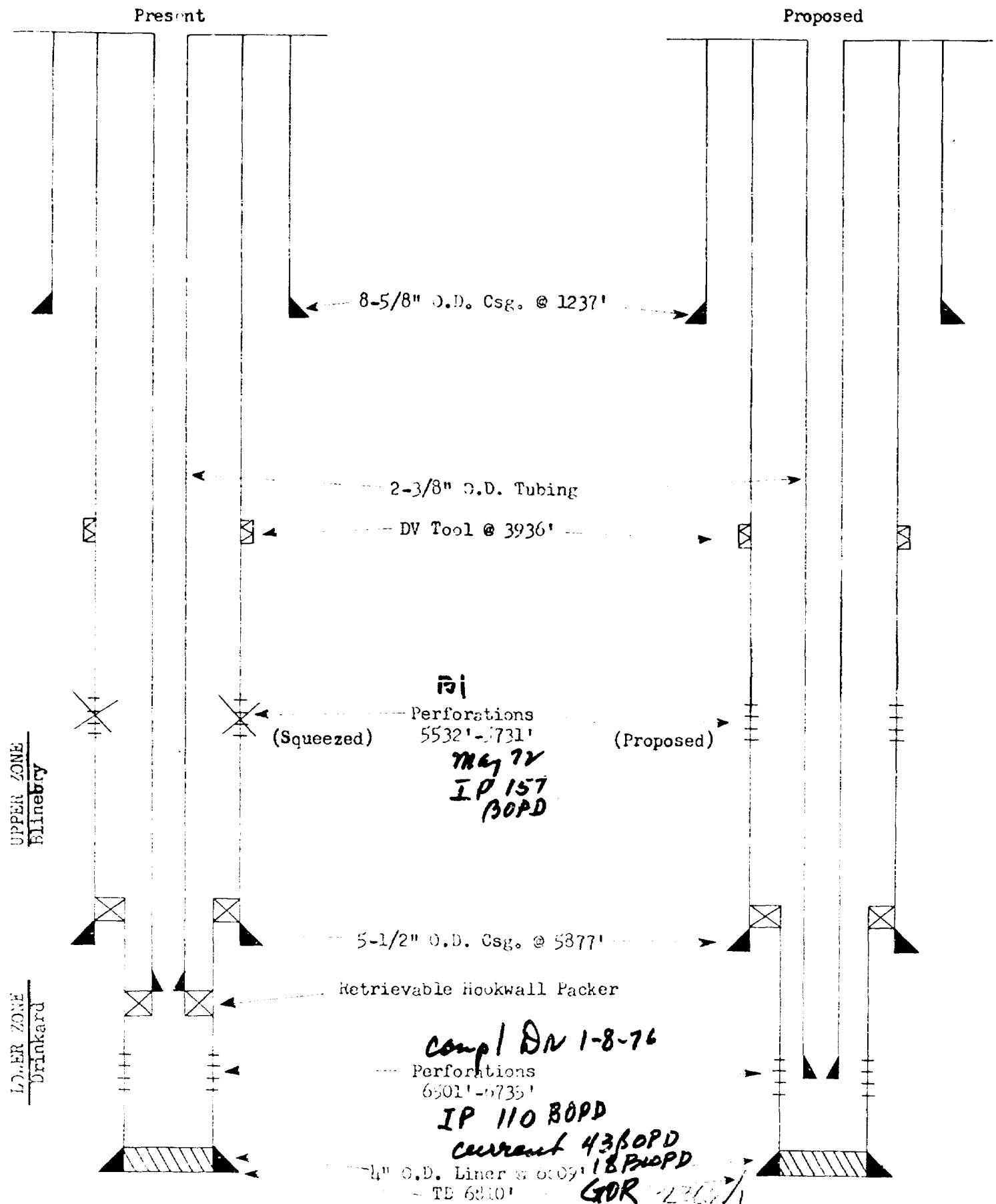
6,874

EXHIBIT 3B
CASE 5704

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 313
CASE NO. 5704

SCHEMATIC DIAGRAM

GULF OIL CORPORATION
 H.T. MATTHEW (NOT-B) WELL No. 16
 UNIT D, 330' FWL & 330' FWL, SEC 31, T-21-S, R-37-E
 LEA COUNTY, NEW MEXICO



BHP's

DR - 3050

CC 1024
 F4 1016
 C-N 1069

BL (2) - 3050
 C-5 J-18
 1237

App. Ex 2
 5704, 05, & 06

EXHIBIT 2
 CASE 5704

TABULATION OF PRODUCTION
GULF OIL CORPORATION

H. T. MATTERN (NCT-5) WELL NO. 16
DRINKARD POOL
IEA COUNTY, NEW MEXICO

<u>MONTH</u>	<u>OIL</u> <u>(BBLs)</u>	<u>GAS</u> <u>(MCF)</u>	<u>WATER</u> <u>(BBLs)</u>
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CUMULATIVE OIL PRODUCTION 6-1-76 6,874

EXHIBIT 3B
CASE 5704

TABULATION OF PRODUCTION
GULF OIL CORPORATION

H. T. MATTERN (NCT-B) WELL NO. 16
DRINKARD POOL
LEA COUNTY, NEW MEXICO

<u>MONTH</u>	<u>OIL</u> <u>(BBLs)</u>	<u>GAS</u> <u>(MCF)</u>	<u>WATER</u> <u>(BBLs)</u>
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CUMULATIVE OIL PRODUCTION 6-1-76

6,874

EXHIBIT 3B
CASE 5704

TABULATION OF PRODUCTION
GULF OIL CORPORATION

H. T. MATTERN (NCT-B) WELL NO. 16
BLINEBRY OIL AND GAS POOL
LEA COUNTY, NEW MEXICO

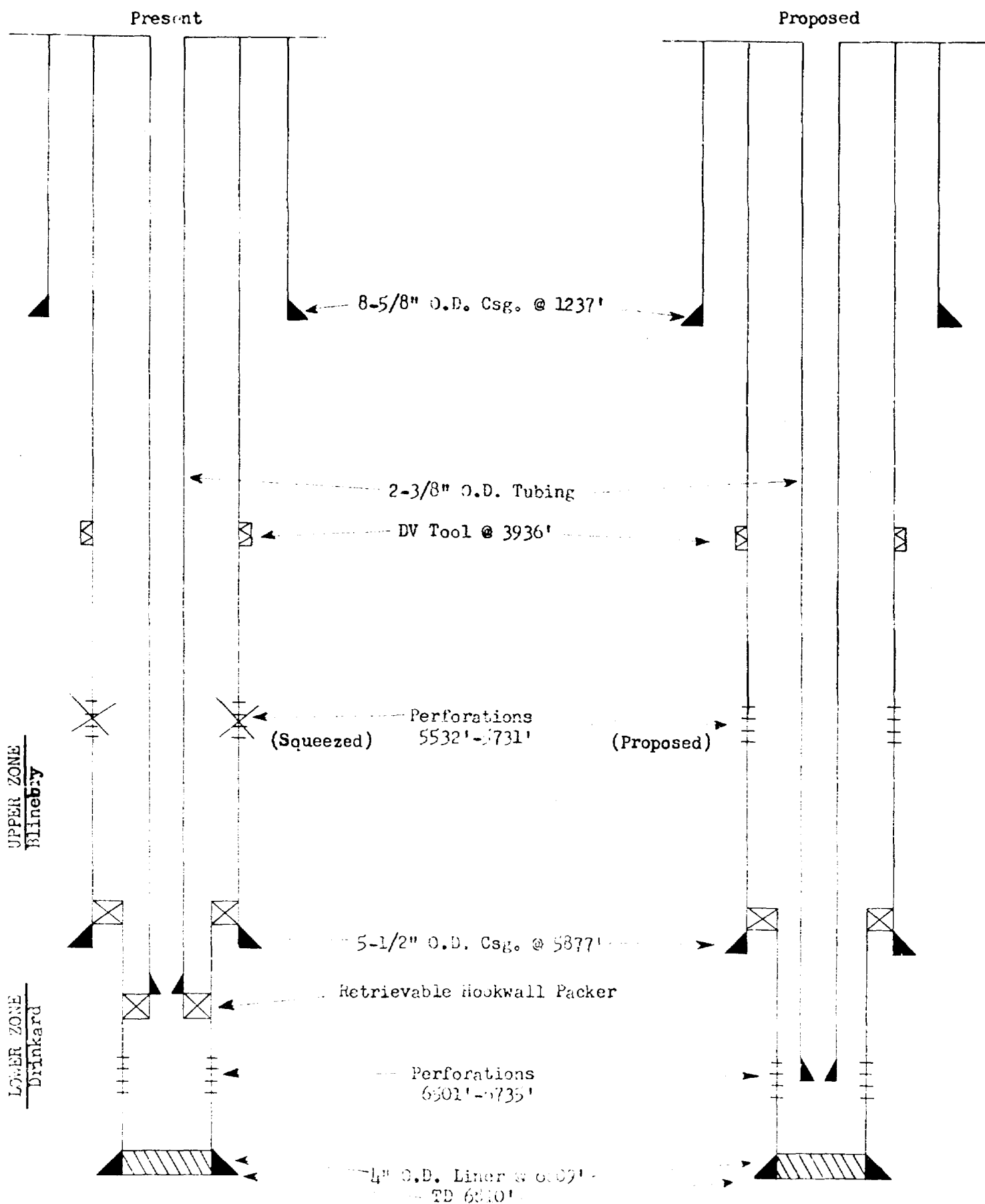
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February	1,718	7,956	3,064
March	1,653	7,616	3,503
April	1,551	642	4,350
May	1,226	7,859	4,495
June	1,125	8,374	4,405
July	1,314	11,917	4,405
August	1,024	10,391	4,712
September	889	6,595	2,280
October	883	16,715	4,712
November	828	1,926	2,280
December	850	15,489	2,356
<u>1974</u>			
January	713	13,292	4,712
February	611	12,203	4,256
March	696	17,426	4,712
April	602	16,533	2,280
May	555	12,743	4,712
June	472	11,821	2,280
July	484	11,057	4,712
August	394	10,117	2,434
September	349	6,575	1,368
October	369	3,428	1,368
November	315	3,614	1,100
December	404	3,927	1,368
<u>1975</u>			
January	381	3,908	1,368
February	265	2,529	1,040
March	489	4,560	1,368
April	388	4,544	1,318
May	426	4,801	1,300
June	405	4,919	420
July	438	5,064	434
August	376	TSTM	341
September	387	0	330
October	398	5,174	434
November	348	4,924	330
December	-	-	-

CUMULATIVE OIL PRODUCTION 12-1-75 41,592

EXHIBIT 3A
CASE 5704

SCHEMATIC DIAGRAM

GULF OIL CORPORATION
 H.T. MATTHEW (ACT-B) WELL No. 16
 UNIT D, 330' FNL & 330' FNL, SEC 31, T-21-S, R-37-E
 LEA COUNTY, NEW MEXICO



Case 5704
JUN 19 1964
JOHN F. SIMMS (1905-1954)
AUGUSTUS T. SEYMOUR
11007-1004
OH CONSERVATION
TELEPHONE 243-4511
COLUMBIA AREA CODE 505

Mr. R. F. Ward, Jr., w/encl.
District Operations Manager
Gulf Energy and Minerals Company-U.S.

OFFICE OF THE
JUN 15 1976

Case
5704

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF GULF OIL CORPORATION FOR
EXCEPTION TO RULE 303 TO ALLOW
DOWN-HOLE COMMINGLING, LEA
COUNTY, NEW MEXICO

Case No. _____

ENTRY OF APPEARANCE

The undersigned, Modrall, Sperling, Roehl, Harris & Sisk, of Albuquerque, New Mexico, hereby enter their appearance for the Applicant, Gulf Oil Corporation, with its house counsel of Midland, Texas.

MODRALL SPERLING ROEHL HARRIS & SISK

By: _____

James E. Sperling, Attorneys for
Gulf Oil Corporation
P. O. Box 2168
Albuquerque, New Mexico 87103
Telephone: (505) 243-4511

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. 5704
Order No. R-5273

APPLICATION OF GULF OIL CORPORATION
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 July 7, 1976,
at Santa Fe, New Mexico, before Examiner Daniel S. ~~Y~~ter.

NOW, on this day of September, 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 sub-
ject matter thereof. (NCT-8)

(2) That the applicant, Gulf Oil Corporation, is the owner
and operator of the H. T. Mattern Well No. 16, located in Unit D of
Section 31 Township 24 South, Range 37 East,
NMPM, Lea County, New
Mexico.

(3) That said well is presently completed in and
producing from the Drinkard formation only.

(4) That the applicant proposes to perforate said
well to also produce from the Blinebry formation, and to com-
mingle said Blinebry production with the Drinkard production in
the wellbore of said well.

(5) That from the Drinkard formation, said well
is capable of marginal production only.

(6) That it is expected that the Blinebry formation will
be capable of marginal production only upon completion of said
well in said formation.

(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.

(8) That the reservoir characteristics of each of the subject zones in the aforesaid well is expected to be 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~~ the subject well ~~is~~ is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in ~~the~~ the subject well the operator, upon completion of the well, should consult with the supervisor of the Hobbs district office of the Commission to determine an allocation formula.

(11) That an administrative procedure should be established whereby additional wells may be completed in the manner described above on applicant's H. T. Mattern ~~(NCT-B)~~ Lease.

(12) That the authority for downhole commingling of production in the wellbore of the subject well or in wells approved by administrative procedure should be subject to rescission by the Secretary-Director of the Commission and the requirement for down-hole separation equipment in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which render down-hole commingling inadvisable.

IT IS THEREFORE ORDERED:

(NCT-B)

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to commingle Blinebry and Drinkard production within the wellbore of its H. T. Mattern Well No. 16 and 8 and its ~~Harry Leonard Well No. 17 located, respectively, in Unit D of Section 31, Township 22 South, Range 37 East, Unit B of Section NMPM, 6, Township 22 South, Range 37 East, and Unit C of Section 36, Township 21 South, Range 36 East, all in Lea County, New Mexico.~~

(2) That upon completion of ~~each of~~ said wells to produce from both the Blinebry and Drinkard formations, the applicant shall consult with the supervisor of the Hobbs district office of the Commission to determine the proper formula for allocation of oil and gas production to each zone open in the well.

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

Case No. ~~5572~~ 5704

Order No. ~~B-5114~~

(NCT-B) Lease in

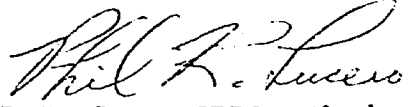
(4) That the Secretary-Director of the Commission may authorize the completion of other wells on applicant's H. T. Mattern and Harry Leonard Leases in Section 26, Township 21 South, Range 36 East, NMPM, Section 1, Township 22 South, Range 36 East, NMPM, and Sections 31 and 7, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in the manner described in Order No. (1) above and subject to the provisions of this order when the application for such commingling is filed in accordance with the applicable provisions of Rule 303 C 2 of the Commission Rules and Regulations.

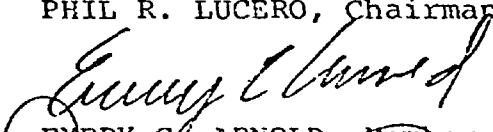
(5) That the Secretary-Director of the Commission shall have authority to rescind downhole commingling authority for any well approved for such commingling by this order or pursuant to the provisions of Order No. (4) above in the event that high marginal or top allowable production is obtained or if reservoir pressures or other reservoir conditions are encountered which in his opinion render downhole commingling inadvisable.

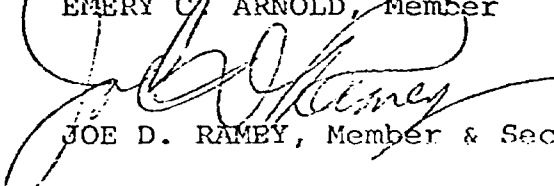
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/