

CASE 5732: YATES PETROLEUM CORP.
FOR DOWNHOLE COMMINGLING, EDDY
COUNTY, NEW MEXICO

CASE NO.

5732

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpora-) CASE
tion for downhole commingling,) 5732
Eddy County, New Mexico.)

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: Joel M. Carson, Esq.
MOSEE & CARSON, P.A.
Attorneys at Law
300 American Home Building
Artesia, New Mexico

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

I N D E X

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RAY BECK

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1 MR. STAMETS: We will call next Case 5732.

2 MR. CARR: Case 5732, application of Yates Petroleum
3 Corporation for downhole commingling, Eddy County, New Mexico.

4 MR. CARSON: Mr. Examiner, my name is Joel Carson,
5 Losee and Carson, P.A., Artesia, New Mexico representing
6 Yates Petroleum Corporation and I have one witness.

7 (THEREUPON, the witness was duly sworn.)
8

9 RAY BECK

10 called as a witness, having been first duly sworn, was
11 examined and testified as follows:
12

13 DIRECT EXAMINATION

14 BY MR. CARSON:

15 Q Would you state your name, please?

16 A Ray Beck.

17 Q What is your address, Mr. Beck?

18 A Artesia, New Mexico.

19 Q And you are an employee of Yates Petroleum Corporation,
20 is that correct?

21 A That's true.

22 MR. CARSON: Mr. Examiner, this witness has previously
23 testified before the Commission, are his credentials
24 satisfactory?

25 MR. STAMETS: The witness is considered qualified.

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1 Q (Mr. Carson continuing.) Mr. Beck, would you first
2 explain the general purpose of the application.

3 A In Case 5732 Yates Petroleum Corporation seeks
4 authority to commingle Morrow and Strawn production in the
5 wellbore of its Roden Federal GD Well No. 1 located in Unit I
6 of Section 23, Township 19 South, Range 24 East, Eddy County,
7 New Mexico.

8 Q You have before you Exhibit Number One, Mr. Beck,
9 would you explain to the Commission what that Exhibit shows?

10 A Exhibit Number One is a land plat showing the location
11 of the Roden GD No. 1 in relationship to the surrounding
12 acreage. I might mention that the ownership is the same for
13 both the Morrow and the Strawn.

14 Q Referring to the particulars of Exhibit Number Two,
15 Mr. Beck, was that diagram prepared from information on file
16 in Yates Petroleum Corporation?

17 A It was.

18 Q Are you acquainted with the information therein?

19 A I am.

20 Q And is it true and correct to the best of your
21 knowledge and belief?

22 A Yes, it is.

23 Q Would you explain to the hearing officer what that
24 exhibit would purport to show?

25 A Exhibit Number Two is a diagrammatic sketch of the

1 proposed downhole commingling of the Roden GD. The thin,
2 four-foot Morrow zone has been potentialized for only six hundred
3 and seventy-five MCF at a hundred and two pounds on a half-inch
4 choke after treatment. We propose to perforate and stimulate
5 as needed nineteen feet of Strawn zone and commingle this with
6 the four-foot thick marginal Morrow zone through a standing
7 valve.

8 Q Mr. Beck, could you go on and tell the hearing
9 officer what your information is as to the Strawn?

10 A Would you wish me to refer to it in the logs?

11 Q Yes, would you refer to your Exhibit Number Three?

12 A Okay, Exhibit Number Three consists of the neutron
13 density porosity log and a dual laterolog. It's in two sheets.
14 These logs show both the Morrow and the Strawn potential pay
15 zone. The Morrow at the bottom has approximately ten percent
16 porosity on the C and L on the compensated neutron formation
17 density porosity log and some indicated permeability on the
18 dual laterolog, the second page.

19 The Strawn up above has twenty-six and nine percent
20 porosity as shown on the compensated neutron log and a slight
21 permeability is indicated on the dual laterolog.

22 Before perforating the Strawn in the Roden GD we
23 expect at most three quarters to a million cubic feet of gas
24 a day from the Strawn against pipeline pressure and the
25 purpose of the commingling of the two marginal pay zones is,

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1 one, to avoid expensive dual completion or purchase and
2 installation of a compressor to produce the Morrow independently
3 into a gas pipeline since it has such low pressure and to
4 avoid killing or possibly damaging one or both zones in some
5 other method of completion.

6 Q What kind of pipeline pressure are you having to
7 buck there?

8 A Probably five hundred to six hundred pounds.

9 Q And without the Strawn you couldn't produce the
10 Morrow against the pipeline pressure, is that correct?

11 A True.

12 Q Mr. Beck, in your opinion will the granting of this
13 application avoid any unnecessary risk caused by the drilling
14 of additional or unnecessary wells?

15 A Yes.

16 Q Do you believe it will promote conservation and
17 protect correlative rights?

18 A I do.

19 Q And do you believe that this would help prevent
20 waste?

21 A I do.

22 MR. CARSON: No further questions, Mr. Examiner.

23

24

CROSS EXAMINATION

25 BY MR. STAMETS:

1 Q Mr. Beck, what's the shut-in pressure on the
2 Morrow zone?

3 A On that well we did not run a drill stem test and
4 I'm not certain, I don't have that information with me but
5 I would imagine it would be somewhere in the neighborhood of
6 thirty-three thousand pounds or something like that.

7 Q How about thirty-three hundred?

8 A Thirty-three hundred, I mean, excuse me.

9 Q What about the Strawn zone, do you have an indication
10 what the shut-in pressure is on it?

11 A No, sir, we did not drill stem test this, we recognize
12 this zone on the logs and, of course, we haven't perforated
13 it yet.

14 Q What about connection possibilities following the
15 commingling of this well, will it be put on line and produced
16 or will it be shut in for sometime?

17 A If the Strawn produces like we think it will, a
18 million or so, and we make a little from the Morrow and the
19 pressures do hold up, there are pipelines within reasonable
20 distance, three or four miles, that it could be sold into.

21 Q My concern is that if you have one of these zones
22 with more pressure than the other, for example, say the Strawn
23 winds up over-pressured with liquids, if that well is
24 commingling and is allowed to remain shut in for any significant
25 period of time, you could have the Morrow zone either being

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1 damaged by the Strawn liquids or the loss of these hydrocarbons
2 in the Morrow zone.

3 A. Well, I guess that is a problem of concern, however,
4 with the way they have it completed here I would doubt that,
5 you know, I would doubt that it would damage the Morrow.

6 Q. Would the Morrow zone be sealed off while the
7 recompletion work is going on in the Strawn?

8 A. That's right, it will be. We propose to set a
9 standing valve at eighty-eight, twenty-five and back off on
10 the tool at eighty-eight, twenty-three and then come up and
11 perforate and stimulate the Strawn as needed and then re-open
12 the standing valve below on the Morrow at a later date.

13 Q. In other words, the well might be allowed to set
14 shut in then with the Morrow totally sealed off from the
15 Strawn until production is obtained?

16 A. That's right.

17 Q. Mr. Beck, would an order which would allow you this
18 authority with the concurrence of our district supervisor and
19 at his concurrence be acceptable?

20 A. Yes, it would.

21 Q. His opinion would be based upon completion information
22 which you give him?

23 A. That's right, that would be fine.

24 MR. STAMETS: Are there any other questions?

25 MR. CARSON: Mr. Hearing Officer, I would like to

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1 move the admission of these exhibits, Exhibits One through
2 Three.

3 MR. STAMETS: These exhibits will be admitted.

4 (THEREUPON, Applicant's Exhibits One
5 through Three were admitted into evidence.)

6 MR. STAMETS: Anything further in this case? The
7 witness may be excused.

8 (THEREUPON, the witness was excused.)

9 MR. STAMETS: The case will be taken under
10 advisement.

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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
Sidney F. Morrish, C.S.R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5732
heard by me on 8-18-1976.
Richard T. Hunt Examiner
New Mexico Oil Conservation Commission

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. 5732
Order No. R-5266

APPLICATION OF YATES PETROLEUM
CORPORATION FOR DOWNHOLE COMMINGLING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

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, Yates Petroleum Corporation, is the owner and operator of the Roden Federal GD Well No. 1, located in Unit I of Section 23, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle Morrow and Strawn production within the wellbore of the above-described well.

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

(5) That from the Strawn zone, the subject well is projected to be capable of low rates of production only.

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

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is equipped and operated in such a manner that any liquids produced from the Strawn zone cannot come in contact with the Morrow zone.

-2-

Case No. 5732
Order No. R-5266

(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 Artesia 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, the operator, upon completion of the well, should consult with the supervisor of the Artesia district office of the Commission to determine an allocation formula.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Morrow and Strawn production within the wellbore of the Roden Federal GD Well No. 1, located in Unit I of Section 23, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico.

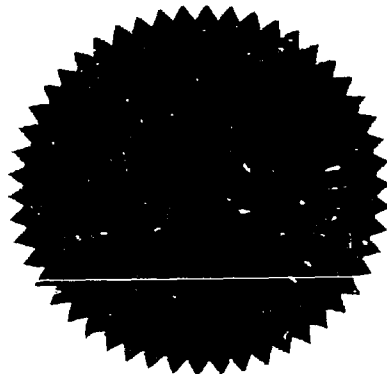
PROVIDED HOWEVER, that said well shall be equipped and operated in such a manner that any liquids produced from the Strawn zone cannot come in contact with the Morrow zone.

(2) That upon completion of said well to produce from the Strawn and Morrow formations, the operator shall consult with the supervisor of the Artesia district office of the Commission to determine the proper formula for allocation of the production to each zone.

(3) That the operator of the subject well shall immediately notify the Commission's Artesia 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.



S E A L
jr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramsey
JOE D. RAMSEY, Member & Secretary

Dockets Nos. 24-76 and 25-76 are tentatively set for hearing on September 1 and 15, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 18, 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. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1976, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5731: Application of Texaco, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blinbry, Drinkard, and Tubb production in the wellbore of its C. H. Lockhart Federal Well No. 6 located in Unit G of Section 18, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5725: Application of General American Oil Company for extension of time for temporary abandonment, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks extension of time for temporary abandonment of certain wells in Eddy County, New Mexico, said wells being described as follows:

Township 16 South, Range 29 East:

Brewer Nos. 19 and 28 in Section 12; Brewer Nos. 11, 12, 14, 24, and 25 in Section 13; Brewer Nos. 3, 4, 5, 17, 18, 20, 21, 23, and 27 and Bosworth Nos. 1, 2, 3, and 4 in Section 14; and Nunlee Nos. 4, 5, and 6 in Section 35;

Township 16 South, Range 30 East:

Sivley No. 3 in Section 8;

Township 17 South, Range 29 East:

Keely "C" Nos. 10, 12, 18, 20, 25, and 37 in Section 25; Grayburg D. U. No. 5 in Section 25; Keely "B" No. 15 in Section 26; Green "A" Nos. 1 and 4 in Section 29; and State B1778 Nos. 1 and 3 and State B4458 No. 2 in Section 36;

Township 17 South, Range 30 East:

Burch "A" Nos. 23 and 24 in Section 19; Dexter "E" No. 2 in Section 20; Parke "E" No. 2 in Section 22; Maddren "B" Nos. 6 and 9 in Section 27; Beeson A No. 2 in Section 28; Beeson "F" No. 9 in Section 29; Grayburg D. U. Nos. 4 and 6 in Section 30; Beeson "F" Nos. 1, 3, 4, 5, 6, 12, 13, 14, and 16 in Section 31; State B4108 No. 1 in Section 32; and Arnold "D" Nos. 8 and 9 in Section 34.

Three of the above wells are undesignated and the others are variously located in the High Lonesome, West Square Lake, Grayburg Jackson, Loco Hills, and West Henshaw Premier Pools.

CASE 5732: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Morrow and Strawn production in the wellbore of its Roden Federal GD Well No. 1 located in Unit I of Section 23, Township 19 South, Range 24 East, Eddy County, New Mexico.

CASE 5733: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Jackson GM Well No. 1 to be drilled at a point 660 feet from the South line and 1650 feet from the West line of Section 24, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the W/2 of said Section 24 to be dedicated to the well.

CASE 5734: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Federal GL Well No. 1 to be drilled at a point 660 feet from the South and West lines of Section 33, Township 17 South, Range 25 East, Eddy County, New Mexico, to test the Morrow formation, the S/2 of said Section 33 to be dedicated to the well.

CASE 5724: Application of Yates Petroleum Corporation for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purposes of treating and reclaiming sediment oil at a site in the SE/4 of Section 25, Township 18 South, Range 25 East, Eddy County, New Mexico.

EXHIBIT NO. 5932
CASE NO. 5932
Submitted by *Yam*
Hearing Date: 8-16

Submitted by Yash
Hearing Date: 8-16

Submitted by—Hearing Date.

Submittal
Hearing

Sub
eM

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DIAGRAMMATIC SKETCH
OF
PROPOSED DOWNHOLE COMMINGLING

YATES PETROLEUM CORP.
Roden Federal "GD" No. 1
1980 FSL 660 FEL Sec 23-19s-24E
Eddy County, N. Mex.

Spudded: 1-21-71
Old TD: 7855 P&A: 2-18-71
Re-entered: 6-1-76
Morrow Compl: 7-2-76

Elev. 3632 GR

Top San Andres @ 420' KB
Base Artesian Zone @ 849' KB
Glorietta Sd @ 1760' KB

Top of Strawn @ 8064' KB

Strawn Gas Zone
Por. 6-9%; Perm. tight.

Top of Atoka @ 8535' KB

Top of Morrow @ 8872' KB

Morrow GAS ZONE
IPF: 675 mcf/d @ 102" m^{1/2}/ck

413' 4 1/2" 11.6" N-80 Csg w/ Shoe @ 9002
8572' 4 1/2" 11.6" K-55 Csg;
Cmtd w/ 375sx Halli-tite & 175sx CIH
w/ 0.5% CFR-2 & 5" Kcl.

Tbg completion

Csg Annulus loaded, inhibited 2% Kcl.

17 1/2" hole to 442' KB
13 3/8" 48" Csg set @ 442' KB
Cmtd. w/ 400 sx. circ. to surface

12 1/4" hole to 2100' KB
9 5/8" 32.75" Casing set @ 2100' KB
Cmtd. w/ 950 sx. circ. to surface

Top of cement @ 6830' KB = 6813' GR.
(temp survey)

Proposed: to set 2 3/8" 4.7" K-55 Tbg on
Guiberson UNI-VI Packer w/ On-Off Tool @ 8300' KB

To perforate 8357-62 & 8383-97 w/
4 jets/ft & stimulate as needed,
flow back until clean, & potential.

Proposed: to set Standing Valve in profile
@ 8825, back off of On-Off Tool @ 8823'.
Guiberson UNI-VI Pkr @ 8826-32 KB.

Perf: 8883-8887' KB w/ 16 0.34" jets
Trtd: 1000g. 7 1/2% MSA & N₂
675 MCF 102"

WLPBTD: 8950 KB

TD: 9152' KB

NOT TO SCALE

DIAGRAMMATIC SKETCH OF PROPOSED DOWNHOLE COMMINGLING

YATES PETROLEUM CORP.
Roden Federal "GD" No. 1
1980 FSL 660 FEL Sec 23-19s-24E
Eddy County, N. Mex.

Spudded: 1-21-71
Old TD: 7855 P&A: 2-18-71
Re-entered: 6-1-76
Morrow Compl: 7-2-76

Top San Andres @ 420' KB
Base Artesian Zone @ 849' KB
Glorietta Sd @ 1760' KB

Top of Strawn @ 8069' KB

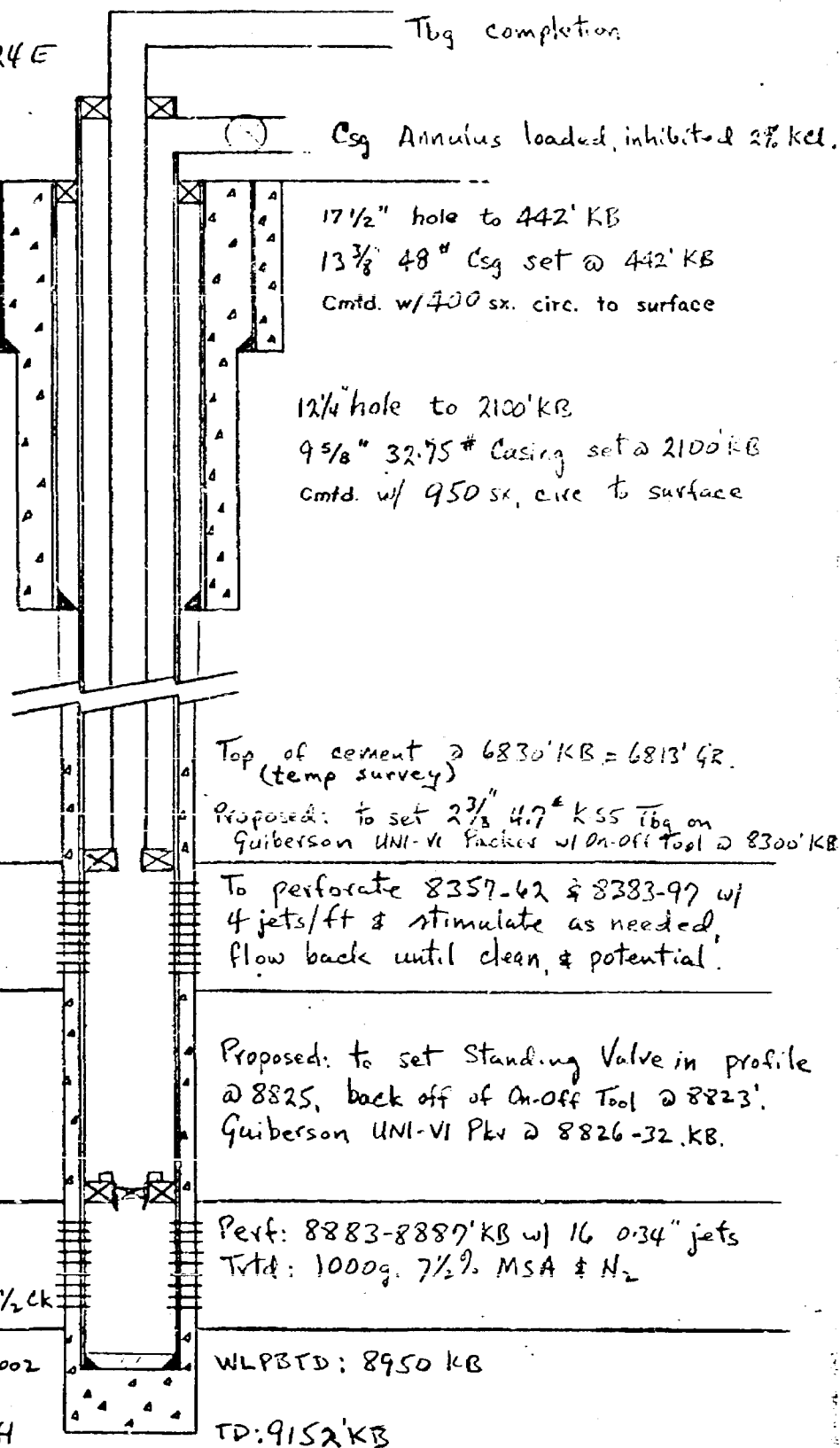
Strawn Gas Zone
Por. 6-9%; Perm. tight.

Top of Atoka @ 8535' KB

Top of Morrow @ 8872' KB

Morrow GAS ZONE
IPF: 675 mcfpd @ 102" m^{1/2} ck

413' 4 1/2" 11.6" N-80 Csg w/ Shoe @ 9002
8572' 4 1/2" 11.6" K-55 Csg;
Cmt'd w/ 375sx Hall-lite & 175sx CIH
w/ 0.5% CFR-2 & 5% KCl.



NOT TO SCALE

THE
NEW
CHURCH

Well. Roden Federal 60 #1

FIELD Walden

COUNTY Eddy STATE New Mexico

FIELD _____
LOCATION _____
WILL _____
_____ \$ 0.00
COMPANY _____

987	REC	AD
63		19-5
SUNIA NO		

Other Services:
CNC-FDC-CA

Permanent Datum: 6; Elev. 3632
 Measured From PC 12 Ft. Above Perm. Datum
 Sighting Measured From 8

Elev.: K.B. 3649
D.F. _____
G.L. 3632

Proposed Stream Pts
8359-64

Proposed: Strawn PL
8383-90

Morrow P's
8883-8487 16-34
Told w/ 1000 g. 7/6

Flower 675 mcfpd
102.8 P

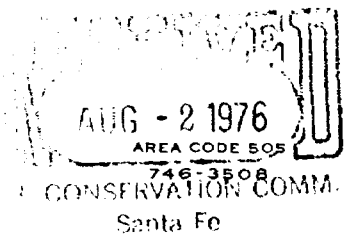
00400

0069

[illegible]

A. J. LOSEE
JOEL M. CARSON
CHAD DICKERSON

LAW OFFICES
LOSEE & CARSON, P.A.
300 AMERICAN HOME BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210



July 30, 1976

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

Re: Yates Petroleum Corporation Applications

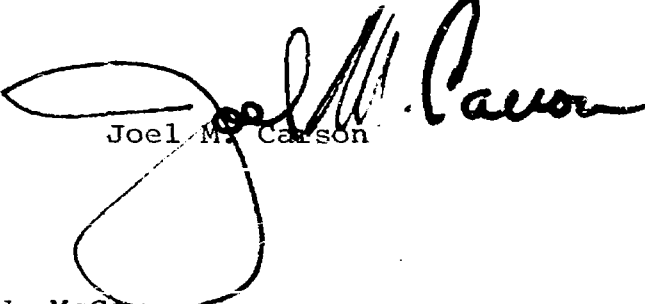
Gentlemen:

Enclosed for filing, please find three copies each of three applications of Yates Petroleum Corporation, two for un-orthodox gas well locations and one for downhole commingling, in Eddy County, New Mexico.

We ask that these cases be set for hearing before an examiner and that you furnish us with a docket of the hearings.

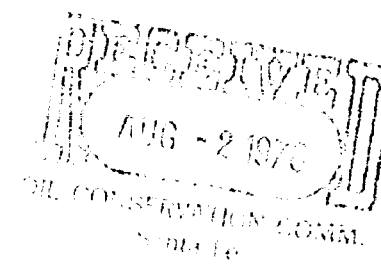
Yours truly,

LOSEE & CARSON, P.A.


Joel M. Carson

JMC:bjm
Enclosures

cc w/enclosures: Mr. Jack W. McCaw



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR DOWN- :
HOLE COMMINGLING, EDDY COUNTY, NEW :
MEXICO. :

CASE NO. 5732

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys,
and in support hereof, respectfully states:

1. That applicant is the operator of the Pennsylvanian system underlying Unit I, Section 23, Township 19 South, Range 24 East, N.M.P.M., upon which it has drilled its Roden Federal "GD" No. 1 at a location 1,980 feet from the South line and 660 feet from the East line of said Section 23. The well is not located within the boundaries of any defined gas pool.

2. That applicant has completed said well in the Morrow formation of 8,883 feet to 8,889 feet and proposes to commingle said formation with the Strawn formation by perforating said formation at depths of 8,357 feet to 8,362 feet and 8,383 feet to 8,397 feet. That the downhole commingling of such well is feasible in accordance with good conservation practices and will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Commission enter its order granting permission to applicant to commingle downhole its Roden Federal "GD" No. 1 for the production of gas from the Morrow and Strawn formations.

C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :
YATES PETROLEUM CORPORATION FOR DOWN- :
HOLE COMMINGLING, EDDY COUNTY, NEW :
MEXICO. :

CASE NO. 5732

APPLICATION

COMES NOW YATES PETROLEUM CORPORATION, by its attorneys,
and in support hereof, respectfully states:

1. That applicant is the operator of the Pennsylvanian system underlying Unit I, Section 23, Township 19 South, Range 24 East, N.M.P.M., upon which it has drilled its Roden Federal "GD" No. 1 at a location 1,980 feet from the South line and 660 feet from the East line of said Section 23. The well is not located within the boundaries of any defined gas pool.

2. That applicant has completed said well in the Morrow formation of 8,883 feet to 8,889 feet and proposes to commingle said formation with the Strawn formation by perforating said formation at depths of 8,357 feet to 8,362 feet and 8,383 feet to 8,397 feet. That the downhole commingling of such well is feasible in accordance with good conservation practices and will otherwise prevent waste and protect correlative rights.


WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Commission enter its order granting permission to applicant to commingle downhole its Roden Federal "GD" No. 1 for the production of gas from the Morrow and Strawn formations.

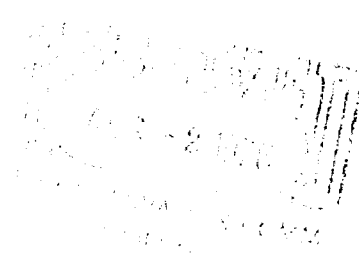
C. And for such other relief as may be just in the premises.

YATES PETROLEUM CORPORATION

By: 

LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

Attorneys for Applicant



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YATES PETROLEUM CORPORATION

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LOSEE & CARSON, P.A.
P. O. Drawer 239
Artesia, New Mexico 88210

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. 5732

Order No. R- 5266

APPLICATION OF YATES PETROLEUM CORPORATION
FOR DOWNHOLE COMMINGLING, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18,
19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this 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, Yates Petroleum Corporation is the
owner and operator of the Roden Federal GD Well No. 1, located
in Unit I of Section 23, Township 19 South, Range
24 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to commingle
Morrow and Strawn production
within the wellbore of the above-described well.

(4) That from the Morrow zone, the
subject well is capable of low ~~marginal~~ ^{rates of} production only.

(5) That from the Strawn zone, the
subject well ~~is~~ ^{projected to be} capable of low ~~marginal~~ ^{rates of} production only.

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

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well ^{is equipped and} ~~is not shut in~~ ~~operated~~ ^{operated in such a manner that any liquids} ~~for an extended period~~ ^{produced from the Strawn zone cannot come in contact with} the Morrow zone.

(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 Artesia 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, ^{The operator, upon completion of the well, should consult with} ~~percent of the commingled production should be allocated~~ ^{the supervisor of the Artesia district office of} ~~to the Morrow zone, and percent of the~~ ^{The Commission to determine an allocation} ~~commingled production to the Strawn~~ ^{formula.} ~~zone.~~

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Morrow and Strawn production within the wellbore of the Roden Federal GD Well No. 1, located in Unit 1 of Section 23, Township 19 South, Range 24 East, NMPM, Eddy County, New Mexico.

Provided However, that said well shall be equipped and operated in such a manner that any liquids produced from the Strawn zone cannot come in contact with the Morrow zone.

(2) That upon completion of said well to produce from the Strawn and Morrow formations, ~~the~~ operator shall consult with the supervisor of the Artesia district office of the Commission to determine the proper formula for allocation of the production to ~~each zone~~ ^{each zone} the two zones.

See under

Case 5732
Yates Petroleum Corporation
request for
downhole downing log
Yates Pet. Corp
Roden Fed GD#1

Unit I - Sec 23

Edwards

195

24E

Presently completed in
undergassed Morrow formation
in 8883'
8889'
downing w/ undergassed
Strawn formation

by pers.

8357 - 8362

8383 - 8397