

CASE NO.

6384

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
21 November 1978

EXAMINER HEARING

IN THE MATTER OF:)
)
)
Application of Yates Petroleum)
for downhole comingling,) CASE
Eddy County, New Mexico.) 6384
)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Lynn Teschendorf, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501
For the Applicant:	Joel Carson, Esq.
	LOSEE, CARSON, & DICKERSON
	Artesia, New Mexico

SALLY WALTON BOYD
CERTIFIED ACCOUNTING ASSISTANT
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EDDIE MAHFOOD

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1 MR. NUTTER: Call next Case 6384, which is
2 the application of Yates Petroleum Corporation for down-
3 hole commingling, Eddy County, New Mexico.

4 Just in case you call Mr. Mahfood to testify,
5 he's still under oath and qualified.

6 MR. CARSON: Mr. Examiner, my name is Joel
7 Carson, Losee, Carson, Dickerson, P. A., Artesia, New Mexico,
8 appearing on behalf of the applicant, and I have one witness,
9 Mr. Eddie Mahfood, who has previously been sworn and who,
10 as the Examiner has pointed out, is still qualified and
11 still under oath.

12
13 EDDIE MAHFOOD

14 being called as a witness and having been previously qual-
15 ified, testified as follows, to-wit:

16
17 DIRECT EXAMINATION

18 BY MR. CARSON:

19 Q Mr. Mahfood, would you state the purpose of
20 this application?

21 A We wish to establish dual completion in the
22 Permo-Penn to downhole commingle all intervals perforated
23 in this well, from the Permo-Penn down into the Atoka.

24 Q Would you -- and this well is the Federal
25 "AB" No. 5 Com, is that correct?

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1 A That is correct, located in Unit M, Section
2 21, 18 South, 25 East.

3 Q I refer you to Applicant's Exhibit Number One
4 and ask you to explain that exhibit.

5 A Exhibit One is a lease ownership map.
6 Colored in yellow is the location of acreage presently dedi-
7 cated Permo-Penn. Circled in orange is the 320 acres dedi-
8 cated to this well, "AB" No. 5, which is in the west half
9 of Section 21, 18, 25.

10 Q I refer you to Applicant's Exhibit Number
11 Two and ask you to explain that exhibit.

12 A This is a diagrammatic sketch of the proposed
13 dual completion and downhole commingling. Here we see a
14 number of perforations in the Cisco pay, 6528 to 68. It's
15 potential of 420 Mcf per day.

16 The Lower Cisco perforation at 7029 to 7038,
17 and the Upper Canyon which -- that Lower Canyon flowed 21
18 Mcf per day.

19 The Upper Canyon perforations 7464 to 7474;
20 flowed 15 Mcf per day.

21 The Atoka perforations 8430 to 8436; flowed
22 60 Mcf per day.

23 We propose to put all these together with
24 a standing valve above the Atoka formation and to produce
25 them all through the common tubing.

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1 Q And those depths that are -- that go from
2 6528 to 7474 feet are designated for official Oil Conserva-
3 tion Division purposes as being in the Permo-Penn formation,
4 is that correct?

5 A Yes, that is correct.

6 MR. NUTTER: What were the depths you men-
7 tioned, Mr. Carson?

8 MR. CARSON: 6528 to 7474.

9 MR. NUTTER: Okay, that's the Upper Morrow --

10 MR. CARSON: That's the Cisco Canyon.

11 MR. NUTTER: -- set of perforations.

12 MR. CARSON: Yes, sir.

13 MR. NUTTER: Groups of perforations, and
14 what do you call that?

15 A We call it the Permo-Penn.

16 MR. CARSON: Permo-Penn.

17 MR. NUTTER: And then we have this other
18 group down here which is at 8430 --

19 A 8430.

20 MR. NUTTER: -- to 36.

21 A Yes, sir.

22 MR. NUTTER: And that's Atoka.

23 A Yes, sir.

24 MR. CARSON: Atoka, yes, sir.

25 MR. NUTTER: And then below that you have

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1 some Morrow perforations --

2 A I had some Morrow perforations.

3 MR. NUTTER: -- and I guess they're not the
4 subject of this hearing today.

5 A No, sir, I don't think they'll give up any-
6 thing.

7 MR. NUTTER: Okay, go ahead.

8 Q (Mr. Carson continuing.) Now, Mr. Mahfood,
9 referring to your exhibit, would you explain whether the
10 liquids in this well are compatible and if not, what you're
11 how you've engineered to prevent their commingling, please.

12 A Well, if there's liquids produced from this
13 well, it most probably will be from the Permo-Penn; there-
14 fore we propose a standing valve in the Atoka packer, which
15 is located at 8382.

16 Q I refer you to Applicant's Exhibit Number
17 Three and ask you to identify that and explain it.

18 A These are the electric logs of this well.
19 Shown are the perforations and the pay is colored orange
20 and yellow.

21 Q I refer you to Applicant's Exhibit Number
22 Six and ask you to explain that.

23 A Number Six is the bottom hole pressure sur-
24 vey on the Permo-Penn completion, showing bottom hole pres-
25 sure at 6565 of 2192 pounds. This is approximately a

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1 grade of point 33 psi per foot and we don't have any pres-
2 sures on the other zones, but I believe that they're all
3 average about point 32 psi per foot.

4 Q Mr. Mahfood, do you have any production
5 history of these?

6 A No, this well has not been put on the line.
7 We do have the test potentials.

8 Q It has never been put on the line?

9 A It has never been put on the line.

10 Q And, Mr. Mahfood, how would you propose to
11 allocate the production from these various zones?

12 A Well, seeing how they're all very low in
13 potential, except for the uppermost perforations, I would
14 suggest that we just proportion them on the potentials.
15 That's not very accurate but it's no more -- no more capa-
16 city than they have, I think it would be fair enough.

17 Q And can you get together with the local
18 office of the Oil Conservation Division and establish a
19 formula for allocation of production?

20 A Yes, sir.

21 Q Mr. Mahfood, were these Applicant's Exhibits
22 Number One through Four prepared by you or under your super-
23 vision?

24 A Yes, sir.

25 MR. CARSON: I'd like to move the admission

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1 of these applications, Mr. -- I mean these exhibits, Mr.
2 Examiner.

3 MR. NUTTER: Yates Exhibits One through
4 Four will be admitted in evidence.

5 Q Mr. Mahfood, do you believe that the -- in
6 your professional capacity do you believe that the granting
7 of this application for downhole commingling is -- will
8 promote good conservation practices and will otherwise
9 prevent waste and protect correlative rights?

10 A Yes, sir. We couldn't hardly get a market
11 for those low capacity zones below the uppermost perfora-
12 tions.

13 Q Do you believe that the proposal that you
14 have put forth today is in accordance with sound engineering
15 practices?

16 A Yes, sir.

17 MR. CARSON: I have no further questions.

18 MR. NUTTER: Are there any questions of Mr.
19 Mahfood? He may be excused.

20 Do you have anything further in this case,
21 Mr. Carson?

22 MR. CARSON: No, sir.

23 MR. NUTTER: Does anyone have anything they
24 wish to offer in Case Number 6384?

25 We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability, knowledge, and skill, from my notes taken at the
time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

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I do hereby certify that the foregoing is
a true and correct transcript of the proceedings in
the case of 11/21 6384
heard by me on 11/21 19 78.

[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6384
Order No. R-5882

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 21, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of December, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, is the owner and operator of the Federal "AB" Com Well No. 5, located in Unit L of Section 21, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico.

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

(4) That from the Permo-Penn zone, the subject well is expected to be capable of marginal production only.

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

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

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Case No. 6384
Order No. R-5882

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

(8) That to afford the Division 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 Division 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 well, applicant should consult with the supervisor of the Artesia district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Permo-Penn and Atoka production within the wellbore of the Federal "AB" Com Well No. 5, located in Unit L of Section 21, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Artesia district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well.

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

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

DONE at Santa Fe, New Mexico, on the day and year herein-
dated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

fd/

- CASE 6380: Application of Harvey E. Yates Company, Inc., for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Travis Deep Well No. 3 located in Unit B of Section 13, Township 18 South, Range 28 East, to produce oil from the Travis-Upper Pennsylvanian Pool and gas from the Morrow formation, Eddy County, New Mexico, through parallel strings of tubing.
- CASE 6381: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of East Cottonwood Creek-Wolfcamp and Atoka production within the wellbore of its Lizzie Howard "HK" Well No. 1 located in Unit K of Section 13, Township 16 South, Range 25 East, Eddy County, New Mexico.
- CASE 6382: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Permo-Penn and Little Box Canyon-Atoka production within the wellbore of its Federal "HQ" Well No. 1 located in Unit K of Section 5, Township 21 South, Range 22 East, Eddy County, New Mexico.
- CASE 6383: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Eagle Creek Permo-Penn and the West Atoka-Morrow production within the wellbore of its Powell "DG" Com. Well No. 1 located in Unit O of Section 35, Township 17 South, Range 25 East, Eddy County, New Mexico.
- CASE 6384: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Permo-Penn and Atoka production within the wellbore of its Federal "AB" Com. Well No. 5 located in Unit L of Section 21, Township 18 South, Range 25 East, Eddy County, New Mexico.
- CASE 6385: Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Box Canyon Permo-Penn and Box Canyon-Strawn production within the wellbore of its Huber I-A Federal Well No. 2 located in Unit P of Section 15, Township 21 South, Range 21 East, Eddy County, New Mexico.
- CASE 6386: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Ellenburger, Devonian, and McKee formations underlying the N/2 of Section 21, Township 22 South, Range 36 East, Lea County, New Mexico, to be dedicated to its Langley Greer Com Well No. 1 located 1650 feet from the North line and 1980 feet from the West line of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6387: Application of R B Petroleum Company for pool reclassification, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the North Tocito Dome-Pennsylvanian Pool as an associated pool and the promulgation of special pool rules therefor. In the alternative, applicant seeks the abolishment of the North Tocito Dome-Pennsylvanian Pool and the inclusion of the abolished lands in the Tocito Dome Pennsylvanian "D" Associated Pool.
- CASE 6388: Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 20, Township 23 South, Range 29 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6389: Application of Durham, Inc., for pool contraction and extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of the N/2 of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, or in the alternative, all of said Section 8, and the extension of the Cemetery-Morrow Gas Pool to include the aforesaid N/2 or all of said Section 8.
- CASE 6390: Application of C & E Operators for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down thru the Pictured Cliffs formation underlying the SW/4 of Section 10, Township 30 North, Range 11 West, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Docket No. 37-78

Dockets Nos. 39-78 and 40-78 are tentatively set for hearing on December 7 and 20, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - NOVEMBER 14, 1978

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases are continued from the November 7, 1978, Commission Hearing.

CASE 6146: (DE NOVO) (Continued and Readvertised)

Application of Jerome P. McHugh for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tapacito-Gallup and Basin-Dakota production within the wellbore of his Jicarilla Well No. 5 located in Unit D of Section 29, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

Upon application of Jerome P. McHugh this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6266: (DE NOVO)

Application of Harvey E. Yates Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of an Upper Pennsylvanian test well to be located 660 feet from the North and East lines or, in the alternative, 990 feet from the North and East lines of Section 23, Township 22 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico, all of said Section 23 to be dedicated to the well.

Upon application of Harvey E. Yates Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6377: Application of Durham, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Section 8, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North and East lines of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6378: In the matter of the hearing called by the Oil Conservation Division on the motion of Shell Oil Company to permit Corinne Grace and all other interested parties to appear and show cause why Division Order No. R-3713, which pooled all of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, should not be declared null and void, if said pooling order has not already automatically expired due to non-production.

CASE 6379: Application of Shell Oil Company for pool contraction and pool extension, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of the N/2 of Section 8, Township 21 South, Range 24 East, Eddy County, New Mexico, or in the alternative, all of said Section 8, and the extension of the Cemetery-Morrow Gas Pool to include the aforesaid N/2 or all of said Section 8.

Docket No. 38-78

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 21, 1978

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

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

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for December, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for December, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6391: Application of Acoma Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Wantz-Abo, and Drinkard production within the wellbore of its Sarkeys Well No. 1 located in Unit A of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 6364: (Continued from October 25, 1978, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation underlying the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, Lea County, New Mexico, to be dedicated to a proposed oil well to be drilled at a standard location thereon. Applicant seeks the pooling of the SE/4 of said Section 23 in the event said drilling results in a gas well. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Diagrammatic Sketch of Proposed Dual Completion & Downhole Correlating
YPC Federal AB-5 Com. L-21-185-25E, Under PermoPerm & Atoka, Eddy Co.

Elevation: 3561'GL - 3574'KB
Spudded: March 11, 1928
Init Compl: Sept. 1, 1928

Top of San Andres - 733'KB
Base of Artesian Water -

Top of Wolfcamp @ 5272'KB

Cisco Pay 6528-68
IPF - 420 mefpd

L Cisco flowed 21 mefpd

Upper Canyon flowed 15 mefpd
Lower Canyon @ 7489'KB

Top of Strawn @ 7996'KB

Top of Atoka @ 8364'KB

Atoka pay flowed 20 mefpd

BEFORE PLANNED DUAL COMPLETION

Top of Plastic @ 8500'KB

Set @ 8806'KB, cement w/ 570 sx

17 1/2" hole to 335'KB
13 3/8" 48" Jss Csg set @ 335'KB, cement'd
w/ 520 sx CI-C, circulated.

12 1/4" hole to 1104'KB
8 7/8" 24" Jss Csg set @ 1104'KB, cement'd
w/ 1040 sx CI-C, circulated.

Top of cement @ 6235'KB

Propose to set tbg on Guiberson Pkr @ about
6490'KB. Standing Valve in Atoka Pkr @ 8382'KB.

Perf 6528-6540 24 0.41"
Ttd 1200g. 15% DS-30 + N₂
Ret'd 3500g. 15% DS-30 + N₂
Perf 6557-6568 18 0.41"
Ttd 1000g. 15% DS-30

Perf 7029-7038 22 0.34"
Ttd 1000g. 15% DS-30

Perf 7464-7474 20 0.34"
Ttd 1000g. 15% DS-30 + Nitrogen

Dual would require Blastom Joints opposite perfs
and sliding sleeve above Atoka Pkr - marginal flow
from dual does not warrant this added expense.

Atoka pkr - Guiberson UNI-VI Pkr w/ On-Off Tool
@ 8382'KB - to replace Blanking Plug w/ Standing Valve

Perf 8420-8422 22 0.34"
Ttd 1000g. 7 1/2% MSA + N₂ Ret'd 4000g + CO₂

PRTD 8490 Retractable Bridge Plug
Perf 8625-8653 w/ 10 0.34" holes
SFrac 7500' in 12800g. Ttd Water + CO₂

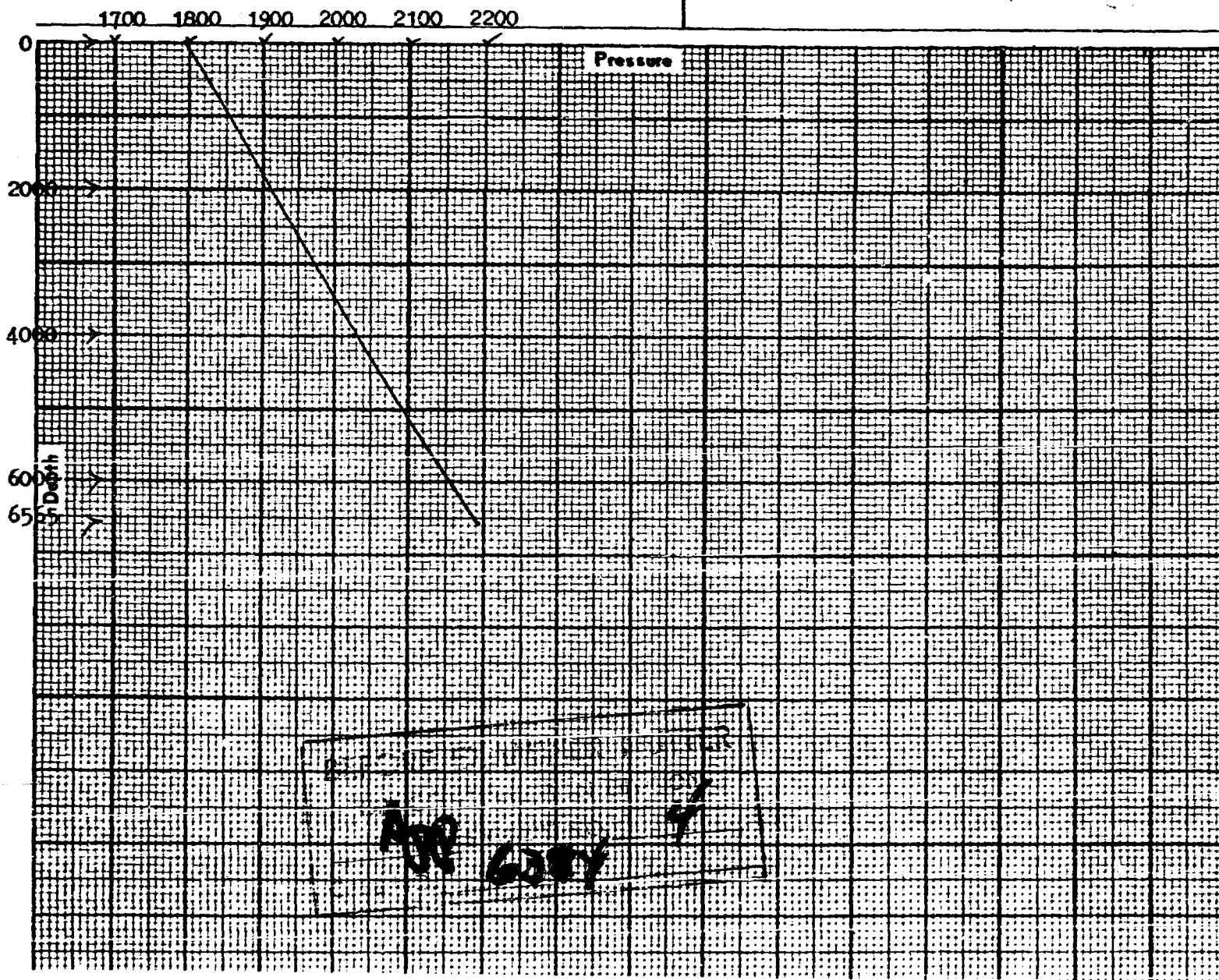
7 7/8" TD - 8898'KB, Csg Shoe @ 8806'KB
Diff fill Collar @ 8796'KB, CO₂ - 8665'KB

Bennett Wire Line Service
305 McArthur Ave. Ph. (505) 746-3281
Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR YATES PET. CORP.
LEASE Fed. "AB"
WELL NO. 5
FIELD _____
DATE 10/18/78 TIME 5:00 A.M.
STATUS Shut-in TEST DEPTH 6565 ft.
TIME S.I. _____ LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. 1794 BHP CHANGE _____
ELEV. _____ FLUID TOP _____
DATUM _____ WATER TOP _____
TEMP 120° RUN BY G. J. J. J.
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT
		Lbs. /100 Ft.
0 Ft.	1794 Lbs.	
2000 "	1909 "	5.7
4000 "	2026 "	5.8
6000 "	2156 "	6.5
6565 "	2192 "	6.4



Paul Carson called 11/2 upper Penn should be chgd to Reno, Tenn

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

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

CASE NO. 6384

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 at a location in Unit L, Section 21, Township 18 South, Range 25 East, N.M.P.M., Eddy County, New Mexico, upon which it has drilled its Federal "AB" No. 5 Com. Well. This well is not located within the boundaries of any defined gas pool.

2. That applicant has completed said well in the Atoka formation at a depth of 8,430 feet to 8,436 feet and proposes to commingle said formation with the Upper Pennsylvanian formation at a depth of 6,528 feet to 7,474 feet.

3. That the downhole commingling of said 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 Division enter its order granting permission to applicant to commingle downhole its Federal

"AB" No. 5 Com. Well for the production of gas from the Pennsylvanian formation.

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

YATES PETROLEUM CORPORATION

By: 

Joel M. Carson

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6384

Order No. A-5882

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 21
19 78, at Santa Fe, New Mexico, before Examiner Daniel S.
Nutter.

NOW, on this December day of November, 1978, the
Division Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Yates Petroleum Corporation, is
the owner and operator of the Federal "AB" Com Well No. 5,
located in Unit L of Section 21, Township 18 South
Range 25 East, NMPM, Eddy County, New Mexico.

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

(4) That from the Permo-Penn zone, the subject well is ^{expected to be} capable of ~~low~~ marginal production only.

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

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

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

(8) That to afford the Division 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 Division 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, _____ percent of the commingled _____ production should be allocated to the Permo-Penn zone, and _____ percent of the commingled _____ production to the Atoka zone.~~

~~(ALTERNATE)~~

(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Artesia district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Petroleum Corporation, is hereby authorized to commingle Permo-Penn and Atoka production within the wellbore of the Federal "AB" Com Well No. 5, located in Unit L of Section 21, Township 18 South, Range 25 East, NMPM, Eddy County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Artesia district office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

~~(ALTERNATE)~~

~~(2) That _____ percent of the commingled production shall be allocated to the Permo-Penn zone and _____ percent of the commingled production shall be allocated to the Atoka zone.~~

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

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

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

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CASE 6985: JAMES PETROLEUM CORPORATION
FOR DOWNHOLE COMMINGLING, EDDY COUNTY,
NEW MEXICO