# 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, Eddy County, New Mexico.

CASE 6384

BEFORE: Daniel S. Nutter

#### TRANSCRIPT OF HEARING

#### APPEARANCES

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

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#### INDEX

#### EDDIE MAHFOOD

Direct Examination by Mr. Carson

#### EXHIBITS

Applicant Exhibit One, Map Applicant Exhibit Two, Sketch Applicant Exhibit Three, Logs Applicant Exhibit Four, Survey

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MR. NUTTER: Call next Case 6384, which is the application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico.

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

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

# EDDIE MAHFOOD

being called as a witness and having been previously qualified, testified as follows, to-wit:

# DIRECT EXAMINATION

BY MR. CARSON:

Mr. Manfood, would you state the purpose of this application?

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

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

|     | A.        | That is  | correct, | located | in | Unit | Μ,         | Section | n |
|-----|-----------|----------|----------|---------|----|------|------------|---------|---|
| 21. | 18 South, | 25 East. |          |         |    | hih  | <b>:</b> + | Number  | 0 |

- I refer you to Applicant's Exhibit Number One and ask you to explain that exhibit.
- A. Exhibit One is a lease ownership map.

  Colored in yellow is the location of acreage presently dedicated Permo-Penn. Circled in orange is the 320 acres dedicated to this well, "AB" No. 5, which is in the west half of Section 21, 18, 25.
  - Q I refer you to Applicant's Exhibit Number
    Two and ask you to explain that exhibit.
  - A. This is a diagrammatic sketch of the proposed dual completion and downhole commingling. Here we see a number of perforations in the Cisco pay, 6528 to 68. It's potential of 420 Mcf per day.

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

Mcf per day.

The Upper Canyon perforations 7464 to 7474;

flowed 15 Mcf per day.

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

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

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|        | Ö.       | And th   | nose  | depths | that  | are     | that q | go from    |
|--------|----------|----------|-------|--------|-------|---------|--------|------------|
| 6528 1 | to 7474  | feet are | e des | ignate | for   | offici  | al Oil | Conserva-  |
| tion I | Division | purpose  | es as | being  | in th | ne Perm | o-Penn | formation, |
| is the | at corre | ct?      |       |        |       |         |        |            |

A. Yes, that is correct.

MR. NUTTER: What were the depths you mentioned, Mr. Carson?

MR. CARSON: 6528 to 7474.

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

MR. CARSON: That's the Cisco Canyon.

MR. NUTTER: -- set of perforations.

MR. CARSON: Yes, sir.

MR. NUTTER: Groups of perforations, and

what do you call that?

A. We call it the Permo-Penn.

MR. CARSON: Permo-Penn.

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

A. 9430.

MR. NUTTER: -- to 36.

A Yes, sir.

MR. NUTTER: And that's Atoka.

A. Yes, sir.

MR. CARSON: Atoka, yes, sir.

MR. NUTTER: And then below that you have

some Morrow perforations --

A. I had some Morrow perforations.

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

A No, sir, I don't think they'll give up any-

MR. NUTTER: Okay, go ahead.

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

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

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

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

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

Number Six is the bottom hole pressure survey on the Permo-Penn completion, showing bottom hole pressure at 6565 of 2192 pounds. This is approximately a

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

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

- Q It has never been put on the line?
- A. It has never been put on the line.
- Q. And, Mr. Mahfood, how would you propose to allocate the production from these various zones?

A. Well, seeing how they're all very low in potential, except for the uppermost perforations, I would suggest that we just proportion them on the potentials.

That's not very accurate but it's no more -- no more capacity than they have, I think it would be fair enough.

- And can you get together with the local office of the Oil Conservation Division and establish a formula for allocation of production?
  - A Yes, sir,
- Mr. Mahfood, were these Applicant's Exhibits Number One through Four prepared by you or under your supervision?
  - A. Yes, sir.

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

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

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

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

A. Yes, sir. We couldn't hardly get a market for those low capacity zones below the uppermost perforations.

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

A. Yes, sir.

MR. CARSON: I have no further questions.

MR. NUTTER: Are there any questions of Mr.

Mahfood? He may be excused.

Do you have anything further in this case,

Mr. Carson?

MR. CARSON: No, sir.

MR. NUTTER: Does anyone have anything they

wish to offer in Case Number 6384?

We'll take the case under advisement.
(Hearing concluded.)

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## 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.

, Examin**a** 

Oll Conservation Division



NICK FRANKLIN

# STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

December 26, 1978

POST OFFICE BOX 2000 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 67501 6051 627-9434

| Mr. Joel Carson Losee, Carson & Dickerson                            | CASE NO. 6384<br>ORDER NO. R-5882 |
|--|-----------------------------------|
| Attorneys at Law<br>Post Office Box 239<br>Artesia, New Mexico 88210 | Applicant:                        |
|  | Yates Petroleum Corporation       |
| Dear Sir:  |                                   |
| Enclosed herewith are two c<br>Division order recently ent           | opies of the above-referenced     |

JOE D. RAMEY

JOE D. RAMEY Director

JDR/fd
Copy of order also sent to:

Hobbs OCC x
Artesia OCC X
Aztec OCC

Other

#### 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 abovedescribed 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.

Case No. 6384 Order No. R-5882

- (7) That the reservoir characteristics of each of the subject zones are <u>such</u> 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 "AR" 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.

ONE at Santa Fe, New Mexico, on the day and year herein-

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY

Director

- 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 Fetivieum 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, Fddy 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 0 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.
  - 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 PermoPenn 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. i 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 rick 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. hchugh 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 be 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 abovestyled 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 0il Conservation Division on the motion of Shell 0il 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. Mutter, Examiner, or Kichard 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.

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- 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 Blinebry, 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)

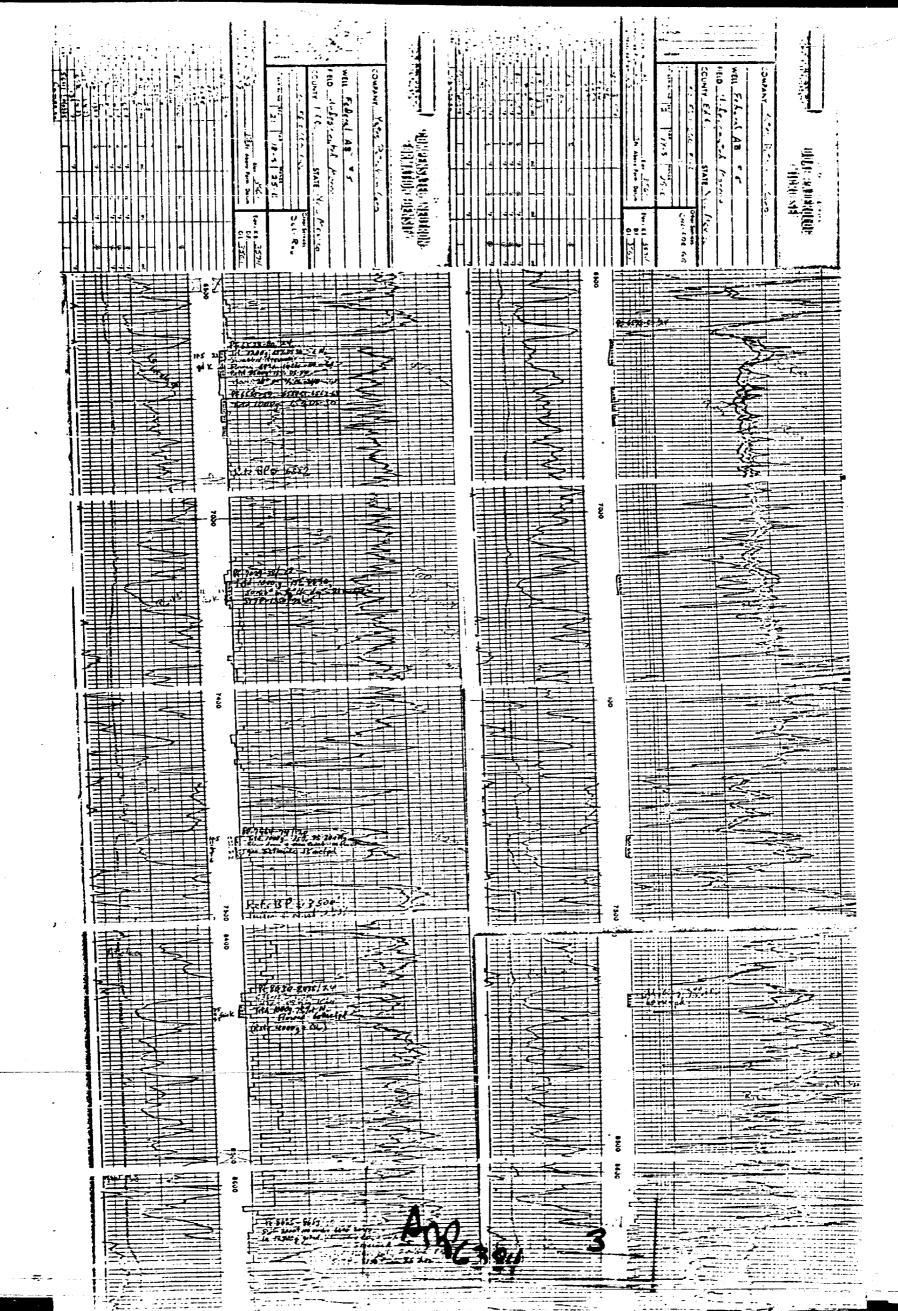
Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenburger formation underlying the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, Lea County, 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.

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| - Mesc Pet<br>- 3 - 3 - 58<br>- 4 - 9-67 | State   | 2-61 M. Totes, etc.   | Yates Per etal<br>1 - 1 - 74<br>0 4 8 7738 -        | Yates Het, M.L.                             | Verter Dat at 1                           | Yotes Orlg. 1/2<br>M. Yotes 1/2             | ľ  | Yates Per Pen                                    |
| Fier St Yours                            | Cal-Mon<br>10- 1- 02  | red 3. 1-32!<br>4723 # 21 75  | Frontling   | J.S.Covert<br>Amoco                         | J.S.Coverd S                              |   | Superior Johnson*  | 3 1 00<br>H323<br>Coquina                        |
| 100 D 553                                | 16781 U.S.  | Stale   | HBP<br>047(842<br>b) 3.                             | 5 P. Johnson, Jr.<br>U.S.                   | S.P.Jehnson<br>U.S.                       | 40 form                                     | Lincoin County S.E. Johnson<br>Livestock Co.(S) E. R. Fowel;<br>Dale Rogers etal (S)   | Daile Rogers etal(5) Clarc                       |
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| Morathan<br>Angle son<br>Store           | 6 · 1 · 79 State<br>9538 Yates<br>((400co) 486  | 1-30-80 (G1523 L-4054<br>26-26 State 2373 26-26<br>47.34 (OresPet ettal   |   |   | IDES I                                    | 1923  | Yes a  | Grand II.  |
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| A STROM Yates                            | U.S. Mins.<br>Robert O. Anderson (S)  | 7136 <b>y</b> f 1 <b>6</b><br>HBC<br>S/2  | Yates Pet etal<br>f = 1 - 74                        | 7 ¥255                                      | Cities Serv.<br>10 · 20 · 80<br>L · 4954  | 1164547 401                                 | P. M. Cabandana '  | 14 Caçui<br>1 Pen                                |
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|  | 78 302<br>04 (0-21-77   Marg-   | <sup></sup>   | (A.R.Ca) W.B  | Bornhill i 1                                | *** .                                     | Chouplia<br>5 · 14 · 62                     | Champin Champin  | Chomplin 2.20-E                                  |
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| Diagrammatic Skotch  | of Proposed Dual Completion & Downhole Commingling 5 Com. 6-21-185-258 Under Pormal  |
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| YPC Federal AB*  | 5 Com. L-21-185-258. Under Permo Pour to Atolea, Eddy &  |
|  | Q Andes Permo Perm + Atolea, Eddy &.   |
| Elevation 35410 - 2000 La  | lacksquare   |
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|  | W11040 sr CIC; circulated.   |
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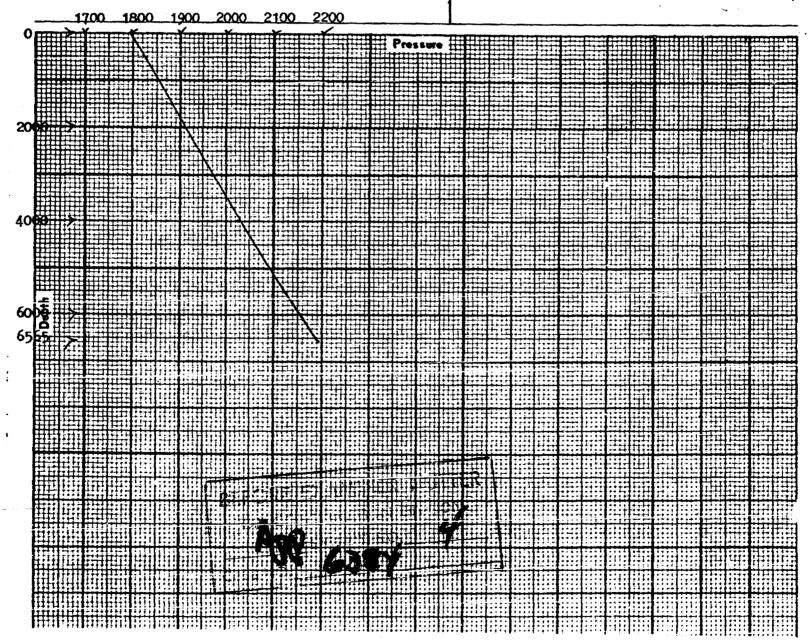


## Bennett Wire Line Service 305 McArthur Ave. Ph. (505) 746 - 3281 Artesia, New Mexico - 88210

# BOTTOM HOLE PRESSURE SURVEY REPORT

| OPERATORYATE            | S_PET. CORP.        |
|-------------------------|---------------------|
| LEASE Fed.              | "AB"                |
| WELL NO5                |                     |
| FIELD                   |                     |
| DATE 10/18/78           | TIME 5:00 A.M.      |
|                         | TEST DEPTH 6565 #t. |
|                         | BHP LAST TEST       |
| TUB. PRES. 1794         | BHP CHANGE          |
| ELEY.                   | FLUID TOP           |
| DATUM                   | WATER TOP           |
| TEMP120°                | RUN BY Cathey       |
| CLOCK NO                | GAUGE NO            |
| <b>ELEMENT NO. 9526</b> |                     |

| DEPTH  | PRESSURE | GRADIENT |
|--------|----------|----------|
| O Ft.  | 1794 Lbs |          |
| 2000 " | 1909 "   | 5•7      |
| 4000 " | 2026 *   | 5.8      |
| 6000 # | 2156 *   | 6.5      |
| 6565 " | 2192 *   | 6.4      |



12 you Run should be clyd to Round E.

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

Joel M. Carson

P. O. Drawer 239

Artesia New Mexico 88210

Attorneys for Applicant

#### 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 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 | CONSIDERING:                          | :                                 |
|---|---------------------------------------|-----------------------------------|
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|   |                                       |                                   |
| and production  |                                       |                                   |
|   | and                                   | production                        |

| (4) That from the <u>Permo-Penn</u> zone, the                      |
|--|
| subject well is capable of down 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 recover        |
| 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.                                    |
| That in order to allocate the commingled production                |
| to each of the commingled zones in the subject well,               |
| percent of the commingledproduction should be                      |
| allocated to the Permo-Perm 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.  |
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#### IT IS THEREFORE ORDERED:

designated.

| (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.   |
| (ALESSO ME)  |
| (2) That percent of the commingled   |
| production shall be allocated to the Permo-Penn  |
| zone andpercent of the commingled  |
| production shall be allocated to the Atoka   |
| 20.0   |
|  |
|  |
| (3) That the operator of the subject well shall immediately  |
| (3) That the operator of the subject well shall immediately notify the Division's Artesia district office any time the |
|  |
| notify the Division's Artesia district office any time the   |

entry of such further orders as the Division may deem necessary.

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

CVER CORSIDER CONSTINCT EDDY COUNTY, CASE 6365: TARES PETROLEUM CONSTIUM.