

*Entered February 1, 1972*  
*A.S.P.*

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. 4638  
Order No. R-4250

APPLICATION OF HOLDER PETROLEUM  
CORPORATION FOR DOWNHOLE AND  
SURFACE COMMINGLING, ROOSEVELT  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of February, 1972, 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, Holder Petroleum Corporation, is the owner and operator of the Holder Petroleum Corporation BA Wells Nos. 1 and 2, located, respectively, in Units A and H of Section 34, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico.
- (3) That the subject wells were drilled to the Todd Upper-San Andres Gas Pool but are not now producing from said pool.
- (4) That the applicant, Holder Petroleum Corporation, seeks authority to deepen the subject wells to the Todd Lower-San Andres Pool and to commingle the oil and gas production from the Todd Lower-San Andres Pool and the gas production from the Todd Upper-San Andres Gas Pool in the well-bores of each of said wells.

(5) That the vertical limits of the Todd-Upper San Andres Gas Pool is that portion of the San Andres formation above the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico.

(6) That the vertical limits of the Todd-Lower San Andres Pool is that portion of the San Andres formation below the above-described anhydrite bed.

(7) That each well will probably be capable of only low marginal production as to each of the above-described pools.

(8) That the reservoir characteristics of the above-described Todd Lower-San Andres Pool and the Todd Upper-San Andres Gas Pool in the vicinity of the subject wells are such that underground waste would not be caused by the proposed commingling in the well-bores.

(9) That the granting of authorization to complete the subject wells as requested should result in the recovery of oil or gas from each of the commingled zones in each of the subject two wells that would not otherwise be recovered, thereby preventing waste, and will not violate correlative rights.

(10) That the mechanics of the proposed completions are feasible and in accord with good conservation practices.

(11) That immediately upon the completion of the subject wells as requested, the applicant should conduct productivity tests of each well and file the results thereof with the Secretary-Director of the Commission.

(12) That the Secretary-Director of the Commission should allocate the commingled production to each of the commingled zones in the subject wells based upon consideration of the results of productivity tests of each of the subject wells following completion.

(13) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Holder Petroleum Corporation, is hereby authorized to deepen and complete its BA Wells Nos. 1 and 2, located respectively, in Units A and H of Section 34, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, in such a manner as to produce oil and gas from the Todd Lower-San Andres Pool and gas from the Todd-Upper-San Andres Gas Pool through a single string of tubing, commingling in the well-bores the production from each of said pools and to produce the commingled streams into a common tank battery.

(2) That the applicant shall, upon the recompletion of each well as requested, conduct productivity tests of each of said wells and forward the results of said tests to the Secretary-Director of the Commission.

(3) That the Secretary-Director of the Commission shall, after consideration of the above-described productivity tests, allocate as to each of the above-described wells and zones the commingled production.

(4) That the applicant shall complete, operate, and produce said wells in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

(5) That as to each well, commingling in the well-bore shall continue only so long as the commingled production does not exceed 50 barrels of oil per day nor 100 barrels of water per day.

(6) That as to each well, the maximum amount of gas which may be produced daily from the commingled zones shall be determined by multiplying 2,000 by the top unit allowable for the Todd-Lower San Andres zone.

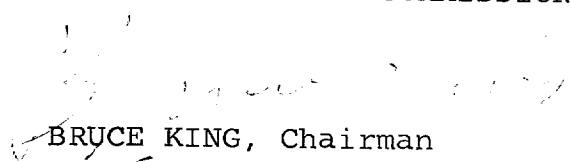
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.


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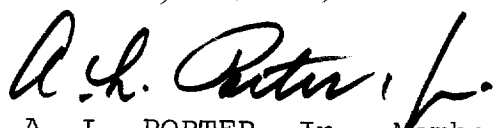
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DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
BRUCE KING, Chairman

  
ALEX J. ARMEJO, Member

  
A. L. PORTER, Jr., Member & Secretary

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