

CASE NO. 5348 Appli. CONTINENTAL
OIL COMPANY, downhole commingling,
Lea County, New Mexico

CASE No.

5348

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 16, 1974

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Continental Oil)
Company for downhole commingling,)
Lea County, New Mexico.)
-----)

CASE 5348

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 Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For Continental Oil Co.:

Jason Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico

I N D E X

Page

VICTOR T. LYON

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	10

E X H I B I T S

Page

Exhibits 1 through 6	9
----------------------	---

LYON-DIRECT

CASE 5348

Page.....3.....

STAMETS: We will call the next Case, 5348.

MR. CARR: Case 5348, application of Continental Oil Company for downhole commingling, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, may the record show the same appearances and that the witness has been sworn and qualified.

MR. STAMETS: The record will so show.

VICTOR T. LYON

called as a witness, having been previously sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Lyon, are you familiar with the application of Continental Oil Company in Case 5348?

A Yes, I am.

Q What is proposed by the applicant in this Case?

A Case 5348 is the application of Continental Oil Company for authority to commingle in the wellbore production from the Drinkard and Blinbry pools in its Elliott B Well No. 6 located in Unit J of Section 6, Township 22 South, Range 37 East, and in its Lockhart B-1 Well No. 9, located in Unit I of Section 1, Township 22 South, Range 36 East, Lea County, New Mexico.

Q Now, we are talking about two wells in this application?

A Correct.

Q Referring to what has been marked as Exhibit No. 1, would you identify that exhibit?

A Exhibit No. 1 is a location plat showing the Elliott B lease, or a portion of it, consisting of the southeast quarter of Section 6, Township 22 South, 37 East, and showing the location of Well No. 6 which is 1980 feet from the south line, 1780 feet from the east line of the section.

Q The exhibit also shows the offsetting ownership, does it not?

A Yes, it does. It does not show the offsetting wells, but it shows the offsetting ownership of properties to the best of our knowledge and belief.

Q Referring to Exhibit No. 2, would you identify that exhibit?

A Exhibit No. 2 is a copy of the gamma ray sonic log run in Elliott B No. 6, and showing the intervals which have been perforated in the Blinebry and in the Drinkard zones.

Q Referring to Exhibit No. 3, would you identify that

exhibit?

A Exhibit No. 3 is a schematic diagram showing the manner in which the well has been completed, the size, setting depth, and the amount of cement used in setting the casing. It shows that the well was drilled to a total depth of 9466, and plugged back by setting casing at 6777 with a plug-back depth in the well of 6718. The Drinkard was perforated overall from 6595 to 6701. The Blinebry from 5524 to 5776. The Drinkard was perforated on February 18th, 1974 and fraced. On April 15th additional Drinkard was perforated and stimulated; and on May 1st the Drinkard interval tested 25 barrels of oil, 9 barrels of water, with gas too small to measure. During the next 5 days the production declined rapidly, probably due to malfunction of the bottomhole pump. The well was shut in 72 hours, and bottomhole pressure was taken and found to be 426 pounds per square inch. The bridge plug was set at 5800 feet, and the Blinebry was perforated May 13th and acidized. Rods and pump were run, and the well was placed on production. The latest recorded test was June 27th when it produced 5 barrels of oil, and no water. Production during August averaged approximately 3 barrels of oil per day. On July 18th the bottomhole pressure bomb was run on the well, and after

72 hours shut in the pressure was found to be 119 pounds per square inch. This is approximately equal to the pressure in the Drinkard formation, less the hydrostatic head of the fluid between the two depths.

Q Does the Blinebry produce any gas?

A The gas was too small to measure. We believe that the Drinkard would probably stabilize at about 20 barrels per day, and the Blinebry about 5 barrels a day, so we recommend that the production be allocated, both as to oil and gas, 80 percent to the Drinkard, and 20 percent to the Blinebry. The Blinebry is uneconomic to produce at that producing rate, and the Drinkard would be severely handicapped pumping below a packer, and, therefore, we believe that in order to continue economic production of the well we will need to commingle the two zones in the wellbore.

Q Is the ownership the same in both zones?

A Yes.

Q Would the correlative rights of any party be affected by commingling, in your opinion?

A Not in my opinion.

Q Referring to what has been marked as Exhibit No. 4, would you identify that exhibit?

A Exhibit No. 4 is a location plat showing the

Lockhart B-1 lease which consists of the south half, north half, and southeast quarter section 1, Township 22 South, Range 36 East. Just about one mile to the west of the Elliott B lease.

Q This again shows the offsetting ownership to the best of your knowledge?

A Yes. I don't know whether your copy shows the well circled. My copy does not, but anyhow the well is No. 9 and it is located 1980 feet from the south line and 660 feet from the east line of Section 1.

Q Now referring to what has been marked as Exhibit No. 5 and identify that exhibit?

A Exhibit 5 is a copy of the gamma ray sonic log run in Lockhart B-1 No. 9 showing the intervals which were perforated and the tops of the formations.

Q Referring to Exhibit No. 6, would you identify that exhibit?

A Exhibit 6 is a schematic diagram showing the manner in which the well has been completed, showing the size, setting depth, and the amount of cement used in setting casing, and, again the perforations in the two zones.

Q What tests have been made on this well in the two zones?

A Well, the Drinkard was perforated and tested from March until mid-June at rates averaging approximately 10 barrels of oil and 30 barrels of water, 85 mcf gas, and the gas-oil-ratio in the range of 8500 cubic feet per barrel. The Blinebry was tested August 3rd at a rate of 20 barrels of oil, 8 barrels of water, 79 mcf gas, a gas-oil-ratio of 3950. A bottomhole pressure was run in the Drinkard June 24th after a 72-hour shut in and the pressure was found to be 888 pounds per square inch. The bottomhole pressure in the Blinebry was run July 21st and the pressure was found to be 956 pounds per square inch.

Q What do you propose to do with this well?

A We propose to retrieve the bridge plug and run tubing, rods and pump, and place both zones on production by pumping through the one string of tubing. The producing rates are actually such that the well would be eligible for administrative approval for downhole commingling, except that there has not been the dual completion order entered for this well.

Q That is one of the requirements for administrative approval?

A Yes, it is.

Q How would you recommend that production be allocated?

A We would recommend that the production be allocated two-thirds to the Blinebry, and one-third to the Drinkard. The gas rates appear to be about equal from the two zones, and, therefore, we recommend the gas allocated 50 percent to each zone.

Q Is there any substantial difference in the fluids in the two zones?

A The fluids are very similar.

Q In your opinion would granting this application prevent waste and protect correlative rights?

A Yes, I believe it would.

Q Is the ownership in the two zones the same?

A Yes.

Q Were Exhibits 1 through 6, inclusive, prepared by you or under your supervision?

A yes, they were.

MR. KELLAHIN: I would like to offer into evidence Exhibits 1 through 6, inclusive.

MR. STAMETS: Exhibits 1 through 6 will be admitted.

(Whereupon, Exhibits 1 through 6 were admitted into evidence.)

MR. KELLAHIN: That completes the examination of

this witness.

CROSS EXAMINATION

BY MR. STAMETS:

Q In the Lockhart B-1 No. 9, I get it right here that your bottomhole pressure is higher in the Blinebry than in the Drinkard?

A I believe that's right. It believe it was 888 in the Drinkard, and 956 in the Blinebry.

Q Did you indicate this would not be a problem if you keep the oil pumped off?

A Yes, sir.

Q And, you would propose to do that?

A Yes. Probably that Drinkard is notorious for slow build-up, and chances are it wasn't built up.

Q You could advise the Commission at Hobbs any time the well is down for a protracted period of time, extended period of time, rather.

As to the No. 6, what was the bottomhole pressure there, I missed that?

A No. 6 in the Blinebry had 119 pounds per square inch, and in the Drinkard 426 pounds per square inch. Both of those are notoriously low pressures; I cannot explain why they are that low. It indicates almost total depletion.

MR. STAMETS: Are there any other questions of the witness? You may be excused.

Anything further in this Case. We will take the Case under advisement and the hearing will be adjourned.

(Whereupon, the hearing was adjourned at approximately 12:15 P.M.)

Page.....12

STATE OF NEW MEXICO)

) SS.

COUNTY OF SANTA FE)

I, SIDNEY F. MORRISH, Court 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.

James H. Clark

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5348
heard by me on 10-16, 1977.
Richard L. Ham, Examiner
New Mexico Oil Conservation Commission

THE NYE REPORTING SERVICE
STATE-WIDE DEPOSITION NOTARIES
225 JOHNSON STREET
SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMUJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

November 12, 1974

**Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico**

Re: CASE NO. 5346, 4347, 5348
ORDER NO. R-4912, R-4913 & R-4914
Applicant:
Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u> x </u>
Artesia OCC	<u> </u>
Aztec OCC	<u> </u>

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5348
Order No. R-4914

APPLICATION OF CONTINENTAL OIL
COMPANY FOR DOWNHOLE COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 16, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of November, 1974, 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, Continental Oil Company, is the owner and operator of the Elliott B Well No. 6, located in Unit J of Section 6, Township 22 South, Range 37 East, and the Lockhart B-1 Well No. 9, located in Unit I of Section 1, Township 22 South, Range 36 East, NMPM, both in Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Blinebry and Drinkard production within the wellbore of each of the above-described wells.

(4) That from the Blinebry zone, the subject wells are classified as oil wells and are capable of low marginal production only.

(5) That from the Drinkard zone, the subject wells are 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 wells are not shut-in for an extended period.

(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 Hobbs district office of the Commission any time either of the subject wells are shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in said Elliott B Well No. 6, 50 percent of the commingled production should be allocated to the Blinebry zone and 50 percent of the commingled production to the Drinkard zone.

(10) That in order to allocate the commingled production to each of the commingled zones in said Lockhart B-1 Well No. 9, 67 percent of the commingled oil production and 50 percent of the commingled gas production should be allocated to the Blinebry zone, and 33 percent of the commingled oil production and 50 percent of the commingled gas production to the Drinkard zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle Blinebry and Drinkard production within the wellbores of the Elliott B Well No. 6, located in Unit J of Section 6, Township 22 South, Range 37 East, NMPM, and the Lockhart B-1 Well No. 9, located in Unit I of Section 1, Township 22 South, Range 36 East, NMPM, both in Lea County, New Mexico.

(2) That for said Elliott B Well No. 6, 50 percent of the commingled production shall be allocated to the Blinebry zone and 50 percent of the commingled production shall be allocated to the Drinkard zone.

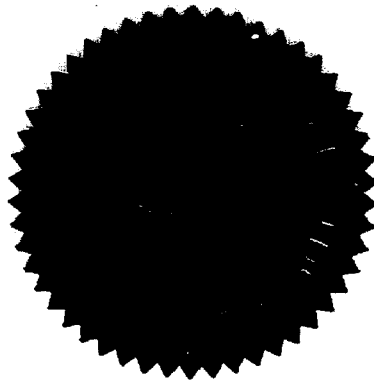
(3) That for said Lockhart B-1 Well No. 9, 67 percent of the commingled oil production and 50 percent of the commingled gas production shall be allocated to the Blinebry zone and 33 percent of the commingled oil production and 50 percent of the commingled gas production to the Drinkard zone.

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

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

-3-
CASE NO. 5348
Order No. R-4914

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




S E A L

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

jr/

Docket No. 30-74

Dockets Nos. 30-74 and 31-74 are tentatively set for hearing on October 30 and November 13, 1974. Application for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 16, 1974

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 from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for November, 1974;
- (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for November, 1974.

CASE 5304: (Continued from the September 4, 1974, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Mercury Production Company, American Employers' Insurance Company and all other interested parties to appear and show cause why the Mercury State Well No. 1 located in Unit E of Section 27, Township 10 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5292: (Continued from the September 18, 1974, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit El Paso Natural Gas Company, United States Fidelity and Guaranty Co., and all other interested parties to appear and show cause why each of the following wells should not be plugged and abandoned in accordance with a Commission-approved plugging program:

EPNG Ludwick Well No. 11, located in Unit B, Section 19, Township 30 North, Range 10 West, San Juan County, New Mexico;

EPNG Rincon Unit Well No. 127, located in Unit A, Section 28, Township 27 North, Range 6 West, Rio Arriba County, New Mexico; and

EPNG Warren A Well No. 2, located in Unit A, Section 23, Township 28 North, Range 9 West, San Juan County, New Mexico.

CASE 4976: (Reopened) (Continued from the October 2, 1974, Examiner Hearing)

In the matter of Case No. 4976 being reopened pursuant to the provisions of Order No. R-4638 to permit all operators in the West Parkway-Strawn

(Case 4976 continued from Page 1)

and West Parkway-Atoka Gas Pools in Section 28, Township 19 South, Range 29 East, Eddy County, New Mexico, to appear and present evidence to clearly establish the nature of the reservoirs, proper rates of production for wells therein, and special rules therefor.

CASE 5313: (Continued and Readvertised)

Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Aztec-Pictured Cliffs and Blanco-Mesaverde production in the wellbore of its Ludwick Well No. 11 located in Unit B of Section 19, Township 30 North, Range 10 West, San Juan County, New Mexico.

CASE 5338: Application of Amerada Hess Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Devonian formation through the open-hole interval from 10,980 feet to 11,180 feet in its State BTC Well No. 1, located in Unit N of Section 35, Township 11 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

CASE 5339: Application of John L. Cox for salt water disposal, Lea County, New Mexico. Applicant in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the open-hole interval from approximately 4989 feet to 5017 feet in his U.S.M. Well No. 2, located in Unit H of Section 27, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, Lea County, New Mexico.

CASE 5340: Application of Atlantic Richfield Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its State BR Well No. 1, located in Unit K of Section 16, Township 21 South, Range 26 East, Eddy County, New Mexico, in such a manner as to produce gas from an undesignated Atoka gas pool through the tubing and gas from an undesignated Morrow gas pool through the casing-tubing annulus by means of a cross-over assembly.

CASE 5341: Application of Texas Oil & Gas Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Williamson Fed. Well No. 3, located 660 feet from the North line and 1980 feet from the East line of Section 9, Township 20 South, Range 29 East, NMPM, Burton Flats-Morrow Gas Pool, Eddy County, New Mexico, the E/2 of said Section 9 to be dedicated to the well.

CASE 5342: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Leon Davis, Fidelity and Deposit Company of Maryland, and all other interested parties to appear and show cause why the New Mexico State "Heart" Well No. 1, located in Unit J of Section 16, Township 14 North, Range 32 East, NMPM, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

- CASE 5343: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Paul Haskins, Trustee and Continental Casualty Company, and all other interested parties to appear and show cause why the Arthur Cain Well No. 1, located in Unit N of Section 4, Township 15 North, Range 33 East, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 5344: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit American Fuels Corporation and Aetna Casualty and Surety Company, and all other interested parties, to appear and show cause why the following American Fuels Wells on the W-S Ranch in Colfax County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:
- NM-B Well No. 1, located in Unit G of Section 6, Township 30 North, Range 19 East;
- NM-B Well No. 2, located in Unit P of Section 16, Township 30 North, Range 18 East;
- NM-B Well No. 4, located in Unit H of Section 18, Township 30 North, Range 18 East;
- NM-B Well No. 5, located in Unit P of Section 30, Township 30 North, Range 19 East; and
- NM-B Well No. 10, located in Unit N of Section 24, Township 31 North, Range 19 East.
- CASE 5345: Application of Texaco, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Fusselman, Montoya, and Ellenburger formations, North Justis Field, in the wellbore of its G. L. Erwin "B" Fed. (NCT-2) Well No. 5, located in Unit P of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 5346: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blinebry formation and the East Warren-Drinkard Pool in the wellbore of its Warren Unit Well No. 11, located in Unit A of Section 35, Township 20 South, Range 38 East, Lea County, New Mexico.
- CASE 5347: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the West Warren-Blinebry and East Skaggs-Drinkard Pools in the wellbore of its SEMU Berger Well No. 21, located in Unit O of Section 19, Township 20 South, Range 38 East, Lea County, New Mexico.

Examiner Hearing - Wednesday - October 16, 1974

Docket No. 29-74

-4-

CASE 5348: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blinebry and Drinkard Pools in the wellbores of its Elliott B Well No. 6, located in Unit J of Section 6, Township 22 South, Range 37 East, and its Lockhart B-1 Well No. 9, located in Unit I of Section 1, Township 22 South, Range 36 East, both in Lea County, New Mexico.

V. T. Lyon



To Dick Stamets
NMOCC S.F.

Date 10-18-74

This is about all the test data we have on wells in cases 5347 and 5348. I have selected them to attempt to show a representative trend, but it is not as clear as we all would like.

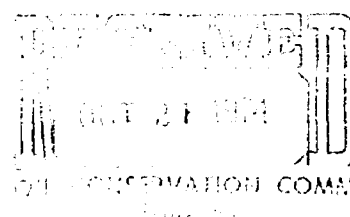
Elliott "B" #6

<u>Drinkard</u>	<u>date</u>	<u>oil</u>	<u>water</u>	<u>gas</u>	<u>GOR</u>
	3-25-74	22	9	-	-
	4-2	10	14	10	1900
	4-9	24	0	370	15,417 ?
	4-23	28	25	-	"
	4-30	25	9	TSTM	-
	5-3	21	20	"	-
	5-5	1	43	-	-

<u>Blinebry</u>	5-21	10	46	TSTM	-
	5-22	12	13	"	-
	5-24	2	1	"	-
	5-27	5	0	"	-
	5-29	3	2	"	-
	6-27	5	0	"	-
	May 6-115	63	290	-	-
	June "	70	322	-	-
	July "	44	202	-	-
	Aug "	28	129	-	-

Lockhart B-1 #9

<u>Drinkard</u>	3-17-74	11	35	303	27,500
oil 11 512	3-19 512	9	28	520	57,800
oil 11 512	3-24 "	9	25	54	6000
	4-1	7	21	TSTM	-
	4-18	5	17	-	-
	5-2	9	23	98	10889
	5-19	15	65	86	5733
	5-28	7	36	-	-
	6-12	6	20	135	22,500



Lockhart B-1 #9

Blinobry	7-1-74	15 oil	195 wtr	79 mcf	5267
	7-3	24	103	69	2882
	7-7	25	30	85	3400
	7-14	17	14	79	4647
	7-26	19	18	-	-
	8- 10 3	20	8	79	3950
	10-7	13	4	110	8461

SEMU Burger #21CASE 5347

Drinkard	2-9-74	50	0	90	1800
	2-14	36	0	79	2194
	2-24	31	0	89	2871
	4-19	5	3	55	11000

1/3

Blinobry	5-20	25	27	100	4000
	5-22	23	24	111	4550
	6-12	17	12	70	4118
	6-24	12	16	110	9167
	8-11	10	15	105	10500
	10-7	11	12	100	9091

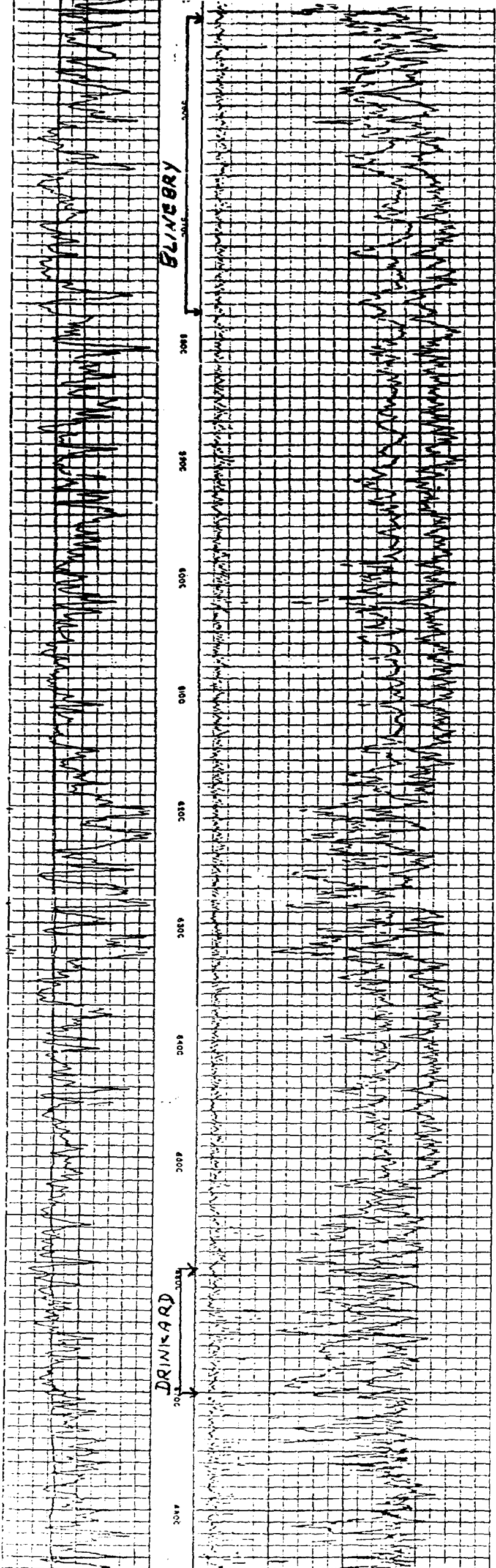
1/3



<div> <div>T</div> <div>22</div> <div>S</div> </div>	<div> <div>Gulf "c"</div> <div>36</div> <div>ARCO</div> <div>Markham</div> <div>Penrose "A"</div> <div>Fenrose</div> <div>31</div> <div>Sohio</div> <div>Amerado-Hess</div> <div>32</div> <div>State</div> <div>Wiser</div> <div>32</div> </div>	<div> <div>Gulf "d"</div> <div>31</div> <div>Sohio</div> <div>Amerado-Hess</div> <div>32</div> <div>State</div> <div>Wiser</div> <div>32</div> </div>	<div> <div>Skelly "k"</div> <div>State</div> <div>Wiser</div> <div>32</div> </div>	<div> <div>Gulf</div> <div>32</div> </div>
	<div> <div>Marathon "Soundacre"</div> <div>Gulf "p"</div> <div>Mattern</div> <div>Conoco "Lockhart B-4"</div> <div>Gulf "e"</div> <div>Mattern</div> <div>US</div> </div>	<div> <div>Gulf</div> <div>Zachry</div> <div>Sa. Pet. Ex.</div> <div>Donnes & Sims</div> <div>Stelly</div> <div>ARCO</div> <div>Gulf</div> <div>Sohio</div> <div>Sohio</div> </div>	<div> <div>Donnes & Sims</div> <div>Wiser</div> <div>Zachry</div> <div>Donnes & Sims</div> <div>Gulf</div> <div>Stebbins</div> <div>AMOCO</div> <div>Grizzell</div> </div>	<div> <div>McCormick</div> <div>Gulf</div> <div>Stebbins</div> <div>Zachry</div> <div>Conoco</div> <div>Gulf</div> </div>
	<div> <div>N</div> <div>Mattern</div> <div>12</div> <div>ARCO</div> <div>"157-D"</div> <div>State</div> <div>Marathon "McDonald"</div> <div>13</div> <div>R36E</div> <div>State</div> </div>	<div> <div>Gulf "d"</div> <div>US</div> <div>Mattern</div> <div>US</div> <div>Mattern</div> <div>US</div> <div>Conoco "Elliott B-7"</div> <div>US</div> <div>Tex. Pac.</div> <div>Sohio</div> <div>Mattern</div> <div>Tex. Pac.</div> <div>US</div> <div>Gulf</div> <div>Christmas</div> <div>Amerado Hess "PA"</div> <div>Wood et al</div> <div>18</div> <div>R37E</div> <div>State</div> </div>	<div> <div>Conoco "Elliott B-7"</div> <div>US</div> <div>Texaco "Folby"</div> <div>US</div> <div>Texaco "Folby"</div> <div>US</div> <div>Adams</div> <div>Tex. Pac.</div> <div>"Elliott" US</div> <div>State</div> <div>Tex. Pac.</div> <div>Sohio & Tex. Pac.</div> <div>State</div> <div>Sohio</div> <div>Elliott</div> <div>Humble "H"</div> <div>State</div> </div>	<div> <div>Zachry</div> <div>AMOCO</div> <div>Antwiel & Shell</div> <div>Grizzell</div> <div>Sohio</div> <div>Conoco</div> <div>"Elliott" US</div> <div>Headrix</div> <div>Elliott</div> <div>Combett</div> <div>Zachry</div> <div>Moore</div> <div>Christmas</div> </div>
	<div> <div>US</div> </div>	<div> <div>US</div> </div>	<div> <div>US</div> </div>	<div> <div>US</div> </div>

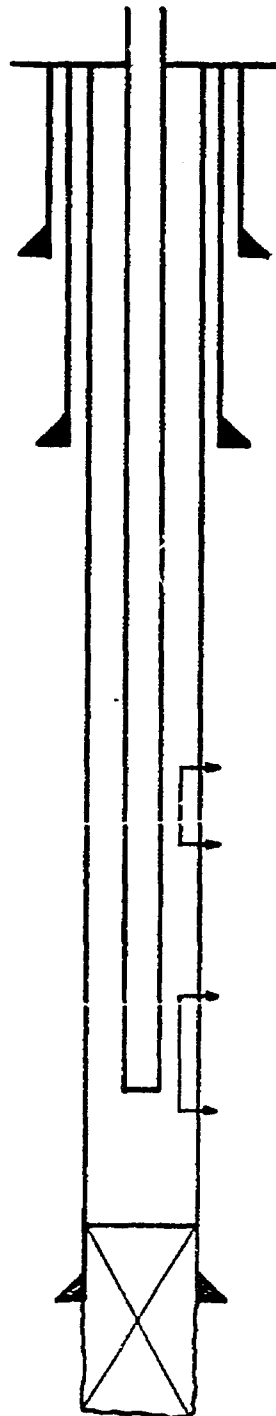
May be
with not
shown

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 5348
Submitted by CONOCO
Hearing Date 10-16-74



BEFORE EXAMINATION BY STAMETS
 OIL COMPANY, AN OIL COMPANY
 CASE NO. 2
 Submitted by CONOCO
 Hearing Date 10-16-74

ELLIOTT "B" NO. 6
 UNIT J - 1980' FSL & 1780' FEL
 SEC. 6, T-22S, R-37E,
 LEA COUNTY, NEW MEXICO
 ELEV. - 3443' GL
 - 3457' KB



510' 13 3/8" OD CASING SET WITH 450 SACKS (CMT CIRC)

3897' - 9 5/8" OD CASING SET WITH 400 SACKS (TOC - 2600 - CALC.)

5524'

BLINEBRY PERF - 4 JSPP
 5524-54'
 5572-79'
 5768-76'

5776'

6595'

DRINKARD PERF - 1 JSPP
 6595', 6603', 08', 13', 20',
 6625', 31', 46', 57', 63',
 6679', 87' and 6701'

6701'

PD -6718'

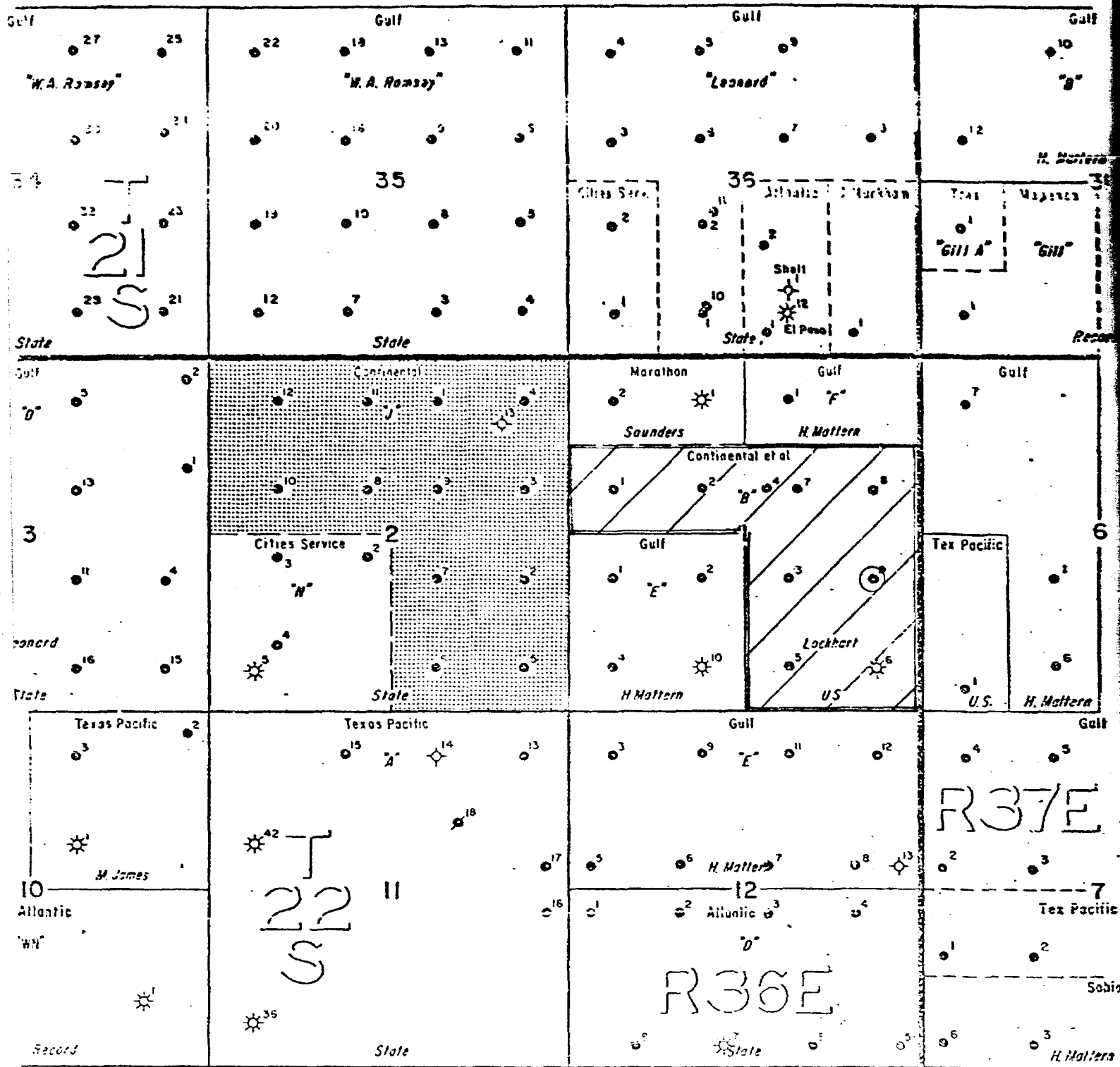
6777' - 7" OD 23# AND 26# CASING SET WITH 300 SACKS (TOC - 5110')

TD - 9466'

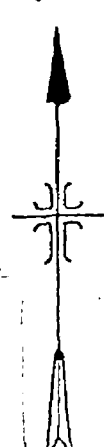
DHP 12h 119PSI
6-27 5:00 AM
Aug 3 BIRD
DHP 426PSI
exp 10 BORD

PROPOSED DRINKARD-BLINEBRY DOWNHOLE COMINGLING

BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 3
 CASE NO. 5348
 Submitted by CONOCO
 Hearing Date 10-16-74

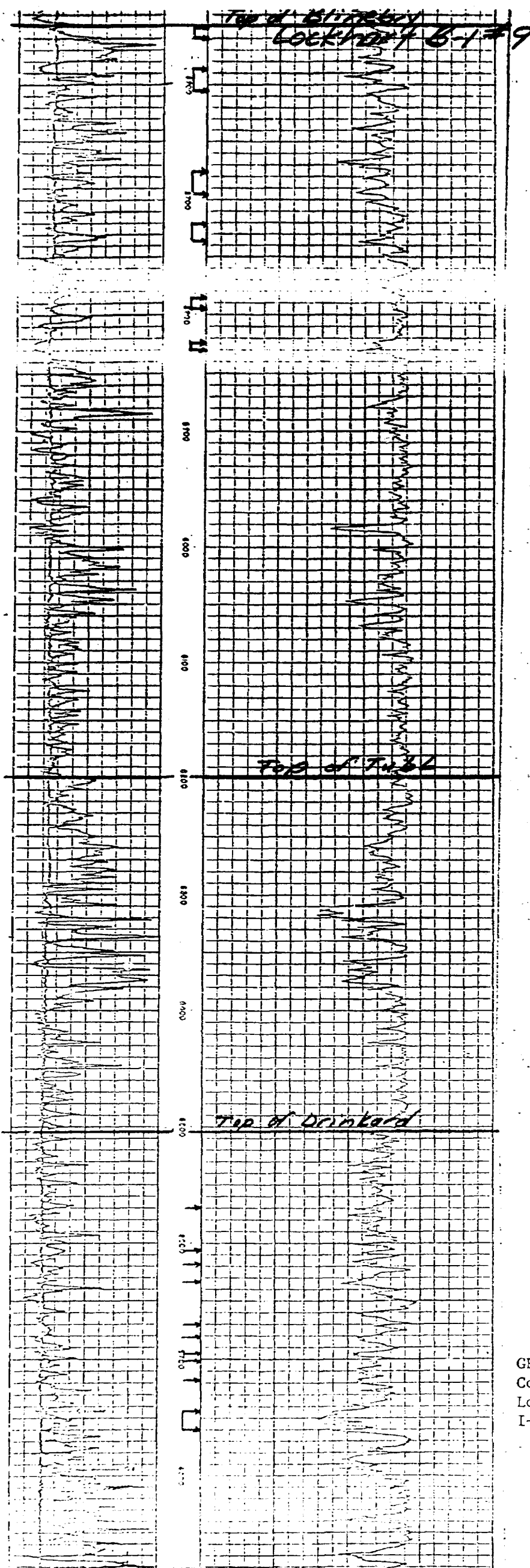


N



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 5348
Submitted by CONOCO
Hearing Date 10-16-74

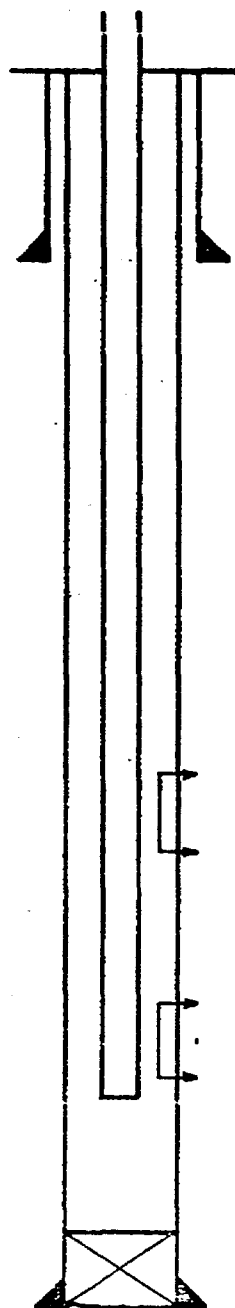
CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT-HOBBS DIVISION
LEA COUNTY, NEW MEXICO
SCALE
0 1000 2000



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 5
CASE NO. 5348
Submitted by CONOCO
Hearing Date 10-16-74

GR Sonic Log
Continental Oil Co.
Lockhart B-1 No. 9
I-1-22S-36E

LOCKHART B-1 NO. 9
 UNIT I - 1980' FSL & 660' FEL
 SEC. 1 - T-22S, R-36E
 LEA COUNTY, NEW MEXICO
 ELEV - 3471' GL
 -3480' KB



TD 6900'

1140' 8 5/8" OD CASING SET WITH 600 SACKS (CMT CIRC)

2 7/8" OD TUBING TO BE SET AT \pm 6780' WITH SN AT \pm 6745'

5551' BLINEBRY PERF - 4 JSPF
 5551-60', 5586-5607',
 5830' 5676-93', 5720-36',
 5785-94' AND 5824-30'

6570' DRINKARD PERF - 1 JSPF
 6570', 6607', 18', 34', 71',
 6760' 6681', 95', 6702, 6718', AND
 4 JSPF 6744-6760'

PD 6864'

6900' 5 1/2" OD 14# & 15.5# CASING SET WITH 550 SACKS (TOC - 4520')

PROPOSED DRINKARD-BLINEBRY DOWNHOLE COMMINGLING

*g-3 to 1308w GOR 3950
 956 psi*
*March - June
 3030 to w
 3500 GOR
 888 psi*

JAG 8-5-74

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION	
EXHIBIT NO.	6
CASE NO.	5348
Submitted by	CONOCO
Hearing Date	10-16-74



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

September 24, 1974

Car 5348

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

Attention Mr. A. L. Porter, Jr., - Secretary-Director

Gentlemen:

Applications for Downhole Commingling - October 16, 1974 Examiner Docket

Enclosed in triplicate are applications for downhole commingling of Blinbry and Drinkard Oil in our Elliott B No. 6, Lockhart B-1 No. 9, Warren Unit No. 11 and SEMU No. 21 wells. Please set these matters for hearing on the October 16, 1974 Examiner Docket.

Yours very truly,

VTL:pc
Enc.

cc: Amoco Production Company
P. O. Box 367
Andrews, Texas 79714

Atlantic Richfield Company
P. O. Box 1710
Hobbs, New Mexico 88240

Chevron Oil Company
P. O. Box 1660
Midland, Texas 79701

JCC: FOH: JWK

DOCKET MAILED

Date _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR
AUTHORITY TO COMMINGLE IN THE
WELLBORE PRODUCTION FROM THE
DRINKARD AND BLINEBRY OIL POOLS
IN ITS ELLIOTT "B" WELL NO. 6,
LOCATED IN SECTION 6, T-22S, R-37E,
LEA COUNTY, NEW MEXICO

5-348

A P P L I C A T I O N

Applicant, Continental Oil Company, respectfully requests authority to commingle in the wellbore production from the Blinebry and Drinkard oil pools in its Elliott "B" Well No. 6 located in Unit J of Section 6, T-22S, R-37E, Lea County, New Mexico and in support thereof would show:

1. Applicant is the operator and co-owner of the Elliott "B" Lease consisting of SE/4 Section 6 and other lands in T-22S, R-37E, Lea County, New Mexico.
2. Applicant has drilled, at a location 1980' FSL and 1780' FEL of said Section 6, and tested its Well No. 6 on said lease in the Drinkard and Blinebry formations at marginal rates of oil production.
3. Producing rates from the two zones in the well are such that economical production cannot be conducted on a segregated basis.
4. Granting of this application will prevent waste and will not impair correlative rights.

WHEREFORE, Applicant respectfully requests that this application be set for hearing before the commission's duly appointed examiner and that upon hearing an order be entered authorizing the commingling in the well of the Blinebry and Drinkard oil zones as described above.

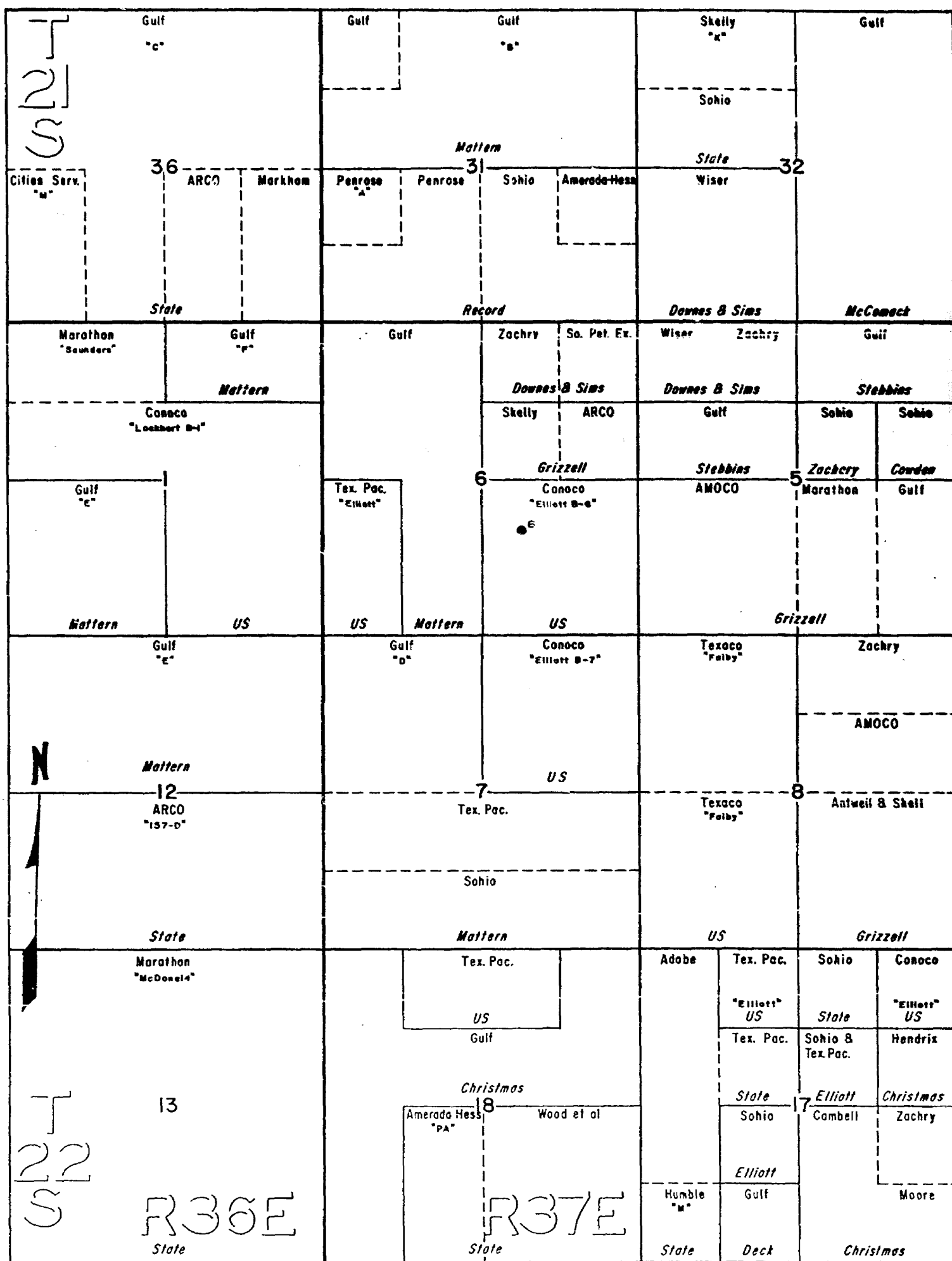
Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager
Production

reh



60-347

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR
AUTHORITY TO COMMINGLE IN THE
WELLBORE PRODUCTION FROM THE
DRINKARD AND BLINEBRY OIL POOLS
IN ITS LOCKHART B-1 NO. 9,
LOCATED IN SECTION 1, T-22S, R-36E,
LEA COUNTY, NEW MEXICO

Case 5-347

A P P L I C A T I O N

Applicant, Continental Oil Company, respectfully requests authority to commingle in the wellbore production from the Blinebry and Drinkard oil pools in its Lockhart B-1 Well No. 9 located in Unit I of Section 1, T-22S, R-36E, Lea County, New Mexico and in support thereof would show:

1. Applicant is the operator and co-owner of the Lockhart B-1 Lease consisting of S/2 N/2 and SE/4 of Section 1 in T-22S, R-36E, Lea County, New Mexico.
2. Applicant has drilled, at a location 1980' FSL and 660' FEL of said Section 1, and tested its Well No. 9 on said lease in the Drinkard and Blinebry formations at marginal rates of oil production.
3. Producing rates from the two zones in the well are such that economical production cannot be conducted on a segregated basis.
4. Granting of this application will prevent waste and will not impair correlative rights.

WHEREFORE, Applicant respectfully requests that this application be set for hearing before the commission's duly appointed examiner and that upon hearing an order be entered authorizing the commingling in the wellbore of the Blinebry and Drinkard oil zones as described above.

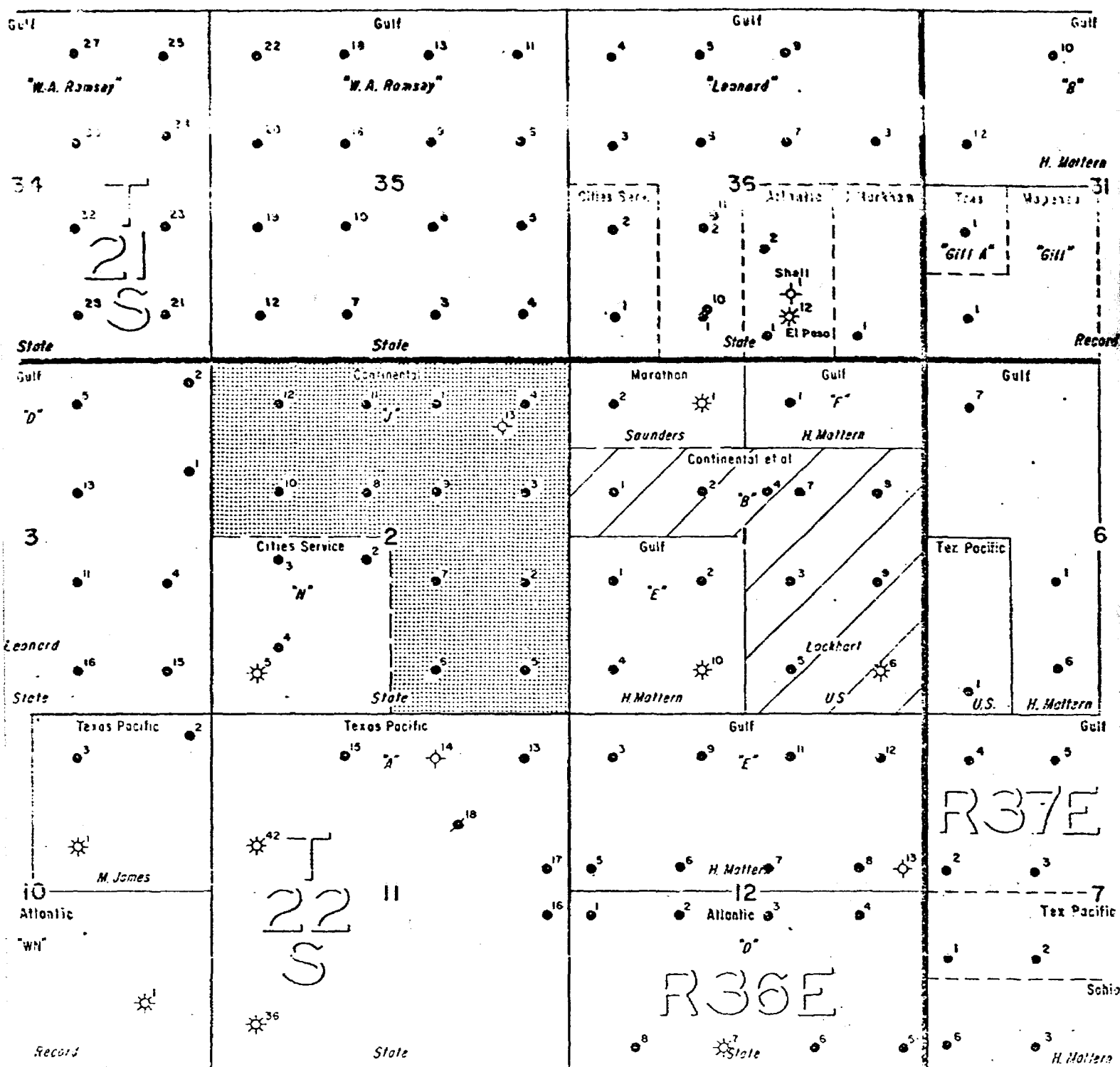
Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager
Production

reh



CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT—HOBBS DIVISION
 LEA COUNTY, NEW MEXICO
 SCALE
 0 1000 2000

5-347

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. 5348

Order No. R-4914

APPLICATION OF CONTINENTAL OIL COMPANY
FOR DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 16, 1974
at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of October, 1974, 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, Continental Oil Company, is the
owner and operator of the Elliott B Well No. 6, located in
Unit J of Section 6, Township 22 South, Range 37 East, and
the Lockhart B-1 Well No. 9, located in Unit I of Section 1,
Township 22 South, Range 36 East, NMPM, both in Lea County,
New Mexico.

(3) That the applicant seeks authority to commingle Blinebry and Drinkard production within the wellbore of ^{each of} the above-described wells. *are classified as oil wells and*

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

(5) That from the Drinkard 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 wells ^{are} not shut-in for an extended period.

(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 Hobbs district office of the Commission any time ^{either of} the subject wells ^{is} shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in ^{said Elliott B No. 6} the subject well ^{is} 50 percent of the commingled ~~production~~ production should be allocated to the Blinebry zone, and 50 percent of the commingled ~~production~~ production to the Drinkard zone.

(10) That in order to allocate the commingled production to each of the commingled zones ⁱⁿ well

in said Lockhart B-1, No 9, well, 67 percent of the commingled oil production and 50 percent of the commingled gas production should be allocated to the Blinebry zone, and 33 percent of the commingled oil production and 50 percent of the commingled gas production to the Drinkard zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to commingle Blinebry and Drinkard production within the wellbore^s of the Elliott B Well No. 6, located in Unit J of Section 6, Township 22 South, Range 37 East, NMPM, and the Lockhart B-1 Well No. 9, located in Unit I of Section 1, Township 22 South, Range 36 East, NMPM, both in Lea County, New Mexico.

(2) That ^{for said Elliott B No. 6, well,} 50 percent of the commingled _____ production shall be allocated to the Blinebry zone and 950 percent of the commingled _____ production shall be allocated to the Drinkard zone.

(3) That ^{well} for said Lockhart B-1, No. 9, well, 67 percent of the commingled oil production and 50 percent of the commingled gas production shall be allocated to the Blimbry zone, and 33 percent of the commingled oil production and 50 percent of the commingled gas production to the Drinkard zone.

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

(5) 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.