

CASE 5602: CONSOLIDATED OIL &
GAS, INC. FOR DOWNHOLE COMMING-
LING, SAN JUAN COUNTY, NEW MEXICO

CASE NO.

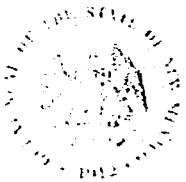
5602

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

R. L. STAMETS

Order for Case
5602 should
have cover letter
saying "Contact
Ft. Sec OCC to
inform them of
date and time
operations to complete
in Fruitland fm.
to start"



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

DIRECTOR
JOE D. RAMEY

LAND COMMISSIONER
PHIL R. LUCERO



STATE GEOLOGIST
EMERY C. ARNOLD

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

Re: CASE NO. 5602
ORDER NO. R-5146

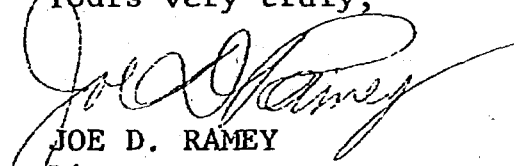
Applicant:

Consolidated Oil & Gas, Inc.

Dear Sir:

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

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC X

Other

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

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 7, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Consolidated Oil & Gas,) CASE
Inc. for donwhole commingling,) 5602
San Juan County, New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

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1 MR. STAMETS: We will call the next Case, 5602.

2 MR. CARR: Case 5602, application of Consolidated
3 Oil & Gas, Inc. for downhole commingling, San Juan County,
4 New Mexico.

5 MR. KELLAHIN: If the Examiner please, I'm Tom
6 Kellahin of Kellahin and Fox appearing on behalf of Consolidated
7 Oil, I have the same witness and I would like the record to
8 reflect that he was previously sworn and qualified.

9 MR. STAMETS: The record will so show.

10 FLOYD E. ELLISON, JR.

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

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Mr. Ellison, would you please refer to Exhibit
17 Number One and explain to the Examiner what Consolidated Oil
18 & Gas is seeking?

19 A Exhibit Number One is a plat of the area surrounding
20 the Collins 1-31, the Walz 1-31, Manley 1-31 operated by
21 Consolidated Oil & Gas in Section 31, Township 29 North,
22 Range 10 West and Consolidated is requesting permission to
23 commingle production from the Pictured Cliffs and Fruitland
24 formations if we do decide to recomplete in these wells. The
25 problem being that we do have a size of casing that creates

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1 mechanical problems if we would try to do it.

2 Q Would you begin by identifying the offset ownership,
3 starting with the southwest quarter of Section 32?

4 A The southwest quarter of Section 32 is Texaco.

5 Q The north half of Section 8?

6 A Consolidated Oil & Gas has the eastern half, El Paso
7 has the western half.

8 Q And the south half of Section 7?

9 A Amoco.

10 Q Okay, and the east half of Section 36?

11 A I'm sorry, for some reason I failed to find out
12 whose that was. I'm not sure if it's Aztec or who it might
13 be.

14 Q All right. How about the south half of Section 30?
15 Who owns that?

16 A It's Amoco and it shows Amoco and Cates is who had
17 it from the PI cards.

18 Q The northeast quarter of Section 31?

19 A Southern Union.

20 Q All right, you continue then with Exhibit Number
21 Two and identify it?

22 A Exhibit Two is a letter to the USGS requesting
23 permission to commingle these three wells as set forth as
24 far as the reasons that we felt that commingling was
25 appropriate.

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1 Q Exhibit Number Three?

2 A Exhibit Number Three is a letter from the USGS
3 giving approval to commingle the three wells, subject to the
4 approval of the Oil Conservation Commission.

5 Q Exhibit Number Four?

6 A Exhibit Number Four, of course, is the Form 9331
7 from the USGS showing its stamped approval of our request and
8 that is on the Collins well.

9 Q And Exhibit Number Five?

10 A Number Five is the same form approval of the Manley
11 well.

12 Q Exhibit Number Six?

13 A The same form approval of the Walz well.

14 Q Exhibit Number Seven?

15 A Exhibit Number Seven is a similar type -- well, it's
16 a plot of our bottom-hole pressure corrected for
17 compressibility versus cumulative gas and it is on the Collins
18 1-31 Pictured Cliffs zone and from it you can see that the
19 projected ultimate reserves for the Collins well is seven
20 hundred and eighty-five thousand MCF and this particular one
21 was drawn through the last point because from the appearance
22 of our pressure data it appears that -- and I think maybe
23 this can be substantiated by some problems that we had.
24 Apparently the points of the last three or four years prior
25 to that had dropped down and apparently were being affected by

1 some water or fluids in the wellbore.

2 Q Exhibit Number Eight?

3 A Exhibit Number Eight is a similar type plot projecting
4 seven hundred and fifteen thousand MCF ultimate reserves from
5 the Manley well and again we have, but not to the same degree
6 of the last three or four years, the points had been
7 slightly below the projected line there. We believe it is
8 from the same reason.

9 Q Your line intersects a point at five hundred and
10 it doesn't intersect some of these other points. Why do you
11 feel that this last point through which you drew your line,
12 why do you feel that to be reliable?

13 A Normally in this type of plot you normally try to
14 take it through the initial point, although this is not always
15 the case. You do try to find the best fit as far as for your
16 points and in this particular case it looks like probably the
17 best point is through the initial point. Sometimes it is
18 affected by how long the well is shut in and how tight the
19 reservoir is and many other things, so it is not always drawn
20 through that and in these cases it looked like it was as good
21 a fit as we might get.

22 Q Exhibit Number Nine?

23 A Exhibit Number Nine is a similar type of plot for
24 the Walz 1-31 well and again we did draw through that particular
25 one. It looked like as good a point as any to draw through.

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1 Q Exhibit Number Ten?

2 A Exhibit Number Ten is a table showing the cumulative
3 production for all three wells through November 30th. It
4 shows the average daily production over the first eleven months
5 of this year. It shows the ultimate recovery projected from
6 these curves and it shows the estimated cumulative
7 production to the end of 1975 for the three wells and it
8 shows the remaining reserves based upon these curves as of
9 twelve, thirty-one, seventy-five for all three wells.

10 Q Exhibit Number Eleven?

11 A Exhibit Number Eleven is a method of trying to
12 project what the production of these wells will be over the
13 remaining part of their life and it is a formula whereby
14 if you take the remaining reserves and show what the current
15 rate is and what the economic limit or the final rate of the
16 well will be, it then gives a tabulated factor which you can
17 go to a table and show what the percent decline per year of
18 the well should be..

19 Q Exhibit Number Twelve?

20 A Exhibit Number Twelve is using -- taking the decline
21 curve and using this particular percent decline per year and
22 projecting it to the economic limit and in this case we did
23 project as far as picking a flat life for the first year of
24 what the well has averaged over the first eleven months of
25 1975. We projected that flat life through 1966 and then

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1 began this decline determined by this formula and by this it
2 does show what the projected decline of the well would be
3 to produce the reserves, the remaining ultimate reserves that
4 are projected.

5 Q Exhibit Thirteen?

6 A Exhibit Thirteen is the same -- Exhibit Twelve had
7 been one for the Collins, Exhibit Thirteen is for the Manley
8 and Exhibit Fourteen is for the Walz well, using the same
9 procedure.

10 Q Exhibit Fifteen now, Mr. Ellison?

11 A Exhibit Fifteen is taking the data that we had
12 just prior, that we have just discussed and for each of the
13 three wells, taking the average daily production for the
14 year, showing what the annual production would be for each
15 of these years and then dividing that by twelve and showing
16 what the monthly production would be for each of these months.

17 Q In relation to this Exhibit, Mr. Ellison, do you
18 have a proposal for the allocation of production between the
19 Pictured Cliffs and Fruitland formations?

20 A What we are proposing is based upon this information
21 that has been developed, is to credit the Pictured Cliffs zone
22 for each month of each year as projected here. For instance,
23 in 1976 the Collins well each month, it would be credited with
24 forty-eight hundred and sixty-seven MCF per day for each month
25 so the well producing up to that month, all of the production

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1 would be credited to the Pictured Cliffs, anything above
2 that would then be credited to the Fruitland formation.

3 Skipping clear down to nineteen, eighty-four in
4 the same column of the Collins, in nineteen, eighty-four any
5 production up to eight hundred and fifty-two MCF per day,
6 or any production up to eight hundred and fifty-two MCF for
7 that month would be credited to the Pictured Cliffs and any
8 above that then would be credited to the Fruitland.

9 Q Is the ownership identical between the Pictured
10 Cliffs and Fruitland formations?

11 A Yes, it is.

12 Q And are the reservoir characteristics between the
13 two formations such that underground waste would not occur
14 if commingling is granted?

15 A In my opinion that is correct.

16 Q In your opinion will approval of this application
17 result in the recovery of additional gas from each of the
18 commingled zones that would not otherwise be recovered?

19 A Yes.

20 Q In your opinion would approval of the application
21 be in the best interests of conservation, prevention of waste
22 and the protection of correlative rights?

23 A Yes.

24 Q Were Exhibits One through Fifteen prepared by you
25 directly or under your direction and supervision?

1 A. Yes, they were.

2 MR. KELLAHIN: We move the introduction of
3 Exhibits One through Fifteen.

4 MR. STAMETS: These Exhibits will be admitted.
5 (THEREUPON, Applicant's Exhibits One through
6 Fifteen were admitted into evidence.)

7 MR. STAMETS: Are there questions of the witness?

8
9 CROSS EXAMINATION

10 BY MR. STAMETS:

11 Q Mr. Ellison, are there other Fruitland completions
12 in the vicinity of these wells?

13 A Yes, there is in the southwest quarter of Section 32
14 there is a Fruitland dual well that Texaco has completed there
15 and I believe it has been producing since 1959 and apparently,
16 I don't know the reason why or anything else but it has been
17 producing for that period of time and apparently we were
18 unaware of it.

19 Q What kind of pressure and potential are you looking
20 at in the Fruitland?

21 A Well, going to the Texaco well which, as far as
22 we can tell, since the log program they have on theirs and
23 the log program that we have on ours, we have a hard time
24 even telling whether or not that we have any producible sands
25 in ours. If this is granted we will probably run some type of

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1 log trying to determine whether or not we even have any
2 Fruitland but theirs has produced six hundred and eighty-three
3 million through June of '75. Its initial shut-in pressure
4 was six hundred and thirty-three pounds and the 1973 shut-in
5 pressure was two hundred and sixty-two pounds. That has been
6 a very good well.

7 Q Give them to me again.

8 A Okay, the initial shut-in pressure was six hundred
9 and thirty-three, in 1973 it was two hundred and sixty-two.
10 And, of course, one of the reasons in requesting permission to
11 commingle is that we would expect because of the cumulative
12 of that particular well, we would expect, if we were to find
13 even this particular sand in our well that it would be
14 partially depleted and, therefore, the remaining reserves
15 would not be that high. Certainly there would be some great
16 risk in trying to drill a new well and getting a pay out on
17 the well.

18 Q Looking at your Exhibits Seven, Eight and Nine,
19 it appears as though the lowest pressure you have on the
20 Manley well is about a hundred and seventy-three pounds and
21 the highest pressure about two hundred and eighteen pounds
22 on the Collins. Do you feel that the pressure differential
23 you might encounter between the Fruitland and the Pictured
24 Cliffs would cause any problems in the wells?

25 A I would not anticipate any problems. I think that

1 once they are put on the line and producing that they would
2 all be contributing and, therefore, should not be any problems
3 from that standpoint.

4 Q Do you know if the Fruitland makes any liquids or any
5 water?

6 A I think that in some areas there it does as from
7 what we could gather, we were unable to get the production
8 as far as whether it did or did not from them but going
9 by the location we did not feel that it was. Our wells have
10 been making fluid out of the Fruitland and this is part of
11 the reasons for the request for the dual is the fact that
12 we felt that we could not produce mechanically in the small
13 casing that we have. We cannot run the two strings of --
14 in other words, we need a string of tubing in the wells to
15 produce the fluid off of the Pictured Cliffs because we do
16 produce fluid from the Pictured Cliffs and if it were under
17 a packer we would have a problem with them loading off and
18 problems that way. We have four-and-a-half inch drill pipe
19 in there with about a three point eight ID which limits what
20 we can run in the well and, therefore, if we run a string to
21 the Pictured Cliffs zone, we would have problems with it
22 loading off and keeping those wells producing and then if
23 there were production or were fluid in the Fruitland zone,
24 which, of course, it does vary from well to well, then you
25 would have to have another string of tubing in there and we

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1 would be in problems mechanically as far as being able to
2 produce these wells.

3 Q Where would you intend to set your tubing in these
4 wells?

5 A At this point I would say that we would probably
6 go ahead and set the tubing down right near the top of the
7 Pictured Cliffs zone to keep the fluid off of the Pictured
8 Cliffs just as much as possible.

9 Q Would you have a period of testing between wells to
10 determine what you've got or do you just intend to run out
11 there and try all three of them at once?

12 A No, we very definitely, I think, from the -- we
13 have gamma ray neutron logs that were run on these but
14 they are not very definitive of what we have and we would,
15 first of all, try the Manley well which is the one closest
16 to the Texaco well and see if there is anything there and I
17 think from logs it possibly indicates of the three wells that
18 it has more promise than the other two and we would very
19 definitely just do one well, the Manley first, and determine
20 what we have there before moving on to the other two.

21 Q Would Consolidated be willing to notify the Director
22 of the Commission's Aztec office at the time, say the first
23 completion, so that it could be evaluated by our engineers
24 in that district?

25 A Certainly.

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1 MR. STAMETS: Any other questions of the witness?

2 He may be excused.

3 (THEREUPON, the witness was excused.)

4 MR. STAMETS: Anything further in this case?

5 We will take the case under advisement and take a
6 ten or fifteen minute recess.

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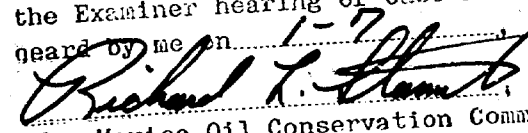
REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5602
heard by me on 5-7 19 76
 Examiner
New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5602
Order No. R-5146

APPLICATION OF CONSOLIDATED OIL &
GAS, INC. FOR DOWNHOLE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 1976, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the sub-
ject matter thereof.

(2) That the applicant, Consolidated Oil & Gas, Inc., is
the owner and operator of the Collins Well No. 1, Manley Well No.
1, and Walz Well No. 1, located, respectively, in Units E, P, and
L of Section 31, Township 29 North, Range 10 West, NMPM, San Juan
County, New Mexico.

(3) That the applicant seeks authority to recomplete said
wells in such a manner as to commingle Fulcher Kutz-Pictured Cliffs
and Aztec-Fruitland gas production within the wellbores of the same.

(4) That from the Fulcher Kutz-Pictured Cliffs zone, the
subject wells are capable of low rates of production only.

(5) That from the Aztec-Fruitland zone, the subject wells
are expected to be capable of low rates of production only.

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

(7) That the reservoir characteristics of each of the sub-
ject 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 the applicant should notify the Commission of the completion of said wells in the Fruitland zone.

(9) That should it be necessary, to prevent waste, the Secretary-Director of the Commission should have authority to rescind the commingling authorized by this order.

(10) 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 Aztec district office of the Commission any time any of the subject wells are shut-in for 7 consecutive days.

(11) That the allocation of the commingled production to the Pictured Cliffs zone and the Fruitland zone in each of said wells should be in accordance with a formula agreed upon by the applicant and the supervisor of the Commission's district office at Aztec.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Fulcher Kutz-Pictured Cliffs and Aztec-Fruitland production within the wellbore of its Collins Well No. 1, Manley Well No. 1, and Walz Well No. 1, located, respectively, in Units E, P, and L, of Section 31, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

PROVIDED HOWEVER, that within 10 days of the completion of the Fruitland zone in each of said wells, the applicant shall notify the supervisor of the Commission's district office at Aztec of the completion of such well with sufficient detail to permit the Commission to evaluate the well's potential and the possibility of waste resulting from the wellbore commingling of the Pictured Cliffs and Fruitland zones.

PROVIDED FURTHER, that the Secretary-Director of the Commission may rescind the authority to commingle the Pictured Cliffs and Fruitland zones in any or all of said wells whenever it should appear that such continued commingling would result in waste.

(2) That the commingled production in said wells shall be allocated to the respective zones in accordance with a formula agreed upon by the applicant and the supervisor of the Commission's district office at Aztec within 45 days after the commingling of Pictured Cliffs and Fruitland production in each of said wells.

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

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

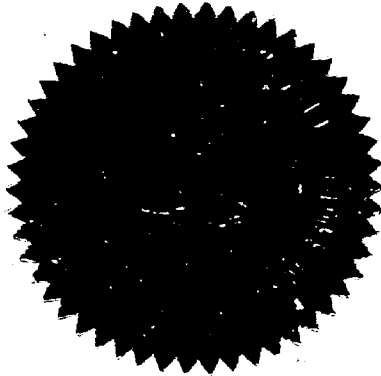
-3-

Case No. 5602

Order No. R-5146

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L



jr/



DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5602

don Order No. R- 5146

APPLICATION OF CONSOLIDATED OIL & GAS,
INC. FOR DOWNHOLE COMMINGLING, SAN JUAN
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ORDER OF THE COMMISSION

BY THE COMMISSION:

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19 76, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of January, 1976, the Commission,
a quorum being present, having considered the testimony, the record,
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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, Consolidated Oil & Gas, Inc., is the
~~owner~~ owner and operator of the Collins Well No. 1, Manley Well No.
1, and Walz Well No. 1, located, respectively, in Units E, P, and
L of Section 31, Township 29 North, Range 10 West, NMPM, San Juan
County, New Mexico.

(3) That the applicant seeks authority to recomplete said wells
in such a manner as to commingle Fulcher Kutz-Pictured Cliffs and
Aztec-Fruitland gas production within the wellbores of the same.

(4) That from the Fulcher Kutz-Pictured Cliffs zone, the
subject wells are capable of low rates of production only.

(5) That from the Aztec-Fruitland zone, the subject wells are expected to be capable of low rates of production only.

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

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

(8) That the applicant should notify the Commission of the completion of ~~the~~ said wells in the Fruitland zone.

(9) That should it be necessary, to prevent waste, the Secretary-Director of the Commission should ^{have authority to} rescind the commingling authorized by this order.

(10) 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 Aztec district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(11) That the allocation of the commingled production to the Pictured Cliffs zone and the Fruitland zone in each of said wells should be in accordance with a formula agreed upon by the applicant and the supervisor of the Commission's district office ~~at~~ Aztec.

IT IS THEREFORE ORDERED:

(1) That the applicant, Consolidated Oil & Gas, Inc., is hereby authorized to commingle Fulcher Kutz-Pictured Cliffs and Aztec-Fruitland production within the wellbore of ~~the~~ Collins Well No. 1, Manley Well No. 1, and Walz Well No. 1, located, respectively, in Units E, P, and L of Section 31, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

PROVIDED HOWEVER, that within 10 days of the completion of the Fruitland zone in each of said wells, the applicant shall notify the supervisor of the Commission's district office at Aztec of the completion of such well with sufficient detail to permit the Commission to evaluate the well's potential and the possibility of waste resulting from the wellbore commingling of the Pictured Cliffs and Fruitland zones.

PROVIDED FURTHER, that the Secretary-Director of the Commission may rescind the authority to commingle the Pictured Cliffs and Fruitland zones in any or all of said wells whenever it should appear that ~~such~~ such continued commingling would result in waste.

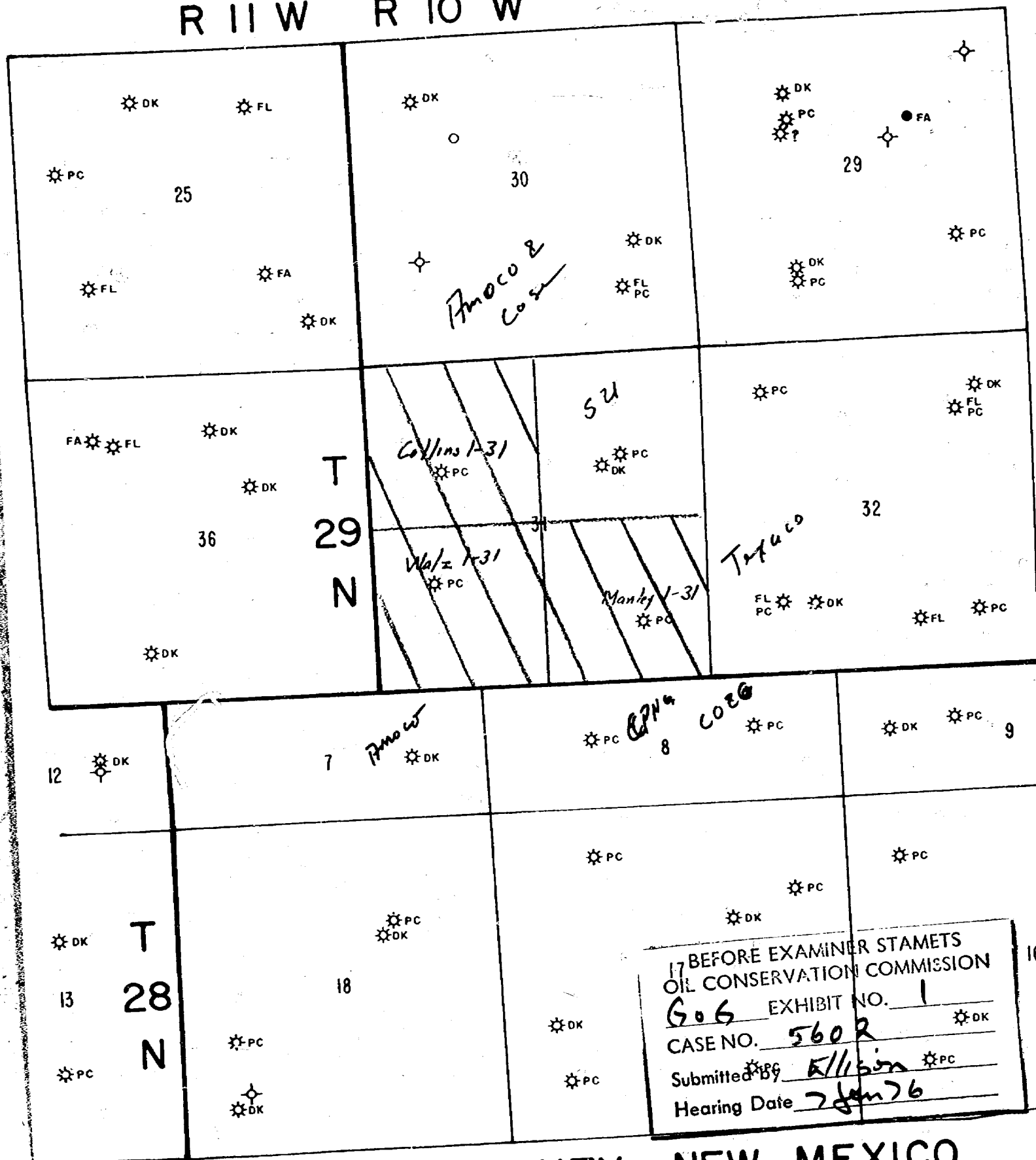
(2) That the commingled production in said wells shall be allocated to the respective zones in accordance with a formula agreed upon by the applicant and the supervisor of the Commission's district office at Aztec within 45 days after the commingling of Pictured Cliffs and Fruitland production in each of said wells.

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

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

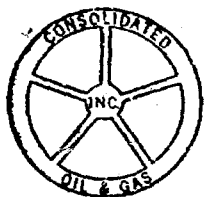
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

R I I W R I O W



SAN JUAN COUNTY, NEW MEXICO

SCALE: 1"=2000'



Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203
(303) 255-1751

December 18, 1975

U. S. Department of the Interior
Geological Survey
P. O. Box 959
Farmington, New Mexico 87401

RECEIVED

DEC 22 1975

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

Re: Permission to Commingle
Pictured Cliff and Fruitland
Collins 1-31
Manley 1-31
Walz 1-31
Section 31-T29N-R10 W
Fulcher Kutz Pictured Cliff Field
San Juan County, New Mexico

Gentlemen:

Consolidated Oil & Gas, Inc. is seeking permission from the U. S. Geological Survey to attempt a recompletion in one or more of the above referenced wells in the Fruitland formation and, if successful, commingle production downhole with the Pictured Cliff. Subject wells are presently single gas producers from the Pictured Cliff formation.

The proposed division of production would be by establishing each well's probable producing rate from the Pictured Cliff based on past pressures and producing history and then to credit the excess production from each well to the Fruitland.

The proposal to commingle is based on the following:

1. Correlative rights in both zones will be protected since the royalty and working interest ownership is the same for both the Fruitland and Pictured Cliff.
2. The economics to drill a single zone Fruitland test are very questionable.

OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 5602
Submitted by Ellison
Hearing Date 7 Jan 76

U. S. Department of the Interior
Geological Survey
December 18, 1975
Page 2

3. A dual completion of the two zones is mechanically impractical if not impossible in all of the wells due to:
 - a. The production casing having a 3.826" ID making it impossible to run dual tubing strings which can be swabbed or pumped to remove fluid when a zone loads up.
 - b. Water production from the Pictured Cliff zone and potential water production from the Fruitland zone creating production problems if the Pictured Cliff is produced up the tubing and the Fruitland up the tubing-casing annulus.
4. Assuming a successful Fruitland completion, additional gas reserves should be produced due to higher gas velocity from the commingled zones keeping fluids unloaded off the formation which, in turn, will allow production to a lower pressure.
5. Additional gas reserves will be produced simply by the combined production rate being able to remain profitable longer than a single zone rate.

We have filed an application with the New Mexico Oil Conservation Commission to hear this case January 7th. We realize the Holiday season is upon us but would appreciate your approval to commingle in time to support our application before the Commission.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.

Floyd E. Ellison, Jr.

Floyd E. Ellison, Jr.
Area Production Manager

FEE:lt



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 959
Farmington, New Mexico 87401

Dec. 23, 1975

Consolidated Oil and Gas, Inc.
1860 Lincoln Street
Denver, Colo. 80203

Gentlemen:

Returned are sundry notices for commingling Pictured Cliffs and Fruitland gas for Collins 1-31, Manley 1-31, and Walz 1-31 wells, all in sec. 31, T. 29 N., R. 10 W., San Juan Co., New Mexico.

The notices have all been approved subject to like approval by the Oil Conservation Commission.

Sincerely yours,


M. L. Seelinger
Acting District Engineer

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
605	EXHIBIT NO. 3
CASE NO. 5602	
Submitted by Ellison	
Hearing Date 7 Jan 76	

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/>	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Consolidated Oil & Gas, Inc.	8. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 1860 Lincoln Street, Denver, Colorado 80203	9. FARM OR LEASE NAME Collins
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1750' FNL and 1190' FWL Section 31, T29N-R10W NMPM	10. WELL NO. 1-31
14. PERMIT NO.	11. FIELD AND POOL, OR WILDCAT Fulcher Kutz PC
15. ELEVATIONS (Show whether DF, RT, GR, etc.) KB 5657	12. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 31-T29N-R10W
	13. COUNTY OR PARISH San Juan
	14. STATE New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OIL ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>	Commingle <input checked="" type="checkbox"/>		

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Consolidated requests permission to commingle production from the Pictured Cliff and Fruitland formations if production is established from the Fruitland during re-completion operations. Royalty and working interest owners are the same for both zones. The proposed method to allocate production is to establish a probable producing rate for the Pictured Cliff to the New Mexico Oil Conservation Commission's satisfaction and to credit all excess production to the Fruitland formation.

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

506 EXHIBIT NO. 4
CASE NO. 5602
Submitted by E. J. McGrath
Hearing Date 7/2/76

RECEIVED

DEC 22 1975

U. S. GEOLOGICAL SURVEY
WASHINGTON, D. C.

18. I hereby certify that the foregoing is true and correct

SIGNED Floyd E. E. E. E.

TITLE Area Production Manager DATE 12/18/75

(This space for Federal or State office use)

APPROVED

DEC 22 1975

E. J. McGRATH

DISTRICT ENGINEER

TITLE

DATE

*See Instructions on Reverse Side

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

New Mexico 0702

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Consolidated Oil & Gas, Inc.	8. FARM OR LEASE NAME Manley
3. ADDRESS OF OPERATOR 1860 Lincoln Street, Denver, Colorado 80203	9. WELL NO. 1-21
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 935' FSL and 1050' FEL Section 31-T29N-R10W	10. FIELD AND POOL, OR WILDCAT Fulcher Kutz PC
14. PERMIT NO.	11. SEC., T., R., M., OR B.Y. AND SURVEY OR AREA Sec. 31-T29N-R10W
15. ELEVATIONS (Show whether DF, RT, GR, etc.) KB 5654	12. COUNTY OR PARISH 13. STATE

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input type="checkbox"/>	Commingle <input checked="" type="checkbox"/>	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log f.f.s.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Consolidated requests permission to commingle production from the Pictured Cliff and Fruitland formations if production is established from the Fruitland during re-completion operations. Royalty and working interest owners are the same for both zones. The proposed method to allocate production is to establish a probable producing rate for the Pictured Cliff to the New Mexico Oil Conservation Commission's satisfaction and to credit all excess production to the Fruitland formation.

BEFORE EXAMINER STATES
OIL CONSERVATION COMMISSION
COG EXHIBIT NO. 5
CASE NO. 5602
Submitted by Ellison
Hearing Date 7 Jan 76

RECEIVED

DEC 22 1975

U. S. GEOLOGICAL SURVEY
WASHINGTON, D. C.

18. I hereby certify that the foregoing is true and correct

SIGNED <u>Floyd E. E. Ellison, Jr.</u>	TITLE <u>Area Production Manager</u>	DATE <u>12/18/75</u>
--	--------------------------------------	----------------------

(This space for Federal or State office use)

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____ DATE _____

DEC 22 1975

E. I. McGRATH

DISTRICT ENGINEER

*See Instructions on Reverse Side

Form 9-331
(May 1963)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.
New Mexico 0702

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Walz

9. WELL NO.

1-31

10. FIELD AND POOL, OR WILDCAT

Fulcher Kutz PC

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 31-T29N-R10W

12. COUNTY OR PARISH

San Juan

13. STATE

New Mexico

SUNDRY NOTICES AND REPORTS ON WELLS
(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL ☐ GAS ☒ OTHER ☐
WELL WELL

2. NAME OF OPERATOR

Consolidated Oil & Gas, Inc.

3. ADDRESS OF OPERATOR

1860 Lincoln Street, Denver, Colorado 80203

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

1680' FSL and 960' FWL Section 31-T29N-R10W

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

KB 5723

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

Commingle

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any
proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones perti-
nent to this work.)

Consolidated requests permission to commingle production from the Pictured Cliff
and Fruitland formations if production is established from the Fruitland during re-
completion operations. Royalty and working interest owners are the same for both
zones. The proposed method to allocate production is to establish a probable pro-
ducing rate for the Pictured Cliff to the New Mexico Oil Conservation Commission's
satisfaction and to credit all excess production to the Fruitland formation.

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

COG EXHIBIT NO. 6

CASE NO. 5602

Submitted by Ellison

Hearing Date 7 Jan 76

RECEIVED

DEC 22 1975

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.

18. I hereby certify that the foregoing is true and correct

SIGNED

Thyrl E. Ellison, Jr.

TITLE

Area Production Manager

DATE

12/18/75

(This space for Federal or State office use)

APPROVED

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

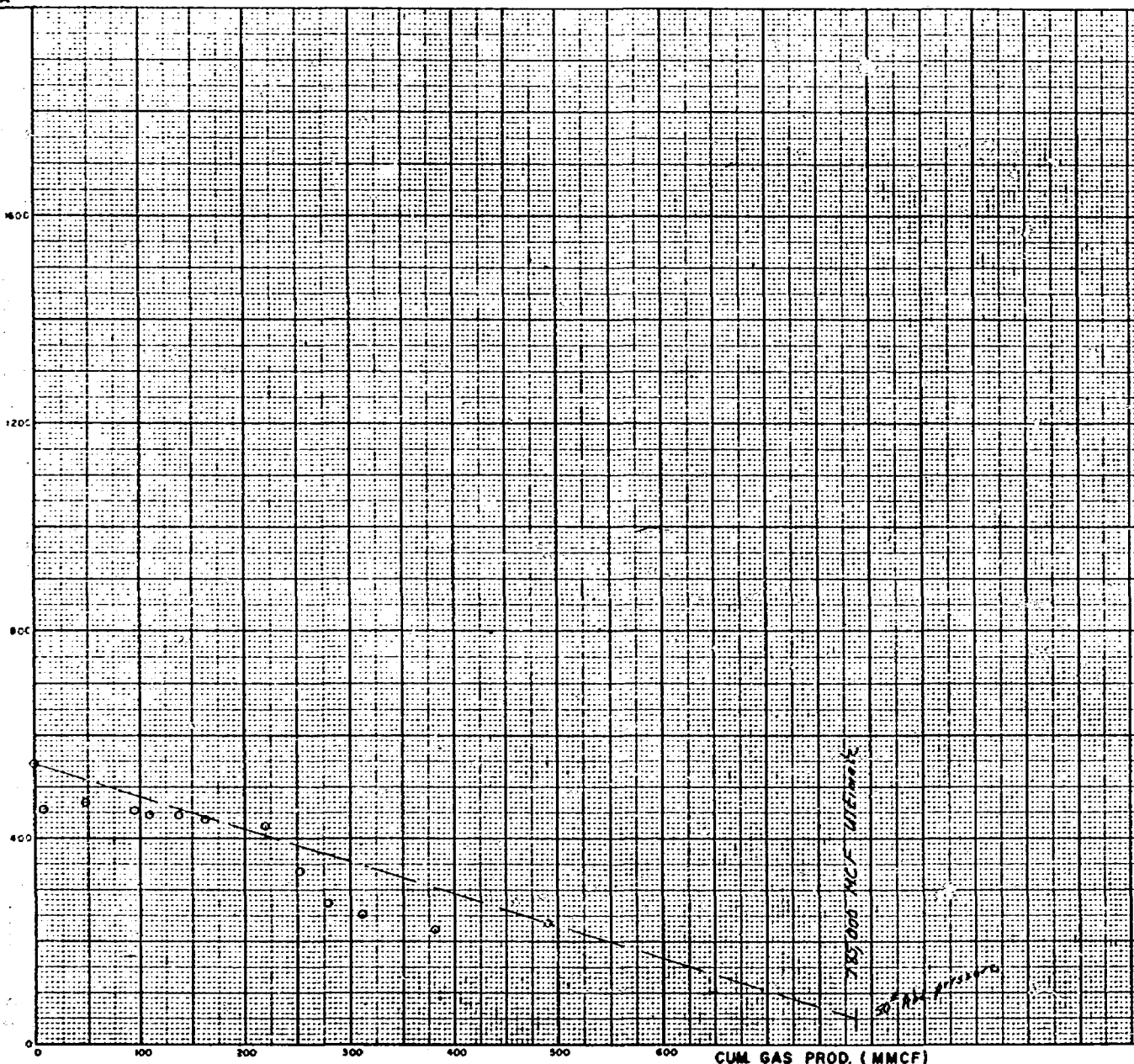
DEC 22 1975

P. T. McGRATH

DISTRICT ENGINEER

*See Instructions on Reverse Side

BHP/Z
PSIA

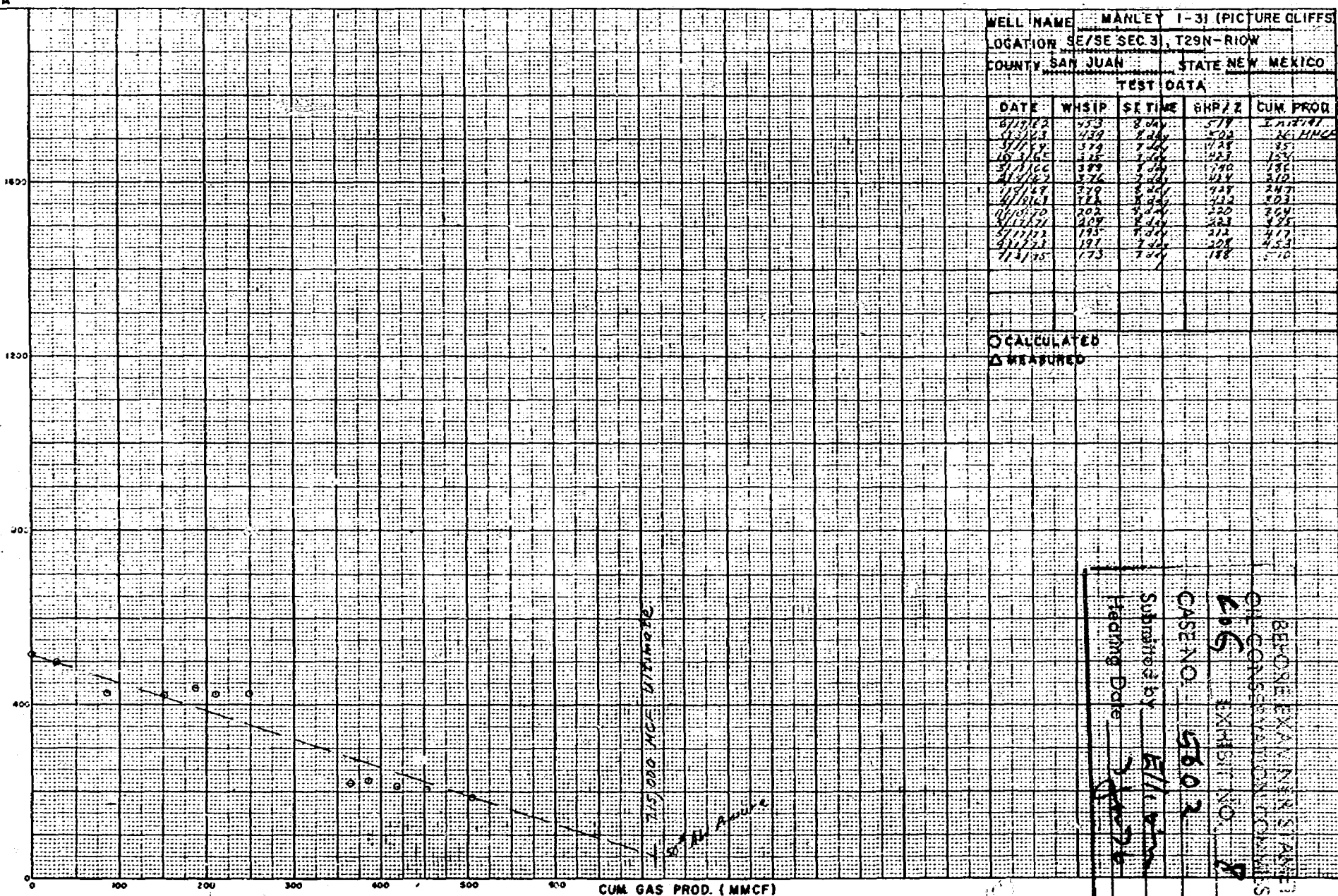


WELL NAME COLLINS 1-31 (PICTURE CLIFFS)				
LOCATION SW/NW, SEC. 31, T29N-R10W				
COUNTY SAN JUAN		STATE NEW MEXICO		
TEST DATA				
DATE	WHP	SE TIME	BHP/Z	CUM. PROD.
6/11/62	430	8.00	547	2.14E10
7/3/63	427	7.00	458	7.14E10
2/1/64	418	7.00	421	87
11/1/65	408	7.00	453	87
3/1/66	397	8.00	446	129
3/1/67	399	8.00	448	129
3/1/68	389	8.00	436	162
4/1/68	380	7.00	431	219
11/1/70	305	7.00	337	250
6/1/71	289	8.00	321	278
3/1/72	227	8.00	252	310
4/1/73	205	7.00	222	357
7/2/75	218	7.00	237	490

O CALCULATED
Δ MEASURED

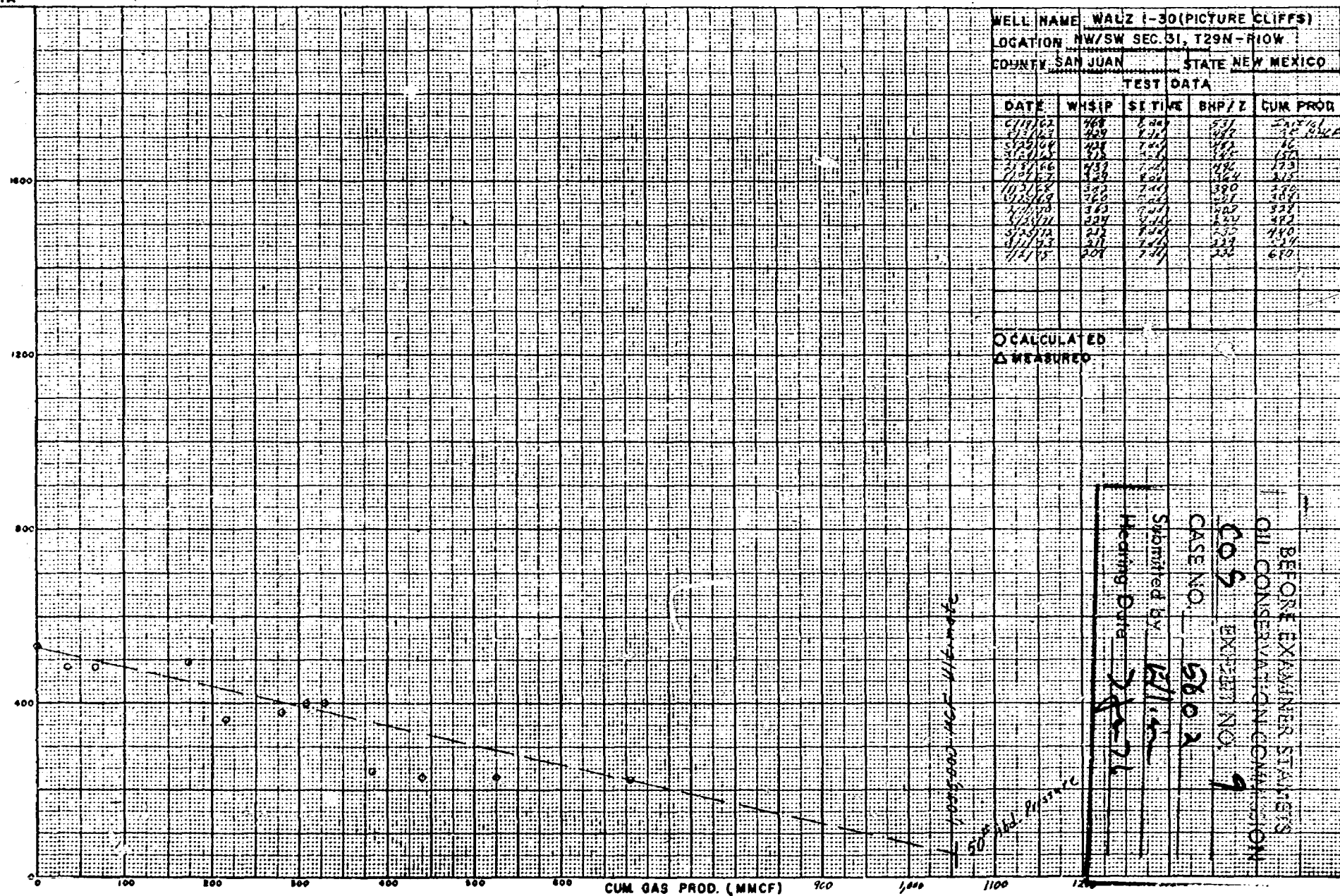
BEFORE EXAMINER'S SIGNATURE
OIL CONSERVATION COMMISSION
EXHIBIT NO. 7
CASE NO. 5602
Submitted by R. J. [illegible]
Heating Due 7/2/74

WELL NAME		MANLEY 1-31 (PICTURE CLIFFS)		
LOCATION		SE/SE SEC 3, T29N-R10W		
COUNTY		SAN JUAN	STATE NEW MEXICO	
TEST DATA				
DATE	WHSIP	SET TIME	SHR / Z	CUM PROD
8/19/62	573	8:44	574	1.112/91
9/1/62	549	8:44	502	26.111/62
10/1/62	575	7:00	523	123
3/1/66	399	3:00	170	135
4/1/62	376	3:00	144	310
1/15/48	379	3:00	144	247
4/1/61	184	3:00	112	203
10/15/70	202	3:00	220	264
8/11/67	229	8:44	323	825
5/11/71	193	7:00	312	417
4/1/73	197	7:00	208	454
7/1/75	173	7:00	188	510



BEFORE EXAMINER'S STANDS
OF CONSTITUTIONAL COMMISSION
106 EXHIBIT NO. 2
CASE NO. 5602
Submitted by E/11/21/11
Filing Date 2/1/20

BHP/Z
PSIA



WELL NAME WALZ I-30 (PICTURE CLIFFS)				
LOCATION NW/SW SEC. 31, T29N-R10W				
COUNTY SAN JUAN		STATE NEW MEXICO		
TEST DATA				
DATE	WHP	SET TIME	BHP/Z	CUM PROD
5/1/62	468	2.00	531	215
5/1/62	468	2.11	531	215
5/1/62	468	2.22	531	215
5/1/62	468	2.33	531	215
5/1/62	468	2.44	531	215
5/1/62	468	2.55	531	215
5/1/62	468	2.66	531	215
5/1/62	468	2.77	531	215
5/1/62	468	2.88	531	215
5/1/62	468	2.99	531	215
5/1/62	468	3.10	531	215
5/1/62	468	3.21	531	215
5/1/62	468	3.32	531	215
5/1/62	468	3.43	531	215
5/1/62	468	3.54	531	215
5/1/62	468	3.65	531	215
5/1/62	468	3.76	531	215
5/1/62	468	3.87	531	215
5/1/62	468	3.98	531	215
5/1/62	468	4.09	531	215
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5/1/62	468	4.31	531	215
5/1/62	468	4.42	531	215
5/1/62	468	4.53	531	215
5/1/62	468	4.64	531	215
5/1/62	468	4.75	531	215
5/1/62	468	4.86	531	215
5/1/62	468	4.97	531	215
5/1/62	468	5.08	531	215
5/1/62	468	5.19	531	215
5/1/62	468	5.30	531	215
5/1/62	468	5.41	531	215
5/1/62	468	5.52	531	215
5/1/62	468	5.63	531	215
5/1/62	468	5.74	531	215
5/1/62	468	5.85	531	215
5/1/62	468	5.96	531	215
5/1/62	468	6.07	531	215
5/1/62	468	6.18	531	215
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5/1/62	468	6.62	531	215
5/1/62	468	6.73	531	215
5/1/62	468	6.84	531	215
5/1/62	468	6.95	531	215
5/1/62	468	7.06	531	215
5/1/62	468	7.17	531	215
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5/1/62	468	7.50	531	215
5/1/62	468	7.61	531	215
5/1/62	468	7.72	531	215
5/1/62	468	7.83	531	215
5/1/62	468	7.94	531	215
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5/1/62	468	8.16	531	215
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5/1/62	468	8.93	531	215
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5/1/62	468	9.15	531	215
5/1/62	468	9.26	531	215
5/1/62	468	9.37	531	215
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5/1/62	468	9.92	531	215
5/1/62	468	10.03	531	215
5/1/62	468	10.14	531	215
5/1/62	468	10.25	531	215
5/1/62	468	10.36	531	215
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5/1/62	468	11.46	531	215
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5/1/62	468	11.68	531	215
5/1/62	468	11.79	531	215
5/1/62	468	11.90	531	215
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5/1/62	468	12.12	531	215
5/1/62	468	12.23	531	215
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5/1/62	468	12.45	531	215
5/1/62	468	12.56	531	215
5/1/62	468	12.67	531	215
5/1/62	468	12.78	531	215
5/1/62	468	12.89	531	215
5/1/62	468	12.99	531	215
5/1/62	468	13.10	531	215
5/1/62	468	13.21	531	215
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5/1/62	468	13.43	531	215
5/1/62	468	13.54	531	215
5/1/62	468	13.65	531	215
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5/1/62	468	13.87	531	215
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5/1/62	468	14.20	531	215
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5/1/62	468	14.75	531	215
5/1/62	468	14.86	531	215
5/1/62	468	14.97	531	215
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5/1/62	468	15.74	531	215
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5/1/62	468	15.96	531	215
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5/1/62	468	16.18	531	215
5/1/62	468	16.29	531	215
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5/1/62	468	16.51	531	215
5/1/62	468	16.62	531	215
5/1/62	468	16.73	531	215
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5/1/62	468	16.95	531	215
5/1/62	468	17.06	531	215
5/1/62	468	17.17	531	215
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5/1/62	468	17.39	531	215
5/1/62	468	17.50	531	215
5/1/62	468	17.61	531	215
5/1/62	468	17.72	531	215
5/1/62	468	17.83	531	215
5/1/62	468	17.94	531	215
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5/1/62	468	18.38	531	215
5/1/62	468	18.49	531	215
5/1/62	468	18.60	531	215
5/1/62	468	18.71	531	215
5/1/62	468	18.82	531	215
5/1/62	468	18.93	531	215
5/1/62	468	19.04	531	215
5/1/62	468	19.15	531	215
5/1/62	468	19.26	531	215
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5/1/62	468	27.94	531	215
5/1/62	468	28.05	531	215
5/1/62	468	28.16	531	215
5/1/62	468	28.27	531	215
5/1/62	468	28.38	531	215
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5/1/62	468	28.60	531	215
5/1/62	468	28.71	531	215
5/1/62	468	28.82	531	215
5/1/62	468	28.93	531	215
5/1/62	468	29.04	531	215
5/1/62	468	29.15	531	215
5/1/62	468	29.26	531	215
5/1/62	468	2		

TABLE I

	<u>Collins</u>	<u>Manley</u>	<u>Walz</u>
Cum. 11/30/75	513,092	522,667	711,091
Cum. 12/31/74	459,744	491,907	638,651
11 Mo. 1975 Production	53,348	30,760	72,440
Avg/Day, 11 Mo.	160	93	217
Ultimate Recovery	785,000	715,000	1,055,000
Est. Cum. 12/31/75	<u>518,000</u>	<u>526,000</u>	<u>718,000</u>
Remaining Reserves 12/31/75	267,000	189,000	337,000

Determination of straight line decline rate in percent per year on semi log paper

$R = (F) (.0833)(P_i - P_e)$ Where: R = remaining reserves, Mcf
 F = tabulated factor (table of factors vs decline rate)
 P_i = current rate, Mcf/year
 P_e = economic limit, Mcf/year

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Co 6	EXHIBIT NO. 10
CASE NO.	5602
Submitted by	Ellison
Hearing Date	2/4/76

TABLE II

Determination of straight line decline rate in percent per year on semi log paper

$$R = (F) (.0833)(P_i - P_e)$$

Where: R = remaining primary, Mcf

F = tabulated factor (table of factors vs decline rate)

P_i = current rate, Mcf/year

P_e = economic limit, Mcf/year

$$\text{Converting } F = \frac{R}{(.0833)(P_i - P_e)}$$

Where: R is reserves after one year
flat life when decline starts

Collins

$$F = \frac{267,000 - 58,400}{(.0833)(58,400 - 9125)} = 50.82$$

Table shows 21% decline/year

Manley

$$F = \frac{189,000 - 33,945}{(.0833)(33,945 - 9125)} = 75.00$$

Table shows 14.8% or 15% decline/year

Walz

$$F = \frac{337,000 - 79,205}{(.0833)(79,205 - 9125)} = 44.16$$

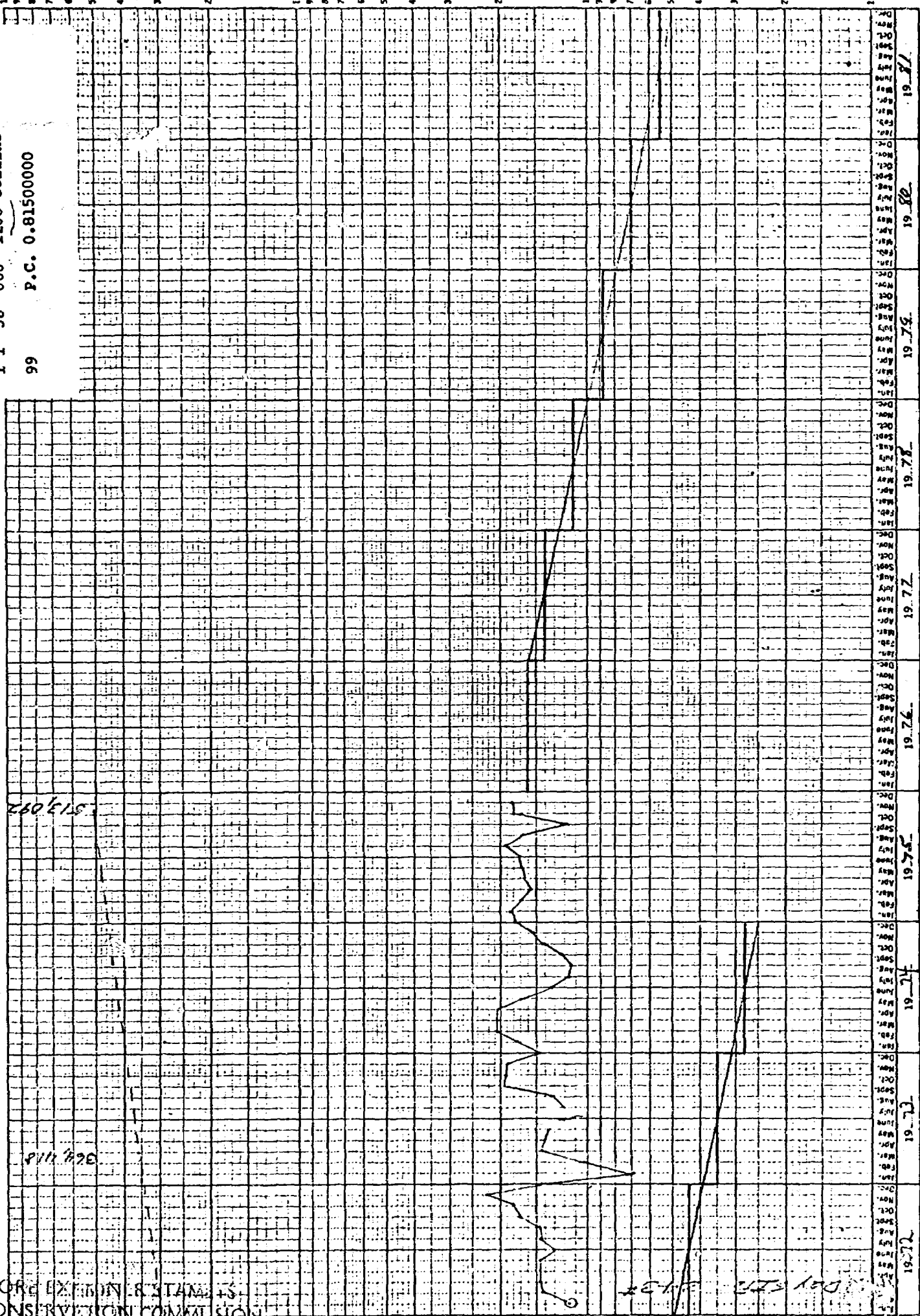
Table shows 23.8% or 24% decline/year

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
C03	EXHIBIT NO. 11
CASE NO.	5602
Submitted by	Ellison
Hearing Date	7/26

CONSOLIDATED OIL & GAS, INC.

1 1 56 060 1200 Collins

99 P.C. 0.81500000



BEFORE EXHIBIT IS STAMPED
OIL CONSERVATION COMMISSION

EXHIBIT NO. 12

CASE NO. 5602

Submitted by Ellison

Hearing Date 7/26

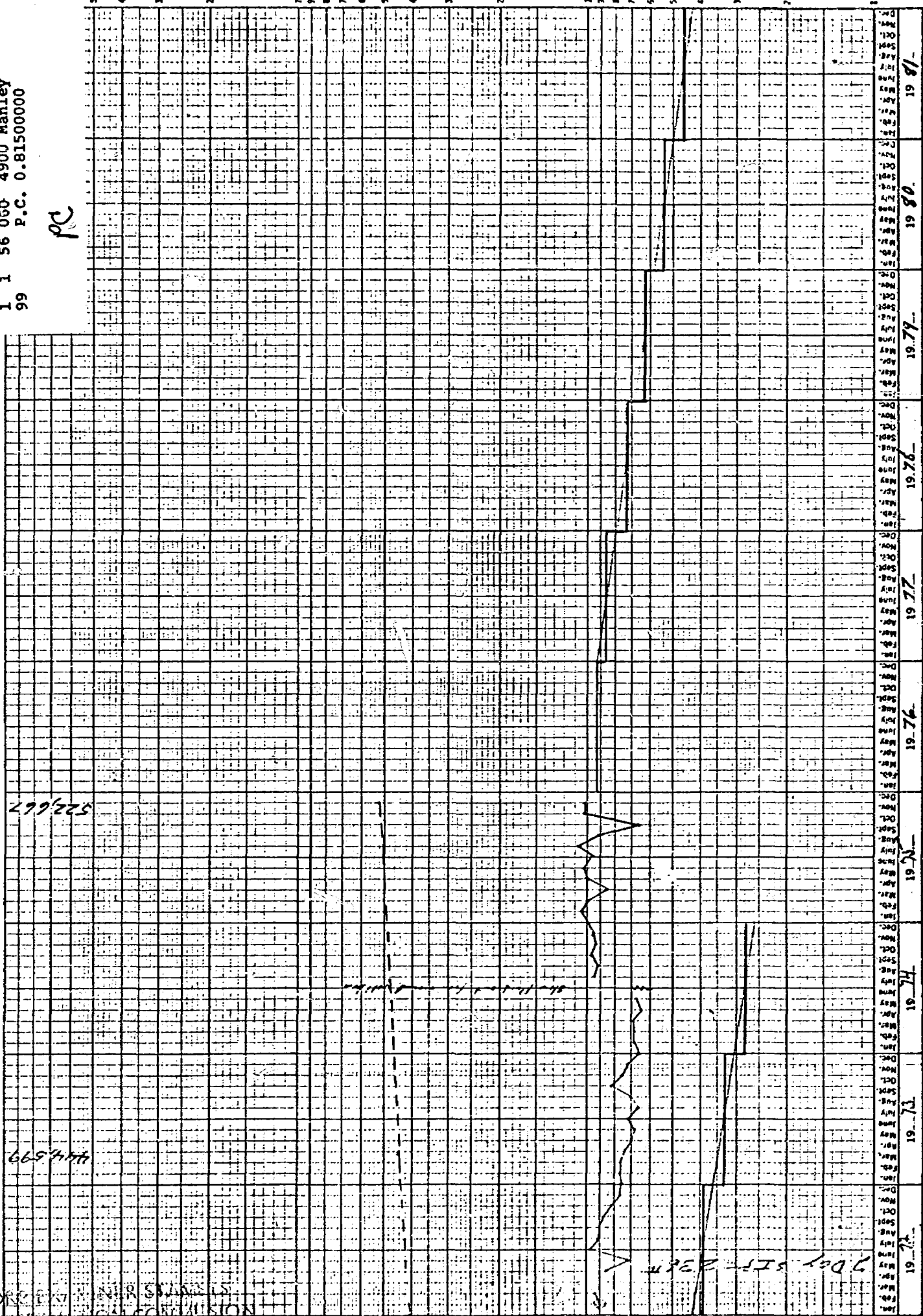
K-E
10 YEARS BY MONTHS
2.3 LOC CYCLES
47 8740
BRUNNELL & BROWN CO.
DALLAS, TEX.

CONSOLIDATED OIL & GAS, INC.

1 1 56 060 4900 Manley
99 P.C. 0.81500000

PC

MCF - Producing Day
1000



BEFORE THE OIL & GAS COMMISSION
EXHIBIT NO. 13
CASE NO. 5602
Submitted by E/1190m
Hearing Date 7 Jan 76

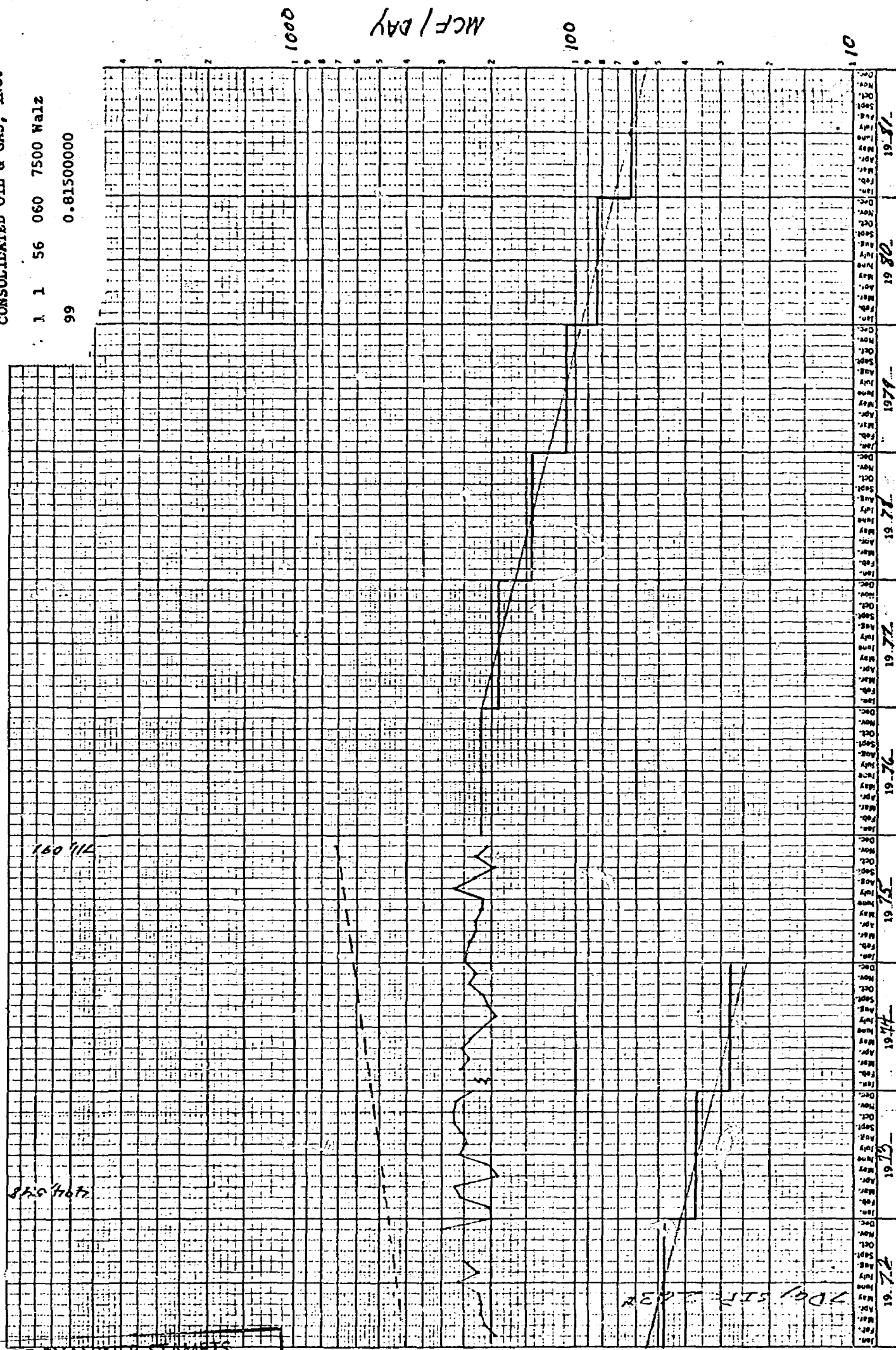
Cumulative MCF

10 YEARS BY MONTHS
47 8740
REPRODUCED BY BAKER CO.

CONSOLIDATED OIL & GAS, INC.

1 1 56 060 7500 Walz

99 0.81500000



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
EXHIBIT NO. 14
CASE NO. 5602
Submitted by Ellicott
Hearing Date 7 Jan 76

K-E 10 YEARS BY MONTHS
X 3 LOG CYCLES
47 6740
REUPP & BROS CO.

TABLE III

Year	COLLINS			MANLEY			WALZ		
	Mcf/Day Average	Annual Prod.	Monthly Prod.	Mcf/Day Average	Annual Prod.	Monthly Prod.	Mcf/Day Average	Annual Prod.	Monthly Prod.
1976	160	58,400	4,867	93	33,945	2,829	217	79,205	6,600
1977	140	51,100	4,258	86	31,390	2,616	190	69,350	5,779
1978	112	40,880	3,407	73	26,645	2,220	143	52,195	4,350
1979	88	32,120	2,677	63	22,995	1,916	108	39,420	3,285
1980	70	25,550	2,129	54	19,710	1,643	83	30,295	2,525
1981	55	20,075	1,673	46	16,790	1,399	63	22,995	1,916
1982	44	16,060	1,338	39	14,235	1,186	48	17,520	1,460
1983	35	12,775	1,065	33	12,045	1,004	37	13,505	1,125
1984	28	10,220	852	28	10,220	852	28	10,220	852
		267,180			187,975			334,705	
		vs 267,000			vs 189,000			vs 337,000	

Based on 21%/year decline rate

Based on 15%/year decline rate

Based on 24%/year decline rate

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

COG EXHIBIT NO. 15

CASE NO. 5602

Submitted by Ellison

Hearing Date 7/26/76

P. O. Box 959
Farmington, New Mexico 87401

Dec. 23, 1975

Consolidated Oil and Gas, Inc.
1860 Lincoln Street
Denver, Colo. 80203

Gentlemen:

Returned are sundry notices for Commingling Pictured Cliffs and
Fruitland gas for Collins 1-31, Manley 1-31, and Walz 1-31 wells,
all in sec. 31, T. 29 N., R. 10 W., San Juan Co., New Mexico.

The notices have all been approved subject to like approval by the
Oil Conservation Commission.

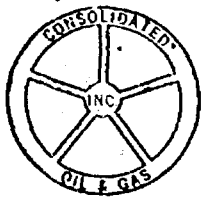
Sincerely yours,

(Orig. Sgd.) M. L. SEELINGER

M. L. Seelinger
Acting District Engineer



Exhibit 3
Case 5602



Consolidated Oil & Gas, Inc.

LINCOLN TOWER BUILDING
1860 LINCOLN STREET
DENVER, COLORADO 80203
(303) 235-1751

December 18, 1975

U. S. Department of the Interior
Geological Survey
P. O. Box 959
Farmington, New Mexico 87401

RECEIVED

DEC 22 1975

U. S. GEOLOGICAL SURVEY
FARMINGTON, N. M.



Re: Permission to Commingle
Pictured Cliff and Fruitland
Collins 1-31
Manley 1-31
Walz 1-31
Section 31-T29N-R10 W
Fulcher Kutz Pictured Cliff Field
San Juan County, New Mexico

Gentlemen:

Consolidated Oil & Gas, Inc. is seeking permission from the U. S. Geological Survey to attempt a recompletion in one or more of the above referenced wells in the Fruitland formation and, if successful, commingle production downhole with the Pictured Cliff. Subject wells are presently single gas producers from the Pictured Cliff formation.

The proposed division of production would be by establishing each well's probable producing rate from the Pictured Cliff based on past pressures and producing history and then to credit the excess production from each well to the Fruitland.

The proposal to commingle is based on the following:

1. Correlative rights in both zones will be protected since the royalty and working interest ownership is the same for both the Fruitland and Pictured Cliff.
2. The economics to drill a single zone Fruitland test are very questionable.

Exhibit 2
Case 5602

U. S. Department of the Interior
Geological Survey
December 18, 1975
Page 2

3. A dual completion of the two zones is mechanically impractical if not impossible in all of the wells due to:
 - a. The production casing having a 3.826" ID making it impossible to run dual tubing strings which can be swabbed or pumped to remove fluid when a zone loads up.
 - b. Water production from the Pictured Cliff zone and potential water production from the Fruitland zone creating production problems if the Pictured Cliff is produced up the tubing and the Fruitland up the tubing-casing annulus.
4. Assuming a successful Fruitland completion, additional gas reserves should be produced due to higher gas velocity from the commingled zones keeping fluids unloaded off the formation which, in turn, will allow production to a lower pressure.
5. Additional gas reserves will be produced simply by the combined production rate being able to remain profitable longer than a single zone rate.

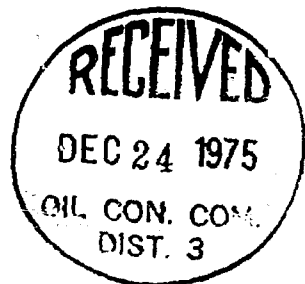
We have filed an application with the New Mexico Oil Conservation Commission to hear this case January 7th. We realize the Holiday season is upon us but would appreciate your approval to commingle in time to support our application before the Commission.

Yours very truly,

CONSOLIDATED OIL & GAS, INC.

Floyd E. Ellison, Jr.

Floyd E. Ellison, Jr.
Area Production Manager



FEE:lt

Docket No. 1-76
Dockets Nos. 2-76 and 3-76 are tentatively set for hearing on January 14 and January 21, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 7, 1976

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

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

- CASE 5600:** Application of Champlin Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing.
- CASE 5601:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Tapacito-Pictured Cliffs and Basin-Dakota gas production in the wellbore of its Tribal "C" Well No. 10-7, located in Unit J of Section 7, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5602:** Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Fulcher Kutz-Pictured Cliffs and Aztec-Fruitland gas production in the wellbore of its Collins Well No. 1, Manley Well No. 1, and Walz Well No. 1, located, respectively, in Units E, P, and L of Section 31, Township 29 North, Range 10 West, San Juan County, New Mexico.
- CASE 5603:** Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 17 East, Lea County, New Mexico, to form a non-standard 160-acre proration unit; applicant further seeks the pooling of all mineral interests in the Langlie-Mattix Pool underlying each of the following tracts in said Section 35 to form three standard 40-acre proration units: the NE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 1, located 330 feet from the North line and 2310 feet from the West line of said Section 35; the SE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 3, located 1980 feet from the North and West lines of said Section 35; and the SW/4 NW/4, to be dedicated to a well to be drilled on said tract at a standard Langlie-Mattix Pool location. In the event re-entry into either the Dabbs Well No. 1 or No. 3 is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tract. Applicant further proposes to dedicate the 160-acre Jalmat proration unit to one of the three above-described wells, and in the event it should be the Dabbs Well No. 1, applicant seeks approval for the unorthodox Jalmat location for said well. Also to be considered will be the cost of re-entering, drilling, and completing said wells and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the wells and a charge for the risk involved in re-entering, drilling, and completing said wells.
- CASE 5604:** Application of Burleson & Huff for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Querecho Plains-Queen Pool by the injection of water into the Queen formation through its Anadarko Federal Well No. 6 to be drilled at an unorthodox location in the approximate center of the SW/4 of Section 27, Township 18 South, Range 32 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional wells at standard and non-standard locations within the project area.

Examiner Hearing - Wednesday - January 7, 1976

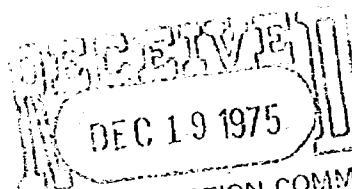
Docket No. 1-76
-2-

- CASE 5605:** Application of Saguaro Oil Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Table Mesa-Dakota Oil Pool, San Juan County, New Mexico, including a provision for 2 1/2-acre spacing.
- CASE 5606:** Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Tubb and Drinkard production in the wellbore of its Brunson B Well No. 3, located in Unit M of Section 3, Township 22 South, Range 27 East, Lea County, New Mexico.
- CASE 5607:** Application of Black River Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Canyon formation well at an unorthodox location 280 feet from the South line and 150 feet from the West line of Section 33, Township 25 South, Range 24 East, Eddy County, New Mexico.
- CASE 5608:** Application of Northern Natural Gas Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Magruder Hill Unit Area comprising 2,258 acres, more or less, of Federal, State, and fee lands in Township 22 South, Range 25 and 26 East, Eddy County, New Mexico.
- CASE 5609:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Nellor "EO" Well to be drilled at a point 1980 feet from the North line and 660 feet from the West line or in the alternative, 660 feet from the North and West lines of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, the N/2 of said Section 30 to be dedicated to the well.
- CASE 5610:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caskey "EV" Well to be drilled at a point 660 feet from the South line and 1400 feet from the West line of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.
- CASE 5611:** Application of David C. Collier for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Welch State No. 7 Well located 1330 feet from the South and West lines of Section 17, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, said well having formerly been a water injection well.
- CASE 5612:** Application of Dalport Oil Corporation for exception to the provisions of Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to the provisions of Commission Order No. R-3221 permission to dispose of produced salt water from its State C Wells Nos. 1, 2, and 3, located in Units D, E, and L, respectively, of Section 16, Township 15 South, Range 30 East, Double L Queen Associated Pool, Chaves County, New Mexico, in an unlined surface pit located in Unit E of said Section 16.
- CASE 5596: (Reopened & Readvertised)**
Application of Burk Royalty Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Queen formation underlying the following-described lands, Double L-Queen Pool, Chaves County, New Mexico:

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1789

SANTA FE, NEW MEXICO 87501



Santa Fe TELEPHONE 982-4315
AREA CODE 505

December 17, 1975

Mr. Joe Ramey, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2008
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed is the application of Consolidated
Oil & Gas, Inc., for down-hole commingling, San Juan
County, New Mexico. We request that hearing be set
for January 7, 1975.

Very truly yours,

Jason W. Kellahin
Jason W. Kellahin

JWK:kjf

Enclosure

DOCKET MAILED

Date 12/29/75

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONSOLIDATED OIL & GAS, INC.,
FOR DOWN-HOLE COMMINGLING, SAN
JUAN COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Consolidated Oil & Gas, Inc., and applies to the Oil Conservation Commission of New Mexico for authority to commingle production in the well bore in three wells located in San Juan County, New Mexico, as follows:

1. All of the wells involved are presently completed in and producing from the Pictured Cliffs formation. Applicant proposes to recomplate the wells for production of gas from the Fruitland formation, and commingle the production with gas from the Pictured Cliffs, in the well-bore.

2. The wells applicant proposes to complete for commingling are:

a. Collins 1-31, located in Unit E, 1750 feet from the North line and 1190 feet from the West line of Section 31, Township 29 North, Range 10 West, N.M.P.M.

b. Manley 1-31, located in Unit P, 935 feet from the South line and 1050 feet from the East line, Section 31, Township 29 North, Range 10 West, N.M.P.M.

c. Walz 1-31, located in Unit L, 1680 feet from the South line and 960 feet from the West line of Section 31, Township 29 North, Range 10 West, N.M.P.M.

3. It is anticipated that any gas production from the Fruitland will be marginal, and not in sufficient quantity to justify drilling or dual completion of a well. Pictured Cliffs production has been declining, and the approval of this application will prolong the productive life of the wells from both zones.

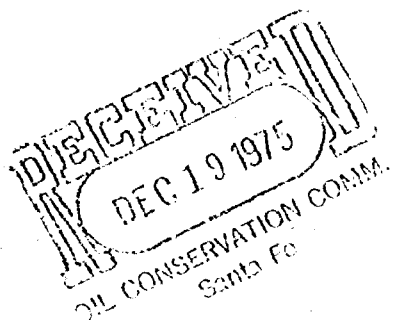
4. Approval of this application will result in the recovery of gas that would not otherwise be recovered, will prevent waste, and will protect correlative rights.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving the commingling of production as proposed.

Respectfully submitted,
CONSOLIDATED OIL & GAS, INC.

By Jason W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONSOLIDATED OIL & GAS, INC.,
FOR DOWN-HOLE COMMINGLING, SAN
JUAN COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Consolidated Oil & Gas, Inc., and applies to the Oil Conservation Commission of New Mexico for authority to commingle production in the well bore in three wells located in San Juan County, New Mexico, as follows:

1. All of the wells involved are presently completed in and producing from the Pictured Cliffs formation. Applicant proposes to recomplete the wells for production of gas from the Fruitland formation, and commingle the production with gas from the Pictured Cliffs, in the well-bore.

2. The wells applicant proposes to complete for commingling are:

a. Collins 1-31, located in Unit E, 1750 feet from the North line and 1190 feet from the West line of Section 31, Township 29 North, Range 10 West, N.M.P.M.

b. Manley 1-31, located in Unit P, 935 feet from the South line and 1050 feet from the East line, Section 31, Township 29 North, Range 10 West, N.M.P.M.

c. Walz 1-31, located in Unit L, 1680 feet from the South line and 960 feet from the West line of Section 31, Township 29 North, Range 10 West, N.M.P.M.

3. It is anticipated that any gas production from the Fruitland will be marginal, and not in sufficient quantity to justify drilling or dual completion of a well. Pictured Cliffs production has been declining, and the approval of this application will prolong the productive life of the wells from both zones.

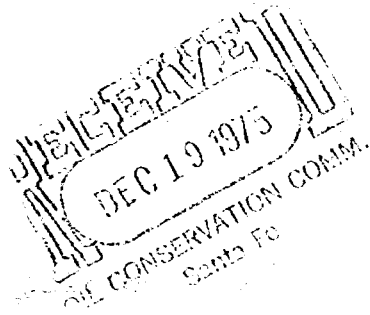
4. Approval of this application will result in the recovery of gas that would not otherwise be recovered, will prevent waste, and will protect correlative rights.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving the commingling of production as proposed.

Respectfully submitted,
CONSOLIDATED OIL & GAS, INC.

By James W. Kellahin
Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT



Case 5602

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONSOLIDATED OIL & GAS, INC.,
FOR DOWN-HOLE COMMINGLING, SAN
JUAN COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Consolidated Oil & Gas, Inc., and applies to the Oil Conservation Commission of New Mexico for authority to commingle production in the well bore in three wells located in San Juan County, New Mexico, as follows:

1. All of the wells involved are presently completed in and producing from the Pictured Cliffs formation. Applicant proposes to recomplete the wells for production of gas from the Fruitland formation, and commingle the production with gas from the Pictured Cliffs, in the well-bore.

2. The wells applicant proposes to complete for commingling are:

a. Collins 1-31, located in Unit E, 1750 feet from the North line and 1190 feet from the West line of Section 31, Township 29 North, Range 10 West, N.M.P.M.

b. Manley 1-31, located in Unit P, 935 feet from the South line and 1050 feet from the East line, Section 31, Township 29 North, Range 10 West, N.M.P.M.

c. Walz 1-31, located in Unit L, 1680 feet from the South line and 960 feet from the West line of Section 31, Township 29 North, Range 10 West, N.M.P.M.

Case 5602

3. It is anticipated that any gas production from the Fruitland will be marginal, and not in sufficient quantity to justify drilling or dual completion of a well. Pictured Cliffs production has been declining, and the approval of this application will prolong the productive life of the wells from both zones.

4. Approval of this application will result in the recovery of gas that would not otherwise be recovered, will prevent waste, and will protect correlative rights.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving the commingling of production as proposed.

Respectfully submitted,

CONSOLIDATED OIL & GAS, INC.

By Josiah W. Kellahin

Kellahin & Fox
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

Consolidated Oil and Gas, Inc.

3 Downhole Correlating —
Consolidated O & G Inc.
completed 1 production — fractured stuff
in fruitless correlative —
down hole

San Joe

Collins	1-31	- E	31-29N-10W
Manley	1-31	- P	31-29 10
Waez	1-31	- L	

Jan 7.