

CASE NO.

6318

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

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

KELLAHIN and FOX
ATTORNEYS AT LAW
P. O. BOX 1769
SANTA FE, NEW MEXICO 87501
November 22, 1978

TELEPHONE 982-4288
AREA CODE 505

Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

NOV 29 1978

Santa Fe

Re: Oil Conservation Division Case 6318
Order No. R-5845
Coquina Oil Corporation

Dear Dick:

I have received the above referenced order entered
on November 14, 1978.

I understand that the subject well commenced commingled
production on October 1, 1978. If possible I would appreci-
ate an Order Nunc Pro Tunc, making the effective date of
this order October 1, 1978 rather than November 14, 1978.

Very truly yours,

Tom
W. Thomas Kellahin

CC: Joe Solari

WTK:kfm

*Negative
Called Tom 12-1-78
RLS*

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6318
Order No. R-5845

APPLICATION OF COQUINA OIL
CORPORATION FOR AN INCREASE IN
CASINGHEAD GAS ALLOWABLE, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 13, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of November, 1978, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Coquina Oil Corporation, seeks an exception to Rule 303-C-4 to increase the casinghead gas allowable for its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, the Drinkard and Granite Wash zones in said well being commingled pursuant to Order No. 1 DHC-255 and subject to the GOR limit for the Wantz-Granite Wash Pool.

(3) That the daily casinghead allowables for said Drinkard and Granite Wash zones are 852 MCF and 374 MCF, respectively.

(4) That the applicant proposes a casinghead allowable for the subject well of 984 MCF of gas per day, based upon an allowable of 374 MCF per day for the Granite Wash zone and 610 MCF per day for the Drinkard zone.

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Case No. 6318
Order No. R-5845

(5) That based upon the division of gas production set out in Order No. DHC-255 the proposed special casinghead gas allowable of 984 MCF per day can be produced by said Vivian Well No. 1 without causing over production of casinghead gas from either the Drinkard zone or the Granite Wash zone.

(6) That the assignment of such special casinghead gas allowable will better permit the applicant to recover its share of the oil and gas production in each of said zones, will not cause waste, and will not violate correlative rights.

(7) That the application should be approved.

IT IS THEREFORE ORDERED:

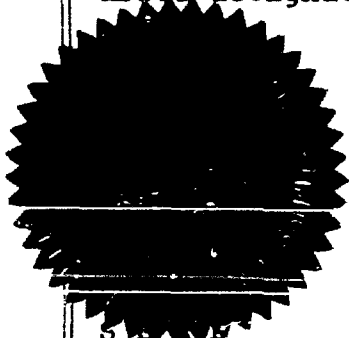
(1) That Coquina Oil Corporation is hereby granted a special commingled casinghead gas allowable of 984 MCF per day (610 MCF for the Drinkard zone and 374 MCF for the Granite Wash zone) for its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico.

(2) That any provisions of the Division's Order No. DHC-255 dated August 14, 1978, not in conflict herewith are hereby continued in full force and effect.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY,
Director

dr/

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

EXAMINER HEARING

 IN THE MATTER OF:)

Application of Coquina Oil Corpora-) CASE
 tion for an increase in casinghead) 6318
 gas allowable, Lea County, New)
 Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
 Division:

Lynn Teschendorf, Esq.
 Legal Counsel for the Division
 State Land Office Bldg.
 Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
 KELLAHIN & FOX
 500 Don Gaspar
 Santa Fe, New Mexico 87501

I N D E X

JOESEPH C. SOLARI

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

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13

E X H I B I T S

Applicant Exhibit One, Plat
Applicant Exhibit Two, Data Sheet
Applicant Exhibit Three, Letter
Applicant Exhibit Four, Letter
Applicant Exhibit Five, Data
Applicant Exhibit Six, Plat

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MR. STAMETS: We'll call now Case 6318.

MS. TESCHENDORF: Case 6318. Application of Coquina Oil Corporation for an increase in casinghead gas allowable, Lea County, New Mexico.

(Witness sworn.)

JOSEPH C. SOLARI

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you're employed, and in what capacity?

A My name is Joseph C. Solari. I'm employed by Coquina Oil Corporation as Manager of Reservoirs.

MR. KELLAHIN: If the Examiner please, my name is Tom Kellahin, Kellahin & Fox, as attorney for the applicant, Coquina Oil Corporation.

Q (Mr. Kellahin continuing.) Mr. Solari, have you previously testified before the Oil Conservation Division?

A I have not.

Q Would you state briefly for the Examiner your

educational background and working experience?

A. I have a BS in Mechanical Engineering from the University of California in 1956. I worked for Chevron Oil Company as District Engineer and Senior Reservoir Engineer for twenty years, and I've been employed by Coquina Oil Corporation for two years as Production Manager and Manager of Reservoirs.

Q Have you made a study of the facts surrounding this application by Coquina Oil Corporation?

A. Yes, I have.

MR. KELLAHIN: If the Examiner please, we tender Mr. Solari as an expert witness.

MR. STAMETS: Mr. Solari is considered qualified. How do you spell your last name?

A. S-O-L-A-R-I.

MR. STAMETS: Thank you.

Q (Mr. Kellahin continuing.) Would you please refer to what I have marked as Applicant Exhibit Number One, identify it, and tell us what you're seeking to accomplish?

A. Exhibit Number One is a plat of the subject well, Coquina Vivian No. 1 Well, located in proration unit F of Section 30, Township 22 South, 38 East.

Q What's the current status of this well, Mr. Solari?

A. A brief history of this well, it was completed

in 1971 as a producer from the Drinkard zone and produced until December of 1977 from that particular zone, when it was deepened to the Granite Wash pay interval.

A packer was set between the two zones, a single string of tubing, sliding sleeve, above the packer.

The Granite Wash zone has been producing since that time.

In early 1978 application was made to the Commission for multiple completion of this well. Toward the end of -- about two or three months after we made application, verbal conversation with Mr. Nutter indicated that our application would be denied to flow the Drinkard zone up the tubing casing annulus. At that time it was suggested and we performed tests on each of the individual zones. The sliding sleeve was opened after setting the tubing plug unit, tubing string. The Drinkard zone was tested and it was discovered at that time or it qualified at that time as an oil zone rather than a gas zone.

Subsequent to that application was made for administrative approval for commingling the two zones, both oil zones, and meeting all the requirements of the Commission.

We received approval for the commingling and we have not yet done the commingling work. We're waiting to get the purchasers of both zones, the oil purchasers of

both zones, resolved to one, and it should be forthcoming toward the end of October.

Q What is the specific purpose for appearing here today, Mr. Solari?

A The commingling authorization under Rule 303(C)4 gave a gas limit attributable to the lower ratio zone, which was the Granite Wash, of 374 Mcf a day allowable to the total commingled stream.

Q You're seeking an exception to that?

A We're seeking an exception to that provision.

Q All right, sir.

Let me refer you to what we've marked as Exhibit Number Two, and ask you identify it and explain what information it contains?

A Exhibit Number Two was the data sheet worked up for the application to commingle. The test data on each zone, the Drinkard pool, the upper zone, and the Granite Wash pool, the lower zone, are indicated on this form. Also, we make reference to other exhibits submitted at that time that indicated the production history of each zone, the pressure data on each zone, and gave a basis for commingled production and a split of the oil and gas production from the commingled stream to each zone.

Of significance is the GOR limit on the Drinkard pool of -- not GOR limit, the gas/oil ratio for the Drinkard

zone was 6000 gas/oil ratio, whereas, for the Wantz-Granite Wash pool it was 2000 ratio.

The top allowable oil for the Granite Wash pool is 187 and a 2000 ratio applied to that gives a gas limit of 374 Mcf a day through the commingled stream.

Q Okay. Refer to Exhibit Three and identify it?

A Exhibit Three is a copy of the letter from the Commission indicating the administrative approval to commingle the well. Administrative Order Number DHC255, and at the lower part of that particular page it gives the split of oil and gas attributable to the upper pool, Drinkard, and the lower pool, Granite Wash, and of significance is 62 percent of the gas to the upper zone and 38 percent of the gas to the Granite Wash pool.

Q Would you refer to what we've marked as Exhibit Number Four and identify it?

A Exhibit Four are copies, with the exception of some of the earlier exhibits, that were submitted to the Conservation Division with our application to commingle.

Q Now let me refer you to Exhibit Number Five and have you explain that.

A Exhibit Number Five was included in our application to commingle and took the representative data from our well tests on each zone and added them together and came up with a total stream anticipated for the commingling and

then to break out the percentages that were later indicated in the administrative approval.

Q Okay.

A It's probably significant that at the time of our tests the Drinkard zone produced 503 on test at the end of the 72-hour flow period, as desired by the Commission, the last 24 hours we went back to prior production history before that zone was shut in and felt a more representative oil -- steady oil production rate, or gas production rate, should be about 329 Mcf a day. And then matching that with a 205 Mcf of gas as the steady production from the Granite Wash, we came up with a total commingled of 534 Mcf.

Q Okay. Let me ask you some questions about Exhibit Number Five. I notice under the gas entry for the Drinkard history it shows 329 Mcf per day. Where did you obtain that figure?

A In our data submitted for application to commingle, we have a plot of the historical history of the well and the last production over the last several months indicated that about 10,000 a month might be representative of the production of the well at the time we last produced it steady.

Q That 329 Mcf per day also appears on Exhibit Number Two, does it not?

A Yes, it does.

Q Does that figure for the Drinkard represent the maximum or minimum capacity of the well based upon the wellbore test?

A Our best indication, we are continuing to choke production on that well; it is not producing wide open. We are choking the production on the Drinkard -- on the Drinkard zone to make as much oil as we can with the amount of gas we produce.

Q All right, so the 329 Mcf per day is a minimum figure?

A It is a minimum figure we feel.

Q Okay. Now, let me understand. Under the Division Rules and Orders applicable to this well, what is the total gas allowable per day for the Drinkard and Granite Wash?

A As it's commingled now it is 374 Mcf per day.

Q Okay, and based upon your calculations shown on Exhibit Number Five this well has a capacity to produce commingled Drinkard and Granite Wash gas of at least 534 Mcf per day?

A We believe that's a good -- the best representative production at this time. Both zones indicate a high ratio character and probably in the future will continue the higher ratio.

Q Okay. Follow up question to your last response,

what do you anticipate to be the gas production from the commingled zone in the foreseeable future?

Will it maintain the 534 or will it be something more or less than that figure?

A. We anticipate it will increase with time.

Q. All right. Do you have a recommendation to the Examiner as to the specific number or the specific volume of gas production for the combined zones that you would like for an exception for this case?

A. For this particular case we feel that a limiting factor would be the gas allowable on the Granite Wash zone. We also have indications that 38 percent of the gas commingled would be attributable to that zone.

We would suggest that dividing the 374 by 38 percent would result in 984 Mcf, and that would preclude over-producing any gas allowable on the Granite Wash zone. That number would be 984 Mcf a day.

Q. If I understand you, it's your desire, then, to have the casinghead gas allowable for this particular well increased to 984 as the maximum Mcf per day?

A. That is correct.

Q. Okay. What, if any, effect will this have upon the oil production from either of these zones?

A. We will still be subject to the 50 barrels of oil per day limit on oil for the commingled well. We would

operate the well in such a manner as to maximize oil production with the amount of gas being produced up to 50 barrels a day.

Q Let me ask you to identify Exhibit Number Six and explain what information it contains.

A Exhibit Number Six locates the Coquina Vivian No. 1 Well and the surrounding producers, and of significance on this, we have put on that particular exhibit the monthly production for the month of May, which is the last record we had on the offset wells, and also converted that to Mcf per day per well, and the average for the seven producing offset wells is, for the month of May, was 470 Mcf a day, and the three direct offsets averaged 504 Mcf a day, from the Drinkard zone.

Q All right. The ceiling request you are applying for for the casinghead gas allowable is 984 Mcf per day?

A Yes, sir.

Q What portion of that figure is attributable to the Drinkard gas?

A The Drinkard gas portion of that, which would be 62 percent of the total, amounts to 610 Mcf a day from the Drinkard zone.

Q All right. How does that 610 Mcf a day compare to the Drinkard gas production of the offsetting wells?

A There are wells offsetting this particular one

that range from as high as 846 Mcf a day during May, and we feel that's in the ballpark average of the adjacent wells and what they're making.

Q If an exception is not granted for this well, Mr. Solari, what, if any, effect will it have upon this well?

A We feel with the high ratio nature of the Drinkard zone there would be a substantial gas migration from our lease to the adjacent leases.

Q In your opinion, Mr. Solari, are you currently suffering drainage from offsetting production?

A We believe so. Obviously, we have been since that zone has been shut in since the first of the year, but under the commingling ruling that's apparently in effect, the 374, we feel we would suffer continued migration of gas from our lease.

Q In your opinion, Mr. Solari, will approval of this exception be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A Definitely.

Q Were Exhibits One through Six, excluding the administrative order of the Division, prepared by you or compiled under your direction and supervision?

A They were compiled under my supervision and direction.

MR. KELLAHIN: We move the introduction of Exhibits One through Six.

MR. STAMETS: These exhibits will be admitted.

MR. KELLAHIN: That concludes our examination.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Solari, the two zones here were completed individually either as a dual completion or as individual wells.

A My calculations show that you'd be allowed 374 Mcf a day in Granite Wash and 852 Mcf a day in the Drinkard.

Q That is correct, so the total of the two zones would be 1226 Mcf a day.

A So what you've asked for is well below that figure.

Q Well below it, and it's also geared to not exceed the gas limit on the Granite Wash zone.

A Okay. Now, is the Granite Wash capable of producing, physically producing more than 374 Mcf a day?

A We believe it is. We have choked the well back to keep from coning gas in on that -- on that well.

Q Okay. Now, when you combine, when you commingle the production here, are you going to be able to keep the gas production down in the Granite Wash?

A. We're going to complete low and attempt to get as much oil with the gas lift that we can up through the tubing string.

Q Is it possible with the downhole commingling that you would be producing more than 374 Mcf a day from the Granite Wash?

A We don't believe so. The pressures in each zone on our measurements and everything were comparable and we feel that it would be effective to use the Drinkard gas to help lift the oil out of the Granite Wash zone, also.

MR. STAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

MR. SOLARI: Thank you.

MR. STAMETS: We'll take the case under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

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

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6312
heard by me on 9-13 1978.
Richard L. Lane, Examiner
Oil Conservation Division

DATA SHEET FOR WELLBORE COMMINGLING

Operator: Coquina Oil Corporation
 Address: P. O. Drawer 2960, Midland, Texas 79702
 Lease and Well No.: Vivian No. 1
 Location: Unit F, 1,787' FNL, & 1,787' FWL, Section 30, Township 22S,
 Range 38E, Lea County, New Mexico.

WELL DATA:

	<u>Pool</u> <u>Drinkard</u>	<u>Pool</u> <u>Wantz (Granite Wash)</u>
Name of Pool	Drinkard	Wantz (Granite Wash)
Producing Method	Flow	Flow
BHP (Static @ Mid-Perf)	603 PSIG to 725 PSIG ⁽¹⁾	634 PSIG to 745 PSIG ⁽²⁾
Type Crude	Sweet	Sweet
Gravity	41.4 API	36.3 API
GOR Limit	6,000	2,000
Completion Interval	6,391'-6,448' (3)	7,256'-7,284'
Current Test Date	7-1-78 Prod'n History (3)	6-22-78
Oil BO/D	17.9 13.5	19.4
Water BW/D	6 -	0
Gas MCF/D	503 329	205
GOR	28100 24370	10600
Oil Price \$/BB1	15.27	15.27
Gas Price \$/MCF	0.338	0.65
Daily Income \$/Day	Shut-In	\$429/Day

COMMINGLED DATA:

Gravity of Oil	38.4° API
Commingled Product Prices	Oil \$15.27/BB1 Gas \$0.34 & \$.65/MCF
Daily Gross Income	32.9 BO X 15.27 + 329 M/D X .338 + 205 MCF/D X .65 = \$747/day.

NOTES:

- (1) See attached pressure survey dated 6-26-78.
 (2) See attached pressure survey dated 6-22/23-78.

BEFORE EXAMINER STAMPS
 OIL CONSERVATION COMMISSION
 CASE NO. 2
 Submitted by _____
 Hearing Date _____

- (3) Attached Drinkard Production Test Data on 7-1-78 was for the last 24 hrs of 72 hr flow period. The zone had been S. I. for about six months and probably is a flush rate, as compared to stabilized flow data from attached Production Decline Curve Historical Data. The historical decline data appears better for commingling basis.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

August 14, 1978

POST OFFICE BOX 2000
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
15051 827-2434

Coquina Oil Corporation
P. O. Drawer 2960
Midland, Texas 79702

Attention: J. C. Solari

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Case No. **3**
Submitted
Hearing Date

Administrative Order No. DHC-255
Vivian Well No. 1, Unit F,
Section 30, Township 22 South,
Range 38 East, NMPM, Lea County,
New Mexico, Drinkard and Wantz-
Granite Wash Pools

Gentlemen:

Reference is made to your recent application for an excep-
tion to Rule 303-A of the Division Rules and Regulations
for the subject well to permit the commingling of the
production from both pools in the well-bore.

It appearing that the subject well qualifies for approval
for such exception pursuant to the provisions of Rule
303-C, and that reservoir damage or waste will not result
from such downhole commingling, and correlative rights will
not be violated thereby, you are hereby authorized to com-
mingle the production as described above.

In accordance with the provisions of Rule 303-C, total
commingled oil production from the subject well shall not
exceed 50 barrels per day, and total water production from
the well shall not exceed 100 barrels per day. The maximum
amount of gas which may be produced daily from the well
shall be determined by multiplying 2000 by top unit allow-
able for the Wantz-Granite Wash Pool. TA = 1872000
STAMETS/D

Assignment of allowable to the well and allocation of produc-
tion from the well shall be on the following basis:

Upper Pool: Oil 41%, Gas 62%
Lower Pool: Oil 59%, Gas 38%

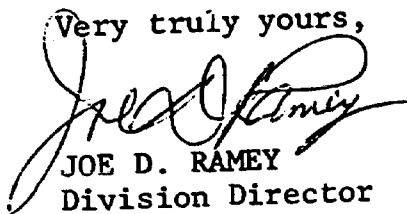
	Drain	SW	TOTAL
TA 0.2	142	187	329
SW	252	274	526
SW	4000	5000	9000

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Pursuant to Rule 303-C 5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,



JOE D. RAMEY
Division Director

JDR/CU/og

cc: Oil Conservation Division
Box 1980
Hobbs, New Mexico



COQUINA OIL CORPORATION

P. O. DRAWER 2088
MIDLAND, TEXAS 79702

(915) 682-6271

July 21, 1978

Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

PERMANENT EXAMINER'S RETURN
OIL CONSERVATION COMMISSION
CASE NO. _____
Submitted _____
Hearing Date _____

Re: Downhole Commingling
Vivian No. 1 Well

Attention: Mr. Joe D. Ramey
Secretary Director

Gentlemen:

Coquina Oil Corporation respectfully requests administrative approval to commingle production from the Drinkard and Wantz Granite Wash Pools in the wellbore of its Vivian No. 1 well in accordance with New Mexico Oil Conservation Commission Rule 303-C and that its earlier request for multiple completion be cancelled.

Approval to downhole commingle the Drinkard and Wantz Granite Wash Pools has been previously obtained for Texaco's A.H. Blinebry Federal (NCT-1) Well No. 38 under NMOCC Order No. R-5657.

Coquina had requested dual completion on subject well with a hearing held before examiner Mr. Nutter. By telephone conversation with Mr. Nutter on June 12, 1978, testing of the shut-in Drinkard zone was required to evaluate its status as either a flowing oil or flowing gas zone. After setting a tubing plug to exclude Granite Wash production, a sliding sleeve was opened for testing of the Drinkard through tubing. A 24 hr. test on July 1, 1978, at the end of a 72 hr. flow period, flowed 17.9 BO, 6 BW, 503 MCF (GOR 28100) and reflected flowing oil well status and commingling potential with the Granite Wash flowing oil zone.

The attached "Data Sheet for Wellbore Commingling" provides the data required by NMOCC Rule 303-C-2(a,b,f,g, and h). Form C-116's are attached showing test data for the Granite Wash just prior to shut-in on June 22, 1978 to test the Drinkard, and for the Drinkard test on July 1, 1978. Production data tabulations and decline curves for each zone are attached as are a well and lease plat and wellbore diagrams for existing and proposed completion.

This well was operated as a single completion from the Drinkard until recompletion as a single from the Granite Wash in December 1977. The Drinkard production history decline curve appears to offer a more stabilized basis for commingling than the July 1, 1978 test which probably reflects "flush" rates after six months shut-in.

Coquina proposes to pull tubing and packer and rerun tubing with a tubing anchor to accommodate commingled flowing oil production from both zones now and artificial lift when later required.

It is recommended that 41% of the commingled oil and 62% of the gas be assigned to the Drinkard zone with 59% of the oil and 38% of the gas assigned to the Wantz Granite Wash in accordance with decline curve and test data.

Ownership of the two zones is common throughout. Static bottom hole pressure for the zones are in the same range and both zones are flowing oil status with the commingled oil rate less than 50 BOPD. Commingling will not jeopardize efficiency of any secondary recovery operations. All off-set operators have been notified of this application by copy of this letter.

Yours very truly,

COQUINA OIL CORPORATION



J. C. Solari
Manager of Reservoir

JCS:kyr
attachments

cc: Off-set Operators
(see attached list)

Mr. Jason Kellihan
P. O. Box 1769
Santa Fe, New Mexico 87501

NMOCC
P. O. Box 1980
Hobbs, New Mexico 88240

COQUINA OIL CORPORATION

VIVIAN WELL NO. 1

Sec. 30, 22S, 38E
Lea County, New Mexico

LIST OF OFFSET OPERATORS

Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico 88240

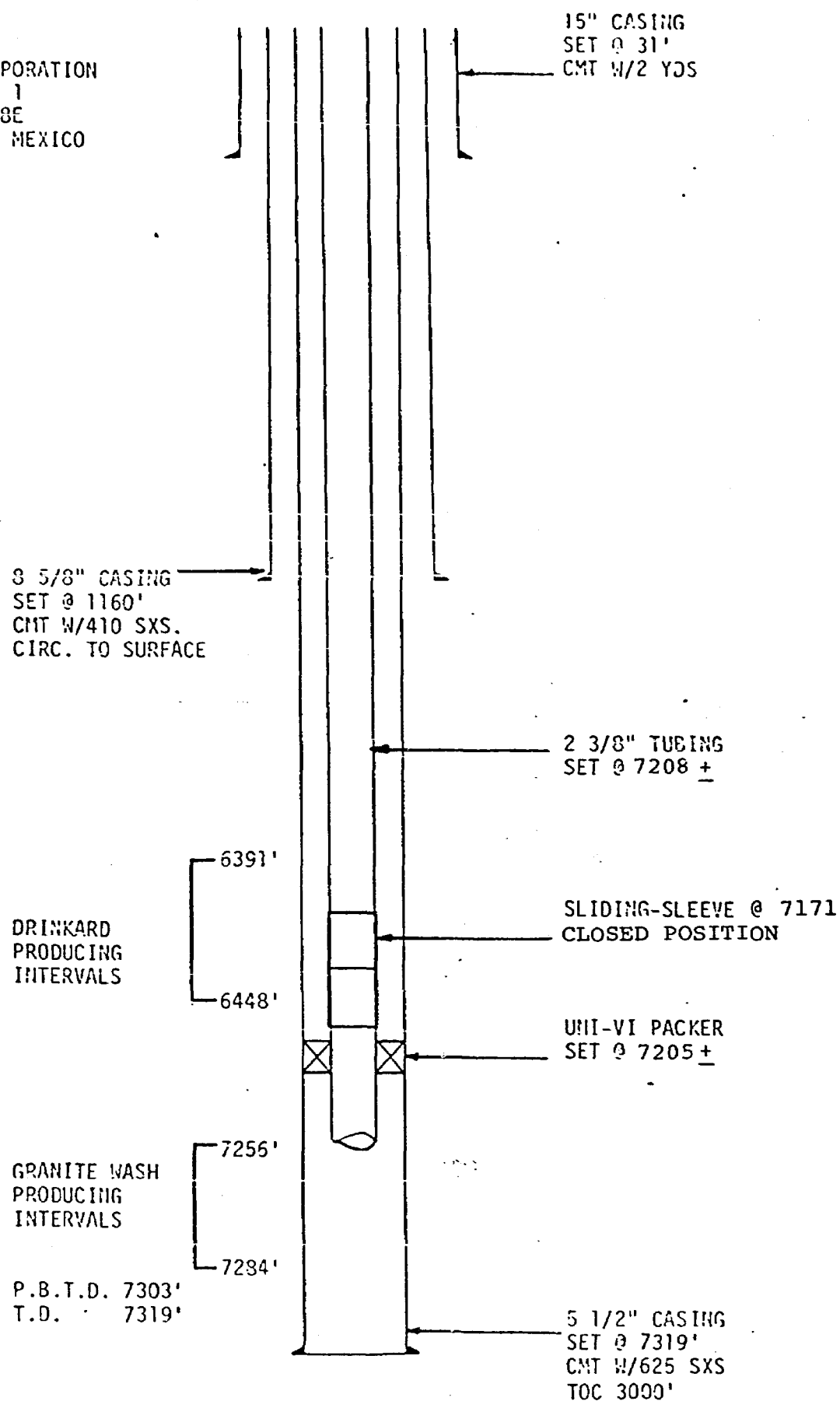
Gulf Oil Co., U. S.
P. O. Box 670
Hobbs, New Mexico 88240

Hanson Oil Corp.
P. O. Box 1515
Roswell, New Mexico 88201

Summit Energy, Inc.
1925 Mercantile Dallas Bldg.
Dallas, Texas 72501

EXISTING COMPLETION

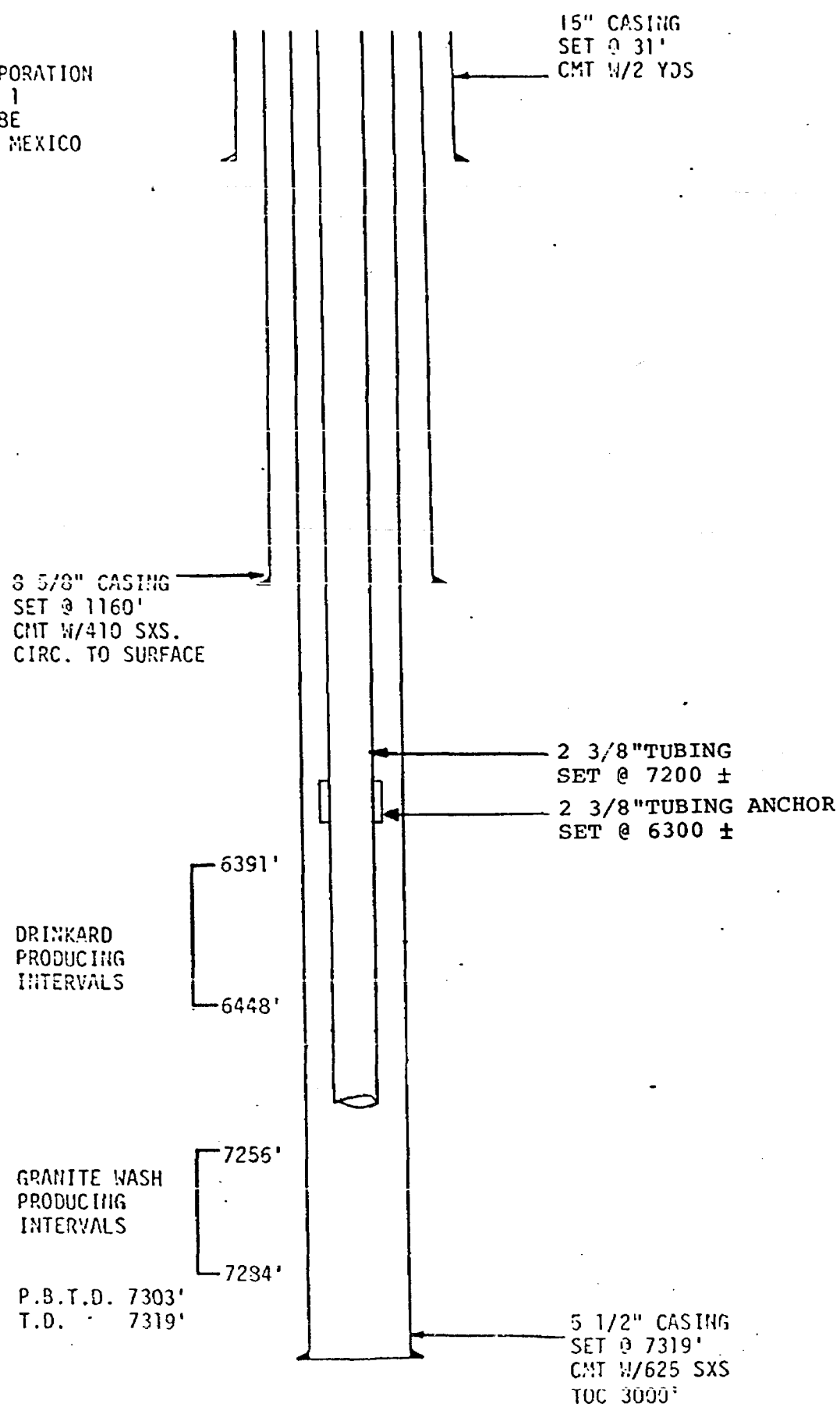
COQUINA OIL CORPORATION
VIVIAN WELL NO. 1
SEC. 30, 22S, 38E
LEA COUNTY, NEW MEXICO



DIAGRAMMATIC SKETCH

PROPOSED COMMINGLED COMPLETION

COQUINA OIL CORPORATION
VIVIAN WELL NO. 1
SEC. 30, 22S, 38E
LEA COUNTY, NEW MEXICO



DIAGRAMMATIC SKETCH

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

Callb
Revised 1-1-65

Operator Coquina Oil Corporation		Pool Wantz (Granite Wash)		County Lea											
Address P. O. Drawer 2960, Midland, Texas 79703		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Spontaneous <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU. FT. BBL		
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.	GAS M.C.F.
Vivian	1	F	30	22	38	6-22-78	F 16/64	120	33	24	0	36.3	19.4	205	10600
<p>NOTE: Above test of Wantz (Granite Wash) zone was prior to setting tubing plug and to opening sliding sleeve to test Drinkard zone through tubing as discussed w/MNCCC's Mr. Motter on 6/12/78 or possible application to commingle.</p>															

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


(Signature)

Manager of Reservoirs

(Title)

July 20, 1978

(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Coquina Oil Corporation				Pool Wantz (Granite Wash)				County Lea								
Address P. O. Drawer 2960, Midland, Texas 79703				Type of Test TEST - (X)		Conducted <input type="checkbox"/>		Completed <input type="checkbox"/>		Signed <input checked="" type="checkbox"/>						
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	T.B.G. PRESS	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT. BBL
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
Vivian	1	F	30	22	38	6-22-78	F	16/64	120	33	24	0	36.3	19.4	205	10600
<p>NOTE: Above test of Wantz (Granite Wash) zone was prior to setting tubing plug and to opening sliding sleeve to test Drinkard zone through tubing as discussed w/NMOCC's Mr. Notter on 6/12/78 or possible application to commingle.</p>																

No well will be assigned an allowable greater than the amount of oil produced on the official test.

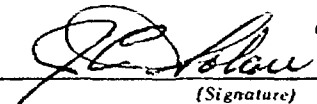
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.



(Signature)

Manager of Reservoirs

(Title)

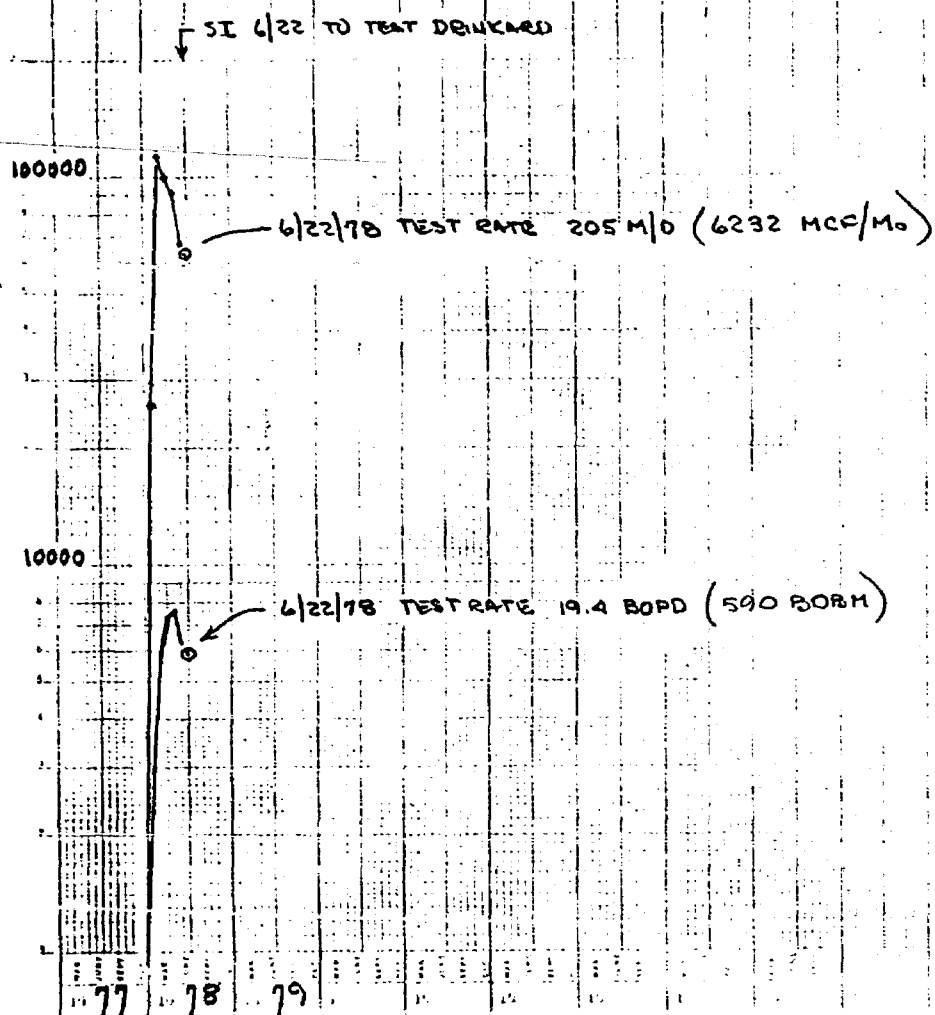
July 20, 1978

(Date)



RYDER SCOTT COMPANY
PETROLEUM ENGINEERS

COQUINA OIL CORP.
VIVIAN #1
WANTZ
GRANITE WASH
LEA N. MEX



10000

B/MO

1000

100

R

State N.M.

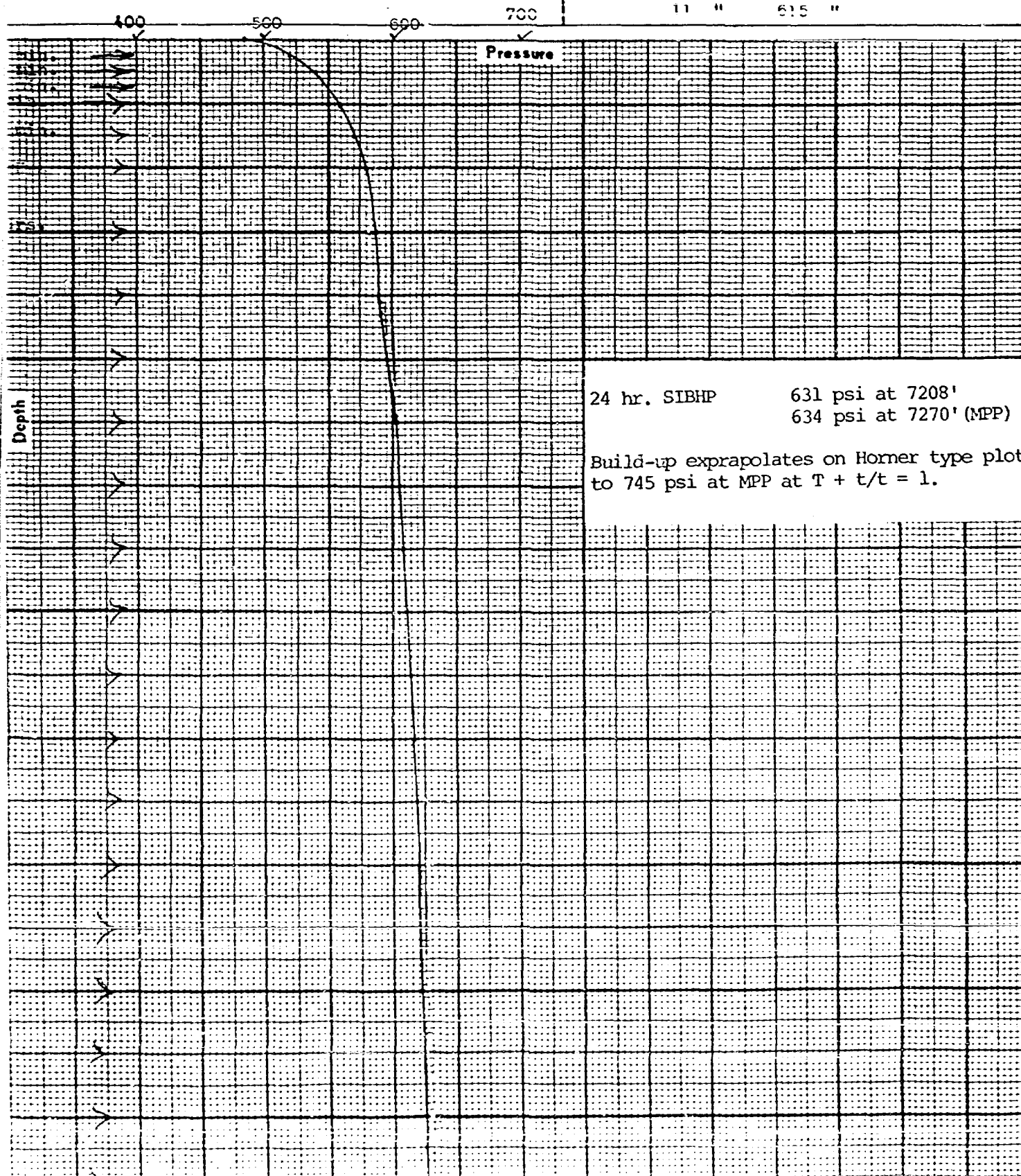
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Bennett Wire Line Service
 305 McArthur Ave. Ph. (505) 746 - 3281
 Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR COQUINA OIL CORP.
 LEASE Vivian / Granite Wash
 WELL NO. 1
 FIELD _____
 DATE 6/22,23/78 TIME 24 hrs. Pressure Build up
 STATUS _____ TEST DEPTH 7208 Ft.
 TIME S.I. _____ LAST TEST DATE _____
 CAS. PRES. _____ BHP LAST TEST _____
 TUB. PRES. _____ BHP CHANGE _____
 ELEV. _____ FLUID TOP _____
 DATUM _____ WATER TOP _____
 TEMP _____ RUN BY _____
 CLOCK NO. _____ GAUGE NO. _____
 ELEMENT NO. _____

DEPTH	PRESSURE		
7208 Ft. Flow.	485	Lbs.	12 Hrs. 618 "
Si. 15 min.	520	"	13 " 620 "
30 "	540	"	14 " 621 "
45 "	550	"	15 " 621 "
60 "	560	"	16 " 622 "
90 "	570	"	17 " 624 "
2 Hrs.	580	"	18 " 625 "
3 "	585	"	19 " 626 "
4 "	590	"	20 " 627 "
5 "	595	"	21 " 628 "
6 "	600	"	22 " 629 "
7 "	603	"	23 " 630 "
8 "	606	"	24 " 631 "
9 "	609	"	
10 "	612	"	
11 "	615	"	



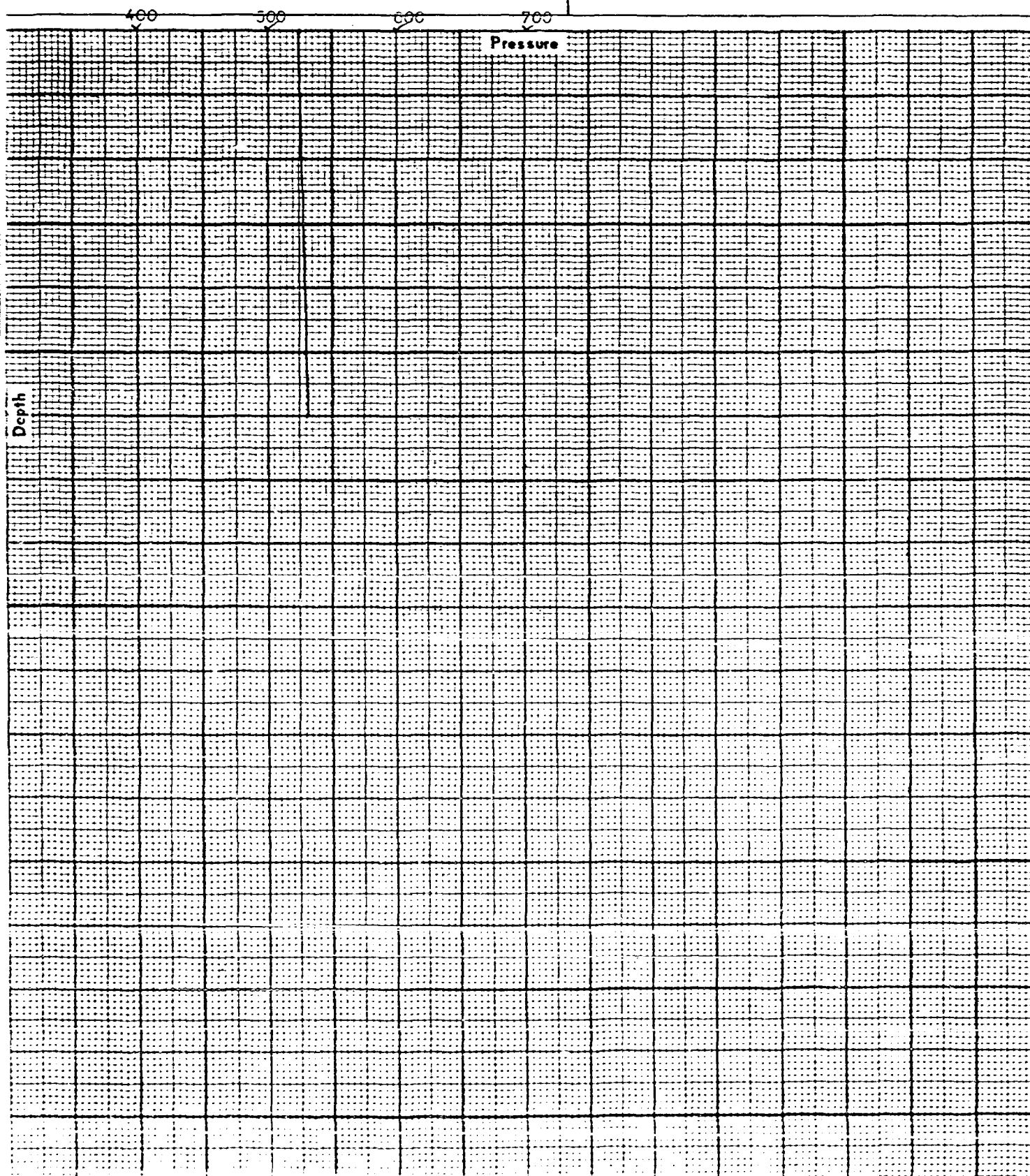
Bennett Wire Line Service
305 McArthur Ave. Ph. (505) 746-3281
Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR COQUINA OIL CORP.
LEASE Vivian / Granite Wash
WELL NO. 1
FIELD _____
DATE _____ TIME _____
STATUS _____ TEST DEPTH _____
TIME S.I. _____ LAST TEST DATE _____
CAS. PRES. _____ BHP LAST TEST _____
TUB. PRES. _____ BHP CHANGE _____
ELEV. _____ FLUID TOP _____
DATUM _____ WATER TOP _____
TEMP _____ RUN BY _____
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. _____

DEPTH PRESSURE GRADIENT

PAGE NO. 2



NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

CD-16
Revised 1-1-65

Operator Coquina Oil Corporation		Pool Drinkard				County Lea											
P. O. Drawer 2960, Midland, Texas 79702						TYPE OF TEST - (X)		Estimated []		Completion []		Specimen (X)					
LEASE NAME	WELL NO	LOCATION				DATE OF TEST	SIZE	TDB. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT. BBL.		
		U	S	T	R						WATER BBL.S.	GRAV. OIL	OIL BBL.S.	GAS M.C.F.			
Vivian	1	F	30	22	38	7/1/78	F 24/64	130	-0-	24	6	41.4	17.9	503	28100		
<p>NOTE: Above test conducted after discussion w/Mr. Nutter (NMOCC) on 6/12/78 to determine classification of well as Oil or Gas in response to a request for dual completion or proposal to commingle. A tubing plug was set to blank off Wantz (Granite Wash) and a sliding sleeve was opened to permit flow from Drinkard perforations for a through tubing flow test. The above 24 hour test was at the end of a 72 hr flow period of which the NMOCC, Hobbs office, had been notified. This zone had been shut-in since 12/77.</p>																	

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


(Signature)

Manager of Reservoirs

(Title)

July 20, 1978

(Date)

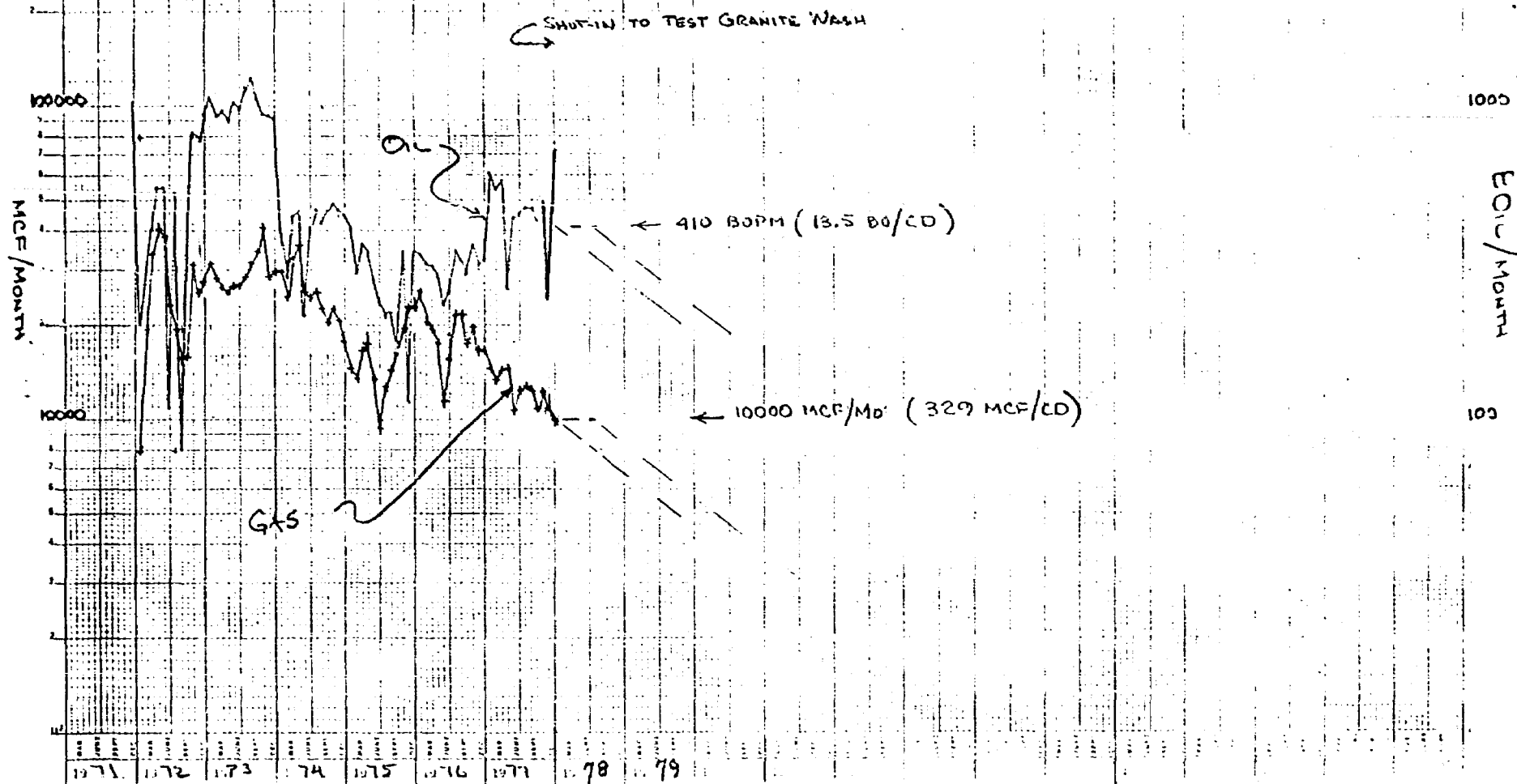


RYDER SCOTT COMPANY
PETROLEUM ENGINEERS

CAROLINA OIL CORPORATION
VIVIAN ST
DEINKARD
DENVER, CO

1970

1971 1972 1973 1974 1975 1976 1977 1978 1979



Operator EngleLease 11-1-1R₂Field DEINKARDCounty LogState OK PC 4-1-50

Date	Oil or Condensate - Bbls.			Gas - MCF			Water Prod.		GOR or Yield	Remarks
	Monthly	Year to Date	Cumulative	Monthly	Year to Date	Cumulative	Bbls.			
1/1-14	1133		1133	29727		652,201				
2	235			24685						
3	204			22557						
4	451			35726						
5	218			25564						
6	411			24545						
7	462			25226						
8	428			22601						
9	421			20020						
10	432			22313						
11	462			20775						
12	447			17720						
Total	4267		23674	301725		956,976				

1/-5	400			14502						
2	277			13414						
3	262			16552						
4	211			17563						
5	222			13649						
6	233			9459						
7	210			12772						
8	212			14122						
9	172			16317						
10	242			19446						
11	113			21925						
12	343			22862						
Total	3334		27008	172,620		1,149,596				

1/-11	337			25460						
2	316			20252						
3	311			17021						
4	295			17515						
5	234			11412						
6	253			15524						
7	244			21439						
8	222			21436						
9	221			17357						
10	263			17720						
11	312			16536						
12	322			16492						
Total	2705		32711	222,871		1,372,467				

Leate J. J. A. - 1

R5

Field

County Los Angeles

State 10 of 100000

Date	Oil or Condensate - Bbls.			Gas - MCF			Water Prod.		GOR or Yield	Remarks
	Monthly	Year to Date	Cumulative	Monthly	Year to Date	Cumulative	Bbls.			
1/1	540		540	14,491		1,377,467				
2	532			13,205						
3	572			14,371						
4	532			14,445						
5	540			10,632						
6	480			12,436						
7	478			12,845						
8	571			2,441						
9	478			12,333						
10	471			12,015						
11	545			12,322						
12	712			1374						NO STARTED 12-27-77
Total	5732		36442	143487		1,520,756				

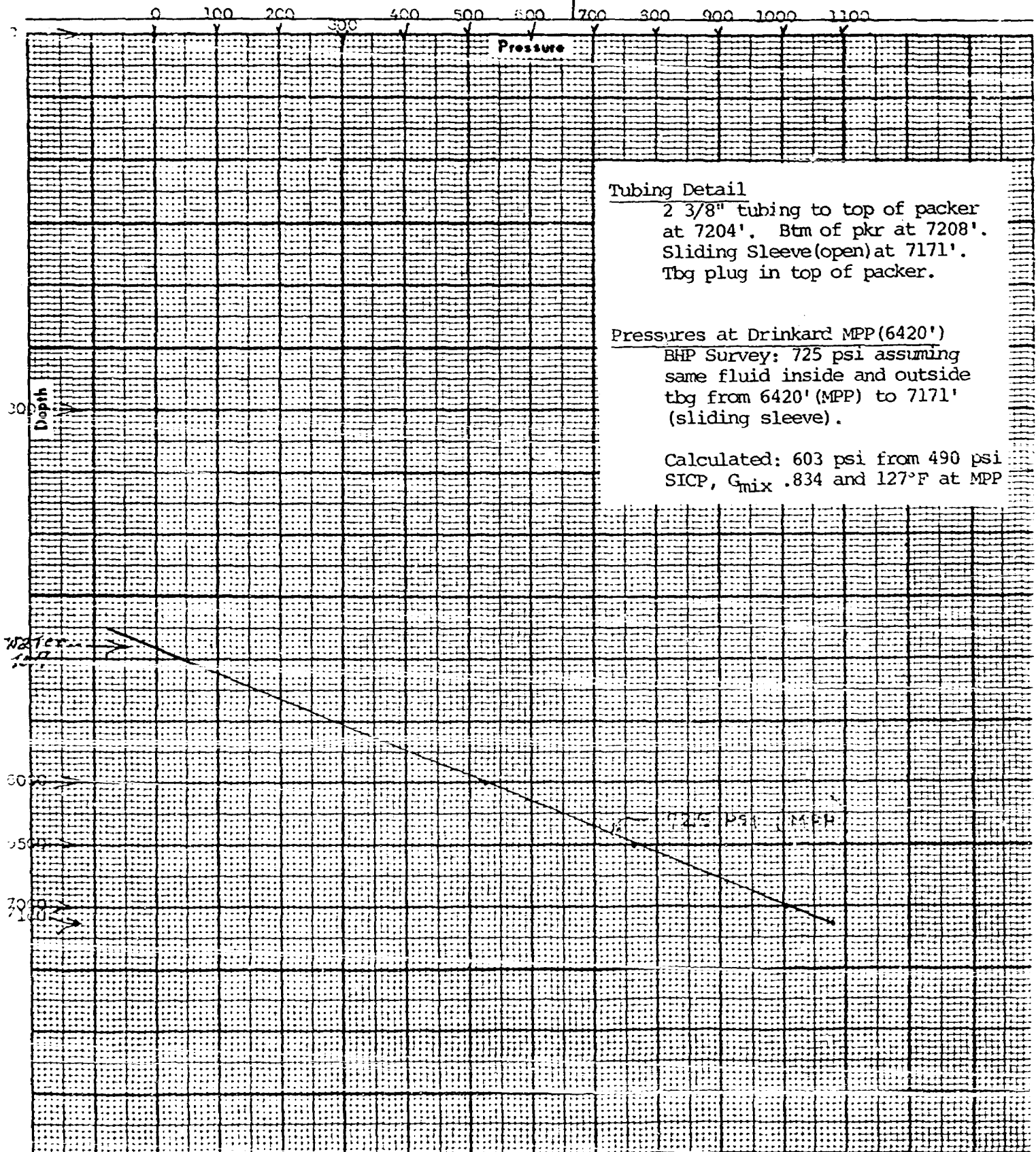
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Bennett Wire Line Service
305 McArthur Ave. Ph. (505) 746-3281
Artesia, New Mexico - 88210

BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR MOQUINA OIL CORPORATION
LEASE Vivian Drinkard
WELL NO. 1
FIELD _____
DATE 6/2/78 TIME 9:30 PM.
STATUS Shut-in TEST DEPTH 7160 Ft.
TIME S.I. 48 Hrs. LAST TEST DATE _____
CAS. PRES. 490 lbs. BHP LAST TEST _____
TUB. PRES. 0 BHP CHANGE _____
ELEV. _____ FLUID TOP _____
DATUM _____ WATER TOP 4900 ft.
TEMP 88.100 RUN BY Bennett
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 9526

DEPTH	PRESSURE	GRADIENT Lbs./100 Ft.
0 Ft.	00 Lbs.	
3000 "	00 "	
4000 "	524 "	17.5
5500 "	763 "	47.3
7000 "	1002 "	47.3
7160 "	1079 "	48.1
6420' (MPP)	725 "	



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

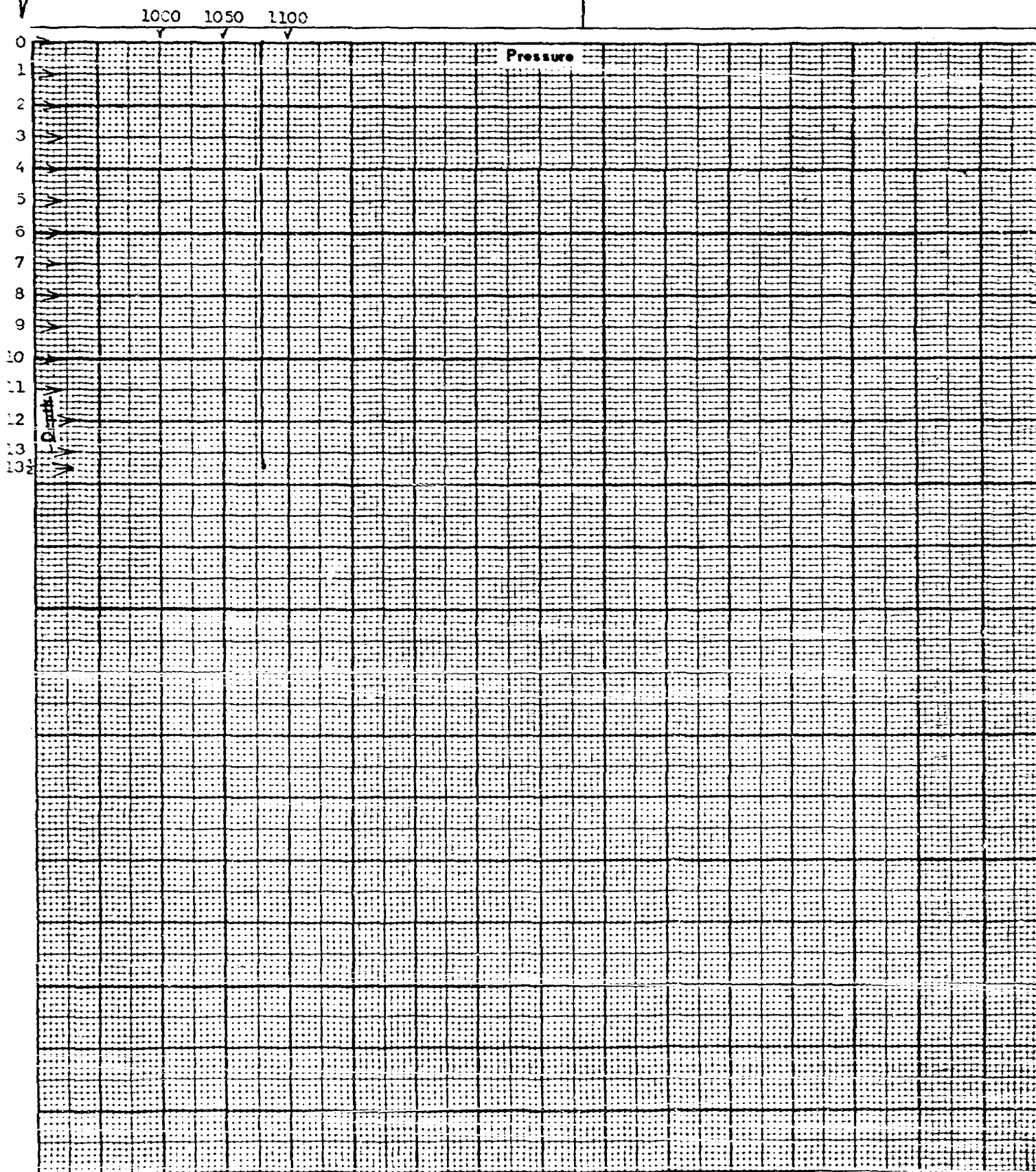
BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR COQUINA OIL CORPORATION
LEASE Vivian Driskard
WELL NO. 1
FIELD _____
DATE 6/26 & 27 /73 TIME 13.5 Hrs. BHP build-up
STATUS Shut-in TEST DEPTH 7180 Ft.
TIME S.I. 50 Hrs. LAST TEST DATE _____
CAS. PRES. 490 Lbs BHP LAST TEST _____
TUB. PRES. 0 BHP CHANGE _____
ELEV. _____ FLUID TOP _____
DATUM _____ WATER TOP _____
TEMP 109 RUN BY Bennett
CLOCK NO. _____ GAUGE NO. _____
ELEMENT NO. 9526

DEPTH PRESSURE GRADIENT

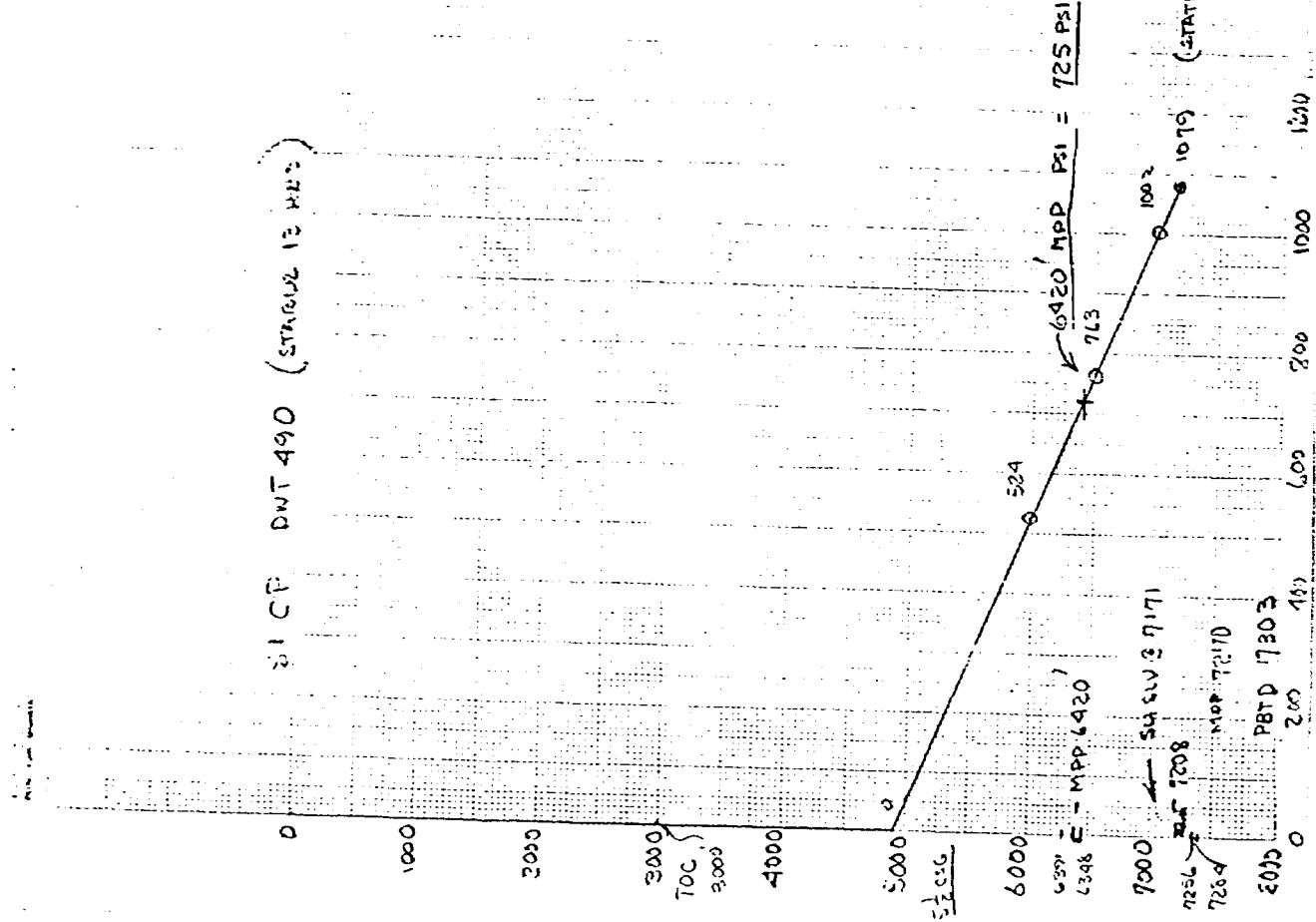
2H. pressure @ start of 13.5 hr. test was 1079 Lbs.

Pressure was stabilized through the 13.5 hrs, 1079 Lbs. @ end.



Vivian 1

31 CP DWT 490 (STATIC 13 HRS)



CALCULATIONS OF COMMINGLING RATIOS

COQUINA VIVIAN #1

Drinkard and Wantz (Granite Wash) Pools

TEST DATA	DRINKARD Production History	WANTZ GRANITE WASH 6-22-78	COMMINGLED
Oil BOPD	13.5	19.4	32.9
% Commingled	41.0%	59.0%	100.0%
Gas MCFPD	329	205	534
% Commingled	62%	38%	100%

Water production from only Drinkard zone.

BEFORE DRAINAGE CHANNELS
OIL COMINGLING RATIO

5
COST
S
P

5

D VIVIAN GULF .8 19732 M/MO 637 M/D	C VIVIAN GULF .1 24749 M/MO 798 M/D	B VIVIAN GULF .10 1256 M/MO (41 M/D)	A
E VIVIAN GULF .3 3678 M/MO 119 M/D	F VIVIAN COQ .1	G GULF 0 M/D	H
L DRINKARD B SUMMIT .2 26221 M/MO (846 M/D)	K VIVIAN COQ .2 18431 M/MO (594 M/D)	J DRINKARD B GULF .2 7884 M/MO (254 M/D)	I
SEC. 30 T22S R38E LEA COUNTY, NM			

7 PRODUCING OFFSETS 470 M/D AVERAGE/WELL

3 DIRECT PRODUCING OFFSETS 504 M/D AVERAGE/WELL

OFFSET DRINKARD GAS PRODUCTION TO

COQUINA VIVIAN #1

MAY, 1978

6

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 13, 1978

9 A.M. - OIL CONSERVATION DIVISION 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 for October, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for October, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6314: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Overland Drilling & Exploration, Ltd., Ohio Casualty Insurance Company, and all other interested parties to appear and show cause why the Lowe State Well No. 1 located in Unit E of Section 15, Township 19 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6315: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Hugh L. Johnston, Sr., General Insurance Co. of America, and all other interested parties to appear and show cause why the Continental State Well No. 5 located in Unit C of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6316: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Cortez Corporation, Aetna Casualty & Surety Company, and all other interested parties to appear and show cause why the Fair Well No. 1 located in Unit D of Section 24, Township 18 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6290: (Continued from August 16, 1978, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6307: (Continued from August 30, 1978, Examiner Hearing)

Application of Exxon Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Drinkard and Wantz-Abo production in the wellbore of its F. F. Hardison B Well No. 10, located in Unit A of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico. (This case will be dismissed.)

CASE 6317: Application of Harvey E. Yates Company for an unorthodox gas well location and a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 301.75-acre non-standard gas proration unit comprising the N/2 of Section 18, Township 18 South, Range 29 East, Eddy County, New Mexico, to be dedicated to a well to be drilled 1980 feet from the North line and 660 feet from the East line of said Section 18 to test the Morrow formation.

CASE 6318: Application of Coquina Oil Corporation for an increase in casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303-C-4 to increase the casinghead gas allowable for its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, the Drinkard and Granite Wash zones in said well being commingled pursuant to Order No. DHC-255 and subject to the GOR limit for the Wantz-Granite Wash Pool.

CASE 6319: Application of Delco Petroleum Corporation for an unorthodox well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 31, Township 21 South, Range 27 East, Eddy County, New Mexico, to be dedicated to its Mollie Com Well No. 1 located at an unorthodox location 1100 feet from the North line and 1575 feet from the East line of said section. Also to be considered will be the cost of recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Dockets Nos. 31-78 and 32-78 are tentatively set for hearing on September 27 and October 11, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - SEPTEMBER 11, 1978

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

CASE 6289: (Continued from August 23, 1978, Commission Hearing)

Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

CASE 6146: (DE NOVO)

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

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

CASE 6328: Application of Maralo, Inc., for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Jalmat Yates Unit underlying the following described lands in Township 25 South, Range 36 East:

Section 12: SE/4
Section 13: NE/4

and the following described lands in Township 25 South, Range 37 East:

Section 18: NW/4 and N/2 SW/4

all in Lea County, New Mexico.

The unitized interval would be all formations or zones extending from the top of the Yates formation down to 100 feet below the base of the Queen formation in the Humble-Winters "A" Well No. 2 located in Unit C of Section 18, Township 25 South, Range 37 East.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6313: Application of Maralo, Inc., for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Jalmat Yates Unit Area, Lea County, New Mexico, by the injection of water into various wells located in Township 25 South, Ranges 36 and 37 East.

CASE 6320: Application of Texas Oil & Gas 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 Coquina Federal Com. Well No. 1 to be drilled 660 feet from the North line and 1980 feet from the West line of Section 32, Township 18 South, Range 27 East, to test the Morrow formation, the W/2 of said Section 32 to be dedicated to the well.

CASE 6321: Application of Texas Oil & Gas 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 Shugart State Com. Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the West line of Section 16, Township 18 South, Range 31 East, Eddy County, New Mexico, to test the Wolfcamp and Pennsylvanian formations, the W/2 of said Section 16 to be dedicated to the well.

CASE 6283: (Continued from August 2, 1978, Examiner Hearing)

Application of Texas Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the W/2 of Section 16, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6322: Application of Yates Petroleum Corporation for pool contraction, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-391 to contract the horizontal limits of the Empire-Pennsylvanian Gas Pool to the following:

All of Sections 28 and 29, Township 17 South, Range 28 East

In the alternative, applicant seeks to limit the special pool rules for said pool to the present horizontal limits of the pool.

CASE 6323: Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 23, Township 17 South, Range 28 East, Empire-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to its Lucas Store JZ Well No. 1 located at an unorthodox location 1980 feet from the North line and 860 feet from the West line of said section. Also to be considered will be the cost of completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6324: Application of Yates Petroleum Corporation for downhole commingling or pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Wolfcamp and Upper Penn gas production in the wellbore of its Box Canyon GJ Fed. Well No. 1 located in Unit J of Section 13, Township 21 South, Range 21 East, Eddy County, New Mexico. In the alternative, applicant seeks the creation of a new Permo-Penn gas pool for said well.

CASE 6325: Application of Amoco Production Company for unorthodox locations and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox locations of the following South Hobbs Unit wells located in Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico:

Well No. 120 located 1272 feet from the North line and 1420 feet from the West line of Section 5;
Well No. 121 located 1450 feet from the North line and 150 feet from the West line of Section 4;
Well No. 123 located 2390 feet from the North line and 150 feet from the East line of Section 6;
Well No. 124 located 1925 feet from the South line and 2380 feet from the East line of Section 4;
Well No. 126 located 1295 feet from the South line and 1365 feet from the West line of Section 10;
Well No. 122 located 1726 feet from the North line and 167 feet from the East line of Section 4;
and Well No. 125 located 2016 feet from the North line and 763 feet from the West line of Section 3.

Applicant further seeks authority to directionally drill Wells Nos. 122 and 125 to bottomhole locations in the extreme southeast corners of Unit H of Section 4 and Unit E of Section 3, respectively.

CASE 6326: Application of Energy Reserves Group, Inc., for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle South Blanco-Pictured Cliffs and Otero-Chacara production in the wellbore of its Jicarilla 35 Well No. 3, located in Unit B of Section 2, Township 24 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 6327: Application of O. H. Berry for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its J. L. Isabell Well No. 5-Y located 340 feet from the North line and 330 feet from the East line of Section 15, Township 24 South, Range 36 East, Santa Rosa formation, Lea County, New Mexico, the NE/4 of said Section 15 to be dedicated to the well.



COQUINA OIL CORPORATION

P. O. DRAWER 2960
MIDLAND, TEXAS 79701

August 17, 1978

Case 6318
RECEIVED

AUG 21 1978

(915) 682-6271

Oil Conservation Commission

Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Hearing to Consider Increase
In Gas Allowable - Downhole Commingled
Drinkard & Wantz Granite Wash Zones
Vivian Well No. 1
Section 30, 22S, 38E
Lea County, New Mexico

Gentlemen:

Coquina Oil Corporation respectfully requests that a hearing be scheduled for the purpose of increasing the casing head gas allowable, an exception to the NMOCC Rule 303-C-4, for its Vivian No. 1 well.

By letter of August 14, 1978, your Administrative Order No. DHC-255 authorized downhole commingling of the Drinkard and Wantz Granite Wash zones in subject well. The proposed downhole mechanical changes to effect commingling are in progress.

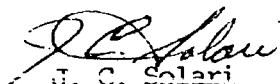
Our letter of July 21, 1978 requesting downhole commingling presented results of substantial production and pressure testing in June and July 1978 on subject well. Attached are duplicate copies of the plat, data sheet for wellbore commingling, calculations for commingling ratios and wellbore diagram from our July 21, 1978 letter.

We believe the 374 MCFPD gas limit for the lower ratio Wantz Granite Wash pool applied to the commingled well will not protect against gas drainage from the lease in as much as the Drinkard has a gas limit of 825 MCFPD.

Your early handling of this matter will be greatly appreciated.

Yours very truly,

COQUINA OIL CORPORATION


J. C. Solari
Manager of Reservoir

JCS:kyr
attachments

CC: Offset Operators
Mr. Jason Kellihan
NMOCC - Hobbs, N.M.

AUG 21 1978

COQUINA OIL CORPORATION

VIVIAN WELL NO. 1

Sec. 30, 22S, 38E
Lea County, New Mexico

LIST OF OFFSET OPERATORS

Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico 88240

Gulf Oil Co., U. S. .
P. O. Box 670
Hobbs, New Mexico 88240

Hanson Oil Corp.
P. O. Box 1515
Roswell, New Mexico 88201

Summit Energy, Inc.
1925 Mercantile Dallas Bldg.
Dallas, Texas 72501

AUG 21 1973

DATA SHEET FOR WELLBORE COMMINGLING

Operator: Coquina Oil Corporation
 Address: P. O. Drawer 2960, Midland, Texas 79702
 Lease and Well No.: Vivian No. 1
 Location: Unit F, 1,787' FNL, & 1,787' FWL, Section 30, Township 22S, Range 38E, Lea County, New Mexico.

WELL DATA:

Name of Pool	Pool		Pool
	Drinkard		Wantz (Granite Wash)
Producing Method	Flow		Flow
BHP (Static @ Mid-Perf)	603 PSIG to 725 PSIG ⁽¹⁾		634 PSIG to 745 PSIG ⁽²⁾
Type Crude	Sweet		Sweet
Gravity	41.4 API		36.3 API
GOR Limit	6,000		2,000
Completion Interval	6,391'-6,448'		7,256'-7,284'
Current Test Date	(3)		(3)
	7-1-78	Prod'n History	6-22-78
Oil BO/D	17.9	13.5	19.4
Water BW/D	6	-	0
Gas MCF/D	503	329	205
GOR	28100	24370	10600
Oil Price \$/BBL	15.27		15.27
Gas Price \$/MCF	0.338		0.65
Daily Income \$/Day	Shut-In		\$429/Day

CALCULATIONS OF COMMINGLING RATIOS

COQUINA VIVIAN #1

Drinkard and Wantz (Granite Wash) Pools

TEST DATA	DRINKARD Production History	WANTZ GRANITE WASH 6-22-78	COMMINGLED
Oil BOFD	13.5	19.4	32.9
% Commingled	41.0%	59.0%	100.0%
Gas MCFPD	329	205	534
% Commingled	62%	38%	100%

Water production from only Drinkard zone.

PROPOSED COMMINGLED COMPLETION

COQUINA OIL CORPORATION
VIVIAN WELL NO. 1
SEC. 30, 22S, 38E
LEA COUNTY, NEW MEXICO

8 5/8" CASING
SET @ 1160'
CMT W/410 SXS.
CIRC. TO SURFACE

15" CASING
SET @ 31'
CMT W/2 YDS

2 3/8" TUBING
SET @ 7200 ±
2 3/8" TUBING ANCHOR
SET @ 6300 ±

DRINKARD
PRODUCING
INTERVALS

GRANITE WASH
PRODUCING
INTERVALS

P.B.T.D. 7303'
T.D. 7319'

5 1/2" CASING
SET @ 7319'
CMT W/625 SXS
TOC 3000'

DIAGRAMMATIC SKETCH

ROUGH

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6318

Order No. R-5845

Application of Coquina Oil Corporation for an increase in casinghead gas allowable, Lea County, New Mexico.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on 9-13
19 78, at Santa Fe, New Mexico, before Examiner RLS.

NOW, on this _____ day of _____, 19____, the
Division Director, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That the applicant, Coquina Oil Corporation,

seeks an exception to Rule 303-C-4 to increase the casinghead gas allowable for its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, the Drinkard and Granite Wash zones in said well being commingled pursuant to Order No. DHC-255 and subject to the GOR limit for the Wantz-Granite Wash Pool.

~~(3) That the applicant seeks the assignment of a special casinghead gas allowable of 984 MCF per day to said Vivian Well No. 1.~~

(3) That the daily casinghead allowables for said Drinkard and Granite Wash zones are 852 ^{MCF} and 374 ^{MCF}, respectively.

(5) That based upon the division of gas production ~~set out~~ in Order No. DHC-255 the proposed special casinghead gas allowable of 984 MCF per day ^{can} ~~may~~ be produced by said Vivian Well No. 1 without causing over production of casinghead gas from either the Drinkard zone or the Granite Wash zone.

(6) That the assignment of such special casinghead gas allowable will ^{better} permit the applicant to ~~better~~ ^{its} recover ~~his~~ share of the oil and gas production in each of said zones, will not cause waste, and will not violate correlative rights.

(7) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Coquina Oil Corporation is hereby granted a special commingled casinghead gas allowable of 984 MCF per day (610 MCF for the Drinkard zone and 374 MCF for the Granite Wash zone) for its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico.

(2) That any provisions of the Division's Order No. DHC-255 dated August 14, 1978, not in conflict herewith are hereby continued in full force and effect.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the ^{Division} ~~Commission~~ may deem necessary.

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

(4) That the applicant proposes a casinghead allowance for the subject well of 984 MCF of gas per day, based upon an allowance of 374 MCF per day for the Granite Wash zone and 610 MCF per day for the Drinkard zone.