CASE 6710: ARCO OIL AND GAS COMPANY FOR DOWNHOLE COMMINGLING, LEA COUNTY, NEW MEXICO

Continue to November 14

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION State Land Office Bldg. Santa Fe, New Mexico 14 November 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of ARCO Oil and Gas) Company for downhole commingling, } Lea County, New Mexico.

CASE 6710

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87503

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MR. NUTTER: Call Case Number 6710.

MR. PADILLA: Application of ARCO Oil and

Gas Company for downhole commingling, Lea County, New Mexico.

MR, NUTTER: Applicant in this case has

requested dismissal and Case Number 6710 will be dismissed.

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,

DO HEREBY CERTIFY that the foregoing and attached Transcript

of Hearing before the Oil Conservation Division was reported

by me; that the said transcript is a full, true, and correct

record of the hearing, prepared by me to the best of my

ability, from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
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Senta Pe. New Maxico 57501

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Bldg.
Santa Fe, New Mexico
14 November 1979

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IN THE MATTER OF:

Application of ARCO 011 and Gas)
Company for downhole commingling,)
Lea County, New Mexico.

CASE 6710

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87503

SALLY WALTON BOYD
ZENTFIED SHORTHAND REPORTER
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MR. PADILLA: Application of ARCO Oil and Gas Company for downhole commingling, Lea County, New Mexico.

MR. NUTTER: Applicant in this case has requested dismissal and Case Number 6710 will be dismissed.

(Hearing concluded.)

SALLY WALTON BOYD
SETTIFED SHOATHAND REPORTER
(10 Pleza Blanca (808) 471-2463
Sente Par No. 1000)

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REPORTER'S CERTIFICATE

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

Sally W. Boyd C.S.R.

do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6710.



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

December 5, 1979

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

		-5
	Re:	CASE NO. 6710 ORDER NO. R-6186
Mr. J. L. Tweed ARCO Oil and Gas Company Post Office Box 1610 Midland, Texas 79702		Applicant: ARCO Oil and Gas Company
		ARCO OII and
Dear Sir: Enclosed herewith are two Division order recently en	copie:	s of the above-referenced in the subject case:
Pours very truly,		
JOE D. RAMEY Director		
JDR/fd	to:	
Copy of order also sent		
Hobbs OCD x Artesia OCD x Aztec OCD		
Other		

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 6710 Order No. R-6186

APPLICATION OF ARCO OIL AND GAS COMPANY FOR DOWNHOLE COMMINGLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23th day of November, 1979, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6710 is hereby dismissed.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DOE D. RAMEY Director

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT Oil Conservation Division State Land Office Bldg. Santa Fe, New Mexico 31 October 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of ARCO Oil and Gas Company for downhole commingling,) Lea County, New Mexico.

CASE 6710

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation Division:

Ernest L. Padilla, Esq. Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87503

MR. STAMETS: Call next Case 6710.

MR. PADILLA: Application of ARCO Oil and

Gas Company for downhole commingling, Lea County, New Mexico.

MR. STAMETS: The Division has received

a request that this case be continued to the November 14th

Examiner Hearing, and it will be so continued.

(Hearing concluded.)

REPORTER'S CERTIFICATE

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

Sally W. Boyd, C.S.R.

I do here to that the foregoing is a country of the proceedings in the Examiner hearing of Case Mo. 6710. Examiner Oil Conservation Division

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT Oil Conservation Division State Land Office Bldg. santa Pe, New Mexico 31 October 1979 EXAMINER HEARING IN THE MATTER OF: CASE Application of ARCO Oil and Gas 6710 Company for downhole commingling, Lea County, New Mexico. 8 BEFORE: Richard L. Stamets 10 11 TRANSCRIPT OF HEARING 12 13 APPEARANCES Ernest L. Padilla, Esq. Legal Counsel for the Division For the Oil Conservation 16 State Land Office Bldg. Santa Fe, New Mexico 87503 Division: 17 19 20 21 22 23

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(Hearing concluded.)

SALLY WALTON BOYE
CERTIFIED SHORTHAND REPORTE
3010 Plaza Blanca (605) (711-946
Santa Ft. New Mexico 1710]

Page _____3____

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REPORTER'S CERTIFICATE

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DO HEREBY CERTIFY that the foregoing and attached Transcript

I, SALLY W. BOYD, Certified Shorthand Reporter,

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record of the hearing, prepared by me to the best of my

ability from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

, Examiner

Oil Conservation Division

SALLY WALTON BOY ENTIFED SHONTHAND REPORTS 20 Plaza, Flader (665) 471:-24

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ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

August 15, 1979



Duc-9/13/74

Mr. Joe D. Ramey Oil Conservation Division New Mexico Department of Energy & Minerals P. O. Box 2088 Santa Fe, New Mexico 87501

Case 67/0

RE: State Y No. 6
Section 25, T-25S, R-37-E A H
Lea County, New Mexico
Application to Downhole Commingle the
Blinebry and Montoya Zones

Dear Sir:

ARCO Oil and Gas Company requests administrative approval under the provisions of Rule 303-C to downhole commingle Blinebry and Montoya production in the State Y No. 6. This well is located in Section 25, T-25-S, R-37-E of Lea County, New Mexico.

Production from the Blinebry, Montoya, and Fusselman zones is presently commingled at the surface (Order R-1337) with no indication of fluid incompatibility. Since the crudes are commingled at the battery before sale, no difference in value will result from commingling the production downhole. Ownership of both zones is common, and commingling will not violate correlative rights.

Producing from a maximum depth of 6974, this well is allowed a commingled production rate of 40 BPD. The water production limit is 40 BPD from each zone.

Both zones are presently on pump. The State Y No. 6 produces 12 BOPD + 1 BWPD + 63 MCFPD from the Blinebry (5030'-5560') at an estimated bottom hole pressure of 258 psig. No. 6 also produces 6 BOPD + 53 BWPD + 3 MCFPD from the Montoya (6950'-6974') at an estimated bottom hole pressure of 1375 psig.

Sufficient artificial lift capacity will be available to lift the anticipated daily production and prevent fluid buildup in the wellbore and possible contamination of the two producing zones.

BI 1280179 63mef 95 mont 6 13 3 5

ARCO Oil and Gas Company is a Division of Atlantic Richfield Company

Page 2 Joe D. Ramey

Additional information, such as decline curves, Form C-116-A, List of offset operators, and lease and well information is included as required by Rule 303-C. Offset Operators are being notified by registered mail with a copy of this application.

Thank you for your consideration.

Very truly yours,

It tweed

KG:ad

cc: Offset Operators NMOCC Area Supervisor

P. O. Box 1980

Hobbs, New Mexico 88240

STATE Y NO. 6

Operator:

ARCO Oil & Gas Company

P. 0. Box 1610

Midland, Texas 79702

Lease, Well & Location: State Y No. 6

1650' FNL & 660' FEI. Weit H

Sec 25, T-25-S, R-37-E Lea County, New Mexico

Producing Zones:

Blinebry (Pump) Montoya (Pump)

4. Current Production:

Blinebry:

Montoya:

011 - 12 BOPD Gas - 63 MCFPD

011 -6 BOPD 3 MCFPD Gas

Water-1 BWPD

Water -53 BWPD

5. Commission Number Authorizing Dual Completion:

DC-1019

6. Fluid Compatibility and Value:

Production is presently commingled in surface facilities (#R-1337) with no evidence of fluid incompatibility. Because this is before sale, no change in value will result from downhole commingling.

- 7. Decline Curves: Enclosed
- Estimated Bottom Hole Pressures:

Blinebry: 258 psig Montoya: 1375 psig

9. Offset Operators are being notified by registered mail with a copy of this application.

OFFSET OPERATORS

AMERADA HESS CORPORATION DRAWER 817 SEMINOLE, 79360

AMOCO PRODUCTION COMPANY DRAWER A LEVELLAND, TEXAS 79336

GETTY OIL COMPANY BOX 1231 MIDLAND, TEXAS 79702

OIL DEVELOPMENT COMPANY OF TEXAS BOX 12058 AMARILLO, TEXAS 79101

UNION OF TEXAS
1300 WILCO BUILDING
MIDLAND, TEXAS 79701

NEW MEXICO OIL CONSERVATION COMMISSION GAS-OIL RATIO TESTS

C-116 Bevised 1-1-65

																								
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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 elemables when authorized by the Commission.

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

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

Kell original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with full 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) (Signature) (Spec.

(Tille)

NEW MEXICO OIL CONSERVATION COMMISSION GAS-OIL RATIO TESTS

C-116 Revised 1-1-65

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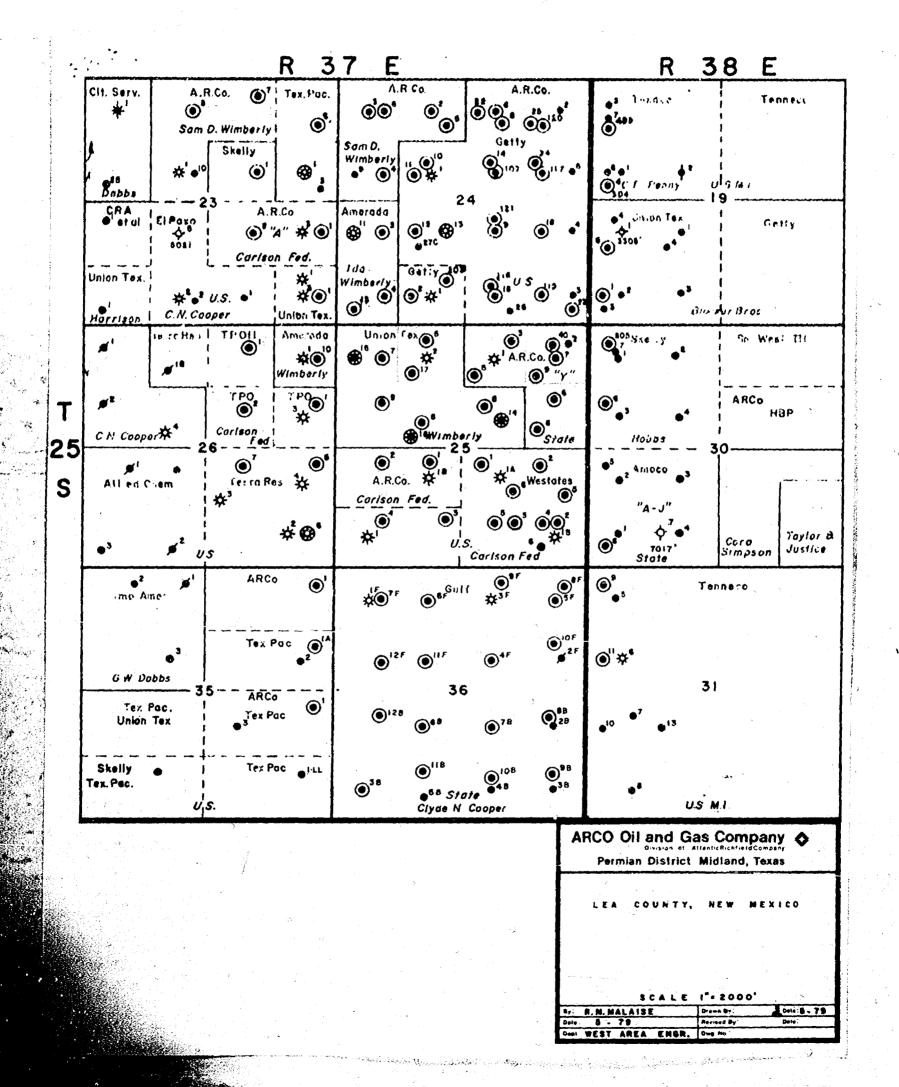
Gas volumes must be reported in MCP measured at a pressure base of 15.025 pala and a temperature of 60° F. Specific gravity base

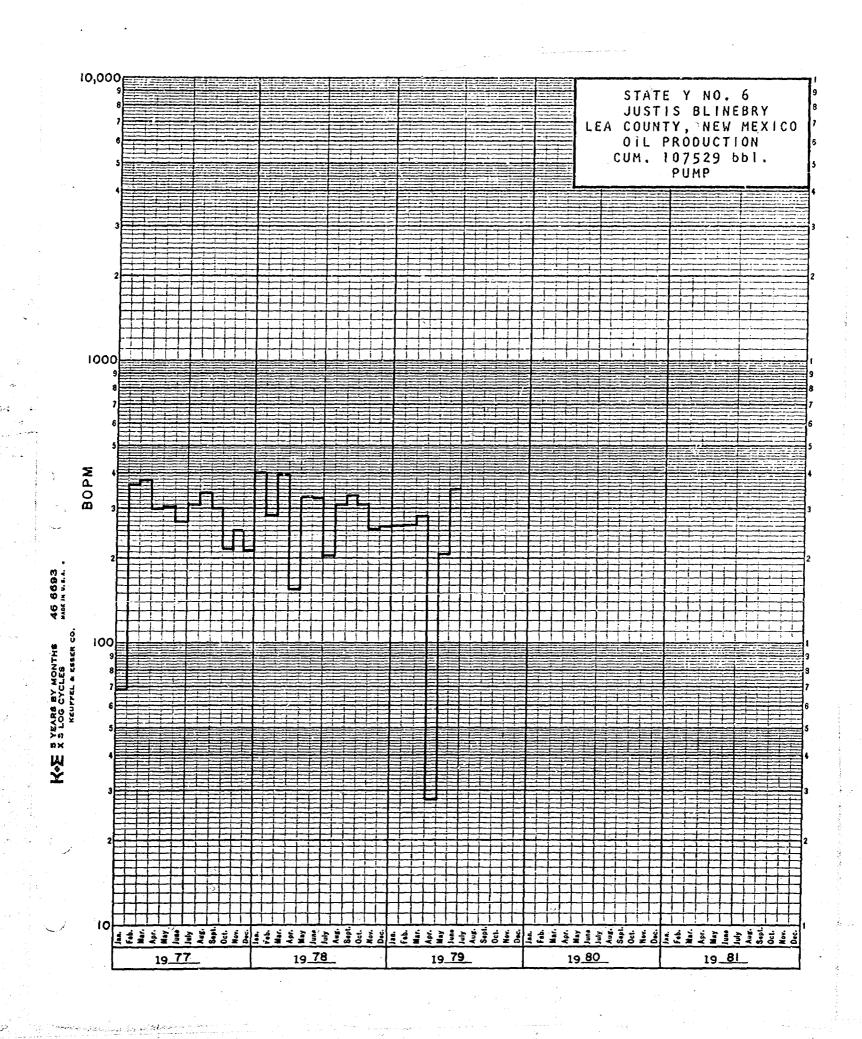
Report casing pressure in lieu of tubing pressure for any well producing through casing.

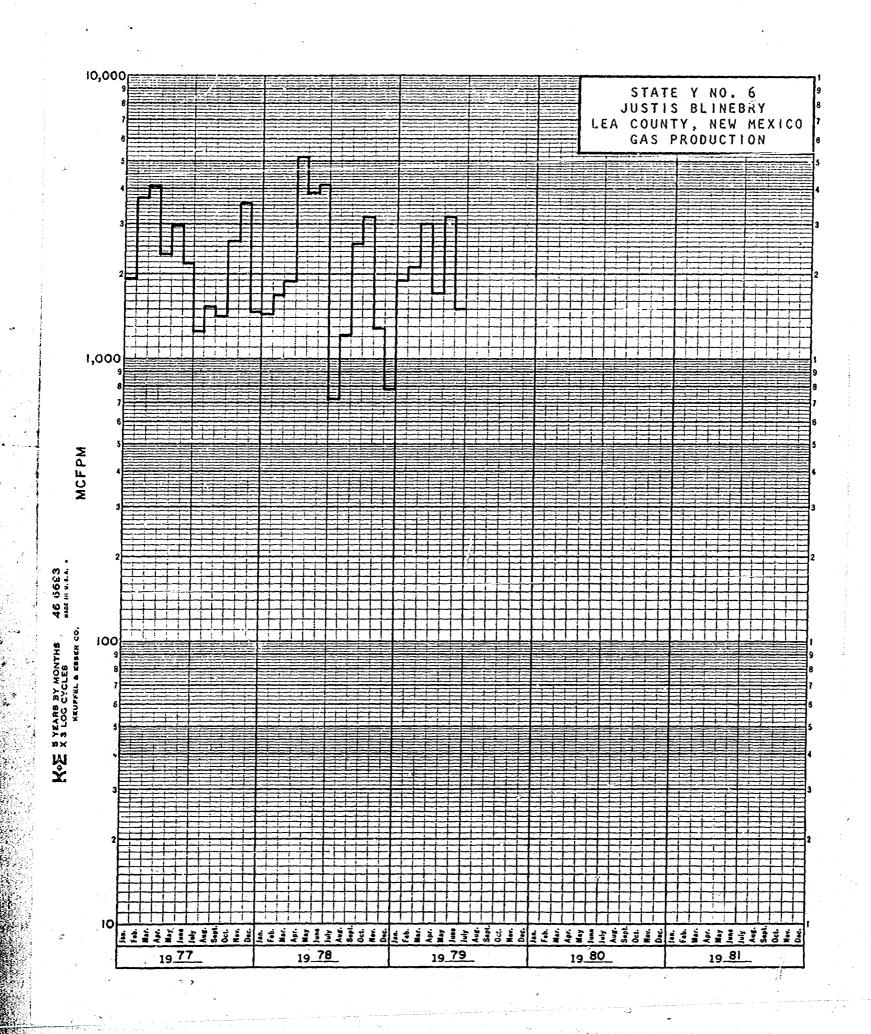
Kell ariginal and one copy of this report to the district office of the New Mexico Oil Conservation 301 and appropriate peal rules.

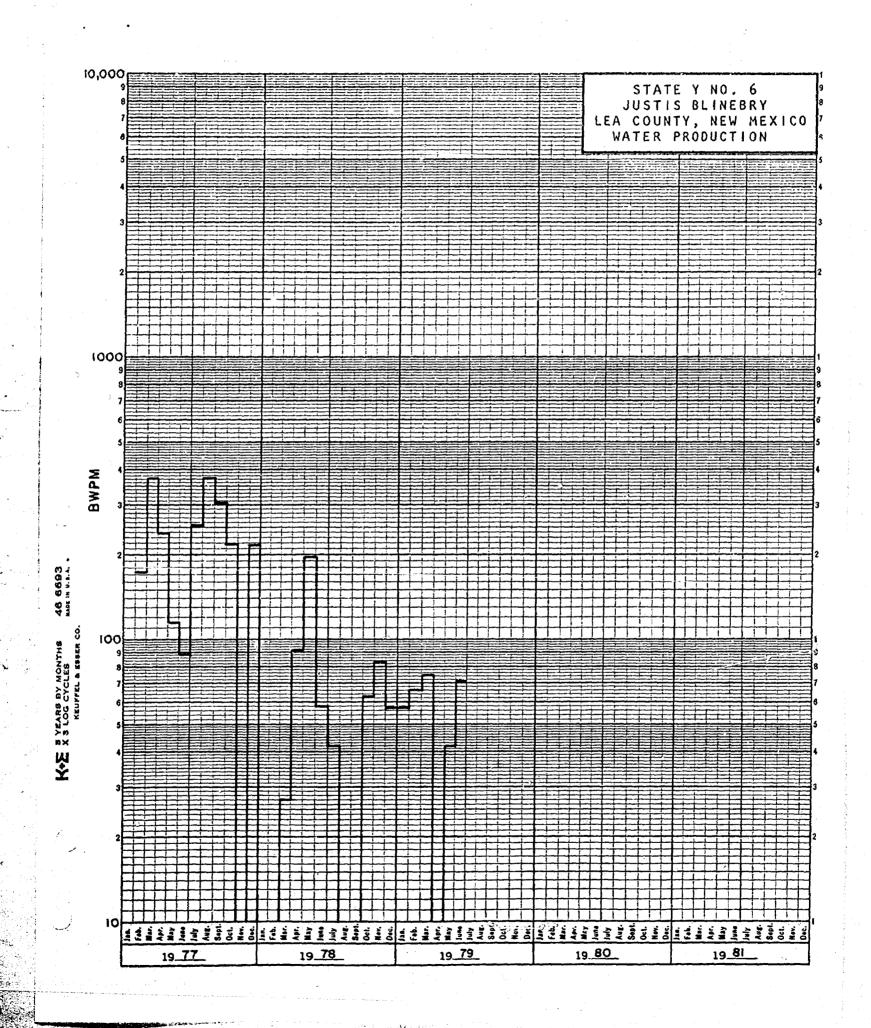
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

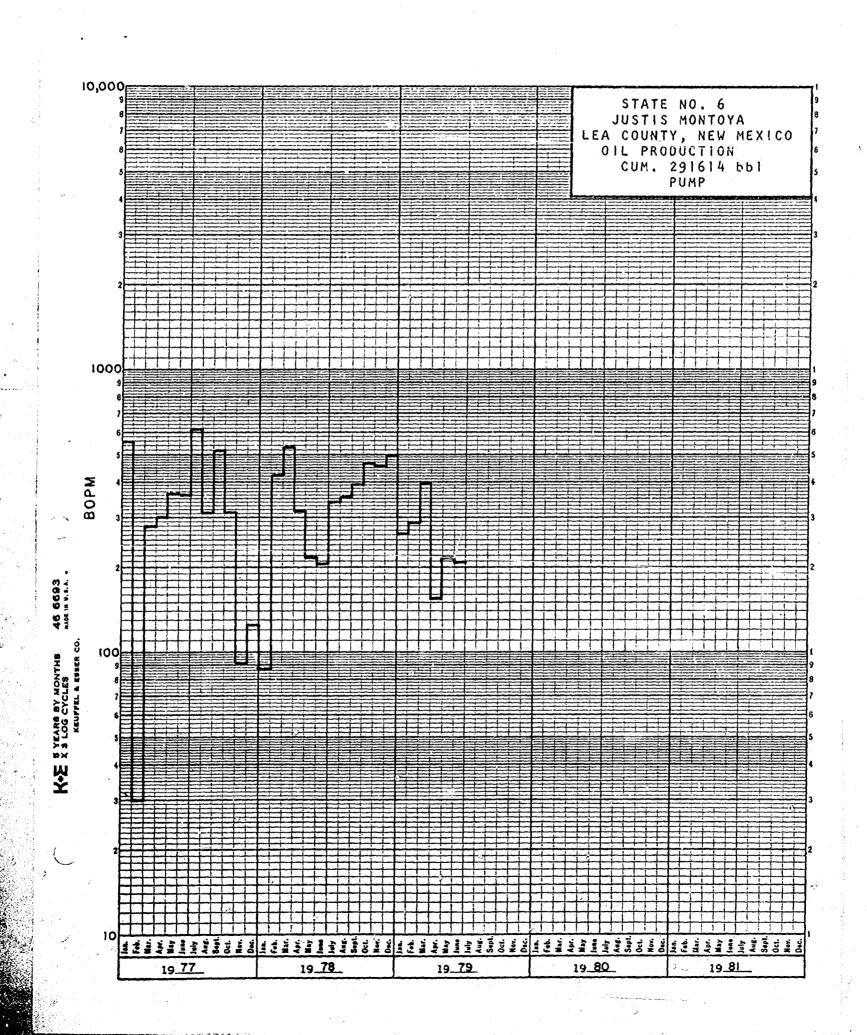
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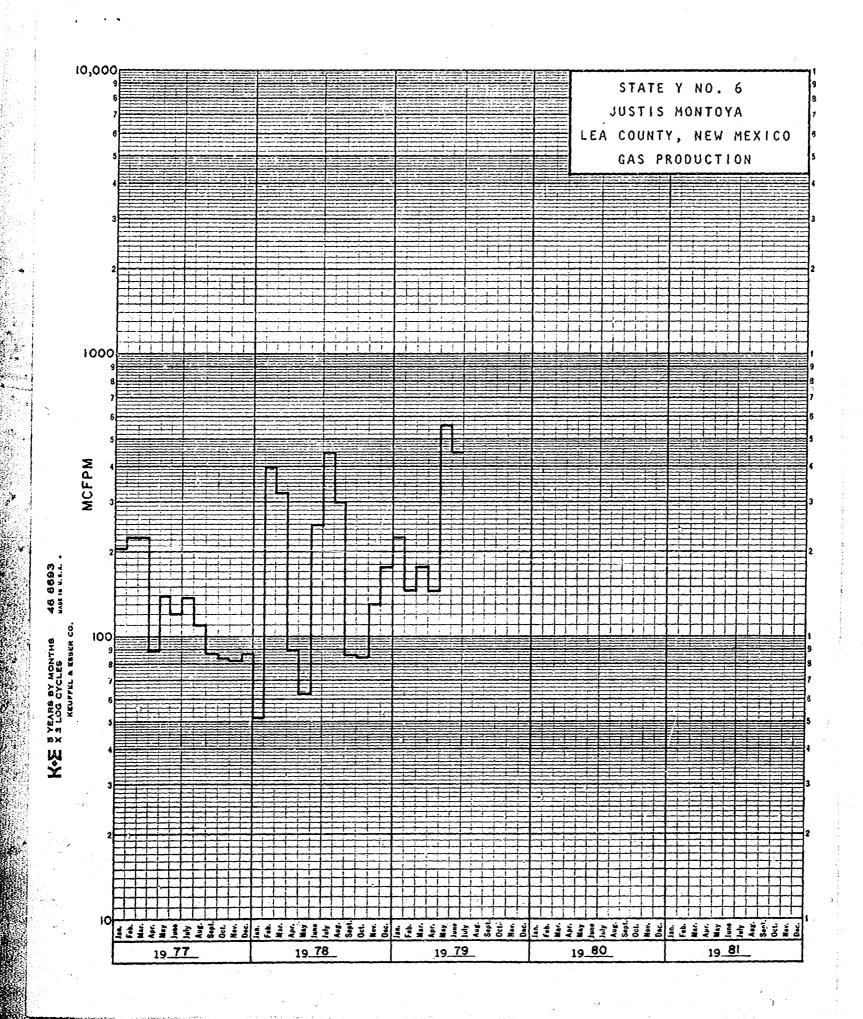


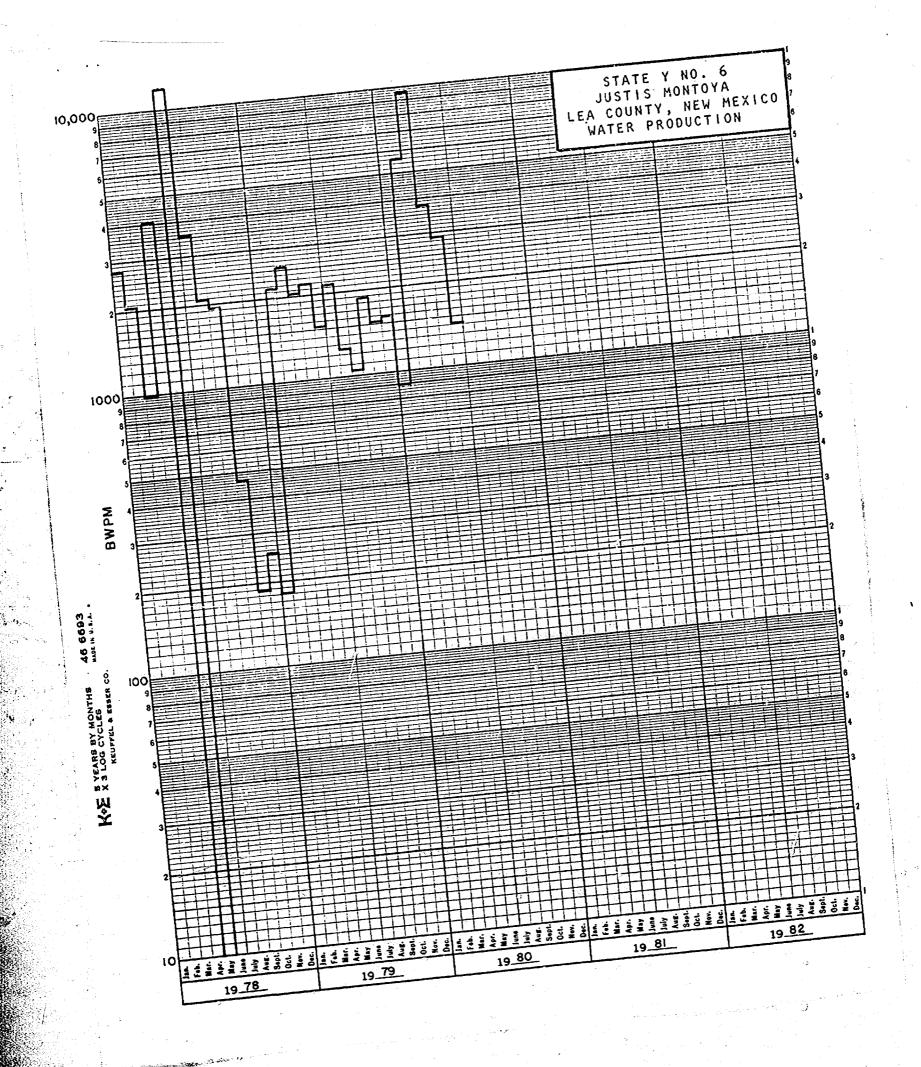












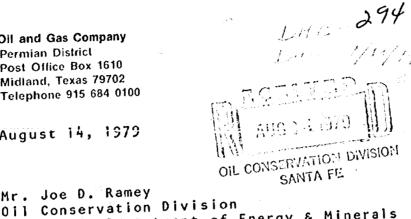
OIL CONSERVATION DIVISION DISTRICT I

IL CONSERVATION DIVISION O. BOX 2088 ANTA FE, NEW MEXICO 8750	SEPO S	R P	E: Pro Pr Pr Pr Pr	August Soposed In Coposed In Coposed Proposed Pr	NSL NSP SWD WFX	
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Gentlemen: O I have examined the appl	lication for c	.nc.		н 25	5-25-37	
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ARCO Oil and Gas Company Permian District Post Office Box 1610 Midland, Texas 79702 Telephone 915 684 0100

August 14, 1979

Mr. Joe D. Ramey



Case 67/0

New Mexico Department of Energy & Minerals P. O. Box 2088 Santa Fe, New Mexico 87501

Section 25, T-25-S, R-37-E Lea County, New Mexico
Application to downhole commingle the Blinebry and Montoya zones.

Dear Sir:

ARCO Oil & Gas Company requests administrative approval under the provisions of Rule 303-C to downhole commingle Blinebry and Montoya production in the State Y No. 7, located in Section 25, T-25-S, R-37-E of Lea County, New Mexico.

Production from the Blinebry, Montoya, and Fusselman zones is presently commingled at the surface (Order #R-1337) with no indication of fluid incompatibility. Since the crudes are commingled at the battery before sale, no change in value will result from commingling the production downhole. Ownership of both zones is common, and commingling will not violate correlative

State Y #7 is a dual completion, producing from both the Blinebry and the Montoya by artificial lift. Blinebry oil production has steadily decreased from a high of 62 BOPD in April, 1978 to a present average of 8 BOPD. Blinebry water production averages less than 1 BWPD. The Montoya zone has steadily produced an average of 15 BOPD for the last $2-\frac{1}{2}$ years with erratic water production. Decline curves indicate an average of 60 BWPD, while the most recent productivity test measured 25 BWPD from the Montoya. Sufficient artificial capacity will be available to lift the anticipated 90 barrels of total fluid production and prevent fluid buildup in the wellbore and possible contamination of the two producing zones.

Page 2 Joe D. Ramey

Current static bottom hole pressures are 268 psig in the Blinebry and 1042 psig in the Montoya, as calculated from shut-in fluid levels.

Additional information, as required by Rule 303-C; decline curves, Form C-116, List of Offset Operators, and lease and well information, is included. A copy of this application is being sent to all offset operators by registered mail as notification of this proposal.

Thank you for your consideration.

Very truly yours,

of I Tweed

J. L. Tweed

KG:ad

cc: Offset Operators
Area Supervisor
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

STATE Y #7

ARCO Oil & Gas Company 1. Operator: P. O. Box 1610 Midland, Texas 79702

State Y #7 430' FNL & 760' FEL 2017 Lease, Well & Location: Sec. 25, T-25-S, R-37-E

Lea County, New Mexico

Blinebry - Artificial Lift Montoya - Artificial Lift 3. Producing Zones:

4. Current Productions: Rule 303-C Limits:

40 BOPD 14 BOPD 40 BWPD Bly Water 1 BWPD 40 BWPD 25-60 BWPD Mont.Water

Commission Number Authorized Dual Completion:

DC-765 V

- 6. Fluid Compatibility: Demonstrated by present surface commingling (Order #R-1337)
- Decline Curves: Enclosed
- 8. Estimated bottom hole pressures:

Blinebry - 268 psig Montoya -1042 psig

- 9. Fluid Value: Not affected, because sale is presently after commingling at surface.
- 10. All Offset Operators are being notified by registered mail with a copy of this application.

OFFSET OPERATORS

STATE Y #7

AMERADA HESS CORPORATION DRAWER 817 SEMINOLE, TEXAS 79360

GETTY OIL COMPANY BOX 1231 MIDLAND, TEXAS 79702

UNION TEXAS PETROLEUM COMPANY 1300 WILCO BLUG MIDLAND, TEXAS 79701

NEW MEXICO OIL CONSERVATION COMMISSION GAS-OIL RATIO TESTS

C-116 Revised 1-1-65

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Gas volumes must be reported in MCF measured at a pressure base of 15.025 psis 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.

Nell original and one copy of this report to the district office of the New Mexico Oil Conscribition 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.

A. L. Shackelford
(Signafe)

Engra Tech Spec

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NEW MEXICO OIL CONSERVATION COMMISSION GAS-OIL RATIO TESTS

Revised 1-1-65

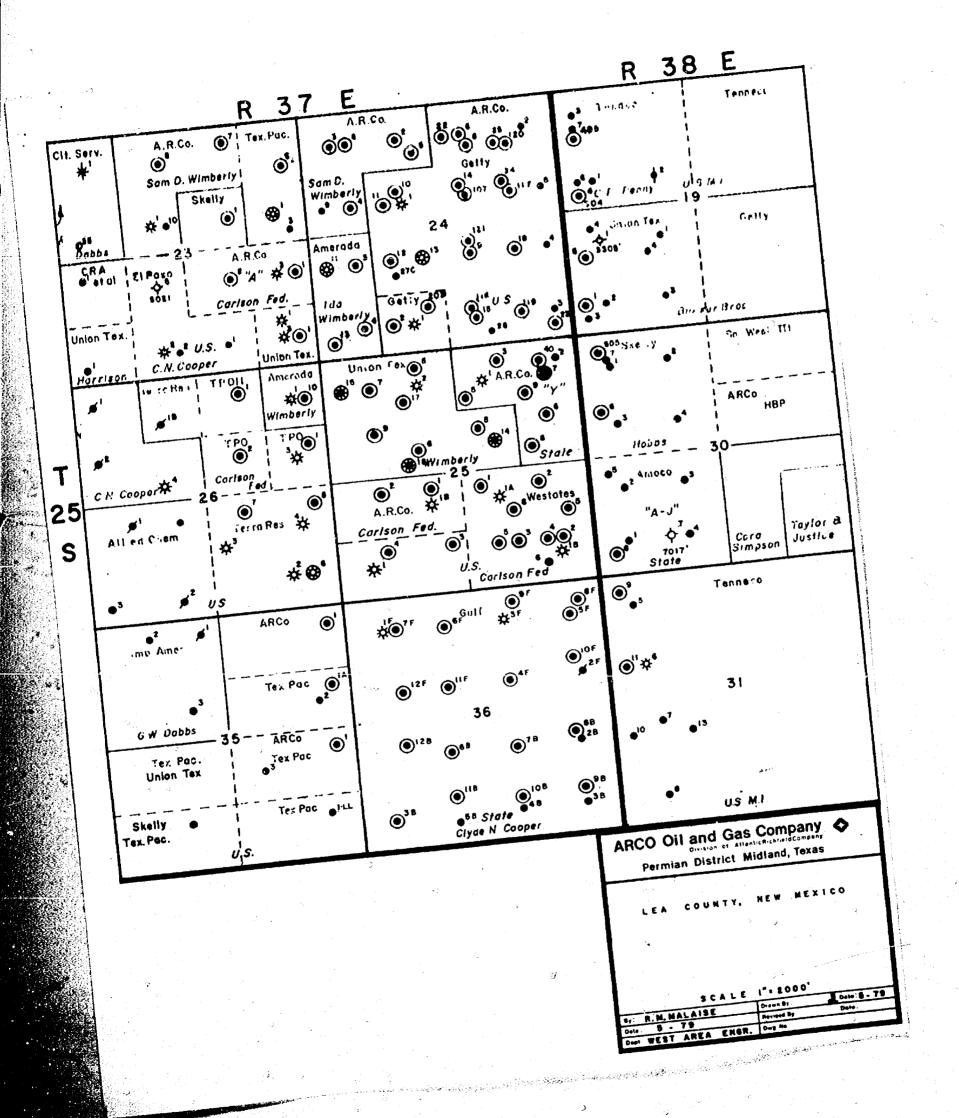
																		
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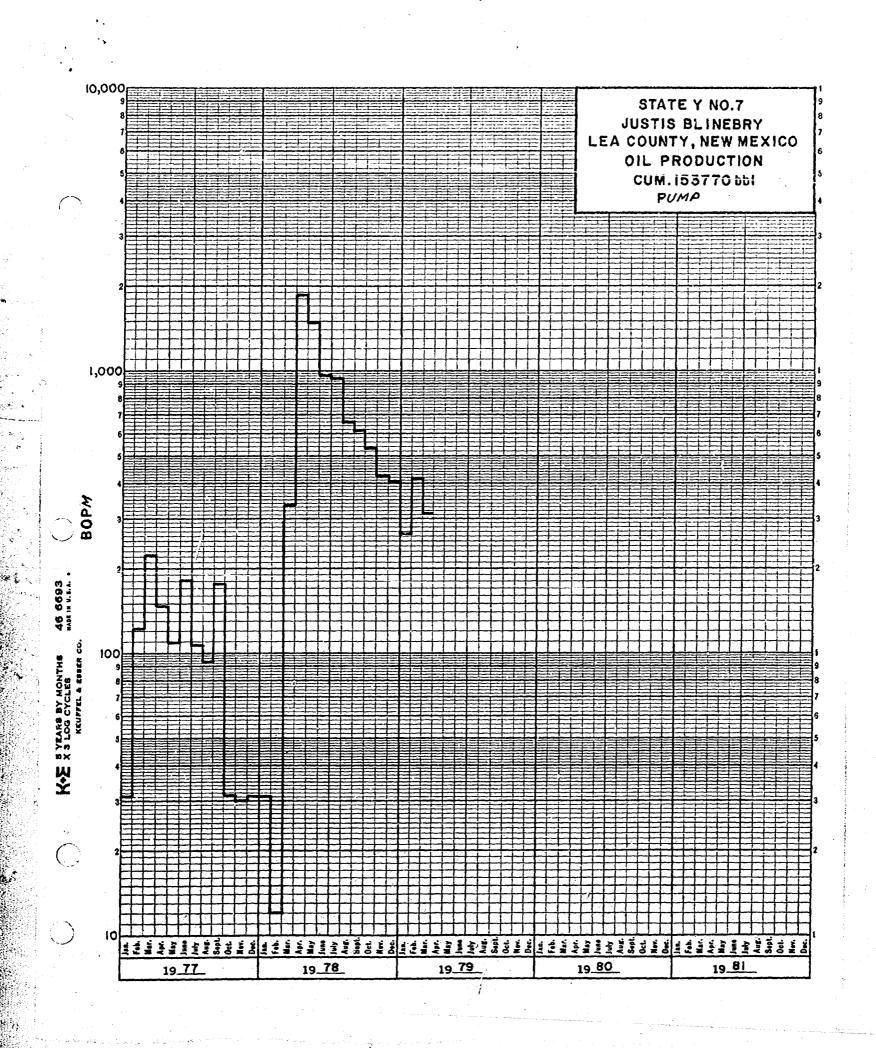
Gas volumes must be reported in MCF measured at a pressure base of 15.025 pala and a temperature of 60° F. Specific gravity base

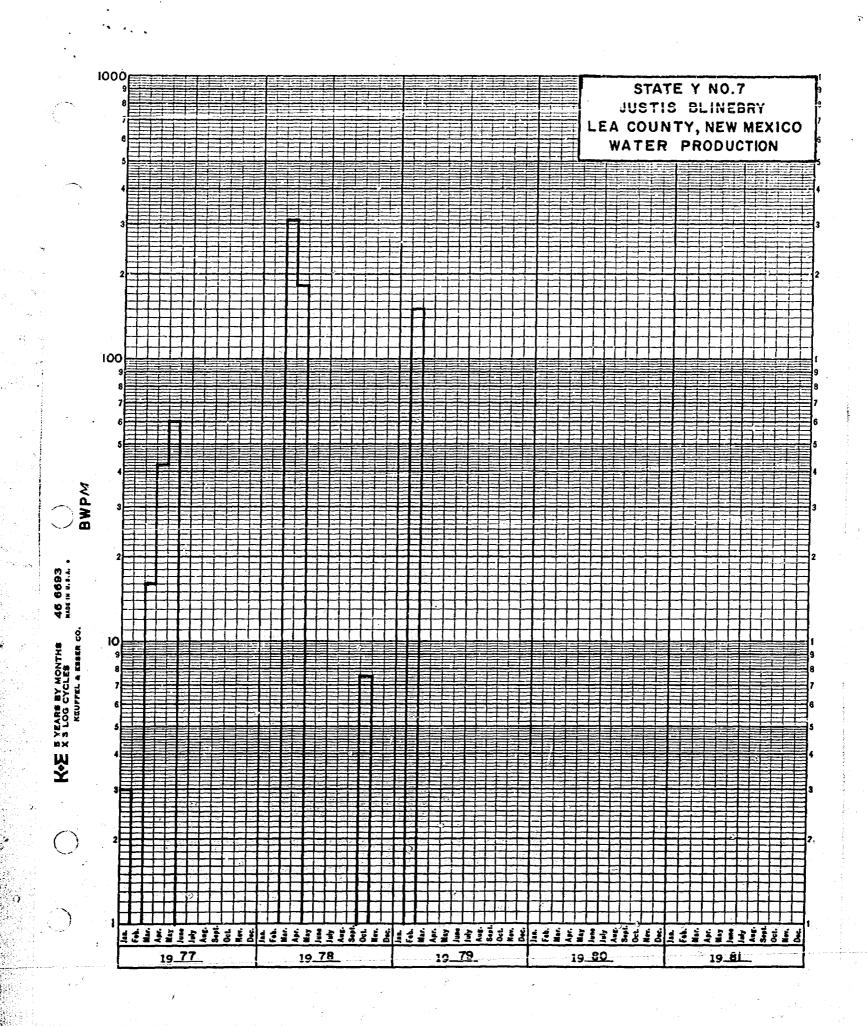
I hereby certify that the above information is true and complete to the best of my know ledge and belief.

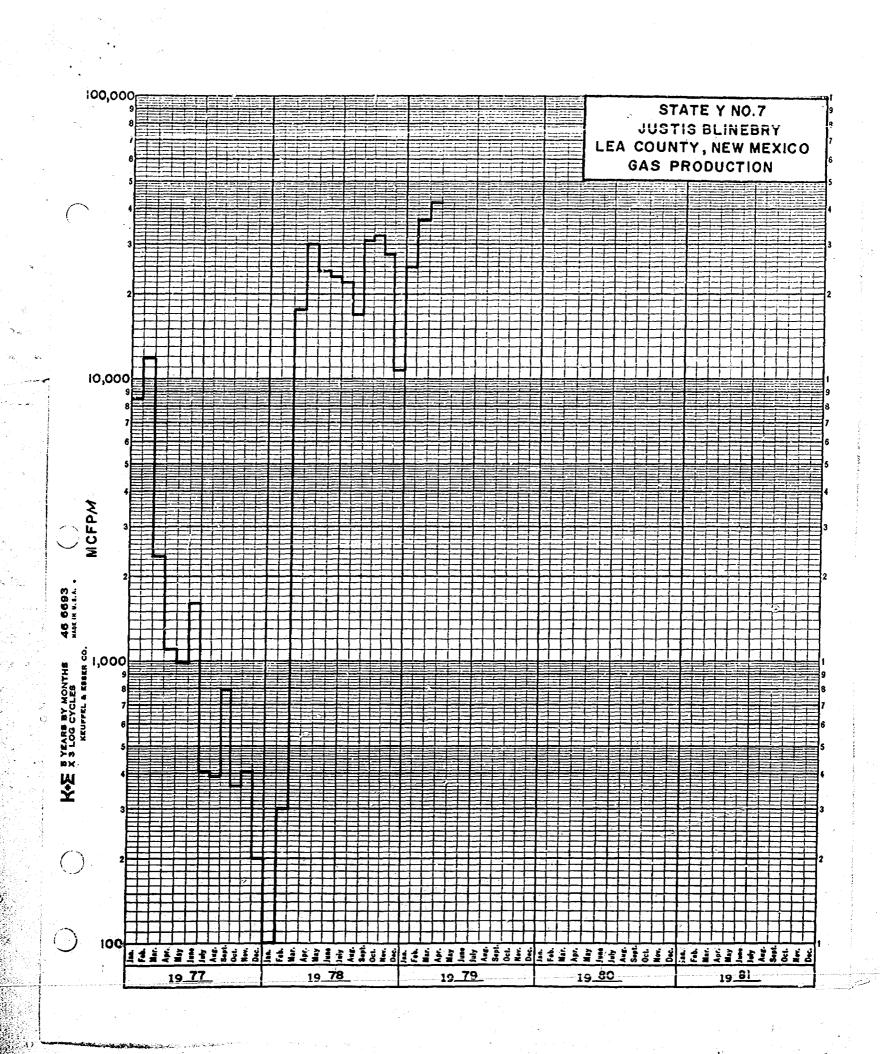
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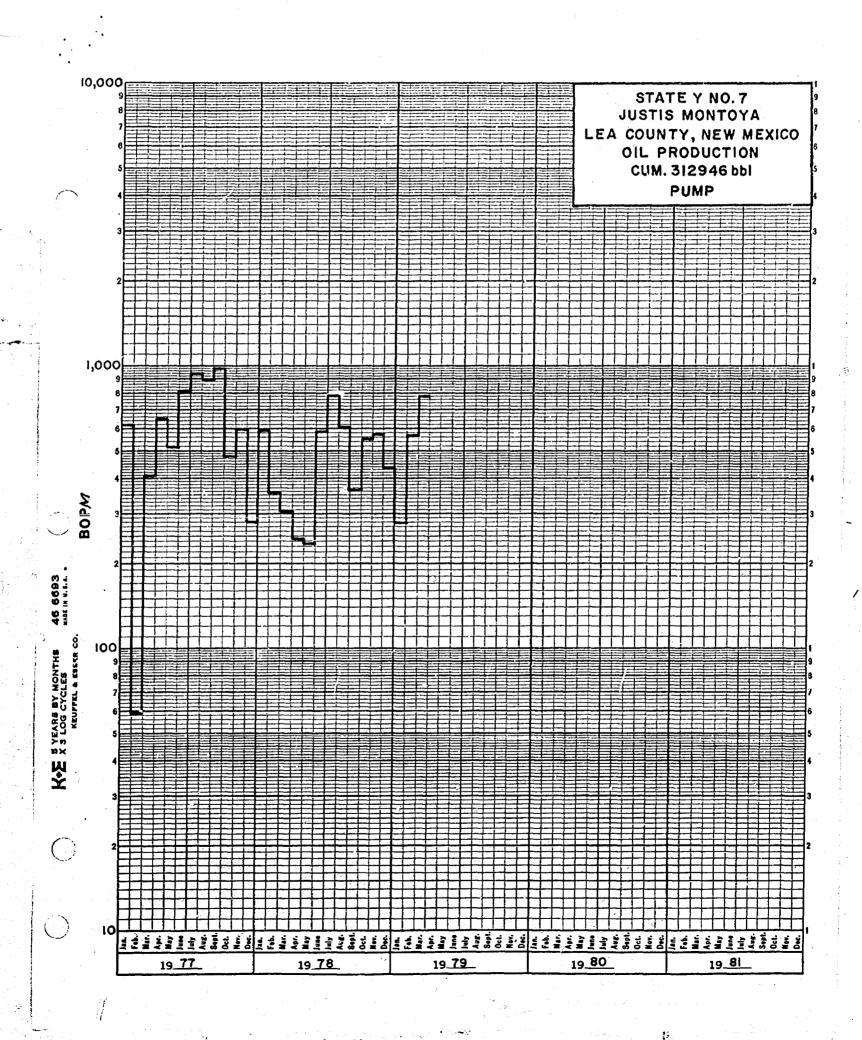
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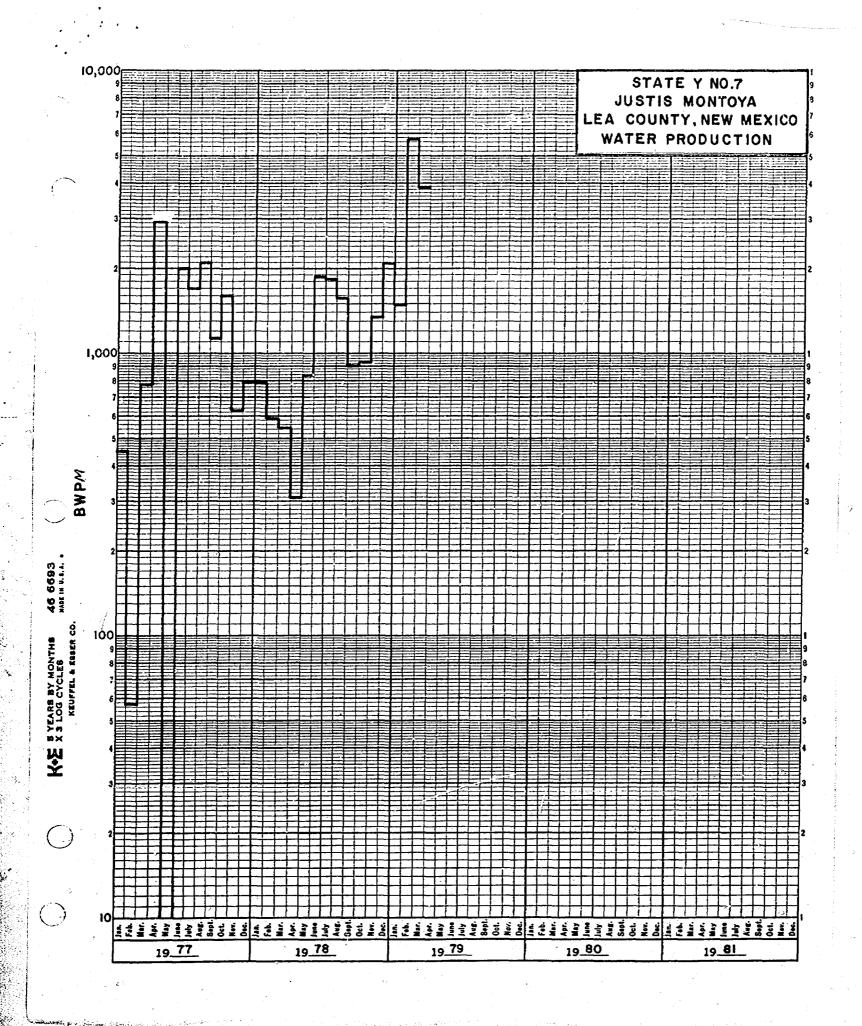


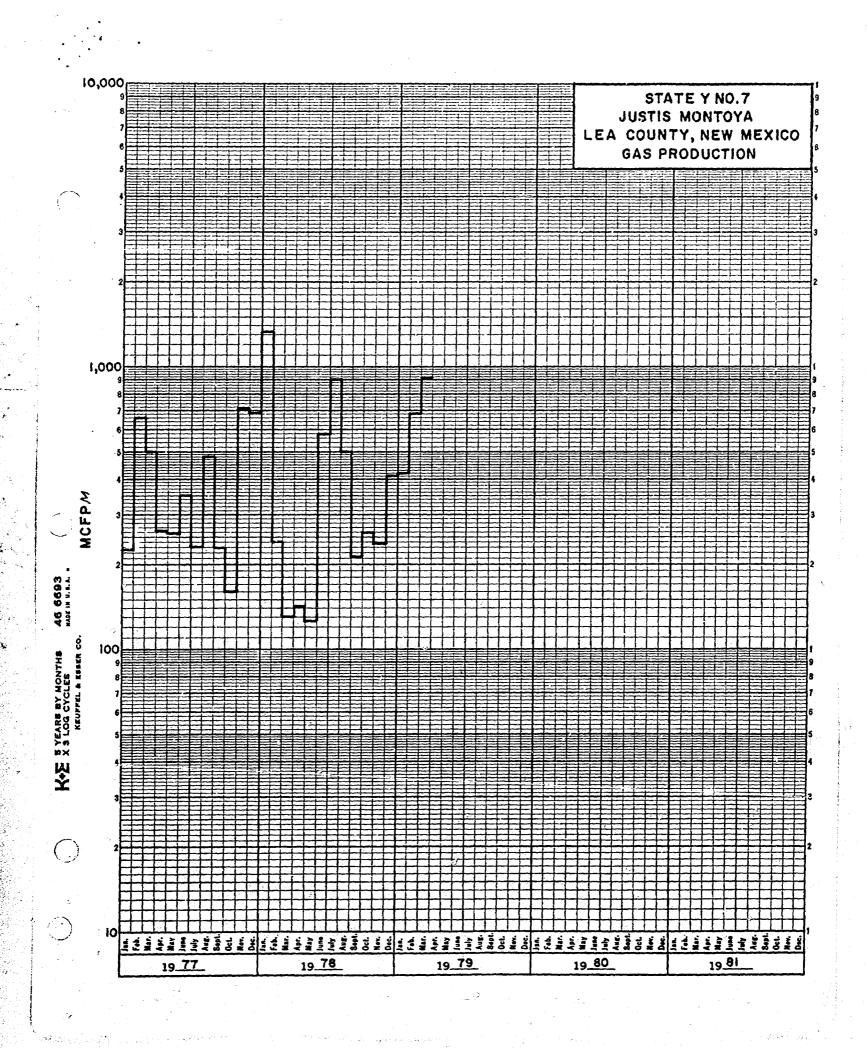












ARCO Oil and Gas Company
Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

November 7, 1979





Dismiss

Mr. Joe D. Ramey Oil Conservation Division New Mexico Department of Energy and Minerals P. O. Box 2088 Santa Fe. New Mexico 87501

RE: Case No. 6710 Docket No. 42-79
Downhole Commingling Application
State "Y" Lease; Wells #3,6,7

Dear Sir:

Because of the pressure differential between the two zones our applications were originally placed on the docket for October 31, 1979 and then extended to the hearing scheduled for November 14, 1979. We have just received actual pressure information on the two zones and find that our applications were somewhat premature. Therefore, we respectfully wish to withdraw our applications and cancel the hearing. We apologize for any inconvenience this may have caused.

Very truly yours,

J. L. Tweed

MG:ad

cc: NMOCD Area Supervisor - Hobbs Mr. Conrad Coffield - Midland Dockets Nos. 43-79 and 44-79 are tentatively set for November 28 and December 12, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 14, 1979

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1979, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for December, 1979, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- Application of Texaco Inc. for an unorthodox gas well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Loomis Fed.

 Well No. 1 to be drilled 1600 feet from the North line and 660 feet from the West line of Section

 5, Township 21 South, Range 32 East, South Salt Lake-Morrow Gas Pool, the N/2 of said Section 5 to be dedicated to the well.
- CASE 6707: (Continued from October 31, 1979, Examiner Hearing)

Application of Gulf Oil Corporation for a unit agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Southeast Bisti Unit Area, comprising 7,048 acres, more or less, of State and Federal lands in Townships 24 and 25 North, Range 10 West.

- CASE 6716: Application of Alpha Twenty-One Production Company for two non-standard proration units and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NW/4 SE/4 of Section 8, Township 25 South, Range 37 East, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Langlie Federal Well No. 3, and also a 120-acre unit comprising the E/2 SE/4 and SW/4 SE/4 of said Section 8 to be dedicated to a well to be drilled by applicant at a standard location thereon; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.
- CASE 6717: Application of O. H. Berry for a non-standard proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 of Section 15, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to his Isbell Well No. 6 at an unorthodox location 418 feet from the North line and 351 feet from the East line of said Section 15.
- CASE 6718: Application of Southland Royalty Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, Dil-Potash Area, the E/2 of said Section 14 to be dedicated to the well.
- CASE 6719: Application of Sam H. Snoddy for an amendment to Order No. R-5521, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks the amendment of Order No. R-5521, which authorizes the directional drilling of the Federal Well No. 2 in Section 25, Township 20 South, Range 32 East, to permit the well to be bottomed at approximately 1014 feet from the South line and 1285 feet from the West line of said Section 25.
- CASE 6710: (Continued from October 31, 1979, Examiner Hearing)

Application of ARCO Oil and Gas Company for downhole commingling, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and

Montoya production in the wellbores of the following wells on its State Y Lease: No. 3 located

in Unit B, No. 6 located in Unit H, and No. 7 located in Unit A, all in Section 25, Township 25

South, Range 37 East.

CASE 6720:

Application of ARCO 011 and Gas Company to drill a horizontal drainhole, Eddy County; New Mexico.

Applicant, in the above-styled cause, seeks approval to drill and complete its Empire Abo Unit
Well No. J-213, located in Unit E of Section 6, Township 18 South, Range 28 East, Empire-Abo Pool,
with a single horizontal drainhole of about 200 feet in length in the Abo formation.

- CASE 6721:
 Application of Aminoil USA, Inc. for compulsory pooling, Eddy County, New Mexico.
 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the WolfcampPennsylvanian formations underlying the N/2 of Section 10, Township 24 South, Range 28 East, to be
 dedicated to a well to be drilled at a standard location thereon. Also to be considered will be
 the cost of drilling and completing said well and the allocation of the cost thereof as well as
 actual operating costs and charges for supervision. Also to be considered will be the designation
 of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6684: (Continued from October 31, 1979, Examiner Hearing)

Application of CO₂-In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Bueyeros-Santa Rosa CO₂ Gas Pool and the promulgation of special pool rules therefor, including a provision for 40-acre spacing and proration units. Said pool would comprise all or parts of Sections 1 thru 4, Township 20 North, Range 30 East, and Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 and 34, Township 21 North, Range 30 East.

- CASE 6722: Application of Lloyd Davidson for an unorthodox oil well location, McKinley County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Santa Fe Pacific Well No. 1, a Gallup-Entrada-Dakota test 960 feet from the South line and 1230 feet from the East line of Section 29, Township 16 North, Range 6 West, the SE/4 SE/4 of said Section 29 to be dedicated to the well.
- Application of Merrion & Bayless for compulsory pooling, Rio Arriba County, New Mexico.

 Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SW/4 of Section 27, Township 24 North, Range 2 West, South Blanco-Pictured Cliffs Pool, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6713: (Continued from October 31, 1979, Examiner Hearing)

Application of Depco Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the White Ranch Unit Area, comprising 18,962 acres, more or less, of State, Federal, and fee lands in Townships 12 and 13 South, Ranges 29 and 30 East.

- CASE 6724: Application of Coquina Oil Corporation for a non-standard gas provation unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South line and 1650 feet from the East line of Section 7, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, the S/2 of said Section 7 to be dedicated to the well as a non-standard 320-acre provation unit.
- CASE 6725: Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6726: Application of Tesoro Petroleum Corporation for a waterflood project, McKinley County, New Mexico.

 Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the

 South Hospah-Upper Sand Oil Pool by the injection of water into the Upper Hospah Sands through

 three wells located in Units E and M of Section 5 and Unit I of Section 8, Township 17 North, Range

 8 West. Applicant further seeks an administrative procedure for expansion of said project.
- CASE 6727: Application of Conoco Inc. for sait water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks suthority to dispose of produced sale water in its Anderson Ranch Unit Well Mo. 8 located in Unit 1 of Section 11, Township 16 South, Range 32 East, Anderson Ranch Field. Applicant would dispose into the Wolfcamp, Mississippian, and Devonian formations in the overall interval from 9775 feet to 13,620 feet through selective perforations.
- CASE 6728: Application of Conoco Inc. for pressure maintenance expansion, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks the expansion of its Scarborough Eaves PM Project by the conversion of its Eaves "A" Well No. 7 located in Unit J of Section 19, Township 26 South, Range 37 East, to water injection in the Yates-Seven Rivers formations.

Application of Adams Exploration Company for compulsory pooling, Lea County, New Mexico.

Application of Adams Exploration Company for compulsory pooling all mineral interests in the Pennsyl
Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Considered Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsyl
Application of Adams Exploration Company for compulsory pooling, Lea County, New Mexico.

Application of Adams Exploration Company for compulsory pooling, Lea County, New Mexico.

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Application of Adams Exploration Company for compulsory pooling, Lea County, New Mexico.

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Application of Adams Exploration Company for compulsory pooling all mineral interests in the Pennsyl
Application of Adams Exploration Company for compulsory pooling all mineral interests in the Company for Compan Examiner Hearing - Wednesday - November 14, 1979

Application of Petroleum Development Corporation to limit 640-acre spacing, Eddy and Lea Counties, New Nexico. Applicant, in the above-styled cause, seeks an order limiting the applicability of the 640-acre spacing and well location rules for the Lusk-Morrow Gas Pool to the present boundaries the 640-acre spacing and well location rules for the Lusk-Morrow Gas Pool to the Rule 104 of the of said pool so that wells drilled nearby but outside the pool would be governed by Rule 104 of the the 640-acre spacing and well location rules for the Lusk-Morrow Gas Pool to the present boundaries of said pool so that wells drilled nearby but outside the pool would be governed by Rule 104 of the Division's Rules. CASE 6730:

Application of Petroleum Development Corporation for a non-standard gas proration unit and an unorthodox location. Fldy County. New Mexico. Applicant in the above-etyled cause, seeks and Application of Petroleum Development Corporation for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to the North and West lines of unorthodox location of a well to be drilled 660 feet from the North and West lines of section 13 to Section 13. Township 19 South, Range 31 East, Luck-Morrow Gas Pool, the N/2 of said Section 13. for the unorthodox location of a well to be drilled 660 feet from the North and West lines of Section 13, Township 19 South, Range 31 East, Lusk-Morrow Gas Pool, the N/2 of said Section 13 to be dedicated to the well as a non-standard 320-acre proration unit.

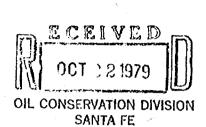
CASE 6709:

Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation and the Pennsylvanian formation and the Pennsylvanian formation and the Pennsylvanian formation and the Pennsylvanian formati (Continued from October 31, 1979, Examiner Hearing) completing said well and the allocation of the cost thereof as well as actual operating costs and charges for surervision. 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.

ARCO Oil and Gas Company

Permian District Post Office Box 1610 Midland, Texas 79702 Telephone 915 684 0100

October 19, 1979



Mr. Joe D. Ramey Oil Conservation Division New Mexico Department of Energy & Minerals P. O. Box 2088 Santa Fe, New Mexico 87501

RE: Case No. 6710
Application for downhole commingling
State Y Lease: Wells #3,6,7

Dear Sir:

ARCO 0il & Gas Company respectfully requests that the subject hearing originally scheduled for October 31, 1979 be continued to the hearing scheduled for November 14, 1979. The postponement is necessary to gather additional data for our case. We apologize for any inconvenience this may cause.

Very truly yours,

J. L. Tweed

MG:ad

Docket No. 41-79

Dockets Nos. 42-79 and 43-79 are tentatively set for November 14 and 28, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 31, 1979

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:

- CASE 6706: Application of Consolidated Oil & Gas, Inc. for alternate filing requirements under the Natural Gas Policy Act of 1978, San Juan, Rio Arriba, and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks an order adopting alternate filing requirements under the Natural Gas Policy Act of 1978 whereby infill wells drilled in the Blanco Mesaverde and Basin-Dakota Pools pursuant to the pool-wide infill drilling findings and rules promulgated for said pools by Division Orders Nos. R-1670-T and R-1670-V, respectively, would qualify as new onshore production wells.
- CASE 6707: Application of Gulf Oil Corporation for a unit agreement, San Juan County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the Southeast Bisti Unit Area, comprising 7,048 acres, more or less, of State and Federal lands in Townships 24 and 25 North, Range 10 West.
- CASE 6708: Application of Doyle Hartman for an unorthodox well location, non-standard proration unit, and approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the SW/4 NE/4 and SE/4 NW/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36; applicant further seeks a waiver of existing well spacing requirements and a finding that the drilling of said well is necessary to effectively and efficiently drain that purtion of the proration unit which cannot be so drained by the existing well.
- CASE 6695: (Continued from October 17, 1979, Examiner Hearing)

Application of Millard Deck Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at a standard location thereon.

- CASE 6709: Application of HNG Gil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 33, Township 16 South, Range 35 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- Application of ARCO 0il and Gas Company for downhole commingling, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and

 Hontoya production in the wellbores of the following wells on its State Y Lease: No. 3 located
 in Unit B, No. 6 located in Unit H, and No. 7 located in Unit A, all in Section 25, Township 25

 South, Range 37 East.
 - CASE 6711: Application of Sun Oil Company of Delaware for an unorthodox gas well location, Lea County, New Nexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Mississippian test well to be located 660 feet from the North and East lines of Section 27, Township 14 South, Range 37 East, the E/2 of said Section 27 to be dedicated to the well.
 - CASE 6712: Application of Sun Gas Company for approval of infill drilling and simultaneous dedication, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well spacing requirements and a finding that the drilling of its N.M. Federal "N" Well No. 6-E to be located in Unit P of Section 6, Township 30 North, Range 12 West, Basin-Dakota Pool, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well,
 - CASE 6713: Application of Depco Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the White Ranch Unit Area, comprising 18,962 acres, more or less, of State, Federal, and fee lands in Townships 12 and 13 South, Ranges 29 and 30 East.

Docket No. 41-79

Page 2 of 2 Examiner Hearing - Wednesday - October 31, 1979

CASE 6684: (Continued from October 2, 1979, Examiner Hearing)

Application of CO₂-In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Bueyeros-Santa Rosa CO₂ Gas Pool and the promulgation of special pool rules therefor, including a provision for 40-acre spacing and proration units. Said pool would comprise all or parts of a provision for 40-acre spacing and proration units. Said pool would comprise all or parts of sections 1 thru 4, Township 20 North, Range 30 East, and Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 and 34, Township 21 North, Range 30 East.

Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and West lines of Section 20, Township 20 South, Range well to be drilled 660 feet from the South and West lines of Section 20 to be dedicated to the well.

36 East, North Osudo-Morrow Gas Pool, the S/2 of said Section 20 to be dedicated to the well. CASE 6714:

ARCO Oil and Gas Company

Permian District
Post Office Box 1610
Midland, Texas 79702
Telephone 915 684 0100

August 16, 1979

DHC - 292

AUG 3 19/9
OIL CONSERVATION DIVISION

Mr. Joe D. Ramey SANTA FE
011 Conservation Division
New Mexico Department of Energy & Minerals
P. O. Box 2088
Santa Fe, New Mexico 87501

Care 67/0

RE: State Y #3
Section 25, T-25-S, R-37-E ULIT B
Lea County, New Mexico
Application to downhole
Commingle Blinebry and
Montoya Zones

Dear Sir:

ARCO Oil and Gas Company requests administrative approval under the provisions of Rule 303-C to downhole commingle Blinebry and Montoya production in the State Y #3, located in Section 25, T-25-S, R-37-E of Lea County, New Mexico.

Production from the Blinebry, Montoya, and Fusselman zones has been commingled in the surface lease facilities (Order #R-1337) with no indication of fluid incompatibility. Since the crudes are commingled at the battery before sale, no change in value will result from commingling the production downhole. Ownership of both zones is common, and downhole commingling will not violate correlative rights.

Producing from a maximum depth of 68831, this well is allowed a commingled production rate of 40 BOPD. The water production limit is 40 BOPD from each zone.

Both sides of the Staty Y No. 3 have been shut-in since January, 1979, due to a hole in the Blinebry tubing and a Kobe pump string part in the Montoya. We would like to do the necessary repair work at the same time we commingle the production downhole.

Productivity tests showed Blinebry production to be 6 BOPD + 0 BWPD + 144 MCFPD (12-7-78) and Montoya production to be 19 BOPD + 83 BWPD + 9 MCFPD (12-1-78) shortly before being shut-in on January 18, 1979. The producing intervals are 5118-5530' and 6821-6883', respectively.

BC 680 24% 144mef 94 hourt 1980 16% grap 6 No bottom hole pressure tests have been run on either zone of the State Y No. 3. However, because of its proximity to the State Y No. 7, similar production histories, and roughly equivalent are expected to approximate those in State Y No. 3 on this basis, estimates of State Y No. 3 bottom hole pressures are 260 psig in the Blinebry and

Sufficient pump capacity will be available to lift the anticipated 110 BFPD commingled production, and prevent fluid buildup in the wellbore and possible contamination of the two producing zones.

Approval of this application will allow this well to be worked over and returned to production at far less expense than would otherwise be required. In addition, the more efficient operation will allow the well to produce additional reserves from both zones which would otherwise not be recovered.

Additional information, such as decline curves, Form C-II6-A, List of Offset Operators, and lease and well information is included as required by Rule 303-C. Offset Operators and the U. S. Geological copy of this application.

Thank you for your consideration.

Very truly yours,

I tweed

J. L. Tweed

KG:ad

cc: Offset Operators NMOCC Area Supervisor P. O. Box 1980 Hobbs, New Mexico 88240

COMPARISON OF BLINEBRY ZONES

	STATE Y #3	STATE Y #7	STATE Y #6
Date Completed:	2-14-62	5-21-59	12-19-60
Producing Interval:	5118-5530'	5038-54321	5030-5560'
Cumulative Production:	106 MBO	154 MBO	108 MBO
Producing Rate:	8 BOPD 0 BWPD 144 MCFPD	8 BOPD 1 BWPD 120 MCFPD	12 BOPD 1 BWPD 63 MCFPD
Bottom Hole Pressure:	260 psig (estimated)	268 psig (from fluid level)	258 psig (from fluid level)
Distance & Direction from State Y #3:	A	895' ESE	1650' SE

COMPARISON OF MONTOYA ZONES

	STATE Y #3	STATE Y #7	STATE Y #6
	12-21-58	5-20-59	4-25-59
Date Completed:	6821-6883	6868-6960'	6915-69741
Producing Interval:	281 MBO	313 MBO	292 MB0
Cumulative Production: Producing Rate:	19 BOPD 83 BWPD	6 BOPD 25 BWPD 120 MCFPD	6 BOPD 53 BWPD 3 MCFPD
Bottom hole pressure:	9 MCFPD 1000 psig (estimated)	1042 psig (from fluid level)	1375 psig (from fluid level)
Distance & Direction		895' ESE	1650' SE

Operator:

ARCO Oil & Gas Company P. 0. Box 1610

Midland, Texas 79702

Lease, Well & Location: State Y #3
330' FNL & 1650' FEL USE F Section 25, T-25-S, R-37-E Lea County, New Mexico

Producing Zones:

Blinebry - Flowing (S.I.) Montoya - Pump (S. I.)

Current Production:

- 6 BOPD Blinebry - 0il

- O BWPD Water

- 144 MCFPD Gas

- 19 BOPD Montoya - 0il

- 83 BWPD Water

- 9 MCFPD Gas

Commission Number Authorizing Dual Completion:

MS-1153 1

- Fluid Compatibility and Value: Production is presently commingled in surface facilities with no evidence of fluid incompatibility (#R-1337). Because this is before sale, no change in value will result from downhole commingling.
- 7. Decline Curves: Enclosed
- Estimated bottom hole pressures: Blinebry 260 psig Montoya 1000 psig
- Offset Operators are being notified by registered mail with a copy of this application.

LIST OF OFFSET OPERATORS

AMERADA HESS CORPORATION DRAWER 817 SEMINOLE, TEXAS 79360

GETTY OIL COMPANY BOX 1231 MIDLAND, TEXAS 79702

SANTA FE, NEW MEXICO 87301

Revised 10-1-78

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Gas volumes must be reported in MCF measured at a pressure base of 14.025 paid and a temperature of 20° F. Specific gravity base. ted attempoles when authorized by the Division.

Gas volumes qual be reported in MCT measured at a pressure base of 15,025 pale and a temperature of 50° F. Specific gravity base of 0.00.

Repert coains pressure in lieu of tubing prensure for any well producing through coains.

Nell efficient and one copy of this report to the district office of the New Mexico Oil Conservation Division in necocidance with Rule 131 and appropriate pool rules.

STATE OF NEW MEXICO ENERGY ME MINERALS DEPARTMENT

r. o. dox 2010 SANTA FG, NEW MEXICO 8750;

form C-116 keyised 10-1-78

GAS-OIL RATIO TESTS

Operator ARCO OIL & GAS COMPANY	-		1200	ol						Co	unty				·	· <u> </u>
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During ges-oil ratio test, each well shall be produced at a rote not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Optrator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned.

Gas volumes must be reported in MCF measured at a pressure base of 15,025 psis and a temperature of 60° F. Specific grayly base will be 0,60.

Report enough pressure in Hou 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 Oli Conservation Division in accordance with Rule 191 and appropriate pool rules.

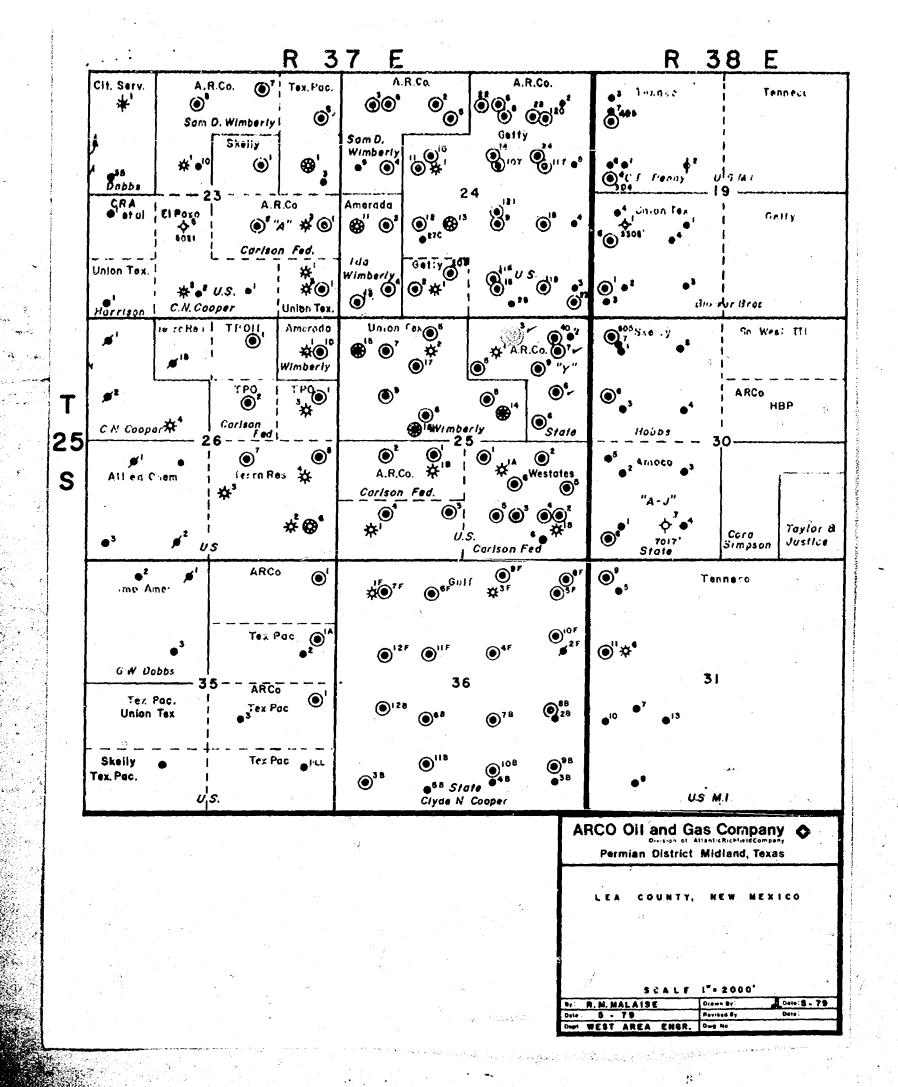
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

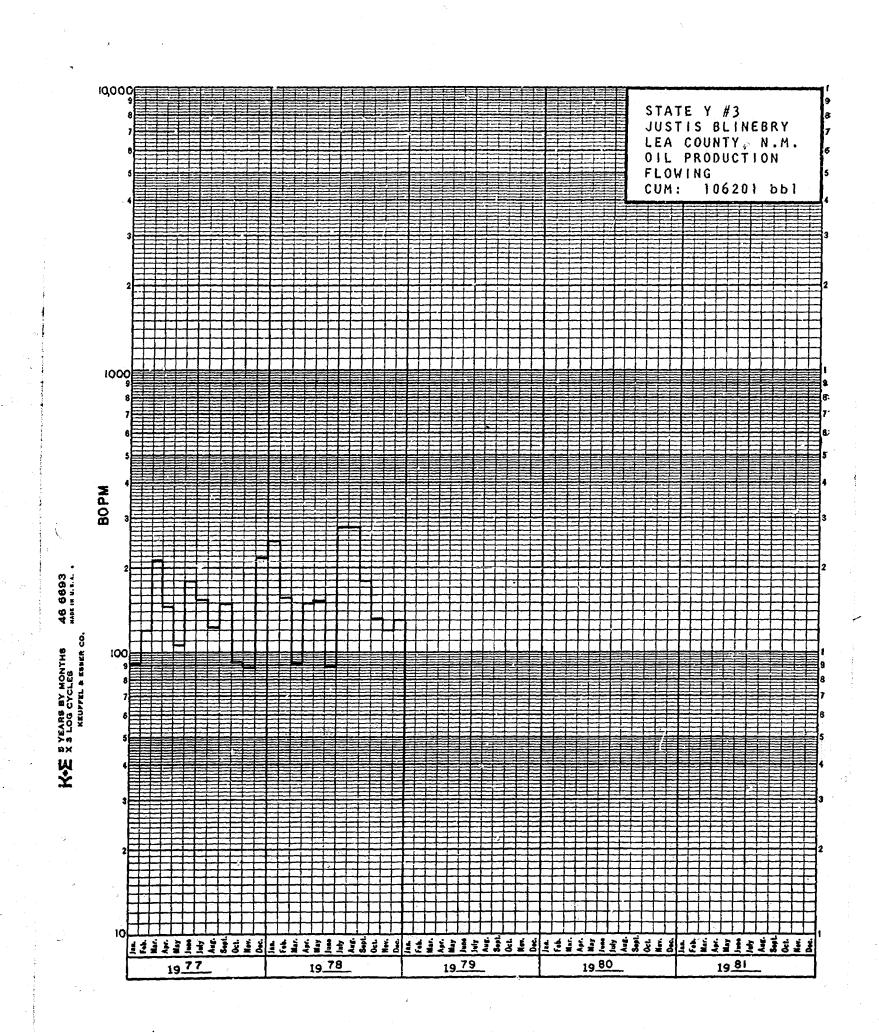
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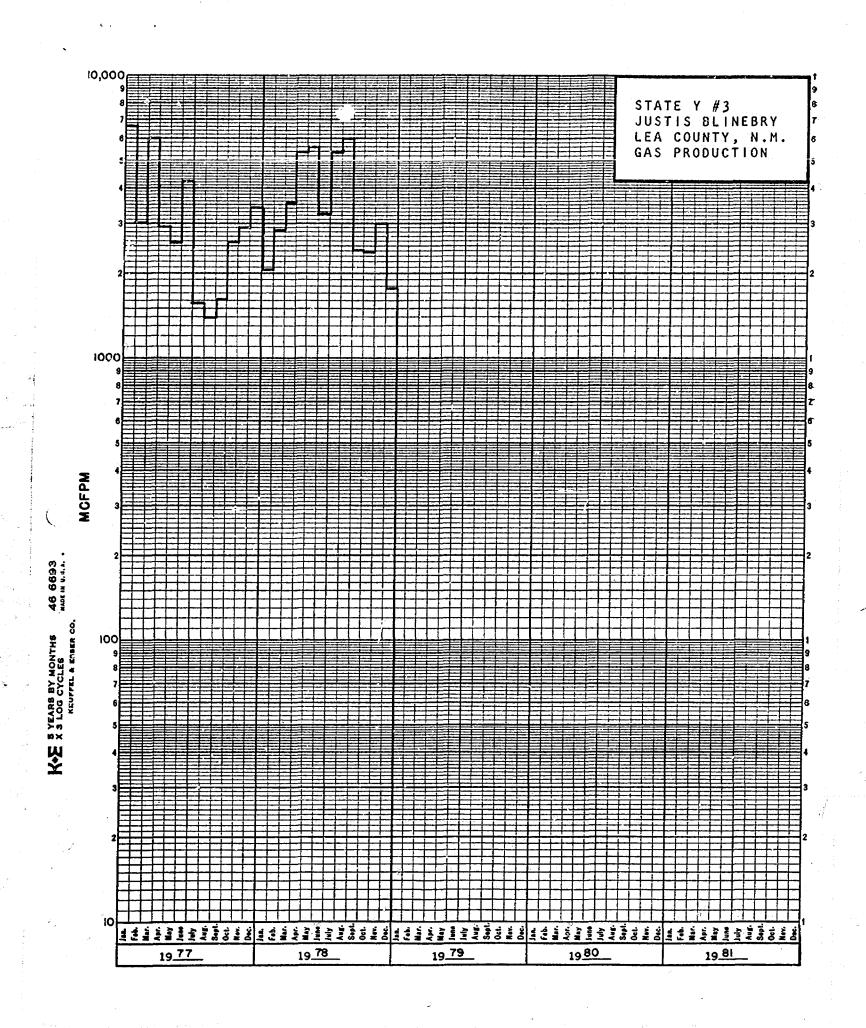
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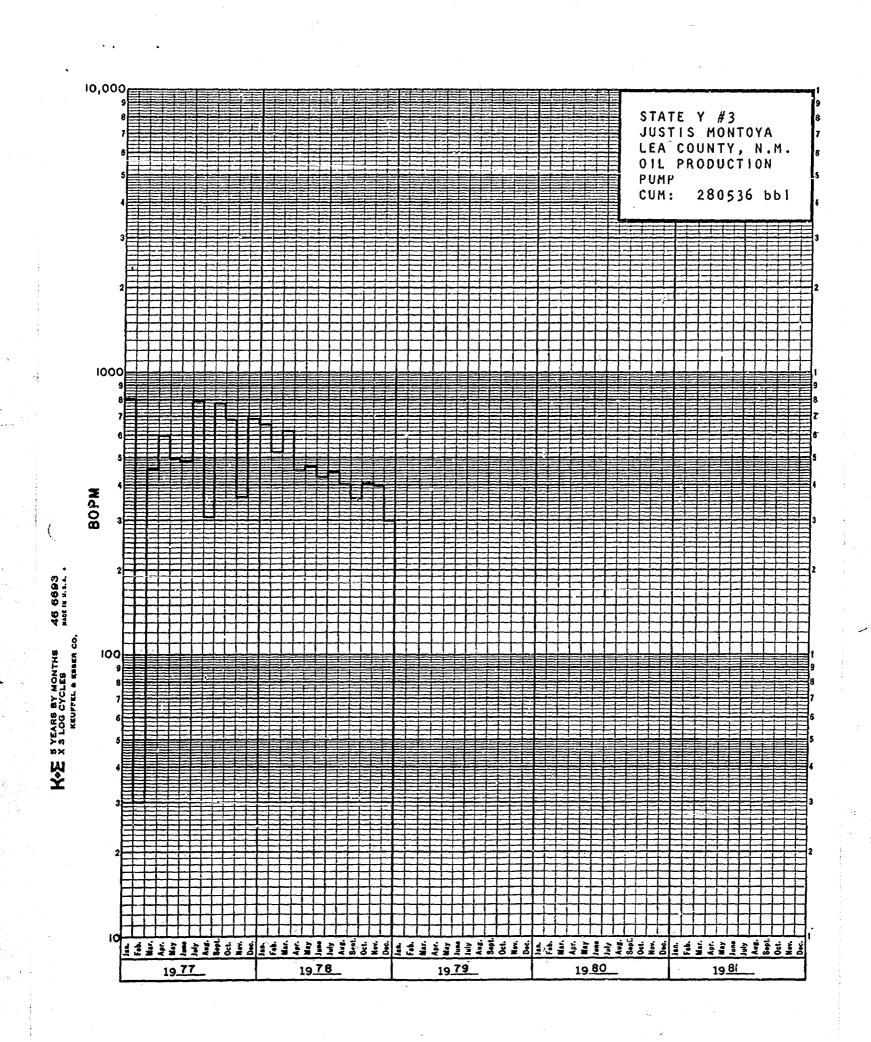
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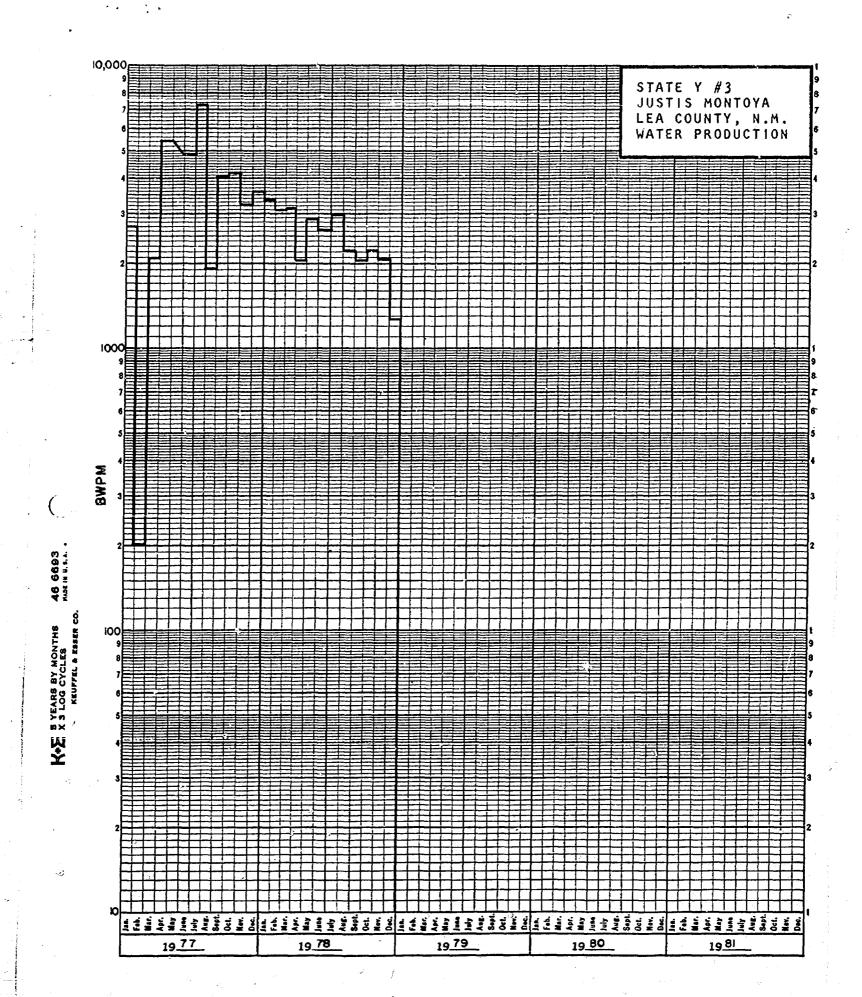
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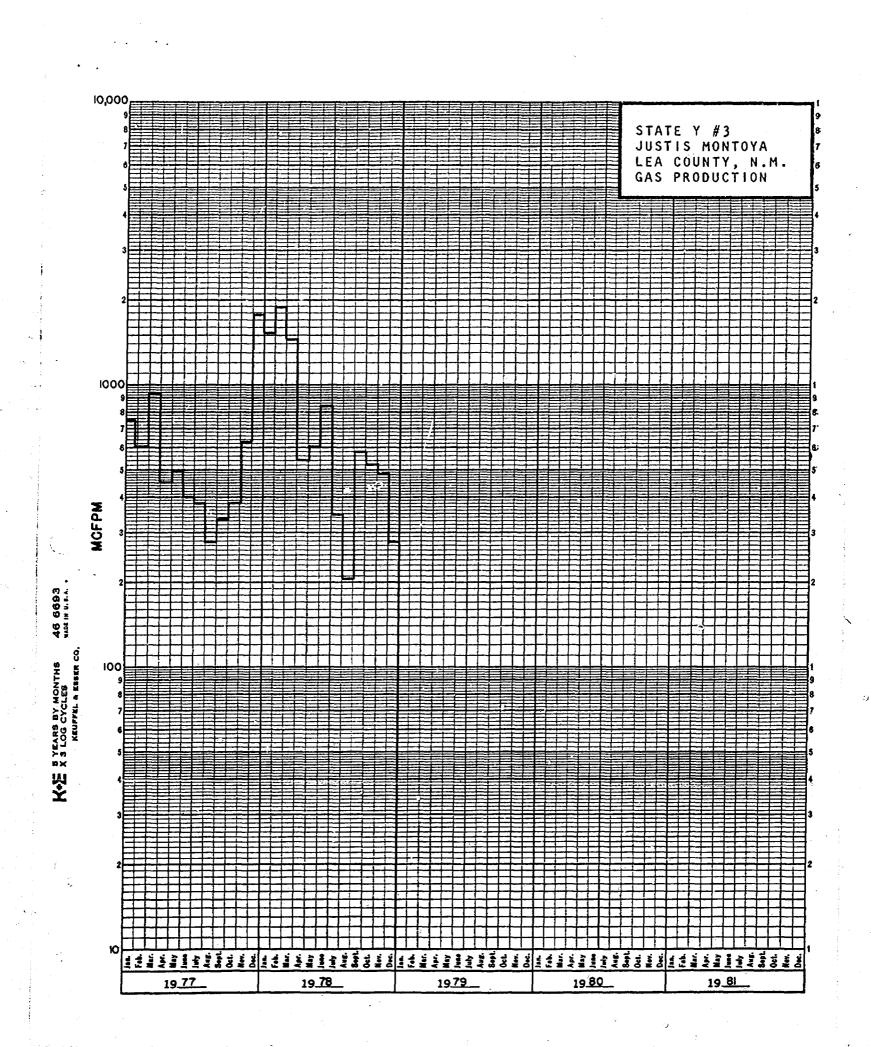












OIL CONSERVATION DIVISION DISTRICT I

OIL CONSERVATION DIVISION	v	OIL CONST	NATION DIVISION ANTA FE August 30, 19	79
P. O. BOX 2088 SANTA FE, NEW MEXICO 8750	01	RE:	Proposed MC Proposed DHC Proposed NSL Proposed NSP	X
0.12			Proposed SWD Proposed WFX Proposed PMX	
Gentlemen:		•		
I have examined the appli	ication for the	e:	•	.5
ARCO Oil & Gas Co.	State "Y" No	. 3	B 25-25-37	
Operator and my recommendations ar Producing 83 BWPD40 is			Unit, S - T -	
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OIL CONSERVATION DIVISION DISTRICT I

OIL CONSERVATION DIVISIO	ON .	DATE	August 30,	1979
P. O. BOX 2088				
SANTA FE, NEW MEXICO 875	501	RE:	Proposed MC	
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	SEP 0 & 1979		Proposed NSP	
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	OIL CONSTRUCTION DIN'	,	Proposed PMX	7
	OIL CONSTRUATE SANTA FE			
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have examined the appl	itations for the:			
ARCO Oil & Gas Co.	State y No. 7		A 25-25-37	
ARCO 0il & Gas Co. Operator and my recommendations a O.KJ.S.	State y No. 7 Lease and Well No. re as follows:	ο		
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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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

CASE	NO.	671	0		
Order	No.	R-	1366	6186	

APPLICATION OF ARCO OIL AND GAS COMPANY FOR DOWNHOLE COMMINGLING, LEA COUNTY, NEW MEXICO.

5.X

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14

19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this day of November, 19 79, the Division

Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6710 is hereby dismissed.

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