

Case No.

7280

Application

Transcripts

Small Exhibits

ETC



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

August 17, 1981

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-9434

Mr. Gary Paulson  
Amoco Production Company  
P. O. Box 3092  
Houston, Texas 77001

Re: CASE NO. 7280  
ORDER NO. R-6756

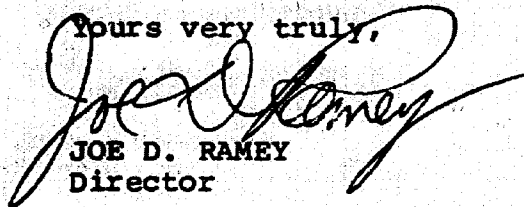
Applicant:

Northwest Pipeline Corporation

Dear Sir:

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

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD x

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. 7280  
Order No. R-6756

APPLICATION OF NORTHWEST PIPELINE  
CORPORATION FOR A DUAL COMPLETION  
AND DOWNHOLE COMMINGLING, RIO  
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on July 29, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of August, 1981, 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, Northwest Pipeline Corporation, seeks authority to dually complete its Rose Unit Well No. 77, located in Unit L of Section 33, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through separate strings of tubing.
- (3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (4) That from the Gallup zone, the subject well is capable of low marginal production only.
- (5) That from the Dakota zone, the subject well is capable of low marginal production only.

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Case No. 7280  
Order No. R-6756

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

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

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 29 percent of the commingled gas production and all of the oil production should be allocated to the Gallup zone, and 71 percent of the commingled gas production to the Dakota zone.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Northwest Pipeline Corporation, is hereby authorized to dually complete its Rosa Unit Well No. 77, located in Unit L of Section 33, Township 31 North, Range 5 West, NMPH, Rio Arriba County, New Mexico, as a dual completion (conventional) to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through parallel strings of tubing with separation of the Mesaverde zone from the commingled zones to be achieved by means of a packer located at a depth of approximately 6030 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for gas wells in Rio Arriba County, New Mexico.

(2) That 29 percent of the commingled gas and all of the commingled oil production shall be allocated to the Gallup zone



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Case No. 7280  
Order No. R-6756

and 71 percent of the commingled gas production shall be allocated to the Dakota zone.

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

(4) 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  
Director

SEAL

rd/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
29 July 1981

EXAMINER HEARING

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IN THE MATTER OF:

Application of Northwest Pipeline  
Corporation for a dual completion and  
downhole commingling, Rio Arriba  
County, New Mexico.

CASE  
7280

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

Gary L. Paulson, Esq.  
Amoco Production Company  
Amoco Bldg.  
17th and Broadway  
Denver, Colorado 80202

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I N D E X

VINTON PIERCE

Direct Examination by Mr. Paulson	4
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E X H I B I T S

Applicant Exhibit One, Plat	7
Applicant Exhibit Two, Diagrammatic Sketch	8

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2 MR. STAMETS: We'll call next Case 7280.

3 MR. PADILLA: Application of Northwest  
4 Pipeline Corporation for a dual completion and downhole com-  
5 mingling, Rio Arriba County, New Mexico.

6 MR. PAULSON: Good morning, Mr. Examiner.  
7 Gary Paulson, appearing in association with Charles Malone  
8 and the firm of Atwood and Malone, Mann, and Cooter, Roswell,  
9 on behalf of Amoco Production Company, as well as the appli-  
10 cant, Northwest Pipeline Corporation.

11 I would tender our apologies for any in-  
12 convenience that might have occurred as a result of some  
13 communications problems between the applicant and Amoco Pro-  
14 duction Company. I understand this matter has been called  
15 a couple of times and no action was taken. We certainly  
16 apologize for that. We are prepared to proceed today.

17 We do have one witness, Mr. Vinton  
18 Pierce, and would ask that he be sworn at this time.

19 MR. STAMETS: Will the witness stand and  
20 be sworn, please?

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22 (Witness sworn.)  
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VINTON PIERCE

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

DIRECT EXAMINATION

BY MR. PAULSON:

Q Would you state your name for the record,  
please?

A Vinton, V-I-N-T-O-N, Pierce, P-I-E-R-C-E.

Q And by whom are you employed?

A Amoco Production Company.

Q In what capacity?

A As Senior Petroleum Engineering Asso-  
ciate.

Q And you have previously testified before  
this Commission and your qualifications have been accepted,  
is that correct?

A Yes, they have.

Q And you're familiar with the subject  
well, that being the Rosa Unit Well No. 77?

A Yes.

Q And you're also familiar with the appli-  
cation that's been filed by Northwest Pipeline Corporation  
in this matter?



1  
2 A Yes, I am.

3 MR. PAULSON: Mr. Examiner, do you have  
4 any questions concerning Mr. Pierce's qualifications?

5 MR. STAMETS: Well, just a little bit.  
6 I think Mr. Pierce obviously qualified but I'm not certain  
7 why he is here for Amoco representing Northwest Pipeline.

8 MR. PAULSON: Well, there's a variation  
9 in ownership as between the zones in this particular well  
10 and the initial application for dual completion was filed, I  
11 believe, by Northwest Pipeline Corporation, and apparently,  
12 that application was then sent down to the Commission from  
13 Aztec because of the commingling aspect of it, of the problem,  
14 and apparently, the feeling was that inasmuch as the zones  
15 that required commingling, or for which commingling was re-  
16 quested, were owned wholly by Amoco Production Company, that  
17 we should proceed, and I -- that's my understanding of it.  
18 Perhaps Mr. Pierce can shed additional light on the --

19 MR. STAMETS: I think it would be well  
20 to have something in the record from Northwest Pipeline  
21 authorizing Mr. Pierce to appear in their behalf today, and  
22 that can be submitted subsequent to the hearing.

23 MR. PAULSON: Be happy to. There is a  
24 gentleman here from Northwest Pipeline. Mr. Paul Thompson,  
25 I believe, is here. Would you care to --

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MR. STAMETS: I think that would be fine.

3

We'll get it squared away as to why Mr. Pierce is here.

4

MR. PAULSON: Okay. Would you like to

5

have him sworn or --

6

MR. STAMETS: Well, let's go off the

7

record a minute and get it squared away.

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(Thereupon a discussion was

10

had off the record.)

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MR. STAMETS: Okay, let's go back on

13

the record, Sally.

14

If you will supply us with that clarifi-

15

cation, Mr. Paulson, I'll appreciate it.

16

MR. PAULSON: Thank you, Mr. Examiner,

17

I'll certainly do that.

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MR. STAMETS: All right.

19

Q

Mr. Pierce, would you explain briefly

20

what is sought by the application of Northwest Pipeline in

21

this matter?

22

A

Yes. We are requesting approval to

23

dually complete the Mesaverde with a commingled Gallup-Dakota

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lower zone. As pointed out by Northwest Pipeline, the working

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interest ownership is diverse between the Mesaverde and the

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2 Gallup-Dakota, with Amoco owning 100 percent working interest  
3 in the Gallup-Dakota.

4 Q Mr. Pierce, have you prepared certain  
5 exhibits in anticipation of testifying here today?

6 A Yes, I have.

7 Q And were those exhibits prepared by you  
8 or under your supervision and control?

9 A Yes.

10 Q Okay, referring to what's been marked  
11 Exhibit One, it's a plat, is it not?

12 A Yes, it is.

13 Q And would you identify that document  
14 generally and explain its significance to the application,  
15 please?

16 Q This Exhibit One is a plat of the imme-  
17 diate area surrounding Rosa Unit Well No. 77. Rosa Unit 77  
18 is identified by a triangular symbol and an arrow. It is  
19 located in the southwest quarter of Section 33, Township 31  
20 North, Range 5 West, Rio Arriba County.

21 The plat shows offset wells and leases.  
22 The Mesaverde wells are shown in a black dot; the Dakota  
23 wells are shown with a star sized, star shaped symbol.

24 Q Mr. Pierce, would you explain for the  
25 Examiner the ownership of the various zones within the well-

1  
2 bore, particularly the ownership of the zones sought to be  
3 commingled?

4 A Yes. The ownership of the Gallup and  
5 the Dakota zone is common.

6 Q And what about Mesaverde?

7 A The Mesaverde ownership is different  
8 from that in the Gallup and Dakota.

9 Q Anything else on this exhibit that you'd  
10 like to explain at this time?

11 A I don't believe so.

12 Q Okay. Referring to the next exhibit,  
13 which has been marked Exhibit Two, would you identify that  
14 document for us and describe its significance to the applica-  
15 tion?

16 A Exhibit Two is a wellbore diagram  
17 showing the casing, tubing, and packer arrangement presently  
18 installed in the well. The packer is set at a depth of  
19 6030 feet, below the Mesaverde and above the Gallup and Dakota.

20 The exhibit also shows production tests  
21 for each zone. The Dakota zone flowed 1652 Mcf per day;  
22 the Gallup, 668 Mcf per day; and the Mesaverde, 1719 Mcf  
23 per day.

24 This exhibit also shows shut-in bottom  
25 hole pressure information for the Gallup and Dakota. The



1  
2 Dakota, on an 11-day shut-in had a bottom hole pressure of  
3 2701 psi; the Gallup, on an 8-day shut-in had a bottom hole  
4 pressure of 3146 psi.

5 Q Mr. Pierce, are you aware that allocation  
6 of production as between the commingled zones must be  
7 made? What is your proposal with respect to allocation?

8 A Based on the separate production tests  
9 I mentioned a moment ago, I would recommend that the Dakota  
10 be allocated 71 percent of the commingled zone production  
11 and the Gallup 29 percent.

12 As to liquids, other -- no liquids were  
13 produced on the test of either zone. The Dakota in the area  
14 does not produce liquids from any of the offsetting wells  
15 and since the Gallup is a somewhat less known quantity, it  
16 is not -- has not been produced in the area surrounding this  
17 well, we would recommend that all liquids be allocated to  
18 the Gallup, if any are produced.

19 Q What's the current status of this well,  
20 Mr. Pierce?

21 A It is shut-in awaiting approval of the  
22 commingled, dual hookup, and also connection to the pipeline.  
23 It is -- the well is buttoned up, though, as to the tubing,  
24 packer, and so on.

25 Q Mr. Pierce, it's your opinion, is it not,



1  
2 that the arrangement that's specified by Exhibit Two will  
3 prevent migration of hydrocarbons from one zone to the next,  
4 will it not?

5 A Yes, it will. The packer leakage test  
6 certainly indicates that there will be no communication be-  
7 tween the upper and lower completions.

8 Q And the appropriate forms were submitted  
9 with respect to the dual completion, is that correct?

10 A Yes, they were.

11 Q And it's your -- to the best of your  
12 knowledge, the information contained therein is accurate and  
13 demonstrates that the casing was tested in accordance with  
14 State law?

15 A Yes, that is correct.

16 Q Is it your opinion that the granting of  
17 this application would tend to prevent waste of hydrocarbons?

18 A Yes.

19 Q And that it would protect correlative  
20 rights in the area?

21 A Yes.

22 Q And that the granting of this application  
23 would not result in damage to the reservoirs affected?

24 A That's correct.

25 MR. PAULSON: Mr. Examiner, we would ask

1  
2 that Exhibits One and Two be admitted into evidence, and we  
3 would offer Mr. Pierce for cross examination.

4 MR. STAMETS: These exhibits will be ad-  
5 mitted.

6  
7 CROSS EXAMINATION

8 BY MR. STAMETS:

9 Q Mr. Pierce, why is it necessary to down-  
10 hole commingle the Gallup and Dakota?

11 A The well was drilled and below 7-5/8ths  
12 inch casing, intermediate casing, and the Gallup was somewhat  
13 of an unexpected quantity. I believe the nearest Gallup  
14 production is five or six miles away. And it was decided to  
15 test the Gallup and we were more or less committed to a 5-1/2  
16 inch production casing string, which would make a triple  
17 completion difficult.

18 Also, while the 3-hour test rates are  
19 fairly significant, we do anticipate that stabilized pro-  
20 duction from both the Dakota and Gallup will significantly  
21 decline and that probably a triple completion would not be  
22 economic.

23 Q From your experience do you expect the  
24 Gallup to produce some liquids?

25 A We don't really know. As I say, the

1  
2 nearest Gallup production is some distance away, and we don't  
3 really know in this instance whether it will or not. It  
4 doesn't appear that it will but this is a very rough estimate.  
5 It did not produce any on the 3-hour flow test.

6 Q If either of these zones to be commingled  
7 began to produce significant amount of liquids, could that  
8 be potentially harmful to the other zone?

9 A Oh, I don't believe so, unless it was  
10 a very large amount.

11 Q Do you anticipate that that is a possi-  
12 bility?

13 A No, I really don't think this will happen.  
14 MR. STAMETS: Any other questions of  
15 this witness? He may be excused.

16 Anything further in this case?

17 Pending receipt of the letter of clari-  
18 fication that I've asked for, the case will be taken under  
19 advisement.

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21 (Hearing concluded.)  
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## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7286, heard by me on 8-29 1981.

Richard L. Starn, Examiner

Oil Conservation Division



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
29 July 1981

EXAMINER HEARING

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IN THE MATTER OF:

Application of Northwest Pipeline  
Corporation for a dual completion and  
downhole commingling, Rio Arriba  
County, New Mexico.

CASE  
7280

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

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Ernest L. Radilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

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I N D E X

VINTON PIERCE

Direct Examination by Mr. Paulson

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Cross Examination by Mr. Stamets

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E X H I B I T S

Applicant Exhibit One, Plat

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Applicant Exhibit Two, Diagrammatic Sketch

8

MR. STAMETS: We'll call next Case 7280.

MR. PADILLA: Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico.

MR. PAULSON: Good morning, Mr. Examiner. Gary Paulson, appearing in association with Charles Malone and the firm of Atwood and Malone, Mann, and Cooter, Roswell, on behalf of Amoco Production Company, as well as the applicant, Northwest Pipeline Corporation.

I would tender our apologies for any inconvenience that might have occurred as a result of some communications problems between the applicant and Amoco Production Company. I understand this matter has been called a couple of times and no action was taken. We certainly apologize for that. We are prepared to proceed today.

We do have one witness, Mr. Vinton Pierce, and would ask that he be sworn at this time.

MR. STAMETS: Will the witness stand and be sworn, please?

(Witness sworn.)

VINTON PIERCE

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

DIRECT EXAMINATION

BY MR. PAULSON:

Q Would you state your name for the record,  
please?

A Vinton, V-I-N-T-O-N, Pierce, P-I-E-R-C-E.

Q And by whom are you employed?

A Amoco Production Company.

Q In what capacity?

A As Senior Petroleum Engineering Asso-  
ciate.

Q And you have previously testified before  
this Commission and your qualifications have been accepted,  
is that correct?

A Yes, they have.

Q And you're familiar with the subject  
well, that being the Rosa Unit Well No. 77?

A Yes.

Q And you're also familiar with the appli-  
cation that's been filed by Northwest Pipeline Corporation  
in this matter?

A. Yes, I am.

MR. PAULSON: Mr. Examiner, do you have any questions concerning Mr. Pierce's qualifications?

MR. STAMETS: Well, just a little bit. I think Mr. Pierce obviously qualified but I'm not certain why he is here for Amoco representing Northwest Pipeline.

MR. PAULSON: Well, there's a variation in ownership as between the zones in this particular well and the initial application for dual completion was filed, I believe, by Northwest Pipeline Corporation, and apparently, that application was then sent down to the Commission from Aztec because of the commingling aspect of it, of the problem, and apparently, the feeling was that inasmuch as the zones that required commingling, or for which commingling was requested, were owned wholly by Amoco Production Company, that we should proceed, and I -- that's my understanding of it. Perhaps Mr. Pierce can shed additional light on the --

MR. STAMETS: I think it would be well to have something in the record from Northwest Pipeline authorizing Mr. Pierce to appear in their behalf today, and that can be submitted subsequent to the hearing.

MR. PAULSON: Be happy to. There is a gentleman here from Northwest Pipeline. Mr. Paul Thompson, I believe, is here. Would you care to --

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MR. STAMETS: I think that would be fine.

We'll get it squared away as to why Mr. Pierce is here.

MR. PAULSON: Okay. Would you like to have him sworn or --

MR. STAMETS: Well, let's go off the record a minute and get it squared away.

(Thereupon a discussion was had off the record.)

MR. STAMETS: Okay, let's go back on the record, Sally.

If you will supply us with that clarification, Mr. Paulson, I'll appreciate it.

MR. PAULSON: Thank you, Mr. Examiner, I'll certainly do that.

MR. STAMETS: All right.

Q Mr. Pierce, would you explain briefly what is sought by the application of Northwest Pipeline in this matter?

A Yes. We are requesting approval to dually complete the Mesaverde with a commingled Gallup-Dakota lower zone. As pointed out by Northwest Pipeline, the working interest ownership is diverse between the Mesaverde and the



1  
2 Gallup-Dakota, with Amoco owning 100 percent working interest  
3 in the Gallup-Dakota.

4 Q Mr. Pierce, have you prepared certain  
5 exhibits in anticipation of testifying here today?

6 A Yes, I have.

7 Q And were those exhibits prepared by you  
8 or under your supervision and control?

9 A Yes.

10 Q Okay, referring to what's been marked  
11 Exhibit One, it's a plat, is it not?

12 A Yes, it is.

13 Q And would you identify that document  
14 generally and explain its significance to the application,  
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16 Q This Exhibit One is a plat of the imme-  
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18 is identified by a triangular symbol and an arrow. It is  
19 located in the southwest quarter of Section 33, Township 31  
20 North, Range 5 West, Rio Arriba County.

21 The plat shows offset wells and leases.  
22 The Mesaverde wells are shown in a black dot; the Dakota  
23 wells are shown with a star sized, star shaped symbol.

24 Q Mr. Pierce, would you explain for the  
25 Examiner the ownership of the various zones within the well-

bore, particularly the ownership of the zones sought to be commingled?

A. Yes. The ownership of the Gallup and the Dakota zone is common.

Q. And what about Mesaverde?

A. The Mesaverde ownership is different from that in the Gallup and Dakota.

Q. Anything else on this exhibit that you'd like to explain at this time?

A. I don't believe so.

Q. Okay. Referring to the next exhibit, which has been marked Exhibit Two, would you identify that document for us and describe its significance to the application?

A. Exhibit Two is a wellbore diagram showing the casing, tubing, and packer arrangement presently installed in the well. The packer is set at a depth of 6030 feet, below the Mesaverde and above the Gallup and Dakota.

The exhibit also shows production tests for each zone. The Dakota zone flowed 1652 Mcf per day; the Gallup, 668 Mcf per day; and the Mesaverde, 1719 Mcf per day.

This exhibit also shows shut-in bottom hole pressure information for the Gallup and Dakota. The

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2 Dakota, on an 11-day shut-in had a bottom hole pressure of  
3 2701 psi; the Gallup, on an 8-day shut-in had a bottom hole  
4 pressure of 3146 psi.

5 Q Mr. Pierce, are you aware that allocation  
6 of production as between the commingled zones must be  
7 made? What is your proposal with respect to allocation?

8 A Based on the separate production tests  
9 I mentioned a moment ago, I would recommend that the Dakota  
10 be allocated 71 percent of the commingled zone production  
11 and the Gallup 29 percent.

12 As to liquids, other -- no liquids were  
13 produced on the test of either zone. The Dakota in the area  
14 does not produce liquids from any of the offsetting wells  
15 and since the Gallup is a somewhat less known quantity, it  
16 is not -- has not been produced in the area surrounding this  
17 well, we would recommend that all liquids be allocated to  
18 the Gallup, if any are produced.

19 Q What's the current status of this well,  
20 Mr. Pierce?

21 A It is shut-in awaiting approval of the  
22 commingled, dual hookup, and also connection to the pipeline.  
23 It is -- the well is buttoned up, though, as to the tubing,  
24 packer, and so on.

25 Q Mr. Pierce, it's your opinion, is it not,

1  
2 that the arrangement that's specified by Exhibit Two will  
3 prevent migration of hydrocarbons from one zone to the next,  
4 will it not?

5 A Yes, it will. The packer leakage test  
6 certainly indicates that there will be no communication be-  
7 tween the upper and lower completions.

8 Q And the appropriate forms were submitted  
9 with respect to the dual completion, is that correct?

10 A Yes, they were.

11 Q And it's your -- to the best of your  
12 knowledge, the information contained therein is accurate and  
13 demonstrates that the casing was tested in accordance with  
14 State law?

15 A Yes, that is correct.

16 Q Is it your opinion that the granting of  
17 this application would tend to prevent waste of hydrocarbons?

18 A Yes.

19 Q And that it would protect correlative  
20 rights in the area?

21 A Yes.

22 Q And that the granting of this application  
23 would not result in damage to the reservoirs affected?

24 A That's correct.

25 MR. PAULSON: Mr. Examiner, we would ask

1  
2 that Exhibits One and Two be admitted into evidence, and we  
3 would offer Mr. Pierce for cross examination.

4 MR. STAMETS: These exhibits will be ad-  
5 mitted.

6  
7 CROSS EXAMINATION

8 BY MR. STAMETS:

9 Q Mr. Pierce, why is it necessary to down-  
10 hole commingle the Gallup and Dakota?

11 A The well was drilled and below 7-5/8ths  
12 inch casing, intermediate casing, and the Gallup was somewhat  
13 of an unexpected quantity. I believe the nearest Gallup  
14 production is five or six miles away. And it was decided to  
15 test the Gallup and we were more or less committed to a 5-1/2  
16 inch production casing string, which would make a triple  
17 completion difficult.

18 Also, while the 3-hour test rates are  
19 fairly significant, we do anticipate that stabilized pro-  
20 duction from both the Dakota and Gallup will significantly  
21 decline and that probably a triple completion would not be  
22 economic.

23 Q From your experience do you expect the  
24 Gallup to produce some liquids?

25 A We don't really know. As I say, the



1  
2 nearest Gallup production is some distance away, and we don't  
3 really know in this instance whether it will or not. It  
4 doesn't appear that it will but this is a very rough estimate.  
5 It did not produce any on the 3-hour flow test.

6 Q If either of these zones to be commingled  
7 began to produce significant amount of liquids, could that  
8 be potentially harmful to the other zone?

9 A Oh, I don't believe so, unless it was  
10 a very large amount.

11 Q Do you anticipate that that is a possi-  
12 bility?

13 A No, I really don't think this will happen.  
14 MR. STAMETS: Any other questions of  
15 this witness? He may be excused.

16 Anything further in this case?

17 Pending receipt of the letter of clari-  
18 fication that I've asked for, the case will be taken under  
19 advisement.  
20

21 (Hearing concluded.)  
22  
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion 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.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. \_\_\_\_\_,  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.

At. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 435-7409

NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401

5110.1-82-81

*OK release order*

*RL*

August 3, 1981

RECEIVED  
AUG 6 9 47 AM '81  
STATE LAND OFFICE  
SANTA FE, N.M.

Mr. Richard C. Stamets  
NMOCC  
State Land Office Building  
Santa Fe, New Mexico

Re: Application of Northwest Pipeline  
for Dual Completion and Down Hole  
Commingling - Rosa Unit #77

Dear Mr. Stamets:

This letter is in reference to Case 7280, Application for Northwest Pipeline Corporation for a dual completion and downhole commingling. In this well the Dakota and Gallup formations were commingled and produced separately from the Mesa Verde. Amoco Production owns both the Dakota and Gallup formations and half of the Mesa Verde formation in this well. Northwest Pipeline owns the remainder of the Mesa Verde. Northwest Pipeline requested that Amoco prepare the case on this well since they controlled the major interest in this well. As Unit Operator Northwest Pipeline authorized Amoco to appear before the Commission on our behalf for this case.

Very truly yours,

*Paul C. Thompson*

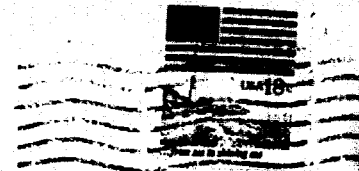
Paul Thompson, Drilling Engineer

PT/jrm  
cc - Gary L. Paulson, Amoco



**NORTHWEST PIPELINE CORPORATION**

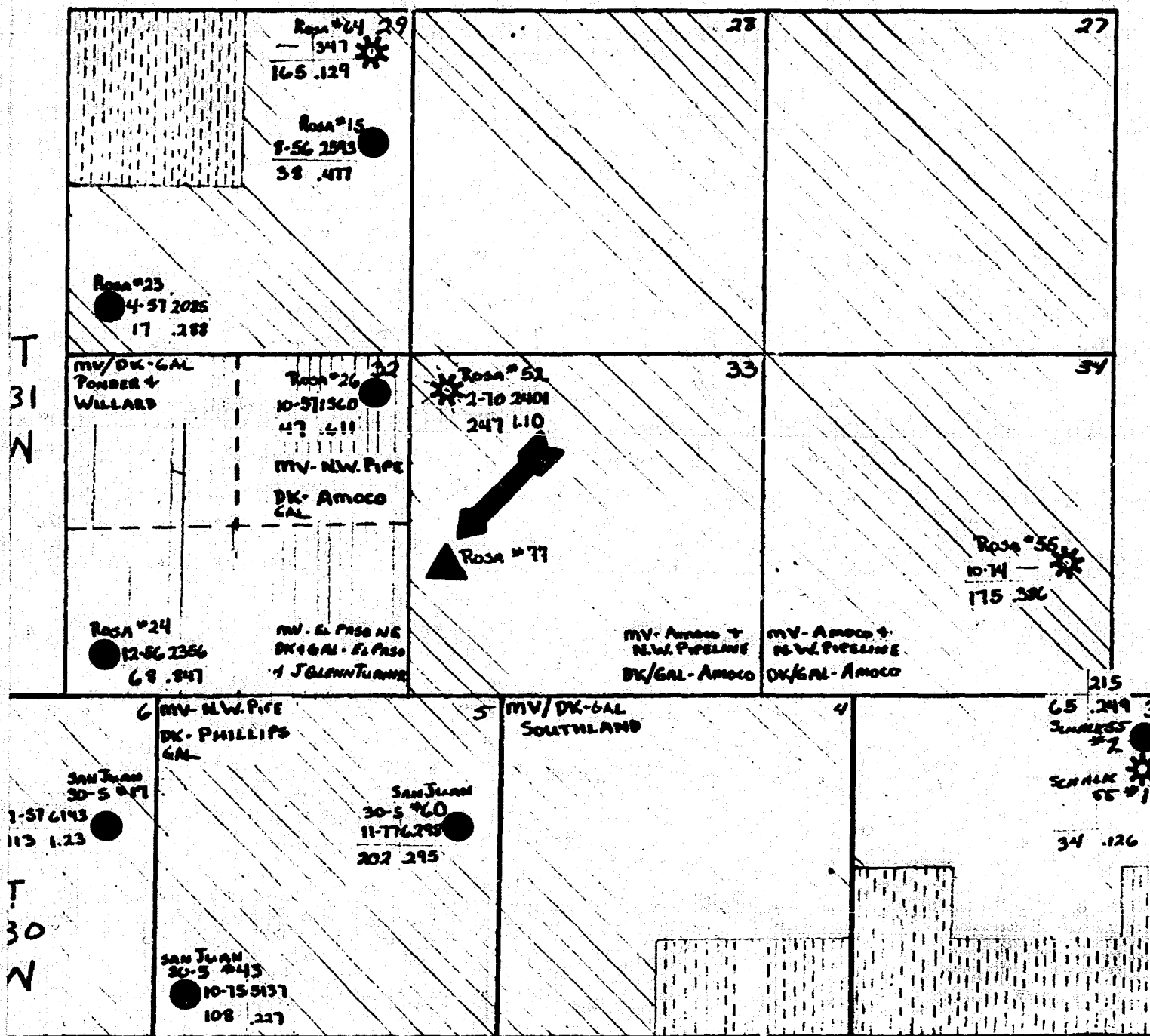
PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401



RECEIVED  
AUG 6 9 46 AM '81  
STATE LAND OFFICE  
SANTA FE, N. M.

Mr. Richard C. Stamets  
NMOCC  
State Land Office Building  
Santa Fe, New Mexico 87501

RSW



● MESAVERDE  
\* BASIN DAKOTA

IP (MCF/D)  
CUM (BCF)

Rosa Unit #77  
SW/4 Sec. 33  
T 31 N, R 5 W  
Rio Arriba County, N. Mex.

FEDERAL LANDS  
FEE LANDS  
STATE LANDS

Exhibit 1



WELLBORE DIAGRAM  
ROSA UNIT WELL #77  
SW/4 Sec 33, T31N-R5W  
RIO ARriba COUNTY, NM

10-3/4" 40.5 K-55  
CSA 329'  
With 185  
SX CMT

1-1/4" Tubing  
SA 5791'

7-5/8" 26.4 K-55  
CSA 3770'  
With 210  
SX CMT

TESTS

Formation	3 Hour Flow Test	FTP	SIBHP
Dakota	1652 MCFD <sup>11</sup>	130 psi	2701 psi
Gallup	668 MCFD <sup>9</sup>	44 psi	3146 psi
Mesa Verde	1719 MCFD	122 psi	—

*No liquids*

Mesaverde Perfs"  
5562' - 5938'

PKR SA 6030'

Gallup Perfs"  
7660' - 7715'

Dakota Perfs"  
7989' - 8091'

1-1/2" Tubing  
SA 8075'

PBTD 8125  
5-1/2" 17#  
CSA 8165 w/ 300 SX  
CMT

Exhibit 2

R 5 W

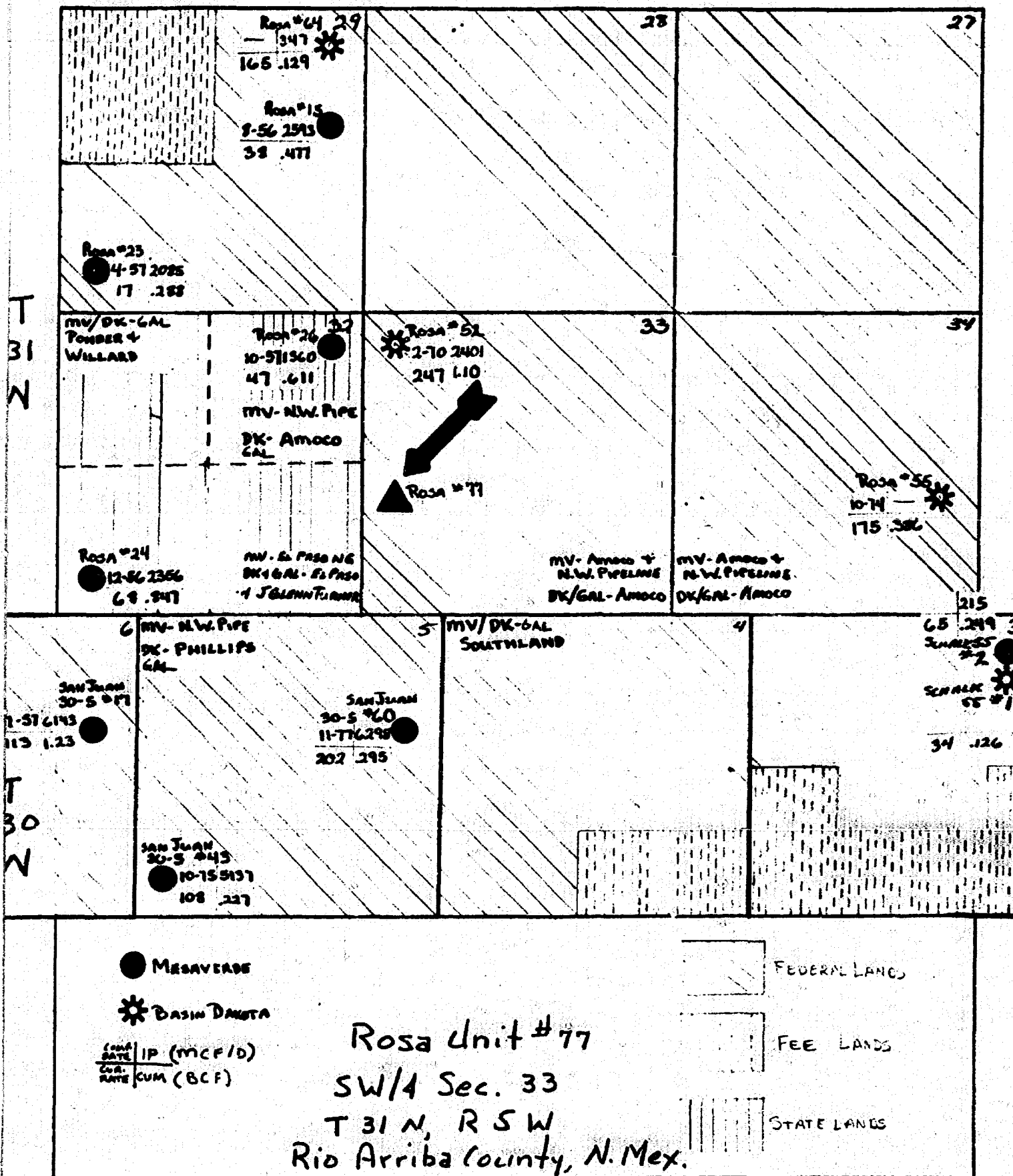


Exhibit 1

WELLBORE DIAGRAM  
ROSA UNIT WELL #77  
SW/4 Sec 33, T31N-R5W  
RIO ARriba COUNTY, NM

10-3/4" 40.5 K-55  
CSA 329'  
With 185  
SX CMT

1-1/4" Tubing  
SA 5791'

7-5/8" 26.4 K-55  
CSA 3770'  
With 210  
SX CMT

Mesaverde Perfs"  
5562' - 5938'

PKR SA 6030'

Gallup Perfs"  
7660' - 7715'

Dakota Perfs"  
7989' - 8091'

P8TD 8125  
5-1/2" 17#  
CSA 8165 w/ 300 SX  
CMT

1-1/2" Tubing  
SA 8075'

# TESTS

Formation	3 Hour Flow Test	FTP	SIBHP
Dakota	1652 MCFD	130 psi	2701 psi
Gallup	668 MCFD	44 psi	3146 psi
Mesa Verde	1719 MCFD	122 psi	—

Exhibit 2

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
15 July 1981

EXAMINER HEARING

-----  
IN THE MATTER OF:

Application of Northwest Pipeline  
Corporation for a dual completion and  
downhole commingling, Rio Arriba  
County, New Mexico.

CASE  
7280

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

MR. NUTTER: Call Case Number 7280.

MR. PEARCE: Application of Northwest Pipeline Corporation for a dual completion and downhole commingling. Rio Arriba County, New Mexico.

MR. NUTTER: Applicant's co-partner in this case, Amoco Production Company, has requested continuance.

Case Number 7280 will be continued to the EXaminer Hearing scheduled to be held at this same place at 9:00 o'clock a. m. July 29, 1981.

(Hearing concluded.)



## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7280, heard by me on 7/15 1980.

[Signature], Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
15 July 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Northwest Pipeline  
Corporation for a dual completion and  
downhole commingling, Rio Arriba  
County, New Mexico.

CASE  
7280

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

MR. NUTTER: Call Case Number 7280.

MR. PEARCE: Application of Northwest Pipeline Corporation for a dual completion and downhole commingling Rio Arriba County, New Mexico.

MR. NUTTER Applicant's co-partner in this case, Amoco Production Company, has requested continuance.

Case Number 7280 will be continued to the EXaminer Hearing scheduled to be held at this same place at 9:00 o'clock a. m. July 29 1981.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 435-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7280, heard by me on 7/15 1981

[Signature], Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
2 July 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Northwest Pipeline  
Corporation for a dual completion  
and downhole commingling, Rio Arriba  
County, New Mexico.

CASE  
7280

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:



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MR. STAMETS: Call next Case 7280.

MR. PEARCE: Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico.

MR. STAMETS: At the request of the applicant, this case will be continued to the July 15th Examiner Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
the foregoing Transcript of Hearing before the Oil Conserva-  
tion 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.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7400

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 7200,  
heard by me on 7-2-1987.  
Richard L. Thomas, Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
2 July 1981

EXAMINER HEARING

IN THE MATTER OF:

Application of Northwest Pipeline  
Corporation for a dual completion  
and downhole commingling, Rio Arriba  
County, New Mexico.

CASE  
7280

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

W. Perry Pearce, Esq.  
Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: Call next Case 7280.

MR. PEARCE: Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County New Mexico.

MR. STAMETS: At the request of the applicant, this case will be continued to the July 15th Examiner Hearing.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that  
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Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. \_\_\_\_\_,  
heard by me on \_\_\_\_\_ 19\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil Conservation Division

SALLY W. BOYD, C.S.R.  
Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7439

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Dockets Nos. 25-81 and 26-81 are tentatively set for August 12 and 26, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - MONDAY - JULY 20, 1981

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

CASE 6892: (DE NOVO)

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 South Blanco-Pictured Cliffs Pool underlying the SW/4 of Section 27, Township 24 North, Range 2 West, 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.

Upon application of Merrion & Bayless, this case will be heard De Novo pursuant to the provisions of Rule 1220.

\*\*\*\*\*

Docket No. 24-81

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 29, 1981

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 7309: Application of Gulf Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Shugart Deep Unit Area, comprising 3,806 acres, more or less, of State and Federal lands in Townships 18 and 19 South, Range 31 East.

CASE 7310: Application of Amoco Production Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the El Alto Grande Unit Area, comprising 2,560 acres, more or less, of Federal lands in Township 22 South, Ranges 33 and 34 East.

CASE 7311: Application of Amoco Production Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Big Sinks Federal Exploratory Unit Area, comprising 3,520 acres, more or less, of State and Federal lands in Townships 25 and 26 South, Range 31 East.

CASE 7280: (Continued from July 15, 1981, Examiner Hearing)

Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Rosa Unit Well No. 77 located in Unit L of Section 33, Township 31 North, Range 5 West, to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through separate strings of tubing.

CASE 7312: Application of Phillips Petroleum Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Malaga A Well No. 2 located in Unit D of Section 2, Township 24 South, Range 28 East, Malaga Field.

CASE 7313: Application of Phillips Petroleum Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Atoka and Morrow production in the wellbore of its Drag A Well No. 1 located in Unit C of Section 18, Township 23 South, Range 27 East, South Carlsbad Field.

CASE 7314: Application of Elliott Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup, Dakota, and Mesaverde production in the wellbore of its ORA Well No. 1 located in Unit E of Section 21, Township 25 North, Range 3 West.

**CASE 7315:** Application of Rhema Oil Processing for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NW/4 of Section 30, Township 18 South, Range 38 East.

**CASE 7274:** (Continued from June 17, 1981, Examiner Hearing)

Application of Bass Enterprises Production Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its James Ranch Unit Well No. 13 from an unorthodox surface location 660 feet from the South line and 1340 feet from the East line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom said well in the Morrow formation at a standard location at least 660 feet from the South line and 1980 feet from the West line of Section 31, Township 22 South, Range 31 East, the S/2 of said Section 31 to be dedicated to the well.

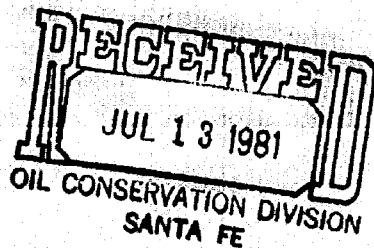
**CASE 7303:** (Continued from July 15, 1981, Examiner Hearing)

Application of Florida Hydrocarbons Company for surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of Morrow, Strawn, Atoka, and Wolfcamp gas produced from five wells located in Unit F of Section 10, Units G and O of Section 15, and Units A and I of Section 22, all in Township 23 South, Range 34 East, Antelope Ridge Field, after separately metering the gas produced from each well and each zone. Lease liquids would be separated out at the wellhead and the gas processed in a plant, allocating plant production back to each well on the basis of meter readings. Applicant further seeks a procedure whereby additional wells could be similarly commingled in said system.

**CASE 7316:** Application of Blackwood & Nichols Company, Ltd. for amendment of Order No. R-6636, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6636 which authorized directional drilling for its Northeast Blanco Unit Well No. 32-A in Section 7, Township 30 North, Range 7 West, to provide for an amended bottom hole location 2213 feet from the South line and 815 feet from the East line of said Section 7.

**CASE 7317:** Application of Four Corners Gas Producers Association for designation of a tight formation, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Dakota formation underlying Townships 30 and 31 North, Ranges 2 thru 7 West, containing 270,260 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

**CASE 7318:** Application of Phillips Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation in the interval from 7337 feet to 7341 feet in its Peterson "H" Well No. 1 in Unit M of Section 29, Township 5 South, Range 33 East, South Peterson Field.



**Amoco Production Company**

Denver Region  
Amoco Building  
17th & Broadway  
Denver, Colorado 80202  
303-830-4040

July 10, 1981

Mr. Daniel Nutter  
New Mexico Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87501

File: HDM-148-WF

Application for Dual Completion and  
Downhole Commingling - Case No. 7280  
Rosa Unit No. 77  
Rio Arriba County, New Mexico

Dear Mr. Nutter,

Per our telephone conversation earlier today, this will confirm Amoco's request that the above captioned case be continued to July 29, 1981.

Thank you for your consideration in this matter.

Yours very truly,

Vinton D. Pierce

VDP/cmc

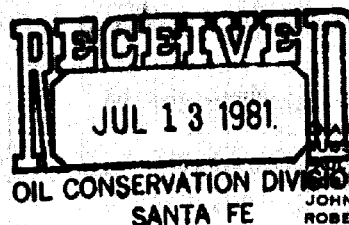
cc: Mr. Frank Chavez  
New Mexico Oil Conservation Division  
1000 Rio Brazos Rd.  
Aztec, NM 87401

Mr. Forrest Wood  
Northwest Pipeline Corp.  
P.O. Box 90  
Farmington, NM 87401

ATWOOD, MALONE, MANN & COOTER

A PROFESSIONAL ASSOCIATION  
LAWYERS

JEFF D. ATWOOD [1883-1960]  
ROSS L. MALONE [1910-1974]



CHARLES F. MALONE  
MICHAEL D. MANN  
J. COOTER  
JOHN W. BASSETT  
ROBERT E. SABIN  
BRIAN W. COPPLE

P. O. DRAWER 700  
SECURITY NATIONAL BANK BUILDING  
ROSWELL, NEW MEXICO 86201  
[505] 622-8221

STEVEN L. BELL  
WILLIAM P. LYNCH  
RODNEY M. SCHUMACHER

July 9, 1981

Mr. Joe D. Ramey, Director  
Oil Conservation Division  
State Land Office Building  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Examiner Hearing July 15,  
Case No. 7280

Dear Mr. Ramey:

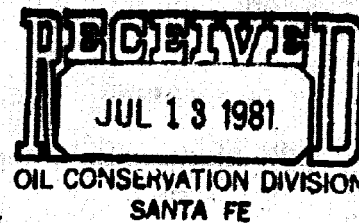
Please file our Entry of Appearance in behalf of  
Amoco Production Company. Thank you and with regards.

Very truly yours,

*Charles F. Malone*  
Charles F. Malone

CFM:dh

cc: Gary L. Paulson  
Amoco Production Company  
Denver, Colorado (with enclosure)



BEFORE THE OIL CONSERVATION DIVISION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )

of )

NORTHWEST PIPELINE CORPORATION )  
FOR A DUAL COMPLETION, ROSA UNIT )  
WELL No. 77, Section 33, Town- )  
ship 31 North, Range 5 West, )  
Rio Arriba County, New Mexico )

Case No. 7280

ENTRY OF APPEARANCE

The undersigned hereby enters its appearance herein  
in behalf of Amoco Production Company, with Gary L. Paulson  
of Denver, Colorado.

ATWOOD, MALONE, MANN & COOTER, P.A.

By Charles Malone  
Attorneys for Amoco Production  
Company

P. O. Drawer 700  
Roswell, New Mexico 88201  
Telephone: 505-622-6221





STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

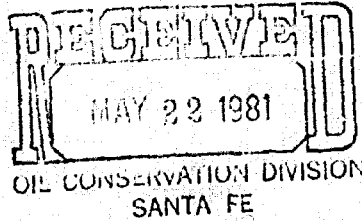
Case 7280

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-8178

OIL CONSERVATION DIVISION  
BOX 2088  
SANTA FE, NEW MEXICO 87501

DATE 5-19-81

RE: Proposed MC α  
Proposed DHC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_



*Not for  
hearing  
down hole  
commingle  
up & DK and  
down compl  
w/ MV*

Gentlemen:

I have examined the application dated 5-18-81  
for the N.P.C. Rosa Unit #77 4-33-31N-5W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Docket for hearing. Dakota and Gallup are shown as  
commingle.

Yours truly,

Frank T. Cherry

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
17 June 1981

EXAMINER HEARING

-----  
IN THE MATTER OF:

Application of Northwest Pipeline  
Corporation for a dual completion and  
downhole commingling, Rio Arriba  
County, New Mexico.

CASE  
7280

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:

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MR. NUTTER: Call Case Number 7280

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again.

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MR. PADILLA: Application of Northwest Pipeline Corporation for dual completion and downhole communicating, Rio Arriba County, New Mexico.

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MR. NUTTER: Mr. Padilla, what have you got to say about Case Number 7280?

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MR. PADILLA: Mr. Examiner, at your request we called Northwest Pipeline Corporation and they indicated that this was actually Amoco's application and we should continue this case until the next Examiner Hearing to give Amoco a chance to put on a case.

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(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd CSE

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7280, heard by me on 6/7 1981.

[Signature], Examiner  
Oil Conservation Division

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO  
17 June 1981

EXAMINER HEARING

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IN THE MATTER OF:

Application of Northwest Pipeline  
Corporation for a dual completion and  
downhole commingling, Rio Arriba  
County, New Mexico.

CASE  
7280

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation  
Division:

Ernest L. Padilla, Esq.  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

For the Applicant:



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MR. NUTTER: Call Case Number 7280  
again.

MR. PADILLA: Application of Northwest  
Pipeline Corporation for dual completion and downhole com-  
mingling, Rio Arriba County, New Mexico.

MR. NUTTER: Mr. Padilla, what have you  
got to say about Case Number 7280?

MR. PADILLA: Mr. Examiner, at your  
request we called Northwest Pipeline Corporation and they  
indicated that this was actually Amoco's application and we  
should continue this case until the next Examiner Hearing to  
give Amoco a chance to put on a case.

MR. NUTTER: Case Number 7280 will be  
continued to the Examiner Hearing scheduled to be held at  
this same place on July the 2nd. The hearing will be held  
at this same place at 9:00 o'clock a. m. July the 2nd, 1981.

(Hearing concluded.)

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing 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.

Sally W. Boyd CSE

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B  
Santa Fe, New Mexico 87501  
Phone (505) 455-7400

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7282 heard by me on 6/17 1981.

[Signature] Examiner  
Oil Conservation Division

Dockets Nos. 22-81 and 23-81 are tentatively set for July 15 and 29, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 2, 1981

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 7283:** Application of Harvey E. Yates Company for amendment of Division Order No. R-6382, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-6382 to provide that said order authorizing the McDonald Unit Agreement shall have an effective date of June 1, 1981.
- CASE 7284:** Application of Energy Reserves Group, Inc. for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Cisco location of its Miller Well No. 1 located 660 feet from the South and West lines of Section 12, Township 6 South, Range 33 East, the S/2 of said Section 12 to be dedicated to the well.
- CASE 7285:** Application of J. C. Williamson for two non-standard gas proration units and two unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard 320-acre Wolfcamp gas proration units in Section 10, Township 23 South, Range 34 East, the first comprising the NW/4, W/2 NE/4, and N/2 SW/4, and the second comprising the E/2 NE/4, S/2 SW/4, and SE/4. Applicant further seeks approval for two unorthodox locations, the first for a well drilled 1560 feet from the North line and 1830 feet from the West line of said Section 10, and the second for a well to be drilled 1980 feet from the South and East lines of the section.
- CASE 7286:** Application of Supron Energy Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Blanco Mesaverde production in the wellbore of its Jicarilla F Well No. 6 located in the SW/4 of Section 34, Township 26 North, Range 4 West.
- CASE 7287:** Application of Benson-Montin-Greer Drilling Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying a previously approved 640-acre non-standard proration unit comprising the W/2 of Section 17 and the W/2 of Section 20, Township 26 North, Range 1 West, to be dedicated to a well to be drilled 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7288:** Application of Southern Union Exploration Company of Texas for contraction of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the West Puerto Chiquito-Mancos Oil Pool by the deletion of Section 36, Township 24 North, Range 1 West, therefrom.
- CASE 7251:** (Continued from June 3, 1981, Examiner Hearing)  
Application of Southern Union Exploration Company of Texas for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 36, Township 24 North, Range 1 West, to be dedicated to its Mobil Federal Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7289:** Application of Exxon Corporation for a salt water disposal well, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation at a depth of 2638 feet to 2774 feet in its Strange Federal Well No. 3 in Unit J of Section 25, Township 7 South, Range 31 East, Tomahawk-San Andres Pool.
- CASE 7290:** Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Abo formation underlying the NE/4 of Section 26, Township 5 South, Range 24 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7291: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Silurian and Fusselman formations underlying the N/2 of Section 6, Township 25 South, Range 37 East, Custer Field, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7292: Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian thru Ellenburger formations underlying the S/2 of Section 6, Township 25 South, Range 37 East, Custer Field, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7293: Application of ARCO Oil and Gas Company for an amendment to Order No. R-6649, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6649 which authorized compulsory pooling in Section 33, Township 22 South, Range 36 East, Langlie Field, to extend to February 1, 1982, the commencement of drilling required in said order.
- CASE 7294: Application of ARCO Oil and Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formation at a depth of 2996 feet to 3186 feet in its R. S. Crosby Well No. A-2 located in Unit L of Section 28, Township 25 South, Range 37 East, Langlie Mattix Pool.
- CASE 7248: (Continued from June 3, 1981, Examiner Hearing)  
Application of Inesco Oil Company for pool creation, special pool rules, and an oil discovery allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp oil pool for its Federal 10 State Com. Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, and the promulgation of special rules therefor, including provisions for 160-acre spacing. Applicant further seeks the assignment of approximately 42,290 barrels of discovery allowable to the aforesaid well.
- CASE 7280: (Continued from June 17, 1981, Examiner Hearing)  
Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Rosa Unit Well No. 77 located in Unit L of Section 33, Township 31 North, Range 5 West, to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through separate strings of tubing.
- CASE 7295: Application of Gulf Oil Corporation for rescission of Division Order No. R-2429-C, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of Division Order No. R-2429-C which authorized 320-acre spacing units in the White City-Pennsylvanian Gas Pool. Applicant seeks the reinstatement of 640-acre spacing units in said pool with provision for 320-acre infill drilling and appropriate findings relative thereto.
- CASE 7296: Application of J. Gregory Merrion and Robert L. Bayless for amendment of pool rules, contraction of the Otero-Gallup Pool, and extension of the Devils Fork-Gallup Associated Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the Devils Fork-Gallup Associated Pool Rules to provide for 160-acre spacing rather than 80 acres. Applicant further seeks the contraction of the Otero-Gallup Pool by the deletion of the following acreage; E/2 and NE/4 SW/4 of Section 2, Township 24 North, Range 6 West, and the E/2 of Section 35, Township 25 North, Range 6 West. Applicant seeks the extension of the Devils Fork-Gallup Associated Pool to include the following acreage: In Township 24 North, Range 6 West: All of Sections 2 and 3; S/2 and NE/4 of Section 4; S/2 of Section 5; S/2 of Section 6; and N/2 of Section 11. In Township 25 North, Range 6 West: SE/4 of Section 33; S/2 of Section 34; and all of Section 35.
- CASE 7297: (This case will be dismissed.)  
Application of Amoco Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Alley Unit Well No. 1 in Unit E of Section 1, Township 19 South, Range 25 East.



**CASE 7298:** (This case will be dismissed.)

Application of Amoco Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its Lancaster Springs Com Well No. 1 in Unit I of Section 1, Township 22 South, Range 26 East.

**CASE 7299:** (This case will be dismissed.)

Application of Amoco Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for its State IL Com Well No. 1 in Unit G of Section 3, Township 19 South, Range 24 East.

**CASE 7300:** Application of Dome Petroleum Corporation for designation of a tight formation, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Chacra formation underlying portions of Townships 21 and 22 North, Ranges 5, 6, and 7 West, containing 73,015 acres, more or less, as a tight formation pursuant to Section 107 of the Natural Gas Policy Act and 18 CFR Section 271.701-705.

**CASE 7301:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, redesignating, and extending vertical and horizontal limits of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Lusk-Morrow Gas Pool. The discovery well is Grace Petroleum Corporation West Tonto Federal Com Well No. 1 located in Unit L of Section 24, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 24: W/2

(b) CREATE a new pool in Roosevelt County, New Mexico, classified as an oil pool for Mississippian production and designated as the Peterson-Mississippian Pool. The discovery well is Enserch Exploration, Inc. Finley Well No. 1 located in Unit A of Section 6, Township 5 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM  
Section 28: SW/4  
Section 29: S/2  
Section 32: W/2

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 5: NW/4  
Section 6: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Salado Draw-Wolfcamp Gas Pool. The discovery well is Amoco Production Company State GR Well No. 1 located in Unit G of Section 17, Township 26 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM  
Section 17: E/2

(d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Strawn production and designated as the Talco-Strawn Gas Pool. The discovery well is American Trading and Producing Corporation Talco Unit Well No. 1 located in Unit H of Section 11, Township 26 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM  
Section 11: E/2

(e) REDESIGNATE the Lusk-Seven Rivers Pool in Lea County, New Mexico, to the North Lusk-Seven Rivers Pool described as:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 3: All



(f) EXTEND the vertical limits of the Lusk-Yates Pool in Eddy and Lea Counties, New Mexico, to include the Seven Rivers formation and redesignate pool as the Lusk Yates-Seven Rivers Pool described as:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 24: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 19: W/2 and W/2 NE/4

(g) EXTEND the Angell Ranch Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 11: S/2  
Section 14: All

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 32: S/2

(h) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 2: W/2 and NE/4  
Section 11: W/2

(i) EXTEND the Atoka-Yaso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 26: NW/4 SW/4  
Section 33: S/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM  
Section 4: NW/4 NE/4

(j) EXTEND the Boyd-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM  
Section 34: S/2

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 34: E/2

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 3: All  
Section 10: N/2  
Section 11: W/2

(k) EXTEND the Bull's Eye-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 12: N/2 SE/4

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM  
Section 7: N/2 SW/4

(l) EXTEND the South Culebra Bluff-Bone Springs Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 27: N/2 NE/4

(m) EXTEND the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM  
Section 33: N/2

(n) EXTEND the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 30: N/2

- (o) EXTEND the Southwest Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NE/4

- (p) EXTEND the Cam-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 31: E/2

- (q) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM  
Section 20: NE/4  
Section 21: N/2

- (r) EXTEND the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM  
Section 1: W/2 SW/4

- (s) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 16: E/2

- (t) EXTEND the Langlie Mattix Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 31: SW/4

- (u) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 7: S/2

- (v) EXTEND the West Nadine-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 5: E/2  
Section 8: NE/4

- (w) EXTEND the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 25: W/2 NE/4 and NW/4 SE/4

- (x) EXTEND the Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 9: N/2

- (y) EXTEND the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM  
Section 16: S/2

- (z) EXTEND the Scharb-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
Section 5: E/2

(aa) EXTEND the Tomahawk-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NNPM  
Section 19: NW/4

(bb) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NNPM  
Section 11: SW/4  
Section 14: NW/4

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Docket No. 21-81

DOCKET: COMMISSION HEARING - WEDNESDAY - JULY 8, 1981

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

CASE 7226: (DE NOVO)

Application of Enserch Exploration, Inc. for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Montoya formation in the interval from 7902 feet to 7930 feet in its Rader Well No. 2 in Unit E of Section 32, Township 5 South, Range 33 East.

Upon application of Enserch Exploration, Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7275: (Continued from June 17, 1981, Examiner Hearing)

Application of S. P. Yates for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7270: (Continued from June 17, 1981, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, 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 N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

Dockets Nos. 20-81 and 21-81 are tentatively set for July 2 and 15, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 17, 1981**

**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 July, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for July, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

**CASE 7273:** Application of Blanks Energy Corporation for an unorthodox oil well location and possible directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 330 feet from the South line and 900 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the S/2 SE/4 of said Section 16 to be dedicated to the well. If commercial production is not obtained at said location, applicant proposes to come back up the hole and directionally drill in a westerly direction and bottom the well in the Devonian formation at a standard location in the SW/4 SE/4 of said Section 16.

**CASE 7274:** Application of Bass Enterprises Production Company for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its James Ranch Unit Well No. 13 from an unorthodox surface location 660 feet from the South line and 1340 feet from the East line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom said well in the Morrow formation at a standard location at least 660 feet from the South line and 1980 feet from the West line of Section 31, Township 22 South, Range 31 East, the S/2 of said Section 31 to be dedicated to the well.

**CASE 7275:** Application of S. P. Yates for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the N/2 of Section 21, Township 19 South, Range 27 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

**CASE 7263:** (Continued from June 3, 1981, Examiner Hearing)

Application of Yates Petroleum Corporation for amendment of Order No. R-5527, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-5527, which approved an unorthodox Morrow location, to permit the recompletion of its Blevins "IK" Well No. 1 in Unit D of Section 35, Township 17 South, Range 26 East, as an unorthodox gas well location in all Wolfcamp and Pennsylvanian formations.

**CASE 7276:** Application of Mobil Producing Texas & New Mexico Inc. for the extension of the vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to the following depths underlying the following 40-acre tracts in Township 25 South, Range 37 East: NE/4 SE/4 of Section 4: 3327 feet; NE/4 SW/4 of Section 3: 3215 feet; and NE/4 NW/4 of Section 15: 3206 feet.

**CASE 7277:** Application of Holly Energy, Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Beeson Well No. 2 to be drilled 1100 feet from the North line and 2300 feet from the West line of Section 29, Township 17 South, Range 30 East, Grayburg-Jackson Pool, the NE/4 NW/4 of said Section 29 to be dedicated to the well.

**CASE 7278:** Application of Pollution Control, Inc. for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the E/2 NW/4 of Section 18, Township 20 South, Range 33 East.



- CASE 7279:** Application of BCO, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and Lybrook-Gallup production in the wellbores of the following wells located in Township 23 North, Range 7 West: Dunn Well No. 3 located in Unit 1 of Section 3 and State H Wells Nos. 3 and 4, located in Units M and D, respectively, of Section 2.
- CASE 7280:** Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Rosa Unit Well No. 77 located in Unit L of Section 33, Township 31 North, Range 5 West, to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through separate strings of tubing.
- CASE 7281:** Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Gallup and Basin-Dakota production in the wellbore of its Windfall Well No. 10 located in Unit F of Section 31, Township 26 North, Range 11 West.
- CASE 7282:** 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 Wildhorse-Gallup and Basin-Dakota production in the wellbore of his Apache Well No. 3-E located in Unit H of Section 19, Township 26 North, Range 3 West.
- CASE 7254:** (Continued from May 20, 1981, Examiner Hearing)  
Application of Mesa Petroleum Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation underlying the W/2 of Section 15, Township 30 North, Range 11 West, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7270:** (Continued from June 3, 1981, Examiner Hearing)  
Application of Southland Royalty Company for compulsory pooling, 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 N/2 of Section 21, Township 19 South, Range 27 East, to be dedicated to its Pecos River Federal 21-A Com Well No. 1 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7250:** (Continued from June 3, 1981, Examiner Hearing)  
Application of Southland Royalty Company for compulsory pooling, Eddy 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 22, Township 18 South, Range 29 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.



Dockets Nos. 23-81 and 24-81 are tentatively set for July 29 and August 12, 1981. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 15, 1981**

**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 August, 1981, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for August, 1981, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

**CASE 7302:** Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Chacra and Mesaverde production in the wellbores of four wells to be drilled in the SE/4 and SW/4 of Section 34, Township 27 North, Range 7 West, and the SW/4 and NW/4 of Section 2, Township 26 North, Range 7 West, respectively.

**CASE 7303:** Application of Florida Hydrocarbons Company for surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of Morrow, Strawn, Atoka, and Wolfcamp gas produced from five wells located in Unit F of Section 10, Units C and O of Section 15, and Units A and I of Section 22, all in Township 23 South, Range 34 East, Antelope Ridge Field, after separately metering the gas produced from each well and each zone. Lease liquids would be separated out at the wellhead and the gas processed in a plant, allocating plant production back to each well on the basis of meter readings. Applicant further seeks a procedure whereby additional wells could be similarly commingled in said system.

**CASE 7304:** Application of ARCO Oil and Gas Company for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Custer Well No. 1, the surface location of which is 810 feet from the North line and 2164 feet from the West line of Section 6, Township 25 South, Range 37 East, Custer Field, to a bottom hole location within 100 feet of a point 1650 feet from the North line and 660 feet from the West line of said Section 6, at a true vertical depth of approximately 12,800 feet.

**CASE 7305:** Application of Amoco Production Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 34, Township 23 South, Range 28 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1980 feet from the West line of said Section 34. 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

**CASE 7306:** Application of Getty Oil Company for pool creation, special pool rules, and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Lower Pennsylvanian gas pool for its Federal 33 Well No. 1 located in Unit G of Section 33, Township 26 South, Range 33 East, and the promulgation of special rules therefor, including provisions for 640-acre spacing. Applicant also seeks approval of a 616.24-acre non-standard gas proration unit comprising Sections 33 and 34, Township 26 South, Range 33 East.

**CASE 7307:** Application of Mesa Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Mesaverde formation underlying the W/2 of Section 23, Township 26 North, Range 6 West, to be dedicated to its Federal Well No. 12E drilled at a standard location thereon.

**CASE 7308:** Application of Mesa Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Mesaverde formation underlying the E/2 of Section 23, Township 26 North, Range 6 West, to be dedicated to its Federal Well No. 11E drilled at a standard location thereon.

**CASE 7074:** (Reopened and Readvertised)

In the matter of Case 7074, being reopened pursuant to the provisions of Order No. R-6565, which order created the South Elkins-Fusselman Gas Pool in Chaves County, New Mexico, to permit all interested parties to appear and present evidence as to the exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir if it is determined to be a retrograde gas condensate reservoir.

CASE 7250: (Continued from June 17, 1981, Examiner Hearing)

Application of Southland Royalty Company for compulsory pooling, Eddy 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 22, Township 18 South, Range 29 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7292: (Continued from July 2, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian thru Ellenburger formations underlying the S/2 of Section 6, Township 25 South, Range 37 East, Custer Field, 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, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7293: (Continued from July 2, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for an amendment to Order No. R-6649, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6649 which authorized compulsory pooling in Section 33, Township 22 South, Range 36 East, Langlie Field, to extend to February 1, 1982, the commencement of drilling required in said order.

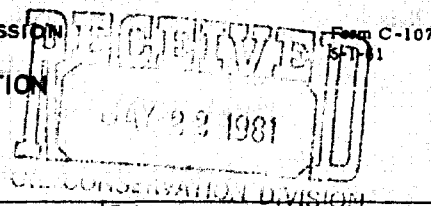
CASE 7294: (Continued from July 2, 1981, Examiner Hearing)

Application of ARCO Oil and Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Seven Rivers-Queen formation at a depth of 2996 feet to 3186 feet in its R. S. Crosby Well No. A-2 located in Unit L of Section 28, Township 25 South, Range 37 East, Langlie Mattix Pool.

CASE 7280: (Continued from July 2, 1981, Examiner Hearing)

Application of Northwest Pipeline Corporation for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Rosa Unit Well No. 77 located in Unit L of Section 33, Township 31 North, Range 5 West, to produce gas from the Mesaverde formation and commingled Gallup and Dakota production through separate strings of tubing.

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
APPLICATION FOR MULTIPLE COMPLETION



Operator <b>Northwest Pipeline Corporation</b>		County <b>Rio Arriba</b>	Date <b>5/11/81</b>
Address <b>P.O. Box 90, Farmington, N.M. 87401</b>		Lease <b>Rosa Unit</b>	Well No. <b>#77</b>
Location of Well <b>L</b>	Unit <b>33</b>	Township <b>T31N</b>	Range <b>R5W</b>

1. Has the New Mexico Oil Conservation Commission heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES \_\_\_\_\_ NO X
2. If answer is yes, identify one such instance: Order No. \_\_\_\_\_ ; Operator Lease, and Well No.: \_\_\_\_\_

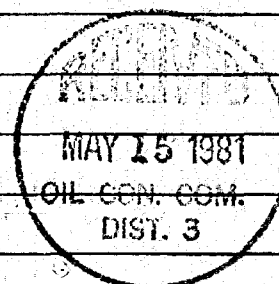
3. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	<b>Mesa Verde</b>	<b>Gallup</b>	<b>Dakota</b>
b. Top and Bottom of Pay Section (Perforations)	<b>5562' to 5938'</b>	<b>7660' to 7715'</b>	<b>7989' to 8091'</b>
c. Type of production (Oil or Gas)	<b>Gas</b>	<b>Gas</b>	<b>Gas</b>
d. Method of Production (Flowing or Artificial Lift)	<b>Flowing</b>	<b>Flowing</b>	<b>Flowing</b>

4. The following are attached. (Please check YES or NO)

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| Yes                                 | No                                  |   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)   |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

See attached



6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO \_\_\_\_\_. If answer is yes, give date of such notification \_\_\_\_\_.

CERTIFICATE: I, the undersigned, state that I am the Drilling Engineer of the Northwest Pipeline Corporation (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

M. J. Turnbaugh  
M. J. Turnbaugh Signature

\*Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard perforation unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

Following are the names and addresses of the WI owners for the lands set out on the attached plats:

Rosa Unit No. 77  
Amoco Production Company  
Attention: A.M. Roney  
1670 Broadway, Suite 750  
Amoco Building  
Denver, Colorado 80202

CIG Exploration, Inc.  
Post Office Box 749  
2100 Prudential Plaza  
Denver, Colorado 80201

El Paso Natural Gas Company  
Attention: James R. Permenter  
Post Office Box 1492  
El Paso, Texas 79978

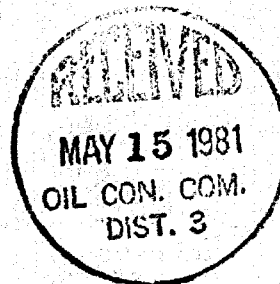
Lois J. Willard  
Post Office Box 5205  
Santa Fe, New Mexico 87501

Winifred K. Ponder  
1800 North Stanton Street  
El Paso, Texas 79902

J. Glenn Turner, Jr., Independent Co-Executor of  
Estate of J. Glenn Turner, Deceased  
1700 Mercantile Bank Building  
Dallas, Texas 75201

Phillips Petroleum Company  
Attention: Mr. Gordon Buckman  
7800 East Dorado Place  
Englewood, Colorado 80111

Southland Royalty Company  
410 Seventeenth Street, Suite 1000  
Denver, Colorado 80202





10/24/14, 40.5° x 95.5° S, 13.1° W, 0-229  
CMLD 100-1000, 11.8° W, 1/2° S, 100-1000, 11.8° S, 100-1000  
DUE 200-200, 11.8° W, 1/2° S, 100-1000, 11.8° S, 100-1000

1921, 21.4°, 855, L11 G. ref. at 3770' CR  
 Child w/ 135 g. G18 6.5/35 pos. w/ 29 = 29  
 Tailed w/ 75 g. G18 w/ 290 units  
 Top of unit @ 3650

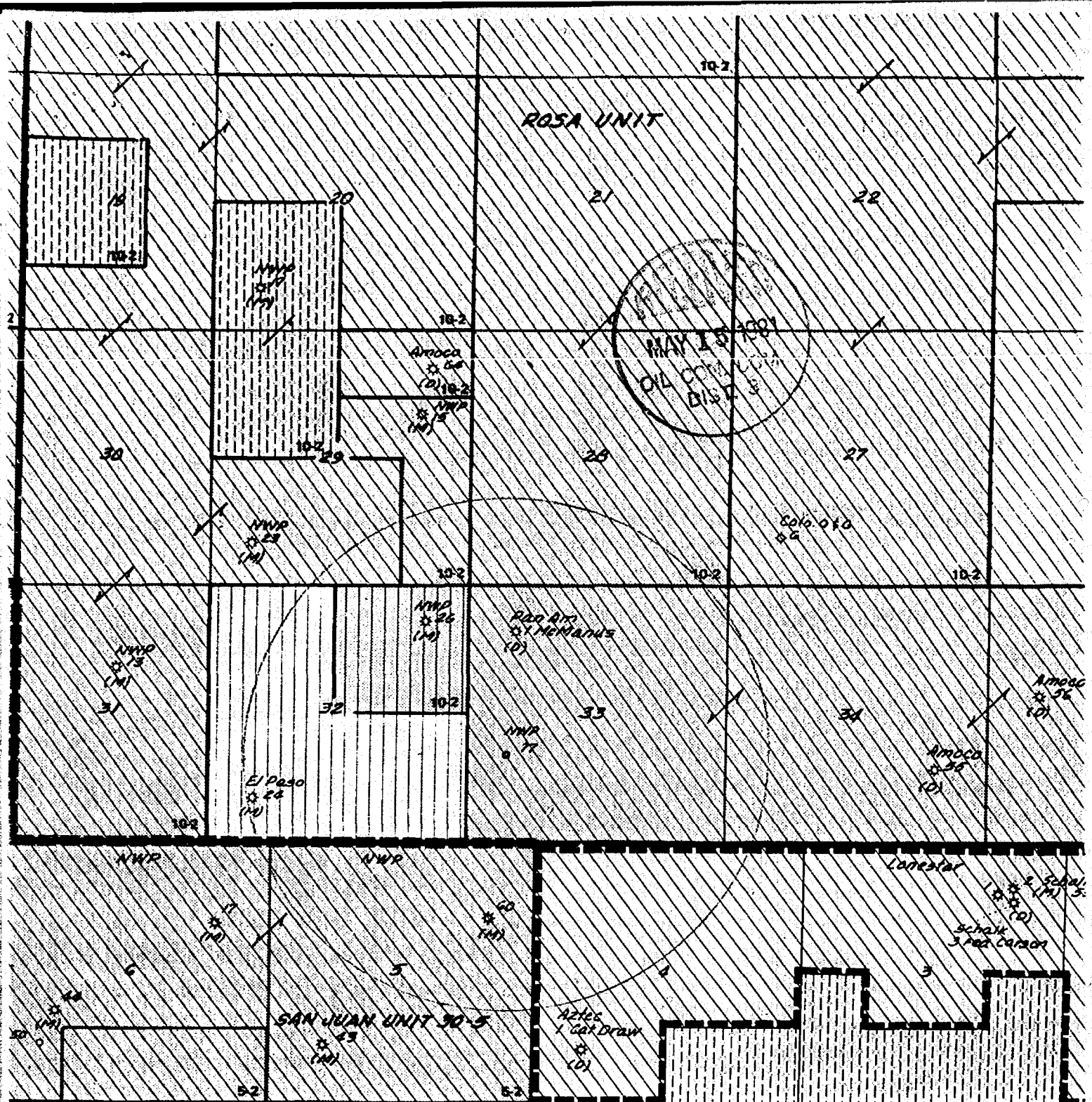
144, 2.36, 3.55, 5.50, 5.78 (Quadruplet Table)

5562  
27 holes (over)  
5936  
Cater Model 'D' over size 6030

2.14, 355 set @ 3005 (production taking)

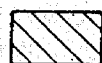
~~700~~ includes (collap  
~~715~~  
~~700~~  
Vachites (OK)  
Sta. Flat, water, - T.C. set @ 3100'  
contd. at 300 S. C.R. w/ 2 gal. of 3rd<sup>rd</sup> Coe gale or 1st<sup>st</sup> Coe  
- contd. w/ 100 S. C.R. w/ 1st<sup>st</sup> Coe gale or 1st<sup>st</sup> Coe  
Top of unit @ 3100'





**RECEIVED**  
 APR 15 1981

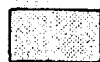
NORTHWEST ENERGY CO. COMPANY  
 ATTORNEY AT LAW



Federal Lands



State Lands



Northwest Pipeline Acreage



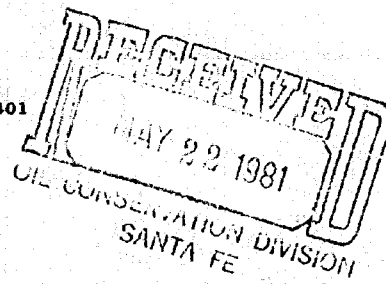
Indian Lands



Fee Lands

Northwest Pipeline Corporation

PRODUCTION & DRILLING  
P. O. BOX 90  
FARMINGTON, NEW MEXICO 87401



New Mexico Oil Conservation Commission  
1000 Rio Brazos Rd.  
Aztec, New Mexico 87410

Re: Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

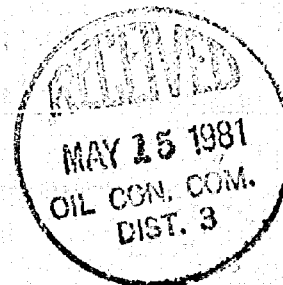
The undersigned being an authorized representative of the offset operator has been dually informed by Northwest Pipeline Corporation of their intent to dually complete the Rosa Unit #77 well in the Dakota and Mesa Verde formations. The dually completed gas well is located in Section 33, T31N-R5W, Rio Arriba County, New Mexico and hereby waives all objections to dual completing said well as a Dakota-Mesa Verde gas producer.

\_\_\_\_\_  
Name of Said Company

\_\_\_\_\_  
Representative of Company      Date

cc: See attached

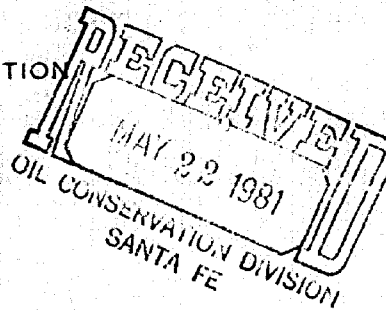
*(The waivers will be forthcoming)*



NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401

May 11, 1981



Amoco Production Company  
Attn: A.M. Roney  
1670 Broadway, Suite 750  
Amoco Bldg.  
Denver, Colorado 80202

Re: Waiver of Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

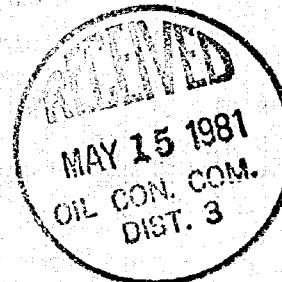
Northwest Pipeline is forwarding a waiver of a Dual Completion Application on the Rosa Unit #77. The well has been completed in both the Dakota and Mesa Verde Formations. Northwest Pipeline unintentionally omitted to notify the offset operators prior to the completion of this well. We are now requesting that you approve and forward to the New Mexico Oil Conservation Commission the attached waiver form. For your convenience, an addressed envelope is also enclosed.

Sincerely,

*Mike Turnbaugh*  
Mike Turnbaugh  
Drilling Engineer

MJT/gmk

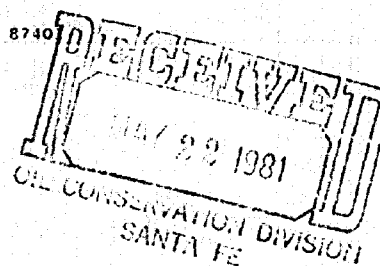
cc: See attached



NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 50  
FARMINGTON, NEW MEXICO 87401

May 11, 1981



Southland Royalty Company  
410 Seventeenth Street, Suite 1000  
Denver, Colo 80202

Re: Waiver of Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

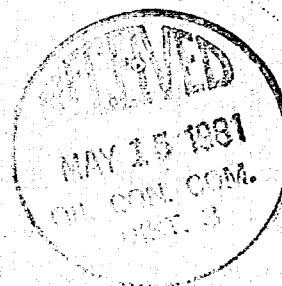
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Sincerely,

*Mike Turnbaugh*  
Mike Turnbaugh  
Drilling Engineer

MJT/gmk

cc: See attached

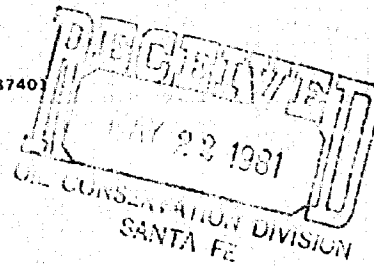




NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401

May 11, 1981



Phillips Petroleum Company  
Attn: Mr. Gordon Buckman  
7800 East Dorado Place  
Englewood, Colo 80111

Re: Waiver of Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

Northwest Pipeline is forwarding a waiver of a Dual Completion Application on the Rosa Unit #77. The well has been completed in both the Dakota and Mesa Verde Formations. Northwest Pipeline unintentionally omitted to notify the offset operators prior to the completion of this well. We are now requesting that you approve and forward to the New Mexico Oil Conservation Commission the attached waiver form. For your convenience, an addressed envelope is also enclosed.

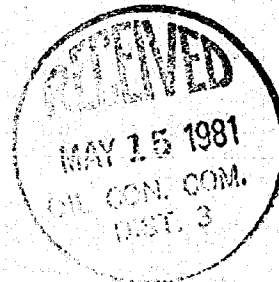
Sincerely,

*Mike Turnbaugh*

Mike Turnbaugh  
Drilling Engineer

MJT/gmk

cc: See attached

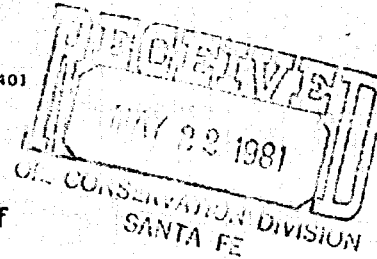




NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401

May 11, 1981



J. Glenn Turner, Jr., Independent Co-Executor of  
Estate of J. Glenn Turner, Deceased  
1700 Mercantile Bldg.  
Dallas, Texas 75201

Re: Waiver of Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

Northwest Pipeline is forwarding a waiver of a Dual Completion Application on the Rosa Unit #77. The well has been completed in both the Dakota and Mesa Verde Formations. Northwest Pipeline unintentionally omitted to notify the offset operators prior to the completion of this well. We are now requesting that you approve and forward to the New Mexico Oil Conservation Commission the attached waiver form. For your convenience, an addressed envelope is also enclosed.

Sincerely,

*Mike Turnbaugh*  
Mike Turnbaugh  
Drilling Engineer

MJT/gmk

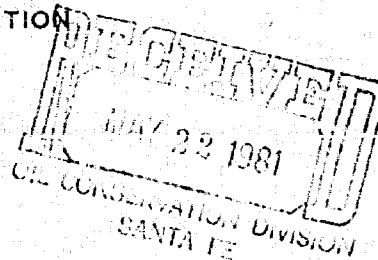
cc: See attached



NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401

May 11, 1981



El Paso Natural Gas Company  
Attn: James R. Permenter  
P.O. Box 1492  
El Paso, Texas 79973

Re: Waiver of Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

Northwest Pipeline is forwarding a waiver of a Dual Completion Application on the Rosa Unit #77. The well has been completed in both the Dakota and Mesa Verde Formations. Northwest Pipeline unintentionally omitted to notify the offset operators prior to the completion of this well. We are now requesting that you approve and forward to the New Mexico Oil Conservation Commission the attached waiver form. For your convenience, an addressed envelope is also enclosed.

Sincerely,

*Mike Turnbaugh*  
Mike Turnbaugh  
Drilling Engineer

MJT/gmk

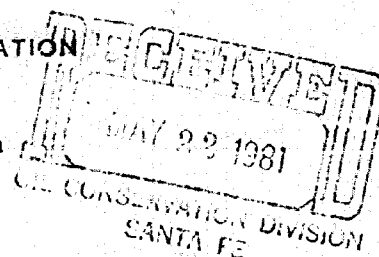
cc: See attached



NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401

May 11, 1981



Lois J. Willard  
P.O. Box 5205  
Santa Fe, New Mexico 87501

Re: Waiver of Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

Northwest Pipeline is forwarding a waiver of a Dual Completion Application on the Rosa Unit #77. The well has been completed in both the Dakota and Mesa Verde Formations. Northwest Pipeline unintentionally omitted to notify the offset operators prior to the completion of this well. We are now requesting that you approve and forward to the New Mexico Oil Conservation Commission the attached waiver form. For your convenience, an addressed envelope is also enclosed.

Sincerely,

*Mike Turnbaugh*  
Mike Turnbaugh  
Drilling Engineer

MJT/gmk

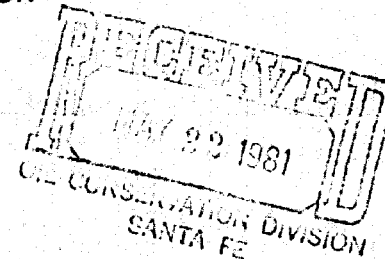
cc: See attached



NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401

May 11, 1981



Winifred K. Ponder  
1800 North Stanton Street  
El Paso, Texas 79902

Re: Waiver of Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

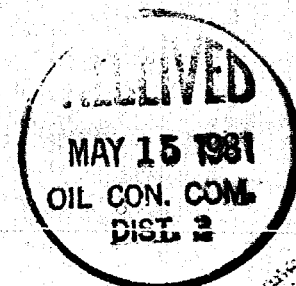
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Sincerely,

*Mike Turnbaugh*  
Mike Turnbaugh  
Drilling Engineer

MJT/gmk

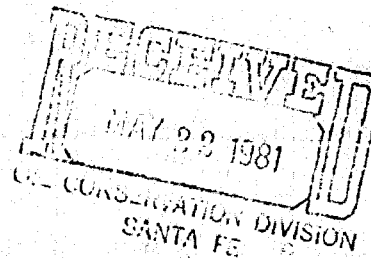
cc: See attached



NORTHWEST PIPELINE CORPORATION

PRODUCTION & DRILLING  
P.O. BOX 90  
FARMINGTON, NEW MEXICO 87401

May 11, 1981



CIG Exploration, Inc.  
P.O. Box 749  
2100 Prudential Plaza  
Denver, Colo 80201

Re: Waiver of Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

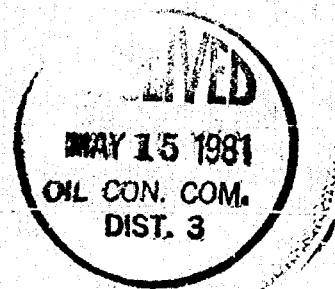
Northwest Pipeline is forwarding a waiver of a Dual Completion Application on the Rosa Unit #77. The well has been completed in both the Dakota and Mesa Verde Formations. Northwest Pipeline unintentionally omitted to notify the offset operators prior to the completion of this well. We are now requesting that you approve and forward to the New Mexico Oil Conservation Commission the attached waiver form. For your convenience, an addressed envelope is also enclosed.

Sincerely,

*Mike Turnbaugh*  
Mike Turnbaugh  
Drilling Engineer

MJT/gmk

cc: See attached



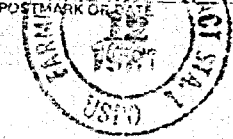


# RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse) Rosa #77

SENT TO  
Southland Royalty Co.  
STREET AND NO.  
410 17th Street Suite 1000  
P.O. STATE AND ZIP CODE  
Denver, Colo 80202

POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$



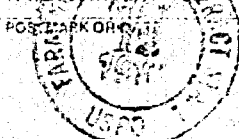
PS Form 3800, Apr. 1976

# RECEIPT FOR CERTIFIED MAIL

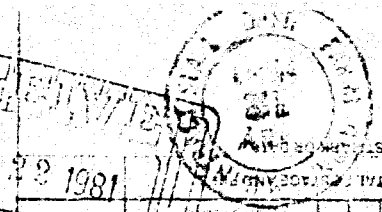
NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO  
CIG Exploration, Inc.  
STREET AND NO.  
P.O. Box 749  
P.O. STATE AND ZIP CODE  
Denver, Colo 80201

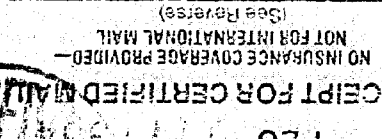
POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$



PS Form 3800, Apr. 1976



POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$



PS Form 3800, Apr. 1976

P23 1777902

# RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO  
Lois J. Willard  
STREET AND NO.  
P.O. Box 5205  
P.O. STATE AND ZIP CODE  
Santa Fe, New Mexico 87501

POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$



PS Form 3800, Apr. 1976

P23 1777902

# RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO  
Winifred K. Ponder  
STREET AND NO.  
1800 North Stanton St.  
P.O. STATE AND ZIP CODE  
El Paso, Texas 79902

POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$



PS Form 3800, Apr. 1976

RECEIVED MAY 15 1981 CON. COM. DIST. P23 1777901

# RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

SENT TO  
El Paso Natural Gas Co.  
STREET AND NO.  
P.O. Box 1492  
P.O. STATE AND ZIP CODE  
El Paso, Texas 79973

POSTAGE	\$
CERTIFIED FEE	¢
SPECIAL DELIVERY	¢
RESTRICTED DELIVERY	¢
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	¢
SHOW TO WHOM AND DATE DELIVERED	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	¢
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢
TOTAL POSTAGE AND FEES	\$



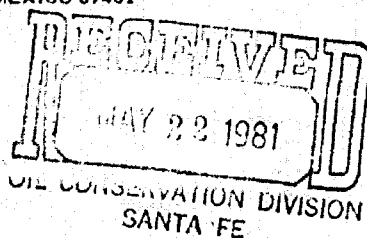
PS Form 3800, Apr. 1976

RECEIVED  
MAY 15 1981  
O. CON. COM.  
DIST. 9

Northwest Pipeline Corporation



PRODUCTION & DRILLING  
P. O. BOX 90  
FARMINGTON, NEW MEXICO 87401



New Mexico Oil Conservation Commission  
1000 Rio Brazos Rd.  
Aztec, New Mexico 87410

Re: Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
Rio Arriba Co., New Mexico

Gentlemen:

The undersigned being an authorized representative of the offset operator has been dually informed by Northwest Pipeline Corporation of their intent to dually complete the Rosa Unit #77 well in the Dakota and Mesa Verde formations. The dually completed gas well is located in Section 33, T31N-R5W, Rio Arriba County, New Mexico and hereby waives all objections to dual completing said well as a Dakota-Mesa Verde gas producer.

Lois J. Willard  
Name of Said Company

Representative of Company

May 15 1981  
Date

cc: See attached



Northwest Pipeline Corporation



PRODUCTION & DRILLING  
P. O. BOX 90  
FARMINGTON, NEW MEXICO 87401

New Mexico Oil Conservation Commission  
1000 Rio Brazos Rd.  
Aztec, New Mexico 87410

Re: Application for Dual Completion  
Northwest Pipeline Corporation  
Rosa Unit #77  
SW/4 Sec 33 T31N R5W  
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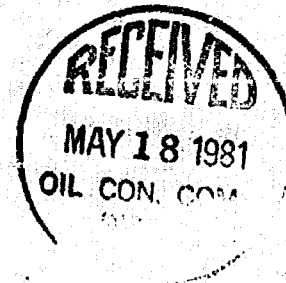
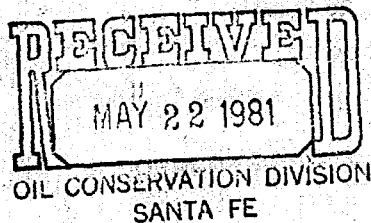
Gentlemen:

The undersigned being an authorized representative of the offset operator has been dually informed by Northwest Pipeline Corporation of their intent to dually complete the Rosa Unit #77 well in the Dakota and Mesa Verde formations. The dually completed gas well is located in Section 33, T31N-R5W, Rio Arriba County, New Mexico and hereby waives all objections to dual completing said well as a Dakota-Mesa Verde gas producer.

Wendell K. Fowler 5/15/81  
Name of Said Company

Representative of Company      Date

cc: See attached





ROUGH

dr/

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. 7280

Order No. R- 6756

APPLICATION OF NORTHWEST PIPELINE CORPORATION  
FOR A DUAL COMPLETION, AND DOWNHOLE COMMINGLING, RIO ARRIBA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 o'clock a.m. on  
July 29, 19 81, at Santa Fe, New Mexico, before  
Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 19 81, 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, Northwest Pipeline Corporation,  
dually seeks authority to/complete its Rosa Unit  
Well No. 77, located in Unit L of Section 33, Town-  
ship 31 North, Range 5 West, NMPM, Rio Arriba  
County, New Mexico, as a dual completion (conventional) to  
(combination)  
(tubingless)

to produce gas from the Mesaverde formation and commingled Gallup and  
Dakota production through separate strings of tubing.

(3) That the mechanics of the proposed dual completion  
are feasible and in accord with good conservation practices.



(4) That from the Gallup zone, the subject well is capable of low marginal production only.

(5) That from the Dakota zone, the subject well is capable of low marginal production only.

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

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

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Petec district office of the Division any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 29 percent of the commingled gas production and all of the oil production should be allocated to the Gallup zone, and 71 percent of the commingled gas production to the Dakota zone.

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

**IT IS THEREFORE ORDERED:**

(1) That the applicant, Northwest Pipeline Corporation,  
is hereby authorized to <sup>dually</sup> complete its Rosa Unit Well No. 77  
Well No. xxxxxx, located in Unit L of Section 33,  
Township 31 North, Range 5 West, NMPM, Rio Arriba  
County, New Mexico, as a OK final completion (conventional)  
(combination)  
(tubingless)

xxxx  
to produce gas from the Mesaverde formation and commingled  
Gallup and Dakota production through parallel ~~separate~~ strings of tubing.

with separators of the Mesaverde zone from the commingled zones  
to be achieved by means of a packer located at a depth  
of approximately 6000 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate,  
and produce said well in accordance with the provisions of Rule  
112-A of the Division Rules and Regulations insofar as said rule  
is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take  
Packer Leak Tests tests upon completion and  
annually thereafter during the Annual Deliverability #  
Test Period for the gas wells in Rio Arriba County as provided in the New Mexico Rules

all of the commingled oil  
(2) That 29 percent of the commingled gas and  
production shall be allocated to the Gallup  
zone and 71 percent of the commingled gas  
production shall be allocated to the Dakota  
zone.

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

(4) 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.