

Case No.

7286

Application

Transcripts

Small Exhibits

ETC



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 29, 1981

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 837-2434

Mr. William F. Carr
Campbell, Byrd & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 7286
ORDER NO. R-6739

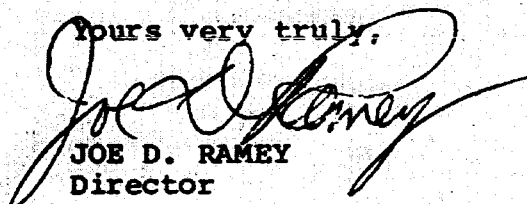
Applicant:

Supron Energy 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. 7286
Order No. R-6739

APPLICATION OF SUPRON ENERGY
CORPORATION FOR DOWNHOLE
COMMINGLING, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 2, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stametz.

NOW, on this 28th day of July, 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, Supron Energy Corporation, is the owner and operator of the Jicarilla F Well No. 6, located in the SW/4 of Section 34, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Basin-Dakota and Blanco Mesaverde production within the wellbore of the above-described well.
- (4) That from the Basin-Dakota zone, the subject well is capable of low marginal production only.
- (5) That from the Blanco Mesaverde 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.

+2-
Case No. 7286
Order No. R-6739

(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 well, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Supron Energy Corporation, is hereby authorized to commingle Basin-Dakota and Blanco Mesaverde production within the wellbore of the Jicarilla F Well No. 6, located in the SW/4 of Section 34, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in the subject well.

(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 herein-
dated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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 Supron Energy Corpor-
ation for downhole commingling, Rio
Arriba County, New Mexico.

CASE
7286

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:

William F. Carr, Esq.
CAMPBELL, BYRD, & BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

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I N D E X

GUDBRAND BJERKE

Direct Examination by Mr. Carr

JERRY LEE

Direct Examination by Mr. Carr

Questions by Mr. Chavez

Cross Examination by Mr. Stamets

E X H I B I T S

Applicant Exhibit One, Plat

Applicant Exhibit Two, Schematic

Applicant Exhibit Three, Packer Leakage Test

Applicant Exhibit Four, Tabulation

1 MR. STAMETS: We'll call next Case 7286.

2 MR. PEARCE: Application of Supron

3 Energy Corporation for downhole commingling, Rio Arriba County,
4 New Mexico.

5 MR. CARR: May it please the Examiner,
6 my name is William F. Carr, with the law firm Campbell, Byrd,
7 and Black, P. A., Santa Fe, New Mexico, appearing on behalf
8 of the applicant.

9 I have two witnesses who need to be

10 sworn.

11 (Witnesses sworn.)

12 GUDBRAND BJERKE

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

15 DIRECT EXAMINATION

16 BY MR. CARR:

17 Q Will you state your full name and place
18 of residence?

19 A My name is Gudbrand Bjerke with Supron
20 Energy and residing in Dallas, Texas.

21 Q Have you previously testified before

1
2 this Commission and --

3 A Yes, sir.

4 Q -- had your credentials accepted and
5 made a matter of record? Are you familiar with the application
6 in this case?

7 A Yes, sir.

8 MR. CARR: Are Mr. Bjerke's qualifica-
9 tions acceptable?

10 MR. STAMETS: Yes, they are, if you'll
11 run that last name by me one more time.

12 A Bjerke.

13 MR. STAMETS: How do you spell that,
14 sir?

15 A B-J-E-R-K-E.

16 MR. STAMETS: B-J-E-R-K-E.

17 Q Mr. Bjerke, will you briefly state what
18 Supron seeks with this application?

19 A Yeah. We are trying to obtain a down-
20 hole commingling of gases and liquids on the Jicarilla No.
21 F-6 that's located in Section 34, 26 North, 4 West.

22 The ownership through all formations
23 is the same. Supron owns 50 percent and Billy J. Knott owns
24 the other 50 percent.

25 Q Mr. Bjerke, will you please refer to

1
2 what has been marked as Supron Exhibit Number One, identify
3 this, and explain what it shows?

4 A The exhibit shows the location of the
5 well and our acreage in this township.

6 Q Will Supron call another witness who
7 will testify as to the engineering considerations?

8 A Yes, they will.

9 Q And you've testified that the ownership
10 between the two zones to be commingled is common?

11 A It is common.

12 MR. CARR: I have nothing further of
13 Mr. Bjerke.

14 MR. STAMETS: Are there any questions
15 of the witness? He may be excused.

16 MR. CARR: At this time I'd call Mr.
17 Lee.

18
19 JERRY LEE
20 being called as a witness and being duly sworn upon his oath,
21 testified as follows, to-wit:

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23 DIRECT EXAMINATION

24 BY MR. CARR:

25 Q Will you state your full name and place

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2 of residence?

3 A. Jerry Lee and I reside in Dallas, Texas.

4 Q. By whom are you employed and in what
5 capacity?

6 A. Supron Energy Corporation as a Senior
7 Drilling and Production Engineer.

8 Q. Have you previously testified before
9 this Commission and had your credentials made a matter of
10 record?

11 A. I have.

12 Q. Are you familiar with the application
13 filed in this case and the subject well?

14 A. I am.

15 Q. Were you previously qualified as a pet-
16 roleum engineer?

17 A. Yes.

18 MR. CARR: Are Mr. Lee's qualifications
19 acceptable?

20 MR. STAMETS: They are.

21 Q. Mr. Lee, will you please refer to what
22 has been marked for identification as Supron Exhibit Number
23 One and explain to Mr. Stamets what this is and what it
24 shows?

25 A. Exhibit One is a plat showing the offset

2 operators and wells to the proposed commingled well, the
3 Jicarilla F-6, located in the southwest quarter of Section 34,
4 Township 26 North, Range 4 West, Rio Arriba County.

5 Q What acreage do you propose to dedicate
6 to this well?

7 A The west half.

8 Q Mr. Lee, will you now refer to Supron
9 Exhibit Number Two, and using this exhibit give a completion
10 history of this well?

11 A Exhibit Two is a diagrammatic sketch of
12 the wellbore of the Jicarilla F-6 well.

13 The subject well was drilled to a total
14 depth of 7910 feet. Excuse me, that's correct, and 5-1/2
15 casing was ran to that depth.

16 The well was then perforated and stimulated
17 in the Dakota formation and in the Mesaverde formation. The
18 Dakota was perforated from 7678 to 7841 and the Mesaverde
19 was perforated from 5621 to 5735. The two zones were separ-
20 ated by a production packer and two strings of tubing ran to
21 both zones.

22 Since completion the Mesaverde has been
23 delivered, or first delivered, and has produced, although
24 there have been numerous problems with the well logging off
25 in the Mesaverde formation.

1
2 The Dakota formation we have been unable
3 to ever get the well to produce. On test, we can test it to
4 atmosphere and get production from it, but we cannot sustain
5 production on line. It will not produce against the line
6 pressure, and this is due to fluids, liquid build-up in the
7 Dakota, from the Dakota formation, primarily oil and still some
8 stimulation water.

9 What we're proposing to do under this
10 commingle would be to pull both strings of tubing and the
11 production packer, run a string of 2-3/8ths inch production
12 tubing, and equip the well with conventional rod pump artifi-
13 cial lift in order to produce the liquids up the tubing and
14 bring the gas up the casing from both Mesaverde and Dakota
15 zones.

16 Q Will you now refer to Supron Exhibit
17 Number Three and summarize the data contained thereon?

18 A Exhibit Three is a copy of the New
19 Mexico, northeast New Mexico packer leakage test form that was
20 ran on the subject well. The -- this exhibit has been in-
21 cluded primarily to show the shut in pressures of the Dakota
22 and Mesaverde formations.

23 The shut-in pressure on the Mesaverde
24 formation was 1250 psi. The shut-in pressure on the Dakota
25 formation was 1340 psi, for a differential of only 90 psi

shut-in on the two zones.

Q Will these pressure differentials result in the migration of gas between the zones?

A The amount of differential pressure, shut-in pressure between the two zones is so small that in my opinion no migration could occur between the two zones.

Q At this time is the Mesaverde only capable of marginal production?

A That is correct. The Mesaverde is, as is shown in Exhibit Four, the initial production for the first month was 17-million, but since that time it's been a maximum of about 3 1/2-million to zero production at certain times due to just log off and inability to return the well to production.

Q Mr. Lee, how do you recommend that the production from the two zones be allocated between the two zones, assuming that the downhole commingling is approved?

A Mr. Rudy Motto with our company in Farmington, in our Farmington office, has discussed the possible allocation of production with Mr. Frank Chavez, the District -- the Commission's District Supervisor, and arrived at a possible solution for allocation to be to allocate the total increase in production from the commingled well to the Dakota zone, using the production, last production from the

1
2 Mesaverde zone as a basis, both gas and condensate, and then
3 any increase after the commingle would be allocated to the
4 Dakota zone.

5 Now there are other possible ways that
6 this could be done. It could be done on the initial potential
7 test or it could be done on a retest of the Mesaverde zone and
8 then a test of the Dakota zone/Mesaverde zone commingled to
9 determine it.

10 Q Is it your recommendation that the
11 actual allocation between zones be looked at with the Aztec
12 office of the Oil Conservation Division and worked out?

13 A That is correct.

14 Q Are the reservoir characteristics of
15 the pools involved in this case such that underground waste
16 will be caused by the downhole commingling?

17 A That is correct.

18 Q In your opinion will granting this
19 application result in the recovery of hydrocarbons that other-
20 wise would not be recovered?

21 A It will.

22 Q In your opinion will granting the appli-
23 cation be in the best interest of conservation, prevention of
24 waste, and the protection of correlative rights?

25 A It will.

1
2 Q Were Exhibits One through Four prepared
3 by you?

4 A Yes, they were.

5 MR. CARR: At this time, Mr. Stamets,
6 we would offer Supron Exhibits One through Four.

7 MR. STAMETS: These exhibits will be
8 admitted.

9 MR. CARR: I have nothing further on
10 direct.

11 MR. STAMETS: Any questions of the wit-
12 ness? Mr. Chavez.

13 MR. CHAVEZ: Just one question.

14
15 QUESTIONS BY MR. CHAVEZ

16 Q To what depth will you run the production
17 tubing, or do you propose to run the production tubing in
18 the commingled well?

19 A The production tubing, it would be some-
20 what dependent on whether or not there's any sand production
21 from the Dakota.

22 Initially I would say that we would run
23 the production tubing above the perforations in the Dakota
24 formation. At some later time when we have to have a rig on
25 there for a pump change and we're sure that the well is cleaned

1
2 up, I would lower the production tubing below the bottom set
3 of Dakota perforations.

4 MR. CHAVEZ: I have no further questions.

5
6 CROSS EXAMINATION

7 BY MR. STAMETS:

8 Q You say above the Dakota zone. It still
9 would be within the distance required by the Division rules
10 and regulations?

11 A It would be within 100 feet or so of
12 the top of the Dakota at first.

13 Q Okay. Do you have any evidence as to
14 the level that the liquids are standing in the Dakota zone?

15 A None that I'm aware of.

16 Q That could have an affect on the pressures,
17 could it not?

18 A It could, yes.

19 Q Have you any evidence on other wells in
20 the area which would indicate that the pressures in the Dakota
21 and Mesaverde are as close as you have indicated on Exhibit
22 Three?

23 A I've not researched that recently. I
24 would -- I would anticipate a somewhat higher pressure on
25 that Dakota zone than what we see there. Normally the Dakota

1
2 pressure would be somewhere in the range of about 1800 pounds
3 surface shut-in.

4 Q Which would still be --

5 A Still be a marginal differential between
6 the two zones.

7 Q -- not too great a difference.

8 A And of course, in a producing situation
9 your drawdown, your pipeline pressure is significantly lower
10 than the pressure, shut-in pressure of either zone, so ob-
11 viously in a producing situation no cross flow could occur.

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

14 Anything further in this case?

15 MR. CARR: Nothing further.

16 MR. STAMETS: The case will be taken
17 under advisement.

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19 (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 C.S.R.

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 7-27 1981.

Richard L. Lamm Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

Rt. 1 Box 191-B
Santa Fe, New Mexico 87501
Phone (505) 433-7409

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:

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Arriba County, New Mexico.

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BEFORE: Richard L. Stamets

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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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I have two witnesses who need to be
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(Witnesses sworn.)

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MR. STAMETS: Yes, they are, if you'll run that last name by me one more time.

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7 Dakota, from the Dakota formation, primarily oil and still some
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10 commingle would be to pull both strings of tubing and the
11 production packer, run a string of 2-3/8ths inch production
12 tubing, and equip the well with conventional rod pump artifi-
13 cial lift in order to produce the liquids up the tubing and
14 bring the gas up the casing from both Mesaverde and Dakota
15 zones.

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19 Mexico, northeast New Mexico packer leakage test form that was
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16 Q Mr. Lee, how do you recommend that the
17 production from the two zones be allocated between the two
18 zones, assuming that the downhole commingling is approved?

19 A Mr. Rudy Motto with our company in
20 Farmington, in our Farmington office, has discussed the pos-
21 sible allocation of production with Mr. Frank Chavez, the
22 District -- the Commission's District Supervisor, and arrived
23 at a possible solution for allocation to be to allocate the
24 total increase in production from the commingled well to the
25 Dakota zone, using the production, last production from the

1 Mesaverde zone as a basis, both gas and condensate, and then
2 any increase after the commingle would be allocated to the
3 Dakota zone.
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7 this could be done. It could be done on the initial potential
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9 then a test of the Dakota zone/Mesaverde zone commingled to
10 determine it.

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12 actual allocation between zones be looked at with the Aztec
13 office of the Oil Conservation Division and worked out?
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15 A That is correct.

16 Q Are the reservoir characteristics of
17 the pools involved in this case such that underground waste
18 will be caused by the downhole commingling?
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20 A That is correct.

21 Q In your opinion will granting this
22 application result in the recovery of hydrocarbons that other-
23 wise would not be recovered?
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25 A It will.

Q In your opinion will granting the appli-
cation be in the best interest of conservation, prevention of
waste, and the protection of correlative rights?
A It will.

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2 Q Were Exhibits One through Four prepared
3 by you?

4 A Yes, they were.

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6 we would offer Supron Exhibits One through Four.

7 MR. STAMETS These exhibits will be
8 admitted.

9 MR. CARR I have nothing further on
10 direct.

11 MR. STAMETS: Any questions of the wit-
12 ness? Mr. Chavez.

13 MR. CHAVEZ: Just one question.

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17 tubing, or do you propose to run the production tubing in
18 the commingled well?

19 A The production tubing, it would be some-
20 what dependent on whether or not there's any sand production
21 from the Dakota.

22 Initially I would say that we would run
23 the production tubing above the perforations in the Dakota
24 formation. At some later time when we have to have a rig on
25 there for a pump change and we're sure that the well is cleaned

up, I would lower the production tubing below the bottom set of Dakota perforations.

MR. CHAVEZ: I have no further questions.

CROSS EXAMINATION

BY MR. STAMETS:

Q You say above the Dakota zone. It still would be within the distance required by the Division rules and regulations?

A It would be within 100 feet or so of the top of the Dakota at first.

Q Okay. Do you have any evidence as to the level that the liquids are standing in the Dakota zone?

A None that I'm aware of.

Q That could have an affect on the pressures, could it not?

A It could, yes.

Q Have you any evidence on other wells in the area which would indicate that the pressures in the Dakota and Mesaverde are as close as you have indicated on Exhibit Three?

A I've not researched that recently. I would -- I would anticipate a somewhat higher pressure on that Dakota zone than what we see there. Normally the Dakota

1
2 pressure would be somewhere in the range of about 1800 pounds
3 surface shut-in.

4 Q Which would still be --

5 A Still be a marginal differential between
6 the two zones.

7 Q -- not too great a difference.

8 A And of course, in a producing situation
9 your drawdown, your pipeline pressure is significantly lower
10 than the pressure, shut-in pressure of either zone, so ob-
11 viously in a producing situation no cross flow could occur.

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

14 Anything further in this case?

15 MR. CARR: Nothing further.

16 MR. STAMETS: The case will be taken
17 under advisement.

18
19 (Hearing concluded.)
20
21
22
23
24
25

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 C.S.R.

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.

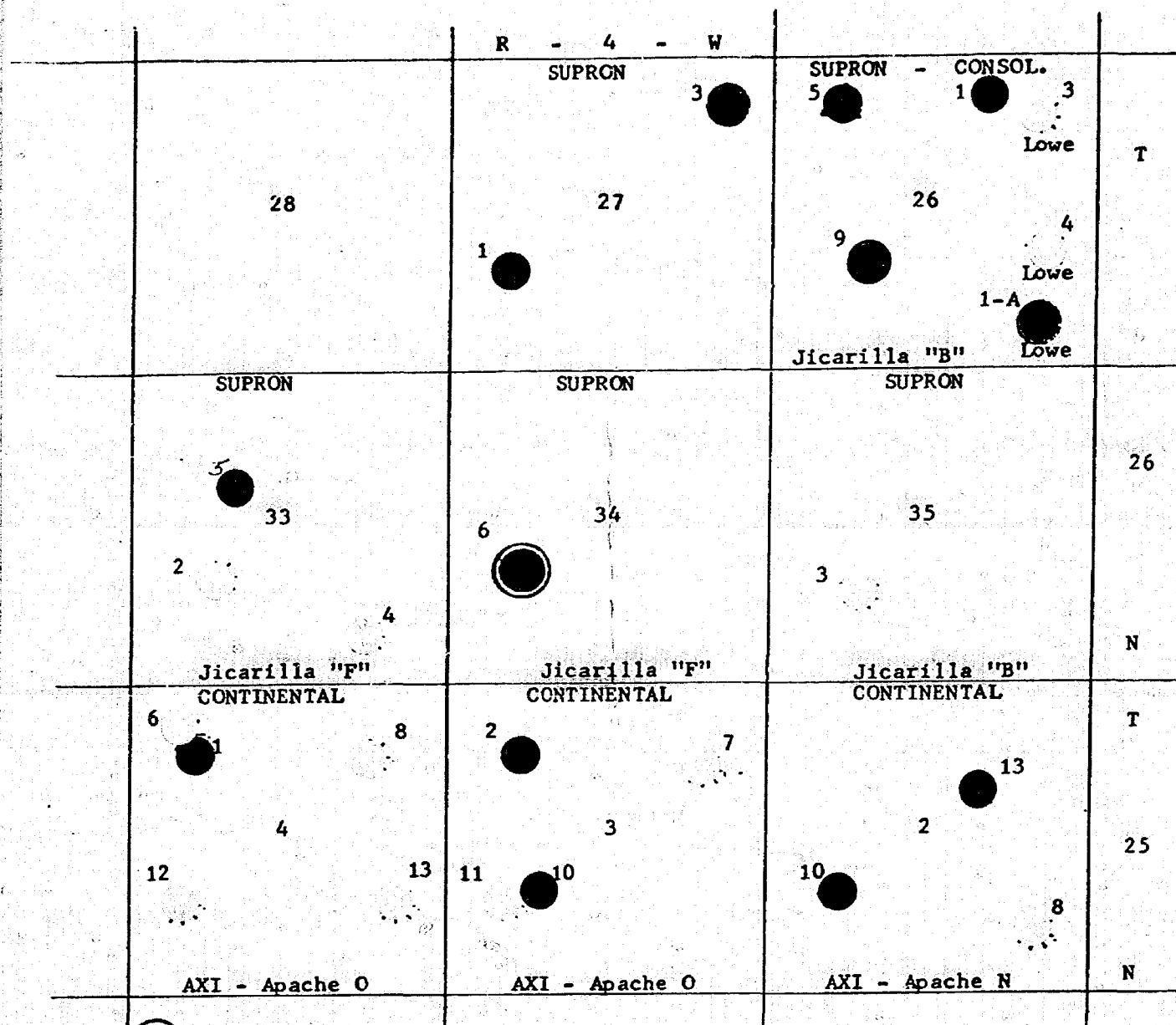
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

OFFSET OPERATOR'S PLAT

SUPRON ENERGY CORPORATION

WELL: JICARILLA "F" NO. 6

LOCATION: 1820 Feet from the South line and 1010 feet from the West line of Sec. 34, Twp. 26 North, Rge. 4 West, N.M.P.M., Rio Arriba County, New Mexico.



Proposed Mesaverde - Dakota Dual Completion



Dakota



Dakota - Mesaverde



Dakota - Pictured Cliffs



Pictured Cliffs



Pictured Cliffs - Mesaverde



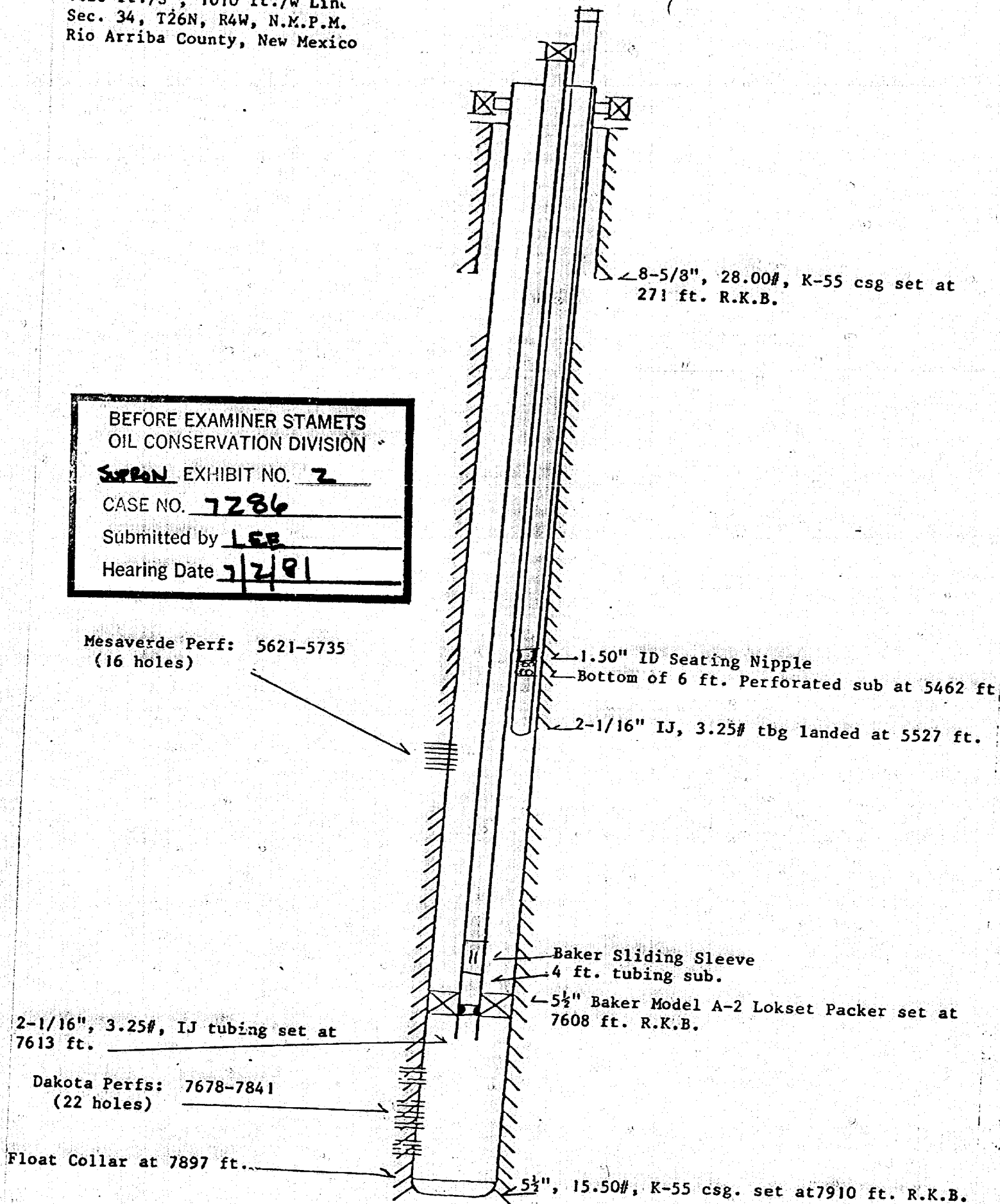
Mesaverde

BEFORE EXAMINER STAMETS	
OIL CONSERVATION DIVISION	
SUPRON	EXHIBIT NO. <u>1</u>
CASE NO. <u>7286</u>	
Submitted by <u>LEE</u>	
Hearing Date <u>7/2/81</u>	

Supron Energy Corporation
Jicarilla "F" No. 6
1820 ft./S ; 1010 ft./W Line
Sec. 34, T26N, R4W, N.M.P.M.
Rio Arriba County, New Mexico

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
SUPRON	EXHIBIT NO. <u>2</u>
CASE NO.	<u>7286</u>
Submitted by	<u>LEE</u>
Hearing Date	<u>7/2/91</u>

Mesaverde Perf: 5621-5735
(16 holes)



NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

Operator Supson Energy Corp. Lease Jicarrilla "F" Well No. 6
Location of Well: Unit L Sec. 34 Twp. 26N Rge. 4W County Pio AbilaName of Reservoir or Pool (Oil or Gas) (Flow or Art. Lift) (Tbg. or Csg.)
Upper Completion Meanderle Gas Flow Tubing
Lower Completion Sakota Gas Flow Tubing

PPE-FLOW SHUT-IN PRESSURE DATA

Upper Compl	Hour, date	Shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
	9:00 A.M.	5/20/80	7 days	1251	No
Lower Compl	Hour, date	Shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
	9:00 A.M.	5/20/80	7 days	1307	No

FLOW TEST NO. 1

Commenced at (hour, date)* 11:30 A.M. 5/27/80 Zone producing (Upper or Lower): Upper

Time (hour, date)	Lapsed time since*	Pressure Upper Compl.	Pressure Lower Compl.	Prod. Zone Temp.	Remarks
11:30 A.M.	—0—	1251	1307		
5/27/80	15 min.	283	1307	52°	
11:45 A.M.	30 min.	227	1308	54°	
5/27/80	45 min.	200	1310	57°	
12:00 Noon	1 hour	183	1310	57°	
5/27/80	3 hours	121	1311	59°	

Production rate during test

Oil: BOPD based on Bbls. in Hrs. Grav. GOR
Gas: 1601 MCFPD; Tested thru (Orifice or Meter): Orifice

MID-TEST SHUT-IN PRESSURE DATA

Upper Compl	Hour, date	Shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
	2:30 P.M.	5/27/80	7 days	1250	Yes
Lower Compl	Hour, date	Shut-in	Length of time shut-in	SI press. psig	Stabilized? (Yes or No)
	9:00 A.M.	5/20/80	14 days	1340	No

FLOW TEST NO. 2

Commenced at (hour, date)** 12:25 P.M. 6/3/80 Zone producing (Upper or Lower): Lower

Time (hour, date)	Lapsed time since **	Pressure Upper Compl.	Pressure Lower Compl.	Prod. Zone Temp.	Remarks
12:25 P.M.	—0—	1250	1340		
6/3/80	15 min.	1252	0	62°	
12:40 P.M.	30 min.	1253	9	63°	
6/3/80	45 min.	1257	32	63°	
1:00 P.M.	1 hour	1260	32	63°	
6/3/80	3 hours	1260	14	63°	

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISIONEXHIBIT NO. 3CASE NO. 7286Submitted by LEEHearing Date 7/2/81

Production rate during test

Oil: BOPD based on Bbls. in Hrs. Grav. GOR
Gas: 308 MCFPD; Tested thru (Orifice or Meter): Orifice

REMARKS:

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

Approved: 19
Oil Conservation Division

by _____

Title _____

Operator Supson Energy Corp.By Kenneth E. LaddTitle Production Supt.Date 6/9/80

ASTEC DISTRICT NEW MEXICO Packer Leakage Test Instructions

1. The test shall be conducted on each multiple completed well after the completion of the well, and annually thereafter, or more often if the operator authorizes the multiple completion. The test shall be conducted on all multiple completions within 30 days of the completion and/or chemical or fracture treatment. The test shall be conducted on each zone of a well during which the packer is being installed. Tests shall also be taken at any time the operator requests or when requested by the Division.

2. The test shall be conducted on the completion of any packer leakage test. The Division shall require the Division in writing of the exact time and the test shall be conducted. Test operators shall also be notified.

3. The test shall be conducted when both zones of the dual completion are shut-in for pressure stabilization. Both zones shall remain shut-in until the pressure in each has stabilized, provided however that they do not remain shut-in more than seven days.

4. The test shall be conducted on one zone of the dual completion shall be produced at the normal rate of production while the other zone remains shut-in. The test shall be conducted for seven days or the case of a gas well and shall be conducted for 14 days. If, after an initial packer leakage test, the pressure in the shut-in zone is found to be at the atmospheric pressure the flow period shall be three hours.

5. After completion of the test No. 1, the well shall again be shut-in and pressure shall be stabilized for 24 hours.

6. The test shall be conducted when, though no leak was indicated in the test No. 1, the pressure for flow test No. 2 is to be the same as the pressure in the test No. 1. The test shall be conducted on the zone which was previously shut-in is produced.

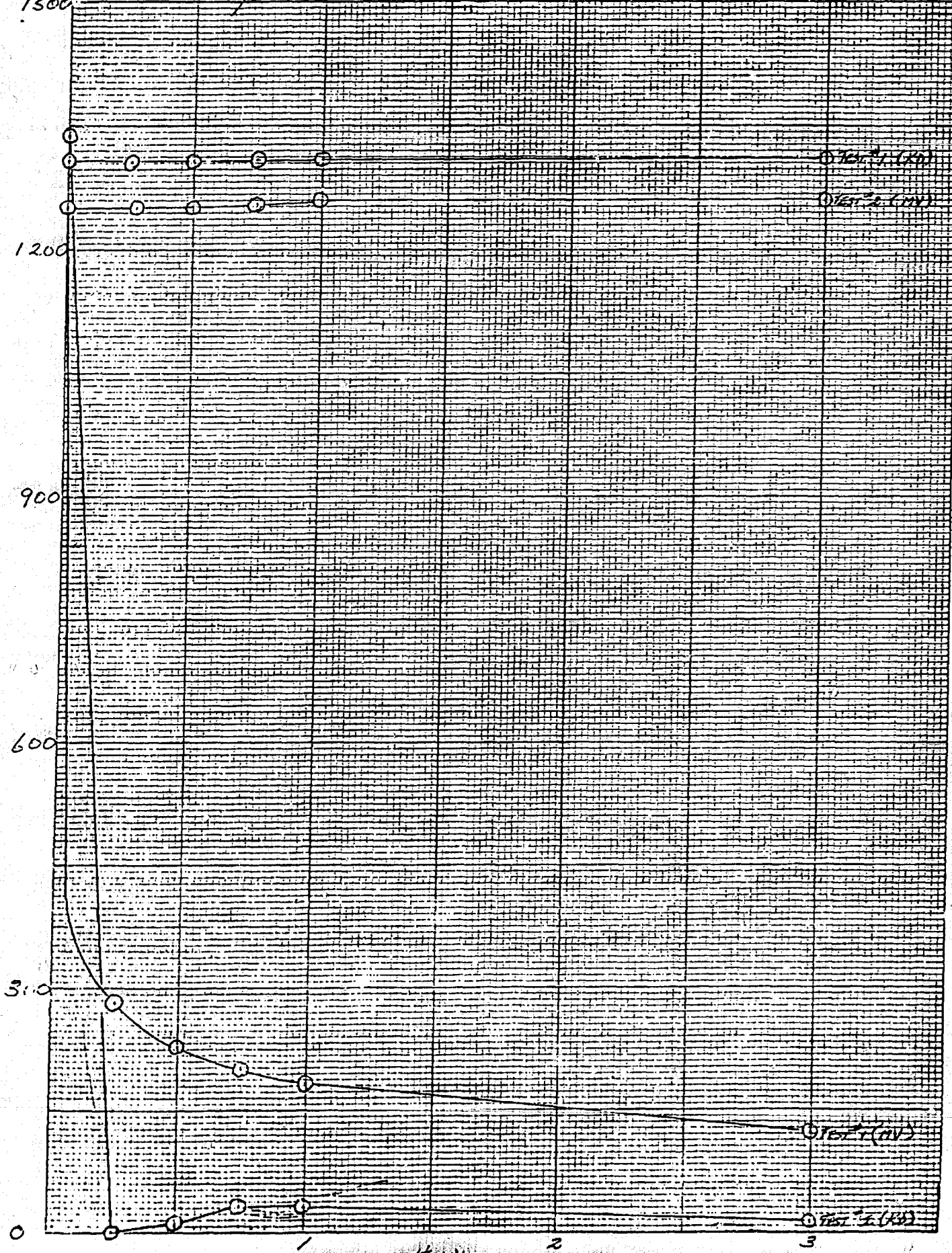
7. Pressures for gas-zone tests must be measured on each zone with a deadweight pressure gauge at time intervals as follows: 1-hour tests: immediately prior to the beginning of each flow period, at 15-minute intervals during the first hour thereof, and at hourly intervals thereafter, including one pressure measurement immediately prior to the conclusion of each flow period. 7-day tests: immediately prior to the beginning of each flow period, at least one time during each flow period (at approximately the midway point) and immediately prior to the conclusion of each flow period. Other pressures may be taken as desired, or may be requested on wells which have previously shown questionable test data.

24-hour oil zone tests: all pressures, throughout the entire test, shall be continuously measured and recorded with recording pressure gauges, the accuracy of which must be checked at least twice, once at the beginning and once at the end of each test, with a deadweight pressure gauge. If a well is a gas-oil or an oil-gas dual completion, the recording gauge shall be required on the oil zone only, with deadweight pressures as required above being taken on the gas zone.

8. The results of the above-described tests shall be filed in triplicate within 15 days after completion of the test. Tests shall be filed with the Astec District Office of the Oil Conservation Division on Northwest New Mexico Packer Leakage Test Form Number 15-1-18, with all deadweight pressures indicated thereon, as well as the flowing temperatures (gas zones only) and gravity and GOR (oil zones only). A pressure versus time curve for each zone of each test shall be constructed on the reverse side of the Packer Leakage Test Form with all deadweight pressure points taken indicated thereon. For oil zones, the pressure curve should also indicate all key pressure changes which may be reflected by the recording gauge charts. These key pressure changes should also be tabulated on the front of the Packer Leakage Test Form.

P.S.I.G.
1500

Juanilla "F" No. 6



PRODUCTION DATA
JICARILLA F-6

BLANCO-MESAVERDE

<u>DATE</u>	<u>GAS PROD - MCF</u>	<u>CONDENSATE PROD - BBLs</u>	<u>DAYS PRODUCED</u>
9-80	17,372	200	30
10-80	3417	0	22
11-80	2861	0	20
12-80	425	0	10
1-81	0	0	8
2-81	3195	8	16
3-81	7781	78	23
4-81	6501	60	31
5-81	1256	53	18

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

~~SUPP~~ EXHIBIT NO. 4

CASE NO. 7286

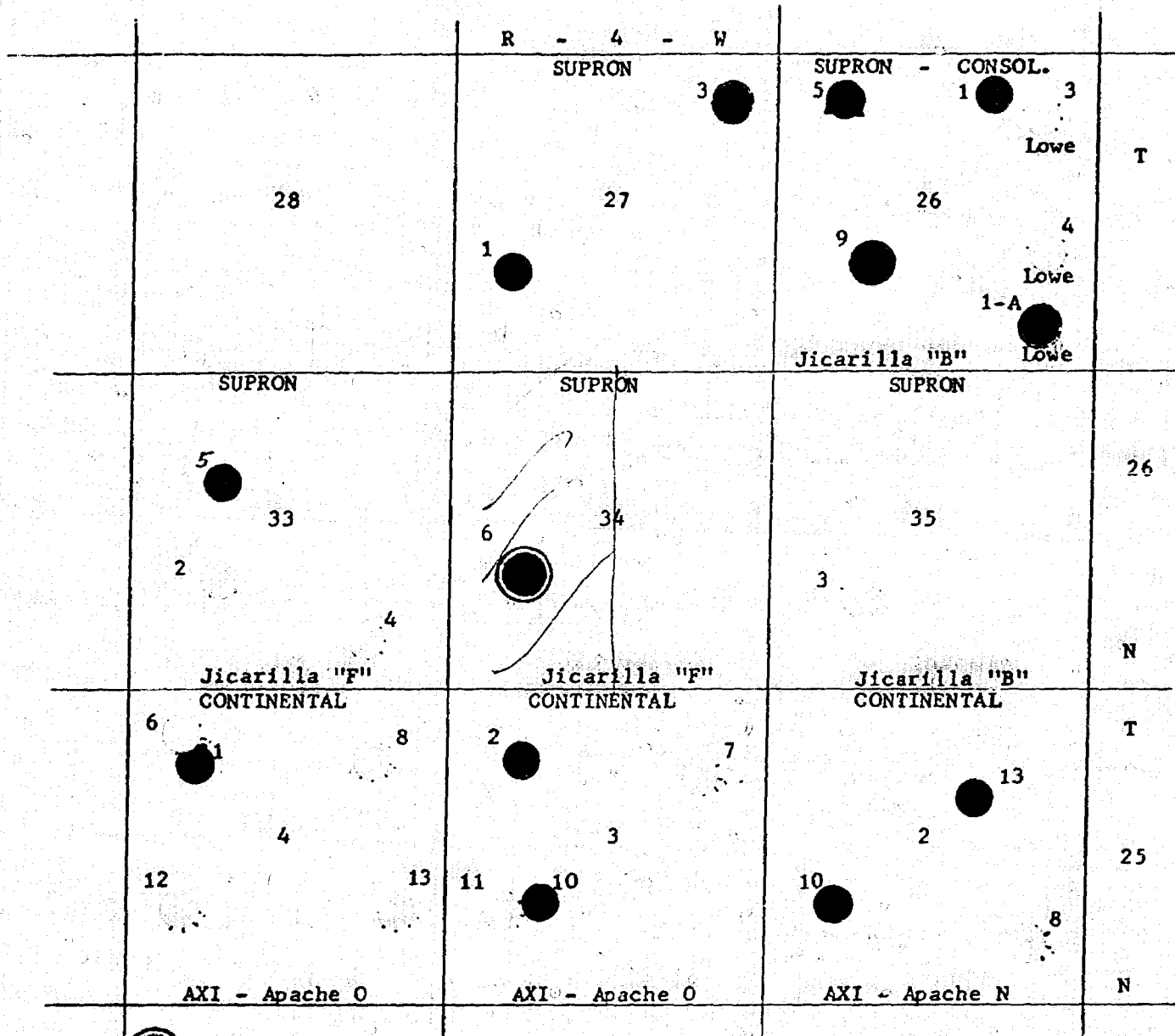
Submitted by LEE








Hearing Date 7/2/81

OFFSET OPERATOR'S PLAT

SUPRON ENERGY CORPORATION
WELL: JICARILLA "F" NO. 6

LOCATION: 1820 Feet from the South line and 1010 feet from
the West line of Sec. 34, Twp. 26 North, Rge. 4
West, N.M.P.M., Rio Arriba County, New Mexico.



-  Proposed Mesaverde - Dakota Dual Completion
-  Dakota
-  Dakota - Mesaverde
-  Dakota - Pictured Cliffs
-  Pictured Cliffs
-  Pictured Cliffs - Mesaverde
-  Mesaverde

BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
SUPRON EXHIBIT NO.	1
CASE NO.	7286
Submitted by	LEE
Hearing Date	7/2/81

Supron Energy Corporation
Jicarilla "F" No. 6
1820 ft./S ; 1010 ft./W Line
Sec. 34, T26N, R4W, N.M.P.M.
Rio Arriba County, New Mexico

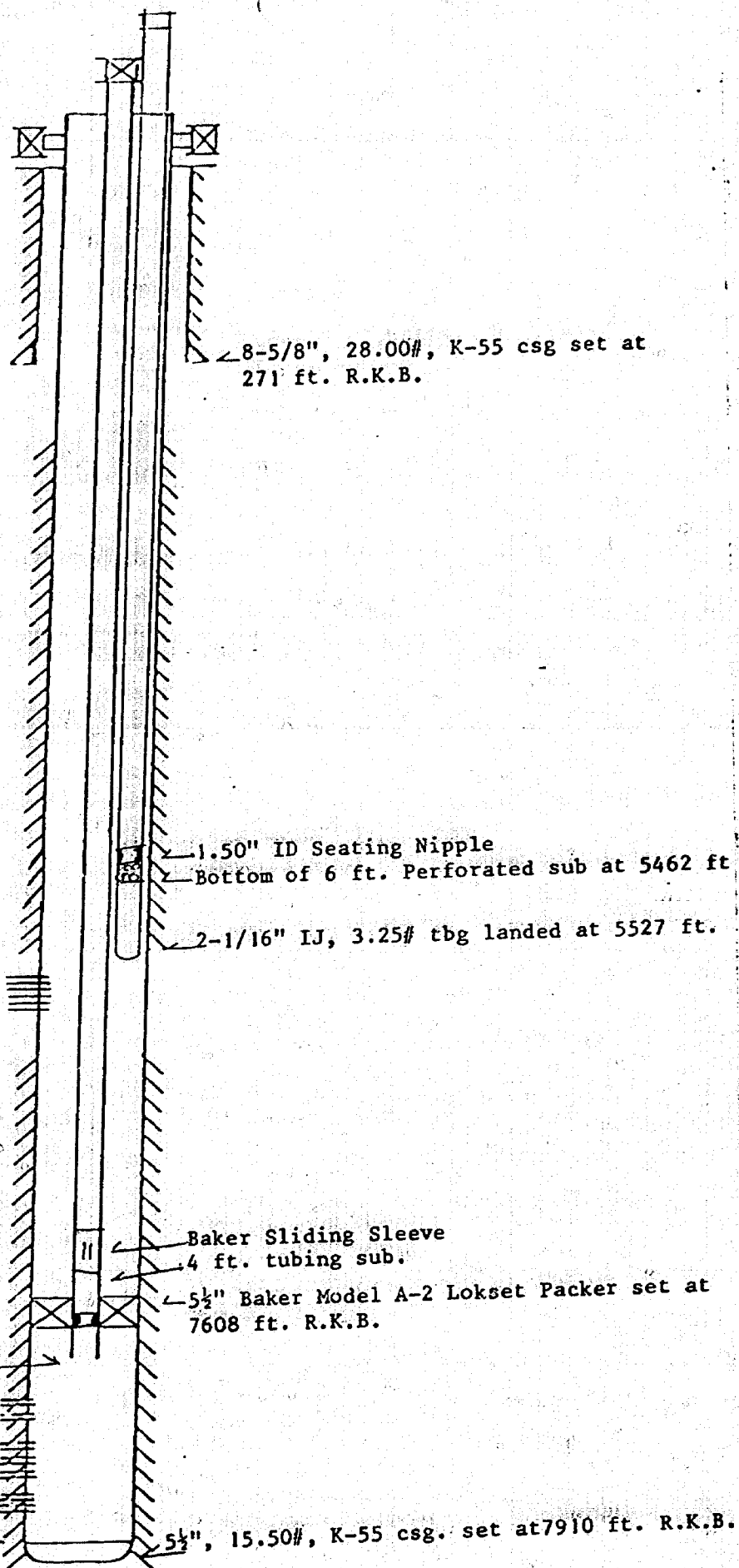
BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION	
EXHIBIT NO.	<u>2</u>
CASE NO.	<u>7286</u>
Submitted by	<u>LEP</u>
Hearing Date	<u>7/2/81</u>

Mesaverde Perf: 5621-5735
(16 holes)

2-1/16", 3.25#, IJ tubing set at
7613 ft.

Dakota Perfs: 7678-7841
(22 holes)

Float Collar at 7897 ft.



8-5/8", 28.00#, K-55 csg set at
271 ft. R.K.B.

1.50" ID Seating Nipple

Bottom of 6 ft. Perforated sub at 5462 ft

2-1/16" IJ, 3.25# tbg landed at 5527 ft.

Baker Sliding Sleeve

4 ft. tubing sub.

5 1/2" Baker Model A-2 Lokset Packer set at
7608 ft. R.K.B.

2-1/16", 3.25#, IJ tubing set at
7613 ft.

Dakota Perfs: 7678-7841
(22 holes)

Float Collar at 7897 ft.

5 1/2", 15.50#, K-55 csg. set at 7910 ft. R.K.B.

NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

Operator Sutton Energy Corp. Lease Jicarilla "F" Well No. 6
Location of Well: Unit L Sec. 34 Twp. 26N Rge. 4W County Rio Arriba

	Name of Reservoir or Pool	Type of Prod. (Oil or Gas)	Method of Prod. (Flow or Art. Lift)	Prod. Medium (Tbg. or Csg.)
Upper Completion	<u>Mesa Verde</u>	<u>Gas</u>	<u>Flow</u>	<u>Tubing</u>
Lower Completion	<u>Sakota</u>	<u>Gas</u>	<u>Flow</u>	<u>Tubing</u>

PRE-FLOW SHUT-IN PRESSURE DATA

Upper Compl	Hour, date <u>9:00 A.M.</u>	Length of time shut-in <u>7 days</u>	SI press. psig <u>1251</u>	Stabilized? (Yes or No) <u>No</u>
Lower Compl	Hour, date <u>9:00 A.M.</u>	Length of time shut-in <u>7 days</u>	SI press. psig <u>1307</u>	Stabilized? (Yes or No) <u>No</u>

FLOW TEST NO. 1

Commenced at (hour, date)* <u>11:30 A.M. 5/27/80</u>		Zone producing (Upper or Lower): <u>Upper</u>			
Time (hour, date)	Lapsed time since*	Pressure		Prod. Zone Temp.	Remarks
<u>11:30 A.M. 5/27/80</u>	<u>—0—</u>	<u>1251</u>	<u>1307</u>		
<u>11:45 A.M. 5/27/80</u>	<u>15 Min.</u>	<u>283</u>	<u>1307</u>	<u>52°</u>	
<u>12:00 Noon 5/27/80</u>	<u>30 Min.</u>	<u>227</u>	<u>1308</u>	<u>54°</u>	
<u>12:15 P.M. 5/27/80</u>	<u>45 Min.</u>	<u>200</u>	<u>1310</u>	<u>57°</u>	
<u>12:30 P.M. 5/27/80</u>	<u>1 Hour</u>	<u>183</u>	<u>1310</u>	<u>57°</u>	
<u>2:30 P.M. 5/27/80</u>	<u>3 Hours</u>	<u>121</u>	<u>1311</u>	<u>59°</u>	

Production rate during test

Oil: BOPD based on Bbls. in Hrs. Grav. GOR
Gas: 1601 MCFPD; Tested thru (Orifice or Meter): Orifice

MID-TEST SHUT-IN PRESSURE DATA

Upper Compl	Hour, date <u>2:30 P.M. 5/27/80</u>	Length of time shut-in <u>7 days</u>	SI press. psig <u>1250</u>	Stabilized? (Yes or No) <u>Yes</u>
Lower Compl	Hour, date <u>9:00 A.M. 5/20/80</u>	Length of time shut-in <u>14 days</u>	SI press. psig <u>1340</u>	Stabilized? (Yes or No) <u>No</u>

FLOW TEST NO. 2

Commenced at (hour, date)** <u>12:25 P.M. 6/3/80</u>		Zone producing (Upper or Lower): <u>Lower</u>			
Time (hour, date)	Lapsed time since**	Pressure		Prod. Zone Temp.	Remarks
<u>12:25 P.M. 6/3/80</u>	<u>—0—</u>	<u>1250</u>	<u>1340</u>		BEFORE EXAMINER STAMETS OIL CONSERVATION DIVISION
<u>12:40 P.M. 6/3/80</u>	<u>15 Min.</u>	<u>1252</u>	<u>0</u>	<u>62°</u>	<u>Sutton</u> EXHIBIT NO. <u>3</u>
<u>12:55 P.M. 6/3/80</u>	<u>30 Min.</u>	<u>1253</u>	<u>9</u>	<u>63°</u>	CASE NO. <u>7286</u>
<u>1:10 P.M. 6/3/80</u>	<u>45 Min.</u>	<u>1257</u>	<u>32</u>	<u>63°</u>	Submitted by <u>LEE</u>
<u>1:25 P.M. 6/3/80</u>	<u>1 Hour</u>	<u>1260</u>	<u>32</u>	<u>63°</u>	Hearing Date <u>7/2/81</u>
<u>3:25 P.M. 6/3/80</u>	<u>3 Hours</u>	<u>1260</u>	<u>14</u>	<u>63°</u>	

Production rate during test

Oil: BOPD based on Bbls. in Hrs. Grav. GOR
Gas: 308 MCFPD; Tested thru (Orifice or Meter): Orifice

REMARKS:

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

Approved: 19
Oil Conservation Division

Operator Sutton Energy Corp.
By Kenneth E. Radley
Title Production Supt.
Date 6/3/80

NEW MEXICO PACKER LEAKAGE TEST INSTRUCTIONS

1. A packer leakage test shall be performed on each multiple completion well after completion of the well, and annually thereafter until the well is abandoned. The test shall be performed on all multiple completions within 30 days of completion and on existing or fracture treatment completions within 90 days of completion. Tests shall also be taken at any time the completion is performed or when requested by the Division.

2. If a packer leakage test is required as the commencement of any packer leakage test, the operator shall notify the Division in writing of the exact time the test will be performed. Direct operators shall also be so notified.

3. The packer leakage test shall be performed when both zones of the dual completion are shut-in for pressure stabilization. Both zones shall remain shut-in until the wellbore pressure in each has stabilized, provided however that they need not remain shut-in more than seven days.

4. The flow test for the one zone of the dual completion shall be produced at the normal rate of production while the other zone remains shut-in. The test shall be continued for seven days in the case of a gas well and 30 days in the case of an oil well. Note: If, on an initial packer leakage test, a gas well or oil well flows to the atmosphere due to the lack of a sealing connection the flow period shall be three hours.

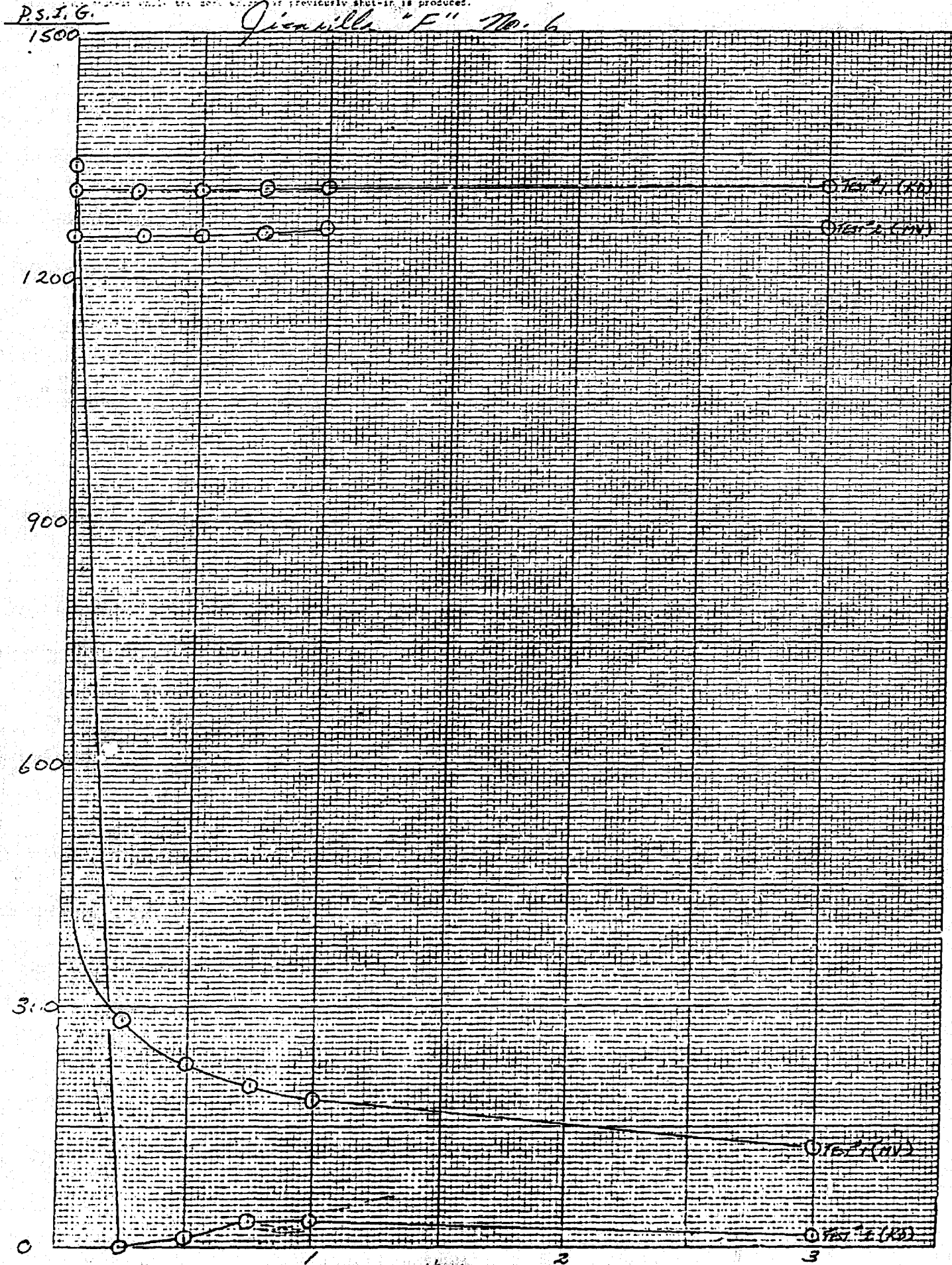
5. Following completion of flow test No. 1, the well shall again be shut-in for pressure stabilization as required by Paragraph 3 above.

6. The flow test No. 2 shall be conducted even though no leak was indicated on flow test No. 1. The purpose for flow test No. 2 is to be the same as for flow test No. 1, except that the previously produced zone shall remain shut-in while the zone of the well previously shut-in is produced.

7. Pressures for gas-zone tests must be measured on each zone with a deadweight pressure gauge at time intervals as follows: 1-hour tests: immediately prior to the beginning of each flow-period, at 15 minute intervals during the first hour thereof, and at hourly intervals thereafter, including the pressure measurement immediately prior to the conclusion of each flow period. 7-day tests: immediately prior to the beginning of each flow period, at least one time during each flow period (at approximately the midway point) and immediately prior to the conclusion of each flow period. Other pressures may be taken as desired, or may be requested on wells which have previously shown questionable test data.

8. 24-hour oil zone tests: all pressures, throughout the entire test, shall be continuously measured and recorded with recording pressure gauges, the accuracy of which must be checked at least twice, once at the beginning and once at the end of each test, with a deadweight pressure gauge. If a well is a gas-oil or an oil-gas dual completion, the recording gauge shall be required on the oil zone only, with deadweight pressures as required above being taken on the gas zone.

9. The results of the above-described tests shall be filed in triplicate within 15 days after completion of the test. Tests shall be filed with the Asst. District Office of the Oil Conservation Division or Northwest New Mexico Packer Leakage Test Form Revised 10-1-76, with all deadweight pressures indicated thereon, as well as the flowing temperatures (gas zone only) and gravity and GOR (oil zones only). A pressure versus time curve for each zone of each test shall be constructed on the reverse side of the Packer Leakage Test Form with all deadweight pressure points taken and indicated thereon. For oil zones, the pressure curve should also indicate all key pressure changes which may be reflected by the recording gauge charts. These key pressure changes should also be tabulated on the front of the Packer Leakage Test Form.



PRODUCTION DATA
JICARILLA F-6

BLANCO-MESAVERDE

<u>DATE</u>	<u>GAS PROD - MCF</u>	<u>CONDENSATE PROD - BBLs</u>	<u>DAYS PRODUCED</u>
9-80	17,372	200	30
10-80	3417	0	22
11-80	2861	0	20
12-80	425	0	10
1-81	0	0	8
2-81	3195	8	16
3-81	7781	78	23
4-81	6501	60	31
5-81	1256	53	18

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

~~Serial~~ EXHIBIT NO. 4

CASE NO. 7286

Submitted by LEE

Hearing Date 7/2/81

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 Inexco 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 Merriam 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 NCPA 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 73,018 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 I 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 Enoch 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-Yeso 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-Blaine 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

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

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

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

TOWNSHIP 22 SOUTH, RANGE 17 EAST, NMPH
Section 11: SW/4
Section 14: NW/4

Doc. No. 21-81

NOTICE: 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 7907 feet to 7930 feet in the Pader Well No. 2 in Unit E of Section 32, Township 5 South, Range 33 East.

By 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 Field 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.

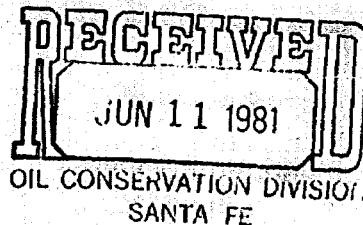
CAMPBELL, BYRD & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
HARL D. BYRD
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
WILLIAM G. WARDLE

JEFFERSON PLACE
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87501
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 11, 1981



Mr. Joe D. Ramey
Division Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7286

Re: Application of Supron Energy Corporation for
Downhole Commingling, Rio Arriba County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Supron Energy Corporation in the above-referenced matter.

The applicant requests that this matter be included on the docket for the examiner hearing scheduled to be held on July 2, 1981.

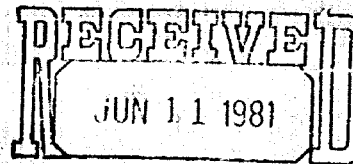
Very truly yours,

William F. Carr

WFC:lr

Enclosures

cc: Mr. Jerry Lee



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF SUPRON ENERGY CORPORATION
FOR DOWNHOLE COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

Case 7286

APPLICATION

Comes now, SUPRON ENERGY CORPORATION, by its undersigned attorneys and hereby makes application to the Oil Conservation Division for downhole commingling and in support thereof, respectfully states:

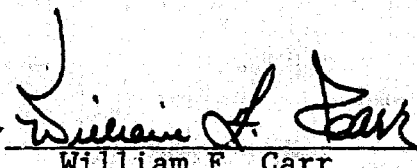
1. Applicant is the operator of the Jicarilla F No. 6 Well located in the SW/4 of Section 34, Township 26 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico.
2. Applicant proposes to commingle in the well bore of said well production from the Dakota formation, Basin Dakota Pool and the Mesaverde formation, Blanco Mesaverde Pool.
3. Approval of this application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste and will not cause damage to either the Dakota or Mesaverde formations.
4. Approval of this application will not impair the correlative rights of any offset operators.

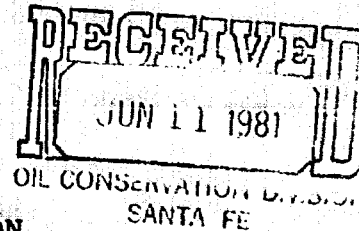
WHEREFORE, SUPRON ENERGY CORPORATION, requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on July 2, 1981, that notice be given as required by law and the rules of the Division and that the Division enter its order granting the applicant permission to downhole commingle production from the Dakota and Mesaverde Formations in the well bore of its Jicarilla F No. 6 Well.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorney for Applicant



BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF SUPRON ENERGY CORPORATION
FOR DOWNHOLE COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

Case 7286

APPLICATION

Comes now, SUPRON ENERGY CORPORATION, by its undersigned attorneys and hereby makes application to the Oil Conservation Division for downhole commingling and in support thereof, respectfully states:

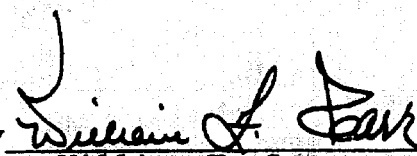
1. Applicant is the operator of the Jicarilla F No. 6 Well located in the SW/4 of Section 34, Township 26 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico.
2. Applicant proposes to commingle in the well bore of said well production from the Dakota formation, Basin Dakota Pool and the Mesaverde formation, Blanco Mesaverde Pool.
3. Approval of this application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste and will not cause damage to either the Dakota or Mesaverde formations.
4. Approval of this application will not impair the correlative rights of any offset operators.

WHEREFORE, SUPRON ENERGY CORPORATION, requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on July 2, 1981, that notice be given as required by law and the rules of the Division and that the Division enter its order granting the applicant permission to downhole commingle production from the Dakota and Mesaverde Formations in the well bore of its Jicarilla F No. 6 Well.

Respectfully submitted,

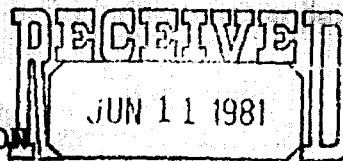
CAMPBELL, BYRD & BLACK, P.A.

By



William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorney for Applicant

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS



IN THE MATTER OF THE APPLICATION
OF SUPRON ENERGY CORPORATION
FOR DOWNHOLE COMMINGLING,
RIO ARriba COUNTY, NEW MEXICO.

Case 7286

APPLICATION

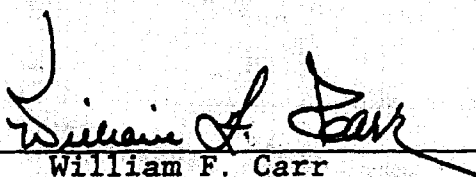
Comes now, SUPRON ENERGY CORPORATION, by its undersigned attorneys and hereby makes application to the Oil Conservation Division for downhole commingling and in support thereof, respectfully states:

1. Applicant is the operator of the Jicarilla F No. 6 Well located in the SW/4 of Section 34, Township 26 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico.
2. Applicant proposes to commingle in the well bore of said well production from the Dakota formation, Basin Dakota Pool and the Mesaverde formation, Blanco Mesaverde Pool.
3. Approval of this application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste and will not cause damage to either the Dakota or Mesaverde formations.
4. Approval of this application will not impair the correlative rights of any offset operators.

WHEREFORE, SUPRON ENERGY CORPORATION, requests that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on July 2, 1981, that notice be given as required by law and the rules of the Division and that the Division enter its order granting the applicant permission to downhole commingle production from the Dakota and Mesaverde Formations in the well bore of its Jicarilla F No. 6 Well.

Respectfully submitted,

CAMPBELL, BYRD & BLACK, P.A.

By 
William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
Attorney for Applicant

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. 7286

Order No. 6739

APPLICATION OF SUPRON ENERGY CORPORATION
FOR DOWNHOLE COMMINGLING, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 2
19⁸¹, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this _____ day of July, 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, Supron Energy Corporation, is
the owner and operator of the Jicarilla F Well No. 6,
located in ~~Unit~~ the SW/4th of Section 34, Township 26 North,
Range 4 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant seeks authority to commingle
Basin-Dakota and Blanco Mesaverde production
within the wellbore of the above-described well.

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

(5) That from the Blanco Mesaverde 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 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, _____ percent of the commingled _____ production should be allocated to the Basin-Dakota zone, and _____ percent of the commingled _____ production to the Blanco Mesaverde zone.

(ALTERNATE)

(9) That in order to allocate the commingled production to each of the commingled zones in the wells, applicant should consult with the supervisor of the Aztec district office of the Division and determine an allocation formula for each of the production zones.

IT IS THEREFORE ORDERED:

(1) That the applicant, Supron Energy Corporation, is hereby authorized to commingle Basin-Dakota and Blanco Mesaverde production within the wellbore of the Jicarilla F Well No. 6, located in ~~xxx~~ the SW/4 of Section 34, Township 26 North, Range 4 West, NMPM, Rio Arriba County, New Mexico.

(2) That the applicant shall consult with the Supervisor of the Aztec district office of the Division and determine an allocation formula for the allocation of production to each zone in each of the subject wells.

(ALTERNATE)

(2) That _____ percent of the commingled production shall be allocated to the Basin-Dakota zone and _____ percent of the commingled production shall be allocated to the Blanco Mesaverde 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.