

CASE 5627: J. R. CONE FOR DOWN-  
HOLE COMMINGLING, LEA COUNTY,  
NEW MEXICO

CASE NO.

5627

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of J. R. Cone for downhole  
commingling, Lea County, New Mexico.

CASE  
5627

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

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

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General Court Reporting Service  
825 Calle Mejia, No. 112, Santa Fe, New Mexico 87501  
Phone: (505) 982-9212

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Phone (505) 982-9212

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1 MR. NUTTER: We will call Case Number 5627.

2 MR. CARR: Case 5627, application of J. R. Cone for  
3 downhole commingling, Lea County, New Mexico.

4 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,  
5 Santa Fe, appearing on behalf of the Applicant and I have one  
6 witness to be sworn.

7 (THEREUPON, the witness was duly sworn.)

8  
9 L. O. STORM

10 called as a witness, having been first duly sworn, was  
11 examined and testified as follows:

12  
13 DIRECT EXAMINATION

14 BY MR. KELLAHIN:

15 Q Please state your name and occupation?

16 A L. O. Storm, Engineer for J. R. Cone, Independent  
17 Oil Producer, Lubbock, Texas.

18 Q Mr. Storm, have you previously testified before this  
19 Commission and had your qualifications as an expert witness  
20 accepted and made a matter of record?

21 A I have.

22 Q And are you familiar with the facts surrounding this  
23 particular application by J. R. Cone?

24 A Yes, sir.

25 MR. KELLAHIN: If the Examiner please, are the

1 witness' qualifications acceptable?

2 MR. NUTTER: Yes, they are.

3 Q (Mr. Kellahin continuing.) Mr. Storm, would you  
4 refer to what has been marked as Applicant Exhibit Number One  
5 and state briefly what the Applicant is seeking in this case?

6 A The Applicant is seeking approval for downhole  
7 commingling the Blinebry pools and the Drinkard pools in his  
8 Eubanks Well No. 3, located in Unit K of Section 14, Township  
9 21 South, Range 37 East, Lea County.

10 Q Would you refer to Exhibit Two and identify the  
11 subject well?

12 A Exhibit Two is a plat of the area. The Eubanks  
13 lease constitutes the southwest quarter of the said Section 14  
14 that I referred to earlier. Well No. 3 is located in the  
15 northeast forty acres of the lease.

16 Q Is the ownership common in all of the horizons  
17 underlying the Eubanks lease?

18 A Ownership of oil and gas under the lease is common.

19 Q Please refer to what has been marked as Exhibit Number  
20 Three and identify it?

21 A Exhibit referred to by counsel is a schematic  
22 sketch of the downhole mechanical arrangement in the well.  
23 It is a little bit unique in that it involves three production  
24 retainers and a retrievable packer.

25 Q Where have you experienced the downhole leakage?

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1 A. The best I can tell from surface pressure and  
2 production measurements, it is in the long or Drinkard tubing  
3 string between the top two packers.

4 We have had a similar failure some years back in  
5 the same section of pipe. It was repaired.

6 Q Will this completion be changed in any manner in  
7 order to produce it under an order approving downhole  
8 commingling?

9 A. Only to the extent that I would propose opening of  
10 the sleeve, or the sliding sleeve valve, if you wish.

11 Q Where is that located?

12 A. In the long tubing string located at an approximate  
13 depth of sixty-two, seventy-six feet.

14 Q Please refer to Exhibit Number Four and identify it?

15 A. That is a C-116, Conservation Commission form,  
16 that presents the last reliable production tests of the  
17 Blinebry oil and gas in the Drinkard pools in the subject  
18 well prior to the indication of a downhole failure.

19 Q And Exhibit Number Five?

20 A. Exhibit Number Five is a production decline curve  
21 plotted from oil production data filed with the Commission  
22 on Form C-115's from the Drinkard and the Blinebry pools  
23 in said well, Number 3.

24 Q How would you propose to allocate the production  
25 between the Blinebry and the Drinkard?

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1 A. On the basis of the tests indicated on the C-116  
2 that would allocate twenty-five percent of the oil to the  
3 Blinebry zone, eighty-one percent of the gas to the Drinkard  
4 zone, seventy-five percent of the oil and nineteen percent  
5 of the gas.

6 Q. In your opinion, Mr. Storm, will the approval of  
7 this application result in the recovery of additional hydro-  
8 carbons from each of the commingled zones that otherwise would  
9 not be recovered?

10 A. This I can't guarantee but I think it is entirely  
11 possible. I think conservation would be realized in the  
12 expenditure that the operator would not have to make to kill  
13 the well and repair it at this time.

14 Q. Do you anticipate any negative effects from either  
15 of the producing formations from the proposed commingling?

16 A. No, and I take this from what we have observed in  
17 the operations of the Eubanks Well No. 1 which had a similar  
18 downhole failure. It has been produced with downhole commingling  
19 under Conservation Commission Order DHC-117 and the well has  
20 been so produced since August of 1972.

21 Q. Would you locate that Eubanks No. 1 Well, please?

22 A. It is located in the southwest forty acres of the  
23 lease, it is a southwest direct offset to the Eubanks No. 3,  
24 now in question.

25 Q. And it is currently a downhole commingling of the



1 Blinebry and Drinkard zones, is that right?

2 A. Correct.

3 Q. In your opinion, Mr. Storm, will the approval of  
4 this application be in the best interests of conservation,  
5 the prevention of waste and the protection of correlative  
6 rights?

7 A. Yes, sir.

8 Q. Were Exhibits One through Five either prepared by  
9 you directly or under your direction and supervision?

10 A. The entire application and all of the exhibits were  
11 prepared by me.

12 MR. KELLAHIN: If the Examiner please, we move the  
13 introduction of Exhibits One through Five.

14 MR. NUTTER: Exhibits One through Five will be  
15 admitted into evidence.

16 (THEREUPON, Applicant's Exhibits One through  
17 Five were admitted into evidence.)

18 MR. KELLAHIN: That concludes our direct examination.

19

20 CROSS EXAMINATION

21 BY MR. NUTTER:

22 Q. Mr. Storm, this is a one hundred and sixty acre  
23 lease, is that correct?

24 A. Yes, sir.

25 Q. Now, referring to Exhibit Number Two would you

1 identify what pool each of those four wells on the lease  
2 is completed in, please?

3 A. At this point in time?

4 Q Yes.

5 A. Starting with Well No. 1, it's a dual completion  
6 in the Blinebry, what the Commission used to call Blinebry oil  
7 and the Drinkard pool. It has a downhole failure, it is  
8 produced as a downhole commingled Blinebry and Drinkard well.

9 Q Is that well classified as an oil well or a gas well,  
10 as far as the Blinebry is concerned?

11 A. An oil well.

12 Well No. 2 is a dual completion or was affected as  
13 a dual completion in the Blinebry and the Tubb gas pools. The  
14 Blinebry oil gas ratio became in excess of thirty-two  
15 thousand to one under the old R-1670 order. Effective January 1,  
16 1972 the Blinebry zone was shut in in the well and has remained  
17 shut in. It is produced as a single Tubb well. It is  
18 equipped with parallel strings of tubing.

19 Well No. 3 is equipped with parallel tubing strings  
20 to produce from the Drinkard and the Blinebry oil zones.

21 Well No. 4 was drilled as a dual, completed as a  
22 dual in the Drinkard and Blinebry oil pools and under  
23 Commission Order No. R-5064, dated last summer, I think it was  
24 in July, we entered the well to dually complete it from the  
25 Abo through one tubing string with downhole commingling of the

1 Blinebry and Drinkard pools through the second tubing string.  
2 This was authorized under that order. We failed in that  
3 effort and the Abo is now cemented off in the well and it is  
4 equipped with a single tubing string to produce the Blinebry  
5 and the Drinkard through one tubing string.

6 Q So, with the four wells on the lease, you have two  
7 wells that are commingled in the Blinebry and the Drinkard?

8 A That are authorized under existing Commission orders  
9 too, two wells now so completed and we are requesting a  
10 third one be granted.

11 Q I see. Now, Wells No. 1 and 4 are classified as  
12 oil wells in the Blinebry, what is Well No. 3 classified as?

13 A By the Commission as a gas well.

14 Q It has been reclassified as a gas well?

15 A Yes.

16 Q Okay, now, I notice here on Form C-116 that the  
17 well on test made five hundred and twenty-six MCF in a twenty-  
18 four hour period, is that well classified as a marginal or  
19 non-marginal well in the Blinebry?

20 A It will not make the assigned Blinebry gas allowable  
21 if this is the intent of your question.

22 Q I see.

23 A It is marginal both as a liquid and as a gas well.

24 Q I see.

25 A I would point out to the Commission that upon this

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Page 10

1 reclassification, effective January 1, 1972, both of the  
2 Eubanks Wells 2 and 3, in the north half of the lease, the  
3 ratios got out of hand and they were reclassified as gas  
4 wells. The No. 2 well was shut in and subsequently we applied  
5 to the Commission and obtained approval of an eighty acre  
6 nonstandard gas unit to be assigned in the Blinebry pool to  
7 Well No. 3, but the well will not make the current allowables  
8 assigned to Blinebry gas wells.

9 Q So since the Blinebry is shut in in that well,  
10 its acreage is dedicated to the well that is the subject of  
11 this hearing?

12 A Correct, but that's incidental, the well doesn't  
13 have the capacity to produce it.

14 Q Now, on your schematic you show another set of  
15 perforations up here at fifty-six forty-four to forty-six,  
16 are those perforations still open?

17 A To the best of my knowledge they are, Mr. Nutter,  
18 they are above a retrievable packer and isolated by that  
19 packer in a closed sleeve in the stub string. There is no  
20 means of entry in the long string, except by some kind of  
21 failure. But pressure performance of the well is identifiable  
22 only through the -- well, it suggests that a tubing failure  
23 in the long string between the Model K retrievable packer  
24 at fifty-six, seventy and above the FA production retainer  
25 at sixty-two, eighty-three.

1 Q So how do those upper perforations produce, up  
2 through the annulus?

3 A They are not produced, sir.

4 Q They would have to produce through the annulus  
5 with that setup?

6 A At one time when we first -- we got the permission  
7 in 1963 to dually complete -- we proposed to the Commission  
8 and subsequently the Commission approved that we open the  
9 Blinebry gas section and be permitted to produce it through  
10 a sliding sleeve valve into the Blinebry string up to a  
11 maximum gas-oil ratio of six thousand to one. A similar  
12 completion was authorized for Well No. 1. Both mechanical  
13 arrangements were unique at that point in time. It was our  
14 wish to obtain maximum legal gas from the Blinebry section  
15 because the oil zone was producing at the ratio of, say,  
16 a thousand to fifteen hundred to one. As soon as that ratio  
17 in that well passed six thousand, we closed that sleeve and  
18 those four perforations at fifty-six, forty-four to forty-six  
19 have been isolated since that time.

20 Q And not produced at all?

21 A Not to my knowledge.

22 MR. NUTTER: Are there any further questions of  
23 the witness? He may be excused.

24 (THEREUPON, the witness was excused.)

25 MR. NUTTER: Do you have anything further,

1 Mr. Kellahin?

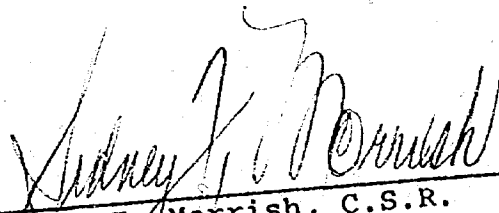
2 MR. KELLAHIN: No, sir.

3 MR. NUTTER: Does anyone have anything they wish to  
4 offer in Case 5627? We will take the case under advisement.  
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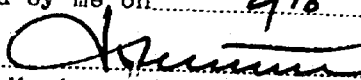
REPORTER'S CERTIFICATE

1 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
2 do hereby certify that the foregoing and attached Transcript  
3 of Hearing before the New Mexico Oil Conservation Commission  
4 was reported by me, and the same is a true and correct record  
5 of the said proceedings to the best of my knowledge, skill and  
6 ability.  
7

8  
9   
10 Sidney F. Morrish, C.S.R.  
11

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12  
13  
14  
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16  
17 I do hereby certify that the foregoing is  
18 a complete record of the proceedings in  
19 the Examiner hearing of Case No. 5627,  
20 heard by me on 2/18, 1976.

21 , Examiner  
22 New Mexico Oil Conservation Commission  
23  
24  
25

	Bl Oil	Bl Gas	GOR	Dr Oil	Dr Gas	GOR	Total Oil	Total Gas	Total GOR
Mar	178	12988	72966						
	166	13911	83801	544	2124		710	16035	22585
Apr	180	12190	67722						
	170	12899	75877	551	2151		721	15050	20874
May	142	11610	81761						
	116	11956	103069	451	2378		567	14334	20280
June	161	12128	75329						
	129	12574	97473	516	2400		645	14974	23216
July	178	13187	74084						
	182	13596	74103	531	2685		713	16281	22835
Aug	179	13242	73978						
	183	13742	75093	533	2607		716	16349	22834
Sept	173	12567	72642						
	138	13035	94457	554	2481		692	15516	22422
Oct	142	12538	88276						
	172	12983	75483	397	2497		569	15480	22206
Nov	153	11571	75623						
	122	11970	98115	489	2316		611	14286	23381
Dec	174	12058	69211						
	139	12652	91022	556	2235		695	14887	21420

Jan  
Feb  
Mar  
Apr  
May  
June  
July  
Aug

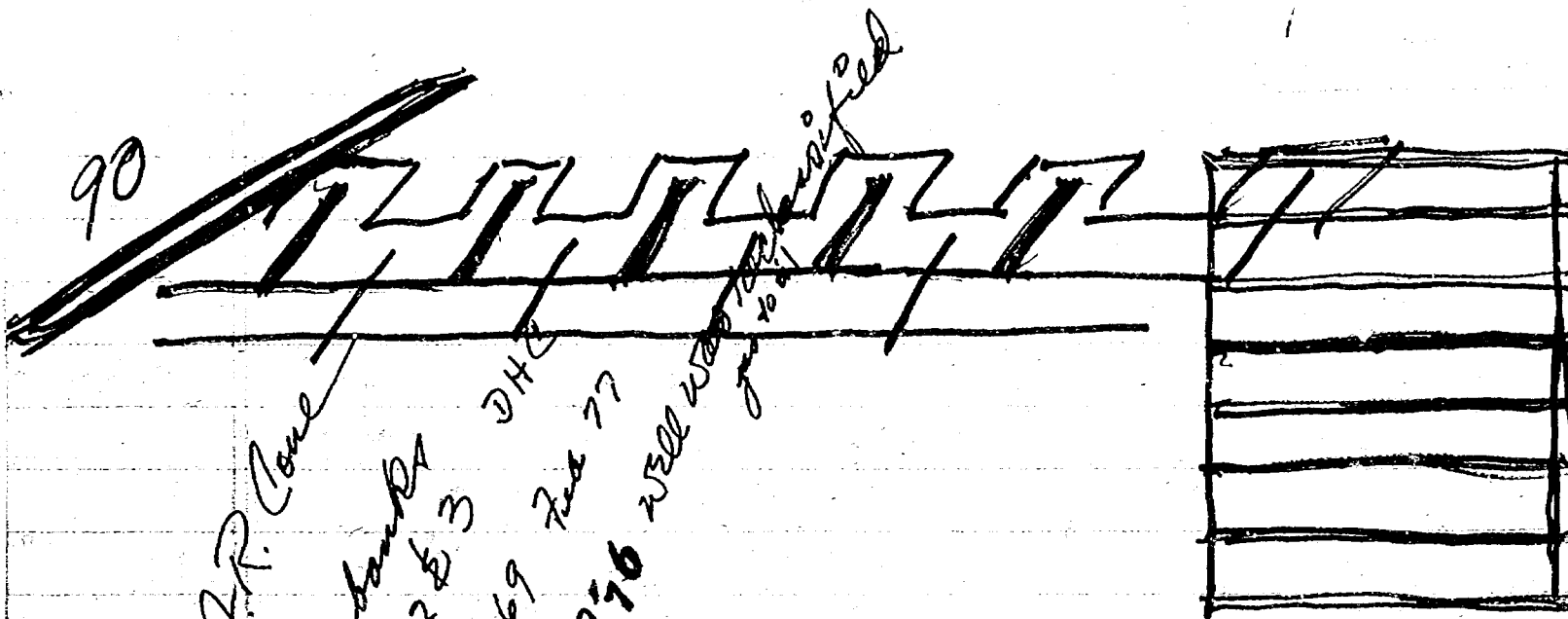
153	11356	73245							
120	11612	96767	502	2408		622	14020	22540	

Now to fill:

Work was approved for down hole commencing by R 5169  
 Pl gas @ Dr oil w/ a 25% Bl-75% Dr split on oil and 81% Bl-19% Dr split on gas  
 and 24% Bl-76% Dr split on oil  
 Test filled in June 76 should have been  
 period both zones 24% Bl-76% Dr split on gas  
 for ratio of 16375. Should have been  
 shown as 5 and oil for Bl  
 as Pl. was reclassified as oil in Nov. 77.  
 Pl off June 1, 76. They called our  
 attention to this in Nov. 77.  
 Told me 11/21 to  
 Pl off beginning  
 of period  
 4-1-77



90



J.R. Cone  
 Embankment  
 2 & 3  
 #3 R-5369  
 in June 876  
 #2 R-5481



McCarthy  
 5 Lake Dak  
 Media  
 SW  
 slick Rock

Workshop  
 Geothermal

# Memo

From  
 D. S. NUTTER  
 CHIEF ENGINEER

To

6 363  
 60,000

April 77

2430 393 MCF

16,375 129

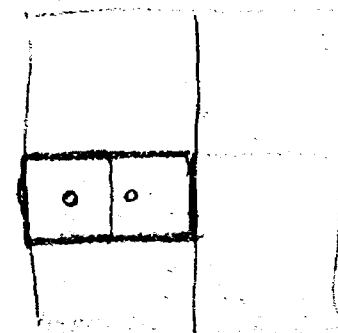
516

645

24 393  
 30 30  
 720 11790

By

5.  
 19



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5627  
Order No. R-5169

APPLICATION OF J. R. CONE  
FOR DOWNHOLE COMMINGLING, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 18, 1976, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 24th day of February, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, J. R. Cone, is the owner and operator of the Eubanks Well No. 3, located in Unit K of Section 14, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Blinebry and Drinkard oil and gas production within the wellbore of the above-described well.

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

(5) That from the Drinkard 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.

-2-

Case No. 5627  
Order No. R-5169

(8) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission 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, 25 percent of the commingled oil production and 81 percent of the commingled gas production should be allocated to the Blinebry zone, and 75 percent of the commingled oil production and 19 percent of the commingled gas production to the Drinkard zone.

IT IS THEREFORE ORDERED:

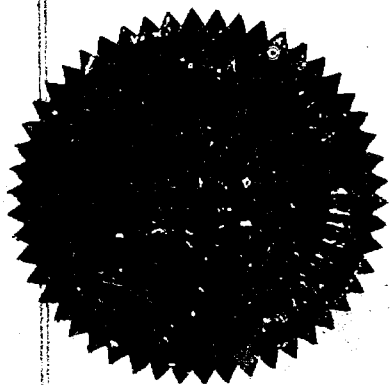
(1) That the applicant, J. R. Cone, is hereby authorized to commingle Blinebry and Drinkard production within the wellbore of the Eubanks Well No. 3, located in Unit K of Section 14, Township 21 South, Range 37 East, NNPM, Lea County, New Mexico.

(2) That 25 percent of the commingled oil production and 81 percent of the commingled gas production shall be allocated to the Blinebry zone and 75 percent of the commingled oil production and 19 percent of the commingled gas production shall be allocated to the Drinkard zone.

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

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

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



S E A L

dr/

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

*Emery C. Arnold*  
EMERY C. ARNOLD, Member

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

RESIDENCE PHONE  
SHERWOOD 4-8173

OFFICE PHONE  
PORTER 3-8211

J. R. CONE  
1423 NORTH AVENUE P  
P. O. BOX 871  
LUBBOCK, TEXAS 79408  
January 22, 1976

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
Cone	EXHIBIT NO. 1
CASE NO.	5627

Attention: Mr. Joe D. Ramey,  
Secretary-Director

Re: Application for Administrative Approval, Down-Hole and Surface  
Commingling, J. R. Cone Eubanks No. 3, Blinebry Oil & Gas and  
Drinkard Pools, Unit K, Section 14, T-21-S, R-37-E, Lea Co., NM.

Dear Mr. Ramey:

J. R. Cone herewith makes application for administrative approval of  
down-hole and surface commingling of the Blinebry Oil & Gas and Drinkard  
Pools in his Eubanks Well No. 3. The said well is located 1980 feet from  
the South line and 1830 feet from the West line, Unit K, Section 14,  
T-21-S, 37-E, NMPM, Lea County, New Mexico.

In support of this application the following attachments are appended  
hereto:

1. Area plat showing location of the subject well and lease;
2. Diagrammatic sketch showing the present down-hole mechanical  
arrangement in Eubanks No. 3;
3. NMOCC Form C-116 which presents the most recent well test data  
of the Blinebry Oil & Gas and the Drinkard zones;
4. Production decline curves of the two producing zones; and,
5. A list of all offset operators to the Eubanks lease each of  
whom has been furnished a copy of this application.

Ownership is common as to all hydrocarbons underlying the Eubanks lease.

Originally Eubanks No. 3 was completed in December 1952 in the Wantz Abo  
Pool from the open-hole interval 6852 to 7342 feet. In December 1953  
the well was recompleted in the Drinkard Pool via casing perforations  
6544 to 6636 feet.

Next, Eubanks No. 3 was recompleted in March 1963 as a Blinebry oil over  
Drinkard oil dual utilizing two strings of 2 1/16-inch tubing under NMOCC  
Order No. R-2451. This recompletion was unique in that the upper Drinkard,  
the Blinebry Gas, and the Blinebry Oil zones all were opened then separated  
by packers and sliding sleeve valves to permit controlled entry of gas from

Page 2: J. R. Cone down-hole and surface commingling application,  
Eubanks Well No. 3:

the Blinebry gas section within the limitations of the Blinebry Oil Pool legal gas limit. The sliding sleeve valve in the stub Blinebry Oil tubing string opposite the Blinebry gas section has been closed since November 1963 in compliance with the GOR stipulations of Order No. R-2451.

Effective January 1, 1972 the Blinebry side of Eubanks No. 3 was reclassified by the NMOCC as a gas well because of excessive gas-oil ratio. Although marginal in both oil and gas capacity the well has been produced since then in compliance with the reclassification.

In August 1969 repair operations were conducted to correct down-hole communication via a hole in the Drinkard (long) tubing string at a depth of 5757 feet between the Baker model K retrievable packer which serves to isolate the Blinebry Gas zone and the FA production retainer which separates the Blinebry Oil and Drinkard zones. Surface pressure and production tests indicate that a similar down-hole failure now exists in the well.

The attached NMOCC Form C-116 presents the last well tests prior to observance of probable down-hole communication. Should this application be approved, it is suggested that the commingled oil and gas production be allocated to the respective zones on the basis of those tests as follows:

Blinebry: Oil 25 percent; gas 81 percent.  
Drinkard: Oil 75 percent; gas 19 percent.

No incompatibility problems are expected from the proposed down-hole commingling. The southwest offsetting J. R. Cone Eubanks No. 1 has been produced since August 1972 under NMOCC Order No. DHC-117 with down-hole commingling of the Blinebry and Drinkard zones with no evident negative consequences. In addition, the south offsetting J. R. Cone Eubanks No. 4 has been recompleted recently for down-hole commingling of the Blinebry and Drinkard zones under NMOCC Order No. R-5064.

Bottom hole pressures have not been run on the Blinebry and Drinkard Pools in Eubanks No. 3 because of the down-hole leakage evidence. The most recent reliable pressure data on the two zones would be reflected in the packer leakage test conducted April 16 to 20, 1974. During that test 72-hour surface shut-in pressures of 395 and 285 psig were recorded on the Blinebry and Drinkard zones, respectively.

We would expect negligible impact on oil revenues to result from the requested commingling, as both the Blinebry and Drinkard oil gravities from Well No. 3 consistently have ranged from 38° to 38.5° API.

It is proposed that down-hole commingling in Well No. 3 would be supplemented by opening the sliding sleeve in the Drinkard tubing string immediately above the FA production retainer at 6276 feet. Because recent tests indicate the most efficient production of both oil and gas is obtained via the Blinebry tubing string, it is proposed to take all production from that tubing string.

Page 3: J. R. Cone down-hole and surface commingling application,  
Eubanks Well No. 3:

The Eubanks lease production facilities provide 500-barrel storage tanks for Blinbry oil storage whereas all liquids produced by the other three wells on the lease are gathered in 210-barrel tanks. Diversion of all Eubanks No. 3 liquid production in the 210-barrel tanks would reduce retention time between tank runs and thus should contribute to higher tank gravities from reduced retention time.

All offset operators to the Eubanks lease have been furnished a copy of this application together with attachments. Rather than requesting waivers, we propose to abide by the prescribed waiting period.

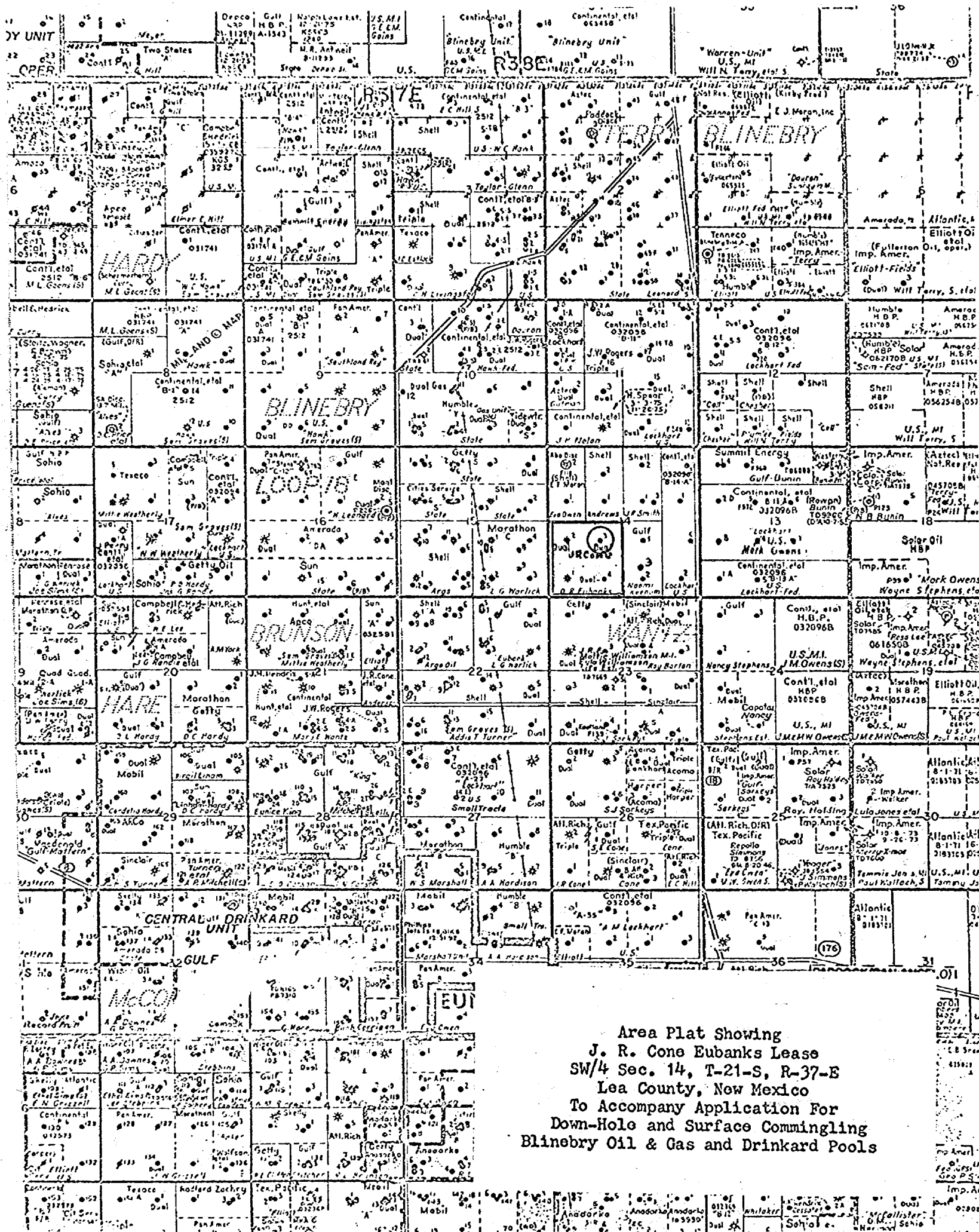
We shall appreciate your favorable consideration of this application. Please advise if additional information is required.

Respectfully submitted,

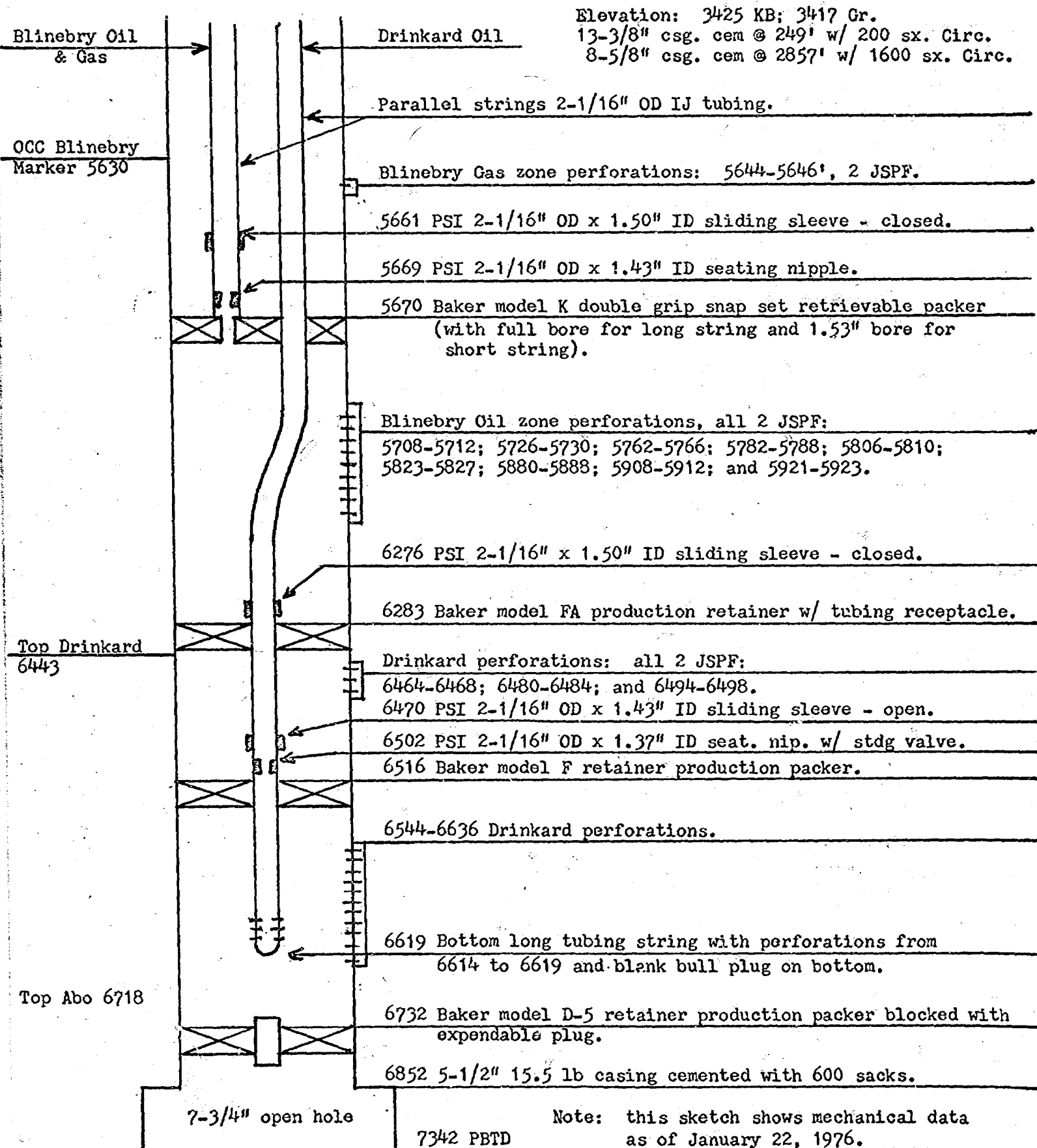
J. R. CONE

By L. O. Storm  
L. O. Storm

Attachments (5)



J. R. Cone Eubanks No. 3  
 NE SW Sec. 14, T-21-S, R-37-E, Lea County, New Mexico  
 Diagrammatic Sketch of Down-hole Mechanical Arrangement  
 Blinebry Oil & Gas and Drinkard Pools





NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS

C-116  
Revised 1-1-65

Operator <b>J. R. CONE</b>		Pool <b>Blinebry Oil &amp; Gas and Drinkard Pools</b>				County <b>Lea</b>										
Address <b>Box 871, Lubbock, Texas 79408</b>						TYPE OF TEST - (X) <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT./BBL
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
Eubanks	3	K	14	21S	37E											
	Blinebry Oil & Gas:					9/25/75	F	48/64	110	-	24	0.3	38.0	7	526.0	73,714
	Drinkard:					4/14/75	F	32/64	380-40	20	24	Tr	38.5	21	126.0	6,000
No. 3 Drinkard produced by time intermitter.																

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Cone EXHIBIT NO. 4  
CASE NO. 5627

To Accompany Application For  
Down-Hole and Surface Commingling  
Blinebry Oil & Gas and Drinkard Pools

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

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

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

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

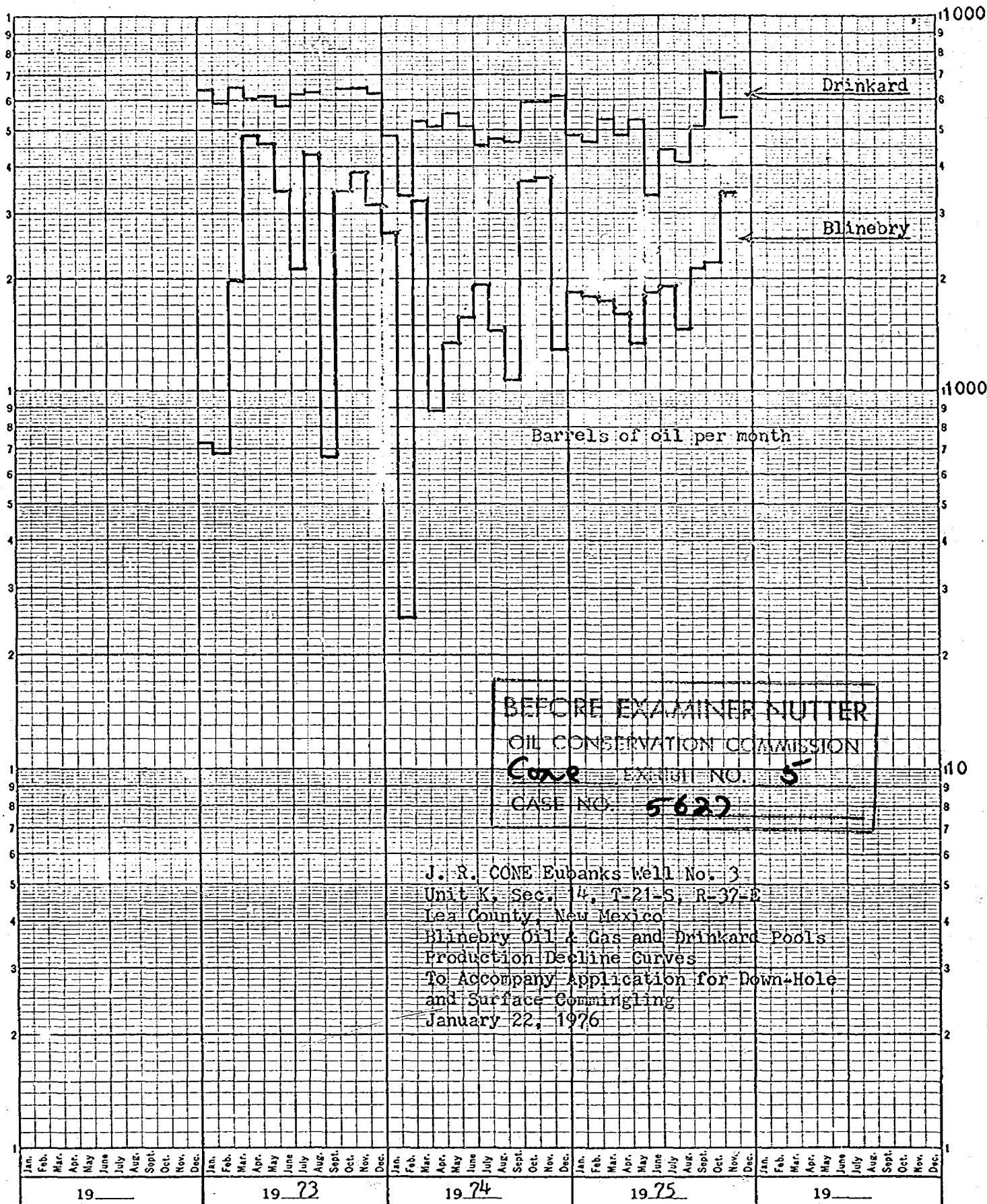
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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

*L. O. Storm* - L. O. Storm  
(Signature)  
Engineer

(Title)  
January 22, 1976  
(Date)

5 YEARS BY MONTHS 46 6693  
 MADE IN U.S.A.  
 KEUFFEL & ESSER CO.



List of Attachments

1. Area plat showing lease and well in question.
2. Mechanical schematic sketch showing present down-hole arrangement of well in question.
3. NMOCC Form C-116 presenting latest well tests.
4. Production decline curves of Blinebry Oil and Drinkard zones.

DISTRIBUTION LIST

Oil Conservation Commission (2)  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Oil Conservation Commission (1)  
P. O. Box 1980  
Hobbs, New Mexico 88240

Atlantic Richfield Company  
P. O. Box 1710  
Hobbs, New Mexico 88240 (1)

Getty Oil Company (1)  
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P. O. Box 670  
Hobbs, New Mexico 88240

Marathon Oil Company (1)  
P. O. Box 2409  
Hobbs, New Mexico 88240

Moranco (1)  
P. O. Box 1919  
Hobbs, New Mexico 88240

Shell Oil Company (1)  
P. O. Box 1509  
Midland, Texas 79701

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 5627

Order No. R- 5169

APPLICATION OF J. R. CONE  
FOR DOWNHOLE COMMINGLING, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 18,  
19 76, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

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

FINDS:

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

(2) That the applicant, J. R. Cone, is the  
owner and operator of the Eubanks Well No. 3, located  
in Unit K of Section 14, Township 21 South, Range  
37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle         
Blinebry and Drinkard oil and gas production  
within the wellbore of the above-described well.

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

(5) That from the Drinkard 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. \_\_\_\_\_

Order No. R- \_\_\_\_\_

(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 Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission 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, 25 percent of the commingled oil and 81 percent of the commingled gas production production should be allocated to the Blinebry zone, and 75 percent of the commingled oil and 19 percent of the commingled gas production production to the Drinkard zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, J. R. Cone, is hereby authorized to commingle Blinebry and Drinkard production within the wellbore of the Eubanks Well No. 3, located in Unit K of Section 14, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 25 percent of the commingled oil and 81 percent of the commingled gas production production shall be allocated to the Blinebry zone and 75 percent of the commingled oil and 19 percent of the commingled gas production production shall be allocated to the Drinkard zone.

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

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

DONE at Santa Fe, New Mexico, on the day and year hereinafore

RESIDENCE PHONE  
SHERWOOD 4-8173

DOCKET MAILED

OFFICE PHONE  
PORTER 3-8211

J. R. CONE  
1423 NORTH AVENUE P  
P. O. BOX 871  
LUBBOCK, TEXAS 79408  
January 22, 1976

Date 2/6/76

Case 5697

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey,  
Secretary-Director

Re: Application for Administrative Approval, Down-Hole and Surface  
Commingling, J. R. Cone Eubanks No. 3, Blinebry Oil & Gas and  
Drinkard Pools, Unit K, Section 14, T-21-S, R-37-E, Lea Co., NM.

Dear Mr. Ramey:

J. R. Cone herewith makes application for administrative approval of down-hole and surface commingling of the Blinebry Oil & Gas and Drinkard Pools in his Eubanks Well No. 3. The said well is located 1980 feet from the South line and 1830 feet from the West line, Unit K, Section 14, T-21-S, 37-E, NMPM, Lea County, New Mexico.

In support of this application the following attachments are appended hereto:

1. Area plat showing location of the subject well and lease;
2. Diagrammatic sketch showing the present down-hole mechanical arrangement in Eubanks No. 3;
3. NMOCC Form C-116 which presents the most recent well test data of the Blinebry Oil & Gas and the Drinkard zones;
4. Production decline curves of the two producing zones; and,
5. A list of all offset operators to the Eubanks lease each of whom has been furnished a copy of this application.

Ownership is common as to all hydrocarbons underlying the Eubanks lease.

Originally Eubanks No. 3 was completed in December 1952 in the Wantz Abo Pool from the open-hole interval 6852 to 7342 feet. In December 1953 the well was recompleted in the Drinkard Pool via casing perforations 6544 to 6636 feet.

Next, Eubanks No. 3 was recompleted in March 1963 as a Blinebry oil over Drinkard oil dual utilizing two strings of 2-1/16-inch tubing under NMOCC Order No. R-2451. This recompletion was unique in that the upper Drinkard, the Blinebry Gas, and the Blinebry Oil zones all were opened then separated by packers and sliding sleeve valves to permit controlled entry of gas from

B1  
#1  
114

*gas well*  
*Blinebry*  
*Dr for hearing*  
JAN 28 1976  
OIL CONSERVATION COMM.  
SANTA FE

Cone 5627

Page 2: J. R. Cone down-hole and surface commingling application,  
Eubanks Well No. 3:

the Blinebry gas section within the limitations of the Blinebry Oil Pool legal gas limit. The sliding sleeve valve in the stub Blinebry Oil tubing string opposite the Blinebry gas section has been closed since November 1963 in compliance with the GOR stipulations of Order No. R-2451.

Effective January 1, 1972 the Blinebry side of Eubanks No. 3 was reclassified by the NMOCC as a gas well because of excessive gas-oil ratio. Although marginal in both oil and gas capacity the well has been produced since then in compliance with the reclassification.

In August 1969 repair operations were conducted to correct down-hole communication via a hole in the Drinkard (long) tubing string at a depth of 5757 feet between the Baker model K retrievable packer which serves to isolate the Blinebry Gas zone and the FA production retainer which separates the Blinebry Oil and Drinkard zones. Surface pressure and production tests indicate that a similar down-hole failure now exists in the well.

The attached NMOCC Form C-116 presents the last well tests prior to observance of probable down-hole communication. Should this application be approved, it is suggested that the commingled oil and gas production be allocated to the respective zones on the basis of those tests as follows:

Blinebry: Oil 25 percent; gas 81 percent.  
Drinkard: Oil 75 percent; gas 19 percent.

No incompatibility problems are expected from the proposed down-hole commingling. The southwest offsetting J. R. Cone Eubanks No. 1 has been produced since August 1972 under NMOCC Order No. DHC-117 with down-hole commingling of the Blinebry and Drinkard zones with no evident negative consequences. In addition, the south offsetting J. R. Cone Eubanks No. 4 has been recompleted recently for down-hole commingling of the Blinebry and Drinkard zones under NMOCC Order No. R-5064.

*and commingled with Bl & Dr commingled and also as separate zone*

Bottom hole pressures have not been run on the Blinebry and Drinkard Pools in Eubanks No. 3 because of the down-hole leakage evidence. The most recent reliable pressure data on the two zones would be reflected in the packer leakage test conducted April 16 to 20, 1974. During that test 72-hour surface shut-in pressures of 395 and 285 psig were recorded on the Blinebry and Drinkard zones, respectively.

We would expect negligible impact on oil revenues to result from the requested commingling, as both the Blinebry and Drinkard oil gravities from Well No. 3 consistently have ranged from 38° to 38.5° API.

It is proposed that down-hole commingling in Well No. 3 would be supplemented by opening the sliding sleeve in the Drinkard tubing string immediately above the FA production retainer at 6276 feet. Because recent tests indicate the most efficient production of both oil and gas is obtained via the Blinebry tubing string, it is proposed to take all production from that tubing string.

Case 5627

Page 3: J. R. Cone down-hole and surface commingling application,  
Eubanks Well No. 3:

The Eubanks lease production facilities provide 500-barrel storage tanks for Blinbry oil storage whereas all liquids produced by the other three wells on the lease are gathered in 210-barrel tanks. Diversion of all Eubanks No. 3 liquid production in the 210-barrel tanks would reduce retention time between tank runs and thus should contribute to higher tank gravities from reduced retention time.

All offset operators to the Eubanks lease have been furnished a copy of this application together with attachments. Rather than requesting waivers, we propose to abide by the prescribed waiting period.

We shall appreciate your favorable consideration of this application. Please advise if additional information is required.

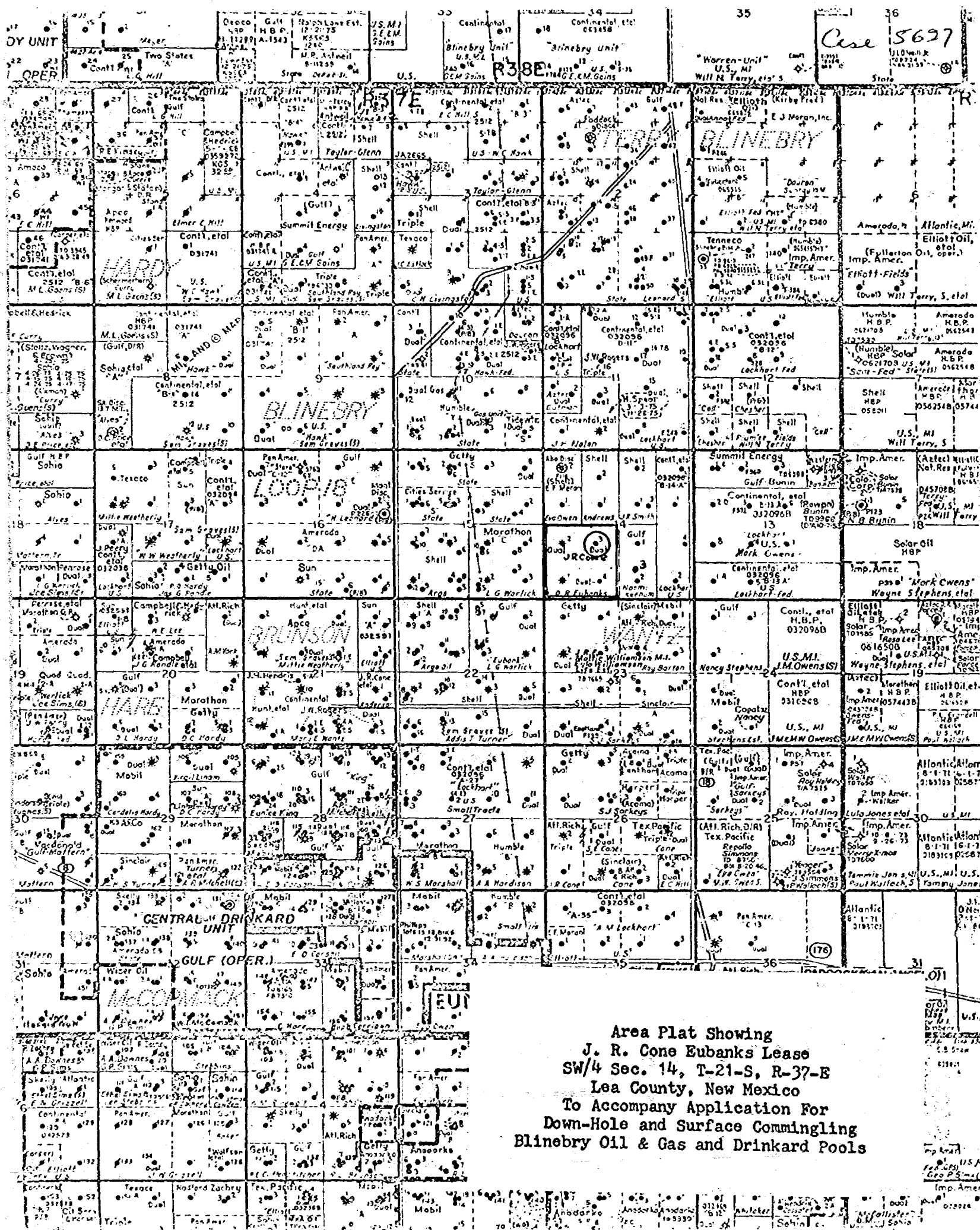
Respectfully submitted,

J. R. CONE

By L. O. Storm  
L. O. Storm

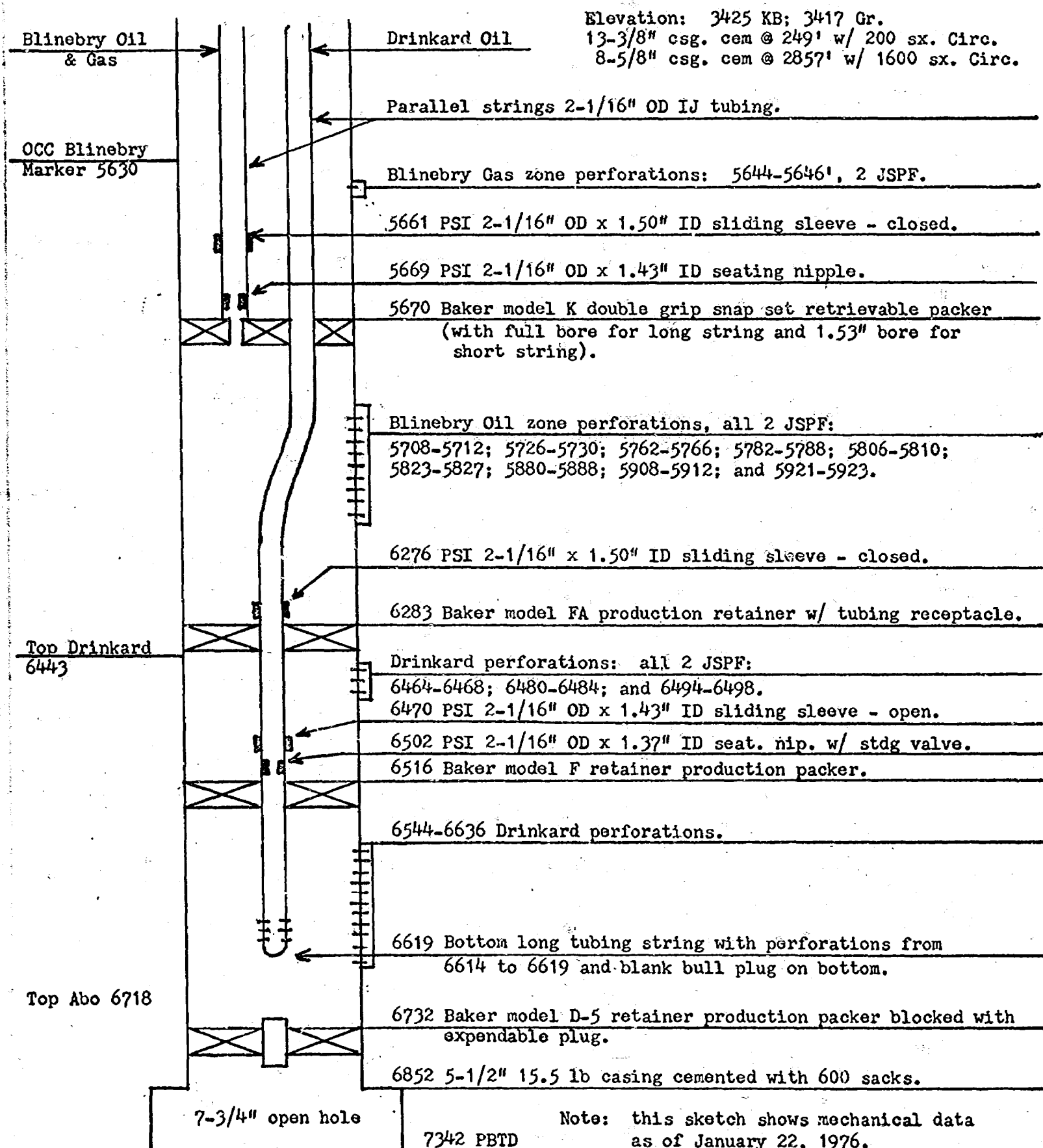
Attachments (5)





Case 5627

J. R. Cone Eubanks No. 3  
NE SW Sec. 14, T-21-S, R-37-E, Lea County, New Mexico  
Diagrammatic Sketch of Down-hole Mechanical Arrangement  
Blinebry Oil & Gas and Drinkard Pools



NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS

C-116  
Revised 1-1-65

Operator <b>J. R. CONE</b>		Pool <b>Blinebry Oil &amp; Gas and Drinkard Pools</b>				County <b>Lea</b>											
Address <b>Box 871, Lubbock, Texas 79408</b>						TYPE OF TEST - (X) <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL	
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.		
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	Blinebry Oil & Gas:					9/25/75	F	48/64	110	-	24	0.3	38.0	7	526.0	73,714	
		Drinkard:					4/14/75	F	32/64	380-40	20	24	Tr	38.5	21	126.0	6,000
No. 3 Drinkard produced by time intermitter.																	
To Accompany Application For Down-Hole and Surface Commingling Blinebry Oil & Gas and Drinkard Pools																	

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

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

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

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

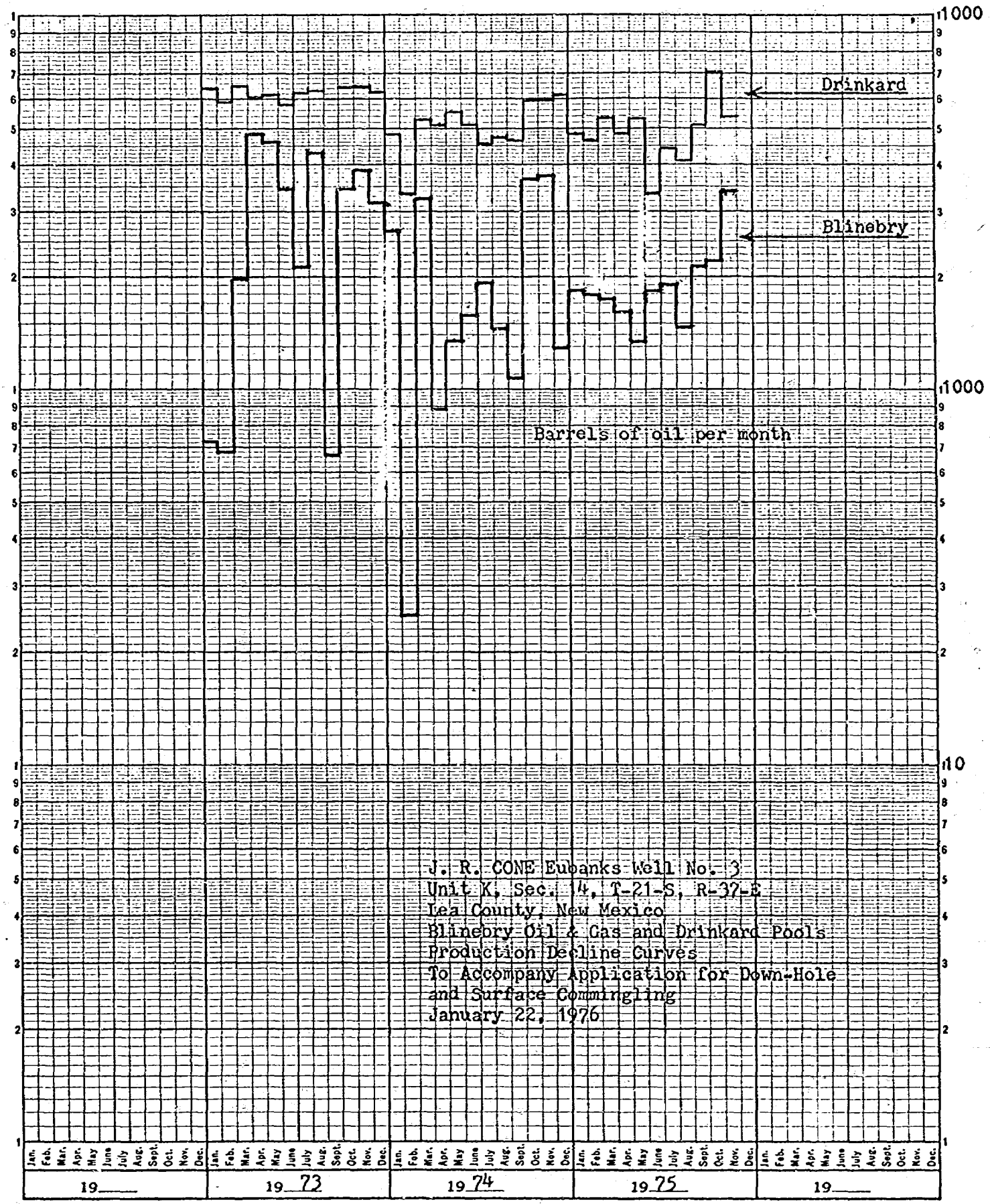
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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

*L. O. Storm* - L. O. Storm  
(Signature)  
Engineer  
(Title)  
January 22, 1976  
(Date)

Case 5627

**KE** 5 YEARS BY MONTHS 46 6693  
MADE IN U.S.A.  
KEUFFEL & ESSER CO.



List of Attachments

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2. Mechanical schematic sketch showing present down-hole arrangement of well in question.
3. NMOCC Form C-116 presenting latest well tests.
4. Production decline curves of Blinbry Oil and Drinkard zones.

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Santa Fe, New Mexico 87501

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Midland, Texas 79701

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

Page 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 18, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of J. R. Cone for downhole  
commingling, Lea County, New Mexico.

CASE  
5627

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

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

For the Applicant:

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

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

Page 2

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5	Cross Examination by Mr. Nutter 7
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12	Applicant's Exhibit No. 2, Plat 7
13	Applicant's Exhibit No. 3, Schematic Sketch 7
14	Applicant's Exhibit No. 4, Form C-116 7
15	Applicant's Exhibit No. 5, Production Decline Curves 7
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sid morrish reporting service

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

1 MR. NUTTER: We will call Case Number 5627.

2 MR. CARR: Case 5627, application of J. R. Cone for  
3 downhole commingling, Lea County, New Mexico.

4 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,  
5 Santa Fe, appearing on behalf of the Applicant and I have one  
6 witness to be sworn.

7 (THEREUPON, the witness was duly sworn.)

8  
9 L. O. STORM

10 called as a witness, having been first duly sworn, was  
11 examined and testified as follows:

12  
13 DIRECT EXAMINATION

14 BY MR. KELLAHIN:

15 Q Please state your name and occupation?

16 A L. O. Storm, Engineer for J. R. Cone, Independent  
17 Oil Producer, Lubbock, Texas.

18 Q Mr. Storm, have you previously testified before this  
19 Commission and had your qualifications as an expert witness  
20 accepted and made a matter of record?

21 A I have.

22 Q And are you familiar with the facts surrounding this  
23 particular application by J. R. Cone?

24 A Yes, sir.

25 MR. KELLAHIN: If the Examiner please, are the



1 witness' qualifications acceptable?

2 MR. NUTTER: Yes, they are.

3 Q (Mr. Kellahin continuing.) Mr. Storm, would you  
4 refer to what has been marked as Applicant Exhibit Number One  
5 and state briefly what the Applicant is seeking in this case?

6 A The Applicant is seeking approval for downhole  
7 commingling the Blinbry pools and the Drinkard pools in his  
8 Eubanks Well No. 3, located in Unit K of Section 14, Township  
9 21 South, Range 37 East, Lea County.

10 Q Would you refer to Exhibit Two and identify the  
11 subject well?

12 A Exhibit Two is a plat of the area. The Eubanks  
13 lease constitutes the southwest quarter of the said Section 14  
14 that I referred to earlier. Well No. 3 is located in the  
15 northeast forty acres of the lease.

16 Q Is the ownership common in all of the horizons  
17 underlying the Eubanks lease?

18 A Ownership of oil and gas under the lease is common.

19 Q Please refer to what has been marked as Exhibit Number  
20 Three and identify it?

21 A Exhibit referred to by counsel is a schematic  
22 sketch of the downhole mechanical arrangement in the well.  
23 It is a little bit unique in that it involves three production  
24 retainers and a retrievable packer.

25 Q Where have you experienced the downhole leakage?

1 A. The best I can tell from surface pressure and  
2 production measurements, it is in the long or Drinkard tubing  
3 string between the top two packers.

4 We have had a similar failure some years back in  
5 the same section of pipe. It was repaired.

6 Q Will this completion be changed in any manner in  
7 order to produce it under an order approving downhole  
8 commingling?

9 A. Only to the extent that I would propose opening of  
10 the sleeve, or the sliding sleeve valve, if you wish.

11 Q Where is that located?

12 A. In the long tubing string located at an approximate  
13 depth of sixty-two, seventy-six feet.

14 Q Please refer to Exhibit Number Four and identify it?

15 A. That is a C-116, Conservation Commission form,  
16 that presents the last reliable production tests of the  
17 Blinebry oil and gas in the Drinkard pools in the subject  
18 well prior to the indication of a downhole failure.

19 Q And Exhibit Number Five?

20 A. Exhibit Number Five is a production decline curve  
21 plotted from oil production data filed with the Commission  
22 on Form C-115's from the Drinkard and the Blinebry pools  
23 in said well, Number 3.

24 Q How would you propose to allocate the production  
25 between the Blinebry and the Drinkard?

1       A.    On the basis of the tests indicated on the C-116  
2 that would allocate twenty-five percent of the oil to the  
3 Blinebry zone, eighty-one percent of the gas to the Drinkard  
4 zone, seventy-five percent of the oil and nineteen percent  
5 of the gas.

6       Q.    In your opinion, Mr. Storm, will the approval of  
7 this application result in the recovery of additional hydro-  
8 carbons from each of the commingled zones that otherwise would  
9 not be recovered?

10       A.   This I can't guarantee but I think it is entirely  
11 possible. I think conservation would be realized in the  
12 expenditure that the operator would not have to make to kill  
13 the well and repair it at this time.

14       Q.   Do you anticipate any negative effects from either  
15 of the producing formations from the proposed commingling?

16       A.   No, and I take this from what we have observed in  
17 the operations of the Eubanks Well No. 1 which had a similar  
18 downhole failure. It has been produced with downhole commingling  
19 under Conservation Commission Order DHC-117 and the well has  
20 been so produced since August of 1972.

21       Q.   Would you locate that Eubanks No. 1 Well, please?

22       A.   It is located in the southwest forty acres of the  
23 lease, it is a southwest direct offset to the Eubanks No. 3,  
24 now in question.

25       Q.   And it is currently a downhole commingling of the

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

1 Blinebry and Drinkard zones. Is that right?

2 A. Correct.

3 Q In your opinion, Mr. Storm, will the approval of  
4 this application be in the best interests of conservation,  
5 the prevention of waste and the protection of correlative  
6 rights?

7 A. Yes, sir.

8 Q Were Exhibits One through Five either prepared by  
9 you directly or under your direction and supervision?

10 A. The entire application and all of the exhibits were  
11 prepared by me.

12 MR. KELLAHIN: If the Examiner please, we move the  
13 introduction of Exhibits One through Five.

14 MR. NUTTER: Exhibits One through Five will be  
15 admitted into evidence.

16 (THEREUPON, Applicant's Exhibits One through  
17 Five were admitted into evidence.)

18 MR. KELLAHIN: That concludes our direct examination.

19  
20 CROSS EXAMINATION

21 BY MR. NUTTER:

22 Q Mr. Storm, this is a one hundred and sixty acre  
23 lease, is that correct?

24 A. Yes, sir.

25 Q Now, referring to Exhibit Number Two would you

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

1 identify what pool each of those four wells on the lease  
2 is completed in, please?

3 A. At this point in time?

4 Q. Yes.

5 A. Starting with Well No. 1, it's a dual completion  
6 in the Blinebry, what the Commission used to call Blinebry oil  
7 and the Drinkard pool. It has a downhole failure, it is  
8 produced as a downhole commingled Blinebry and Drinkard well.

9 Q. Is that well classified as an oil well or a gas well  
10 as far as the Blinebry is concerned?

11 A. An oil well.

12 Well No. 2 is a dual completion or was affected as  
13 a dual completion in the Blinebry and the Tubb gas pools. The  
14 Blinebry oil gas ratio became in excess of thirty-two  
15 thousand to one under the old R-1670 order. Effective January 1,  
16 1972 the Blinebry zone was shut in in the well and has remained  
17 shut in. It is produced as a single Tubb well. It is  
18 equipped with parallel strings of tubing.

19 Well No. 3 is equipped with parallel tubing strings  
20 to produce from the Drinkard and the Blinebry oil zones.

21 Well No. 4 was drilled as a dual, completed as a  
22 dual in the Drinkard and Blinebry oil pools and under  
23 Commission Order No. R-5064, dated last summer, I think it was  
24 in July, we entered the well to dually complete it from the  
25 Abo through one tubing string with downhole commingling of the

1 Blinebry and Drinkard pools through the second tubing string.  
2 This was authorized under that order. We failed in that  
3 effort and the Abo is now cemented off in the well and it is  
4 equipped with a single tubing string to produce the Blinebry  
5 and the Drinkard through one tubing string.

6 Q So, with the four wells on the lease, you have two  
7 wells that are commingled in the Blinebry and the Drinkard?

8 A That are authorized under existing Commission orders  
9 too, two wells now so completed and we are requesting a  
10 third one be granted.

11 Q I see. Now, Wells No. 1 and 4 are classified as  
12 oil wells in the Blinebry, what is Well No. 3 classified as?

13 A By the Commission as a gas well.

14 Q It has been reclassified as a gas well?

15 A Yes.

16 Q Okay, now, I notice here on Form C-116 that the  
17 well on test made five hundred and twenty-six MCF in a twenty-  
18 four hour period, is that well classified as a marginal or  
19 non-marginal well in the Blinebry?

20 A It will not make the assigned Blinebry gas allowable,  
21 if this is the intent of your question.

22 Q I see.

23 A It is marginal both as a liquid and as a gas well.

24 Q I see.

25 A I would point out to the Commission that upon this

**sid morrish reporting service**

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

1 reclassification, effective January 1, 1972, both of the  
2 Eubanks Wells 2 and 3, in the north half of the lease, the  
3 ratios got out of hand and they were reclassified as gas  
4 wells. The No. 2 well was shut in and subsequently we applied  
5 to the Commission and obtained approval of an eighty acre  
6 nonstandard gas unit to be assigned in the Blinebry pool to  
7 Well No. 3, but the well will not make the current allowables  
8 assigned to Blinebry gas wells.

9 Q So since the Blinebry is shut in in that well,  
10 its acreage is dedicated to the well that is the subject of  
11 this hearing?

12 A Correct, but that's incidental, the well doesn't  
13 have the capacity to produce it.

14 Q Now, on your schematic you show another set of  
15 perforations up here at fifty-six forty-four to forty-six,  
16 are those perforations still open?

17 A To the best of my knowledge they are, Mr. Nutter,  
18 they are above a retrievable packer and isolated by that  
19 packer in a closed sleeve in the stub string. There is no  
20 means of entry in the long string, except by some kind of  
21 failure. But pressure performance of the well is identifiable  
22 only through the -- well, it suggests that a tubing failure  
23 in the long string between the Model K retrievable packer  
24 at fifty-six, seventy and above the FA production retainer  
25 at sixty-two, eighty-three.

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

1 Q So how do those upper perforations produce, up  
2 through the annulus?

3 A They are not produced, sir.

4 Q They would have to produce through the annulus  
5 with that setup?

6 A At one time when we first -- we got the permission  
7 in 1963 to dually complete -- we proposed to the Commission  
8 and subsequently the Commission approved that we open the  
9 Blinebry gas section and be permitted to produce it through  
10 a sliding sleeve valve into the Blinebry string up to a  
11 maximum gas-oil ratio of six thousand to one. A similar  
12 completion was authorized for Well No. 1. Both mechanical  
13 arrangements were unique at that point in time. It was our  
14 wish to obtain maximum legal gas from the Blinebry section  
15 because the oil zone was producing at the ratio of, say,  
16 a thousand to fifteen hundred to one. As soon as that ratio  
17 in that well passed six thousand, we closed that sleeve and  
18 those four perforations at fifty-six, forty-four to forty-six  
19 have been isolated since that time.

20 Q And not produced at all?

21 A Not to my knowledge.

22 MR. NUTTER: Are there any further questions of  
23 the witness? He may be excused.

24 (THEREUPON, the witness was excused.)

25 MR. NUTTER: Do you have anything further,



1 Mr. Kellahin?

2 MR. KELLAHIN: No, sir.

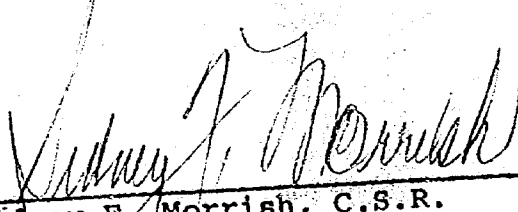
3 MR. NUTTER: Does anyone have anything they wish to  
4 offer in Case 5627? We will take the case under advisement.  
5  
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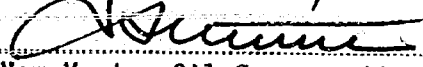
REPORTER'S CERTIFICATE

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

  
Sidney F. Morrish, C.S.R.

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

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5627,  
heard by me on 2/18, 19 76.

  
\_\_\_\_\_, Examiner  
New Mexico Oil Conservation Commission

Other \_\_\_\_\_

Dockets Nos. 8-76 and 9-76 are tentatively set for hearing on March 3 and March 17, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 18, 1976

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

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

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for March, 1976, from seventeen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for March, 1976, from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
  - (3) Consideration of purchaser's nominations for the one-year period beginning April 1, 1976, for both of the above areas.

CASE 5627: Application of J. R. Cone for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Blinbry and Drinkard oil and gas production in the wellbore of his Eubanks Well No. 3, located in Unit K of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 5628: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Blinbry, Drinkard, and Brunson-Ellenburger production in the wellbore of its A. H. Blinbry Federal Well No. 3, located in Unit E of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5629: Application of Odessa Natural Corporation for pool creation, assignment of a discovery allowable and special pool rules, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Dakota formation in Township 23 North, Range 3 West, Rio Arriba and Sandoval Counties, New Mexico, and the promulgation of special pool rules for said pool, including a provision for 320-acre spacing. Applicant further seeks the assignment of an oil discovery allowable to the discovery well for the pool being the Dave W. Thomas Chacon Jicarilla Apache "D" Well No. 1, located in Unit A of Section 23, Township 23 North, Range 3 West, Sandoval County, New Mexico.

CASE 5098: (Reopened)

In the matter of Case 5098 being reopened pursuant to the provisions of Order No. R-4682, which order established special rules for the Red Tank-Morrow Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 5630: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the contraction of the Double L-Queen Associated Pool by the deletion of certain lands on the east side thereof and the concurrent extension of the Vest Ranch-Queen Pool to include said lands. Further, to consider the reclassification of said Vest Ranch-Queen Pool and the promulgation of special pool rules therefor similar to those rules previously adopted for the Double L-Queen Associated Pool. Also to consider redesignation of the Vest Ranch Queen Pool as the Vest Ranch Queen Associated Pool.

The Double L-Queen Associated Pool would be contracted by the deletion of the following-described lands:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM  
Section 31: E/2 SE/4      Section 32: All  
Section 33: SW/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM  
Section 4: W/2      Section 5: All  
Section 6: SE/4      Section 7: NE/4  
Section 8: All      Section 9: W/2  
Section 16: NW/4      Section 17: N/2

The Vest Ranch Associated Queen Pool would be extended by the addition of the following-described lands:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM  
Section 28: SW/4      Section 29: SE/4  
Section 32: E/2      Section 33: W/2 and SE/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM  
Section 4: W/2      Section 5: All  
Section 8: N/2 and SE/4      Section 16: NW/4 and NW/4 SW/4  
Section 17: N/2

Docket No. 7-76

Dockets Nos. 8-76 and 9-76 are tentatively set for hearing on March 3 and March 17, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - TUESDAY - FEBRUARY 24, 1976  
OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

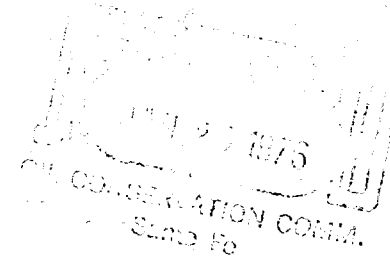
CASE 5571: (De Novo) (Continued from January 21, 1976 Commission Hearing)

Application of Robert G. Cox for amendment of Order No. R-4561, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4561, which order permitted the directional drilling of applicant's Federal "EA" Well No. 1, located 330 feet from the North and West lines of Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to be bottomed within 100 feet of the surface location. Applicant seeks the amendment of said order to permit bottoming of the subject well approximately 58 feet from the North line and 8 feet from the West line of said Section 12 and to permit verification of said downhole location by single-shot directional surveys made concurrently with the drilling of said well.

Upon application of Robert G. Cox, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Case 5627

OIL CONSERVATION COMMISSION  
Hobbs DISTRICT



OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE January 26, 1976

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

Gentlemen:

I have examined the application dated \_\_\_\_\_  
for the J. R. Cone Eubank #3-K 14-21-37  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

O.K.---J.S.

Yours very truly,

Jerry Sexton

RESIDENCE PHONE  
SHERWOOD 4-8173

OFFICE PHONE  
PORTER 3-8211

J. R. CONE  
1423 NORTH AVENUE P  
P. O. BOX 671  
LUBBOCK, TEXAS 79408  
January 22, 1976

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey,  
Secretary-Director

Re: Application for Administrative Approval, Down-Hole and Surface  
Commingling, J. R. Cone Eubanks No. 3, Blinebry Oil & Gas and  
Drinkard Pools, Unit K, Section 14, T-21-S, R-37-E, Lea Co., NM.

Dear Mr. Ramey:

J. R. Cone herewith makes application for administrative approval of  
down-hole and surface commingling of the Blinebry Oil & Gas and Drinkard  
Pools in his Eubanks Well No. 3. The said well is located 1980 feet from  
the South line and 1830 feet from the West line, Unit K, Section 14,  
T-21-S, 37-E, NMPM, Lea County, New Mexico.

In support of this application the following attachments are appended  
hereto:

1. Area plat showing location of the subject well and lease;
2. Diagrammatic sketch showing the present down-hole mechanical  
arrangement in Eubanks No. 3;
3. NMOCC Form C-116 which presents the most recent well test data  
of the Blinebry Oil & Gas and the Drinkard zones;
4. Production decline curves of the two producing zones; and,
5. A list of all offset operators to the Eubanks lease each of  
whom has been furnished a copy of this application.

Ownership is common as to all hydrocarbons underlying the Eubanks lease.

Originally Eubanks No. 3 was completed in December 1952 in the Wantz Abo  
Pool from the open-hole interval 6852 to 7342 feet. In December 1953  
the well was recompleted in the Drinkard Pool via casing perforations  
6544 to 6636 feet.

Next, Eubanks No. 3 was recompleted in March 1963 as a Blinebry oil over  
Drinkard oil dual utilizing two strings of 2-1/16-inch tubing under NMOCC  
Order No. R-2451. This recompletion was unique in that the upper Drinkard,  
the Blinebry Gas, and the Blinebry Oil zones all were opened then separated  
by packers and sliding sleeve valves to permit controlled entry of gas from

*Appl Ex 1  
CR 5627*

Page 2: J. R. Cone down-hole and surface commingling application,  
Eubanks Well No. 3:

the Blinebry gas section within the limitations of the Blinebry Oil Pool legal gas limit. The sliding sleeve valve in the stub Blinebry Oil tubing string opposite the Blinebry gas section has been closed since November 1963 in compliance with the GOR stipulations of Order No. R-2451.

Effective January 1, 1972 the Blinebry side of Eubanks No. 3 was reclassified by the NMOCC as a gas well because of excessive gas-oil ratio. Although marginal in both oil and gas capacity the well has been produced since then in compliance with the reclassification.

In August 1969 repair operations were conducted to correct down-hole communication via a hole in the Drinkard (long) tubing string at a depth of 5757 feet between the Baker model K retrievable packer which serves to isolate the Blinebry Gas zone and the FA production retainer which separates the Blinebry Oil and Drinkard zones. Surface pressure and production tests indicate that a similar down-hole failure now exists in the well.

The attached NMOCC Form C-116 presents the last well tests prior to observance of probable down-hole communication. Should this application be approved, it is suggested that the commingled oil and gas production be allocated to the respective zones on the basis of those tests as follows:

Blinebry: Oil 25 percent; gas 81 percent.  
Drinkard: Oil 75 percent; gas 19 percent.

No incompatibility problems are expected from the proposed down-hole commingling. The southwest offsetting J. R. Cone Eubanks No. 1 has been produced since August 1972 under NMOCC Order No. DHC-117 with down-hole commingling of the Blinebry and Drinkard zones with no evident negative consequences. In addition, the south offsetting J. R. Cone Eubanks No. 4 has been recompleted recently for down-hole commingling of the Blinebry and Drinkard zones under NMOCC Order No. R-5064.

Bottom hole pressures have not been run on the Blinebry and Drinkard Pools in Eubanks No. 3 because of the down-hole leakage evidence. The most recent reliable pressure data on the two zones would be reflected in the packer leakage test conducted April 16 to 20, 1974. During that test 72-hour surface shut-in pressures of 395 and 285 psig were recorded on the Blinebry and Drinkard zones, respectively.

We would expect negligible impact on oil revenues to result from the requested commingling, as both the Blinebry and Drinkard oil gravities from Well No. 3 consistently have ranged from 38° to 38.5° API.

It is proposed that down-hole commingling in Well No. 3 would be supplemented by opening the sliding sleeve in the Drinkard tubing string immediately above the FA production retainer at 6276 feet. Because recent tests indicate the most efficient production of both oil and gas is obtained via the Blinebry tubing string, it is proposed to take all production from that tubing string.



Page 3: J. R. Cone down-hole and surface commingling application,  
Eubanks Well No. 3:

The Eubanks lease production facilities provide 500-barrel storage tanks for Blinbry oil storage whereas all liquids produced by the other three wells on the lease are gathered in 210-barrel tanks. Diversion of all Eubanks No. 3 liquid production in the 210-barrel tanks would reduce retention time between tank runs and thus should contribute to higher tank gravities from reduced retention time.

All offset operators to the Eubanks lease have been furnished a copy of this application together with attachments. Rather than requesting waivers, we propose to abide by the prescribed waiting period.

We shall appreciate your favorable consideration of this application. Please advise if additional information is required.

Respectfully submitted,

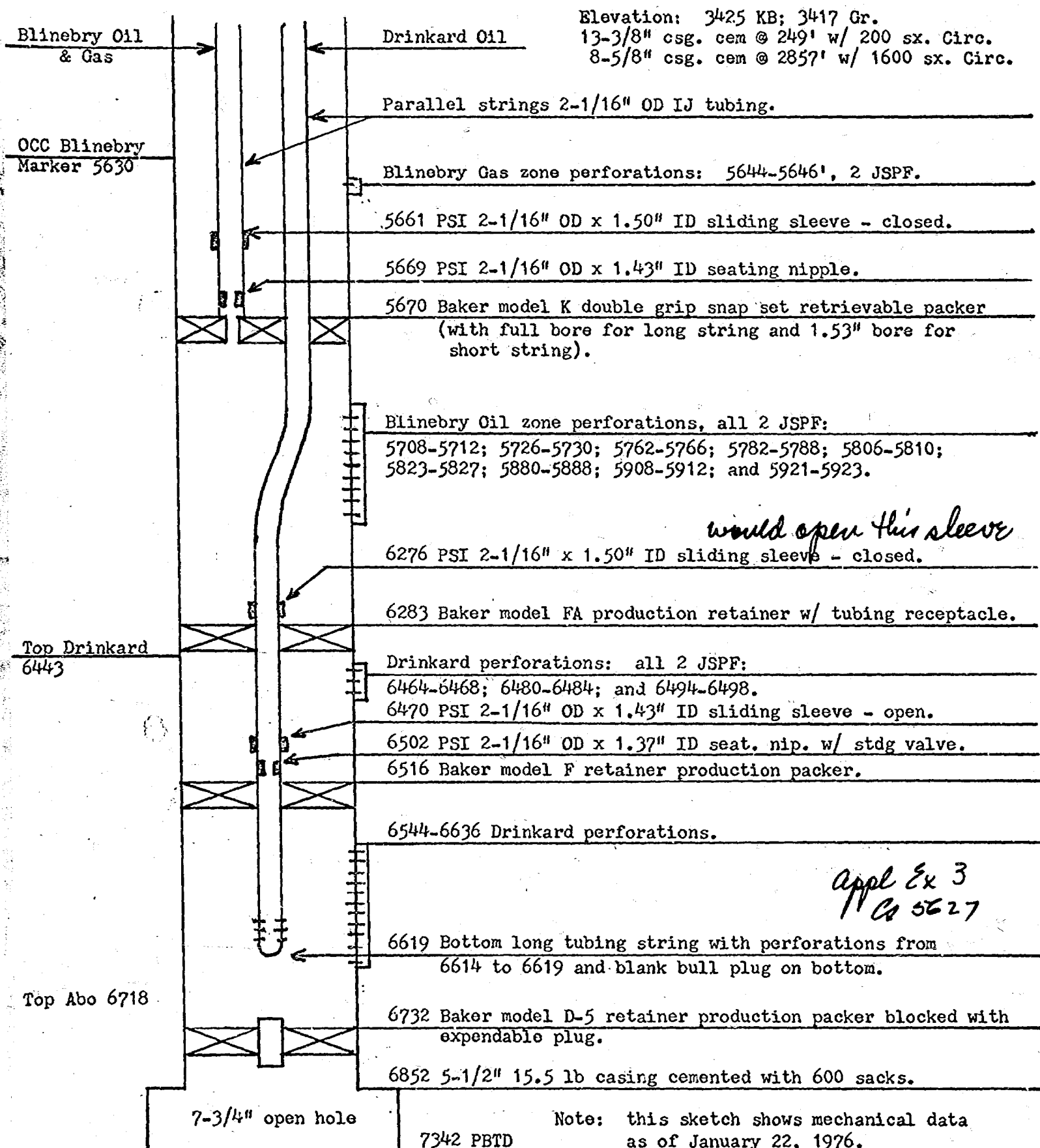
J. R. CONE

By L. O. Storm  
L. O. Storm

Attachments (5)



J. R. Cone Eubanks No. 3  
NE SW Sec. 14, T-21-S, R-37-E, Lea County, New Mexico  
Diagrammatic Sketch of Down-hole Mechanical Arrangement  
Blinebry Oil & Gas and Drinkard Pools



C-116  
Revised 1-1-65

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

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

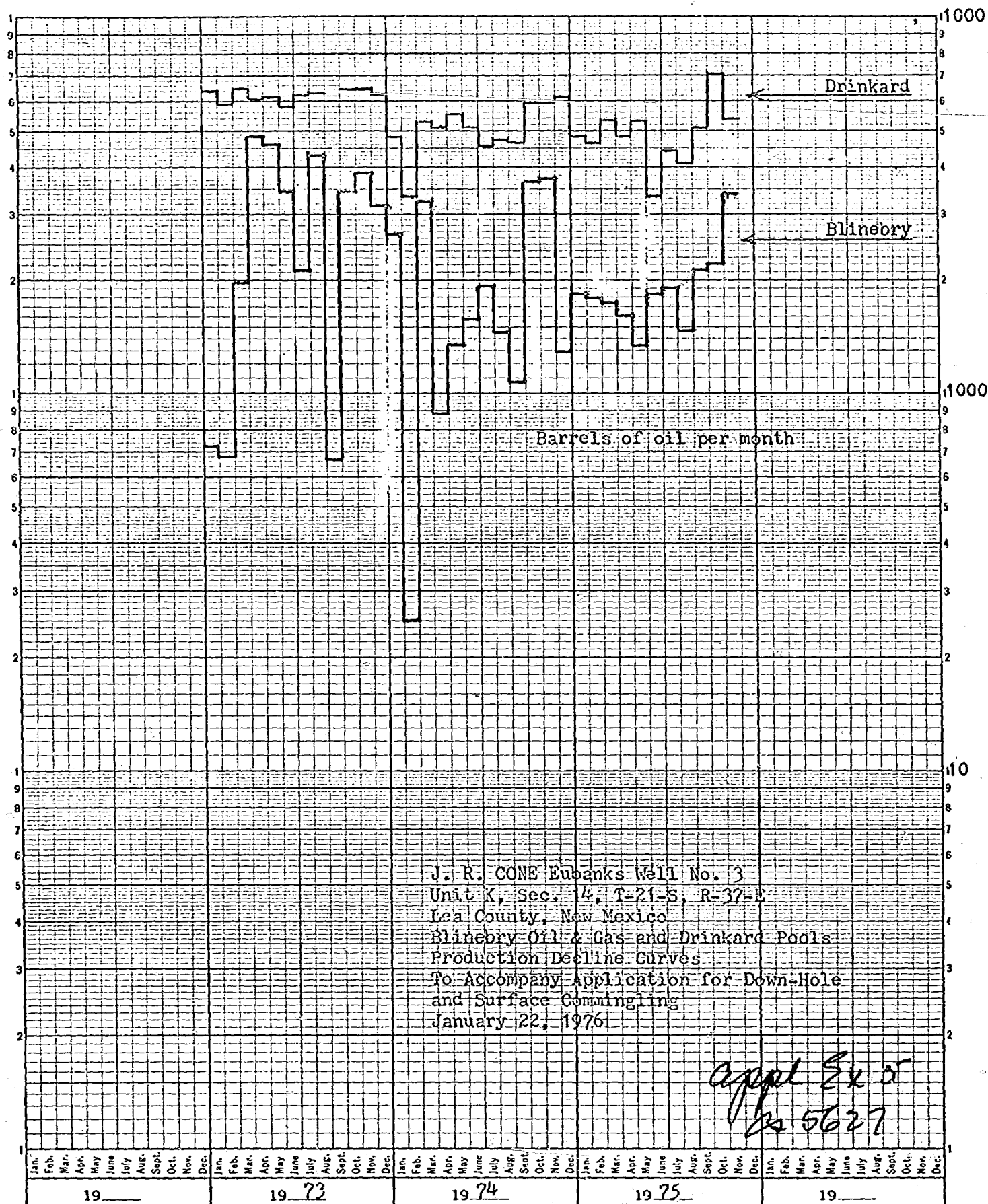
Gas volumes must be reported in MCF measured at a pressure base of 15,025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

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

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

*Lo Storm* - L. O. Storm  
(Signature)  
Engineer  
(Title)  
January 22, 1976  
(Date)

KE 5 YEARS BY MONTHS 46 6693  
MADE IN U.S.A.  
KEUFFEL & ESSER CO.



List of Attachments

1. Area plat showing lease and well in question.
2. Mechanical schematic sketch showing present down-hole arrangement of well in question.
3. NYOCC Form C-116 presenting latest well tests.
4. Production decline curves of Blinebry Oil and Drinkard zones.

DISTRIBUTION LIST

Oil Conservation Commission (2)  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Oil Conservation Commission (1)  
P. O. Box 1980  
Hobbs, New Mexico 88240

Atlantic Richfield Company  
P. O. Box 1710  
Hobbs, New Mexico 88240 (1)

Getty Oil Company (1)  
P. O. Box 249  
Hobbs, New Mexico 88240

Gulf Oil Company - US (1)  
P. O. Box 670  
Hobbs, New Mexico 88240

Marathon Oil Company (1)  
P. O. Box 2409  
Hobbs, New Mexico 88240

Moranco (1)  
P. O. Box 1919  
Hobbs, New Mexico 88240

Shell Oil Company (1)  
P. O. Box 1509  
Midland, Texas 79701

RESIDENCE PHONE  
SHERWOOD 4-8173

OFFICE PHONE  
PORTER 3-8211

J. R. CONE  
1423 NORTH AVENUE P  
P. O. BOX 871  
LUSBOCK, TEXAS 79408  
January 22, 1976

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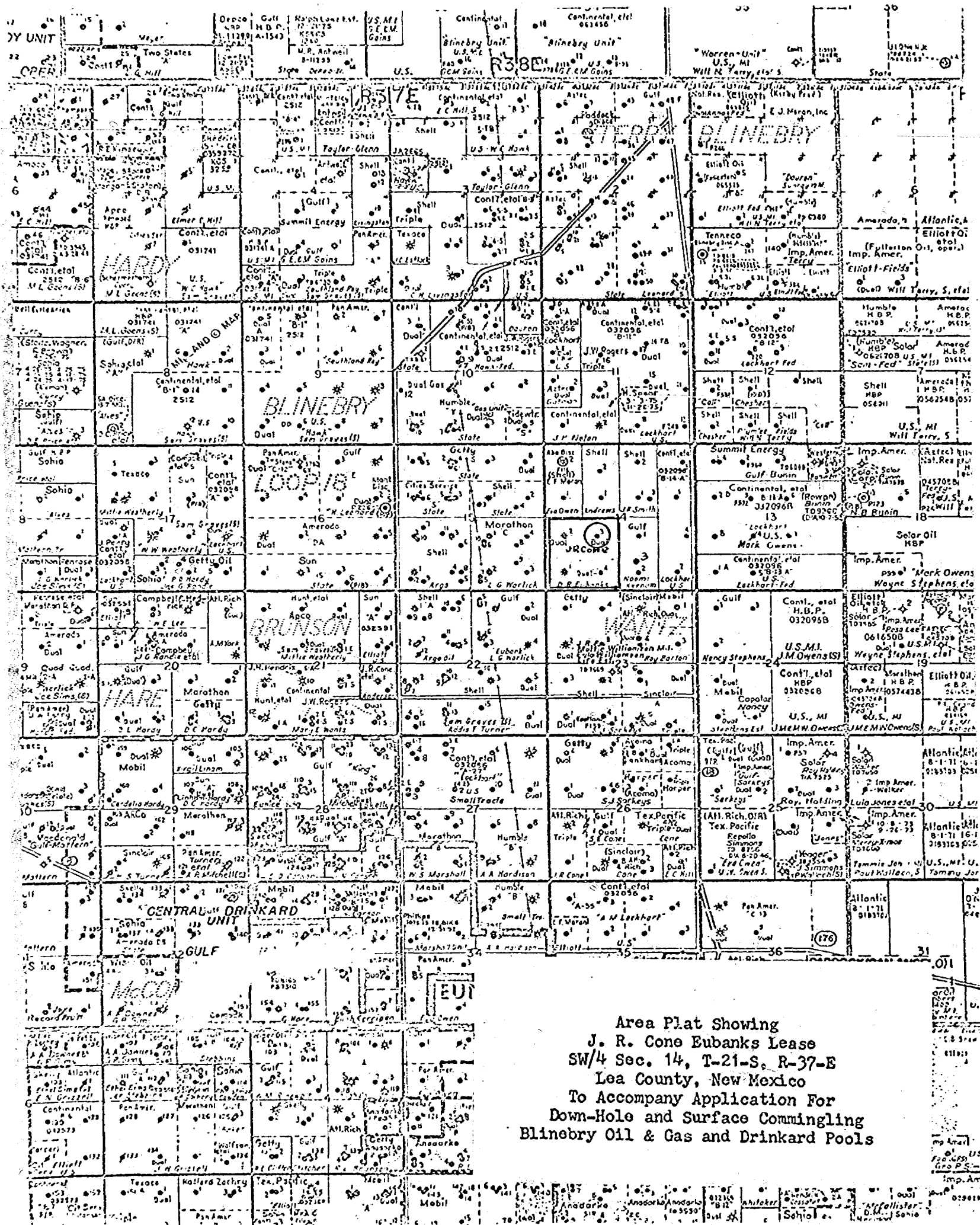
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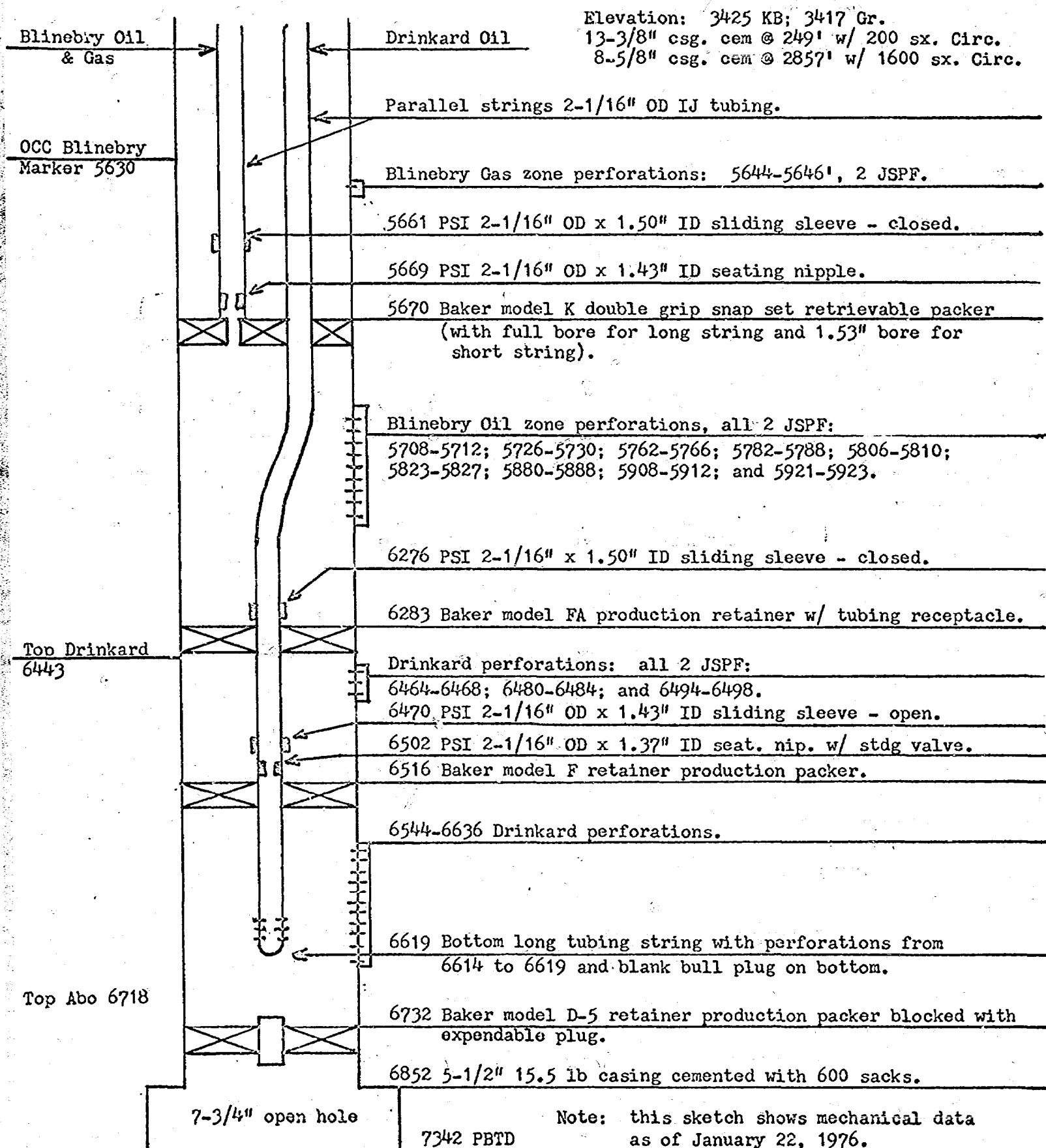
J. R. CONE

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Attachments (5)



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NE SW Sec. 14, T-21-S, R-37-E, Lea County, New Mexico  
Diagrammatic Sketch of Down-hole Mechanical Arrangement  
Blinebry Oil & Gas and Drinkard Pools



NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS

C-116  
Revised 1-1-65

Operator <b>J. R. CONE</b>		Pool <b>Blinebry Oil &amp; Gas and Drinkard Pools</b>						County <b>Lea</b>								
Address <b>Box 871, Lubbock, Texas 79408</b>						TYPE OF TEST - (X) <input checked="" type="checkbox"/>		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT/BBL
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
Eubanks	3	K	14	21S	37E											
	Blinebry Oil & Gas:					9/25/75	F	48/64	110	-	24	0.3	38.0	7	526.0	73,714
	Drinkard:					4/14/75	F	32/64	380-40	20	24	Tr	38.5	21	126.0	6,000
No. 3 Drinkard produced by time intermitter.																
To Accompany Application For Down-hole and Surface Commingling Blinebry Oil & Gas and Drinkard Pools																

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

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

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

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

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

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

*L. O. Storm* - L. O. Storm  
(Signature)

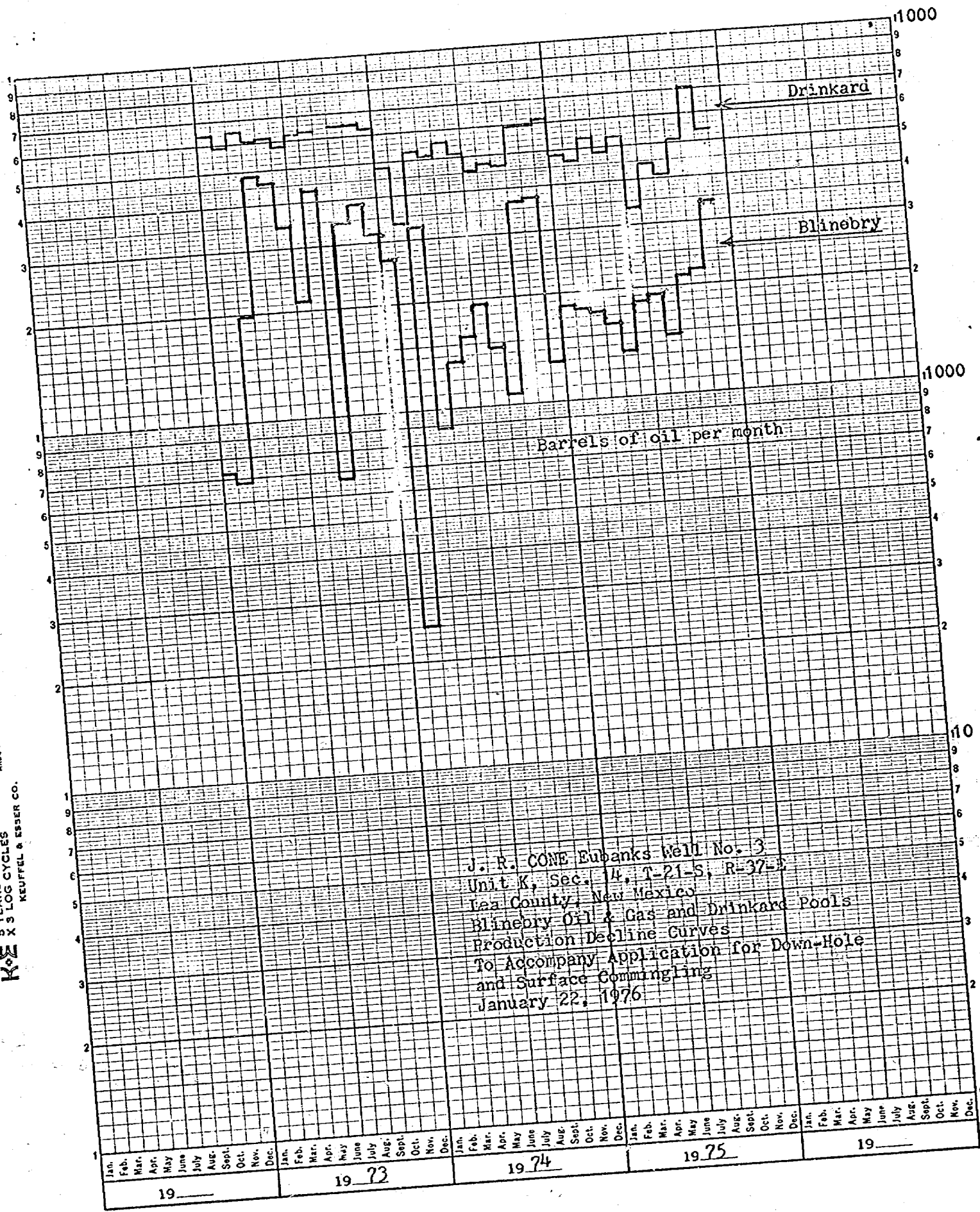
Engineer

(Title)

January 22, 1976

(Date)

K&E 5 YEARS BY MONTHS 46 6693  
 MADE IN U.S.A.  
 KEUFFEL & ESSER CO.



List of Attachments

1. Area plat showing lease and well in question.
2. Mechanical schematic sketch showing present down-hole arrangement of well in question.
3. NMOCC Form C-116 presenting latest well tests.
4. Production decline curves of Blinbry Oil and Drinkard zones.

DISTRIBUTION LIST

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Midland, Texas 79701

RESIDENCE PHONE  
SHERWOOD 4-8173

OFFICE PHONE  
PORTER 3-8211

J. R. CONE  
1423 NORTH AVENUE P  
P. O. BOX 871  
LUBBOCK, TEXAS 79408  
January 22, 1976

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey,  
Secretary-Director

Re: Application for Administrative Approval, Down-Hole and Surface  
Commingling, J. R. Cone Eubanks No. 3, Blinebry Oil & Gas and  
Drinkard Pools, Unit K, Section 14, T-21-S, R-37-E, Lea Co., NM.

Dear Mr. Ramey:

J. R. Cone herewith makes application for administrative approval of  
down-hole and surface commingling of the Blinebry Oil & Gas and Drinkard  
Pools in his Eubanks Well No. 3. The said well is located 1980 feet from  
the South line and 1830 feet from the West line, Unit K, Section 14,  
T-21-S, 37-E, NMPM, Lea County, New Mexico.

In support of this application the following attachments are appended  
hereto:

1. Area plat showing location of the subject well and lease;
2. Diagrammatic sketch showing the present down-hole mechanical  
arrangement in Eubanks No. 3;
3. NMOCC Form C-116 which presents the most recent well test data  
of the Blinebry Oil & Gas and the Drinkard zones;
4. Production decline curves of the two producing zones; and,
5. A list of all offset operators to the Eubanks lease each of  
whom has been furnished a copy of this application.

Ownership is common as to all hydrocarbons underlying the Eubanks lease.

Originally Eubanks No. 3 was completed in December 1952 in the Wantz Abo  
Pool from the open-hole interval 6852 to 7342 feet. In December 1953  
the well was recompleted in the Drinkard Pool via casing perforations  
6544 to 6636 feet.

Next, Eubanks No. 3 was recompleted in March 1963 as a Blinebry oil over  
Drinkard oil dual utilizing two strings of 2-1/16-inch tubing under NMOCC  
Order No. R-2451. This recompletion was unique in that the upper Drinkard,  
the Blinebry Gas, and the Blinebry Oil zones all were opened then separated  
by packers and sliding sleeve valves to permit controlled entry of gas from

Case 5697

Page 2: J. R. Cone down-hole and surface commingling application,  
Eubanks Well No. 3:

the Blinebry gas section within the limitations of the Blinebry Oil Pool legal gas limit. The sliding sleeve valve in the stub Blinebry Oil tubing string opposite the Blinebry gas section has been closed since November 1963 in compliance with the GOR stipulations of Order No. R-2451.

Effective January 1, 1972 the Blinebry side of Eubanks No. 3 was reclassified by the NMOCC as a gas well because of excessive gas-oil ratio. Although marginal in both oil and gas capacity the well has been produced since then in compliance with the reclassification.

In August 1969 repair operations were conducted to correct down-hole communication via a hole in the Drinkard (long) tubing string at a depth of 5757 feet between the Baker model K retrievable packer which serves to isolate the Blinebry Gas zone and the FA production retainer which separates the Blinebry Oil and Drinkard zones. Surface pressure and production tests indicate that a similar down-hole failure now exists in the well.

The attached NMOCC Form C-116 presents the last well tests prior to observance of probable down-hole communication. Should this application be approved, it is suggested that the commingled oil and gas production be allocated to the respective zones on the basis of those tests as follows:

Blinebry: Oil 25 percent; gas 81 percent.  
Drinkard: Oil 75 percent; gas 19 percent.

No incompatibility problems are expected from the proposed down-hole commingling. The southwest offsetting J. R. Cone Eubanks No. 1 has been produced since August 1972 under NMOCC Order No. DHC-117 with down-hole commingling of the Blinebry and Drinkard zones with no evident negative consequences. In addition, the south offsetting J. R. Cone Eubanks No. 4 has been recompleted recently for down-hole commingling of the Blinebry and Drinkard zones under NMOCC Order No. R-5064.

Bottom hole pressures have not been run on the Blinebry and Drinkard Pools in Eubanks No. 3 because of the down-hole leakage evidence. The most recent reliable pressure data on the two zones would be reflected in the packer leakage test conducted April 16 to 20, 1974. During that test 72-hour surface shut-in pressures of 395 and 285 psig were recorded on the Blinebry and Drinkard zones, respectively.

We would expect negligible impact on oil revenues to result from the requested commingling, as both the Blinebry and Drinkard oil gravities from Well No. 3 consistently have ranged from 38° to 38.5° API.

It is proposed that down-hole commingling in Well No. 3 would be supplemented by opening the sliding sleeve in the Drinkard tubing string immediately above the FA production retainer at 6276 feet. Because recent tests indicate the most efficient production of both oil and gas is obtained via the Blinebry tubing string, it is proposed to take all production from that tubing string.



Case 5627

Page 3: J. R. Cone down-hole and surface commingling application,  
Eubanks Well No. 3:

The Eubanks lease production facilities provide 500-barrel storage tanks for Blinbry oil storage whereas all liquids produced by the other three wells on the lease are gathered in 210-barrel tanks. Diversion of all Eubanks No. 3 liquid production in the 210-barrel tanks would reduce retention time between tank runs and thus should contribute to higher tank gravities from reduced retention time.

All offset operators to the Eubanks lease have been furnished a copy of this application together with attachments. Rather than requesting waivers, we propose to abide by the prescribed waiting period.

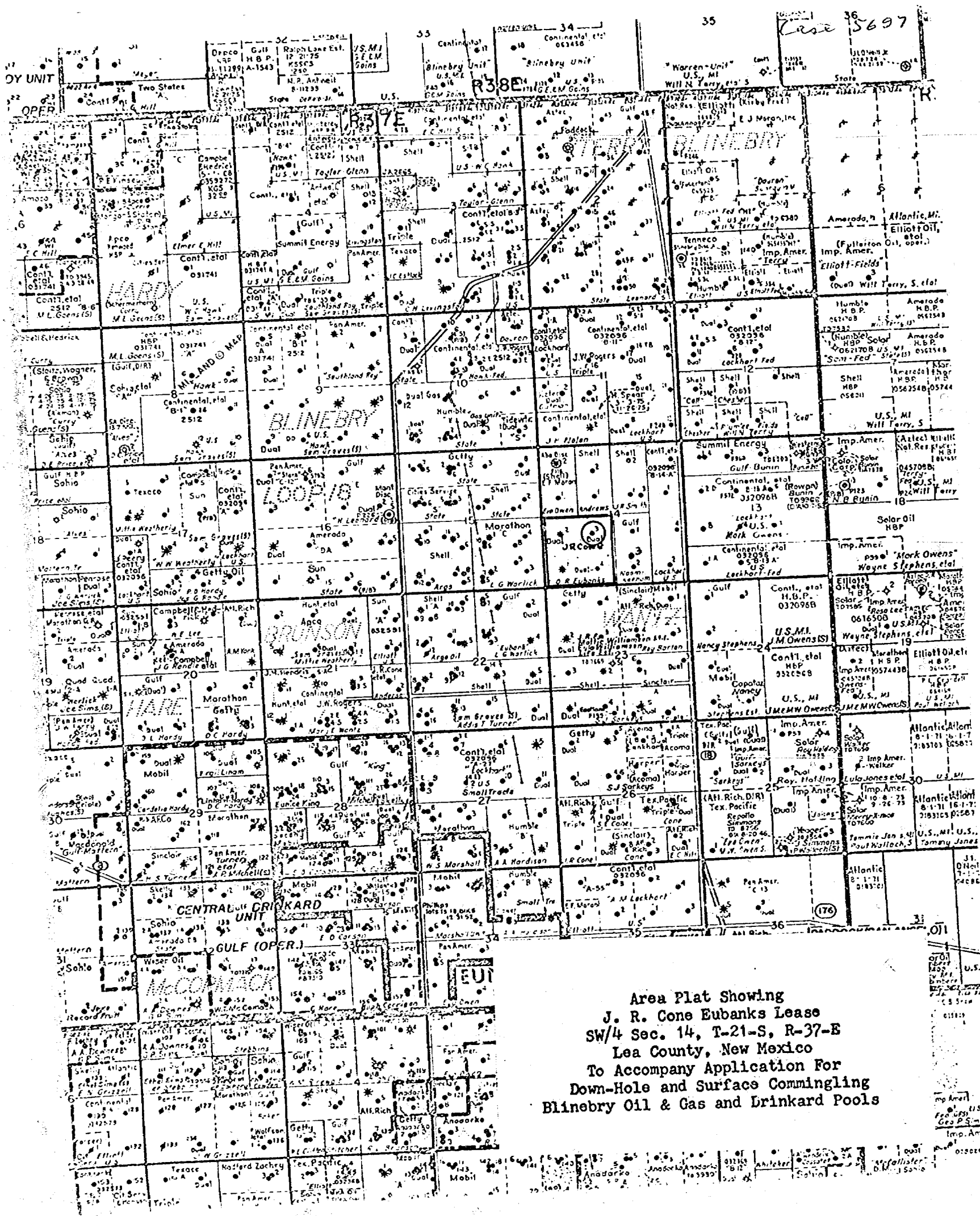
We shall appreciate your favorable consideration of this application. Please advise if additional information is required.

Respectfully submitted,

J. R. CONE

By   
L. O. Storm

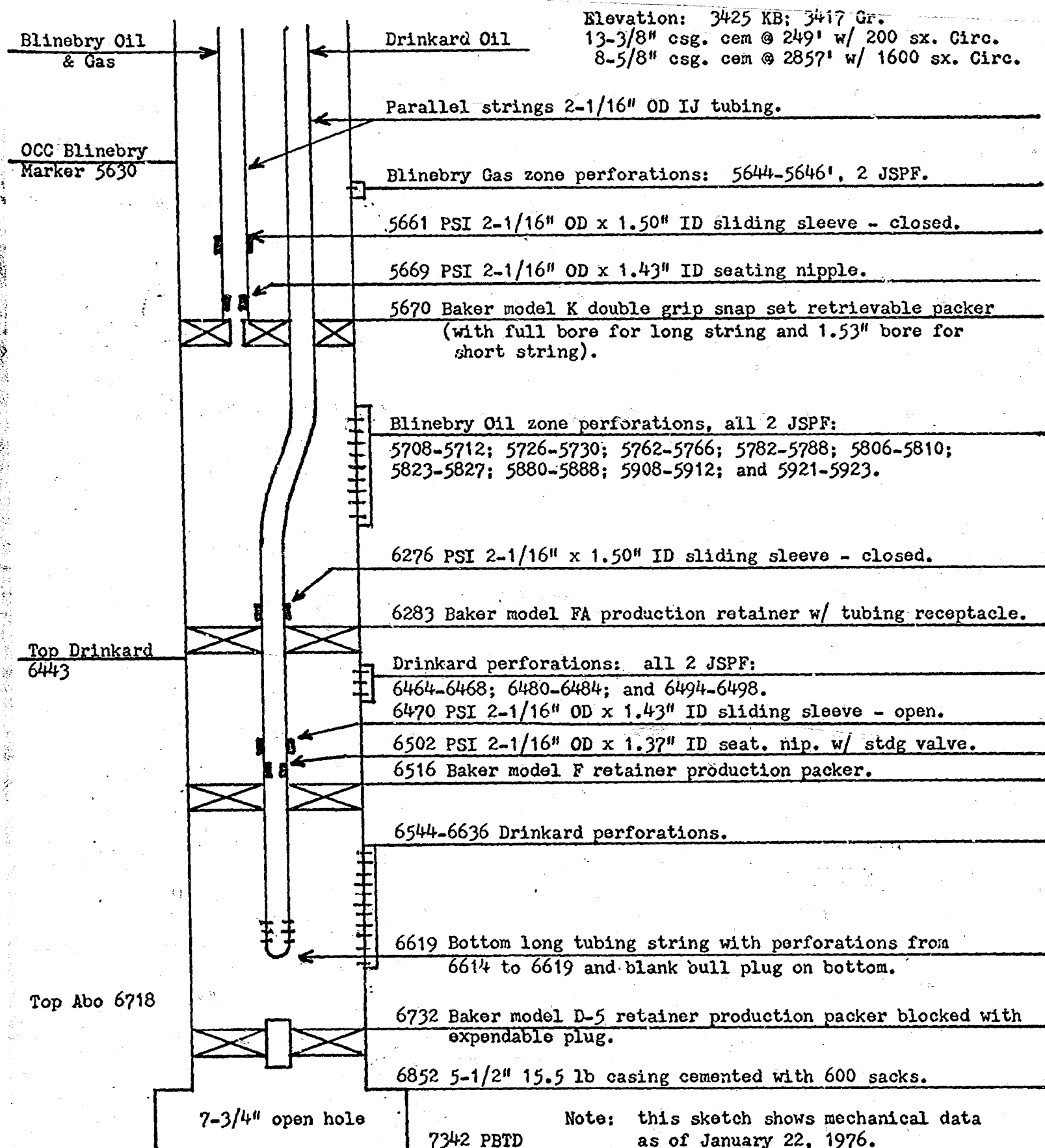
Attachments (5)



Area Plat Showing  
J. R. Cone Eubanks Lease  
SW/4 Sec. 14, T-21-S, R-37-E  
Lea County, New Mexico  
To Accompany Application For  
Down-Hole and Surface Commingling  
Blinebry Oil & Gas and Drinkard Pools

Case 5627

J. R. Cone Eubanks No. 3  
NE SW Sec. 14, T-21-S, R-37-E, Lea County, New Mexico  
Diagrammatic Sketch of Down-hole Mechanical Arrangement  
Blinebry Oil & Gas and Drinkard Pools



NEW MEXICO OIL CONSERVATION COMMISSION  
GAS-OIL RATIO TESTS

C-116  
Revised 1-1-65

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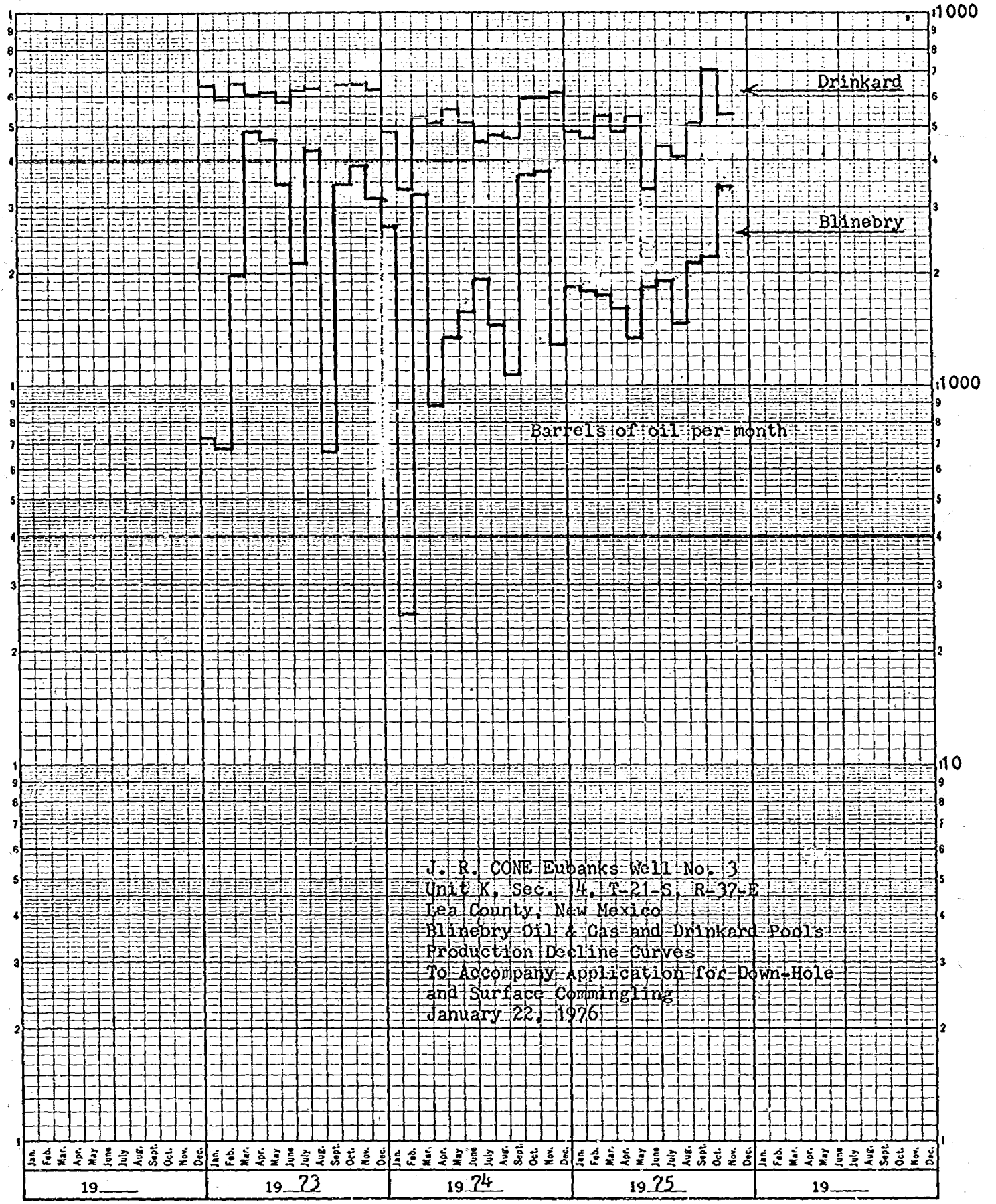
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Case 5697

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