

CASE 6286: EL PASO NATURAL GAS COMPANY
FOR DOWNHOLE COMMINGLING, SAN JUAN
COUNTY, NEW MEXICO

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CASE NO.

6286

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

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

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

April 10, 1979



Mr. L. E. Mabe
El Paso Natural Gas Company
P. O. Box 990
Farmington, New Mexico 87401

Re: Order R-5794 *Case 6286*
El Paso Natural Gas Company
EPNG B #1
0-28-32N-6W

Dear Mr. Mabe:

The production from the subject well shall be allocated as follows:

Mesaverde: Gas 98%, Oil 100%

Dakota: Gas 2%, Oil Zero%

If there are further questions, please contact us.

Yours very truly,

A. R. Kendrick
District Supervisor

Case file

xc: Oil Conservation Division, Santa Fe
Northwest Pipeline Corporation, Mr. John Grace, Farmington
El Paso Natural Gas Company, Mr. W. M. Rodgers, Farmington
El Paso Natural Gas Company, Mr. R. L. Gaines, El Paso

ARK:no

El Paso NATURAL GAS
COMPANY

P. O. BOX 990
FARMINGTON, NEW MEXICO 87401
PHONE: 505-325-2841

March 27, 1979

A. R. Kendrick, District Supervisor
Oil Conservation Division
Energy & Minerals Department
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: EPNG B #1
Unit O Sec. 28-T32N-R6W
San Juan County, N. M.

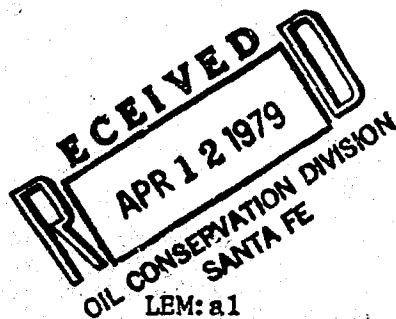
Dear Mr. Kendrick:

Commission Order No. R-5794, dated August 16, 1978, authorized commingling of Blanco Mesa Verde and Basin Dakota gas production within the wellbore of the subject well.

Pursuant to above order gas production from the Dakota zone, during a stabilized flow period, was determined to be 22.7 MCF/D. After workover the stabilized commingled flow was 1188.7 MCF/D.

Based on the above flow tests the Mesa Verde produces 1166 MCF/D and the Dakota produces 22.7 MCF/D.

We request gas production be allocated 98% to Mesa Verde and 2% to Dakota; with any oil production 100% to Mesa Verde.



cc: D. C. Adams
A. J. Loleit
Well File

L. E. Mabe, Jr.
Division Production Engineer





JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

September 6, 1978

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

Mr. David T. Burleson
Office of General Counsel
El Paso Natural Gas Company
Box 1492
El Paso, Texas 79978

Re: CASE NO. 6286
ORDER NO. R-5794

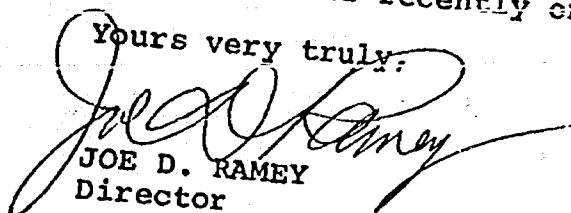
Applicant:

El Paso Natural Gas Company

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 OCC ☒
Artesia OCC ☒
Aztec OCC ☒

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. 6286
Order No. R-5794

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR DOWNHOLE COMMINGLING, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 16, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 5th day of September, 1978, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, El Paso Natural Gas Company, is the owner and operator of the EPNG "B" Well No. 1, located in Unit O of Section 28, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant seeks authority to commingle Blanco Mesaverde and Basin-Dakota production within the wellbore of the above-described well.
- (4) That from the Blanco Mesaverde zone, the subject well is expected to be capable of marginal production only.
- (5) That from the Basin-Dakota zone, the subject well is capable of low marginal production only.
- (6) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

-2-

Case No. 6286
Order No. R-5794

(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, applicant should conduct productivity and pressure tests during completion operations, and should consult with the supervisor of the Division's Aztec office to arrive at an allocation formula.

IT IS THEREFORE ORDERED:

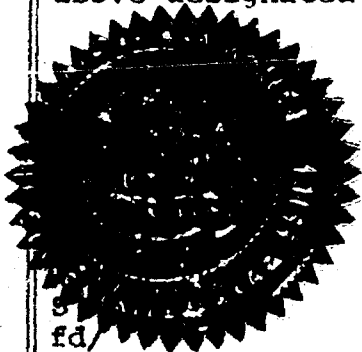
(1) That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle Blanco Mesaverde and Basin-Dakota gas production within the wellbore of the EPNG "B" Well No. 1, located in Unit O of Section 28, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.

(2) That the applicant, during completion operations on the subject well, shall conduct productivity and pressure tests on said well, and shall consult with the supervisor of the Division's Aztec office to determine a formula for allocation of production to each zone.

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

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/

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

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas
Company for an exception to Rule
2(A) of Order No. R-1670, as
amended.

CASE
6294

and

Application of El Paso Natural Gas
Company for downhole commingling,
San Juan County, New Mexico.

CASE
6286

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

David T. Burleson, Esq.
El Paso Natural Gas Company
El Paso, Texas

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

I N D E X

PAUL W. BURCHELL

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E X H I B I T S

Applicant Exhibit One, Diagrammatic Sketch	15
Applicant Exhibit Two, Decline curve	15

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1 MR. STAMETS: Call next Case 6294.

2 MS. TESCHENDORF: Case 6294. Application of
3 El Paso Natural Gas Company for exception to Rule 2(A) of
4 Order No. R-1670, as amended, San Juan County, New Mexico.

5 MR. STAMETS: Call for appearances in this
6 case.

7 MR. BURLESON: David T. Burleson for El Paso
8 Natural Gas Company.

9 MR. STAMETS: This is a letter of appearance
10 in Case 6286 and 6294.

11 MR. BURLESON: Mr. Examiner, I would move that
12 in the interests of efficiency, that our related applica-
13 tion, 6286, be heard on a consolidated basis with 6294, if
14 you have no objection. They are both related to the same
15 well and 6294, as a matter of fact, is necessitated only
16 by the requirement that the first well in the unit be
17 located in the northeast or the southwest, whereas this
18 well will be located in the southeast quarter of the sec-
19 tion.

20 MR. STAMETS: We will consolidate Case 6286
21 and 6294 and I'd like to have Case 6286 called at this
22 time.

23 MS. TESCHENDORF: Case 6286. Application of
24 El Paso Natural Gas Company for downhole commingling, San
25 Juan County, New Mexico.

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1 MR. STAMETS: Any other appearances in either
2 of these cases?

3 I'd like to have anyone who will be a witness
4 in this case stand and be sworn at this time.

5 (Witness sworn.)

6 PAUL W. BURCHELL

7 being called as a witness and having been duly sworn upon
8 his oath, testified as follows, to-wit:
9

10 DIRECT EXAMINATION

11 BY MR. BURLESON:

12 Q Would you please state your name for the record
13 and give us -- tell us where you reside, Mr. Burchell, and
14 for whom you're employed?

15 A Yes, my name is Paul W. Burchell. I reside in
16 El Paso, Texas. I'm employed by the El Paso Natural Gas
17 Company, and I serve in the capacity as a Senior Proration
18 Engineer.

19 Q Mr. Burchell, are you familiar with Case Number
20 6286 and -- which is one of the cases involved in this
21 hearing?

22 A Yes, I am.

23 Q Have you previously qualified as a witness be-
24 fore the Division or one of its examiners?
25

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1 A Yes, several times, I believe.

2 Q And your qualifications were accepted?

3 A Yes.

4 MR. BURLESON: Mr. Examiner, are the witness'
5 qualifications acceptable?

6 MR. STAMETS: They are.

7 Q (Mr. Burleson continuing.) Mr. Burchell, what
8 is El Paso seeking in Case 6286?

9 A El Paso seeks permission to complete its EPNG
10 "B" No. 1 Well in the Blanco-Mesaverde Pool and to down-
11 hole commingle this gas with gas from the Basin Dakota Pool
12 and produce the combined gas through one meter.

13 This well is located in Unit letter O of
14 Section 28, Township 32 North, Range 6 West, San Juan
15 County, New Mexico.

16 El Paso proposes that the allocation of gas to
17 each formation be divided in such a manner that a certain
18 volume of the gas would be considered Basin Dakota gas and
19 then the remaining gas, plus all the liquids, would be
20 considered Mesaverde.

21 Q Why is El Paso asking for permission to com-
22 mingle the gas from these two zones, Mr. Burchell?

23 A Downhole commingling is conserved by El Paso to
24 be the most economic and efficient method to undertake in
25 order to produce gas reserves from the Basin Dakota Pool

1 that could not be recovered from a conventional dual com-
2 pletion.

3 Q Do you have an exhibit showing the present
4 equipment in the well?

5 A Yes, I do.

6 Q That would be Exhibit Number One, is that cor-
7 rect?

8 A Yes, sir.

9 Q Would you explain this, please, that exhibit and
10 what it shows?

11 A Exhibit Number One is a diagrammatic sketch of
12 the downhole equipment in the well. Basically, the exhibit
13 shows 1-1/2 inch free-hanging tubing and the well produces
14 from the Basin Dakota from a gross set of perforations as
15 shown on the exhibit, the top being 7,938 feet and the
16 lower perforations interval is 8,108 feet.

17 Q Do you have an exhibit showing the gas production
18 history of this well?

19 A Yes, sir, I do.

20 Q Would you please describe that exhibit and what
21 it shows?

22 A Yes. Exhibit Number Two is the Basin Dakota
23 gas production decline curve of the El Paso Natural Gas
24 Company's EPNG "B" No. 1 Well. The gas production decline
25 curve is based on the well's monthly daily flow rate average

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1 in Mcf per day.

2 The well started producing a daily average of
3 139 Mcf of gas in September, 1972, and basically decreased
4 to below 30 Mcf per day in May of 1974. It has generally
5 produced below this 30 Mcf per day rate from May, 1974, to
6 the present time, and as the dashed line on the righthand
7 side of the graph shows, it's currently averaging 24 Mcf
8 of gas per day. This well is basically prorated as an
9 exempt marginal well.

10 Q Does this well have a fluid production history?

11 A No, it does not produce water or oil. The de-
12 hydrator has no water in it and the pit is always dry.

13 Q And what method are you recommending that we --
14 that El Paso undertake to increase the production of gas
15 from this well?

16 A If authority is obtained from the New Mexico
17 Conservation Division, I recommend removal of the 1-1/2 inch
18 tubing that's in the well and selectively perforate the
19 Mesaverde formation and then rerun the 1-1/2 inch tubing
20 and then commingle both the Mesaverde and the Dakota gas.

21 Q What additional volume of gas would you anti-
22 cipate would be recovered from this well, which of course,
23 would come from the opening of the Mesaverde formation in
24 the well?

25 A Okay. The -- it is estimated the Mesaverde

1 formation will produce around 300 Mcf of gas per day and
2 this is in addition to the 24 Mcf of gas per day from the
3 Dakota formation.

4 Q Is there presently a Mesaverde well in the sec-
5 tion?

6 A No, there is not.

7 Q Would it be possible for this well to be dually
8 completed, or would it be feasible for it to be dually com-
9 pleted?

10 A Well, it could be dually completed but not in
11 a satisfactory manner. This is mainly because of the re-
12 striction that the 4-1/2 inch casing presents in the hole.
13 A dual completion would not be practical nor economical.

14 Q What is the -- could you tell the Examiner what
15 the proration unit is for the Dakota formation which is
16 presently producing?

17 A 320 acres.

18 Q Which 320 acres?

19 A It would be the east half of Section 28.

20 Q What would be the proration unit for the Mesa-
21 verde formation in the well?

22 A It would be the same, the east half of Section
23 28, which is a full 320 acres.

24 Q And I take it that you wouldn't recommend that
25 the Basin Dakota Pool be cement squeezed and bridged and

1 abandoned?

2 A No, definitely not, because it's estimated that
3 the reserves of the Basin Dakota contains 78,000 Mcf of
4 gas and this is as of July 1st, 1978.

5 Now, by commingling the Mesaverde with the
6 Dakota, this small but remaining gas reserve can be recovered.

7 Q What would be the -- what's the estimated cost
8 of this reworking which you're suggesting?

9 A The estimated cost to re-enter the well and
10 perforate the Mesaverde and commingle both the Mesaverde
11 and Dakota, will amount to \$69,160.

12 Q With regard to commingling, could that create
13 problems because of pressure and the liquids in the two
14 zones involved?

15 A No, I believe the two zones are compatible.
16 In November of 1977 a successful plug-back to the Mesaverde
17 was done on El Paso Natural Gas's EPNG "A" No. 1 Well.
18 This well is in the immediate area of the -- of the "B" No.
19 1 Well.

20 Now it's virgin formation pressure was 1,212
21 pounds per square inch absolute and the estimated pressure
22 in the EPNG "B" No. 1 Well is 1,025 psia; therefor, parti-
23 cularly if both zones are producing to pipeline pressure,
24 I don't feel there would be any cross-flow problems.

25 MR. STAMETS: I'd like to clarify that before

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1 we move on. The "A" No. 1 pressure was 1212 pounds?

2 A Yes, sir, 1212.

3 MR. STAMETS: And the 1025 pounds is the --

4 A Is the "B" No. 1.

5 MR. STAMETS: Now, is that Mesaverde pressure
6 that you expect?

7 A No, that -- no, that is the estimated pressure
8 in the Basin Dakota in the "B" No. 1.

9 MR. STAMETS: Okay.

10 A That's 1-0-2-5.

11 MR. STAMETS: And that's what date?

12 A I believe this figure was given to me for July
13 the 1st, also, of 1978.

14 MR. STAMETS: And on what was that estimate
15 made?

16 A I think just based on the past performance of
17 the well and pressure. They haven't taken recent measurements
18 but your PZ cumulative type graphs that they -- and cumulative
19 production at that particular time, they estimated the pres-
20 sure would be down at that point in the "B" well, in the
21 Dakota.

22 MR. STAMETS: Go ahead.

23 A The Mesaverde in this well in the same area in
24 the "A" -- in the "A" well, produces approximately one
25 barrel of water per day and no oil, while the Dakota, as I

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1 have previously testified, produces no water in the "B" No. 1
2 Well.

3 These zones, therefor, should be compatible
4 with respect to liquids.

5 Q Does El Paso propose a formula by which the gas
6 and liquid production would be apportioned between the two
7 producing zones?

8 A Yes. As indicated by Exhibit Number Two, 24 Mcf
9 of gas per day is produced from the Dakota, and based on my
10 prior testimony, that remaining Dakota reserves was esti-
11 mated at 78,000 Mcf. It is recommended that 24 Mcf of gas
12 per day be attributed to the Basin Dakota Pool and all
13 additional gas and liquids above this amount would be attri-
14 buted to the Blanco-Mesaverde Pool.

15 This formula would continue until the Basin
16 Dakota has produced a cumulative of 78,000 Mcf of gas and
17 this is as of July the 1st, 1978. Then at that time, when
18 it has produced this figure, the 100 percent of all gas and
19 liquids would then be attributed to the Mesaverde.

20 Q Is there any differential in the ownership as
21 between these two zones, the Dakota on the one hand and the
22 Mesaverde on the other, with respect to this well and the
23 entire proration unit?

24 A No.

25 Q Attributed to it?

A El Paso Natural Gas has 100 percent working

1 interest in this well and the proration unit on which it is
2 located. The royalty owners are common; they have common
3 ownership in both zones and the unit.

4 Q In your opinion would granting this application
5 be in the interests of waste prevention and would protect
6 correlative rights?

7 A Yes, sir. We would be recovering gas that
8 otherwise might not be produced from the Dakota and this,
9 of course, is in the best interests of conservation.

10 Q Do you have anything further relating to El
11 Paso's application in 6286?

12 A No, not in 6286, no.

13 MR. BURLESON: Mr. Examiner, this completes
14 our testimony with respect to 6286. If you have no further
15 questions with respect to that matter, then we'll turn to
16 6294.

17 MR. STAMETS: I've got a couple of questions
18 on that.

19
20 CROSS EXAMINATION

21 BY MR. STAMETS:

22 Q Where will your Mesaverde perforations be?

23 A Let's see.

24 Q An approximate depth would be sufficient.

25 A I've got a portion of the log reproduced here

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1 and I think by looking at it I could pretty well give you a
2 good idea.

3 Mr. Examiner, I believe the Mesaverde will be
4 produced around the 5700 to, say, 5710, in that approximate
5 interval.

6 Q And what's the location of the "A" No. 1 well?

7 A The "A" No. 1 Well is located in the southeast
8 of the section directly to the north, which would be Section
9 21, Township 32 North, Range 6 West. It's in the southwest
10 of the southeast quarter.

11 Q Could you furnish the Examiner with detailed
12 information on how the shut-in pressure on the Dakota was
13 determined?

14 A Estimated, yes.

15 MR. STAMETS: Okay, you may proceed.

16 MR. BURLESON: Would you like that in the form
17 of a letter, Mr. Examiner?

18 MR. STAMETS: A letter or a letter with an at-
19 tached set of calculations, however you wish to do it.

20 MR. BURLESON: Fine.

21
22 REDIRECT EXAMINATION

23 BY MR. BURLESON:

24 Q Turning to El Paso's application CD6294, what
25 is El Paso seeking in this case, Mr. Burchell?

1 A Yes, sir. El Paso seeks an exception to Rule
2 2(A) of Order Number R-1670, as amended.

3 This rule requires that the first well on a
4 proration unit in the Blanco-Mesaverde Pool be located in
5 either the northeast or the southwest quarter of the sec-
6 tion.

7 Now, in this case, the "B" No. 1 Well, well is
8 located in Unit letter O of Section 28, Township 32 North,
9 Range 6 West, San Juan County, New Mexico. Such location
10 being within the southeast quarter of this section. Thus
11 we are asking an exception to Rule 2(A) of Order R-1670,
12 as amended, to permit this first well in the unit to be
13 located in the southeast quarter.

14 Q Is the location of the well within this unit
15 nonstandard in any other respect, Mr. Burchell?

16 A No, the well is located 1140 feet from the
17 south line and 1720 feet from the east line, and is there-
18 fore 920 feet from the nearest point on the outer boundary
19 of the quarter section.

20 Since the rule requires a location no nearer
21 than 990 feet from the outer boundary of the quarter sec-
22 tion, plus a tolerance of 200 feet for topographic condi-
23 tions, this location conforms to this distance requirement.
24 The well was moved slightly to the west because of topo-
25 graphic conditions.

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1 Q Do you recommend that the Conservation Division
2 grant your requested exception?

3 A Yes, sir. The exception should be granted to
4 permit utilization of the presently existing hole that's
5 already in the ground.

6 Q In your opinion would granting of this application
7 be consistent with the prevention of waste and protection
8 of correlative rights?

9 A Yes, sir.

10 Q Were Exhibits One and Two prepared by you or
11 under your supervision?

12 A Yes, they were.

13 MR. BURLESON: Mr. Examiner, we ask that Ex-
14 hibits Number One and Two be accepted into evidence in
15 these causes.

16 MR. STAMETS: These exhibits will be admitted.

17 MR. BURLESON: And that concludes our direct
18 examination.

19
20 RECROSS EXAMINATION

21 BY MR. STAMETS:

22 Q Mr. Burchell, the nonstandard location results
23 from the completion of this additional zone --

24 A Yes.

25 Q -- in the existing well?

1 A. Yes.

2 MR. STAMETS: Any further questions of the wit-
3 ness?

4 He may be excused. Anything further in this
5 case? These cases?

6 They will be taken under advisement.

7 (Hearing concluded.)
8
9
10
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25

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REPORTER'S CERTIFICATE

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

Sally Walton Boyd, C.S.R.

SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

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Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6286, heard by me on 8-16, 1978.
Richard L. Hunt, Examiner
New Mexico Oil Conservation Commission

EI Paso NATURAL GAS
COMPANY

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

August 18, 1978

AUG 22 1978

Santa Fe

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

Attention: Richard L. Stamets
Technical Support Chief

Re: El Paso Natural Gas Company
EPNG "B" No. 1 Well
Sec. 28, T32N-R6W
San Juan County, New Mexico
Case No. 6286

Dear Mr. Stamets:

Attached is the data you requested at the hearing in the above referenced Case held August 16, 1978.

On May 31, 1978, the EPNG "B" No. 1 Well had an estimated wellhead shut-in pressure of 1025 psia with a cumulative of 61 M²CF of gas production. This WHSIP correlates with a bottom-hole pressure of about 1210 psia for the Dakota Formation.

On December 12, 1977, the nearby EPNG "A" No. 1 Well (SE21-32-6) had an initial wellhead shut-in pressure of 1212 psia after it had been plugged back from the Basin-Dakota Pool and recompleted in the Blanco Mesaverde Pool. This WHSIP correlates with a bottom-hole pressure of about 1407 psia for the Mesaverde Formation.

It is my opinion that the Mesaverde Formation in the EPNG "B" No. 1 Well will have a similar initial bottom-hole pressure as the EPNG "A" No. 1 Well, and, thereby, be comparable with the Dakota Formation pressure. With both zones producing to pipeline pressure, no crossflow problems should be expected.

New Mexico Oil Conservation Division
Santa Fe, New Mexico 87501
R. L. Stamets
August 18, 1978
Page II

If I can answer any further questions or provide additional material,
please do not hesitate to contact me.

Very truly yours,

Paul W. Burchell

Paul W. Burchell

PWB:e

Attachment

cc: Messrs. D. T. Burleson
L. E. Ludwick

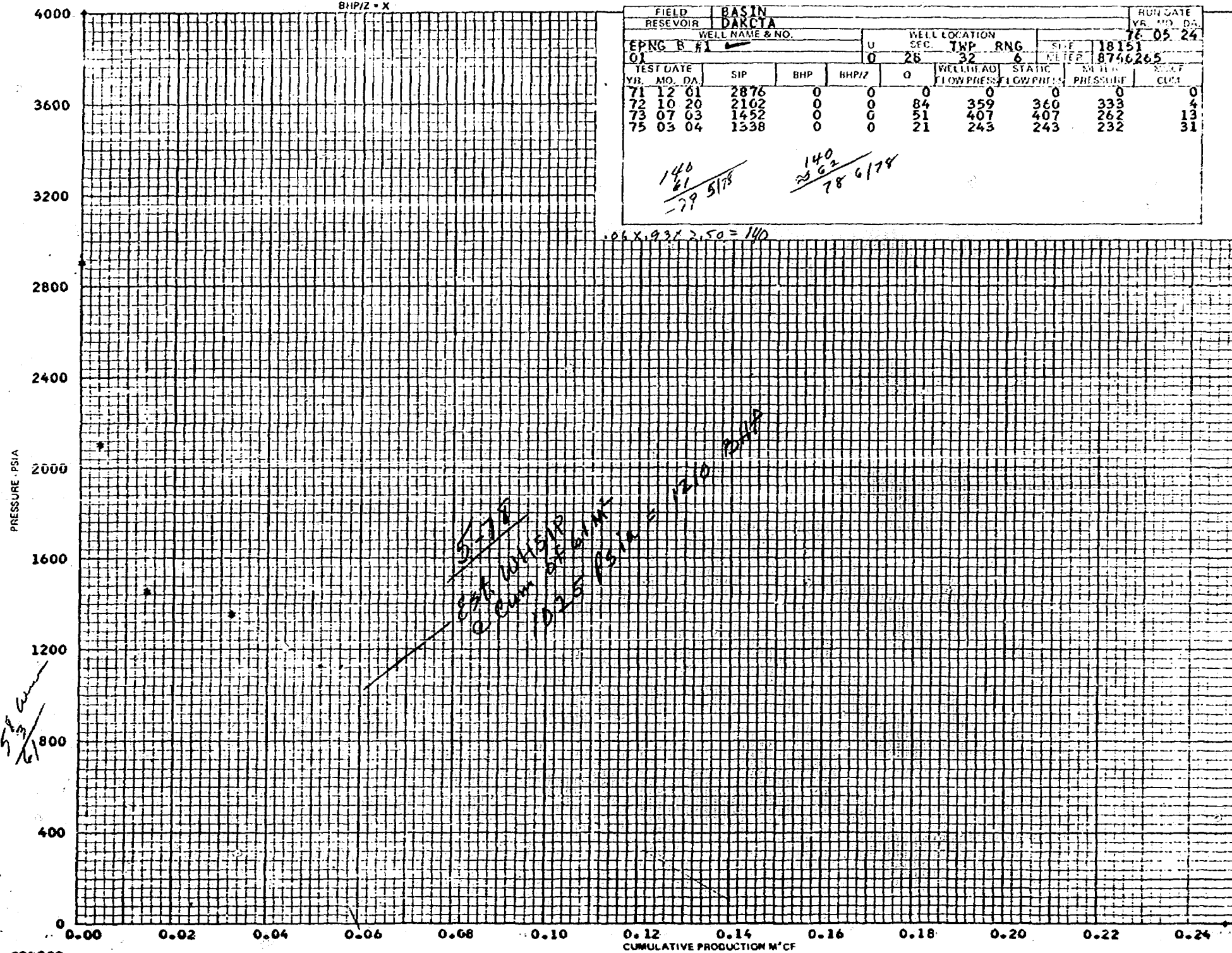
PLOT SYMBOLS: WHSIP = •
BHP/Z = X

FIELD RESEVOIR		BASIN		WELL LOCATION		RUN DATE	
EPNG B #1		DARCTA		SEC. TWP. RNG.		YR. MO. DA.	
01		U		0 28 32 6		18151	
TEST DATE		SIP		BHP		BHP/Z	
YR.	MO. DA.						
71	12 01	2876		0		0	
72	10 20	2102		0		0	
73	07 03	1452		0		0	
75	03 04	1338		0		0	

140
61
79 5/78

140
23 62
78 6/78

0.06 X .937 X 2.50 = 140



000302

WELL TEST DATA REPORT

PAGE 1

FIELD BLANCO
RESERVOIR MESAVERDES-W --WELL LOCATION-- RUN DATE
NO. U SEC TWP RNG YR MO DA
01 0 21 32N 6W 78 07 10SITE METER ST COMM ID NO OPERATOR NAME
23503 2 8507465 EL PASO NATURAL GAS COWELL NAME AND NUMBER
EPNG A #1

TEST DATE	S-H-U-T	I-N-P-R-E-S-S-U-R-E-S	S-I-P	F-L-O-W	D-A-T-A	S-L-O-P-E	C-U-M-U-L-A-T-I-V-E	C-A-L-C
YR MO DA	TBG	CSG BHP	Z BHP/Z	HRS	PT	PM	PL	Q
77-12-12	844	1212	0 0.00000	0 168	0	0	0	0 0.000
78 04 13	574	786	0 0.00000	0 0	567	576	350	731 0.000

EST BHP FOR 1212 psia WHP = 1407 psia

BOTTOM HOLE PRESSURECAL.

ID-NUMBER # 0 EPNG 8 1 ✓

PRESSURES # 0

WELL-HEAD PRESS. # 1025.0 GAS GRAVITY # 0.6100

WELL-DEPTH # 8023. TEMPS-WELL HEAD # 74. BOTTOM HOLE # 230.

PCRT # 671.44 TCRIT # 361.43

WHP BHP Z BHP/Z

0 1025.00 1210.16 0.94227 1284.30

BOTTOM HOLE PRESSURECAL.

ID-NUMBER = 235032 E.P.N.G. A1 ✓ # PRESSURES = 0

WELL-HEAD PRESS. = 1212.0 GAS GRAVITY = 0.6500

WELL-DEPTH = 5661, TEMPS-WELL HEAD = 70, BOTTOM HOLE = 125,

PCRT = 669.50 TCRT = 373.95

WHP BHP Z BHP/Z

0 1212.00 1407.32 0.84835 1658.90

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

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural
Gas Company for downhole commingling,
San Juan County, New Mexico.) CASE 6286

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 966-3404
Santa Fe, New Mexico 87501

1 MR. NUTTER: Call next Case Number 6286.

2 MS. TESCHENDORF: Case 6286. Application of
3 El Paso Natural Gas Company for downhole commingling, San
4 Juan County, New Mexico.

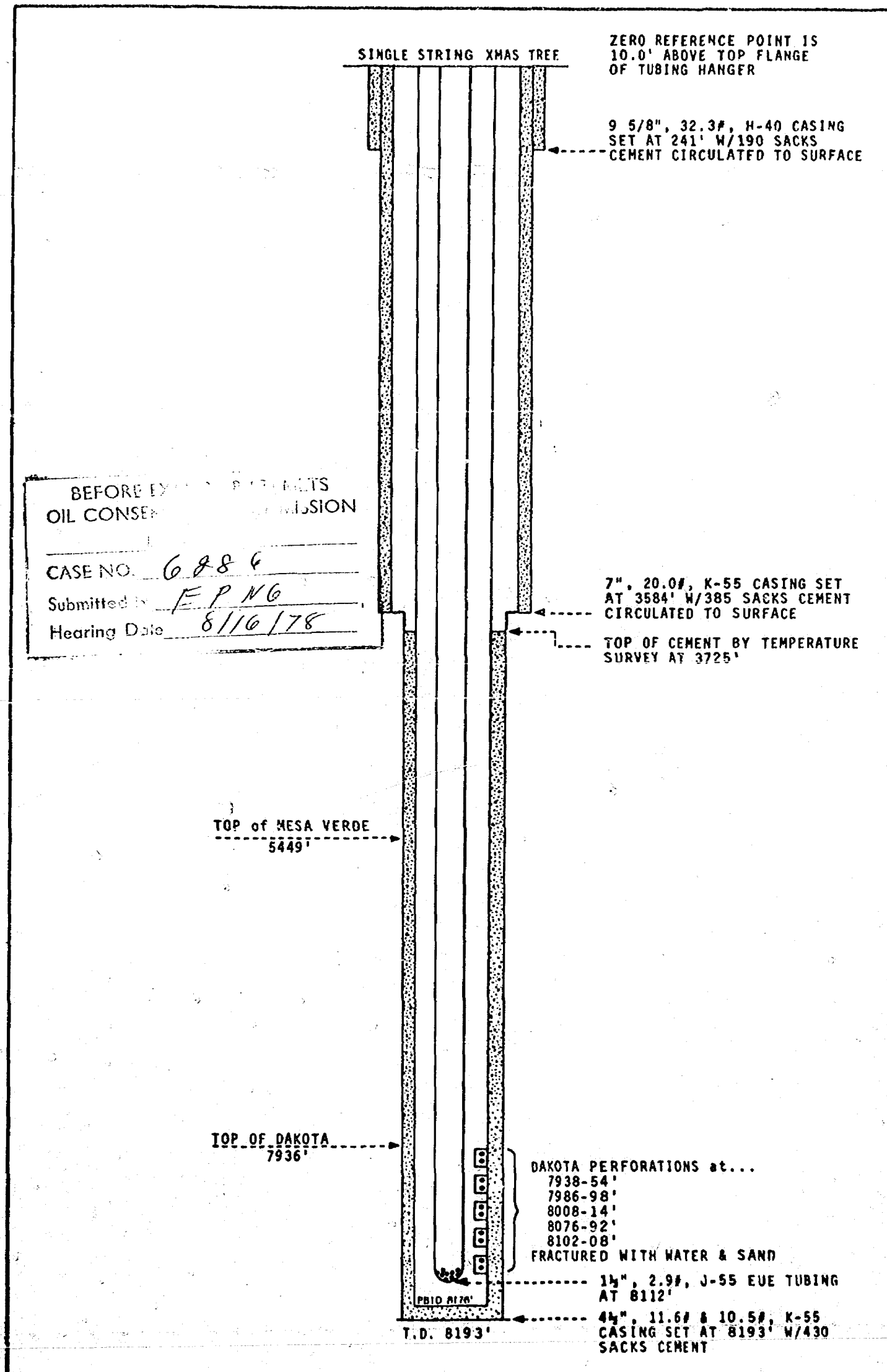
5 The applicant has requested that the case be
6 continued to the August 16th Examiner Hearing.

7 MR. NUTTER: Case Number 6286 will be continued
8 to the Examiner Hearing scheduled to be held at this same
9 place at 9:00 o'clock a.m., August 16th, 1978.

10 (Hearing concluded.)
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

SCHEMATIC DIAGRAM of
EL PASO NATURAL GAS COMPANY'S EPHG "B" No. 1 WELL
Unit Letter O of Sec. 28, T32N, R6W
San Juan County, New Mexico



REPORTER'S CERTIFICATE

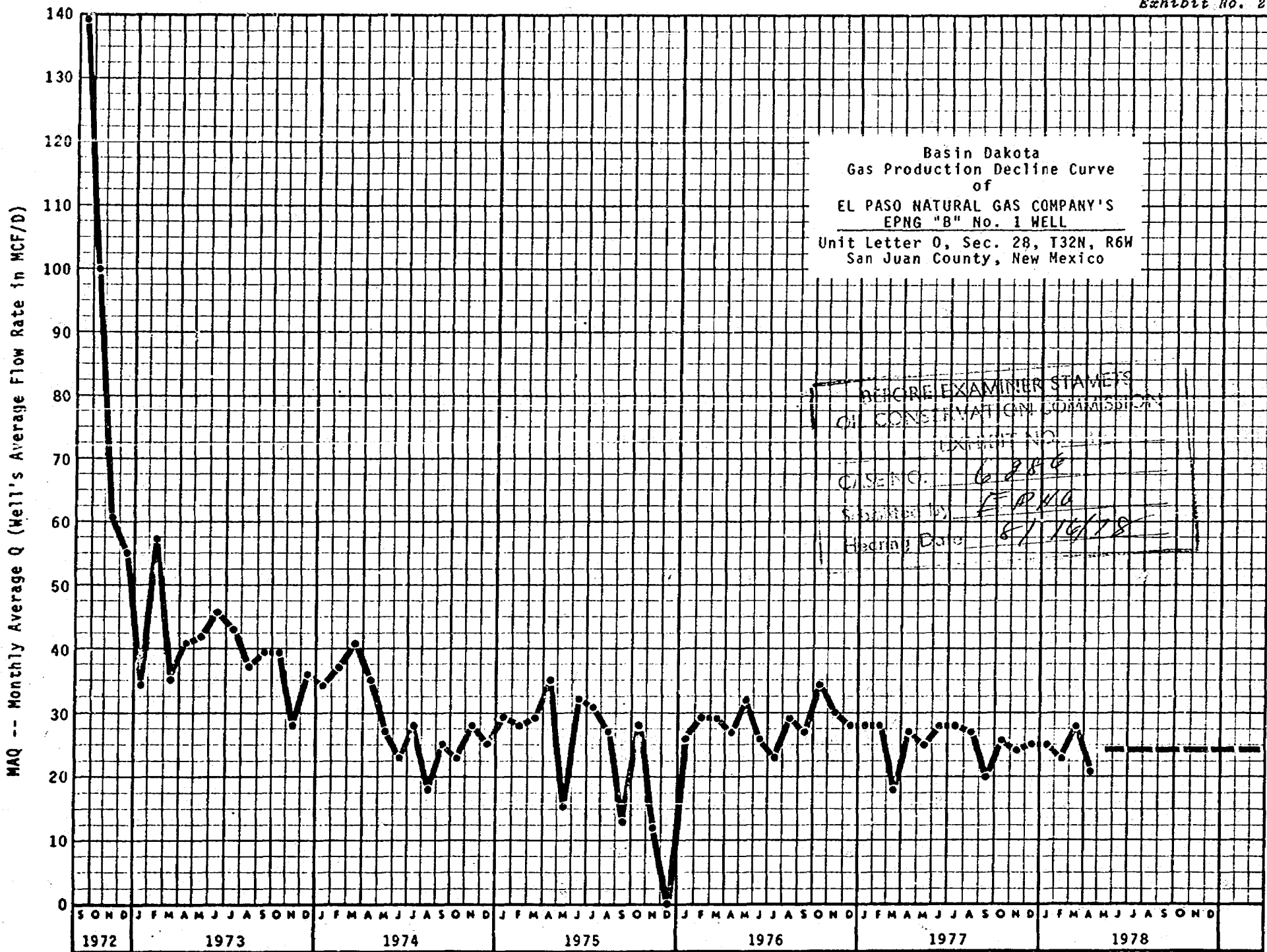
I, SALLY WALTON BOYD, A Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill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

Sally Walton Boyd C.S.R.
Sally Walton Boyd, C.S.R.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER

730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6286 heard by me on Aug 7, 1978 heard by me on Aug 7, 1978.
Okerson
New Mexico Oil Conservation Commission



MONTGOMERY, ANDREWS & HANNAHS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW
325 PASEO DE PERALTA
SANTA FE, NEW MEXICO 87501

August 8, 1978

POST OFFICE BOX 2307
AREA CODE 505
TELEPHONE 982-3873

A. ANNEN
T. POUND
PATRIC
OLSON
J. MELENDRÉS
L. HERR
AEL W. BRENNAN
BERT P. WORCESTER
JOHN B. DRAPER
NANCY M. ANDERSON
JOHN K. SILVER

New Mexico Energy and
Minerals Department
Oil Conservation Division
Land Office Building
Santa Fe, New Mexico 87503

Re: NMOCD Case No. 6286 - Application of El Paso
Natural Gas Company for downhole commingling,
San Juan County, New Mexico.

Gentlemen:

Please be advised that David T. Burleson of the office of
General Counsel of El Paso Natural Gas Company, El Paso,
Texas, is associated with our firm for the presentation of
evidence and argument in the above-referenced case.

Sincerely,

Owen M. Lopez
Owen M. Lopez

OML:to

Dockets Nos. 28-78 and 29-78 are tentatively set for hearing on August 30 and September 13, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 16, 1978

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1978, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for September, 1978, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 6290: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit R. A. Crane, Jr., Great American Insurance Co., and all other interested parties to appear and show cause why the Donella Well No. 1 located in Unit P of Section 3, Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 6291: Application of Mesa Petroleum Co. for a triple completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its State Com S Well No. 15A located in Unit D of Section 36, Township 32 North, Range 12 West, San Juan County, New Mexico, to produce gas from an undesignated Fruitland pool, the Blanco-Pictured Cliffs Pool, and the Blanco Mesaverde Pool thru two strings of tubing and the casing-tubing annulus.
- CASE 6292: Application of Amoco Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Teledyne Federal Gas Com. Well No. 1 to be drilled 660 feet from the South line and 330 feet from the East line of Section 4, Township 23 South, Range 29 East, Eddy County, New Mexico, the E/2 of said Section 4 to be dedicated to the well.
- CASE 6293: Application of Cities Service Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Polk "A" Well No. 1 located in Unit B of Section 17, Township 23 South, Range 28 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations thru parallel strings of tubing.
- CASE 6279: (Continued from August 2, 1978, Examiner Hearing)
- Application of Hanagan Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 23, Township 21 South, Range 26 East, Avalon Hills-Morrow Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6288: (Continued from August 2, 1978, Examiner Hearing)
- Application of Dorchester Exploration, Inc., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Strawn formation for its Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing;
- in the alternative, applicant seeks approval of 80-acre spacing for said pool. (This case will be dismissed.)
- CASE 6294: Application of El Paso Natural Gas Company for an exception to Rule 2(A) of Order No. R-1670, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(A) of Order No. R-1670, as amended, for the Blanco Mesaverde Pool to approve the unorthodox location of its EPNG "B" Well No. 1, located in Unit O of Section 28, Township 32 North, Range 6 West, San Juan County, New Mexico, as an off-pattern well in said pool.
- CASE 6286: (Continued from August 2, 1978, Examiner Hearing)
- Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota gas production in the wellbore of its EPNG "B" Well No. 1 located in Unit O of Section 28, Township 32 North, Range 6 West, San Juan County, New Mexico.

CASE 6287: (Continued from August 2, 1978, Examiner Hearing)

Application of Jack A. Cole for an unorthodox gas well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Apache Flats Well No. 11, located 1712 feet from the South line and 1223 feet from the East line of Section 28, Township 23 North, Range 4 West, Ballard-Pictured Cliffs Pool, Sandoval County, New Mexico.

CASE 6295: Application of Yates Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Austin-Mississippian Gas Pool, Lea County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for deep gas pools.

In the alternative, the applicant seeks to limit the 160-acre spacing rules of said Austin-Mississippian Gas Pool to the present horizontal limits of the pool.

CASE 6296: Application of Texaco Inc. for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its A. H. Blinbry Fed. (NCT-4) Well No. 3 located 700 feet from the South line and 2100 feet from the East line of Section 31, Township 22 South, Range 38 East, Tubb Gas Pool, Lea County, New Mexico, the S/2 S/2 of said Section 31 to be simultaneously dedicated to the aforesaid well and to applicant's A. H. Blinbry Fed. (NCT-4) Well No. 1 located in Unit P of said Section 31.

CASE 6297: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Indian Flats-Atoka Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 41 located in Unit J of Section 35, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: E/2

(b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Lonesome-San Andres Pool. The discovery well is Flag-Redfern Oil Company Wilson Well No. 1 located in Unit A of Section 31, Township 8 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 31: NE/4

(c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the Many Gates-Morrow Gas Pool. The discovery well is Amoco Production Company State DQ Well No. 1 located in Unit C of Section 32, Township 9 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 32: N/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Millman-Wolfcamp Gas Pool. The discovery well is Depco, Inc. DHY State B Well No. 1 located in Unit L of Section 11, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the South Shoe Bar-Morrow Gas Pool. The discovery well is HNG Oil Company Shoe Bar Ranch "3" Well No. 1 located in Unit C of Section 3, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 3: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Wilson-Strawn Pool. The discovery well is Dorchester Exploration, Inc. Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 13: SE/4

(g) CONTRACT the vertical limits of the Wilson-Pennsylvanian Gas Pool in Township 21 South, Range 24 East, Lea County, New Mexico, to the Morrow formation only, and redesignate said pool as the Wilson-Morrow Gas Pool. This contraction is necessary because of the completion of a Strawn oil well in same pool acreage.

(h) EXTEND the Austin-Mississippian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM
Section 16: SW/4
Section 17: SE/4

(i) EXTEND the Avalon-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 10: W/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 3: S/2
Section 10: W/2

(k) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 7: S/2
Section 18: N/2

(l) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 29: NE/4

(m) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 5: SW/4
Section 6: SE/4

(n) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 14: E/2

(o) EXTEND the East Burton Flat-Atoka Gas Pool in Eddy County, New Mexico to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 16: E/2
Section 20: N/2
Section 21: N/2

(p) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 29: E/2

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 21: N/2

(q) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 32: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 20: S/2
Section 21: S/2
Section 28: N/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 36: N/2

- (a) EXTEND the Comanche Stateline-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 28: N/2

- (t) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 7: E/2 and SW/4

- (u) EXTEND the Eagle Creek-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 5: W/2
Section 6: E/2

- (v) EXTEND the E K-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 32: NE/4
Section 33: W/2

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

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 31: N/2

- (x) EXTEND the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 15: S/2

- (y) EXTEND the Justis-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 3: E/2 SE/4

- (z) EXTEND the West King-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM
Section 8: NW/4

- (aa) EXTEND the South Leonard-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4
Section 14: W/2

- (bb) EXTEND the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 11: SE/4

- (cc) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 20: S/2
Section 29: N/2

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 13: W/2 SE/4 and NE/4 SE/4

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 18: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 10: E/2

(ff) EXTEND the Sand Springs-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 2: SE/4

(gg) EXTEND the North Teague-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 27: NE/4

(hh) EXTEND Tom-Tom San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 33: W/2

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: NE/4

(jj) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4

(kk) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 28: NW/4
Section 29: NE/4

(ll) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 8: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 4: All
Section 10: All

Docket No. 25-78

DOCKET: COMMISSION HEARING - WEDNESDAY - AUGUST 9, 1978

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

CASE 6222: (Rehearing)

Application of Paul Hamilton for salt water disposal well shut-in, Lea County, New Mexico. Upon application of Paul Hamilton there will be a rehearing of Case No. 6222, Order No. R-5753. This case involves the application of Paul Hamilton for an order shutting down salt water disposal operations in the Texaco, Inc., New Mexico State "BO" SWD Well No. 3, located in Unit D of Section 24, Township 11 South, Range 32 East, Moore-Devonian Pool, Lea County, New Mexico. Pursuant to Commission Order No. R-5753-A, evidence at said rehearing shall be limited to evidence relating to data regarding water quality and water level obtained from an observation well completed next to the aforesaid SWD Well No. 3, and to other new evidence unavailable at the time of the original hearing of this case on May 31, 1978. (This case will be continued to August 23.)

Commission Hearing - Wednesday - August 9, 1978

Docket No. 25-78

CASE 6289: Application of Bill Taylor for enforcement and amendment of Order No. R-5332, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination of well costs, an accounting of expenditures and costs withheld from production, and the amendment of Order No. R-5332 to remove the present operator of the pooled proration unit comprising the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, and designate another operator for said unit.

Docket No. 27-78

DOCKET: COMMISSION HEARING - WEDNESDAY - AUGUST 23, 1978
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6222: (Rehearing) (Continued from August 9, 1978, Commission Hearing)
Application of Paul Hamilton for salt water disposal well shut-in, Lea County, New Mexico. Upon application of Paul Hamilton there will be a rehearing of Case No. 6222, Order No. R-5753. This case involves the application of Paul Hamilton for an order shutting down salt water disposal operations in the Texaco, Inc., New Mexico State "BO" SWD Well No. 3, located in Unit D of Section 24, Township 11 South, Range 32 East, Moore-Devonian Pool, Lea County, New Mexico. Pursuant to Commission Order No. R-5753-A, evidence at said rehearing shall be limited to evidence relating to data regarding water quality and water level obtained from an observation well completed next to the aforesaid SWD Well No. 3, and to other new evidence unavailable at the time of the original hearing of this case on May 31, 1978.

El Paso NATURAL GAS
COMPANY

RECEIVED
JUL 26 1978
Oil Conservation Commission

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

July 26, 1978

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

Gentlemen:

El Paso Natural Gas Company respectfully requests that the Division
continue El Paso's downhole commingling case number 6286 from
August 2, 1978, to August 16, 1978.

I hope this change does not cause any inconvenience to the Division.
However, if a problem should arise, please contact me.

Very truly yours,

E.R. Manning

E.R. Manning

ERM:cn

xc: Messrs. David T. Burleson
John F. Eichelmann, Jr.
Carl E. Matthews
L.G. Truby

CASE 6286: Application of El Paso Natural Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Blanco Mesaverde and Basin-Dakota gas production in the wellbore of its EPNG "B" Well No. 1 located in Unit O of Section 28, Township 32 North, Range 6 West, San Juan County, New Mexico.

CASE 6287: Application of Jack A. Cole for an unorthodox gas well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Apache Flats Well No. 11, located 1712 feet from the South line and 1223 feet from the East line of Section 28, Township 23 North, Range 4 West, Ballard-Pictured Cliffs Pool, Sandoval County, New Mexico.

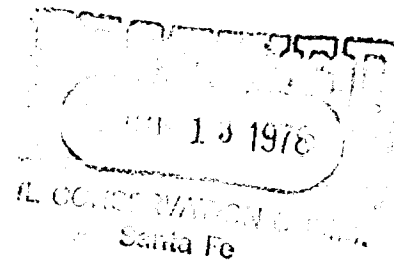
CASE 6288: Application of Dorchester Exploration, Inc., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool in the Strawn formation for its Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, and for promulgation of special pool rules, including provision for 160-acre spacing;

in the alternative, applicant seeks approval of 80-acre spacing for said pool.

El Paso NATURAL GAS
COMPANY

Case 6286
P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

July 11, 1978



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

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing be set before the Commission or its designated Examiner at your convenience.

El Paso seeks approval for a Mesaverde completion and to downhole commingle gas from the Blanco Mesaverde Pool with gas from the Basin Dakota Pool in its EPNG "B" No. 1 Well. This well is located in Unit Letter C of Section 28, T32N - R6W, San Juan County, New Mexico.

Very truly yours,

E. R. Manning
E. R. Manning

ERM:je

cc: Messrs. David T. Burleson
John F. Eichelmann, Jr.
Carl E. Matthews
L. G. Truby

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

dr/

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

CASE NO. 6286

Order No. R-5794

APPLICATION OF EL PASO NATURAL GAS COMPANY
FOR DOWNHOLE COMMINGLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 16,
19 78, at Santa Fe, New Mexico, before Examiner
Richard L. Stamets.

NOW, on this day of August, 19 78, 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, El Paso Natural Gas Company, is
the owner and operator of the EPNG "B" Well No. 1,
located in Unit 0 of Section 28, Township 32 North,
Range 6 West, NMPM, San Juan County, New Mexico.

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

(4) That from the Blanco Mesaverde zone, the subject well is ^{expected to be} capable of ~~low~~ marginal production only.

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

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

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

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the 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, applicant should conduct productivity and pressure tests ~~on each zone~~ during completion operations, and should consult with the supervisor of the Division's Aztec office to arrive at an allocation formula.

to the Blanco Mesaverde zone, and percent of the commingled production to the Basin-Dakota zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle Blanco Mesaverde and Basin-Dakota gas production within the wellbore of the EPNG "B" Well No. 1, located in Unit 0 of Section 28, Township 32 North, Range 6 West, NMPM, San Juan 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.

(2) That the applicant, during completion operations on the subject well, shall conduct productivity and pressure tests on ~~each of the aforesaid zones in~~ said well, and shall consult with the supervisor of the Division's Aztec office to determine a formula for allocation of production to each zone.

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 Commission, 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.