

CASE 6672: COQUINA OIL CORPORATION FOR
AN EXCEPTION TO RULE 303C, LEA COUNTY,
NEW MEXICO

CASE NO.

6677

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Coquina Oil Corporation) CASE
for an exception to Rule 303C, Lea) 6672
County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

RONNIE GILBREATH

Direct Examination by Mr. Kellahin 3

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E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Sketch 9

Applicant Exhibit Three, Table 9

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1 MR. NUTTER: Call next Case Number 6672.
2 MR. PADILLA: Application of Coquina Oil,
3 Incorporated, for an exception to Rule 303C, Lea County,
4 New Mexico.

5 MR. KELLAHIN: I'm Tom Kellahin, appearing
6 on behalf of the applicant, and I have one witness.

7
8 (Witness sworn.)

9
10 RONNIE GILBREATH
11 being called as a witness and having been duly sworn upon
12 his oath, testified as follows, to-wit:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name and by
17 whom you're employed?

18 A My full name is Ronnie R. Gilbreath.
19 I'm employed by Coquina Oil Corporation in the capacity of
20 Production Manager.

21 Q And, Mr. Gilbreath, have you previously
22 testified before the Oil Conservation Division?

23 A No, sir, I have not.

24 Q Would you explain to the Examiner when
25 and where you obtained your degree?

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SALLY WALTON BOYD
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1 A I obtained a Bachelor of Science degree
2 from -- in chemical engineering from Texas College of Ores
3 and Industries. It's now been renamed Texas A&I University.
4 In 1966.

5 Q Subsequent to graduation in 1966 where
6 have you been employed and in what capacity?

7 A For twelve years I was employed by Cities
8 Service Oil Company in various petroleum related jobs, both
9 production engineering and reservoir engineering.

10 And at that time, then, I switched to
11 Coquina. I have been in that capacity for about a year and
12 a half.

13 Q Have you made a study of and are you
14 familiar with the facts surrounding this particular appli-
15 cation?

16 A Yes, I have.

17 MR. KELLAHIN: We tender Mr. Gilbreath as
18 an expert witness.

19 MR. NUTTER: Mr. Gilbreath is qualified.
20 Would you spell your last name, please?

21 A G-I-L-B-R-E-A-T-H. Pronounced Gilbreath.

22 Q Would you please refer to Exhibit Number
23 One, Mr. Gilbreath, and identify that exhibit for us?

24 A Basically Exhibit Number One is simply
25 a land plat identifying the applied well, the Coquina Vivian

1 No. 1. It's just really to relate and show that this is
2 in a rather mature producing area with other wells in the
3 vicinity.

4 Q Would you give us a little background on
5 this Vivian Well No. 1, Mr. Gilbreath?

6 A Yes, sir. The Vivian No. 1 was originally
7 dualled in both the Drinkard and the Granite Wash formations.
8 In August of 1978 the Commission Administrative Order DHC 255
9 authorized downhole commingling of the Drinkard and Granite
10 Wash in this well.

11 Q That was in August of '78?

12 A Yes, sir, it was. And then in November of
13 '78 we had a subsequent hearing on this well and out of that
14 came Order No. R-5845, which granted a special commingled
15 casinghead gas allowable increase.

16 Q Is this a copy of that order, Mr. Gilbreath?

17 A Yes, sir, it is.

18 MR. KELLAHIN: If the Examiner please, we
19 won't introduce this as an exhibit. I'll simply give it to
20 you as part of the Commission records on this particular
21 well.

22 Q (Mr. Kellahin continuing.) Subsequent to
23 November of '78 after obtaining the order to increase the
24 casinghead gas allowable, Coquina has continued to produce
25 this well as a commingled well.

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1 A Yes, sir, that is correct. At the time of
2 commingling the well was flowing from both -- capable of
3 flowing from both zones. Since that time it has remained
4 flowing from the two zones or from the commingled stream
5 and in approximately July of this year both flowing pressures
6 and fluid production had dropped somewhat, so it was necessary
7 for us to install artificial lift on the well.

8 Q Do you now pump both zones?

9 A We pump but we pump the commingled stream,
10 yes, sir. And soon after we started pumping the well it
11 became evident that the well was capable of producing in
12 excess of 50 barrels a day.

13 I had -- did contact Mr. Nutter of the
14 Commission and he requested that the well be tested for
15 awhile and to try to determine whether or not this was of a
16 temporary nature or maybe have some duration to it.

17 Q Would you describe for the record what the
18 50-barrel limit is?

19 A The 50-barrel limit is set up by the
20 Division rule -- statewide rule 303C. It's a statewide rule
21 based on the depth bracket, limiting the well to 50 barrels
22 a day.

23 Q And what is Coquina's proposal with re-
24 gards to that limitation?

25 A Coquina proposes that if approved that the

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1 allowable on this particular well be increased to that of
2 the Drinkard formation, which is the shallower of the two.
3 This is in excess of the highest production obtained at our
4 well since that time, but it would give us some ease and
5 flexibility of handling this increased production.

6 Q What then would be the maximum oil pro-
7 duction?

8 A Currently the Drinkard is assigned 142
9 barrels a day.

10 Q What effect, if any, is that going to have
11 on gas production?

12 A The gas production at this well when we
13 started pumping it has increased back up but it has not in-
14 creased up to the point where it's, you know, in danger of
15 going over the current allowable, so we feel at this time
16 that the present allowable on the commingled stream is --
17 is equitable, and we request that it remain the same.

18 Q Would this, the advantage of obtaining an
19 exception to the 50-barrel limitation, give Coquina any ad-
20 vantage over offsetting operators?

21 A In our -- in my opinion it would not. I
22 feel like primarily the increase in production is due to us
23 installing the artificial lift rather than -- than any new
24 ability of each reservoir to produce more. The pressures
25 between the two zones at the time of commingling were very

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1 similar, in the 6- to 750 pounds range. I don't feel like
2 we've -- we have not done anything and nobody else in the area
3 has done anything to increase the bottom hole pressure.
4 Therefore you would expect a normal decline, and it has been
5 evidenced by the flowing ability of the well, declining to
6 a point where we felt like it was best to install our arti-
7 ficial lift.

8 Q Is it a common practice of offset operators
9 to pump both the Drinkard and Granite Wash?

10 A Yes, sir, it is. In my study of the area
11 I've done, I feel like Coquina probably had one of the few
12 wells left in the area that was capable of flowing, and most
13 of the commingling requests that we -- I've seen come across
14 my desk have been to artificial lift the commingled zones.

15 Q In your opinion, Mr. Gilbreath, can this
16 Vivian Well be returned to dual completion status?

17 A It could be returned to it, yes, sir; how-
18 ever, we feel like from an economic standpoint the cost would
19 be extremely high and burdensome on this well. In order to
20 accomplish this we would have to go back to -- more than
21 likely since we're pumping the individual -- the commingled
22 zones now, either at the initiation or soon afterwards, we
23 would have to pump both individual zones. And to do this
24 would require two strings of tubing and with two -- two
25 pumping units on it.

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1 Q Would you refer to Exhibit Number Two and
2 identify that?

3 A Yes, sir. Exhibit Number Two is simply a
4 diagrammatic sketch of the present commingled completion on
5 this Vivian No. 1, indicating the Drinkard producing inter-
6 val and the Granite Wash producing interval.

7 We're currently pumping it from a depth
8 of 7245 feet.

9 Q And would you identify Exhibit Number
10 Three?

11 A Exhibit Number Three is an attempt to
12 indicate the flowing -- the flowing capacity of the well
13 prior to us initiating the artificial lift situation.
14 About halfway down on the first page, on July the 18th is
15 when we actually installed -- started installing the pump.
16 It was flowing, and on the 27th we actually started -- July
17 the 27th we actually started pumping the well. At that time
18 production began to increase.

19 The test prior to this indicated that the
20 well was down in the range of, oh, 350 to 400 Mcf a day,
21 and it has since that time increased back up to approximately
22 680 to 690 Mcf a day with varying amounts of oil.

23 Currently the later tests indicate that
24 the well is in the 65 to 75 barrel a day range in oil.

25 Q In your opinion, Mr. Gilbreath, will ap-

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1 proval of this application be in the best interests of con-
2 servation, prevention of waste, and the protection of corre-
3 lative rights?

4 A In my opindon, yes, sir, it will be.

5 Q And were Exhibits One, Two, and Three pre-
6 pared by you or compiled under your direction and super-
7 vision?

8 A Yes, they were.

9 MR. KELLAMIN: We move the introduction
10 of Exhibits One, Two, and Three.

11 MR. NUTTER: Exhibits One through Three
12 will be admitted in evidence.

13
14 CROSS EXAMINATION

15 BY MR. NUTTER:

16 Q Mr. Gilbreath, on this Exhibit Number
17 Three you've got the choke size on the casing. Is this the
18 gas that's venting out of the casing?

19 A Since the time of pumping, yes, sir, it
20 is. We're basically pumping the fluid and the gas is coming
21 out of the casing.

22 Q I see. And is that stream commingled, the
23 gas and the oil commingled and sent through a separator?

24 A Yes, sir, they are. They are, you know,
25 they are commingled downhole but the gas --

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1 Q No, I mean it's again commingled on the
2 surface?

3 A Yes, sir, they are.

4 Q And sent through the separator?

5 A Yes, sir, that's correct.

6 Q And the well has maintained its producing
7 rate.

8 A Yes, sir, it has.

9 Q Pretty well for at least a month and a
10 half since you put the pump on it.

11 A Yes, sir, that's correct. It has decreased
12 a small amount since the time we put it on pump, indicating
13 that this may be temporary in nature but for how long a
14 duration it's going to be, right now I don't think I could
15 predict it. I feel like it's going to be a long enough
16 period of time to justify an increased allowable.

17 Q And prior to installation of the pump it
18 had fallen down to where it was producing less than a barrel
19 a day, or these are daily figures?

20 A Yes, sir.

21 Q Producing 20 barrels a day.

22 A Yes, sir, 20 barrels. When the commingled
23 production, at the request of the Commission, we had some
24 tests prior to commingling it, and the commingled stream at
25 that time was 32 barrels a day.

1 MR. NUTTER: Are there any further questions
2 of Mr. Gilbreath? He may be excused.

3 Do you have anything further, Mr. Kellahin?

4 MR. KELLAHIN: No, sir.

5 MR. NUTTER: Does anyone have anything
6 they wish to offer in Case Number 6672?

7 We'll take the case under advisement.

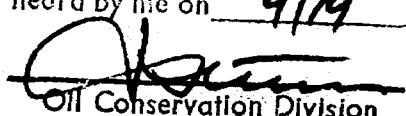
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9 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY W. 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 from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6672
heard by me on 9/19 1979.
, Examiner
Oil Conservation Division

SALLY WALTON BOYD
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POST OFFICE BOX 2088
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October 15, 1979

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico 87501

Re: CASE NO. 6672
ORDER NO. R-6140

Applicant:

Coquina Oil Corporation

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6672
Order No. R-6140

APPLICATION OF COQUINA OIL CORPORATION
FOR AN EXCEPTION TO RULE 303C,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of October, 1979, 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, Coquina Oil Corporation, seeks an exception to the Division's Rule 303C to permit its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, in which Drinkard and Wantz-Granite Wash production is commingled in the wellbore pursuant to the provisions of Order No. DHC-255, to produce in excess of the 50-barrel limit imposed by said rule.

(3) That said well has experienced an increase in productivity since being placed on pump.

(4) That the mechanical condition of the well renders it impracticable at this time to install dual completion equipment and produce the two zones in the well on a separate basis.

(5) That the top unit allowable for a well in the Drinkard zone is 142 barrels per day and the top unit allowable for a well in the Granite Wash zone is 187 barrels per day.

-2-

Case No. 6672
Order No. R-6140

(6) That a special casinghead gas allowable for said well of 984 MCF per day has been previously approved by Division Order No. R-5845.

(7) That a top allowable of 100 barrels of oil per day and 984 MCF of gas per day for the subject well will not cause waste nor impair correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Coquina Oil Corporation Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby authorized a combined oil allowable for the Drinkard and Wantz-Granite Wash Pools of 100 barrels per day and a combined casinghead gas allowable of 984 MCF per day.

(2) That Division Order No. R-5845 is hereby rescinded.

(3) That any provisions of Division Order No. DHC-255 dated August 14, 1978, not in conflict herewith are hereby continued in full force and effect.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L

fd/

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

EXAMINER HEARING

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TRANSCRIPT OF HEARING

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RONNIE GILBREATH

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EXHIBITS

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17 whom you're employed?

18 A My full name is Ronnie R. Gilbreath.
19 I'm employed by Coquina Oil Corporation in the capacity of
20 Production Manager.

21 Q And, Mr. Gilbreath, have you previously
22 testified before the Oil Conservation Division?

23 A No, sir, I have not.

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25 and where you obtained your degree?

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3020 Plaza Blanca (S.W.) 471-3463
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3030 Plaza Blanca (S.B.) 411-2462
Santa Fe, New Mexico 87501

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12 a half.

13 Q Have you made a study of and are you
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2 in a rather mature producing area with other wells in the
3 vicinity.

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5 this Vivian Well No. 1, Mr. Gilbreath?

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20 you as part of the Commission records on this particular
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22 Q (Mr. Kellahin continuing.) Subsequent to
23 November of '78 after obtaining the order to increase the
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1 A Yes, sir, that is correct. At the time of
2 commingling the well was flowing from both -- capable of
3 flowing from both zones. Since that time it has remained
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24 would require two strings of tubing and with two -- two
25 pumping units on it.

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3016 Plaza Blanca (905) 471-2462
Santa Fe, New Mexico 87501

1 Q Would you refer to Exhibit Number Two and
2 identify that?

3 A Yes, sir. Exhibit Number Two is simply a
4 diagrammatic sketch of the present commingled completion on
5 this Vivian No. 1, indicating the Drinkard producing inter-
6 val and the Granite Wash producing interval.

7 We're currently pumping it from a depth
8 of 7245 feet.

9 Q And would you identify Exhibit Number
10 Three?

11 A Exhibit Number Three is an attempt to
12 indicate the flowing -- the flowing capacity of the well
13 prior to us initiating the artificial lift situation.
14 About halfway down on the first page, on July the 18th is
15 when we actually installed -- started installing the pump.
16 It was flowing, and on the 27th we actually started -- July
17 the 27th we actually started pumping the well. At that time
18 production began to increase.

19 The test prior to this indicated that the
20 well was down in the range of, oh, 350 to 400 Mcf a day,
21 and it has since that time increased back up to approximately
22 680 to 690 Mcf a day with varying amounts of oil.

23 Currently the later tests indicate that
24 the well is in the 65 to 75 barrel a day range in oil.

25 Q In your opinion, Mr. Gilbreath, will ap-

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CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

1 proval of this application be in the best interests of con-
2 servation, prevention of waste, and the protection of corre-
3 lative rights?

4 A In my opinion, yes, sir, it will be.

5 Q And were Exhibits One, Two, and Three pre-
6 pared by you or compiled under your direction and super-
7 vision?

8 A Yes, they were.

9 MR. KELLAHIN: We move the introduction
10 of Exhibits One, Two, and Three.

11 MR. NUTTER: Exhibits One through Three
12 will be admitted in evidence.

13

14

CROSS EXAMINATION

15 BY MR. NUTTER:

16 Q Mr. Gilbreath, on this Exhibit Number
17 Three you've got the choke size on the casing. Is this the
18 gas that's venting out of the casing?

19 A Since the time of pumping, yes, sir, it
20 is. We're basically pumping the fluid and the gas is coming
21 out of the casing.

22 Q I see. And is that stream commingled, the
23 gas and the oil commingled and sent through a separator?

24 A Yes, sir, they are. They are, you know,
25 they are commingled downhole but the gas --

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CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (665) 471-3482
Santa Fe, New Mexico 87501

1 Q No, I mean it's again commingled on the
2 surface?

3 A Yes, sir, they are.

4 Q And sent through the separator?

5 A Yes, sir, that's correct.

6 Q And the well has maintained its producing
7 rate.

8 A Yes, sir, it has.

9 Q Pretty well for at least a month and a
10 half since you put the pump on it.

11 A Yes, sir, that's correct. It has decreased
12 a small amount since the time we put it on pump, indicating
13 that this may be temporary in nature but for how long a
14 duration it's going to be, right now I don't think I could
15 predict it. I feel like it's going to be a long enough
16 period of time to justify an increased allowable.

17 Q And prior to installation of the pump it
18 had fallen down to where it was producing less than a barrel
19 a day, or these are daily figures?

20 A Yes, sir.

21 Q Producing 20 barrels a day.

22 A Yes, sir, 20 barrels. When the commingled
23 production, at the request of the Commission, we had some
24 tests prior to commingling it, and the commingled stream at
25 that time was 32 barrels a day.

1 MR. NUTTER: Are there any further questions
2 of Mr. Gilbreath? He may be excused.

3 Do you have anything further, Mr. Kellahin?

4 MR. KELLAHIN: No, sir.

5 MR. NUTTER: Does anyone have anything
6 they wish to offer in Case Number 6672?

7 We'll take the case under advisement.

8

9 (Hearing concluded.)

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 471-2462
Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY W. 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 from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 472
heard by me on 9/19 1929.
[Signature] Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (SOS) 471-2442
Santa Fe, New Mexico 87501

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COMMINGLED COMPLETION

COQUINA OIL CORPORATION
VIVIAN WELL NO. 1
SEC. 30, 22S, 33E
LEA COUNTY, NEW MEXICO

*Drilled in
DN & DN Wash
DHC 255. with downhole
com. Aug 14, 1978
R 5845- authority of a spec. assigned
gas accumulation for well in Nov, 78
Now seek allowance increase
to top casing for DN (1442)*

3 5/8" CASING
SET @ 1160'
CMT W/410 SXS.
CIRC. TO SURFACE

15" CASING
SET @ 31'
CMT W/2 YDS

2 3/8" SN @ 7245' ±

DRINKARD
PRODUCING
INTERVALS

6391'

6448'

GRANITE WASH
PRODUCING
INTERVALS

7255'

7234'

P.S.T.D. 7303'
T.D. 7319'

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Coquina EXHIBIT-NO. 2
CASE NO. 6672

5 1/2" CASING
SET @ 7319'
CMT W/625 SXS
TOC 3000'

DIAGRAMMATIC SKETCH

FORE E. MINER NUTTER
OIL CONSERVATION DIVISION
Cognia EXHIBIT NO. 3
CASE NO. 6672

Vision #1 Production Data

	<u>Tbg Press</u>	<u>Csg Press</u>	<u>H₂O Prod</u>	<u>Oil Prod</u>	<u>22/64 ck</u>	<u>MCFD</u>
6/24/79	100	275	1	28	"	377
6/25/79	100	275	1	30	"	410
6/26/79	100	275	1	30	"	410
6/27/79	100	275	1	30	"	410
6/28/79	100	275	1	30	"	410
6/29/79	100	275	1	30	"	410
6/30/79	100	275	1	30	"	410
7/1/79	100	275	1	28	"	410
7/2/79	90	275	1	30	"	410
7/3/79	90	275	1	30	"	410
7/4/79	90	275	1	28	"	410
7/5/79	90	275	1	31	"	410
7/6/79	90	275	1	28	"	410
7/7/79	90	275	1	28	"	410
7/8/79	90	275	0	32	"	410
7/9/79	90	275	0	30	"	410
7/10/79	90	275	0	28	"	410
7/11/79	90	275	0	30	"	410
7/12/79	90	275	0	30	"	410
7/13/79	90	275	0	28	"	410
7/14/79	90	275	0	28	"	410
7/15/79	90	275	1	30	"	395
7/16/79	90	275	1	33	"	395
7/17/79	90	275	1	22	"	395
7/18/79	110	290	1	14	22/64	385
7/18/79 - wait SI for well head hook up & flowline change over getting ready to put well in pump.						
7/19/79	110	290	1	22	22/64	360
7/20/79	120	290	1	19	22/64	356
7/21/79	120	290	1	19	"	356

7/24/79
used 33 Bbls to
Hot oil tubing
before turning
rods in well

(2)

	Tubg Press	Csg Press	H ₂ O Prod	Oil Prod	(csg) ck. size	MCFL
7/22/79	120	290	0	19		360
7/23/79	110	290	0	19		360
7/24/79	100	290	0	17		360
7/25/79	0	55	0	33		375
7/26/79	0	55	0	0		385
7/27/79	0	100	0	0		375

Well back on 7/27/79 pumped up 3:30 pm.

We have our oil back that we had oiled the tubing with
plus 2.03 Bbls. 1st 24 hrs. 35.98 Bbls.

7/28/79	85	100	0	2		447
7/29/79	85	100	0	34	30/64"	448
7/30/79	85	120	0	28	30/64"	507
7/31/79	120	120	16	46	32/64	585
8/1/79	125	120	11	43	32/64	614
8/2/79	140	160	15	55	32/64	636
8/3/79	140	160	5	74	"	669
8/4/79	135	155	6	72	"	669
8/5/79	130	145	0	86	"	636
8/6/79	130	145	0	78	"	636
8/7/79	130	145	0	66	"	636
8/8/79	130	145	0	68	"	636
8/9/79	130	145	0	77	"	636
8/10/79	130	145	5	77	"	636
8/11/79	130	145	5	77	"	636
8/12/79	130	145	5	69	"	681
8/13/79	130	145	0	75	"	681
8/14/79	130	150	0	72	"	681
8/15/79	130	150	0	74	"	691
8/16/79	130	150	0	66	34/64	681
8/17/79	130	150	0	72	34/64	681
8/18/79	130	150	0	69	"	681
8/19/79	130	150	0	69	"	681
8/20/79	130	150	0	73	"	681
8/21/79	135	145	0	75	"	680

(3)

	<u>Tbg Pres</u>	<u>Bo Pres</u>	<u>H2O Pres</u>	<u>Oil Pres</u>	<u>Ch size</u>	<u>MCF/D</u>
8/22/79	135	145	0	72	34/64"	680
8/23/79	135	145	0	72	"	681
8/24/79	135	145	0	72	"	680
8/25/79	135	145	0	68	"	680
8/26/79	130	145	0	66		680
8/27/79	130	145	0	63		680
8/28/79	130	145	0	66		680
8/29/79	130	145	0	63		680
8/30/79	130	145	0	61		680
8/31/79	130	145	0	61		680
9/1/79	130	145	0	61		680
9/2/79	40	80	0	31	34/64"	632
9/3/79	50	90	0	72	"	680
9/4/79	50	90	6	72	"	690
9/5/79	50	90	6	72	"	680
9/6/79	50	90	5	66	"	680
9/7/79	50	90	0	66	"	680
9/8/79	50	90	5	64	"	680

ELLY UNIT

237

LANGUE MATIX
PENROSE SD UNIT

NA DARKO (OPER)

ROSE A UNIT

ELLY (OPER)

337

CLINE

13

18

17

16

BLK. A-39

T 22 S

BLK. A-40

T 23 S

AND RE

COMMINGLED COMPLETION

COQUINA OIL CORPORATION
VIVIAN WELL NO. 1
SEC. 30, 22S, 38E
LEA COUNTY, NEW MEXICO

15" CASING
SET @ 31'
CMT W/2 YDS

8 5/8" CASING
SET @ 1160'
CMT W/410 SXS.
CIRC. TO SURFACE

2 3/8" SN @ 7245' ±

DRINKARD
PRODUCING
INTERVALS

6391'

6448'

GRANITE WASH
PRODUCING
INTERVALS

7255'

7234'

P.B.T.D. 7303'
T.D. 7319'

5 1/2" CASING
SET @ 7319'
CMT W/625 SXS
TOC 3000'

*Exhibit 2
case 6672*

DIAGRAMMATIC SKETCH

Vivian #1 Production Data

	<u>Tbg Press</u>	<u>Csg Press</u>	<u>H₂O Prod</u>	<u>Oil Prod</u>	<u>22/64 ex</u>	<u>McFD</u>
6/24/79	100	275	1	28	"	377
6/25/79	100	275	1	30	"	410
6/26/79	100	275	1	30	"	410
6/27/79	100	275	1	30	"	410
6/28/79	100	275	1	30	"	410
6/29/79	100	275	1	30	"	410
6/30/79	100	275	1	30	"	410
7/1/79	100	275	1	28	"	410
7/2/79	90	275	1	30	"	410
7/3/79	90	275	1	30	"	410
7/4/79	90	275	1	28	"	410
7/5/79	90	275	1	31	"	410
7/6/79	90	275	1	28	"	410
7/7/79	90	275	1	28	"	410
7/8/79	90	275	0	32	"	410
7/9/79	90	275	0	30	"	410
7/10/79	90	275	0	28	"	410
7/11/79	90	275	0	30	"	410
7/12/79	90	275	0	30	"	410
7/13/79	90	275	0	28	"	410
7/14/79	90	275	0	28	"	410
7/15/79	90	275	1	30	"	395
7/16/79	90	275	1	33	"	395
7/17/79	90	275	1	22	"	395
7/18/79	110	290	1	14	22/64	385
7/18/79 - Well SI for well head hook up + Flowline change over getting ready to put well on pump.						
7/19/79	110	290	1	22	22/64	360
7/20/79	120	290	1	19	22/64	356
7/21/79	120	290	1	19	"	356

Exhibit 3
Case 6672

7/21/79
used 33 Bbls to
Hot oil tubing
before running
rods in well

	Tubg Press	CO ₂ Press	H ₂ O Press	Oil Press	(Lbs.) ck. size	MCFD
7/22/79	120	290	0	19		360
7/23/79	110	290	0	19		360
7/24/79	100	290	0	17		360
7/25/79	0	55	0	33		375
7/26/79	0	55	0	0		385
7/27/79	0	100	0	0		375

Well back on 7/27/79 pumped up 3:30 pm.

We have our oil back that we had oiled the tubing with
plus 2.03 Bbls. 1st 24 hrs. 35.98 Bbls.

7/28/79	85	100	0	2		447
7/29/79	85	100	0	34	30/64"	448
7/30/79	85	120	0	28	30/64"	507
7/31/79	120	120	16	46	32/64	585
8/1/79	125	120	11	43	32/64	614
8/2/79	140	160	15	55	32/64	636
8/3/79	140	160	5	74	"	669
8/4/79	135	155	6	72	"	669
8/5/79	130	145	0	86	"	636
8/6/79	130	145	0	78	"	636
8/7/79	130	145	0	66	"	636
8/8/79	130	145	0	68	"	636
8/9/79	130	145	0	77	"	636
8/10/79	130	145	5	77	"	636
8/11/79	130	145	5	77	"	636
8/12/79	130	145	5	69	"	681
8/13/79	130	145	0	75	"	681
8/14/79	130	150	0	72	"	681
8/15/79	130	150	0	74	"	691
8/16/79	130	150	0	66	34/64	681
8/17/79	130	150	0	72	34/64	681
8/18/79	130	150	0	69	"	681
8/19/79	130	150	0	69	"	681
8/20/79	130	150	0	73	"	681
8/21/79	135	145	0	75	"	680

(2)

	<u>Tbg Prod</u>	<u>Oil Prod</u>	<u>H₂O Prod</u>	<u>Oil Prod</u>	<u>ck size</u>	<u>mcf D</u>
8/22/79	135	145	0	72	34/64"	680
8/23/79	135	145	0	72	"	681
8/24/79	135	145	0	72	"	680
8/25/79	135	145	0	68	"	680
8/26/79	130	145	0	66		680
8/27/79	130	145	0	63		680
8/28/79	130	145	0	66		680
8/29/79	130	145	0	63		680
8/30/79	130	145	0	61		680
8/31/79	130	145	0	61		680
9/1/79	130	145	0	61		680
9/2/79	40	80	0	31	34/64"	632
9/3/79	50	90	0	72	"	680
9/4/79	50	90	6	72	"	690
9/5/79	50	90	6	72	"	680
9/6/79	50	90	5	66	"	680
9/7/79	50	90	0	66	"	680
9/8/79	50	90	5	64	"	680

[illegible]

COMMINGLED COMPLETION

COCQUINA OIL CORPORATION
VIVIAN WELL NO. 1
SEC. 30, 22S, 38E
LEA COUNTY, NEW MEXICO

8 5/8" CASING
SET @ 1160'
CMT W/410 SXS.
CIRC. TO SURFACE

15" CASING
SET @ 31'
CMT W/2 YDS

2 3/8" SN @ 7245' ±

DRINKARD
PRODUCING
INTERVALS

6391'

6448'

GRANITE WASH
PRODUCING
INTERVALS

7256'

7234'

P.B.T.D. 7303'
T.D. 7319'

5 1/2" CASING
SET @ 7319'
CMT W/625 SXS
TOC 3000'

Exhibit 2
Case 6672

DIAGRAMMATIC SKETCH

Vivian #1 Production Data

	<u>Tbg Press</u>	<u>Csg Press</u>	<u>H₂O Prod</u>	<u>Oil Prod</u>	<u>23/64 ck</u>	<u>mcfD</u>
6/24/79	100	275	1	28	"	377
6/25/79	100	275	1	30	"	410
6/26/79	100	275	1	30	"	410
6/27/79	100	275	1	30	"	410
6/28/79	100	275	1	30	"	410
6/29/79	100	275	1	30	"	410
6/30/79	100	275	1	30	"	410
7/1/79	100	275	1	28	"	410
7/2/79	90	275	1	30	"	410
7/3/79	90	275	1	30	"	410
7/4/79	90	275	1	28	"	410
7/5/79	90	275	1	31	"	410
7/6/79	90	275	1	28	"	410
7/7/79	90	275	1	28	"	410
7/8/79	90	275	0	32	"	410
7/9/79	90	275	0	30	"	410
7/10/79	90	275	0	28	"	410
7/11/79	90	275	0	30	"	410
7/12/79	90	275	0	30	"	410
7/13/79	90	275	0	28	"	410
7/14/79	90	275	0	28	"	410
7/15/79	90	275	1	30	"	395
7/16/79	90	275	1	33	"	395
7/17/79	90	275	1	22	"	395
7/18/79	110	290	1	14	23/64	385
7/18/79 - Well SI for well head hook up + Flowline change over getting ready to put well on pump.						
7/19/79	110	290	1	22	23/64	360
7/20/79	120	290	1	19	23/64	356
7/21/79	120	290	1	19	"	356

Exhibit 3
Case 6672

7/24/79
used 33 Bbls to
Hot oil tubing
before running
rods in well

	Tubg Press	COP Press	H ₂ O Prod	Oil Prod	(Log) clk. size	MCFO
7/22/79	120	290	0	19		360
7/23/79	110	290	0	19		360
7/24/79	100	290	0	17		360
7/25/79	0	55	0	33		375
7/26/79	0	55	0	0		385
7/27/79	0	100	0	0		375

Well back on 7/27/79 pumped up 3:30 pm.

We have our oil back that we had oiled the tubing with
plus 2.03 Bbls. 1st 24hrs. 35.98 Bbls.

7/28/79	85	100	0	2		447
7/29/79	85	100	0	34	30/64"	448
7/30/79	85	120	0	28	30/64"	507
7/31/79	120	120	16	46	32/64	585
8/1/79	125	120	11	43	32/64	614
8/2/79	140	160	15	55	32/64	636
8/3/79	140	160	5	74	"	669
8/4/79	135	155	6	72	"	669
8/5/79	130	145	0	86	"	636
8/6/79	130	145	0	78	"	636
8/7/79	130	145	0	66	"	636
8/8/79	130	145	0	68	"	636
8/9/79	130	145	0	77	"	636
8/10/79	130	145	5	77	"	636
8/11/79	130	145	5	77	"	636
8/12/79	130	145	5	69	"	681
8/13/79	130	145	0	75	"	681
8/14/79	130	150	0	72	"	681
8/15/79	130	150	0	74	"	691
8/16/79	130	150	0	66	34/64	681
8/17/79	130	150	0	72	34/64	681
8/18/79	130	150	0	69	"	681
8/19/79	130	150	0	69	"	681
8/20/79	130	150	0	73	"	681
8/21/79	135	145	0	75	"	680

(3)

	<u>Tkg Press</u>	<u>Oil Press</u>	<u>H2O Press</u>	<u>Oil Press</u>	<u>Clk size</u>	<u>MCFD</u>
8/22/79	135	145	0	72	34/64"	680
8/23/79	135	145	0	72	"	681
8/24/79	135	145	0	72	"	680
8/25/79	135	145	0	68	"	680
8/26/79	130	145	0	66		680
8/27/79	130	145	0	63		680
8/28/79	130	145	0	66		680
8/29/79	130	145	0	63		680
8/30/79	130	145	0	61		680
8/31/79	130	145	0	61		680
9/1/79	130	145	0	61		680
9/2/79	40	80	0	31	34/64"	632
9/3/79	50	90	0	72	"	680
9/4/79	50	90	6	72	"	690
9/5/79	50	90	6	72	"	680
9/6/79	50	90	5	66	"	680
9/7/79	50	90	0	66	"	680
9/8/79	50	90	5	64	"	680

CASE 6668: Application of Delta Drilling Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Bone Spring production for its SCB Unit Well No. 3 in Unit C of Section 23, Township 23 South, Range 28 East, and special rules therefor, including 80-acre spacing.

CASE 6669: Application of Mesa Petroleum Company for the amendment of Order No. R-6078, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6078 to cover the Wolfcamp and Pennsylvanian formations in the compulsory pooling of the E/2 of Section 10, Township 16 South, Range 27 East, rather than the Morrow formation only.

CASE 6644: (Continued from September 5, 1979, Examiner Hearing)

Application of Tenneco Oil Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Pictured Cliffs production in the wellbores of its State K Com Well No. 12 located in Unit E of Section 16, Township 30 North, Range 9 West, and its Florence Well No. 60R in Unit L of Section 1, Township 29 North, Range 9 West.

CASE 6670: Application of BTA Oil Producers for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Devonian gas pool for its 7811 JV-P Rojo Well No. 1 located in Unit D of Section 27, Township 25 South, Range 33 East, and special rules therefor, including 640-acre gas well spacing.

CASE 6671: Application of Chapman and Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Seven Rivers Reef formation in the open-hole interval from 3422 feet to 3504 feet in its I. B. Ogg "A" Well No. 3 located in Unit E of Section 35, Township 24 South, Range 36 East, Jalmat Pool.

CASE 6672: Application of Coquina Oil Corporation for an exception to Rule 303C, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Division's Rule 303C to permit its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, in which Drinkard and Granite Wash production is commingled in the wellbore, to produce in excess of the 50-barrel limit imposed by said rule.

CASE 6673: Application of Conoco Inc. for a non-standard proration unit, unorthodox well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 440-acre non-standard gas proration unit comprising the SW/4 and S/2 NW/4 of Section 17 and the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, all in Township 21 South, Range 36 East, Eumont Pool, to be simultaneously dedicated to the following wells at unorthodox locations: Meyer A-1 Wells Nos. 11 in Unit K of Section 17 and 6 and 14 in Units B and J of Section 18.

CASE 6580: (Continued from August 22, 1979, Examiner Hearing)

Application of Continental Oil Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project in the Grayburg-San Andres formation in Units H and I of Section 20, Township 17 South, Range 32 East, Maljamar Pool, for tertiary recovery purposes.

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. 6318
Order No. R-5845

APPLICATION OF COQUINA OIL
CORPORATION FOR AN INCREASE IN
CASINGHEAD GAS ALLOWABLE, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 13, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of November, 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, Coquina Oil Corporation, seeks an exception to Rule 303-C-4 to increase the casinghead gas allowable for its Vivian Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico, the Drinkard and Granite Wash zones in said well being commingled pursuant to Order No. DHC-255 and subject to the GOR limit for the Wantz-Granite Wash Pool.

(3) That the daily casinghead allowables for said Drinkard and Granite Wash zones are 852 MCF and 374 MCF, respectively.

(4) That the applicant proposes a casinghead allowable for the subject well of 984 MCF of gas per day, based upon an allowable of 374 MCF per day for the Granite Wash zone and 610 MCF per day for the Drinkard zone.

(5) That based upon the division of gas production set out in Order No. DHC-255 the proposed special casinghead gas allowable of 984 MCF per day can be produced by said Vivian Well No. 1 without causing over production of casinghead gas from either the Drinkard zone or the Granite Wash zone.

(6) That the assignment of such special casinghead gas allowable will better permit the applicant to recover its share of the oil and gas production in each of said zones, will not cause waste, and will not violate correlative rights.

(7) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Coquina Oil Corporation is hereby granted a special commingled casinghead gas allowable of 984 MCF per day (610 MCF for the Drinkard zone and 374 MCF for the Granite Wash zone) for its Vivian Well No. 1 located in Unit F of Section 30, Township 22 South, Range 38 East, Lea County, New Mexico.

(2) That any provisions of the Division's Order No. DHC-255 dated August 14, 1978, not in conflict herewith are hereby continued in full force and effect.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

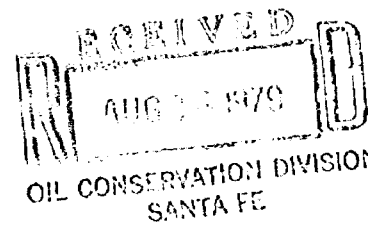
S E A L

dr/



COQUINA OIL CORPORATION
P. O. DRAWER 2960
MIDLAND, TEXAS 79702

August 22, 1979



(915) 682-6271

Department of Energy and Minerals
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 6672

RE: Request for Hearing to Consider
Increase in Oil Allowable
Vivian #1
Sec 30, T22S, R38E
Lea County, New Mexico

Gentlemen:

Coquina Oil Corporation respectfully requests that consideration be given to raising the oil allowable on the Vivian No. 1.

By letter of August 14, 1978, your Administrative Order No. DHC-255 authorized downhole commingling of the Drinkard and Granite Wash zones in the subject well. This order further established that oil production should not exceed 50 bbls per day. On November 14, 1978, by Order No. R-5845 the Division granted a special commingled casinghead gas allowable of 984 MCF per day as a result of information brought forth in a hearing held on September 13, 1978.

During July of 1979, it became necessary to install artificial lift on the well due to its declining flowing pressure and producing rates. It is now evident that this has created a situation in which the well is capable of producing in excess of its 50 BOPD allowable without exceeding the gas limit. The following tests have been recorded.

8/4/79 P. 75 B0, 5 BW, gas rate 640 MCFPD
8/5/79 P. 71 B0, 6 BW, gas rate 640 MCFPD
8/6/79 P. 85 B0, -0- BW, gas rate 630 MCFPD
8/7/79 P. 77 B0, -0- BW, gas rate 640 MCFPD
8/8/79 P. 66 B0, -0- BW, gas rate 630 MCFPD
8/14/79 P. 74 B0, -0- BW, gas rate 616 MCFPD
8/16/79 P. 77 B0, -0- BW, gas rate 720 MCFPD
8/18/79 P. 72 B0, -0- BW, gas rate 710 MCFPD
8/20/79 P. 74 B0, -0- BW, gas rate 714 MCFPD

Therefore, it is respectfully requested that Coquina Oil Corporation be granted a hearing to hear evidence to support our request for an oil allowable increase on this well. The top production test which has occurred since the start of the test period has been 85 BOPD. It is requested that consideration be given to the present allowable which is set on the Drinkard Pool. This is the shallower of the two commingled zones.

The 142 BOPD top allowable currently assigned to the Drinkard Pool would allow Coquina to produce its well in the most efficient manner and will not create excessive overproduction situations. A favorable review of this request will better permit Coquina to recover its share of oil and will not violate correlative rights.

It is further stipulated that the current gas limit of 984 MCF per day is adequate and reasonable. Therefore it is requested that this limit remain as previously set.

Yours truly,

COQUINA OIL CORPORATION

A handwritten signature in cursive script, appearing to read "Ron Gilbreath".

Ron Gilbreath
Production Manager

RG/srj

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 6672

Order No. R-6140

APPLICATION OF COQUINA OIL CORPORATION
FOR AN EXCEPTION TO RULE 303C, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 19 79, 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, Coquina Oil Corporation, seeks an
exception to the Division's Rule 303C to permit its Vivian Well No. 1
located in Unit F of Section 30, Township 22 South, Range 38 East,
in which Drinkard and Granite Wash production is commingled in the
wellbore, ^{Wants -} pursuant to the provisions of Order No. DHC-255,
to produce in excess of the 50-barrel limit imposed by
said rule.

(3) That said well has experienced an increase in
productivity since being placed on pump.

(4) That the mechanical condition of the well
renders it impracticable at this time to install
dual completion equipment and produce the
two zones in the well on a separate basis.

(5) That the top unit allowance for a well in
Drinkard zone is 142 barrels per day and the
top unit allowance for a well in the Granite
Granite wash zone is 187 barrels per day.

(6) That a special casinghead gas allowance for said well of 984 MCF per day has been previously approved by Division Order No. R-5845.

(7) That a top allowance of 100 barrels of oil per day and 984 MCF of gas per day for the subject well will not cause waste nor impair cumulative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Coquina Oil Corporation Division Well No. 1, located in Unit F of Section 30, Township 22 South, Range 38 East, NMPN, Lea County, New Mexico, ~~which well is~~ is hereby authorized a combined oil allowance for the Drinkard and Wenty-Granite Wash Pools of 100 barrels per day and a combined casinghead gas allowance of 984 MCF per day.

(2) That Division Order No. R-5845 is hereby rescinded.

(3) That any provisions of Division Order No. DHC-255 dated August 14, 1978, not in conflict herewith are hereby continued in full force and effect.

(4) Jurisdiction

DONE at