

CASE 6677: TEXAS PACIFIC OIL COMPANY,
INC. FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO

CASE NO.

6677

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

January 30, 1980

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

Re: CASE NO. 6677
ORDER NO. R-6257

Applicant:

Texas Pacific Oil Company, Inc.

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. 6677
Order No. R-6257

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR DOWNHOLE COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of January, 1980, 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, Texas Pacific Oil Company, Inc.,
is the owner and operator of the Elliott B-6 Well No. 1, located
in Unit M of Section 6, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle oil
production from the Arrowhead-Grayburg Pool and gas production
from the Eumont Gas Pool within the wellbore of the above-
described well.
- (4) That from the Arrowhead-Grayburg zone, the subject
well is capable of low marginal production only.
- (5) That from the Eumont zone, the subject well is capable
of low marginal production only.
- (6) That while the proposed commingling might result in
the recovery of additional hydrocarbons from each of the subject
pools, waste could occur through the wetting of the Eumont gas

-2-

Case No. 6677
Order No. R-6257

sands by Arrowhead-Grayburg oil if the well were shut in for an extended period.

(7) That there is no mechanism to assure the Division that said Elliott B-6 Well No. 1 would not be shut-in for an extended period following completion of the proposed downhole commingling.

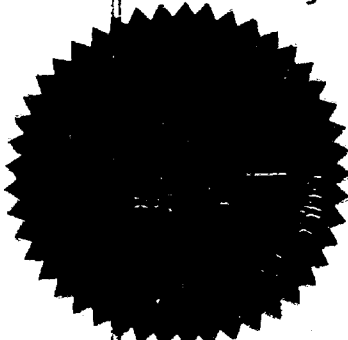
(8) That to avoid the potential for waste the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Texas Pacific Oil Company, Inc., to commingle Arrowhead-Grayburg oil production and Eumont gas production within the wellbore of the Elliott B-6 Well No. 1, located in Unit M of Section 6, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby denied.

(2) 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.



SEAL

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 Bldg.
Santa Fe, New Mexico
2 October 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Oil) CASE
Company, Inc., for downhole com-) 6677
mingling, Lea County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: William F. Carr, Esq.
CAMPBELL AND BLACK P. A.
Jefferson Place
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
201 Plaza Blanca (505) 471-2482
Santa Fe, New Mexico 87501

I N D E X

JACK M. ROSE

Direct Examination by Mr. Carr	3
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E X H I B I T S

Applicant Exhibit One, Plat	4
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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (606) 471-2402
Santa Fe, New Mexico 87501

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

1 MR. STAMETS: Call next Case 6677.

2 MR. PADILLA: Application of Texas Pacific

3 Oil Company, Inc., for downhole commingling, Lea County,

4 New Mexico.

5 MR. CARR: I'm William F. Carr, Campbell

6 and Black, P. A., Santa Fe, appearing on behalf of the appli-

7 cant. I have one witness who needs to be sworn.

8

9 (Witness sworn.)

10

11 JACK M. ROSE

12 being called as a witness and having been duly sworn upon

13 his oath, testified as follows, to-wit:

14

15 DIRECT EXAMINATION

16 BY MR. CARR:

17 Q Will you state your full name and place

18 of residence, please?

19 A Jack M. Rose, Midland, Texas.

20 Q Mr. Rose, by whom are you employed and in

21 what capacity?

22 A Texas Pacific Oil Company as Petroleum

23 Engineer.

24 Q Have you previously testified before this

25 Commission and had your credentials as a petroleum engineer

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (805) 471-2462
Santa Fe, New Mexico 87501

1 accepted and made a matter of record?

2 A. I have.

3 Q Are you familiar with the application of
4 Texas Pacific in this case?

5 A. Yes, sir.

6 MR. CARR: Are the witness' qualifications
7 acceptable?

8 MR. STAMETS: They are.

9 Q (Mr. Carr continuing.) Mr. Rose, will you
10 briefly state what Texas Pacific seeks with this application?

11 A. Texas Pacific Oil Company is seeking ap-
12 proval to commingle Arrowhead-Grayburg oil and Eumont gas
13 production in the wellbore of Elliott "B" 6 Well No. 1,
14 located 330 feet from the south line, 610 feet from the
15 west line of Section 6, Township 22 South, Range 37 East,
16 Lea County.

17 Q Will you refer to what has been marked
18 for identification as Applicant's Exhibit Number One and ex-
19 plain to the Examiner what it is and what it shows?

20 A. Exhibit One is a 4-section plat showing the
21 subject lease highlighted in yellow and the subject well
22 pointed out by the red arrow. Also shown are surrounding
23 active Arrowhead oil and Eumont gas wells.

24 The Arrowhead oil wells are spotted with
25 the green dots and the Eumont gas wells are spotted with the

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (661) 471-2462
Santa Fe, New Mexico 87501

1 red dots.

2 Q Will you now refer to Exhibit Number Two
3 and summarize the information contained thereon for the
4 Examiner?

5 A Exhibit Two is a wellbore sketch of the
6 Elliott "B" 6 No. 1 in its current state. The Eumont-Queen
7 zone is producing through the casing tubing annulus and the
8 Arrowhead-Grayburg is being pumped through the tubing under
9 a packer. The sliding sleeve at 3569 feet is closed, separating the two zones.

11 Q Now, Mr. Rose, I direct your attention
12 to what has been marked as Applicant's Exhibit Number Three
13 and ask that you review this for the Examiner.

14 A Exhibit Three is a production history for
15 the Elliott B-6 No. 1 Eumont gas zone. This zone produces
16 no condensate.

17 Q And now I direct your attention to Exhibit
18 Number Four and ask that you identify this for the Examiner.

19 A Exhibit Four is also a production history
20 for the Elliott B-6 No. 1 for the Arrowhead-Grayburg oil
21 zone. This zone was TA'd in 1972 because it quit flowing.

22 Q Now, Mr. Rose, if you'll refer to Exhibit
23 Number Five and using this exhibit give a brief history of
24 the subject well for the Examiner.

25 A Exhibit Five is a 3-page tabulation of the

1 well test covering the last year and one-half, including a
2 short commingled swab test.

3 The Elliott B-6 No. 1 was originally com-
4 pleted in the Arrowhead oil zone in 1945. Subsequently,
5 in 1956, the well was made a dual by completion in the Eumont
6 gas zone. Both of these zones are flowing with the Arrow-
7 head producing through the tubing underneath a packer and
8 the Eumont producing through the casing tubing annulus.

9 The Arrowhead was producing both oil and
10 gas and the Eumont was producing only gas.

11 The Arrowhead zone quit flowing in 1972
12 and at that time it was uneconomical to try to attempt to
13 re-establish that production. Interest was renewed in the
14 Arrowhead zone with increased prices and attempt was made to
15 re-establish that Arrowhead production in February of this
16 year.

17 During this work permission was given to
18 conduct a commingled test from the two zones and results
19 indicated that the Arrowhead would not flow, so the sliding
20 sleeve at 59 -- excuse me, 3569 was opened and the two zones
21 were commingled.

22 The well was swabbed on two separate oc-
23 casions while commingled and if you'll refer to Exhibit Five,
24 and for 10 hours they were swabbed commingled with the casing
25 shut in and 17 barrels of oil and 24 barrels of oil were

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3026 Plaza Blanca (865) 471-3463
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3028 Plaza Blanca (SOS) 471-3462
Santa Fe, New Mexico 87501

1 recovered respectively with no gas.

2 The casing was then opened with the zones
3 still commingled and the tubing was swabbed again. This
4 test recovered 41 barrels of oil and 262 Mcf of gas. The
5 results were very encouraging and as a result we decided to
6 install a test pumping unit to determine the feasibility of
7 pumping the Arrowhead oil from underneath the packer, while
8 producing the Eumont gas through the casing-tubing annulus.
9 This well has been pumped in this manner to date and the
10 rate from the Arrowhead is now around 3 barrels of oil and
11 20 Mcf per day.

12 This can be seen also on Exhibit Five.

13 The significant results of this test are
14 the recoveries from the Eumont gas zone. Prior to any work,
15 the Eumont was producing through the tubing with a sliding
16 sleeve open. The last three well tests in 1978, as you can
17 see on Exhibit Five, showed a rate of around 110 Mcf per
18 day. After commingling the two zones, swabbing the well,
19 and then producing the Eumont separately through the casing-
20 tubing annulus, we initially recovered around 160 Mcf per
21 day. This rate has now declined to around 90 Mcf per day.
22 This indicates to us that the Eumont is giving up just
23 enough water to eventually load itself up and reduce its
24 rate.

25 If we are allowed to downhole commingle

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

1 these two zones, we would pump the Arrowhead through tubing
2 as deep as possible without a packer and with the casing
3 open.

4 Presently Arrowhead rates are insufficient
5 to support a pumping unit; however, if we are able to com-
6 mingle the two zones we feel that we can keep the Eumont
7 unloaded and increase its rate. The Arrowhead rates, with
8 an increase in the Eumont rates, would make the project
9 economically attractive.

10 It should also be noted that our best
11 test of 41 barrels of oil and 262 Mcf of gas was obtained
12 while swabbing the tubing with the casing open. This test
13 leads us to believe that we will see significantly higher
14 recoveries from both zones with our proposed commingling
15 production arrangement.

16 In summary, if we are able to downhole
17 commingle these two zones, we feel that we will recover
18 additional Eumont reserves and previously unrecoverable
19 Arrowhead reserves, oil and gas reserves.

20 The alternative, if we are not able to
21 commingle the two zones, would be abandonment of the Arrow-
22 head zone.

23 Q Now, Mr. Rose, what is the GOR for the
24 Eumont?

25 A The Eumont has no --

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (661) 471-2462
Santa Fe, New Mexico 87501

- 1 Q It has no GOR --
- 2 A No.
- 3 Q -- because it's only producing gas and
- 4 the GOR for the Grayburg is shown on Exhibit Five?
- 5 A Right. The GOR is running on the order
- 6 of the average over the -- since we've been pumping it under
- 7 a packer, the average GOR has been 7400 cubic feet per bar-
- 8 rel.
- 9 Q Has notice of this application been given
- 10 to offsetting operators?
- 11 A Yes, it has.
- 12 Q And are copies of those letters marked for
- 13 identification as Applicant's Exhibit Six?
- 14 A Yes, they are.
- 15 Q Now, Mr. Rose, are both zones at this time
- 16 capable of only marginal production?
- 17 A Yes, they are.
- 18 Q Will the proposed completion in your
- 19 opinion result in the migration of hydrocarbons between zones?
- 20 A We feel that on the -- with the Eumont
- 21 being the gas zone and higher up in the well, we feel that
- 22 by keeping the well pumped off, we feel that we can eliminate
- 23 the possibility of migration of any fluid up to the Eumont
- 24 gas zone. We feel like the rates from the Arrowhead are low
- 25 enough that even if we experience mechanical difficulties at

1 times, we would have sufficient time to be able to correct
2 these problems and get it pumped off before we -- any fluid
3 migrated from the Arrowhead up into the Eumont.

4 Q Will the fluids produced be compatible?

5 A Yes. There are twenty-six leases in south-
6 east New Mexico that are commingled from these two zones
7 on the surface, on the surface in some manner, either on the
8 pipeline or wellhead, or whatever.

9 Q Is the mineral ownership common in the
10 two zones to be commingled?

11 A Yes, it is.

12 Q Will granting your application result in
13 recovery of hydrocarbons that would otherwise be lost?

14 A Yes.

15 Q Would granting the application jeopardize
16 any future secondary recovery efforts in the area?

17 A No, it wouldn't.

18 Q Do you have a recommendation to make to
19 the Examiner as to the allocation of production between the
20 zones?

21 A Yes, I do. The production history -- it
22 was difficult to obtain a uniform decline from the production
23 histories, so the method that we propose to split the pro-
24 duction, what we did was we averaged the -- since we've had
25 the test pumping unit on the well, we've averaged the rates

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2026 Plaza Blanca (906) 471-3452
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 3050 Plaza Blanca (505) 471-2482
 Santa Fe, New Mexico 87501

1 from both the Eumont and the Arrowhead and those averages
 2 were totaled and each zone was taken as a percentage of that
 3 total. The split would -- the proposed split would be 78
 4 percent of the gas allocated toward Eumont; 22 percent for
 5 the Arrowhead gas; and of course all of the oil would be
 6 allocated to the Grayburg.

7 Q In your opinion will granting this appli-
 8 cation be in the interests of conservation, the prevention
 9 of waste, and the protection of correlative rights?

10 A Yes, it will.

11 Q Were Exhibits One through Five prepared
 12 by you?

13 A Yes, they were.

14 MR. CARR: At this time, Mr. Examiner, We
 15 would offer into evidence Applicant's Exhibits One through
 16 Six.

17 MR. STAMETS: These exhibits will be ad-
 18 mitted.

19 MR. CARR: We have nothing further on
 20 direct.

21

22

CROSS EXAMINATION

23

BY MR. STAMETS:

24

25

Q Mr. Rose, would waste occur if the fluid
 level in the Grayburg zone was allowed to rise to opposite

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3010 Plaza Blanca (666) 471-2463
Santa Fe, New Mexico 87501

1 the Eumont zone, the well was shut in?

2 A. We would probably lose some fluid from the
3 Grayburg into the Arrowhead zone, however --

4 Q. You mean into the Eumont zone.

5 A. Into the Eumont zone.

6 Q. How can the Commission be assured that --
7 that this well will remain on pump?

8 A. We will assure that it will remain on pump,
9 and we'll pump it off. That's all I can say at the present
10 time.

11 Q. Is there any automatic way that you can
12 think of that we could be advised if you should have any
13 kind of a pump failure or --

14 A. We do have -- that you could be advised
15 or that we would be advised?

16 Q. That we would be advised.

17 A. Yes, we can notify you in case -- we can
18 shoot a fluid level after -- if the pump does go down we can
19 shoot a fluid level at that time and determine if any damage
20 has occurred.

21 Q. Do you know what the static fluid level of
22 the Grayburg zone is?

23 A. Well, when we swabbed the zone, of course
24 we could only swab it down to the sliding sleeve and a swab
25 going through the sliding sleeve will open and close it, so

1 normally that has been our static fluid level.

2 The ARrowhead zone has filled up and has
3 been loaded since '72.

4 Q Now Mr. Carr questioned you about secondary
5 recovery. Are there any secondary recovery operations in
6 the immediate vicinity?

7 A No, there aren't, not in this particular --
8 not that I'm aware of.

9 Q If you had to start pumping large volumes
10 of secondary oil and/or injection water out of this well,
11 that would certainly make a difference in whether or not
12 you could efficiently produce the Eumont gas, would it not?

13 A Yes, it would.

14 Q What would you do under those circumstances?

15 A It's according to how much fluid we were
16 receiving. If we could handle it with a larger pumping unit,
17 we could put a larger pumping unit on at that time, with
18 an attempt to pump it off. If we were unable to pump it
19 off and we received damage in the -- we thought we might
20 receive damage in the Eumont zone, we would probably TA the
21 Arrowhead and produce the Eumont by itself at that time.

22 Q What acreage is dedicated to this well?

23 A To the -- to the gas?

24 Q Yes.

25 Q It's a -- just a second here, 73-acre

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (885) 471-3462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (608) 471-2402
Santa Fe, New Mexico 87501

1 proration unit. And it's .46 of an acreage factor for the
2 Eumont zone -- field.

3 Q It would be all of the lease that's
4 colored in --

5 A Right.

6 Q -- yellow on your Exhibit Number One?

7 A Right.

8 Q And the Arrowhead Well, I presume, is a
9 40-acre?

10 A Right.

11 Q But all of the interests under the 40-acres
12 and the 73-acres are identical.

13 A They're common.

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

16 Anything further in this case?

17 MR. CARR: Nothing further.

18 MR. STAMETS: The case will be taken
19 under advisement.

20
21 (Hearing concluded.)
22
23
24
25

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. 6672 heard by me on 10-2 1977.
Richard L. Hamt, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-2462
Santa Fe, New Mexico 87501

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Texas Pacific Oil) CASE
Company, Inc., for downhole com-) 6677
mingling, Lea County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the Applicant: William F. Carr, Esq.
CAMPBELL AND BLACK P. A.
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Santa Fe, New Mexico 87501

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

I N D E X

JACK M. ROSE

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E X H I B I T S

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SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3026 Plaza Blanca (SOS) 471-3462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3036 Plaza Blanca (606) 471-2462
Santa Fe, New Mexico 87501

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MR. STAMETS: Call next Case 6677.

MR. PADILLA: Application of Texas Pacific Oil Company, Inc., for downhole commingling, Lea County, New Mexico.

MR. CARR: I'm William F. Carr, Campbell and Black, P. A., Santa Fe, appearing on behalf of the applicant. I have one witness who needs to be sworn.

(Witness sworn.)

JACK M. ROSE

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

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your full name and place of residence, please?

A Jack M. Rose, Midland, Texas.

Q Mr. Rose, by whom are you employed and in what capacity?

A Texas Pacific Oil Company as Petroleum Engineer.

Q Have you previously testified before this Commission and had your credentials as a petroleum engineer

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (666) 471-2462
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1 accepted and made a matter of record?

2 A I have.

3 Q Are you familiar with the application of
4 Texas Pacific in this case?

5 A Yes, sir.

6 MR. CARR: Are the witness' qualifications
7 acceptable?

8 MR. STAMETS: They are.

9 Q (Mr. Carr continuing.) Mr. Rose, will you
10 briefly state what Texas Pacific seeks with this application?

11 A Texas Pacific Oil Company is seeking ap-
12 proval to commingle Arrowhead-Grayburg oil and Eumont gas
13 production in the wellbore of Elliott "B" 6 Well No. 1,
14 located 330 feet from the south line, 610 feet from the
15 west line of Section 6, Township 22 South, Range 37 East,
16 Lea County.

17 Q Will you refer to what has been marked
18 for identification as Applicant's Exhibit Number One and ex-
19 plain to the Examiner what it is and what it shows?

20 A Exhibit One is a 4-section plat showing the
21 subject lease highlighted in yellow and the subject well
22 pointed out by the red arrow. Also shown are surrounding
23 active Arrowhead oil and Eumont gas wells.

24 The Arrowhead oil wells are spotted with
25 the green dots and the Eumont gas wells are spotted with the

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3038 Plaza Blanca (669) 411-2462
Santa Fe, New Mexico 87501

1 red dots.

2 Q Will you now refer to Exhibit Number Two
3 and summarize the information contained thereon for the
4 Examiner?

5 A Exhibit Two is a wellbore sketch of the
6 Elliott "B" 6 No. 1 in its current state. The Eumont-Queen
7 zone is producing through the casing tubing annulus and the
8 Arrowhead-Grayburg is being pumped through the tubing under
9 a packer. The sliding sleeve at 3569 feet is closed, sepa-
10 rating the two zones.

11 Q Now, Mr. Rose, I direct your attention
12 to what has been marked as Applicant's Exhibit Number Three
13 and ask that you review this for the Examiner.

14 A Exhibit Three is a production history for
15 the Elliott B-6 No. 1 Eumont gas zone. This zone produces
16 no condensate.

17 Q And now I direct your attention to Exhibit
18 Number Four and ask that you identify this for the Examiner.

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20 for the Elliott B-6 No. 1 for the Arrowhead-Grayburg oil
21 zone. This zone was TA'd in 1972 because it quit flowing.

22 Q Now, Mr. Rose, if you'll refer to Exhibit
23 Number Five and using this exhibit give a brief history of
24 the subject well for the Examiner.

25 A Exhibit Five is a 3-page tabulation of the

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3939 Plaza Blanca (505) 471-2462
Santa Fe, New Mexico 87501

1 well test covering the last year and one-half, including a
2 short commingled swab test.

3 The Elliott B-6 No. 1 was originally com-
4 pleted in the Arrowhead oil zone in 1945. Subsequently,
5 in 1956, the well was made a dual by completion in the Eumont
6 gas zone. Both of these zones are flowing with the Arrow-
7 head producing through the tubing underneath a packer and
8 the Eumont producing through the casing tubing annulus.

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10 gas and the Eumont was producing only gas.

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12 and at that time it was uneconomical to try to attempt to
13 re-establish that production. Interest was renewed in the
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15 re-establish that Arrowhead production in February of this
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19 indicated that the Arrowhead would not flow, so the sliding
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24 and for 10 hours they were swabbed commingled with the casing
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5 results were very encouraging and as a result we decided to
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7 pumping the Arrowhead oil from underneath the packer, while
8 producing the Eumont gas through the casing-tubing annulus.
9 This well has been pumped in this manner to date and the
10 rate from the Arrowhead is now around 3 barrels of oil and
11 20 Mcf per day.

12 This can be seen also on Exhibit Five.

13 The significant results of this test are
14 the recoveries from the Eumont gas zone. Prior to any work,
15 the Eumont was producing through the tubing with a sliding
16 sleeve open. The last three well tests in 1978, as you can
17 see on Exhibit Five, showed a rate of around 110 Mcf per
18 day. After commingling the two zones, swabbing the well,
19 and then producing the Eumont separately through the casing-
20 tubing annulus, we initially recovered around 160 Mcf per
21 day. This rate has now declined to around 90 Mcf per day.
22 This indicates to us that the Eumont is giving up just
23 enough water to eventually load itself up and reduce its
24 rate.

25 If we are allowed to downhole commingle

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (955) 471-2462
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (665) 411-2462
Santa Fe, New Mexico 87501

1 these two zones, we would pump the Arrowhead through tubing
2 as deep as possible without a packer and with the casing
3 open.

4 Presently Arrowhead rates are insufficient
5 to support a pumping unit; however, if we are able to com-
6 mingle the two zones we feel that we can keep the Eumont
7 unloaded and increase its rate. The Arrowhead rates, with
8 an increase in the Eumont rates, would make the project
9 economically attractive.

10 It should also be noted that our best
11 test of 41 barrels of oil and 262 Mcf of gas was obtained
12 while swabbing the tubing with the casing open. This test
13 leads us to believe that we will see significantly higher
14 recoveries from both zones with our proposed commingling
15 production arrangement.

16 In summary, if we are able to downhole
17 commingle these two zones, we feel that we will recover
18 additional Eumont reserves and previously unrecoverable
19 Arrowhead reserves, oil and gas reserves.

20 The alternative, if we are not able to
21 commingle the two zones, would be abandonment of the Arrow-
22 head zone.

23 Q Now, Mr. Rose, what is the GOR for the
24 Eumont?

25 A The Eumont has no --

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (S-66) 471-3402
Santa Fe, New Mexico 87501

1 Q It has no GOR ---

2 A No.

3 Q -- because it's only producing gas and
4 the GOR for the Grayburg is shown on Exhibit Five?

5 A Right. The GOR is running on the order
6 of the average over the -- since we've been pumping it under
7 a packer, the average GOR has been 7400 cubic feet per bar-
8 rel.

9 Q Has notice of this application been given
10 to offsetting operators?

11 A Yes, it has.

12 Q And are copies of those letters marked for
13 identification as Applicant's Exhibit Six?

14 A Yes, they are.

15 Q Now, Mr. Rose, are both zones at this time
16 capable of only marginal production?

17 A Yes, they are.

18 Q Will the proposed completion in your
19 opinion result in the migration of hydrocarbons between zones?

20 A We feel that on the -- with the Eumont
21 being the gas zone and higher up in the well, we feel that
22 by keeping the well pumped off, we feel that we can eliminate
23 the possibility of migration of any fluid up to the Eumont
24 gas zone. We feel like the rates from the Arrowhead are low
25 enough that even if we experience mechanical difficulties at

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3020 Plaza Blanca (695) 471-2402
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1 times, we would have sufficient time to be able to correct
2 these problems and get it pumped off before we -- any fluid
3 migrated from the Arrowhead up into the Eumont.

4 Q Will the fluids produced be compatible?

5 A Yes. There are twenty-six leases in south-
6 east New Mexico that are commingled from these two zones
7 on the surface, on the surface in some manner, either on the
8 pipeline or wellhead, or whatever.

9 Q Is the mineral ownership common in the
10 two zones to be commingled?

11 A Yes, it is.

12 Q Will granting your application result in
13 recovery of hydrocarbons that would otherwise be lost?

14 A Yes.

15 Q Would granting the application jeopardize
16 any future secondary recovery efforts in the area?

17 A No, it wouldn't.

18 Q Do you have a recommendation to make to
19 the Examiner as to the allocation of production between the
20 zones?

21 A Yes, I do. The production history -- it
22 was difficult to obtain a uniform decline from the production
23 histories, so the method that we propose to split the pro-
24 duction, what we did was we averaged the -- since we've had
25 the test pumping unit on the well, we've averaged the rates

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 3030 Plaza Blanca (SOS) 471-3452
 Santa Fe, New Mexico 87501

1 from both the Eumont and the Arrowhead and those averages
 2 were totaled and each zone was taken as a percentage of that
 3 total. The split would -- the proposed split would be 78
 4 percent of the gas allocated toward Eumont; 22 percent for
 5 the Arrowhead gas; and of course all of the oil would be
 6 allocated to the Grayburg.

7 Q In your opinion will granting this appli-
 8 cation be in the interests of conservation, the prevention
 9 of waste, and the protection of correlative rights?

10 A Yes, it will.

11 Q Were Exhibits One through Five prepared
 12 by you?

13 A Yes, they were.

14 MR. CARR: At this time, Mr. Examiner, We
 15 would offer into evidence Applicant's Exhibits One through
 16 Six.

17 MR. STAMETS: These exhibits will be ad-
 18 mitted.

19 MR. CARR: We have nothing further on
 20 direct.

21 CROSS EXAMINATION

22 BY MR. STAMETS:

23 Q Mr. Rose, could waste occur if the fluid
 24 level in the Grayburg zone was allowed to rise to opposite
 25

1 the Eumont zone, the well was shut in?

2 A We would probably lose some fluid from the
3 Grayburg into the Arrowhead zone, however --

4 Q You mean into the Eumont zone.

5 A Into the Eumont zone.

6 Q How can the Commission be assured that --
7 that this well will remain on pump?

8 A We will assure that it will remain on pump,
9 and we'll pump it off. That's all I can say at the present
10 time.

11 Q Is there any automatic way that you can
12 think of that we could be advised if you should have any
13 kind of a pump failure or --

14 A We do have -- that you could be advised
15 or that we would be advised?

16 Q That we would be advised.

17 A Yes, we can notify you in case -- we can
18 shoot a fluid level after -- if the pump does go down we can
19 shoot a fluid level at that time and determine if any damage
20 has occurred.

21 Q Do you know what the static fluid level of
22 the Grayburg zone is?

23 A Well, when we swabbed the zone, of course
24 we could only swab it down to the sliding sleeve and a swab
25 going through the sliding sleeve will open and close it, so

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3030 Plaza Blanca (SOS) 411-2442
Santa Fe, New Mexico 87501

1 normally that has been our static fluid level.

2 The ARrowhead zone has filled up and has
3 been loaded since '72.

4 Q Now Mr. Carr questioned you about secondary
5 recovery. Are there any secondary recovery operations in
6 the immediate vicinity?

7 A No, there aren't, not in this particular --
8 not that I'm aware of.

9 Q If you had to start pumping large volumes
10 of secondary oil and/or injection water out of this well,
11 that would certainly make a difference in whether or not
12 you could efficiently produce the Eumont gas, would it not?

13 A Yes, it would.

14 Q What would you do under those circumstances?

15 A It's according to how much fluid we were
16 receiving. If we could handle it with a larger pumping unit,
17 we could put a larger pumping unit on at that time, with
18 an attempt to pump it off. If we were unable to pump it
19 off and we received damage in the -- we thought we might
20 receive damage in the Eumont zone, we would probably TA the
21 Arrowhead and produce the Eumont by itself at that time.

22 Q What acreage is dedicated to this well?

23 A To the -- to the gas?

24 Q Yes.

25 Q It's a -- just a second here, 73-acre

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
2020 Plaza Blanca (505) 471-3452
Santa Fe, New Mexico 87501

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
3026 Plaza Blanca (866) 471-2482
Santa Fe, New Mexico 87501

1 proration unit. And it's .46 of an acreage factor for the
2 Eumont zone -- field.

3 Q It would be all of the lease that's
4 colored in --

5 A Right.

6 Q -- yellow on your Exhibit Number One?

7 A Right.

8 Q And the Arrowhead Well, I presume, is a
9 40-acre?

10 A Right.

11 Q But all of the interests under the 40-acres
12 and the 73-acres are identical.

13 A They're common.

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

16 Anything further in this case?

17 MR. CARR: Nothing further.

18 MR. STAMETS: The case will be taken
19 under advisement.

20

21

(Hearing Concluded.)

22

23

24

25

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. _____
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
 6028 Pkwa Blanca (805) 471-2492
 Santa Fe, New Mexico 87501

Elliott "B-6" No. 1
330' FSL & 610' FWL, Sec. 6, T-22-S, R-37-E
Lea County, New Mexico

Elevation 3457 G.H., 3457 D.F.

Completion date 2-28-45

Well History

7-30-45 Perf 3690'-3722', AC/1000 gals

20%, AC/5000 gals 15%

Grayburg.

3-1-52 AC/1000 gals 15% (3705-3722)

11-1-56 Set CIBP @ 3650 w/1 SX on top,

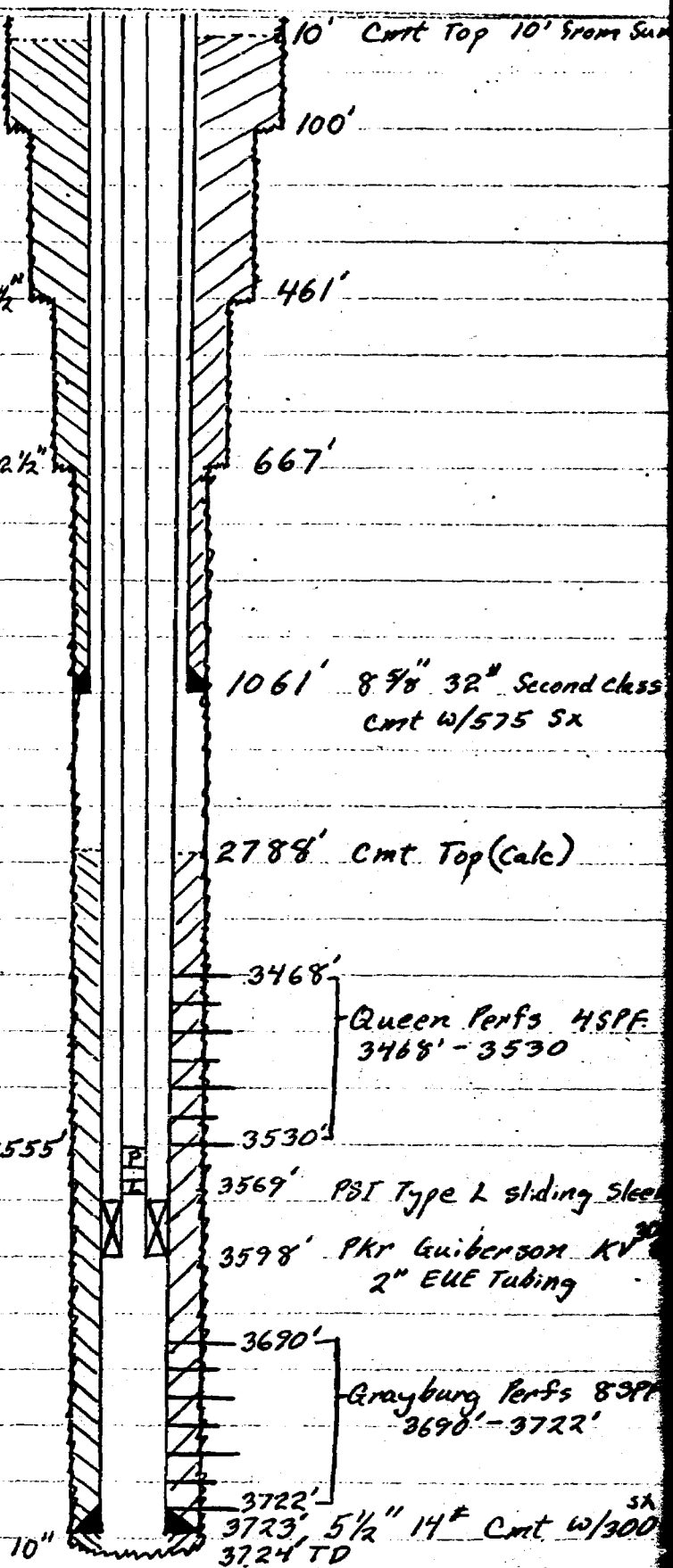
Perf 3468'-3530 Queen

11-6-56 SOT w/8000 gals lease oil ?

8000 # of 20/40 Snd (3468-3530)

DOBP push to TP, Set Pkr 3598'

1 1/2" x 2" x 16' Pump 3555'
+ 141 3/4" Rods



CIBP drilled out and
pushed to bottom w/ TD

1U - Elmont Gas
1L - Arrowhead Greyburg Oil

ELLIOTT "B-6" NO. 1
Well Test History

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water BBL	GOR CF/BBL	Date	Comments
1U	Flow		65	0	80	0		1-12-78	
1U	Flow		65	0	95	0		4-6-78	
1U	Flow		60	0	110	0		5-17-78	
1U	Flow		55	0	105	0		8-7-78	
1U	Flow		60	0	110	0		11-14-78	
1U & 1L	Swd Tbg			17	0	4		2-26-79	10 hrs Congld Csg SI
1U & 1L	Swd Tbg			24	0	5		2-27-79	10 hrs Congld Csg SI
1U & 1L	Swd Tbg			41	262	9	6390	2-28-79	Congld Csg Open
1U 1L	Flow Pump			0 16	140 73	0 29	4562	4-25-79	
1U 1L	Flow Pump			0 4	135 47	0 3	11750	4-26-79	
1U 1L	Flow Pump			0 6	171 47	0 1	7833	4-27-79	
1U 1L	Flow Pump			0 2	140 36	0 0	13000	4-28-79	
1U 1L	Flow Pump			0 5	165 55	0 2	11000	4-29-79	
1U 1L	Flow Pump			0 1	160 57	0 3	57000	4-30-79	
1U 1L	Flow Pump			0 8	160 65	0 2	8125	5-1-79	
1U 1L	Flow Pump			0 5	155 65	0 2	13000	5-2-79	

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Applicant's EXHIBIT NO. <u>5</u>
CASE NO. <u>6677</u>
Submitted by <u>Debra Decker</u>
Hearing Date <u>8-2-79</u>

IU - Eumont Gas
 IL - Arrowhead Grayburg Oil

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water /BBL	GOR CF/BBL	Date	Comments
IU	Flow Pump			0	160	0	11000	5-3-79	
IL				5	55	1			
IU	Flow Pump			0	155	0	7143	5-4-79	
IL				7	50	1			
IU	Flow Pump			0	150	0	11500	5-5-79	
IL				4	46	4			
IU	Flow Pump			0	150	0	6429	5-6-79	
IL				7	45	2			
IU	Flow Pump			0	145	0	5625	5-7-79	
IL				8	45	1			
IU	Flow Pump			0	145	0	7500	5-8-79	
IL				6	45	2			
IU	Flow Pump			0	145	0	8000	5-9-79	
IL				5	40	1			
IU	Flow Pump			0	145	0	8000	5-10-79	
IL				5	40	1			
IU	Flow Pump			0	125	0	8000	5-17-79	
IL				5	40	0			
IU	Flow Pump			0	125	0	7000	5-24-79	
IL				5	35	1			
IU	Flow Pump			0	120	0	3125	5-31-79	
IL				8	25	2			
IU	Flow Pump			0	115	0	4400	6-7-79	
IL				5	22	3			
IU	Flow Pump			0	118	0	4167	6-14-79	
IL				6	25	2			

1U - Dumont Gas
1L - Arrowhead Grayburg Oil

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water BBL	GOR CF/BBL	Date	Comments
1U	Flow Pump			0	119	0	4000	6-28-79	
1L				5	20	0			
1U	Flow Pump			0	126	0	6667	7-5-79	
1L				3	20	1			
1U	Flow Pump			0	120	0	5000	7-12-79	
1L				4	20	0			
1U	Flow Pump			0	143	0			
1L				2	18	0	9000	7-19-79	
1U	Flow Pump			0	90	0	6667	7-26-79	
1L				3	20	1			
1U	Flow Pump			0	95	0	5000	8-9-79	
1L				5	25	1			
1U	Flow Pump			0	91	0	5000	8-16-79	
1L				4	20	1			
1U	Flow Pump			0	90	0	10000	8-23-79	
1L				2	20	2			
1U	Flow Pump			0	72	0	6667	8-31-79	
1L				3	20	0			
1U	Flow Pump			0	90	0	7333	9-13-79	
1L				3	22	1			

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

BEFORE THE UNITED STATES
COURT OF APPEALS
FOR THE TENTH CIRCUIT
Applicants *6677*
6
SOLICITORS *Lux Pacific*
Hearing Date *Oct. 2, 1979*

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 988-4471

September 21, 1979

Continental Oil Co.
Box 460
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902866

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5. ADDRESS (Complete only if requested)		6. UNABLE TO DELIVER BECAUSE:	
7. ARTICLE ADDRESSED TO: Continental Oil Co. Box 460 Hobbs, NM 88240		8. RETURN TO: (If different from address above)	



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PAUL R. CALDWELL

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 888-4421

September 21, 1979

Gulf Energy & Minerals Co. U.S.A.
Box 670
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902865

1. ADDRESSEE (Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.) The following service is requested (check one): <input checked="" type="checkbox"/> Send to whom and date delivered. <input type="checkbox"/> Send to whom, date, and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Send to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Send to whom, date, and address of delivery. (CONSULT POSTMASTER FOR FEES)		2. ARTICLE DESCRIPTION: REGISTERED NO. CERTIFIED NO. INSURED NO. 902865	
3. ADDRESSEE (Complete only if registered). Article addressed to: Gulf Energy & Minerals Co. Box 670 Hobbs, NM 88240		4. SIGNATURE (Authorized agent) [Signature] DATE OF DELIVERY POSTMARK	
5. ADDRESS (Complete only if registered). UNABLE TO DELIVER		6. RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED	

LAWYERS

POST OFFICE BOX 2208
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SANTA FE. NEW MEXICO 87501
TELEPHONE (505) 988-4421

Martindale Petroleum Co.
Box 1955
Hobbs, New Mexico 88240

Enclosed is a copy of the Oil Conservation Division Docket for October 2, 1979. You may have an interest affected by Case No. 6677.

William F. Carr

WFC : tn

1. Complete items 1, 2, and 3. And your address in the "RETURN TO" space on reverse.	
The following service is requested (check one). <input checked="" type="checkbox"/> Show to whom and date delivered. _____ <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered. _____ <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom, date, and address of delivery. \$_____ (CONSULT POSTMASTER FOR FEES)	
2. Article ADDRESSED TO: Martindale Petroleum Co. Box 1955 Hobbs, NM 88240	
3. ARTICLE DESCRIPTION: REGISTERED NO. 5740086 INSURED NO. _____	4. <input checked="" type="checkbox"/> I have received the article described above. SIGNATURE <i>[Signature]</i> <input type="checkbox"/> Addressed <input type="checkbox"/> Authorized agent DATE OF DELIVERY _____
5. ADDRESS (Complete only if requested) _____	
6. UNABLE TO DELIVER BECAUSE: _____	

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LAWYERS

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BRUCE G. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

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

September 21, 1979

USGS
P.O. Box 1157
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902867

RECEIPT FOR CERTIFIED MAIL

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☐ Show to whom, date, and address of delivery.
☐ RESTRICTED DELIVERY
☐ Show to whom and date delivered.
☐ RESTRICTED DELIVERY.
☐ Show to whom, date, and address of delivery. \$
(CONSULT POSTMASTER FOR FEES)

3. ARTICLE ADDRESSED TO:
USGS
P.O. Box 1157
Hobbs, N.M. 88240

4. ARTICLE DESCRIPTION:
REGISTERED NO. 902867 INSURED NO.

5. I have received the article described above.
SIGNATURE ☐ Addressee ☐ Authorized agent
DATE OF DELIVERY POSTMARK

6. ADDRESS (Complete only if requested)

7. UNABLE TO DELIVER BECAUSE: ()
() and ()

Elliott "B-6" No. 1
330' FSL & 610' FWL, Sec. 6, T-22-S, R-37-E
Lea County, New Mexico

Elevation 3457 G.H., 3459 R.F.

Completion date 2-28-45

Well History

7-30-45 Perf 3690'-3722', AC/1000 gals

20%, AC/5000 gals. 15%

Grayburg.

3-1-52 AC/1000 gals 15% (3705-3722)

11-1-56 Set CIAP @ 3650 w/1 SX on top,

Perf 3468'-3530 Queen

11-6-56 SOT w/8000 gals lease oil &

8000 # of 20/40 Snd (3468-3530)

DOOP push to TD, set PKR 3598'

1 1/2" x 2" x 16' Pump
+ 141 3/4" Rods 3555'

10' Cmt Top 10' from Su

100'

461'

667'

1061' 8 5/8" 32" Second class
Cmt w/575 SX

2788' Cmt Top (calc)

3468'

Queen Perfs 4SPF
3468'-3530

3530'

3569' PSI Type L sliding steel

3598' PKR Guiberson KV
2" EUE Tubing

3690'

Grayburg Perfs 8SPF
3690'-3722'

3722'

3723' 5 1/2" 14" Cmt w/300

3724' TD

CIAP drilled out and
pushed to bottom or TD

1U - Eumont Gas
1L - Arrowhead Greyburg Oil

ELLIOTT "B-6" NO. 1
Well Test History

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water BBL	GOR CF/BBL	Date	Comments
1U	Flow		65	0	80	0		1-12-78	
1U	Flow		65	0	95	0		4-6-78	
1U	Flow		60	0	110	0		5-17-78	
1U	Flow		55	0	105	0		8-7-78	
1U	Flow		60	0	110	0		11-14-78	
1U & 1L	Swbd Tbg			17	0	4		2-26-79	10 hrs Compld Csg SI
1U & 1L	Swbd Tbg			24	0	5		2-27-79	10 hrs Compld Csg SI
1U & 1L	Swbd Tbg			41	262	9	6390	2-28-79	Compld Csg Open
1U 1L	Flow Pump			0 16	140 73	0 29	4562	4-25-79	
1U 1L	Flow Pump			0 4	135 47	0 3	11750	4-26-79	
1U 1L	Flow Pump			0 6	171 47	0 1	7833	4-27-79	
1U 1L	Flow Pump			0 2	140 36	0 0	18000	4-28-79	
1U 1L	Flow Pump			0 5	165 55	0 2	11000	4-29-79	
1U 1L	Flow Pump			0 1	160 57	0 3	57000	4-30-79	
1U 1L	Flow Pump			0 8	160 65	0 2	8125	5-1-79	
1U 1L	Flow Pump			0 5	155 65	0 2	13000	5-2-79	

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
Applicant's EXHIBIT NO. 5
CASE NO. 46677
Submitted by John Becker
Hearing Date Oct 2, 1979

1U - Eumont Gas
1L - Arrowhead Grayburg Oil

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water BBL	GOR CF/BBL	Date	Comments
1U	Flow Pump			0	160	0	11000	5-3-79	
1L				5	55	1			
1U	Flow Pump			0	155	0	7143	5-4-79	
1L				7	50	1			
1U	Flow Pump			0	150	0	11500	5-5-79	
1L				4	46	4			
1U	Flow Pump			0	150	0	6429	5-6-79	
1L				7	45	2			
1U	Flow Pump			0	145	0	5625	5-7-79	
1L				8	45	1			
1U	Flow Pump			0	145	0	7500	5-8-79	
1L				6	45	2			
1U	Flow Pump			0	145	0	8000	5-9-79	
1L				5	40	1			
1U	Flow Pump			0	145	0	8000	5-10-79	
1L				5	40	1			
1U	Flow Pump			0	125	0	8000	5-17-79	
1L				5	40	0			
1U	Flow Pump			0	125	0	7000	5-24-79	
1L				5	35	1			
1U	Flow Pump			0	120	0	3125	5-31-79	
1L				8	25	2			
1U	Flow Pump			0	115	0	4400	6-7-79	
1L				5	22	3			
1U	Flow Pump			0	118	0	4167	6-14-79	
1L				6	25	2			

1U - Ramont Gas
1L - Arrowhead Grayburg Oil

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water BBL	GOR CF/BBL	Date	Comments
1U	Flow Pump			0	119	0	4000	6-28-79	
1L				5	20	0			
1U	Flow Pump			0	126	0	6667	7-5-79	
1L				3	20	1			
1U	Flow Pump			0	120	0	5000	7-12-79	
1L				4	20	0			
1U	Flow Pump			0	143	0	9000	7-13-79	
1L				2	18	0			
1U	Flow Pump			0	90	0	6667	7-26-79	
1L				3	20	1			
1U	Flow Pump			0	95	0	5000	8-9-79	
1L				5	25	1			
1U	Flow Pump			0	91	0	5000	8-16-79	
1L				4	20	1			
1U	Flow Pump			0	90	0	10000	8-23-79	
1L				2	20	2			
1U	Flow Pump			0	72	0	6667	8-31-79	
1L				3	20	0			
1U	Flow Pump			0	90	0	7333	9-13-79	
1L				3	22	1			

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

BEFORE THE UNITED STATES
OIL CONSERVATION DIVISION
Applicants *6*
Case No. *6677*
Submitted by *Texaco Pacific*
Hearing Date *Oct. 2, 1979*

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

September 21, 1979

Continental Oil Co.
Box 460
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902866

RECEIPT FOR CERTIFIED MAIL

TO INSURE - POSTAGE PROVIDED -

1. ADDRESSEE Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on the envelope.		2. ARTICLE DESCRIPTION REGISTERED NO. 902866 CERTIFIED NO. 902866 INSURED NO. 902866	
3. THE FOLLOWING SERVICE IS REQUESTED (check one) <input checked="" type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> Show to whom, date, and address of delivery <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery		4. DATE OF DELIVERY <i>Harold Smyth</i>	
5. ADDRESS (Complete only if requested) Continental Oil Co. Box 460 Hobbs, NM 88240		6. UNABLE TO DELIVER BECAUSE	

PS Form 3811, Aug. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRODIE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

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

September 21, 1979

Gulf Energy & Minerals Co. U.S.A.
Box 670
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902865

<p>1. <input checked="" type="checkbox"/> REGISTERED. Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on REVERSE.</p>		<p>2. <input checked="" type="checkbox"/> The following service is requested (check one): <input checked="" type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> Show to whom, date, and address of delivery. <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom and date delivered. <input type="checkbox"/> RESTRICTED DELIVERY. <input type="checkbox"/> Show to whom, date, and address of delivery. (CONSULT POSTMASTER FOR FEES) </p>	
<p>3. <input checked="" type="checkbox"/> Article addressed to: Gulf Energy & Minerals Co. Box 670 Hobbs, NM 88240 </p>		<p>4. <input checked="" type="checkbox"/> REGISTERED NO. 902865 CERTIFIED NO. INSURED NO. </p>	
<p>5. <input checked="" type="checkbox"/> I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent </p>		<p>6. <input checked="" type="checkbox"/> DATE OF DELIVERY POSTMARK </p>	
<p>7. <input checked="" type="checkbox"/> ADDRESS (Complete only if applicable) (UNABLE TO DELIVER) </p>		<p>8. <input checked="" type="checkbox"/> (UNABLE TO DELIVER) </p>	

PS Form 3811, Aug. 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

POST OFFICE BOX 8208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 968-4481

September 21, 1979

Martindale Petroleum Co.
Box 1955
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

P08 5740086

<p>PS Form 3811, Aug. 1978</p>	
<p>1. ADDRESSEE TO: Martindale Petroleum Co. Box 1955 Hobbs, NM 88240</p>	
<p>2. ARTICLE DESCRIPTION: REGISTERED NO. 5740086 CERTIFIED NO. INSURED NO.</p>	
<p>3. SIGNATURE: [Signature] DATE OF DELIVERY: [Date] ADDRESS: [Address] UNABLE TO DELIVER BECAUSE: [Reason]</p>	
<p>4. POSTAGE: [Postage]</p>	
<p>5. RETURN TO: [Return Address]</p>	
<p>6. RETURN TO: [Return Address]</p>	
<p>7. RETURN TO: [Return Address]</p>	
<p>8. RETURN TO: [Return Address]</p>	
<p>9. RETURN TO: [Return Address]</p>	
<p>10. RETURN TO: [Return Address]</p>	
<p>11. RETURN TO: [Return Address]</p>	
<p>12. RETURN TO: [Return Address]</p>	
<p>13. RETURN TO: [Return Address]</p>	
<p>14. RETURN TO: [Return Address]</p>	
<p>15. RETURN TO: [Return Address]</p>	
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<p>18. RETURN TO: [Return Address]</p>	
<p>19. RETURN TO: [Return Address]</p>	
<p>20. RETURN TO: [Return Address]</p>	
<p>21. RETURN TO: [Return Address]</p>	
<p>22. RETURN TO: [Return Address]</p>	
<p>23. RETURN TO: [Return Address]</p>	
<p>24. RETURN TO: [Return Address]</p>	
<p>25. RETURN TO: [Return Address]</p>	
<p>26. RETURN TO: [Return Address]</p>	
<p>27. RETURN TO: [Return Address]</p>	
<p>28. RETURN TO: [Return Address]</p>	
<p>29. RETURN TO: [Return Address]</p>	
<p>30. RETURN TO: [Return Address]</p>	
<p>31. RETURN TO: [Return Address]</p>	
<p>32. RETURN TO: [Return Address]</p>	
<p>33. RETURN TO: [Return Address]</p>	
<p>34. RETURN TO: [Return Address]</p>	
<p>35. RETURN TO: [Return Address]</p>	
<p>36. RETURN TO: [Return Address]</p>	
<p>37. RETURN TO: [Return Address]</p>	
<p>38. RETURN TO: [Return Address]</p>	
<p>39. RETURN TO: [Return Address]</p>	
<p>40. RETURN TO: [Return Address]</p>	
<p>41. RETURN TO: [Return Address]</p>	
<p>42. RETURN TO: [Return Address]</p>	
<p>43. RETURN TO: [Return Address]</p>	
<p>44. RETURN TO: [Return Address]</p>	
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<p>48. RETURN TO: [Return Address]</p>	
<p>49. RETURN TO: [Return Address]</p>	
<p>50. RETURN TO: [Return Address]</p>	
<p>51. RETURN TO: [Return Address]</p>	
<p>52. RETURN TO: [Return Address]</p>	
<p>53. RETURN TO: [Return Address]</p>	
<p>54. RETURN TO: [Return Address]</p>	
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<p>67. RETURN TO: [Return Address]</p>	
<p>68. RETURN TO: [Return Address]</p>	
<p>69. RETURN TO: [Return Address]</p>	
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<p>73. RETURN TO: [Return Address]</p>	
<p>74. RETURN TO: [Return Address]</p>	
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<p>81. RETURN TO: [Return Address]</p>	
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<p>87. RETURN TO: [Return Address]</p>	
<p>88. RETURN TO: [Return Address]</p>	
<p>89. RETURN TO: [Return Address]</p>	
<p>90. RETURN TO: [Return Address]</p>	
<p>91. RETURN TO: [Return Address]</p>	
<p>92. RETURN TO: [Return Address]</p>	
<p>93. RETURN TO: [Return Address]</p>	
<p>94. RETURN TO: [Return Address]</p>	
<p>95. RETURN TO: [Return Address]</p>	
<p>96. RETURN TO: [Return Address]</p>	
<p>97. RETURN TO: [Return Address]</p>	
<p>98. RETURN TO: [Return Address]</p>	
<p>99. RETURN TO: [Return Address]</p>	
<p>100. RETURN TO: [Return Address]</p>	

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

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

September 21, 1979

USGS
P.O. Box 1157
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902867

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
FIRST-CLASS INTERNATIONAL MAIL

<p>● SENDER: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.</p>	
<p>1. The following service is requested (check one)</p> <p><input checked="" type="checkbox"/> Show to whom and date delivered.</p> <p><input type="checkbox"/> Show to whom, date, and address of delivery</p> <p><input type="checkbox"/> RESTRICTED DELIVERY</p> <p><input type="checkbox"/> Show to whom and date delivered</p> <p><input type="checkbox"/> RESTRICTED DELIVERY</p> <p><input type="checkbox"/> Show to whom, date, and address of delivery.</p> <p>(CONSULT POSTMASTER FOR FEES)</p>	
<p>2. ARTICLE ADDRESSED TO:</p> <p>USGS P.O. Box 1157 Hobbs, N.M. 88240</p>	
<p>3. ARTICLE DESCRIPTION:</p> <p>REGISTERED NO. 902867 INSURED NO.</p>	
<p>4. I have received the article described above.</p> <p>SIGNATURE <i>W. F. Carr</i> <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent</p> <p>DATE OF DELIVERY POSTMARK</p>	
<p>5. ADDRESS (Complete only if requested)</p>	
<p>6. UNABLE TO DELIVER BECAUSE:</p>	

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

Elliott "B-6" No. 1
330' FSL & 610' FWL, Sec. 6, T-22-S, R-37-E
Lea County, New Mexico

Elevation 3457 G.H., 3457 R.F.

Completion date 2-28-45

Well History

7-30-45 Perf 3690'-3722', AC/1000 gals

20%, AC/5000 gals 15%

Grayburg.

3-1-52 AC/1000 gals 15% (3705-3722)

11-1-56 Set CIBP @ 3650 w/ 1 SA on top,

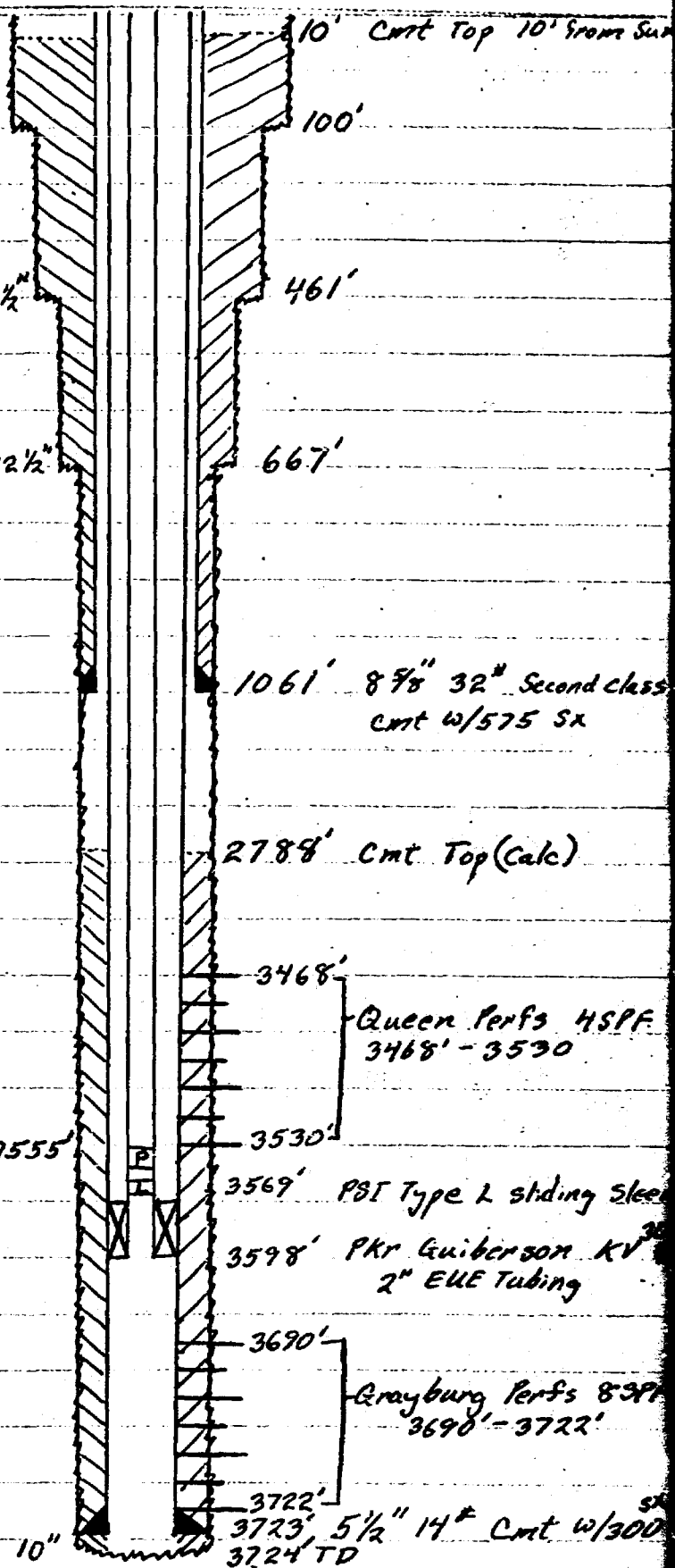
Perf 3468'-3530 Queen

11-6-56 SOT w/ 8000 gals lease oil &

8000 # of 20/40 Snd (3468-3530)

DOBP push to TP, Set PKR 3598'

1 1/2" x 2" x 16' Pump 3555'
+ 141 3/4" Rods



CIBP drilled out and
pushed to bottom w TD

1U - Emont Gas
1L - Arrowhead Greyburg Oil

ELLIOTT "B-6" NO. 1
Well Test History

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water BBL	GOR CF/BBL	Date	Comments
1U	Flow		65	0	80	0		1-12-78	
1U	Flow		65	0	95	0		4-6-78	
1U	Flow		60	0	110	0		5-17-78	
1U	Flow		55	0	105	0		8-7-78	
1U	Flow		60	0	110	0		11-14-78	
1U & 1L	Swbd Tbg			17	0	4		2-26-79	10 hrs Camgld Csg SI
1U & 1L	Swbd Tbg			24	0	5		2-27-79	10 hrs Camgld Csg SI
1U & 1L	Swbd Tbg			41	262	9	6390	2-28-79	Camgld Csg Open
1U 1L	Flow Pump			0 16	140 73	0 29	4562	4-25-79	
1U 1L	Flow Pump			0 4	135 47	0 3	11750	4-26-79	
1U 1L	Flow Pump			0 6	171 47	0 1	7833	4-27-79	
1U 1L	Flow Pump			0 2	140 36	0 0	18000	4-28-79	
1U 1L	Flow Pump			0 5	165 35	0 2	11000	4-29-79	
1U 1L	Flow Pump			0 1	160 57	0 3	57000	4-30-79	
1U 1L	Flow Pump			0 8	160 65	0 2	8125	5-1-79	
1U 1L	Flow Pump			0 5	155 65	0 2	13000	5-2-79	

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION

Applicant's EXHIBIT NO. 5

CASE NO. 6677

Submitted by John Becker

Hearing Date 8-2-1979

1U - Eumant Gas
1L - Arrowhead Grayburg Oil

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water BBL	GOR CF/BBL	Date	Comments
1U	Flow Pump			0	160	0			
1L				5	55	1	11000	5-3-79	
1U	Flow Pump			0	155	0			
1L				7	50	1	7143	5-4-79	
1U	Flow Pump			0	150	0			
1L				4	46	4	11500	5-5-79	
1U	Flow Pump			0	150	0			
1L				7	45	2	6429	5-6-79	
1U	Flow Pump			0	145	0			
1L				8	45	1	5625	5-7-79	
1U	Flow Pump			0	145	0			
1L				6	45	2	7500	5-8-79	
1U	Flow Pump			0	145	0			
1L				5	40	1	8000	5-9-79	
1U	Flow Pump			0	145	0			
1L				5	40	1	8000	5-10-79	
1U	Flow Pump			0	125	0			
1L				5	40	0	8000	5-17-79	
1U	Flow Pump			0	125	0			
1L				5	35	1	7000	5-24-79	
1U	Flow Pump			0	120	0			
1L				8	25	2	3125	5-31-79	
1U	Flow Pump			0	115	0			
1L				5	22	3	4400	6-7-79	
1U	Flow Pump			0	118	0			
1L				6	25	2	4167	6-14-79	

1U - Dumont Gas
1L - Arrowhead Grayburg Oil

Zone	Method Prod	Csg Press PSIG	Tbg Press PSIG	Oil BBL	Gas MCF	Water BBL	GOR CF/BBL	Date	Comments
1U 1L	Flow Pump			0 5	119 20	0 0	4000	6-28-79	
1U 1L	Flow Pump			0 3	126 20	0 1	6667	7-5-79	
1U 1L	Flow Pump			0 4	120 20	0 0	5000	7-12-79	
1U 1L	Flow Pump			0 2	143 18	0 0	9000	7-19-79	
1U 1L	Flow Pump			0 3	90 20	0 1	6667	7-26-79	
1U 1L	Flow Pump			0 5	95 25	0 1	5000	8-9-79	
1U 1L	Flow Pump			0 4	91 20	0 1	5000	8-16-79	
1U 1L	Flow Pump			0 2	90 20	0 2	10000	8-23-79	
1U 1L	Flow Pump			0 3	72 20	0 0	6667	8-31-79	
1U 1L	Flow Pump			0 3	90 22	0 1	7333	9-13-79	

Average
GOR
7400

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

BEFORE THE FEDERAL JUDICIAL
OIL CONSERVATION DIVISION

Applicants 6
Case No. 6677
Submitted by Stacy Pacific
Hearing Date Oct. 2, 1979

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 968-4421

September 21, 1979

Continental Oil Co.
Box 460
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902866

RECEIPT FOR CERTIFIED MAIL

NO CHARGE - POSTAGE PROVIDED

1. REGISTERED MAIL: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.

2. IF DELIVERY SERVICE IS REQUESTED (check one):
☒ Supply to whom and date delivered
☐ Ship to whom, date, and address of delivery
☐ RESTRICTED DELIVERY
☐ Show to whom and date delivered
☐ RESTRICTED DELIVERY
☐ Show to whom, date, and address of delivery

3. ARTICLE DESCRIPTION: Continental Oil Co.
Box 460
Hobbs, NM 88240

4. REGISTERED MAIL: CERTIFIED NO. 902866

5. IF RECEIVED THE ARTICLE DESCRIBED ABOVE:
☐ Address ☐ Authorized agent
☐ Signature of recipient

6. DATE OF DELIVERY

7. ADDRESS (Complete only if requested)

8. UNABLE TO DELIVER BECAUSE

PS Form 3811, Aug. 1978



CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALOWELL

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

September 21, 1979

Gulf Energy & Minerals Co. U.S.A.
Box 670
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902865

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL PS Form 3811, Aug. 1978	
1. Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
2. The following service is requested (check one). <input checked="" type="checkbox"/> Show to whom and date delivered <input type="checkbox"/> Show to whom, date, and address of delivery. RESTRICTED DELIVERY <input type="checkbox"/> Show to whom and date delivered RESTRICTED DELIVERY <input type="checkbox"/> Show to whom, date, and address of delivery. (CONSULT POSTMASTER FOR FEES)	
3. ARTICLE DESCRIBED:	
REGISTERED NO.	CERTIFIED NO.
INSURED NO.	902865
4. I have received the article described above. SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
DATE OF DELIVERY	
POSTMARK	
5. ADDRESS (Complete only if registered)	
6. UNABLE TO DELIVER	

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 999-4421

September 21, 1979

Martindale Petroleum Co.
Box 1955
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

P08 5740086

1. COMPLETE: Complete items 1, 2, and 3. Add your address in the "RETURN TO" space on reverse.	
2. THE FOLLOWING SERVICE IS REQUESTED (check one): <input type="checkbox"/> Return to whom and date delivered <input type="checkbox"/> Return to whom, date, and address of delivery <input checked="" type="checkbox"/> REGISTERED DELIVERY <input type="checkbox"/> Return to whom and date delivered <input type="checkbox"/> REGISTERED DELIVERY <input type="checkbox"/> Return to whom, date, and address of delivery (CONSULT POSTMASTER FOR FEES)	
3. ARTICLE ADDRESSED TO: Martindale Petroleum Co. Box 1955 Hobbs, NM 88240	
4. ARTICLE DESCRIPTION: REGISTERED NO. 5740086 CERTIFIED NO. 5740086 INSURED NO.	5. SIGNATURE: <i>William F. Carr</i> AUTHORIZED SIGNATURE: <input type="checkbox"/> AUTHORIZED SIGNATURE: <input type="checkbox"/> DATE OF DELIVERY:
6. ADDRESS (Complete only if registered): 7. UNABLE TO DELIVER BECAUSE:	

PS Form 3811, Aug 1978

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

POST OFFICE BOX 2208
JEFFERSON PLACE
SANTA FE, NEW MEXICO 87501
TELEPHONE (505) 968-4421

September 21, 1979

USGS
P.O. Box 1157
Hobbs, New Mexico 88240

Gentlemen:

Enclosed is a copy of the Oil Conservation Division
Docket for October 2, 1979. You may have an interest
affected by Case No. 6677.

Very truly yours,

William F. Carr

WFC:tn

Enclosure

No. 902867

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED —
FOR THE INFORMATION OF THE

<p>1. The following service is requested (check one):</p> <p><input checked="" type="checkbox"/> Show to whom and date delivered.</p> <p><input type="checkbox"/> Show to whom, date, and address of delivery</p> <p><input type="checkbox"/> RESTRICTED DELIVERY</p> <p><input type="checkbox"/> Show to whom and date delivered.</p> <p><input type="checkbox"/> RESTRICTED DELIVERY.</p> <p><input type="checkbox"/> Show to whom, date, and address of delivery \$ —</p> <p>(CONSULT POSTMASTER FOR FEES)</p>		<p>2. ARTICLE ADDRESSED TO:</p> <p>USGS P.O. Box 1157 Hobbs, N.M. 88240</p>	
<p>3. ARTICLE DESCRIPTION:</p> <p>REGISTERED NO. 902867</p>		<p>INSURED NO.</p>	
<p>4. SIGNATURE: <i>William F. Carr</i></p> <p>DATE OF DELIVERY: <i>9/21/79</i></p> <p>POSTMARK: <i>Santa Fe, NM</i></p>			
<p>5. ADDRESS (complete only if requested)</p>			
<p>6. UNABLE TO DELIVER (complete only if requested)</p>			

CASE 6644: (Continued from September 19, 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 6675: Application of Gifford, Mitchell & Wisenbaker for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Pawnee Unit Area, comprising 3,840 acres, more or less, of State and federal lands in Township 26 South, Range 36 East.

CASE 6671: (Continued from September 19, 1979, Examiner Hearing)

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 6676: Application of Doyle Hartman for an unorthodox well location and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the SW/4 NE/4 and SE/4 NW/4 of Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the North line and 1650 feet from the East line of said Section 36.

CASE 6677: Application of Texas Pacific Oil Company, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Arrowhead-Grayburg and Eumont production in the wellbore of its Elliott B-6 Well No. 1 located in Unit M of Section 6, Township 22 South, Range 37 East.

CASE 6678: Application of Texas Pacific Oil Company, Inc. for downhole commingling and a special casinghead gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry and Tubb production in the wellbore of its Eva Owens Well No. 1 located in Unit M of Section 25, Township 21 South, Range 37 East. Applicant further seeks an increase in the casinghead gas allowable for said well.

CASE 6660: (Continued from September 19, 1979, Examiner Hearing)

Application of B. & W. Oil Reclaiming for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the NE/4 NE/4 of Section 34, Township 18 South, Range 26 East.

CASE 6679: Application of El Paso Natural Gas Company for a gas storage unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Washington Ranch Morrow Unit Area comprising the Morrow formation and the first 100 feet immediately above and below said formation underlying all or parts of Sections 21 thru 23, 26 thru 29, and 32 thru 36, Township 25 South, Range 24 East; Sections 1 thru 5 and 9 thru 14, Township 26 South, Range 24 East; and Sections 6, 7, and 18, Township 26 South, Range 25 East, Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said unit area would be for the purpose of conducting a gas storage project and would comprise 12,158 acres, more or less, of State, federal and fee lands.

CASE 6630: (Continued from August 22, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and BS Mesa-Gallup production in the wellbore of its San Juan 27-4 Unit Well No. 37 located in Unit N of Section 33, Township 27 North, Range 4 West.

CASE 6680: Application of Robert C. Anderson for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the surface commingling of all production from his Ute Mountain Ute Lease, Wells Nos. 1, 3 and 4, located in Section 14, Township 31 North, Range 16 West.

CASE 6681: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Mississippian test well to be located 660 feet from the South line and 1100 feet from the West line of Section 31, Township 18 South, Range 26 East, the S/2 of said Section 31 to be dedicated to the well.

CAMPBELL AND BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
PAUL R. CALDWELL

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

September 17, 1979

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

RE: Oil Conservation Division Case 6677:
In the Matter of the Application of Texas
Pacific Oil Company, Inc. for Downhole Com-
mingling, Lea County, New Mexico.

Dear Mr. Ramey:

Enclosed herewith, in triplicate, is an appli-
cation of Texas Pacific Oil Company, Inc. The applicant
requests that this case be set for the examiner's hearing
scheduled to be held on October 2, 1979.

Very truly yours,

William F. Carr
William F. Carr

WFC:tn

Enclosure

cc: Texas Pacific Oil Company, Inc.
c/o Mel Schroder
Post Office Box 4067
Midland, Texas 79701

RECEIVED
SEP 18 1979
OIL CONSERVATION DIVISION
SANTA FE
RECEIVED
SEP 19 1979
OIL CONSERVATION DIVISION
SANTA FE

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

IN THE MATTER OF THE APPLICATION
OF TEXAS PACIFIC OIL COMPANY, INC.
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

CASE No. 6677

APPLICATION

Comes now, TEXAS PACIFIC OIL COMPANY, INC., by and through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for approval of Downhole Commingling and in support thereof respectfully states:

1. Applicant is the operator of the Elliott B-6 Well No. 1 located 330 feet from the South line and 610 feet from the West line of Section 6, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, which is completed in the Eumont Gas Zone and the Arrowhead Grayburg Oil Zone.
2. That Arrowhead Grayburg production declined resulting in this zone being temporarily abandoned as uneconomic to produce.
3. That applicant tested the Arrowhead Grayburg Zone by pumping it under a packer and determined that it was not economically feasible to produce this zone in this fashion.
4. That commingling the two zones will result in it being economically feasible to produce both zones thereby increasing production from the subject well.

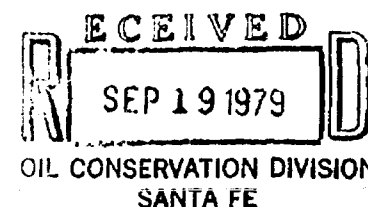
5. That granting the application will result in the recovery of hydrocarbons which would otherwise not be recovered thereby preventing waste.

6. That granting the application is in the interest in conservation and will not impair correlative rights.

WHEREFORE, applicant respectfully requests that this matter be set for hearing before the Division's duly appointed examiner on October 2, 1979, that notice be given as required by law and the rules of the Commission and that, upon hearing, an order be entered granting this application.

Respectfully submitted,
CAMPBELL AND BLACK, P.A.

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



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

IN THE MATTER OF THE APPLICATION
OF TEXAS PACIFIC OIL COMPANY, INC.
FOR DOWNHOLE COMMINGLING, LEA
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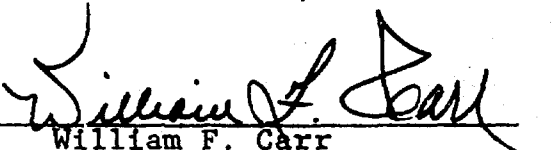
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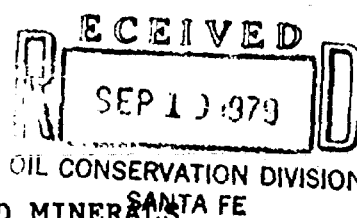
Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By 

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

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



IN THE MATTER OF THE APPLICATION
OF TEXAS PACIFIC OIL COMPANY, INC.
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

CASE No. 6677

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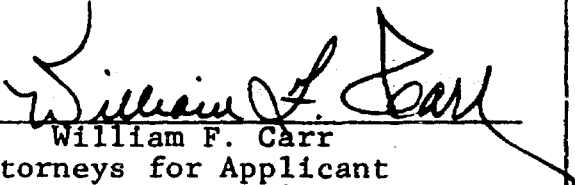
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Respectfully submitted,

CAMPBELL AND BLACK, P.A.

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

Memo

From

FLORENE DAVIDSON
ADMINISTRATIVE SECRETARY

To

Called in by Bill Carr
9/12/79

Texas Pacific Oil Co., Inc.
Brownhole Commingling
Arrowhead-Grayburg and
Eumont

Elliott B-6 #1-M

6-225-37E

OIL CONSERVATION COMMISSION-SANTA FE

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. 6677

Order No. A-6257

APPLICATION OF TEXAS PACIFIC OIL COMPANY, INC.
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 2
19 79, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this 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, Texas Pacific Oil Company, Inc., is
the owner and operator of the Elliott B-6 Well No. 1
Arrowhead, located in Unit M of Section 6, Township 22 South,
Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle oil production
from the Arrowhead-Grayburg Pool gas production from the
and Eumont Gas Pool production
within the wellbore of the above-described well.

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

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

(6) That ^{with} the proposed commingling ~~may~~ ^{might} result in the recovery of additional hydrocarbons from each of the subject pools, ~~thereby~~

waste could occur through the wetting of ~~the~~ Eumont gas sands by Arrowhead - Grayburg oil if the well were shut-in for an extended period.

(7) That there is no mechanism to assure the Division that said Elliott B-6 Well No. 1 would not be shut-in for an extended period following completion of the proposed downhole commingling.

(8) That to avoid the potential for waste the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the applicant, ^{from of} ~~the~~ Texas Pacific Oil Company, Inc., ~~to~~ hereby ~~authorized~~ to commingle Arrowhead-Grayburg ^{oil production} and Eumont ^{gas} production within the wellbore of the Elliott B-6 Well No. 1, located in Unit M of Section 6, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico ~~is hereby denied.~~

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

(ALTERNATE)

(2) That _____ percent of the commingled production shall be allocated to the Arrowhead-Grayburg zone and _____ percent of the commingled production shall be allocated to the Eumont zone.

(3) That the operator of the subject well shall immediately notify the Division's Hobbs 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.

(2) ~~(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.