

CASE 7011: AMOCO PRODUCTION COMPANY FOR
DONNELL COMINGLING, SAN JUAN COUNTY,
NEW MEXICO

CONTINUED

TO

SEPTEMBER 17

CASE NO.

7011

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



R. W. Schroeder
District Superintendent

October 21, 1982

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

File: DDL-129-986.511

Dear Mr. Ramey:

Downhole Commingle Gas Production from Fruitland and Pictured Cliffs Formations

Pursuant to Division Order No. R-6431, gas production from the Fruitland and Pictured Cliffs Formations was commingled and assigned gas allocations on the following wells:

	<u>Fruitland</u>	<u>Pictured Cliffs</u>
A. L. Elliott "B" No. 8 NE/4, Section 10, T29N, R9W	63%	37%
A. L. Elliott "D" No. 7 SW/4, Section 11, T29N, R9W	62%	38%
A. L. Elliott "E" No. 1 NW/4, Section 14, T29N, R9W	72%	28%

The following procedure is used in calculating percentages on the above wells:

Avg. production before commingling for 5 months -
Avg. production after commingling for 2 months

= % of Fruitland

Very truly yours,

R. W. Schroeder

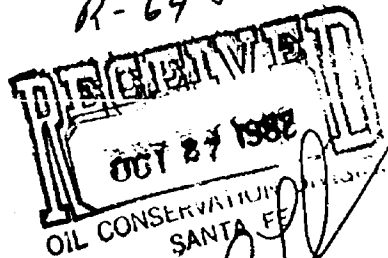
BTR/mp

cc: Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Amoco Production Company (USA)

Petroleum Center Building
501 Airport Drive
Farmington, New Mexico 87401
605-325-8841

Re: Case 7011
R-6481





Amoco Production Company (USA)
501 Airport Drive
Farmington, NM 87401

October 27, 1982

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

File: DDL-139-986.511

Dear Mr. Ramey:

Downhole Commingle Gas Production from
Fruitland and Pictured Cliffs Formations

Reference our letter dated October 21, 1982, File: DDL-129-986.511,
the following production figures were used in calculating gas
allocations on the following wells:

A. L. Elliott "B" No. 8
NE/4, Section 10, T29N, R9W

This well was a dual before commingling, so production figures before
commingling are:

	<u>P/C</u>	<u>Fruitland</u>	<u>% P/C</u>
March 1981	88 MCF	140 MCF	39%
April 1981	67 MCF	119 MCF	36%
May 1981	81 MCF	136 MCF	37%
June 1981	61 MCF	116 MCF	35%

Average % is 37% P/C; 63% Fruitland.

Joe D. Ramey
 Page 2
 October 27, 1982
 File: DDL-139-986.511

A. L. Elliott "D" No. 7
SW/4, Section 11, T29N, R9W

	<u>P/C</u>	<u>P/C & Fruitland</u>
September 1981	37 MCF	October 1981 - 153 MCF
August 1981	45 MCF	November 1981 - 97 MCF
July 1981	46 MCF	
June 1981	51 MCF	
May 1981	54 MCF	

Average P/C = 47 MCF

125 - 47 = 78 Fruitland

Average P/C and Fruitland = 125 MCF

$$\frac{78}{125} = 62\% \text{ Fruitland}$$

$$\frac{47}{125} = 38\% \text{ P/C}$$

A. L. Elliott "E" No. 1
NW/4, Section 14, T29N, R9W

	<u>P/C</u>	<u>Days</u>
January 1981	1762 MCF	31
February 1981	1565 MCF	28
March 1981	1891 MCF	31
April 1981	1662 MCF	30
May 1981	1523 MCF	31
June 1981	1464 MCF	30
July 1981	1393 MCF	31
August 1981	1483 MCF	31
September 1981	1126 MCF	30
	13,869 MCF	273

13,869 ÷ 273 = 50.8 MCFD for Pictured Cliffs

Joe D. Ramey
Page 3
October 27, 1982
File: DDL-139-986.511

Conducted a deliverability test after commingling for 43.4 days. It produced 7726 MCF gas and averaged 178 MCFD for Fruitland and Pictured Cliffs formations.

178 MCFD -- 50.8 MCFD = 127.2 MCFD for Fruitland

$127.2 \div 178 = 72\%$ - Fruitland
 $50.8 \div 178 = 28\%$ - P/C

Very truly yours,



S. D. Blossom
District Superintendent

BTR/mp

cc: Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

October 23, 1980

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Gordon Ryan, Attorney
Amoco Production Company
Security Building
Denver, Colorado 80202

Re: CASE NO. 7011
ORDER NO. R-6481

Applicant:

Ameron Production Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

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

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7011
Order No. R-6481

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR DOWNHOLE COMMINGLING,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 17, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of October, 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, Amoco Production Company, is the owner and operator of six wells described as follows: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; Elliott "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; Elliott "D" No. 7, SW/4 of Section 11; and Elliott "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West, NMPH, San Juan County, New Mexico.

(3) That the applicant seeks authority to commingle Fruitland and Blanco-Pictured Cliffs production within the wellbores of the above-described wells.

(4) That from the Fruitland zone, the subject wells are or are expected to be capable of low marginal production only.

(5) That from the Blanco-Pictured Cliffs zone, the subject wells are or are expected to be capable of low marginal production only.

-2-

Case No. 7611
Order No. R-6481

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

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

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject wells are shut-in for 7 consecutive days.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to commingle Fruitland and Blanco-Pictured Cliffs production within the wellbores of the following six wells: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; Elliott "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; Elliott "D" No. 7, SW/4 of Section 11; and Elliott "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

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

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

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

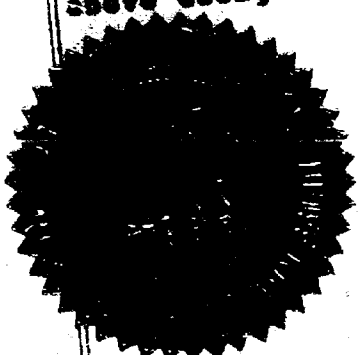
-3-

Case No. 7011
Order No. R-6481

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director



SEAL

rd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
17 September 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Com-
pany for downhole commingling, San
Juan County, New Mexico.

CASE
7011

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Gordon D. Ryan, Esq.
Amoco Production Company
Denver, Colorado

SALLY W. BOYD, C.S.R.

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

I N D E X

BART GILES

Direct Examination by Mr. Ryan	3
Cross Examination by Mr. Stamets	9
Cross Examination by Mr. Padilla	13

E X H I B I T S

Applicant Exhibit One, Plat	4
-----------------------------	---

SALLY W. BOYD, C.S.R.

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

1 MR. STAMETS: We'll call next Case 7011.

2 MR. PADILLA: Application of Amoco Pro-
3 duction Company for downhole commingling, San Juan County,
4 New Mexico.

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

7 MR. RYAN: Gordon D. Ryan, Denver, Colorado,
8 appearing on behalf of the applicant, Amoco Production Com-
9 pany, and the file should also reflect that a letter from
10 Mr. Paul Cooter of Roswell should appear in this file.

11
12 (Witness sworn.)

13
14 BART GILES

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

17
18 DIRECT EXAMINATION

19 BY MR. RYAN:

20 Q I have one witness and I'll ask that he
21 state his name, by whom he's employed and in what capacity.

22 A R. B. Giles, with Amoco Production Com-
23 pany in an engineering capacity in its Denver Region Office.

24 Q Have you previously testified before this
25 Commission and had your qualifications admitted?

SALLY W. BOYD, C.S.R.

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

1 A Yes, on both counts.

2 Q And are you familiar with this application?

3 A I am.

4 MR. RYAN: Any question about Mr. Giles
5 qualification?

6 MR. STAMETS: None.

7 Q In preparation for this hearing have you
8 prepared an exhibit?

9 A Yes, a lone exhibit that we have labeled
10 Exhibit Number One.

11 Q Would you briefly state what Amoco seeks
12 in this application?

13 A Amoco seeks permission to downhole com-
14 mingle gas production from the Fruitland formation and from
15 the Pictured Cliffs formation in six wells in the Blanco Field,
16 in San Juan County.

17 Exhibit One shows several things. It
18 shows the wells in the area and under each well is a box
19 tabulation, shown in the legend down at the bottom of the ex-
20 hibit, IP of the well, the completion date. Under those two
21 figures, the current rate; to the right of that would be the
22 cumulative production to 1-1-80. And the current rate, inci-
23 dentally, would be the average from Dwight's curves of the
24 last half of 1979.

25 Finally the box at the bottom shows on

1 the left remaining reserves and to the right, the current
2 7-day shut-in pressure test for the well.

3 All of the boxes that are open, and this
4 applies to most of the boxes on Exhibit One, show Pictured
5 Cliffs data.

6 To distinguish the Fruitland from it, we
7 have italicized the Fruitland box and also put a dark band
8 around the box, and you'll see that there are far fewer boxes
9 for Fruitland formation test data than for the Pictured
10 Cliffs.

11 We show on Exhibit One with arrows six
12 wells that Amoco wishes permission to downhole commingle Fruit-
13 land and Pictured Cliffs gas production. Starting at the top
14 of Exhibit One it's the E. E. Elliott "C" No. 1 in the south-
15 east quarter of Section 9, 30 North, 9 West; currently a
16 Fruitland well; been producing for eight years, eight-and-a-
17 half years; presently producing only 27 Mcfd.

18 Further towards the bottom of the map, we
19 have the A. L. Elliott "A" No. 3 in the northeast quarter of
20 Section 11, 29 North, 9 West; has been producing a little over
21 two years from the Pictured Cliffs; currently producing 189
22 MCFD.

23 In the northwest quarter of Section 11 is
24 the A. L. Elliott "A" No. 2, which has been producing over
25 eight-and-a-half years from the Fruitland; currently makes

SALLY W. BOYD, C.S.R.

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

1 47 MCFD.

2 In the southwest quarter of Section 11 is
3 the A. L. Elliott "D" No. 7, a Pictured Cliffs well for a
4 little over two years; currently producing 71 MCFD.

5 In the northwest quarter of Section 14 is
6 the A. L. Elliott "E" No. 1, a Pictured Cliffs well; has been
7 on-stream for almost two-and-a-half years; currently producing
8 69 MCFD.

9 Now, in Section 10 we have the -- in the
10 northeast quarter of that section, the A. L. Elliott "B" No.
11 8. The box under it is not the box for that well but it is
12 for the well in the southeast quarter of Section 10. We
13 simply did not have enough room to put it under the Well No.
14 4 in the southeast quarter.

15 I mention this specifically because the
16 "B" No. 8 in the northeast quarter of 10 has not yet been put
17 on line. It is one of the six proposed downhole commingling
18 wells, however.

19 MR. STAMETS: What formation is it cur-
20 rently completed in?

21 A. Pictured Cliffs.

22 MR. STAMETS: Thank you.

23 Q Mr. Giles, would you state why Amoco
24 seeks to commingle these wells, on what basis?

25 A. Yes. The wells, obviously, are already

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 435-7409

SALLY W. BOYD, C.S.R.

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

Page 7

1 drilled. Each has been equipped with 4-1/2 inch production
2 casing. We would prefer not to dual with a packer in the hole
3 because we cannot effectively remove fluids that might log
4 off the flow of gas.

5 We would also have to produce the shallower
6 formation, the Fruitland, up the annulus and in case it logged
7 off it would mean we would have to bring in a service unit
8 to restore production from the well, and just a few gallons
9 of water can log off the flow of gas in this area, and we
10 sincerely believe that we can improve ultimate gas recovery
11 from both the Fruitland and PC formations by downhole com-
12 mingling in order to use the full downhole pressure to sus-
13 tain flow and keep any fluids from building up at the bottom
14 of the hole.

15 I think you'll notice from the resume I
16 gave of the production currently at each well, the production
17 is a low rate of magnitude, whether it be from the Fruitland
18 or the Pictured Cliffs. We will frac the newly opened zone
19 in each well and it will cost \$65,000 to prepare the well for
20 commingled production. Most of that cost, of course, is for
21 the frac.

22 Q Does it appear from the wells producing
23 in the area that the -- that nonproducing zone at this time
24 is also present or would be present in the wells?

25 A Yes. Our analysis of the -- and inspection

1 of the logs of the Fruitland and the Pictured Cliffs in the
2 area give us a reasonable expectation that each would be
3 productive in each of these six wells.

4 Q In your opinion will the granting of
5 this application be in the best interest of conservation?

6 A Yes, we think so.

7 Q And in your opinion can these wells be
8 commingled and the wells be produced from both zones without
9 causing underground waste?

10 A Definitely.

11 Q And in your opinion will there be some
12 economic waste prevented if this application is granted?

13 A Yes, it will certainly minimize repair
14 costs in case wells should happen to build up with fluid and
15 we need to restore productivity.

16 There is precedent in the area for down-
17 hole commingling. The legend at the bottom left of Exhibit
18 One shows with the heavy cogwheel-type symbol that just to
19 the northeast of the five locations we propose to downhole
20 commingle in Township 29 North is the Tenneco Florance No. 60R
21 in the southwest quarter of Section 1, 29 North, 9 West, and
22 also just to the east near the top of the Exhibit One in the
23 southwest quarter of Section 10 is the Tenneco Florance No.
24 115, which is presently commingled by authority of the Oil
25 Conservation Division. That particular well lies immediately

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7419

1 east of the E. E. Elliott "C" No. 1, one of our proposed six
2 downhole commingles.

3 Q These are those wells that were completed
4 about a year ago, were they not?

5 A Yes.

6 Q And they currently are averaging more than
7 most of the wells that we're proposing to commingle?

8 A Correct.

9 Q Was Exhibit One prepared by you or under
10 your supervision?

11 A It was.

12 MR. RYAN: I'd offer the Exhibit into
13 evidence and that's all the questions I have on direct.

14 MR. STAMETS: The Exhibit One will be
15 admitted.

16
17 CROSS EXAMINATION

18 BY MR. STAMETS:

19 Q Mr. Giles, do you know what the line
20 pressure is in the area?

21 A I do not, sir.

22 Q Do either of these zones produce liquids?

23 A The Pictured Cliffs in particular -- no,
24 I should take that back. The Fruitland probably has a history
25 of producing a few gallons of water as opposed to the Pictured

SALLY W. BOYD, C.S.R.

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

1 Cliffs. But you can get some water, like a few gallons, from
2 each formation.

3 For example, right between the base of
4 the Fruitland best pay interval and the top of the Pictured
5 Cliffs, is a coal zone. If there happened to be communication
6 from the coal zone, you could expect some water in the Fruit-
7 land.

8 So that's a little bit of a touchy situ-
9 ation. You have to perforate the Fruitland as high as pos-
10 sible in its pay zone and hope you don't communicate into
11 the coal zone through a frac job.

12 Q Do you have any pressure information on
13 any of these wells?

14 A Well, we have shown at the bottom, the
15 lower righthand corner of the boxes, the shut-in 7-day pres-
16 sure tests.

17 Q All right.

18 A The pressures are in the, generally in
19 the 350 to 515 range in the two formations. They're reason-
20 able comparable.

21 Oh, I would like to add something. In
22 the northeast quarter of Section 11, the A. L. Elliott "A"
23 No. 3, we show in the left bottom box a question mark.

24 We do the same in the northwest quarter
25 of Section 14, the A. L. Elliott "B" No. 1. We have a question

SALLY W. BOYD, C.S.R.

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

1 mark, and this pertains to remaining reserves.

2 The reason for the question mark is that
3 there is not enough decline curve trend for those wells to
4 be able to extrapolate the trend and estimate remaining re-
5 serves.

6 The only other way we could do this would
7 be to make pore volume estimates of reserves and we do not
8 feel that's as strong a method as decline curve analysis.

9 Both wells, obviously, from their cumula-
10 tive production, are rather weak producers.

11 Q It would appear, looking at your Exhibit
12 Number One, that we would not anticipate pressure differen-
13 tials between the two zones exceeding 50 percent, the lower
14 zone being not less than 50 percent of the pressure in the
15 higher zone.

16 A That's correct.

17 Q This has been the general well that the
18 Division has followed in authorizing downhole commingling.

19 In each of these wells I presume you plan
20 to run the tubing as close to the Pictured Cliffs perforations
21 as possible?

22 A Yes.

23 Q What sort of vertical distance do we have
24 between these zones?

25 A The base of the last pay zone in the

SALLY W. BOYD, C.S.R.

RL 1 Box 193-R
Santa Fe, New Mexico 87501
Phone (505) 435-7469

1 Pictured Cliffs would be about 40 feet from the top of the
2 first pay zone in the Pictured Cliffs.

3 Q So they're very close.

4 A Very close; one lies right on top of
5 another. There is that coal stringer right between, however.

6 Q Okay. How would you propose to develop
7 an allocation for the production of these two zones?

8 A We've talked about that at great length.
9 Could I ask -- maybe I want to go off the record.

10 Q Okay.

11
12 (There followed a discussion
13 off the record.)
14

15 A Let's go back on the record. Let me an-
16 swer Mr. Stamet's question as to allocation.

17 We would suggest on the older wells with
18 a stabilized rate that if commingling is approved, why, just
19 subtract the old rate from the new combined stream.

20 Q It sounds as though what you'd like to do
21 is just simply work this out with the District Supervisor
22 during the process of completion of the wells, at that time.

23 A I think that would be excellent.

24 Q Okay.

25 MR. STAMETS: Are there any other ques-

SALLY W. BOYD, C.S.R.

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

1 tions of the witness? Mr. Padilla?

2
3 CROSS EXAMINATION

4 BY MR. PADILLA:

5 Q Mr. Giles, is the ownership in both for-
6 mations, or both zones, common?

7 A Yes, it is. The minerals, I am told, are
8 owned by the Federal government. The names by the wells re-
9 present the surface owners.

10 MR. STAMETS: And Amoco is the working
11 interest owner?

12 A Yes. All the stipled acreage on Exhibit
13 One is Amoco's full leasehold.

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

16 Anything further in this case?

17 The case will be taken under advisement.

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

SALLY W. BOYD, C.S.R.

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

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
17 September 1980
EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Com-
pany for downhole commingling, San
Juan County, New Mexico.

CASE
7011

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Gordon D. Ryan, Esq.
Amoco Production Company
Denver, Colorado

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I N D E X

BART GILES

Direct Examination by Mr. Ryan	3
Cross Examination by Mr. Stamets	9
Cross Examination by Mr. Padilla	13

E X H I B I T S

Applicant Exhibit One, Plat	4
-----------------------------	---

SALLY W. BOYD, C.S.R.

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

SALLY W. BOYD, C.S.R.

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

Page 3

1 MR. STAMETS: We'll call next Case 7011.

2 MR. PADILLA: Application of Amoco Pro-
3 duction Company for downhole commingling, San Juan County,
4 New Mexico.

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

7 MR. RYAN: Gordon D. Ryan, Denver, Colorado,
8 appearing on behalf of the applicant, Amoco Production Com-
9 pany, and the file should also reflect that a letter from
10 Mr. Paul Cooter of Roswell should appear in this file.

11
12 (Witness sworn.)

13
14 BART GILES

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

17
18 DIRECT EXAMINATION

19 BY MR. RYAN:

20 Q I have one witness and I'll ask that he
21 state his name, by whom he's employed and in what capacity.

22 A R. B. Giles, with Amoco Production Com-
23 pany in an engineering capacity in its Denver Region Office.

24 Q Have you previously testified before this
25 Commission and had your qualifications admitted?

SALLY W. BOYD, C.S.R.

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

1 A Yes, on both counts.

2 Q And are you familiar with this application?

3 A I am.

4 MR. RYAN: Any question about Mr. Giles
5 qualification?

6 MR. STAMETS: None.

7 Q In preparation for this hearing have you
8 prepared an exhibit?

9 A Yes, a lone exhibit that we have labeled
10 Exhibit Number One.

11 Q Would you briefly state what Amoco seeks
12 in this application?

13 A Amoco seeks permission to downhole com-
14 mingle gas production from the Fruitland formation and from
15 the Pictured Cliffs formation in six wells in the Blanco Field,
16 in San Juan County.

17 Exhibit One shows several things. It
18 shows the wells in the area and under each well is a box
19 tabulation, shown in the legend down at the bottom of the ex-
20 hibit, IP of the well, the completion date. Under those two
21 figures, the current rate; to the right of that would be the
22 cumulative production to 1-1-80. And the current rate, inci-
23 dentally, would be the average from Dwight's curves of the
24 last half of 1979.

25 . Finally the box at the bottom shows on

SALLY W. BOYD, C.S.R.

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

1 the left remaining reserves and to the right, the current
2 7-day shut-in pressure test for the well.

3 All of the boxes that are open, and this
4 applies to most of the boxes on Exhibit One, show Pictured
5 Cliffs data.

6 To distinguish the Fruitland from it, we
7 have italicized the Fruitland box and also put a dark band
8 around the box, and you'll see that there are far fewer boxes
9 for Fruitland formation test data than for the Pictured
10 Cliffs.

11 We show on Exhibit One with arrows six
12 wells that Amoco wishes permission to downhole commingle Fruit-
13 land and Pictured Cliffs gas production. Starting at the top
14 of Exhibit One it's the E. E. Elliott "C" No. 1 in the south-
15 east quarter of Section 9, 30 North, 9 West; currently a
16 Fruitland well; been producing for eight years, eight-and-a-
17 half years; presently producing only 27 Mcfd.

18 Further towards the bottom of the map, we
19 have the A. L. Elliott "A" No. 3 in the northeast quarter of
20 Section 11, 29 North, 9 West; has been producing a little over
21 two years from the Pictured Cliffs; currently producing 189
22 MCFD.

23 In the northwest quarter of Section 11 is
24 the A. L. Elliott "A" No. 2, which has been producing over
25 eight-and-a-half years from the Fruitland; currently makes

1 47 MCFD.

2 In the southwest quarter of Section 11 is
3 the A. L. Elliott "D" No. 7, a Pictured Cliffs well for a
4 little over two years; currently producing 71 MCFD.

5 In the northwest quarter of Section 14 is
6 the A. L. Elliott "E" No. 1, a Pictured Cliffs well; has been
7 on-stream for almost two-and-a-half years; currently producing
8 69 MCFD.

9 Now, in Section 10 we have the -- in the
10 northeast quarter of that section, the A. L. Elliott "B" No.
11 8. The box under it is not the box for that well but it is
12 for the well in the southeast quarter of Section 10. We
13 simply did not have enough room to put it under the Well No.
14 4 in the southeast quarter.

15 I mention this specifically because the
16 "B" No. 8 in the northeast quarter of 10 has not yet been put
17 on line. It is one of the six proposed downhole commingling
18 wells, however.

19 MR. STAMETS: What formation is it cur-
20 rently completed in?

21 A. Pictured Cliffs.

22 MR. STAMETS: Thank you.

23 Q. Mr. Giles, would you state why Amoco
24 seeks to commingle these wells, on what basis?

25 A. Yes. The wells, obviously, are already

SALLY W. BOYD, C.S.R.

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

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 455-7409

1 drilled. Each has been equipped with 4-1/2 inch production
2 casing. We would prefer not to dual with a packer in the hole
3 because we cannot effectively remove fluids that might log
4 off the flow of gas.

5 We would also have to produce the shallower
6 formation, the Fruitland, up the annulus and in case it logged
7 off it would mean we would have to bring in a service unit
8 to restore production from the well, and just a few gallons
9 of water can log off the flow of gas in this area, and we
10 sincerely believe that we can improve ultimate gas recovery
11 from both the Fruitland and PC formations by downhole com-
12 mingling in order to use the full downhole pressure to sus-
13 tain flow and keep any fluids from building up at the bottom
14 of the hole.

15 I think you'll notice from the resume I
16 gave of the production currently at each well, the production
17 is a low rate of magnitude, whether it be from the Fruitland
18 or the Pictured Cliffs. We will frac the newly opened zone
19 in each well and it will cost \$65,000 to prepare the well for
20 commingled production. Most of that cost, of course, is for
21 the frac.

22 Q Does it appear from the wells producing
23 in the area that the -- that nonproducing zone at this time
24 is also present or would be present in the wells?

25 A. Yes. Our analysis of the -- and inspection

SALLY W. BOYD, C.S.R.

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

1 of the logs of the Fruitland and the Pictured Cliffs in the
2 area give us a reasonable expectation that each would be
3 productive in each of these six wells.

4 Q In your opinion will the granting of
5 this application be in the best interest of conservation?

6 A Yes, we think so.

7 Q And in your opinion can these wells be
8 commingled and the wells be produced from both zones without
9 causing underground waste?

10 A Definitely.

11 Q And in your opinion will there be some
12 economic waste prevented if this application is granted?

13 A Yes, it will certainly minimize repair
14 costs in case wells should happen to build up with fluid and
15 we need to restore productivity.

16 There is precedent in the area for down-
17 hole commingling. The legend at the bottom left of Exhibit
18 One shows with the heavy cogwheel-type symbol that just to
19 the northeast of the five locations we propose to downhole
20 commingle in Township 29 North is the Tenneco Florance No. 60R
21 in the southwest quarter of Section 1, 29 North, 9 West, and
22 also just to the east near the top of the Exhibit One in the
23 southwest quarter of Section 10 is the Tenneco Florance No.
24 115, which is presently commingled by authority of the Oil
25 Conservation Division. That particular well lies immediately

1 east of the E. E. Elliott "C" No. 1, one of our proposed six
2 downhole commingles.

3 Q These are those wells that were completed
4 about a year ago, were they not?

5 A Yes.

6 Q And they currently are averaging more than
7 most of the wells that we're proposing to commingle?

8 A Correct.

9 Q Was Exhibit One prepared by you or under
10 your supervision?

11 A It was.

12 MR. RYAN: I'd offer the Exhibit into
13 evidence and that's all the questions I have on direct.

14 MR. STAMETS: The Exhibit One will be
15 admitted.

16
17 CROSS EXAMINATION

18 BY MR. STAMETS:

19 Q Mr. Giles, do you know what the line
20 pressure is in the area?

21 A I do not, sir.

22 Q Do either of these zones produce liquids?

23 A The Pictured Cliffs in particular -- no,
24 I should take that back. The Fruitland probably has a history
25 of producing a few gallons of water as opposed to the Pictured

1 Cliffs. But you can get some water, like a few gallons, from
2 each formation.

3 For example, right between the base of
4 the Fruitland best pay interval and the top of the Pictured
5 Cliffs, is a coal zone. If there happened to be communication
6 from the coal zone, you could expect some water in the Fruit-
7 land.

8 So that's a little bit of a touchy situ-
9 ation. You have to perforate the Fruitland as high as pos-
10 sible in its pay zone and hope you don't communicate into
11 the coal zone through a frac job.

12 Q Do you have any pressure information on
13 any of these wells?

14 A Well, we have shown at the bottom, the
15 lower righthand corner of the boxes, the shut-in 7-day pres-
16 sure tests.

17 Q All right.

18 A The pressures are in the, generally in
19 the 350 to 515 range in the two formations. They're reason-
20 able comparable.

21 Oh, I would like to add something. In
22 the northeast quarter of Section 11, the A. L. Elliott "A"
23 No. 3, we show in the left bottom box a question mark.

24 We do the same in the northwest quarter
25 of Section 14, the A. L. Elliott "E" No. 1. We have a question

SALLY W. BOYD, C.S.R.

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

1 mark, and this pertains to remaining reserves.

2 The reason for the question mark is that
3 there is not enough decline curve trend for those wells to
4 be able to extrapolate the trend and estimate remaining re-
5 serves.

6 The only other way we could do this would
7 be to make pore volume estimates of reserves and we do not
8 feel that's as strong a method as decline curve analysis.

9 Both wells, obviously, from their cumula-
10 tive production, are rather weak producers.

11 Q It would appear, looking at your Exhibit
12 Number One, that we would not anticipate pressure differen-
13 tials between the two zones exceeding 50 percent, the lower
14 zone being not less than 50 percent of the pressure in the
15 higher zone.

16 A That's correct.

17 Q This has been the general well that the
18 Division has followed in authorizing downhole commingling.

19 In each of these wells I presume you plan
20 to run the tubing as close to the Pictured Cliffs perforations
21 as possible?

22 A Yes.

23 Q What sort of vertical distance do we have
24 between these zones?

25 A The base of the last pay zone in the

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B

Santa Fe, New Mexico 87501

Phone (505) 435-7407

1 Pictured Cliffs would be about 40 feet from the top of the
2 first pay zone in the Pictured Cliffs.

3 Q So they're very close.

4 A Very close; one lies right on top of
5 another. There is that coal stringer right between, however.

6 Q Okay. How would you propose to develop
7 an allocation for the production of these two zones?

8 A We've talked about that at great length.
9 Could I ask -- maybe I want to go off the record.

10 Q Okay.

11
12 (There followed a discussion
13 off the record.)
14

15 A Let's go back on the record. Let me an-
16 swer Mr. Stamet's question as to allocation.

17 We would suggest on the older wells with
18 a stabilized rate that if commingling is approved, why, just
19 subtract the old rate from the new combined stream.

20 Q It sounds as though what you'd like to do
21 is just simply work this out with the District Supervisor
22 during the process of completion of the wells, at that time.

23 A I think that would be excellent.

24 Q Okay.

25 MR. STAMETS: Are there any other ques-

SALLY W. BOYD, C.S.R.

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

1 tions of the witness? Mr. Padilla?

2

3

CROSS EXAMINATION

4

BY MR. PADILLA:

5

Q Mr. Giles, is the ownership in both for-

6

mations, or both zones, common?

7

A Yes, it is. The minerals, I am told, are

8

owned by the Federal government. The names by the wells re-

9

present the surface owners.

10

MR. STAMETS: And Amoco is the working

11

interest owner?

12

A Yes. All the stipled acreage on Exhibit

13

One is Amoco's full leasehold.

14

MR. STAMETS: Any other questions of the

15

witness? He may be excused.

16

Anything further in this case?

17

The case will be taken under advisement.

18

19

(Hearing concluded.)

20

21

22

23

24

25

SALLY W. BOYD, C.S.R.

RL 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7406

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7011,
heard by me on 9-17 1980.
Richard R. Plumb, Examiner
Oil Conservation Division

ATWOOD, MALONE, MANN & COOTER
A PROFESSIONAL ASSOCIATION
LAWYERS

JEFF D. ATWOOD [1883-1960]
ROSS L. MALONE [1910-1974]

P. O. DRAWER 700
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO 88201
[505] 622-6221

CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
JOHN W. BASSETT
ROBERT E. SABIN
BRIAN W. COPPLE

RANDAL W. ROBERTS
STEVEN L. EELL
WILLIAM R. LYNCH

September 9, 1980

Mr. Joe Ramey
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

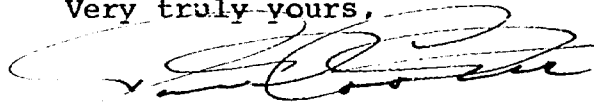
RE: Examiner Hearing - Wednesday, September 15, 1980
Cause No. 7011

Dear Mr. Ramey:

We would appreciate your filing the enclosed Entry
of Appearance for Amoco Production Company in Cause No. 7011.

Your assistance in this matter is appreciated.

Very truly yours,

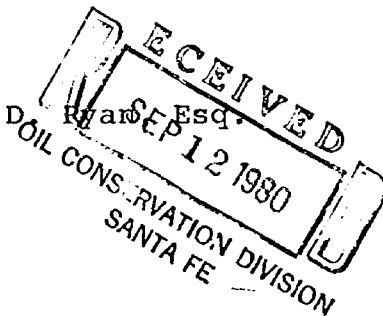


Paul Cooter

PC/le

Enc.

cc: Gordon D. Ramey Esq.



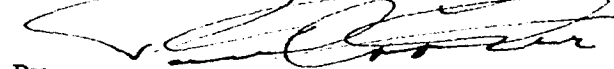
BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR)
DOWNHOLE COMMINGLING, SAN JUAN) NO. 7011
COUNTY, NEW MEXICO.)

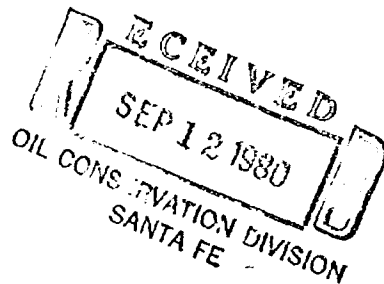
ENTRY OF APPEARANCE

The undersigned hereby enter their appearance on
behalf of Amoco Production Company with Gordon D. Ryan of
Denver, Colorado.

ATWOOD, MALONE, MANN & COOTER, P.A.



By _____
P. O. Drawer 700
Roswell, New Mexico 88201



Dockets Nos. 30-80 and 31-80 are tentatively set for October 1 and 15, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 17, 1980

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 7021: Application of Gulf Oil Corporation for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 477-acre non-standard gas proration unit comprising the N/2 and SE/4 of Section 19, Township 19 South, Range 37 East, Eumont Gas Pool, to its B. V. Culp (NCT-A) Wells Nos. 3 and 9 located in Units F and J, respectively, of said Section 19.
- CASE 6961: (Continued from August 20, 1980, Examiner Hearing)
- Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Meyer A-29 Well No. 11 to be drilled at an unorthodox location 990 feet from the North line and 660 feet from the East line of Section 29, Township 22 South, Range 36 East, to produce gas from the Langley-Devonian and -Ellenburger Pools thru parallel strings of tubing, the E/2 of said Section 29 to be dedicated to the well.
- CASE 7022: Application of Texas Pacific Oil Company, Inc. for a non-standard proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 320-acre non-standard proration unit comprising the N/2 of Section 9, Township 22 South, Range 36 East, Jalmat Gas Pool, to its Wells Nos. 40 and 63 located in Units A and C, respectively, of said Section 9. Applicant further seeks approval to simultaneously dedicate its Wells Nos. 14, 36, 42, and 62 located in Units B, M, E, and K, respectively, of Section 11, Township 22 South, Range 36 East, to a standard proration unit to be comprised of all of said Section 11.
- CASE 7008: (Continued from August 20, 1980, Examiner Hearing)
- Application of Coronado Exploration Corp. for eight compulsory poolings, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying eight 40-acre proration units, being the NE/4 NE/4 of Section 4 and the NW/4 NE/4 of Section 5, both in Township 12 South, Range 28 East, and the NW/4 SE/4 of Section 6, the NE/4 NW/4 of Section 23, the NE/4 SE/4 of Section 28, the SE/4 SE/4 of Section 29, the NE/4 NW/4 of Section 32, and the SE/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.
- CASE 7004: (Continued from August 20, 1980, Examiner Hearing)
- Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Morrow formations underlying the N/2 of Section 12, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 7023: Application of Shell Oil Company for pool creation and temporary special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Askew Well No. 1 located in Unit L of Section 2, Township 5 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.

CASE 7011: (Continued from August 20, 1980, Examiner Hearing)

Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Blanco-Pictured Cliffs production in the wellbores of the following six wells: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; "D" No. 7, SW/4 of Section 11; and "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West.

CASE 7019: (Continued from September 3, 1980, Examiner Hearing)

Application of Amoco Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 30, Township 23 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6991: (Continued from September 3, 1980, Examiner Hearing)

Application of Amoco Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in a 100 foot perforated interval between 4400 feet and 4800 feet in its South Hobbs Unit Well No. 103 in Unit B of Section 15, Township 19 South, Range 38 East, Hobbs Grayburg-San Andres Pool.

CASE 7024: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 35, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7025: Application of Southland Royalty Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 35, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7005: (Continued from August 20, 1980, Examiner Hearing)

Application of Sol West III for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.

CASE 6822: (Continued from September 3, 1980, Examiner Hearing)

In the matter of Case 6822 being reopened pursuant to the provisions of Order No. R-6293 which order created the West Double X-Wolfcamp Gas Pool as a retrograde gas condensate pool and set special production limitations therein. Operator(s) may appear and present evidence to establish the true nature of the reservoir and proper rates of withdrawal therefrom.

CASE 7026: Application of Bass Enterprises Production Company for pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Bone Spring oil pool for its Big Eddy Unit Well No. 60 located in Unit J of Section 20, Township 21 South, Range 28 East, and the promulgation of special rules therefor including a gas-oil ratio limitation of 10,000 to one.

CASE 7027: Application of W. A. Moncrief, Jr. for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Marathon State Com. Well No. 1 in Unit J of Section 11, Township 24 South, Range 24 East.

CASE 7028: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, deleting, and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Bell Lake-Wolfcamp Pool. The discovery well is Amoco Production Company State HL Well No. 1 located in Unit L of Section 2, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 2: W/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Golden Lane-Delaware Pool. The discovery well is Meadco Properties, Ltd. Hudson Federal Well No. 1 located in Unit C of Section 4, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 4: Lots 3, 4, 5, 6, 11, and
12

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the McDonald-Atoka Gas Pool. The discovery well is Harvey E. Yates Company Heyco Betenbough Well No. 1 located in Unit C of Section 32, Township 13 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM
Section 32: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Seven Rivers production and designated as the Pearjali-Seven Rivers Pool. The discovery well is Arrowhead Oil Corporation Hover Well No. 3 located in Unit D of Section 32, Township 17 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 32: NW/4

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Tonto-Wolfcamp Pool. The discovery well is Inexco Oil Company Federal Com 7 Well No. 2 located in Unit E of Section 7, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: NW/4

(f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Winchester-Bone Spring Pool. Further to assign approximately 38,955 barrels of discovery allowable to the discovery well, Marathon Oil Company Martinez "31" Federal Well No. 1 located in Unit F of Section 31, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 31: NW/4

(g) CONTRACT the horizontal limits of the Mid Bell Lake-Devonian Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 18: N/2 and SW/4

(h) CONTRACT the horizontal limits of the La Rica-Morrow Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 2: All

(i) EXTEND the Airstrip-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 35: NE/4
Section 36: NE/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 31: NW/4

- (j) EXTEND the Airstrip-Lower Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 23: SW/4
Section 26: NE/4
- (k) EXTEND the Artesia Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 22: E/2 NE/4
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 35: W/2 NW/4
TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 2: NW/4 and N/2 SW/4
- (l) EXTEND the Bough-San Andres Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 14: NE/4
- (m) EXTEND the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 8: E/2
- (n) EXTEND the North Burton Flat-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 29: N/2
- (o) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 16: W/2
- (p) EXTEND the Chaveroo-San Andres Pool in Chaves County, New Mexico, to include therein:
TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 4: E/2 E/2
- (q) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 24: S/2 NW/4 and N/2 S/2
- (r) EXTEND the Eagle Creek Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 31: All
- (s) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 12: All
- (t) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 28: N/2 N/2
- (u) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 3: E/2

- (v) EXTEND the West Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 24: N/2

- (w) EXTEND the Langley-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 28: S/2

- (x) EXTEND the Langley-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 28: S/2

- (y) EXTEND the Los Medanos-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 1: S/2

- (z) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 17: S/2
Section 19: E/2
Section 20: W/2

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 13: All

- (bb) EXTEND the West Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 8: E/2
Section 9: S/2

- (cc) EXTEND the Mesa-Queen Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 1: SW/4

- (dd) EXTEND the Midway-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 8: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 7: S/2

- (ff) EXTEND the North Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 29: S/2

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

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 25: NW/4 and N/2 SW/4

- (hh) EXTEND the Sand Point-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 3: Lots 1, 2, 7, 8, 9, 10,
15 and 16

- (ii) EXTEND the Shoebar-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 28: N/2 and SW/4

(jj) EXTEND the Shugart-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 1: W/2
Section 2: N/2

(kk) EXTEND the Sioux Tansill-Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 9: SE/4

(ll) EXTEND the Teas Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 19: SE/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 24: SW/4
Section 35: NW/4

(nn) EXTEND the Turkey Track-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 1: S/2
Section 2: S/2
Section 11: N/2
Section 14: All

(oo) EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2
Section 18: All

(pp) EXTEND the Winchester-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 34: SE/4

(qq) EXTEND the Yarrow-Delaware Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 22: NE/4

(rr) EXTEND the Young-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 4: S/2
Section 9: E/2

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
20 August 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Com-
pany for downhole commingling, San
Juan County, New Mexico.

CASE
7011

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

SALLY W. BOYD, C.S.R.

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

MR. STAMETS: We'll call next Case 7011.

MR. PADILLA: Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico.

MR. STAMETS: As noted on the docket, this case will be continued to the September 17th Examiner Hearing.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.

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

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREPY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

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

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7011
heard by me on 8-29, 1980.
Richard D. Stant, Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.

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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
20 August 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Amoco Production Com-
pany for downhole commingling, San
Juan County, New Mexico.

CASE
7011

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

MR. STAMETS: We'll call next Case 7011.

MR. PADILLA: Application of Amoco Pro-

duction Company for downhole commingling, San Juan County,
New Mexico.

MR. STAMETS: As noted on the docket,
this case will be continued to the September 17th Examiner
Hearing.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R. DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

SALLY W. BOYD, C.S.R.

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

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



August 4, 1980

Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

File: HAS-249-986.511

Dear Mr. Ramey:

Application to Downhole Commingle Gas Production
from the Fuitland and Pictured Cliffs Formation in
Six Wells in the Blanco Pictured Cliffs Field,
San Juan County, New Mexico

Due to a conflict in hearing dates, we respectfully ask
that the captioned July 24, 1980, application we had requested
you set for hearing on August 20, now be continued and re-
set for examiner hearing on September 17, 1980.

Very truly yours,

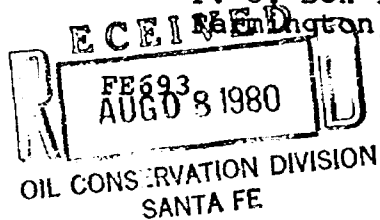
R.B. Giles

R. B. Giles

RBG/lkh

cc: Frank Chavez, Supervisor District III
New Mexico Oil Conservation Commission
1000 Rio Brazos
Axtec, NM 87410

James Simms
United States Geological Survey
P. O. Box 965
Albuquerque, NM 87401



CASE 60
7011

Roll



August 4, 1980

Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

File: HAS-249-986.511

Dear Mr. Ramey:

Application to Downhole Commingle Gas Production
from the Fuitland and Pictured Cliffs Formation in
Six Wells in the Blanco Pictured Cliffs Field,
San Juan County, New Mexico

Due to a conflict in hearing dates, we respectfully ask
that the captioned July 24, 1980, application we had requested
you set for hearing on August 20, now be continued and re-
set for examiner hearing on September 17, 1980.

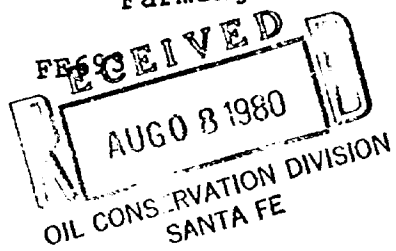
Very truly yours,

R. B. Giles

RBG/lkh

cc: Frank Chavez, Supervisor District III
New Mexico Oil Conservation Commission
1000 Rio Brazos
Axtec, NM 87410

James Simms
United States Geological Survey
P. O. Box 965
Farmington, NM 87401





August 4, 1980

Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

File: HAS-249-986.511

Dear Mr. Ramey:

Application to Downhole Commingle Gas Production
from the Fuitland and Pictured Cliffs Formation in
Six Wells in the Blanco Pictured Cliffs Field,
San Juan County, New Mexico

Due to a conflict in hearing dates, we respectfully ask
that the captioned July 24, 1980, application we had requested
you set for hearing on August 20, now be continued and re-
set for examiner hearing on September 17, 1980.

Very truly yours,

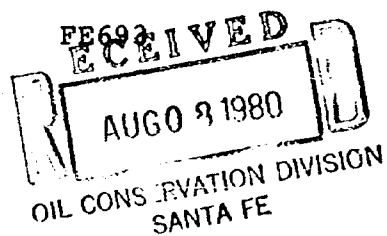
A handwritten signature in cursive script, appearing to read "R. E. Giles".

R. E. Giles

RBG/lkh

cc: Frank Chavez, Supervisor District III
New Mexico Oil Conservation Commission
1000 Rio Brazos
Axtec, NM 87410

James Simms
United States Geological Survey
P. O. Box 965
Farmington, NM 87401



Dockets Nos. 27-80 and 28-80 are tentatively set for September 3 and 17, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 20, 1980

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

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

ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1980, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for September, 1980, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6998: Application of Monsanto Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Back Basin Unit Area, comprising 1,920 acres, more or less, of State and Federal lands in Township 23 South, Range 34 East.

CASE 6999: Application of Gulf Oil Corporation for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a previously approved 320-acre non-standard proration unit comprising the N/2 of Section 36, Township 21 South, Range 36 East, Eumont Gas Pool, to its Harry Leonard NCT-C Well No. 9 located in Unit B, and its No. 8, at an unorthodox location 1980 feet from the North line and 660 feet from the East line of Section 36.

CASE 7000: Application of Cavalcade Oil Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its McClay Well No. 11 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, the NE/4 SW/4 of said Section 33 to be dedicated to the well.

CASE 7001: Application of McClellan Oil Corporation for three unorthodox oil well locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for three following unorthodox locations for wells to be drilled in Section 24, Township 14 South, Range 29 East, Double L Queen Associated Pool: 1155 feet from the North line and 2145 feet from the East line; 1155 feet from the North and East lines; and 1650 feet from the North line and 1155 feet from the East line; the respective 40-acre tract would be dedicated to each well.

CASE 7002: Application of Orville Slaughter for the amendment of Order No. R-5947, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5947 to provide for the commingling of Oswell-Farmington production from his Sangre de Cristo Well No. 1 with undesignated Fruitland production from Wells Nos. 2 and 2S, all in Section 34, Township 30 North, Range 11 West.

CASE 7003: Application of El Paso Natural Gas Company for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill a well, the surface location of which is 590 feet from the South line and 2400 feet from the East line of Section 1, Township 29 North, Range 13 West, in such a manner as to bottom it within 175 feet of a point 990 feet from the South line and 1650 feet from the West line of said Section 1.

CASE 7004: Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Morrow formations underlying the N/2 of Section 12, Township 19 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6938: (Continued from June 25, 1980, Examiner Hearing)

Application of Anadarko Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Dalport Federal Well No. 1 660 feet from the South and West lines of Section 20, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the W/2 of said Section 20 to be dedicated to the well.

CASE 6939: (Continued from June 25, 1980, Examiner Hearing)

Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests at a depth from 2400 feet to 5000 feet below the surface, Turkey Track Field, underlying the NE/4 SE/4 of Section 10, Township 19 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6940: (Continued from July 23, 1980, Examiner Hearing)

Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6961: (Continued from July 23, 1980, Examiner Hearing) (This case will be continued to September 17.)

Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Meyer A-29 Well No. 11 to be drilled at an unorthodox location 990 feet from the North line and 660 feet from the East line of Section 29, Township 22 South, Range 36 East, to produce gas from the Langley-Devonian and -Ellenburger Pools thru parallel strings of tubing, the E/2 of said Section 29 to be dedicated to the well.

CASE 7005: Application of Sol West III for an NGPA determination, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.

CASE 7006: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the Northwest Gladiola Unit Area, comprising 1,280 acres, more or less, of State and fee lands in Townships 11 and 12 South, Range 37 East.

CASE 7007: Application of Harvey E. Yates Company for downhole commingling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks approval for the downhole commingling of Morrow and Atoka production in the wellbore of its North Travis 12 Deep Well No. 1 located in Unit O of Section 12, Township 18 South, Range 28 East.

CASE 7008: Application of Coronado Exploration Corp. for eight compulsory poolings, Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying eight 40-acre proration units, being the NE/4 NE/4 of Section 4 and the NW/4 NE/4 of Section 5, both in Township 12 South, Range 28 East, and the NW/4 SE/4 of Section 6, the NE/4 NW/4 of Section 23, the NE/4 SE/4 of Section 28, the SE/4 SE/4 of Section 29, the NE/4 NW/4 of Section 32, and the SE/4 NW/4 of Section 33, all in Township 11 South, Range 28 East, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a charge for risk involved in drilling said wells.

CASE 6994: (Continued from August 6, 1980, Examiner Hearing)

Application of Enserch Exploration, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp thru Siluro-Devonian formations underlying the N/2 of Section 14, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 6996: (Continued from August 6, 1980, Examiner Hearing)

Application of John E. Schalk for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Blanco Mesaverde Pool underlying the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

CASE 7009: Application of Amoco Production Company for salt water disposal, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the interval from 8330 feet to 9000 feet in its State "E" Tract 18 Well No. 22 in Unit C of Section 2, Township 17 South, Range 36 East, Lovington-Abo Pool.

CASE 7010: Application of Amoco Production Company for a dual completion, unorthodox well location, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Myers "B" Federal Well No. 28 at an unorthodox location 330 feet from the South line and 420 feet from the West line of Section 9, Township 24 South, Range 37 East, to produce gas from the Jalmat Gas Pool and oil from the Langlie Mattix Pool, to be simultaneously dedicated in the gas zone with its No. 13 located in Unit 1 of Section 9.

CASE 7011: (This case will be continued to the September 17, 1980, hearing.)

Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Fruitland and Blanco-Pictured Cliffs production in the wellbores of the following six wells: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; "D" No. 7, SW/4 of Section 11; and "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West.

CASE 6981: (Continued from July 23, 1980, Examiner Hearing)

Application of Bass Enterprises Production Company for a special gas-oil ratio limitation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a special gas-oil ratio limitation of 8000 to one for the Palmillo-Bone Springs Pool.

CASE 7012: Application of Amoco Production Company for an NGPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Atoka formation for its Pardue Farms Gas Com Well No. 1 in Unit C of Section 26, Township 23 South, Range 28 East.

CASE 7013: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting vertical limits, and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Yates production and designated as the Byers-Yates Gas Pool. The discovery well is Exxon Corporation Bowers A Federal Well No. 37 located in Unit F of Section 30, Township 18 South, Range 38 East, NNPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NNPM
Section 30: SE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the West Jal-Atoka Gas Pool. The discovery well is Getty Oil Company West Jal B Deep Well No. 1 located in Unit H of Section 17, Township 25 South, Range 36 East, NNPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NNPM
Section 17: E/2

(c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Saunders-Morrow Gas Pool with special vertical limits defined as being from the top of the Morrow formation at 12,150 feet to the top of the Mississippian at 12,665 feet, as found on the log of the discovery well, the Adobe Oil and Gas Corporation Gray 35 Well No. 1 located in Unit N of Section 35, Township 14 South, Range 33 East, NNPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NNPM
Section 35: All

(d) ABOLISH the North Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NNPM
Section 13: SE/4
Section 23: SE/4
Section 24: S/2 and NE/4
Section 25: N/2 and SE/4
Section 26: N/2

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NNPM
Section 18: S/2
Section 19: N/2 and SE/4
Section 29: All

- (e) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM

Section 12: SE/4
Section 23: SE/4
Section 24: S/2 and NE/4
Section 25: A11
Section 26: N/2

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM

Section 18: S/2
Section 19: N/2 and SE/4
Section 20: A11

- (f) ABOLISH the Gallina-San Andres Pool in Chaves County, New Mexico, described as:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 6: NW/4

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 6: NW/4

- (h) ABOLISH the West Tonto-Pennsylvanian Gas Pool in Lea County, New Mexico, described as:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 12: S/2

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 7: A11
Section 8: W/2
Section 18: N/2

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 1: S/2
Section 12: S/2

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 6: SW/4
Section 7: A11
Section 8: W/2
Section 18: N/2

- (j) CONTRACT the vertical limits of the Saunders-Permo Pennsylvanian Pool with special vertical limits defined as being from the top of the Wolfcamp formation at 9,195 feet to 10,705 feet into Pennsylvanian formation, as found on log of Adobe Oil and Gas Corporation Gray 35 Well No. 1 located in Unit II of Section 35, Township 14 South, Range 33 East, NMPM, and redesignate said Saunders-Permo Pennsylvanian Pool to Saunders Permo-Upper Pennsylvanian Pool.

- (k) EXTEND the Airstrip-Upper Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 25: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 18: S/2

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 13: SW/4

- (n) EXTEND the Custer-Devonian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 36: S/2

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM

Section 1: E/2

- (o) EXTEND the Custer-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

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

TOWNSHIP 25 SOUTH, RANGE 36 EAST, NMPM
Section 1: E/2

- (p) EXTEND the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 19: NE/4

- (q) EXTEND the Hardy-Blincbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 3: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 22: SE/4
Section 27: NE/4

- (u) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 32: N/2
Section 33: W/2

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 4: W/2

- (v) EXTEND the Querecho Plains-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 35: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 6: Lots 9, 10, 15, 16, and
SE/4

- (x) EXTEND the Northwest Todd-San Andres Gas Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Section 7: NE/4

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

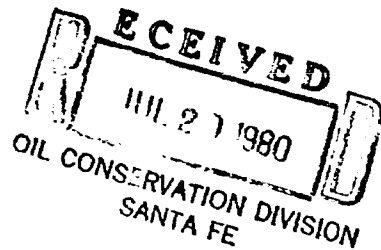
TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 32: SE/4 SW/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 35: NE/4



July 24, 1980



Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Case 2011

File: HAS-235-986.511

Dear Mr. Ramey:

Application to Downhole Commingle
Gas Production from the Fruitland and
Pictured Cliffs Formations in 6 Wells in the
Blanco Pictured Cliffs Field,
San Juan County, New Mexico

Amoco Production Company requests approval to downhole commingle
gas production from the Fruitland and Pictured Cliffs formations
in the Blanco Pictured Cliffs Field, in the following 6 wells:

E. E. Elliott "C"	No. 1	SE/4 Section	9-T30N-R9W
A. L. Elliott "B"	No. 8	NE/4 Section	10-T29N-R9W
A. L. Elliott "A"	No. 3	NE/4 Section	11-T29N-R9W
A. L. Elliott "A"	No. 2	NW/4 Section	11-T29N-R9W
A. L. Elliott "D"	No. 7	SW/4 Section	11-T29N-R9W
A. L. Elliott "E"	No. 1	NW/4 Section	14-T29N-R9W

We respectfully ask that this application be placed on the
docket of your August 20, 1980, examiner hearing.

Respectfully submitted,

R. B. Giles
R. B. Giles

RBG/mlm

Enclosure

QI055

Joe D. Ramey, Director
July 24, 1980
Page Two

cc:

Frank Chavez, Supervisor District III
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Axtec, NM 87410

James Simms
United States Geological Survey
P. O. Box 965
Farmington, NM 87401

DD241

VERIFICATION AND AFFIDAVIT

STATE OF COLORADO
COUNTY OF DENVER

)
: ss.
)

R. B. Giles, of lawful age, being first duly sworn on his oath, deposes and says:

That he is employed in an engineering capacity by Amoco Production Company in its Denver, Colorado, office; that he has been qualified as an expert engineering witness by the New Mexico Oil Conservation Division and his qualifications have been made of record; that he has testified numerous times before the New Mexico Oil Conservation Division on well operational matters; that Amoco's application for approval to downhole commingle gas production in the 6 wells described in the application from the Fruitland and Pictured Cliffs formations in the Blanco Pictured Cliffs Field, in San Juan County, New Mexico, was prepared under his direction and supervision; that the matters and things therein set forth are true and correct to the best of his knowledge and beliefs.

R. B. Giles
R. B. GILES

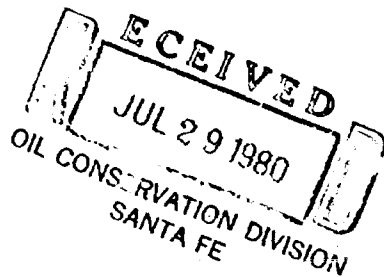
Subscribed and sworn to before me this 24th day of July, 1980.

Louis J. Samueland
NOTARY PUBLIC

My Commission expires:

8-1-82

CE284



July 24, 1980

Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Case 7011

File: HAS-235-986.511

Dear Mr. Ramey:

Application to Downhole Commingle
Gas Production from the Fruitland and
Pictured Cliffs Formations in 6 Wells in the
Blanco Pictured Cliffs Field,
San Juan County, New Mexico

Amoco Production Company requests approval to downhole commingle
gas production from the Fruitland and Pictured Cliffs formations
in the Blanco Pictured Cliffs Field, in the following 6 wells:

E. E. Elliott "C"	No. 1	SE/4	Section 9-T30N-R9W
A. L. Elliott "B"	No. 8	NE/4	Section 10-T29N-R9W
A. L. Elliott "A"	No. 3	NE/4	Section 11-T29N-R9W
A. L. Elliott "A"	No. 2	NW/4	Section 11-T29N-R9W
A. L. Elliott "D"	No. 7	SW/4	Section 11-T29N-R9W
A. L. Elliott "E"	No. 1	NW/4	Section 14-T29N-R9W

We respectfully ask that this application be placed on the
docket of your August 20, 1980, examiner hearing.

Respectfully submitted,

R. B. Giles
R. B. Giles

RBG/mlm

Enclosure

QI055

Joe D. Ramey, Director
July 24, 1980
Page Two

cc:

Frank Chavez, Supervisor District III
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Axtec, NM 87410

James Simms
United States Geological Survey
P. O. Box 965
Farmington, NM 87401

DD241

VERIFICATION AND AFFIDAVIT

STATE OF COLORADO)
 : ss.
COUNTY OF DENVER)

R. B. Giles, of lawful age, being first duly sworn on his oath, deposes and says:

That he is employed in an engineering capacity by Amoco Production Company in its Denver, Colorado, office; that he has been qualified as an expert engineering witness by the New Mexico Oil Conservation Division and his qualifications have been made of record; that he has testified numerous times before the New Mexico Oil Conservation Division on well operational matters; that Amoco's application for approval to downhole commingle gas production in the 6 wells described in the application from the Fruitland and Pictured Cliffs formations in the Blanco Pictured Cliffs Field, in San Juan County, New Mexico, was prepared under his direction and supervision; that the matters and things therein set forth are true and correct to the best of his knowledge and beliefs.

R. B. Giles
R. B. GILES

Subscribed and sworn to before me this 24th day of July, 1980.

Louis J. Samueland
NOTARY PUBLIC

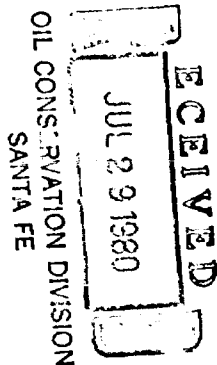
My Commission expires:

8-1-82

CE284



July 24, 1980



Joe D. Ramey, Director (3)
Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

File: HAS-235-986.511

Case 7011

Dear Mr. Ramey:

Application to Downhole Commingle
Gas Production from the Fruitland and
Pictured Cliffs Formations in 6 Wells in the
Blanco Pictured Cliffs Field,
San Juan County, New Mexico

Amoco Production Company requests approval to downhole commingle gas production from the Fruitland and Pictured Cliffs formations in the Blanco Pictured Cliffs Field, in the following 6 wells:

E. E. Elliott "C" No. 1	SE/4 Section 9-T30N-R9W
A. L. Elliott "B" No. 8	NE/4 Section 10-T29N-R9W
A. L. Elliott "A" No. 3	NE/4 Section 11-T29N-R9W
A. L. Elliott "A" No. 2	NW/4 Section 11-T29N-R9W
A. L. Elliott "D" No. 7	SW/4 Section 11-T29N-R9W
A. L. Elliott "E" No. 1	NW/4 Section 14-T29N-R9W

We respectfully ask that this application be placed on the docket of your August 20, 1980, examiner hearing.

Respectfully submitted,

R. B. Giles
R. B. Giles

RBG/mlm

Enclosure

QI055

Joe D. Ramey, Director
July 24, 1980
Page Two

cc:

Frank Chavez, Supervisor District III
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Artec, NM 87410

James Simms
United States Geological Survey
P. O. Box 965
Farmington, NM 87401

DD241

VERIFICATION AND AFFIDAVIT

STATE OF COLORADO)
 : ss.
COUNTY OF DENVER)

R. B. Giles, of lawful age, being first duly sworn on his oath, deposes and says:

That he is employed in an engineering capacity by Amoco Production Company in its Denver, Colorado, office; that he has been qualified as an expert engineering witness by the New Mexico Oil Conservation Division and his qualifications have been made of record; that he has testified numerous times before the New Mexico Oil Conservation Division on well operational matters; that Amoco's application for approval to downhole commingle gas production in the 6 wells described in the application from the Fruitland and Pictured Cliffs formations in the Blanco Pictured Cliffs Field, in San Juan County, New Mexico, was prepared under his direction and supervision; that the matters and things therein set forth are true and correct to the best of his knowledge and beliefs.

R. B. Giles
R. B. GILES

Subscribed and sworn to before me this 24th day of July, 1980.

Louis J. Samueland
NOTARY PUBLIC

My Commission expires:

8-1-82

CE284

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. 7011

Order No. R-6481

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR DOWNHOLE COMMINGLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 17, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of September, 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, Amoco Production Company, is the owner and operator of six wells^{described} as follows: Elliott "C" No. 1, SE/4 of Section 9, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; Elliott "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; Elliott "D" No. 7, SW/4 of Section 11; and Elliott "E" No. 1, NW/4 of Section 14, all in Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico.

(3) That the applicant seeks authority to commingle Fruitland and Blanco-Pictured Cliffs production within the wellbores of the above-described wells.

(4) That from the Fruitland zone, the subject wells ^{are or are expected to be} capable of low marginal production only.

(5) That from the Blanco-Pictured Cliffs zone, the subject wells ^{are or are expected to be} capable of low marginal production only.

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

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

(8) That to afford the Division the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Aztec district office of the Division any time the subject wells ~~is~~ are shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject wells, _____ percent of the commingled _____ production should be allocated to the Fruitland zone, and _____ percent of the commingled _____ production to the Blanco-Pictured Cliffs zone.

(ALTERNATE)

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to commingle Fruitland and Blanco-Pictured Cliffs production within the wellbore of the following six wells: Elliott "C" No. 1, SE/4 of Section 9, ~~located in Unit of~~ ^{Elliott} ~~Section 10, Township 30 North, Range 9 West; Elliott "B" No. 8, NE/4 of Section 10; Section 11, Township 29 North, Range 9 West; Elliott "A" Nos. 3 and 2, NE/4 and NW/4, Section 11; "D" No. 7, SW/4 of Section 11; and "E" No. 1, NW/4 of Section 14, all in Township 29 North, *~~ ^{Elliott} ~~Range 9 West, NMPM, San Juan County, New Mexico.~~

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

(ALTERNATE)

(2) That _____ percent of the commingled _____ production shall be allocated to the Fruitland zone and _____ percent of the commingled _____ production shall be allocated to the Blanco-Pictured Cliffs zone.

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

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

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

* Range 9 West, NMPM, San Juan County, New Mexico.