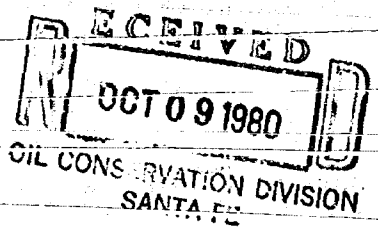


CASE 7061: BETTIS, BOTLE & STOVALL FOR
DOWNHOLE COMMINGLING, LEA COUNTY, NEW
MEXICO

CASE NO.

7061

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



Thomas H. Griffin
Bettis, Boyle & Stovell
P.O. Box 1193
Hobbs, New Mexico 88240
September 27, 1980

File 7021
Ch

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

Re: B.M. Justis 'B' #8
Request for downhole
commingling

Gentlemen:

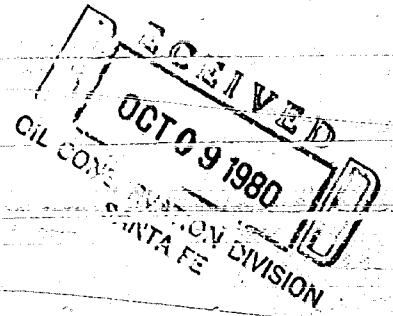
A recent study by Mr. John Runyan of your Hobbs office shows the subject well to cross pool boundaries. Mr. Runyan's study shows the well to be completed in the Jalmat Pool and sixty-seven (67) feet into the Langlie Mattis Pool. The well was completed in this way in February of 1964 by Leonard Oil Company. The well presently produces four (4) BOPD and seventy (70) MCF/day with a trace of water. Due to the low productivity of the well and the length of time that it has been completed in this manner, we respectfully request administrative approval for downhole commingling.

Cordially,

Thomas H. Griffin
Production Supt.

DATA SHEET

B.M. JUSTIS 'B' #8



LEASE: B.M. Justis 'B'

WELL: Number 8

LOCATION: Unit G - Sec. 20 - T25S - R37E

OPERATOR: Bettis, Boyle & Stovall
P.O. Box 1168
Graham, Texas 76046

PRODUCING INTERVAL: 5 1/2" casing perforations
3293' to 3342' (10 shots)

COMPLETED: February, 1964

PRESENT PRODUCTION: 4 BOPD - 70 MCFPD - Trace of water

RECOMMENDED ALLOCATION: Jalmat - 50% of oil; 60% of gas
Langlie Mattix - 50% of oil; 40% of gas

CONDITIONS:

1. Both zones are oil zones.
2. Total production is less than twenty (20) BOPD.
3. Both zones require artificial lift.
4. The fluids produced are compatible with each other.
5. The total value of the crude produced will not be reduced.
6. Ownership of the two zones is common.
7. Commingling will prevent waste.

Call
Revised 1-1-55

B.M. Hastings

RECEIVED
OCT 09 1980
OIL CONSERVATION DIVISION
SANTA FE

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

T. J. G. R.

(Signature)
Prod. Sect.
(Title)



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

November 26, 1980

Mr. Owen Lopez
Montgomery, Andrews & Hannahs
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: CASE NO. 7061
ORDER NO. R-6526

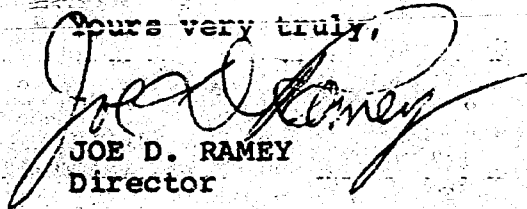
Applicant:

Harris, Boyie & Stovall

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 x
Artesia OCD x
Aztec OCD

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7061
Order No. R-6526

APPLICATION OF BETTIS, BOYLE & STOVALL
FOR DOWNHOLE CUMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 25th day of November, 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, Bettis, Boyle & Stovall, is the owner and operator of the Justis B Well No. 8, located in Unit G of Section 20, Township 24 South, Range 37 East, NMRM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle Jalmat and Langlie-Mattix production within the wellbore of the above-described well.
- (4) That the vertical limits of the Jalmat Pool as defined by Order No. R-520, dated August 12, 1954, include the Tansill and Yates formations and all but the lowermost 100 feet of the Seven Rivers formation.
- (5) That the vertical limits of the Langlie-Mattix Pool, as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation.

-2-

Case No. 7061

Order No. R-6526

(6) That there has been some disparity among some geologists as to the actual base of the Seven Rivers formation and the top of the Queen formation and hence as to the location of the 100-foot marker separating the Jalmat and Langlie-Mattix Pools.

(7) That as a result of this disparity, the subject well and certain other wells in the general area which are classified as Jalmat wells have perforations extending across the aforesaid 100-foot marker in the Seven Rivers formation and into the Langlie-Mattix Pool.

(8) That such crossing over from one pool into the other in this case appears to be an unintentional error.

(9) That to rectify the aforesaid error would require workover operations on the subject well which would be expensive and might endanger the productivity of the subject well, and would actually serve no beneficial purpose, inasmuch as the production and reservoir characteristics of the perforations immediately above and below the 100-foot marker are quite similar.

(10) That a reasonable solution to the problem in this case is to authorize the commingling of Jalmat production and the production from the Upper Langlie-Mattix perforations in the wellbore of the subject well.

(11) That such commingling will prevent waste and should not impair correlative rights and should be approved.

(12) That to allocate the commingled production to each of the commingled zones in the subject well would be impracticable in this case, and therefore all of the production should be attributed to the Jalmat Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, Bettis, Boyie & Stevelli, is hereby authorized to commingle Jalmat and Upper Langlie-Mattix production within the wellbore of the Justis B Well No. 8, located in Unit G of Section 20, Township 25 South, Range 37 East, NMMN, Lea County, New Mexico.

(2) That all of the commingled production from the subject well shall be attributed to the Jalmat Pool.

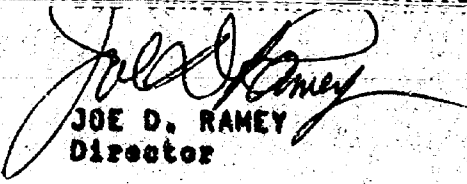
(3) That the effective date of the aforesaid commingling authority shall be the date the Justis B Well No. 8 was perforated between 3275 feet and 3342 feet.

-5-
Case No. 7061
Order No. R-6926

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

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

STATE OF NEW MEXICO
DIVISION OF CONSERVATION


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
29 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Bettis, Boyle &
Stovall for downhole commingling,
Lea County, New Mexico,

CASE
7061

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Owen Lopez, Esq.
MONTGOMERY AND ANDREWS
Paseo de Peralta
Santa Fe, New Mexico 87501

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I N D E X

THOMAS H. GRIFFIN

Direct Examination by Mr. Lopez

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Cross Examination by Mr. Nutter

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E X H I B I T S

Applicant Exhibit One, Data Sheet

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MR. NUTTER: We'll call next Case Number
7061.

MR. PEARCE: Application of Bettis,
Boyle, and Stovall for downhole commingling, Lea County, New
Mexico.

MR. LOPEZ: Mr. Examiner, my name is
Owen Lopez with the law firm of Montgomery and Andrews, Santa
Fe, New Mexico, appearing on behalf of the applicant, and I
have one witness to be sworn.

(Witness sworn.)

THOMAS H. GRIFFIN

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

DIRECT EXAMINATION

BY MR. LOPEZ:

Q Would you please state your name and
where you reside?

A Thomas H. Griffin, Hobbs, New Mexico.

Q By whom are you employed and in what
capacity?

A Bettis, Boyle & Stovall, Production

1
2 Superintendent.

3
4 Q Mr. Griffin, are you familiar with the
5 application of Bettis, Boyle & Stovall in Case Number 7061?

6 A Yes, I am.

7 Q Are you also familiar with the subject
8 area?

9 A Yes, I am.

10 Q Have you previously testified before
11 the Commission and had your qualifications accepted as a matter
12 of record?

13 A Yes.

14 MR. LOPEZ: Are the witness' qualifica-
15 tions acceptable?

16 MR. NUTTER: Yes, they are.

17 Q What is Bettis, Boyle & Stovall seeking
18 in this Case Number 7061?

19 A Due to Mr. Runyon's study, it shows that
20 we also overlap 67 feet into the top of the Queen formation,
21 so we are seeking approval for downhole commingling of Jalmat
22 and Langile mattix production in the wellbore of our B. M.
23 Justis Well No. 8, located in Unit G of Section 20, Township
24 25 South, Range 37 East.

25 Q When was the subject well completed,
26 drilled and completed?

1
2 A It was drilled and completed in February
3 of 1964, and it was originally completed in this manner that
4 it's completed now.

5
6 Q I'd like you to explain the justification
7 for the application, and in that connection I would ask you
8 to refer to Exhibit Number One and explain it.

9 A The well was completed February of 1964
10 by Leonard Oil Company. It presently produces four barrels
11 of oil a day and 70 Mcf of gas per day, with a trace of
12 water.

13 Due to low productivity of the well
14 and the length of time that it has been completed in this man-
15 ner, we request approval for downhole commingling.

16
17 Q Now referring to Exhibit Number One,
18 what does that exhibit show?

19 A It's a data sheet that shows the loca-
20 tion, the producing interval, the completion date, the present
21 production, recommended allocation, and the conditions that
22 are met for normal administrative approval for downhole com-
23 mingling.

24
25 Q What is the recommended allocation?

26 A 50 percent of the oil to the Jalmat
27 Pool; 50 percent of the oil to the Langlie Mattix Pool; 60
28 percent of the gas to the Jalmat Pool, and 40 percent of the

gas to the Langlie Mattix Pool.

Q. And I believe you testified that the well is now only producing 4 barrels of oil per day.

A. That's correct.

Q. And 70 Mcf per day.

A. That's correct.

Q. In your opinion would the granting of the application be in the interest of the prevention of waste and protection of correlative rights?

A. Yes, it would.

Q. And was Exhibit Number One prepared by you?

A. Yes, it was.

Q. Is there anything further you'd like to offer in this case?

A. No, not that I can think of.

MR. LOPEZ: I have no further questions of this witness.

CROSS EXAMINATION

BY MR. NUTTER:

Q. Mr. Griffin, what's the basis of your allocation formula there?

A. Just an experience of working in that

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area. We have other wells that are completed in the Jalmat only in that close area, and other wells that are completed in the Langlie Mattix only. It's just an experience factor.

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Q Well, now, you state under conditions that both zones are oil zones. How do you know that this Jalmat is the oil -- is an oil zone here? And that 60 percent of the gas, and only 60 percent of the gas is coming from the Jalmat?

A Just from offset wells that we have next door and the well --

Q That are completed in --

A One or the other.

Q -- one or the other?

A Yes, sir.

Q And the breakdown of this nature here would be characteristic of what the production is from those wells that have been completed in one or the other pools?

A Yes, sir.

Q Now this Justis B Well is actually 67 feet into the Jalmat.

A Yes, sir.

MR. NUTTER: Are there any other questions of Mr. Griffin? Is it Griffith or Griffin?

A Griffin, I-N.

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Are there any other questions of Mr.

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Griffin? He may be excused.

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Do you have anything further, Mr. Lopez?

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MR. LOPEZ: No.

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MR. NUTTER: Does anyone have anything

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they wish to offer in Case Number 7061?

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We'll take the case under advisement.

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~~Meeting concluded.~~

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CERTIFICATE

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

Sally W. Boyd C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2061 heard by me on 10/29 1980.
[Signature] Examiner
Oil Conservation Division

SALLY W. BOYD, C.S.R.
Rt. 1 Box 191-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.

EXAMINER HEARING

IN THE MATTER OF:

Application of Bettis, Boyle &
Stovall for downhole commingling,
Lea County, New Mexico.

CASE
7061

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

APPEARANCES

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

Owen Lopez, Esq.
MONTGOMERY AND ANDREWS
Paseo de Peralta
Santa Fe, New Mexico 87501

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I N D E X

THOMAS H. GRIFFIN

Direct Examination by Mr. Lopez

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Cross Examination by Mr. Nutter

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E X H I B I T S

Applicant Exhibit One, Data Sheet

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MR. NUTTER: We'll call next Case Number

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7061.

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MR. PEARCE: Application of Bettis,
Boyle, and Stovall for downhole commingling, Lea County, New
Mexico.

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MR. LOPEZ: Mr. Examiner, my name is
Owen Lopez with the law firm of Montgomery and Andrews, Santa
Fe, New Mexico, appearing on behalf of the applicant, and I
have one witness to be sworn.

(Witness sworn.)

THOMAS H. GRIFFIN

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

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BY MR. LOPEZ:

Q Would you please state your name and
where you reside?

A Thomas H. Griffin, Hobbs, New Mexico.

Q By whom are you employed and in what
capacity?

A Bettis, Boyle & Stovall, Production

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2 Superintendent.

3 Q Mr. Griffin, are you familiar with the
4 application of Bettis, Boyle & Stovall in Case Number 7061?
5

6 A Yes, I am.

7 Q Are you also familiar with the subject
8 area?

9 A Yes, I am.

10 Q Have you previously testified before
11 the Commission and had your qualifications accepted as a matter
12 of record?
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14 A Yes.

15 MR. LOPEZ: Are the witness' qualifica-
16 tions acceptable?

17 MR. NUTTER: Yes, they are.

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19 in this Case Number 7061?

20 A Due to Mr. Runyon's study, it shows that
21 we also overlap 67 feet into the top of the Queen formation,
22 so we are seeking approval for downhole commingling of Jalnat
23 and Langlie Mattix production in the wellbore of our B. M.
24 Justis Well No. 8, located in Unit G of Section 20, Township
25 25 South, Range 37 East.
26

27 Q When was the subject well completed,
28 drilled and completed?

1
2 A It was drilled and completed in February
3 of 1964, and it was originally completed in this manner that
4 it's completed now.
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6 Q I'd like you to explain the justification
7 for the application, and in that connection I would ask you
8 to refer to Exhibit Number One and explain it.

9 A The well was completed February of 1964
10 by Leonard Oil Company. It presently produces four barrels
11 of oil a day and 70 MCF of gas per day, with a trace of
12 water.
13

14 Due to low productivity of the well
15 and the length of time that it has been completed in this man-
16 ner, we request approval for downhole commingling.

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18 what does that exhibit show?

19 A It's a data sheet that shows the loca-
20 tion, the producing interval, the completion date, the present
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22 are met for normal administrative approval for downhole com-
23 mingling.
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25 Q What is the recommended allocation?

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27 Pool; 50 percent of the oil to the Langlie Mattix Pool; 60
28 percent of the gas to the Jalmat Pool, and 40 percent of the

1
2 gas to the Langlie Mattix Pool.

3 Q And I believe you testified that the
4 well is now only producing 4 barrels of oil per day.

5 A That's correct.

6 Q And 70 Mcf per day.

7 A That's correct.

8 Q In your opinion would the granting of
9 the application be in the interest of the prevention of waste
10 and protection of correlative rights?
11

12 A Yes, it would.

13 Q And was Exhibit Number One prepared by
14 you?

15 A Yes, it was.

16 Q Is there anything further you'd like to
17 offer in this case?
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19 A No, not that I can think of.

20 MR. LOPEZ: I have no further questions
21 of this witness.
22

23 CROSS EXAMINATION

24 BY MR. NUTTER:

25 Q Mr. Griffin, what's the basis of your
26 allocation formula there?
27

28 A Just an experience of working in that

1
2 area. We have other wells that are completed in the Jalmat
3 only in that close area, and other wells that are completed
4 in the Langlie Mattix only. It's just an experience factor.
5

6 Q Well, now, you state under conditions
7 that both zones are oil zones. How do you know that this
8 Jalmat is the oil -- is an oil zone here? And that 60 percent
9 of the gas, and only 60 percent of the gas is coming from
10 the Jalmat?
11

12 A Just from offset wells that we have
13 next door and the well --

14 Q That are completed in --

15 A One or the other.

16 Q -- one or the other?

17 A Yes, sir.

18 Q And the breakdown of this nature here
19 would be characteristic of what the production is from those
20 wells that have been completed in one or the other pools?
21

22 A Yes, sir.

23 Q Now this Justis B Well is actually 67
24 feet into the Jalmat.

25 A Yes, sir.

26 MR. NUTTER: Are there any other questions
27 of Mr. Griffin? Is it Griffith or Griffin?
28

A Griffin, I-N.

Q Are there any other questions of Mr.
Griffin? He may be excused.

Do you have anything further, Mr. Lopez?

MR. LOPEZ: No.

MR. NUTTER: Does anyone have anything
they wish to offer in Case Number 7061?

We'll take the case under advisement.

(Hearing concluded.)

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) 415-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7061,
heard by me on 10/29 1980.

[Signature], Examiner
Oil Conservation Division

DATA SHEET

B.M. JUSTIS 'B' #8

3342
3203
139 total pay/s

LEASE: B.M. Justis 'B'

WELL: Number 8

LOCATION: Unit G - Sec. 20 - T25S - R37E

OPERATOR: Bettis, Boyle & Stovall
P.O. Box 1168
Graham, Texas 76046

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3342
3276
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PRODUCING INTERVAL: 5 1/2" casing perforations
3203' to 3342' (10 shots)

COMPLETED: February, 1964

PRESENT PRODUCTION: 4 BOPD - 70 MCFPD - Trace of water

RECOMMENDED ALLOCATION: Jalmat - 50% of oil; 60% of gas
Langlie Mattix - 50% of oil; 40% of gas

CONDITIONS:

1. Both zones are oil zones.
2. Total production is less than twenty (20) BOPD.
3. Both zones require artificial lift.
4. The fluids produced are compatible with each other.
5. The total value of the crude produced will not be reduced.
6. Ownership of the two zones is common.
7. Commingling will prevent waste.

BEFORE EXAMINER NUTTER	
OIL CONSERVATION DIVISION	
EXHIBIT NO. <u>1</u>	
CASE NO. <u>7061</u>	

C-118
Revised 1-1-65

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

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

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

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

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

T. J. J. (Signature)
Prod. Sup.

DATA SHEET

B.M. JUSTIS 'B' #8

LEASE: B.M. Justis 'B'

WELL: Number 8

LOCATION: Unit G - Sec. 20 - T25S - R37E

OPERATOR: Bettis, Boyle & Stovall
P.O. Box 1168
Graham, Texas 76046

PRODUCING INTERVAL: 5½" casing perforations
3203' to 3342' (10 shots)

COMPLETED: February, 1964

PRESENT PRODUCTION: 4 BOPD - 70 MCFPD - Trace of water

RECOMMENDED ALLOCATION: Jalmat - 50% of oil; 60% of gas
Langlie Mattix - 50% of oil; 40% of gas

CONDITIONS:

1. Both zones are oil zones.
2. Total production is less than twenty (20) BOPD.
3. Both zones require artificial lift.
4. The fluids produced are compatible with each other.
5. The total value of the crude produced will not be reduced.
6. Ownership of the two zones is common.
7. Commingling will prevent waste.

Exhibit 1
case 7061

C-116
Revised 1-1-65

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

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

Gas volumes must be reported in MCF measured at a pressure base of 15.021 psia and a temperature of 60° F. Specific gravity base will be 0.60.

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

Well original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 10) and appropriate pool rules.

T. J. J. R.
(Signature)
Proc. Sept.
(Title)

Dockets Nos. 36-80 and 37-80 are tentatively set for November 12 and 23, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 29, 1980

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

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

CASE 7055: (This case will be continued to the November 25 hearing.)

Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Eaves-Lea Unit Area, comprising 2209 acres, more or less, of State and Federal lands in Township 21 South, Ranges 32 and 33 East.

CASE 7056: Application of Getty Oil Company for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3540 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36 East.

CASE 7057: Application of Doyle Hartman for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to the following depths underlying the following 40-acre blocks in Township 24 South, Range 37 East: SE/4 SE/4 of Section 30: 3364 feet; NE/4 SE/4 of Section 30: 3389 feet; and SE/4 SW/4 of Section 20: 3390 feet.

CASE 7058: Application of Tahoe Oil & Cattle Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Harrison Wells Nos. 1 and 2 located in Units A and H, respectively, and its Judy Well No. 1 located in Unit C, all in Section 7, Township 25 South, Range 37 East.

CASE 7059: Application of Gulf Oil Corporation for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3406 feet under the W/2 SW/4 of Section 30, Township 24 South, Range 37 East.

CASE 7060: Application of Mobil Producing Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbores of its Humphrey Queen Unit Wells Nos. 13 in Unit I of Section 4 and 16 in Unit K of Section 3 and its Langlie Mattix Queen Unit Well No. 10 in Unit C of Section 15, all in Township 25 South, Range 37 East.

CASE 7061: Application of Bettis, Boyle & Stovall for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Justis B Well No. 8 located in Unit G of Section 20, Township 25 South, Range 37 East.

CASE 7062: Application of El Paso Natural Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmat and Langlie Mattix production in the wellbore of its Carlson Federal Well No. 2 located in Unit N of Section 23, Township 25 South, Range 37 East.

CASE 7063: Application of Lewis Burleson for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3150 feet under the SE/4 NW/4 of Section 22, Township 25 South, Range 37 East.

CASE 7041: (Continued from October 8, 1980, Commission Hearing)

Application of John Yuronka for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Jalmat Pool and the upward extension of the vertical limits of the Langlie Mattix Pool to a depth of 3,408 feet, subsurface, under the NW/4 SW/4 of Section 17, Township 24 South, Range 37 East.

CASE 7064: Application of El Paso Natural Gas Company 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 440-acre proration unit comprising the S/2, S/2 NW/4, and NW/4 NW/4 of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, to its Gregory Fed. Well No. 1 located in Unit J and its Gregory Fed. A Well No. 2, at an unorthodox location in the center of Unit L of said Section 33.

Thomas H. Griffin
Bettis, Boyle & Stovall
P.O. Box 1193
Hobbs, New Mexico 88240
September 27, 1980

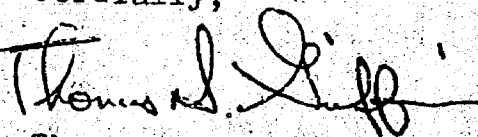
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2038
Santa Fe, New Mexico 87501

Re: B.M. Justis 'B' #8
Request for downhole
commingling

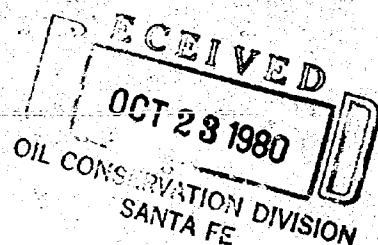
Gentlemen:

A recent study by Mr. John Runyan of your Hobbs office shows the subject well to cross pool boundaries. Mr. Runyan's study shows the well to be completed in the Jalmat Pool and sixty-seven (67) feet into the Langlie Mattis Pool. The well was completed in this way in February of 1964 by Leonard Oil Company. The well presently produces four (4) BOPD and seventy (70) MCF/day with a trace of water. Due to the low productivity of the well and the length of time that it has been completed in this manner, we respectfully request administrative approval for downhole commingling.

Cordially,



Thomas H. Griffin
Production Supt.



DATA SHEET

B.M. JUSTIS 'B' #8

LEASE: B.M. Justis 'B'

WELL: Number 3

LOCATION: Unit G - Sec. 20 - T25S - R37E

OPERATOR: Bettis, Boyle & Stovall
P.O. Box 1168
Graham, Texas 76046

PRODUCING INTERVAL: 5 1/2" casing perforations
3203' to 3342' (10 shots)

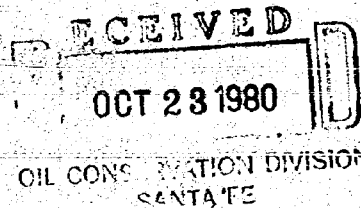
COMPLETED: February, 1964

PRESSENT PRODUCTION: 4 BOPD - 70 MCFPD - Trace of water

RECOMMENDED ALLOCATION: Jalmat - 50% of oil; 60% of gas
Langlie Mattix - 50% of oil; 40% of gas

CONDITIONS:

1. Both zones are oil zones.
2. Total production is less than twenty (20) BOPD.
3. Both zones require artificial lift.
4. The fluids produced are compatible with each other.
5. The total value of the crude produced will not be reduced.
6. Ownership of the two zones is common.
7. Commingling will prevent waste.



Revised 1-1-69

RECEIVED
OCT 23 1980
OIL CONSERVATION DIVISION
SANTA FE

T. J. J. R.
(Signature)
R. J. J. R.

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. 7061

Order No. R-6526

APPLICATION OF BETTIS, BOYLE & STOVALL
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29
19 80, at Santa Fe, New Mexico, before Examiner Daniel S.
Nutter.

NOW, on this _____ day of _____, 19 80, 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, Bettis, Boyle & Stovall, is
the owner and operator of the Justis B Well No. 8
located in Unit G of Section 20, Township 25 South
Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle
Jalmat and Langlie Mattix production
within the wellbore of the above-described well.

(4) That the vertical limits of the Jalmat Pool as defined by Order No. R-520, dated August 12, 1954, include the Tansill and Yates formations and all but the lowermost 100 feet of the Seven Rivers formation.

(5) That the vertical limits of the Langlie-Mattix Pool, as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation.

(6) That there has been some disparity among some geologists as to the ^{actual} base of the Seven Rivers formation and the top of the Queen formation and hence as to the location of the 100-foot marker separating the Jalmat and Langlie Mattix pools.

(7) That as a result of this disparity, the subject wells ^{certain} and other wells in the general area which are classified as ~~Jalmat~~ ~~Langlie Mattix~~ wells have perforations extending across the aforesaid 100-foot marker in the Seven Rivers formation and into the ~~Langlie-Mattix Pool~~.

(8) That such crossing over from one pool into the other in this case appears to be an unintentional error.

(9) That to rectify the aforesaid error would require workover operations on the subject wells which would be expensive and might endanger the productivity of the subject wells, and would actually serve no beneficial purpose, inasmuch as the production and reservoir characteristics of the perforations immediately above and below the 100-foot marker are quite similar.

(10) That a reasonable solution to the problem ^{in this case is to} ~~authorize the commingling of Jalmat production and the the vertical limits of the Langlie-Mattix Pool upward to production from the upper Langlie-Mattix perforations in accommodate the present perforations in the lower Seven Rivers the wellbore of the subject well, formation which are actually within the present Jalmat vertical limits.~~

(11) That such ^{commingling} ~~adjustment~~ will prevent waste and should not impair correlative rights and should be approved.

(9) That ~~to allocate the commingled production~~ to each of the commingled zones in the subject well ^{would be impracticable in this case and therefore all of the} ~~percent of the commingled production should be~~ ^{production should be attributed to the Jalmat Pool.} ~~allocated to the~~ ^{Jalmat} ~~zone, and~~ ^{percent of the commingled production to the} ~~Langlie Mattix zone.~~

IT IS THEREFORE ORDERED:

(1) That the applicant, Bettie, Boyle & Stovel, ~~are~~ ^{are} hereby authorized to commingle Jalmat and ^{Upper} Langlie Mattix production within the wellbore of the Justis B Well No. 8, located in Unit G of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

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

~~(ALTERNATE)~~

(2) That all ~~percent~~ of the commingled ~~production~~ ^{from the subject well attributed} shall be allocated to the Jalmat ~~zone and~~ ^{Pool.} ~~percent of the commingled~~ ^{A.} ~~production shall be allocated to the~~ ^{Upper} Langlie Mattix ~~zone.~~

~~(3) That the effective date of the aforesaid commingling authority shall be the date the Justis B Well No. 8 was perforated between 3275 feet and 3342 feet.~~

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

(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.

Dan Nutter

~~John Hendrix~~ 8389
5112

Bell's Bayle & Stowell

Justis B # 8 G E 20-25-37

Rosehace Cunningham
John & Randa Mott