CASE 1062: EL PASO NATURAL GAS COMPANY O POR DEWNHOLE COMMINGLING, LEA COUNTY, O. MEN MEXICO

CASE MO.

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APPIIC ation,
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STATE OF NEW MEXICO



ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

LARRY KEHOE SECRETARY

November 26, 1980

STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (506) 827-8434

			Re:	CASE NO.	
		son, Attorney		ORDER NO.	R_6
El	Paso Natural	Gas Company			
	O. Box 1492				
E1	Paso, Texas	79978		Applicant:	

El Paso Natural Gas Company

Dear Sir:

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

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Other

STATE OF NEW MEXICO ENERGY AND HINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 7062 Order No. R-6527

COMPANY FOR DOWNHOLE COMMINGLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. ver October 29, 1988 at Sente Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of November, 1980, the Division Director, having considered the testimeny, the record, and the ecomendations of the Examiner, and being fully advised in the regises.

PIHOS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, El Peso Natural Gas Company, is the owner and operator of the Carlson Federal Well No. 2, located in Unit N of Section 23, Township 25 South, Range 37 East, MMPM, on County, New Mexico.
- (3) That the applicant seeks authority to commisse Jalant and Langlia-Mattix production within the wellbere of the above-
- (A) That the vertical limits of the Jalmat Peel as defined by Order No. R-520, dated August 12, 1954, include the Tanaill and Yates formations and all but the lowerment 180 feet of the leven Rivers formation.
- (5) That the vertice: limits of the Langlie-Mattix Poel, se defined by said Order No. R-520, include the lowermost 100 sect of the Seven Rivers formation and all of the Queen formation.

Case No. 7062 Order No. R-6527

(6) That there has been some disparity among some geologiets 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-Feet marker separating the Jalmat and Langlie-Mattix Poels.

- (7) That as a result of this disparity, the subject well and certain other wells in the general area which are classified as Jalmet wells have perforations extending across the aforesaid 100-fort marker in the Saven Rivers formation into the unner pertien of the Langlie-Mattix Pool.
- (8) That such crossing over from one poel into the other in this case appears to be an unintentional error.
- (7) That to rectify the aforesaid error would require werkever eperations on the subject well which would be expensive and might endanger the productivity of the subject well, and would actually serve no beneficial purpose, incomesh as the production and reservoir characteristics of the perferations immediately above and below the 100-foot marker are quite similar.
- (18) That a reasonable solution to the problem in this case is to authorize the commingling of Jalmet production with the production from the upper portion of the Langlie-Mattix Foel in the subject well.
- (11) That such commingling will prevent waste and should not impair correlative rights and should be approved.
- (12) That in order to allegate the commingled production to each of the semmingled zones in the subject well, 36 persont of the commingled production should be allegated to the Jaimet zone, and 14 persont of the commingled production to the Langlie-Mattix zone.

IT IS THEREFORE ORDERED:

- (1) That the applicant, El Paso Natural Gas Company, is hereby authorized to commingle Jalmat and Upper Langlie-Mattix production within the wellbore of the Carlson Federal Well Mo. 2, located in Unit N of Section 23, Township 25 South, Range 37 East, NAPH, Les County, New Mexico.
- (2) That 86 percent of the commingled production shall be allocated to the Jelmat zone and 14 percent of the commingled production shall be allocated to the Langlie-Mettix zone.

-3 Case No. 7062 Order No. R-6517

(3) That the effective date of the aforesaid commingling authority shall be the date the Carlson Federal Well No. 2 was perferated between 2948 feet and 3174 feet.

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

DONE at Santa Fe, New Hexido, on the day and year herein-

JOE D. RAMEY Director

STATE OF NEW MEXICO OAL CONSERVATION DIVISION

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13	BEFORE: Daniel S. Nutter		
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15	Trans(CRIPT OF HEARING	
16			
17	APP	EARANCES	
18			
19			
20	For the Oil Conservation Division:	W. Perry Fearce, Esq. Legal Counsel to the Divisi	on
21		State Land Office Bldg. Santa Fe, New Mexico 87501	
22		Santa re, New Mexico 67501	
		가 하시면 보다 가는 것이 되었다. 사용 기계를 가는 사용한 경험하는 기계를 하는 것은 물건을 하고 있다. 사용하는 물건을 가득하는 것을 했다.	
23 24	For the Applicant:	David T. Burleson, Esq. El Paso Natural Gas Company	
25		El Paso, Texas	
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	2	INDEX	-
	3		
	4	PAUL W. BURCHELL	35
	3 · · · · · · · · · · · · · · · · · · ·	Direct Examination by Mr. Burleson 3	
	6 (6)	Cross Examination by Mr. Nutter 9	
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	° 21	경기 : 프랑스 : 10 10 10 10 10 10 10 10 10 10 10 10 10	
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	28)		

MR. NUTTER: Call Case Number 7062. MR. PEARCE: Application of El Paso Natural Gas Company for downhole commingling, Lea County, N Mexico.	. ********
MR. NUTTER: Call Case Number 7082. MR. PEARCE: Application of El Paso Natural Gas Company for downhole commingling, Lea County, N	
MR, PEARCE: Application of El Paso Natural Gas Company for downhole commingling, Lea County, N	
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MR. BURLESON: David T. Burleson, in	
association with the law firm of Montgomery and Andrews.	
An Risks and the control of the cont The control of the control of	
(Witness sworn.)	
PAUL W. BURCHELL	
being called as a witness and being duly sworn upon his oat	th,
testified as follows, to-wit:	•
16	
DIRECT EXAMINATION	
BY MR. BURLESON:	
ο Will you please state your name and	
where you reside?	
A. My name is Paul W. Burchell and I re	sid
in El Paso, Texas.	
23 β. By whom are you employed and in what	
25 capacity?	
26 A. I am employed by the El Paso Natural	
Gas Company and in the capacity of Senior Proration Engine	er.
Q As & proration engineer have you pre	3. 7.
	-

1 2 viously testified before this Division or one of its Examiners 3 Yes, I have. And your qualifications were accepted 5 by the Division at those times? 6 Yes, they were. Are you familiar with the application in this case? 9 10 Yes, I am. 11_ MR. BURLESON: Are the witness' quali-12 fications acceptable to the Division? 13 MR. NUTTER: Yes, they are. 14 Mr. Burchell, who is the operator of 15 the well which is the subject of this case? 16 El Paso Natural Gas is the operator, 17 What is El Paso seeking in this case? 18 19 El Paso is seeking to downhole commingle 20 production of the Jalmat Gas Pool with production from the 21 Langlie Mattix Pool and produce this gas through one meter 22 in its Carlson Federal No. 2 Well. 23 This well is located in Unit N of Section 24 23, Township 25 South, Range 37 Bast, Lea County, New Mexico. 25

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This well is located in Unit N of Section 23, Township 25 South, Range 37 East, Lea County, New Mexico.

This well presently produces from both these formations as a single completion. El Paso proposes that the allocation of gas and fluid to each of these formations.

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tions, and it wil	l be explained to you in such a manner lave
on in my testimony	y •
Q	How long has this well been producing
from what is now	found to be two separate formations?
A.	This well was originally perforated, I
believé, back aro	and 1954 or 55, in a gross interval in 2350
feet to 2406 feet	, which was entirely in the Jalmat Gas Pool
	Then, in 1976 El Paso Natural Gas re-
worked the well an	nd additional perforations were made from
	of 3098 feet to 3174 feet, which overlapped
into the Langlie)	얼마하고 하면 그리고 하는데 그는 그리고 함께 주었다.
into the Langlie)	Mattix Pool. Therefor, this well has been producing
into the Langlie)	Mattix Pool. Therefor, this well has been producing
into the Langlie } commingled gas and	Mattix Pool. Therefor, this well has been producing liquids from both of these pools since MR. NUTTER: Do you have exhibits which
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into the Langlie) commingled gas and 1976. A take some notes,	Therefor, this well has been producing liquids from both of these pools since MR. NUTTER: Do you have exhibits which the stion intervals, and so forth, Mr. Burchell No. I did not prepare to exhibit. MR. NUTTER: Okay, I'm going to have then. Okay.
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of the -- of this well at the present time?

At the present time, Mr. Examiner, let's say as of September, 1980, the combined production from the well from both zones was 20 Mcf per day and it's making about 1/2 barrel of oil per day and around 2 barrels of water per day.

The second secon

The well averaged for the year of 1980 up to September, it was averaging around 27 Mcf per day, and it is classified as marginal.

On July the 15th, 1980, the well was approved as a stripper well by the USGS for NGPA purposes.

Now, to go back to the -- to the time when the workover was completed, if my memory is correct, I think the well was making somewhere around 60 Mcf of gas per day from the upper set of perfs and there was no surface separation for fluids, so I cannot tell you what the well was making in oil or water prior to the workover.

Then after the workover the well was making something slightly increased, around 80 Mcf of gas per day, and it's been decreasing down to the present time of 20.

Mr. Burchell, what advantage would there be in continuing to commingle the well in both zones:

A Well, really, there are three main advantages with this well.

L willed in the said

 the small volume of gas, intelliber formation would have to be prematurely abandoned. Based upon the extrapolation of State tests, it is estimated that the Jalmat has around 219.7 millich cubic feet of remaining gas reserves, and the Langlie Mattix has about 35.1 million cubic feet, and both of these figures are based on a January 1, 1980, date.

It is believed that these reserves can

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Now the second advantage, of course, is saving the \$35,000+ by not dually completing the existing wells, and besides the better economics, the third advantage would be the efficiency in production whereby a large volume of gas is -- a larger volume of gas will be available to help lift the liquids.

Q If Nivision approval is granted, do you propose a formula by which the gas and liquid production can be apportioned as between the two pools?

A Yes. What I would like to do is base it on my prior testimony related to the remaining reserves in each pool.

It is recommended that 86 percent of the well's gas and liquid production be attributed to the Jalmat Pool, and 14 percent to the Langlie Mattix Pool.

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		9
•	-	Q Mr. Burchell, is the nature of owner-
		ship common as between the two sones which would be commingled
	4	Yes, they are.
	6	Q In your opinion would the granting of
	7 .	this application protect correlative rights and prevent waste?
	8	A. Yes, it would.
	9	Q Do you have anything further to present
<u>*</u>	10	in this case?
		No. 1 To Lot
	12	MR. BURLESON: Mr. Examiner, this com-
	13	pletes our direct examination.
	b	CROSS EXAMINATION
	16	
	17	BY MR. NUTTER:
	18	Q' Mr. Burchell, how did you calculate the
.	19	219 million cubic feet of remaining reserves in the Jalmat
	20	and 35.1 million in the Langlie Mattix?
	21	A The it is on the extrapolation of
	22	all the State tests prior to the workover, gave me the first
	23	figure, and then the after the well was completed it in-
	24	있는 것은 말라면 하고 있는 것이 되고 있는 것이다. 그런 그는 그들은 그는 그는 그는 그는 그는 그를 보고 하는데 그를 보고 하는데 하는데 되었다. 그는 것이다. 등록 하는 그들을 보고 있는 것이 그들은 사람들이 되는 그것 하지 않는데 그들은 그를 보고 있는데 그를 보고 있다. 그는 것이 되었다.
	25	creased from 219 to 254-something, so the difference I attri-
	26	buted to the lower perforations.
	27	Now you said before the workover it
	28	apparently wasn't making any liquids because you didn't have

1		10
2	any surface	
	A.	Right,
	<u> </u>	separation facilities out there.
6	A.	Right.
7	Q	When were those surface separation
8	facilities installed,	then?
9		Apparently right after it was worked
10	over.	
11	Q	So you got down into the Langlie Mattix
12	and started making of	1, then.
13		Yes, and whether it made oil and water
14 15	prior to that, I just	can't answer that.
16	۵	Well, if the I think the answer it-
17	self is obvious, it d	idn't, or you'd have had surface separa-
18	tion facilities, woul	dn't you?
19	<u> </u>	Yes, if it was a lot, yes.
20		Almost any you'd have to separate it
21	out. What kind of a	gas pipeline did it go into?
22	A	I'm not sure about that, Mr. Examiner.
23 24	•	You don't know how much liquid it made;
25	though, on recompleti	on?
26		It was more than a half barrel a day
27	at first.	
28	Q.	Do you know what the cumulative liquid

	•	
		11
	2	production or hydrocarbon production has been from the well?
		A. Let's see, I think I did have that down
	4	m Het s see, I think I the liave that down
11.1	5	somewhere. On, yes, as of January the 1st, 1980, the oil had
		a cumulative production of 2185 barrels, and for the year of
	6	1070 14 made 60 hammala as all'ang 7000 hammala as
	7	1979 it made 68 barrels of oil and 720 barrels of water.
	8	Q. So its cumulative oil is only 200 bar-
	9	rels and presumably that would have all been made since the
	10	
		new perforations were opened in 1976.
		A. Yes, sir. Yes, that is from 1976.
	12	Q So I suppose it would be reasonable on
	13	문의 경기에 가지 그 사람이 하는 것이 되었다. 그 사람이 되었다. 그 사람이 하는 것은 사람들은 모르게 되었다. 사람이 사람이 사람이 되었다. - 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은
	A 14	the allocation, if your figures are correct of 86 percent of
	15	the gas to the Jalmat and 14 percent to the Langlie Mattix,
		to attribute all of the liquid production to the Langlie
	16 -	
	17	Mattix
	18	A. It would seem to be most reasonable,
	19	MR. NUTTER: Are there any other ques-
	20	경기 사용 경기 등을 보는 것이 되었다. 이 경기 가장 되었다. 그는 것이 되는 것이 되었다. 그는 것이 되는 것이 되었다. 그는 것이 되었다. 그런 것이 되었다. 그런 것이 되었다. 그런 것이 되었다. 1985년 1일 1985년 1일 1985년 1일 1985년 1일 1985년 1일 1985년 1일
		tions of Mr. Burchell? He may be excused.
	21	Do you have anything further, Mr. Burle-
	22	[BLE SANDER TO THE SANDER SANDER TO SANDER TO THE SANDER
	23	[1] [1] [1] [1] [2] [2] [2] [3] [4] [4] [4] [4] [4] [4] [4] [4] [4] [4
	24	MR. BURLESON: No, sir.
	25	MR. NUTTER: Does anyone have anything
	26	they wish to offer in Case Number 7062?
	27	We'll take the case under advisement.
	28	[경기] 기계 및 시간 기계 기계 기계 기계 및 기계
		(Hearing concluded.)
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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY 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.

Sacy W. Book C.S.R.

do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2002. heard by me on 1966.

Oil Conservation Division

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	2	viously testified before this Division or one of its Examiners
		Yes, I have,
	4	to the first of the second of the first of the second of t
2	5	i wild Agns digital custous Mara accabiad
	6	by the Division at those times?
	7	A. Yes, they were.
	8	Are you familiar with the application
	9	in this case?
	10	A. Yes, I am.
	[<u>*</u>	MR. DURLESON: Are the witness' quali-
	12	fications acceptable to the Division?
—. ***	13	MR, NUTTER: Yes, they are.
	14	사용 관심 사용 사용 사용 기업 등 기업 시설 등 사용 기업 기업 등 등 기업
	15	Q Mr. Burchell, who is the operator of
	. 16	the well which is the subject of this case?
	17	A. El Paso Natural Gas is the operator.
	18	Q What is El Paso seeking in this case?
-	19	A El Paso is seeking to downhole commingio
	20	production of the Jalmat Cas Pool with production from the
	21	Langlie Mattix Pool and produce this gas through one mater
	22	in its Carlson Federal No. 2 Well.
2		
	24	This well is located in Unit M of Secul
	25	23, Township 25 South, Range 37 East, Lea County, New Mexico.
	26	This well presently produces from both
	O 77	these formations as a single completion. El Paso proposes
	28	that the allocation of gas and fluid to each of these forms-

	1	<u> </u>
ا ر		tions, and it will be explained to you in such a manner later
1 -	5	on in my testimony.
	\$	Q How long has this well been producing
	6	from what is now found to be two separate formations?
	7	A This well was originally perforated, I
	.8	believe, back around 1954 or 55, in a gross interval in 2350
		feet to 2406 feet, which was entirely in the Jalmat Gas Pool.
	10	Then, in 1976 El Paso Natural Gas va-
	9.50 2.50 2.20 3114 20.00 2.50 2.50 2.50 2.50 2.50 2.50 2.50	worked the well and additional perforations were made from
		a gross interval of 3098 feet to 3174 feet, which everlapped
	13	into the Langlie Mattix Pool.
	O "	물로 보면 보면 있었다. 그런 하는 사람들이 있는 것을 하고 있는 것이다. 그런 그 사람이 되었다. 하는 것은 하는 것은 것은 것이다. 물건 물론에 되었다. 그리고 있는 것은 것을 하는 것을 하는 것이다. 그런 그런 그런 그런 그런 것은 것은 것은 것이다.
	is	Therefor, this well has been producing
φ. 4		commingled gas and liquids from both of these pools since
	17	
		MR. NUTTER: Do you have exhibits which
	.	show these perforation intervals, and so forth, Mr. Burchell?
is i	20	A No, I did not prepare an exhibit.
		MR. NUTTER: Okay, I'm going to have to
	22 23	take some notes; then.
	24	A. Okay.
	25	MR. NUTTER: You'll have to repeat some
7	26	of that. You don't have to take all of this, Sally.
	27	사용하는 것이 많아 있는데 그 사람이 되었다. 그는 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은 사람들은
	28	(Thereupon the following
ulo.		was off the record.)
		(2. 15 %) 마양이 보다 보고 있다. 그 사용이 교육되고 있습니다. 그 중요한 경험 등록 하는 것이 되었습니다. 그 사용을 받는 것이다는 것이다.

The King of the Mark of the Mark of the Committee of the

MR. NUTTER: Back on the record.

Then, of course, the New Mexico Cil Conservation Division recently reviewed the walls in these pools and found approximately fifty wells crossing the vertical pool boundaries, and the Carlson Federal No. 2, of course, was one of them.

Mr. Burchell, would you want to deal with the Examiner's question with respect to the producing characteristics of both zones prior to the time that the well was reworked at this time?

A I think when we get to the question of discussing production here, then I can go into that.

Okay. Why is El Paso soring for this permission to continue to downhole commingle?

A Downhole commingling is considered by El Paso the most economic and conservative method to undertake due to the very low productivity of both somes and due to the high cost of dualing the well.

A. It would cost approximately \$35,465,

and this would include a necessary pump and associated quip-

and this would include a necessary pump and associated quipment.

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What are the producing characteristics

of the -- of this well at the present time? At the present time, Mr. Examiner, let's say as of September, 1980, the combined production from the well from both zones was 20 Mcf per day and it's making about 1/2 barrel of oil per day and around 2 barrels of water per day. The well averaged for the year of 1980 10 up to Sortember, it was averaging around 27 Mos per day, and 11 it is classified as marginal. 12 On July the 15th, 1980, the well was approved as a stripper well by the USGS for NGPA purposes. Now, to go back to the -- to the time when the workover was completed, if my memory is correct, I think the well was making somewhere around 60 Mcf of gas per day from the upper set of perfs and there was no surface separ ation for fluids, so I cannot tell you what the well was making in oil or water prior to the workover. Then after the workover the well was making something slightly increased, around 80 Mcf of gas per day, and it's been decreasing down to the present time of 20. Q Mr. Burchell, what advantage would there be in continuing to commingle the well in both zones?

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vantages with this well.

Well, really, there are three main ad-

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right, it is bolieved by commingling the small volume of gas, neither formation would have to be prematurely abandoned. Daned upon the extrapolation of State tests, it is estimated that the Jalmat has around 219.7 million cubic float of remaining gas reserves, and the Langlie Mattix has about 35.1 million cubic feet, and both of these figures are based on a January 1, 1980, date.

It is bolieved that these reserves can bs recovered through commingling.

Now the second advantage, of course, is saving the \$35,000+ by not dually completing the existing wells, and besides the better economics, the third advantage would be the efficiency in production whereby a large volume of gas is -- a larger volume of gas will be available to help lift the liquids.

O If Division approval is granted, do you propose a formula by which the gas and liquid production can be apportioned as between the two pools?

Yes. What I would like to do is base it on my prior testimony related to the remaining reserves in each pool.

It is recommended that 86 percent of the wall's gas and liquid production be attributed to the Jalmat Pool, and 14 percent to the Langlie Mattix Pool.

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		y
	2	0 Mr. Burchell, is the nature of owner-
S. AND	3	ship cormon as batween the two zones which would be comminded?
marile survey	4	L Yes, they are.
	<u> </u>	Q In your opinion would the granting of
	6	this application protect correlative rights and prevent waste?
		A. Yes, it would.
2000 - 100 100 100 100 100 100 100 100 10	9	Ω Do you have anything further to present
	10	in this case?
		In this case:
	. 12	
	13	MR. BURLESON: Mr. Examiner, this com-
	A 14	pletes our direct examination.
	15	[12] 마음
	16	CROSS EXAMINATION
	17	BY MR. NUTTER:
	18	Q Mr. Burchell, how did you calculate the
	19	219 million cubic feet of remaining reserves in the Jalmat
	20	and 35.1 million in the Langlie Mattix?
*		A. The it is on the extrapolation of
• •	22	all the State tests prior to the workover, gave me the first
	23	figure, and then the after the well was completed it in-
	24	creased from 219 to 254-something, so the difference I attri-
	25 26	buted to the lower perforations.
	27	Q Now you said before the workover it/
	∵ 28	apparently wasn't making any liquids because you didn't have
		abiver pitery agout a sideritid diff tridition pecame Aon armise udae

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		Company of the second s
	2	10.00
	. 4 1 Na 21.1 <u>12</u>	any surface
	3	A. Right.
<u>Sametro se solo de altre de Salvado Salvado.</u> Partidades de altre de altre Salvado.	4	Q separation facilities out there
Exercises and the second of th		
	6	A. Right.
	7	Q When were those surface separation
	8	facilities installed, then?
	9	A Apparently right after it was worked
	10	
		over.
	12	Q So you got down into the Langlie Mattix
		and started making oil, then.
	13	A. Yes, and whether it made bil and water
	14	
	15	prior to that, I just can't answer that.
	16	Q Well, if the I think the answer it-
	17	self is obvious, it didn't, or you'd have had surface separa-
	18	tion facilities, wouldn't you?
	19	A Yes, if it was a lot, yes.
	20	
	21	Q Almost any you'd have to separate it
	22	out. What kind of a gas pipeline did it go into?
		A. I'm not sure about that, Mr. Examiner.
	23	Q You don't know how much liquid it made,
	24	
	25	though, on recompletion?
	26	A It was more than a half barrel a day
	27	at first.
	28	O Do you know what the cumulative liquid
		Do you know what the cumulative liquid

1 2 production or hydrocarbon production has been from the well? 3 her's see, I think I did have that down 4 somewhere. Oh, yes, as of January the 1st, 1980, the oil had 5 a cumulative production of 2185 barrels, and for the year of 6 1979 it made 68 barrels of oil and 720 barrels of water. 7 So its cumulative oil is only 200 bar-8 9 rels and presumably that would have all been made since the 10 now perforations were opened in 1976, 11 Yes, sir. Yes, that is from 1976. 12 So I suppose it would be reasonable on 13 the allocation, if your figures are correct of 86 percent of 14 the gas to the Jalmat and 14 percent to the Langlie Mattix, 15 to attribute all of the liquid production to the Langlie 16 Mattix. 17 18 It would seem to be most reasonable. 19 MR. NUTTER: Are there any other ques-20 tions of Mr. Burchell? He may be excused. 21 Do you have anything further, Mr. Burle 22 23 MR. BURLESON: No, sir. 24 MR, NUTTER: Does anyone have anything 25 they wish to offer in Case Number 7062? 26 27 We'll take the case under advisement. 28 (Hearing concluded.)

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREPY 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. 1 Box 193-B Santa Fe, New Mexico 87301 Phote (303) 435-7409 3

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Oil Conservation Division Examiner

21 22 23

EP Carlson 7cd #2 Jalmestonly 1954 Orig 2350 to 2406 ento danglie mattij 76 how perfs 3098 to 3174" cost 35 Hos to dually comp current as mer/hy 19 Boro + fur?D 1980 20 Mc4/Kay July approved as NGPA stripped 60 MCF/lay from upper parts prior to workfood - his sury sty facility made about 80 afin NO. Occurred down to greent 20 potseming 219 MM Nemany gas Jalmate sources: 351 MM cupt Randylie Masters so 70 to falment 1470 to Rangli builty en 8 1-1-80 cum ail 2,185 barrels ogr 79:68 bands 220 ble vie seen are hypercarbon ligners too my J. O. SETH ((883-1963))

A. N. MONTGOMERY
FRANK ANDREWS
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
VICTOR R. ORTEGA

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SANTA FE. NEW MEXICO ATROL

October 28, 1980

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

Re: NMOCD Case No. 7062 - Application of El Paso Natural Gas Company for Downhole Commingling, Lea County, New Mexico

Gentlemen:

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

Www. Lopez

OML: to

.

Dockets Nos. 36-80 and 37-80 are tentatively set for November 12 and 25, 1980. Applications for hearing must be tiled 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 OPPICE BUILDING, SANTA PE, MR. MR. MR.

The following cases will be heard herore Hantel S. Muffer: Kvaninen. or Pichard L. Chemate Michard Bundings

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 Haxico.
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 Matrix 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 Matrix Pool
to a depth of 3540 feet, subsurface, under the NW/4 SW/4 of Section 3, Township 24 South, Range 36

CASE 7057: Application of Doyle Hartman for the extension of vertical limits of the Langlie Mattix Pool, Lea County, New Hexico. 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 tracts in Township 24 South, Range 37 East: 8E/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 or lance Oli a Cattle Company lo. dominical commissions of 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 Dil 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 Langlia Mattix production in the wellbore of its Justis B Well No. 8 located in Unit C 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.

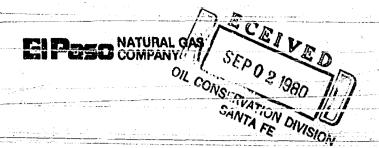
Applicant, in the above-styled cause, seeks approval for the downhole commingling of Jalmet and Langlie Mattix production in the wellbore of its Carlson Federal Well No. 2 located in Unit N of Section 23, Township 25 South, Range 37 East.

CASE 7063: Application of Levis 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 Jaluat 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 NM/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.



P. O. BOX 1492 EL PASO, TEXAS 79978 PHO 1E: 915-543-2800

August 26, 1980

Cuse 7062

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

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing by set before the Division or its designated examiner on September 17, 1980, if possible. El Paso seeks approval to downhole commingle production from the Jalmat Gas Pool with production from the Langlie-Mattix Pool in its Carlson Federal No. 2 Well. This well is located in Unit Letter N of Section 23, T25S-R37E, Lea County, New Mexico.

Very truly yours,

E. R. Manning
E. R. Manning

ERM/rv

John F. Eichelmann, Jr. David T. Burleson L. G. Truby Carl E. Matthews W. D. Dawson D. N. Canfield R. H. Nordhausen Dayne Adams

- 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. 7062 Order No. R-6527 APPLICATION OF EL PASO NATURAL GAS COMPANY FOR DOWNHOLE COMMINGLING. 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 day of NOW, on this **, 19** 80 Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises, FINDS: (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof. (2) That the applicant, El Paso Natural Gas Company, is the owner and operator of the Carlson Federal Well No. 2 located in Unit N of Section 23 , 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.

- 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.
- as defined by said Order No. R-520, include the lowermost 100 feet of the Seven Rivers formation and all of the Queen formation.
- That there has been some disparity among some geologists as to the 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.
- That as a result of this disparity, the subject wells and certain and other wells in the general area which are classified as delimed to the wells have perforations extending across the aforesaid 100-foot marker in the Seven Rivers formation into the upper the Langlie Mattix Pool.

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

- (f) 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.
- of Jaluar production with the production from the upper portion 1 the vertical limits of the Langlie-Mattix Pool upward to in the Subject well.

 **Tormation which are actually within the present lalmat vertical limits:
- (10) That such adjustment will prevent waste and should not impair correlative rights and should be approved.

12 5 That in order to	allocate the	e commingled production
to each of the commingled ze	ones in the	subject well, 86
percent of the commingled	pr	coduction should be
allocated to theJalmat		zone, and 14
percent of the commingled		production to the
Langlie Mattix	zone.	And the second s

portion

•	m	TA	1753 1 73 73 73 73 74	Ann /	INDHAMA.
L	л.	1.5	THERE	ORE L	RDERED:

	(1) That the applicant, El Paso Natural Gas Company, is
	hereby authorized to commingle
Upp	r-Langlie Mattix production within the wellbore of
	the Carlson federal Well No. 2, located in Unit N of
	Section 23 , 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
	delegation of production.
	to each zone in each of the subject wells:
	(STATICK(NATE))
	(2) That 85 percent of the commingled
	production shall be allocated to the
	zone and 14 percent of the commingled
	production shall be allocated to the Langlie Mattix
	cone.
	(2) That the effective date of the aforesaid **evicion* of the vertical
	limits of said pools shall be the date the Coulon Federal Well
	No. 1117 20 was perforated between 2948 feet and 3174 feet.
	Noll (3) Amigaiction.
	Done at Santa Fe, New Mexico, on the day and Year hereinabove designated.
	(1) the process of the cause de rotained has too
	forty of the decimal of the law the con may deep necessary.
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1	[[문문문화가 그렇게 하를 보고 그릇들은 보고 하고 하고 하는데 되는데 되는데 그래 하는 그래 하고 말았다. [편집] [[문문문화] [[문문문화] [[문문]] [[모문]] [[모_]] [[모_]] [[모_]] [[모_]] [[R_]] [[R_
(1) (0 + x) \$	
	No.: 172 was perforated between 2148 feet and 3174 feet. 1998 and