

KELLAHIN, KELLAHIN AND AUBREY

Attorneys at Law

El Patio - 117 North Guadalupe

Post Office Box 2265

Santa Fe, New Mexico 87504-2265

Telephone 982-4285

Area Code 505

W. Thomas Kellahin
Karen Aubrey

Jason Kellahin
Of Counsel

February 21, 1989

RECEIVED

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Director
Oil Conservation Division
310 Old Santa Fe Trail, Room 206
Santa Fe, New Mexico 87503

Case 9631

Re: Application of BHP Petroleum
Company Inc. for Compulsory Pooling
and Unorthodox Location
Well Name: Yates Valley State
Com #1 Well
Chaves County, New Mexico

Dear Mr. LeMay:

On behalf of BHP Petroleum Company Inc., please find enclosed our Application for Compulsory Pooling and Unorthodox Location which we would request be set for hearing on the next available Examiner's docket now scheduled for March 15, 1989.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application. Those parties are directed to contact the Division or the applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a Compulsory Pooling Order will affect their right to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK/rs
Encl.

cc: Mr. Randall Davis - BHP Petroleum Company Inc.

Certified Mail-Return Receipt
to all parties listed on Exhibit A & B
of the Application, w/encl.

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF BHP PETROLEUM COMPANY INC. FOR
COMPULSORY POOLING AND UNORTHODOX
GAS WELL LOCATION
CHAVES COUNTY, NEW MEXICO

CASE: 9631

A P P L I C A T I O N

COMES NOW, BHP PETROLEUM COMPANY INC., by and through its attorneys, Kellahin, Kellahin and Aubrey, and in accordance with Section 70-2-17(c) NMSA (1978) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the top of the Wolfcamp to base of the Montoya formation underlying the E/2 of Section 36, T10S, R26E, Chaves County, New Mexico. The above described unit is to be dedicated to its Yates Valley State Com #1 Well to be drilled to a depth of approximately 6700 feet or to the base of the Montoya formation, whichever is deeper, at an unorthodox well location in said Section 36, and in support thereof would show:

1. Applicant is a working interest owner in the E/2 of Section 36, T10S, R26E.
2. Applicant desires to drill a well at a unorthodox location 1650' FNL and 2310' FEL in the E/2 of Section 36.

3. Applicant, has sought a voluntary agreement with all those parties shown on Exhibit "A" for the formation of appropriate spacing and proration unit for the drilling of the subject well but has been unable to obtain a voluntary agreement.

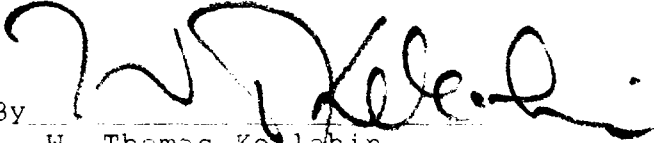
4. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" and "B" of this application for compulsory pooling and for an unorthodox location and of the applicant's request for a hearing before the Division to be set on March 15, 1989.

5. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interests involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein and approval of the unorthodox well location. Applicant further prays that it be named operator of the well, and that the order make provisions for applicant to recover out of production its costs of drilling, completing and equipping the subject well, costs of operation, in-

cluding costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, for such other and further relief as may be proper.

Respectfully submitted.

By 

W. Thomas Kellahin
Kellahin, Kellahin & Aburey
Post Office Box 2265
Santa Fe, New Mexico 87504

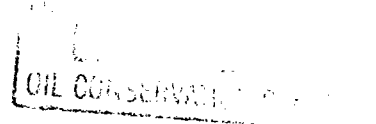
(505) 982-4285



Texaco USA

March 27, 1989

New Mexico Oil Conservation Division
310 Old Santa Fe Trail
Room 206
Santa Fe, New Mexico 87503



Attention: Mr. William J. LeMay

RE: Downhole Commingle Application
Texaco Producing Inc.'s
J. V. Baker Well No. 9
Unit Letter N, Section 22,
T-22-S, R-37-E
Lea County, New Mexico

Gentlemen:

Approval is requested to downhole commingle the referenced well in the Blinebry, Tubb and Drinkard zones. Below is data required by NMOCD Rule 303 for downhole commingling:

- A. J. V. Baker Well No. 9 is a Fee property and has been downhole commingled in the Blinebry and Drinkard formations since 1955. Upon Texaco Producing Inc.'s notice of intent to additionally complete in the Tubb formation and triple downhole commingle the well, it was discovered by the Hobbs Oil Conservation Division office and Texaco that authorization was never given for the downhole commingling performed in 1955. New Mexico Oil Conservation Division records show this well as producing from the Drinkard formation only. Production is shown on the attached production curve. Texaco Producing Inc., as recommended by Mr. Jerry Sexton of the Hobbs Oil Conservation Division office, is now seeking to rectify oversights in the commingling of the Blinebry and Drinkard formations and also for approval to add the Tubb formation to form a triple downhole commingle. Texaco Producing Inc. has a 100% Gross Working Interest and an 87.5% Net Interest on all three zones (Blinebry, Drinkard, and Tubb).
- B. Division Form C-116 is attached showing a test of produced oil, water and gas from the Blinebry, Tubb, and Drinkard zones. The Blinebry and Drinkard zones were swab tested. The Tubb zone production was deduced following a test of total Blinebry-Tubb-Drinkard production.

March 27, 1989

C. A production decline curve for the Blinebry and Drinkard formation production is attached. No production history is available for the Tubb zone since the Tubb is a recent completion. The prognosis for future production from each zone is as per the attached production tests for each zone.

D. The bottom hole pressure for each zone obtained by stabilized fluid level measurements are as follows:

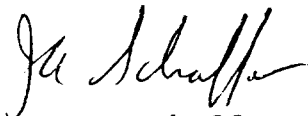
Blinebry Zone	489 PSI
Tubb Zone	--- PSI
Drinkard Zone	347 PSI

E. The Blinebry, Tubb, and Drinkard formations are compatible and have been successfully commingled on other Lea County properties. An example of same is the Shell Oil Company operated Northeast Drinkard Unit located in T-21-S, R-37-E, Lea County, New Mexico. Therefore no fluid incompatibilities are expected for the commingled Blinebry, Tubb, and Drinkard in the subject well.

F. The prices received for hydrocarbon productions sold from the J. V. Baker Lease are the same for all zones. Therefore, the value of the commingled production will not be less than the sum of the values of the individual streams.

G. Offset operators (Anadarko Oil Company and Chevron Oil Company) have been notified of the pending triple downhole commingling.

Yours very truly,



J. A. Schaffer
District Operations Manager

RH:LDR/JRB

Attachments

cc: NMOCD - Hobbs

J. V. BAKER NO. 9
HISTORY

10/2/49 Spudded
17"hole, 13 3/8" 44.5# Armco casing set at 200'
with 200 sacks of cement. Cement circulated.

10/12/49 11" hole, 8 5/8", 28#, National casing set at 2790'
with 1000 sacks of cement. TD 7362'.

11/19/49 Open hole completion. Dry hole. Plugged and
Abandoned.

10/4/55 Reentered into Drinkard Formation. Drilled out to
6450' with 7 7/8" hole. Ran and set 5 1/2", 14#,
J-55 casing at 6450' with 450 sacks of cement. Top
of cement at 3325'. Completed and tested as
follows:

DRINKARD Perforated 5 1/2" casing at 6391'-6425' with 104
shots. Acidized with 1000 gallons. Fracture
treated with 10,000 gallons. Swabbed and flowed 86
BO in 8 hours.

TUBB Perforated at 6020'-6106' with 200 shots. Fracture
treated with 10,000 gallons. Swabbed 37 BNO in 13
hours. Squeezed perforations 6020'-6106' with 150
sacks of cement.

BLINEBRY Perforated 5570'-5742' with 312 shots. Fracture
treated with 10,000 gallons.

11/1/55 Well flowed 168 BOPD in 13 hours. GOR 1400.

2/7/56 Cleaned ut 6417'-6438'.

11/9/56 Fracture treated with 10,000 gallons.

2/4/75 Perforated 5 1/2" casing at 3300' and squeezed with
550 sacks of cement to eliminate waterflow behind 5
12" casing.

2/22/89 Additionally completed in to Tubb Formation.
Perforated
5 1/2" casing at 6020,25,32,34,
40,48,50,54,60,73,80,84,90,6100,04,08 ,13 and 15
with 2 SPF(36holes). Acidized Tubb perforations
with 5000 gallons of 15% HCL. Fracture treated the
Tubb perforations 6020'-6115' with 25,000 gallons.
Acidized Blinebry perforations 5570'-5742' with
3000 gallons of 15% HCL. Tested Blinebry at 3
BOPD, 3 BWPD and 12 MCFPD. Acidized Drinkard
perforations 6391'-6425' with 1500 gallons of 15%
HCL. Tested the Drinkard Interval at 6 BOPD, 12
BWPD and 22 MCFPD. Tested the Tubb Interval at 10
BOPD, 12 BWPD and 1 MCFPD.

GAS - OIL RATIO TESTS

Operator		Pool		County									
Texaco Producing Inc		Blinebry - Tubb - Drinkard		Lea									
Address		TYPE OF TEST - (X)		Completion ☒ Scheduled ☐									
PO Box 728 Hobbs, New Mexico 88240													
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL
		U	S	T						A	WATER BBL'S	GRAV. OIL	
Baker (total) Percentages of total oil: Gas as shown below: Oil 16% Gas 34%	9	N	ZZ	ZZ	37	3/4/89			24	27	19	35	1842
53%	Blinebry					2/28/89			5	3	3	12	4000
31%	Tubb					3/4/89			24	12	10	1	100
63%	Drinkard					3/1/89			5	12	6	22	3667

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

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 Division.

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 Division in accordance with Rule 301 and appropriate pool rules.

R. E. Johnson

AREA SUPERINTENDENT

MAR 17 1989

(C-116)

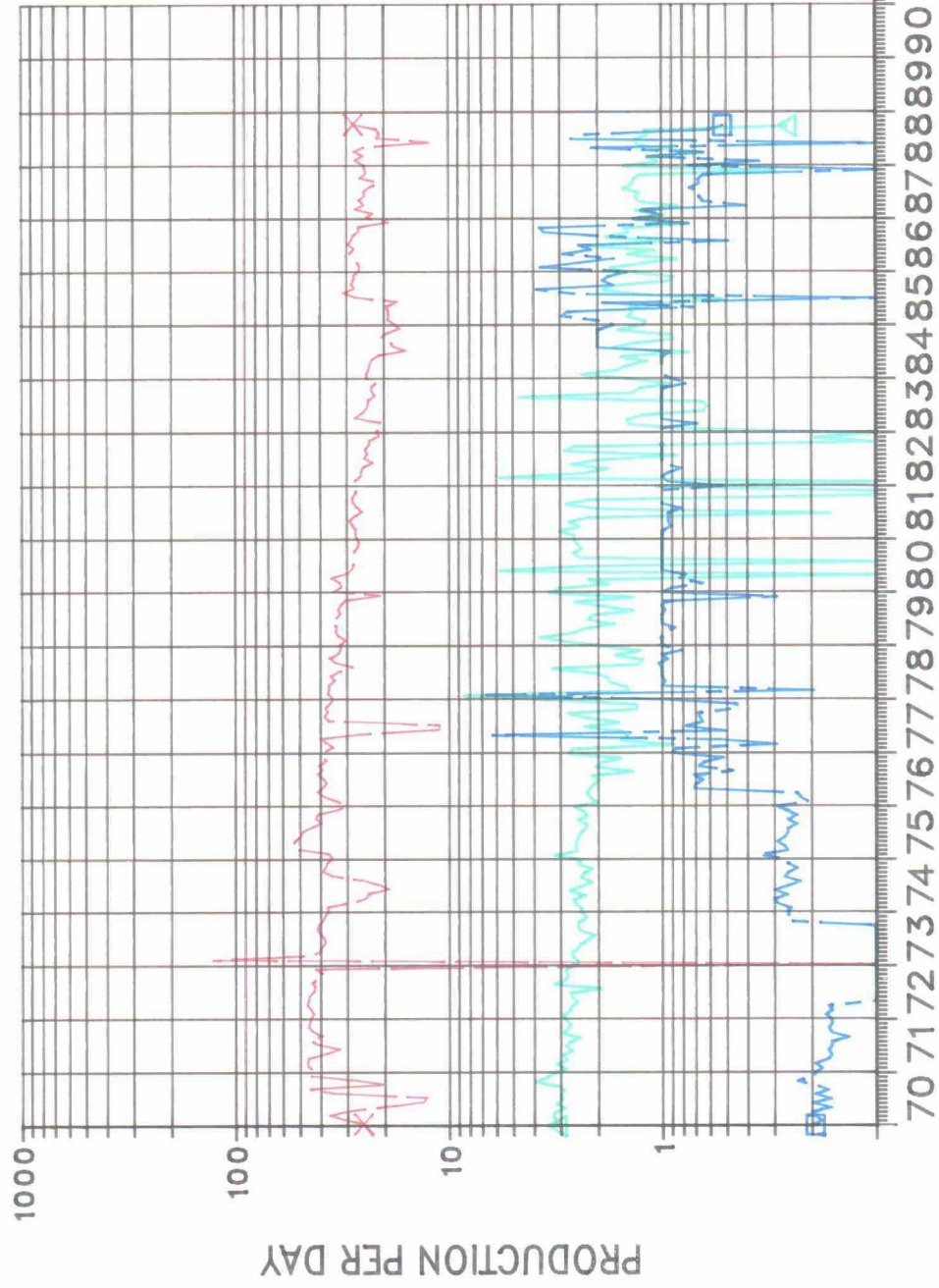
NEW MEXICO REGION

PRODUCTION VS TIME

89-03-02

STATE: NEW MEXICO
REG. DIST: HOBBS/SE
COUNTY: LEA
FLD: DRINKARD
ZONE: DRINKARD

PROP: J V BAKER 08:47:07
PROP NO: 29370 WNUM: 009
LOCATION: 22S 37E 22 N
OPER: TEXACO PRODUCING CO.
WLSER: 22S37E22NDR



UPPER PERF:N/A
LOWER PERF:N/A

CUM. TOTALS
THRU 10/31/88
CRUDE: 57371
GAS : 377444
WATER: 11906

△ CRUDE (BBLS)
× GAS (MCF)
□ WATER (BBLS)

QM29RH

J.V. Baker No. 9
Unit letter N
Section 22, T22S, R37E
4514 FNL and 3194 FEL
ΔF = 3352'

200'

2790'

Cement Squeezed Perfs
at 3300' with 550 sacks.
Circulated.

Blinebry Interval

Tubb Interval

Drinkard Interval

PBTD 6438'
TD 6450'

13³/₈" 44.5#, Armco
200 sacks, 17" hole
Cement circulated

8⁵/₈" 28#, National, 1000 sks,
11" hole cement circulated

Perforations 5570'-5742'
312 shots

Perforations 6020'-6106'

Perforations 6391'-6425'
(104 shots)

5¹/₂" 14#, J-55, 450 sacks,
7⁷/₈" hole, TOP of cement at
3325'

