



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

50 YEARS



1935 - 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Administrative Order No. DHC-603

Southland Royalty Co.  
P. O. Box 4289  
Farmington, New Mexico 87499

Attention: Gary Brink

Re: Whitley No. 7-E Well, Unit F, Sec. 9,  
T-27 North, R-9 West, NMPM, San Juan  
County, New Mexico  
Blanco Mesaverde and Otero Chacra Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle the production from both pools in the wellbore.

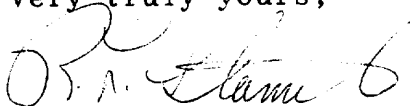
It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 20 barrels per day, and total water production from the well shall not exceed 40 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated gas pool as printed in the Division's San Juan Basin Gas Proration Schedule.

In accordance with the provisions of Rule 303-C, the supervisor of the Aztec District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. L. Stamets", written over a horizontal line.

R. L. STAMETS,  
Director

cc: Gas Co. of N.M.  
OCD District Office - Aztec



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

OIL CONSERVATION DIVISION  
BOX 2088  
SANTA FE, NEW MEXICO 87501

DATE March 20, 1986

RE: Proposed MC \_\_\_\_\_  
Proposed DHC ✓ \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Gentlemen:

I have examined the application dated February 26, 1986  
for the Smiths/Royalty Whitley #5E F-9-25N-9W  
Operator Lease and Well No. Unit, etc.

and my recommendations are as follows:

Approve  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

Timothy J. [Signature]



**Southland Royalty Company**

February 25, 1986

RECEIVED  
FEB 26 1986  
OIL CON. DIV.  
DIST. 3

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

Subject: Whitley #7E  
Unit F, Section 9, T-27-N, R-9-W  
San Juan County, New Mexico

Dear Mr. Stamets:

Southland Royalty Company requests administrative approval to downhole commingle the production from its Whitley #7E gas well located in Unit F, Section 9, T-27-N, R-9-W, San Juan County, New Mexico. This well was drilled and logged in November, 1985, and it is currently waiting on completion. Logs were run across the Otero Chacra Pool, Blanco Mesa Verde Pool and Basin Dakota Pool. Southland Royalty Company is seeking permission to downhole commingle the production from the Otero Chacra and Blanco Mesa Verde formations, then dually complete it with the Basin Dakota. Southland Royalty Company owns 100% working interest in all three formations.

The attached nine-section plats show the Whitley #7E and surrounding existing Chacra and Mesa Verde wells with the original WHSIP, 1985 average MCF per day gas production, oil and gas cumulative production as of January 1, 1986, and the date of first delivery. The original WHSIP was taken from state deliverability tests. The Chacra averaged 831 psia and the Mesa Verde averaged 1009 psia, with difference between the average original shut-in pressure of 178 psia, which results in a ratio of 1 to 1.21. It is believed these reservoir characteristics will be compatible for both formations. The low pressure differential will prevent any gas or fluid migration from one formation to the other.

It is estimated that the stabilized flow rates for both the Chacra and Mesa Verde will be small. In this area the Chacra is averaging 23 MCF per day and the Mesa Verde is averaging 90 MCF per day. This well should have a stabilized flow rate of approximately 115 MCF per day. The Chacra formation in this area produces no oil or condensate and is relatively water free. The Mesa Verde formation should produce approximately 2.0 barrels of oil per day and very little

P. O. Box 4289 (505) 327-0251 Farmington, New Mexico 87499

~~NO PRODUCTION FROM THIS WELL SINCE 1985~~

Mr. Richards Stamets  
Page Two  
February 25, 1986

water. The dry gas associated with the Chacra will help lift the Mesa Verde liquids and result in a more efficient and trouble-free gas flow. In addition, the minimum amounts of water produced from each formation should not result in any formation damage. Downhole commingling is considered by Southland the most efficient method to undertake due to the low productivity of both zones and it being uneconomical to drill a single Otero Chacra well in this area.

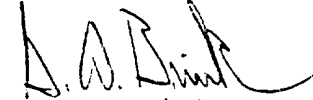
It is proposed that the production be allocated based on the calculated reserves. It is estimated by the Southland Reservoir Department that the Otero Chacra has approximately 248 MMCF of gas reserves and the Blanco Mesa Verde has approximately 380 MMCF of gas reserves, for a total of 628 MMCF of gas. Thus based on reserves, 40% of the well's gas production could be attributed to the Otero Chacra Pool and 60% to the Blanco Mesa Verde Pool. All condensate production would be attributed to the Blanco Mesa Verde Pool.

All offset operators of the proposed commingling application, including the Bureau of Land Management, have been notified by certified mail.

A well location plat, offset ownership plat and Chacra and Mesa Verde formation well location plat are attached.

Yours very truly,

SOUTHLAND ROYALTY COMPANY



G. W. Brink  
Project Drilling Engineer

GWB:oh  
Attachments

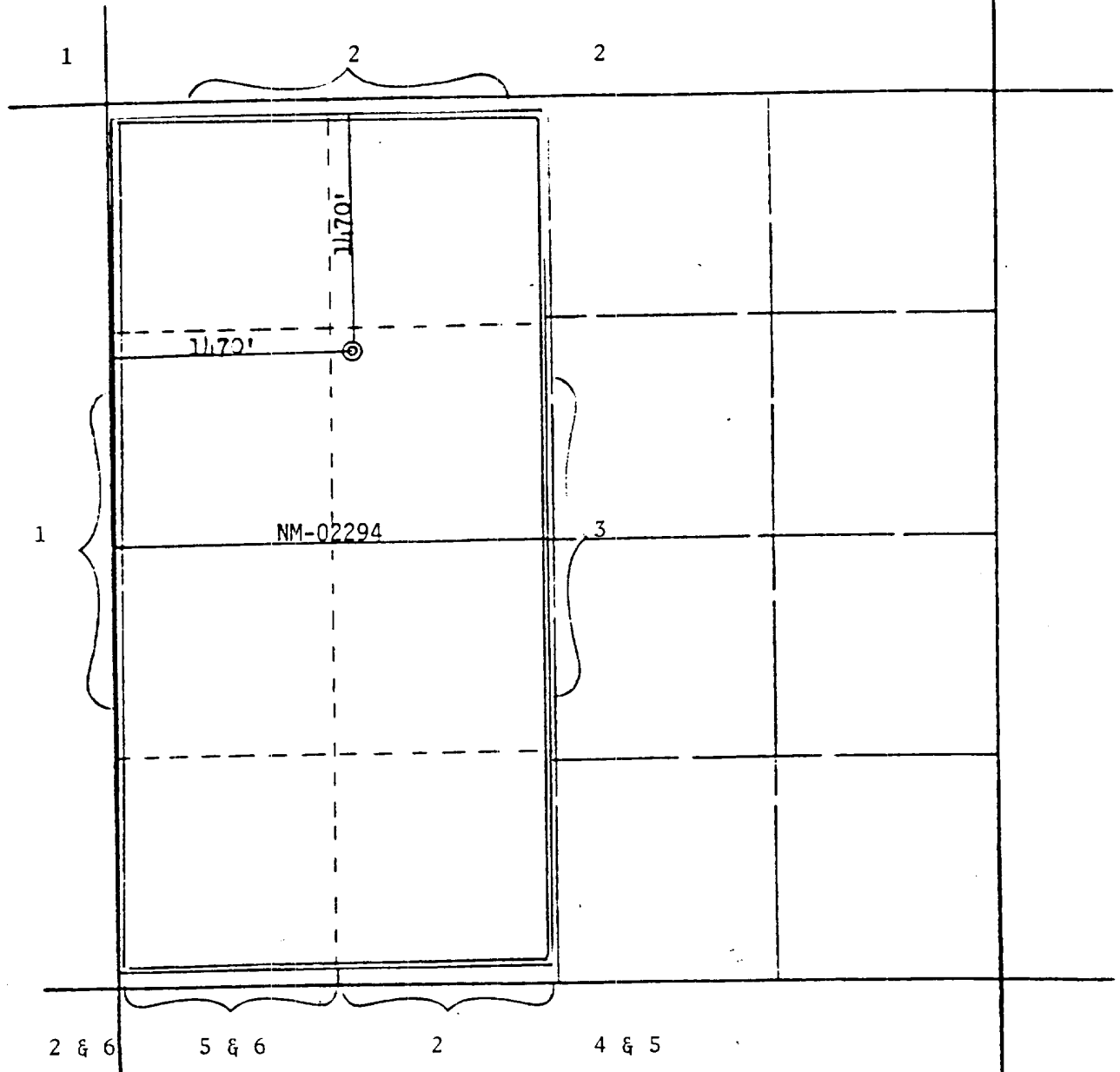
# SOUTHLAND ROYALTY CO.

Well Name Whitley #7E, Otero Chacra/Blanco Mesaverde/Basin Dakota

Footage---- 1470' FNL, 1470' FWL

## APPLICATION FOR COMMINGLING

County San Juan State New Mexico Section 9 Township 27N Range 9W



### REMARKS:

- (1) Southland Royalty Company
- (2) El Paso Natural Gas Company
- (3) Tenneco Oil Company
- (4) Belco Petroleum
- (5) Texaco
- (6) Mobil Producing TX & NM Inc.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
(Other instructions  
verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

Southland Royalty Company

3. ADDRESS OF OPERATOR

P. O. Drawer 570, Farmington, New Mexico 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.  
See also space 17 below.)  
At surface

(F) 1470' FNL & 1470' FWL

FEB 13 1986

14. PERMIT NO.

15. ELEVATIONS (Show whether of F.N.L. or F.W.L.)  
6290' GL FARMINGTON RESOURCE AREA

5. LEASE DESIGNATION AND SERIAL NO.

NM-02294

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Whitley

9. WELL NO.

7E

10. FIELD AND POOL, OR WILDCAT

Basin Dakota/Otero Chacra/  
Blanco Mesaverte

11. SEC. T. R. N. OR ALG. AND  
SURVEY OR AREA

Section 9, T27N, R9W

12. COUNTY OR PARISH 13. STATE

San Juan

New Mexico

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(NOTE: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROMISED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please consider this notice of "Change of Well Name".

Original Well Name: Whitley #11

New Well Name: Whitley #7E

RECEIVED  
FEB 21 1986  
BUREAU OF LAND MANAGEMENT

18. I hereby certify that the foregoing is true and correct

SIGNED

*D.R. Hawn*

TITLE Petroleum Engineer

DATE 2-12-86

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

FEB 18 1986

\*See Instructions on Reverse Side

OPERATOR

FARMINGTON RESOURCE AREA

BY

*Sm*

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

All distances must be from the outer boundaries of the Section.

Operator <b>SOUTHLAND ROYALTY COMPANY</b>			Lease <b>WHITLEY</b>		Well No. <b>11</b>
Unit Letter <b>F</b>	Section <b>9</b>	Township <b>27N</b>	Range <b>9W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>1170</b> feet from the <b>North</b> line and <b>1170</b> feet from the <b>West</b> line					
Ground Level Elev: <b>6290' GL</b>	Producing Formation <b>Chacra/Mesaverde/Dakota</b>		Pool <b>Otero/Blanco/Basin</b>		Dedicated Acreage: <b>320/160</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

		<p style="text-align: center;"><b>RECEIVED</b> <b>JUL 01 1985</b> BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA</p>	
		9	

Scale: 1"=1000'

<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<b>C. Terry Hobbs</b>
Position	<b>District Engineer</b>
Company	<b>Southland Royalty Company</b>
Date	<b>June 28, 1985</b>
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	<b>December 14, 1983</b>
Registered Professional Engineer and Land Surveyor	<b>Fred B. Kerr Jr.</b>
Certificate No.	<b>3950</b>



Name Whitley #7E (MESA VERDE)

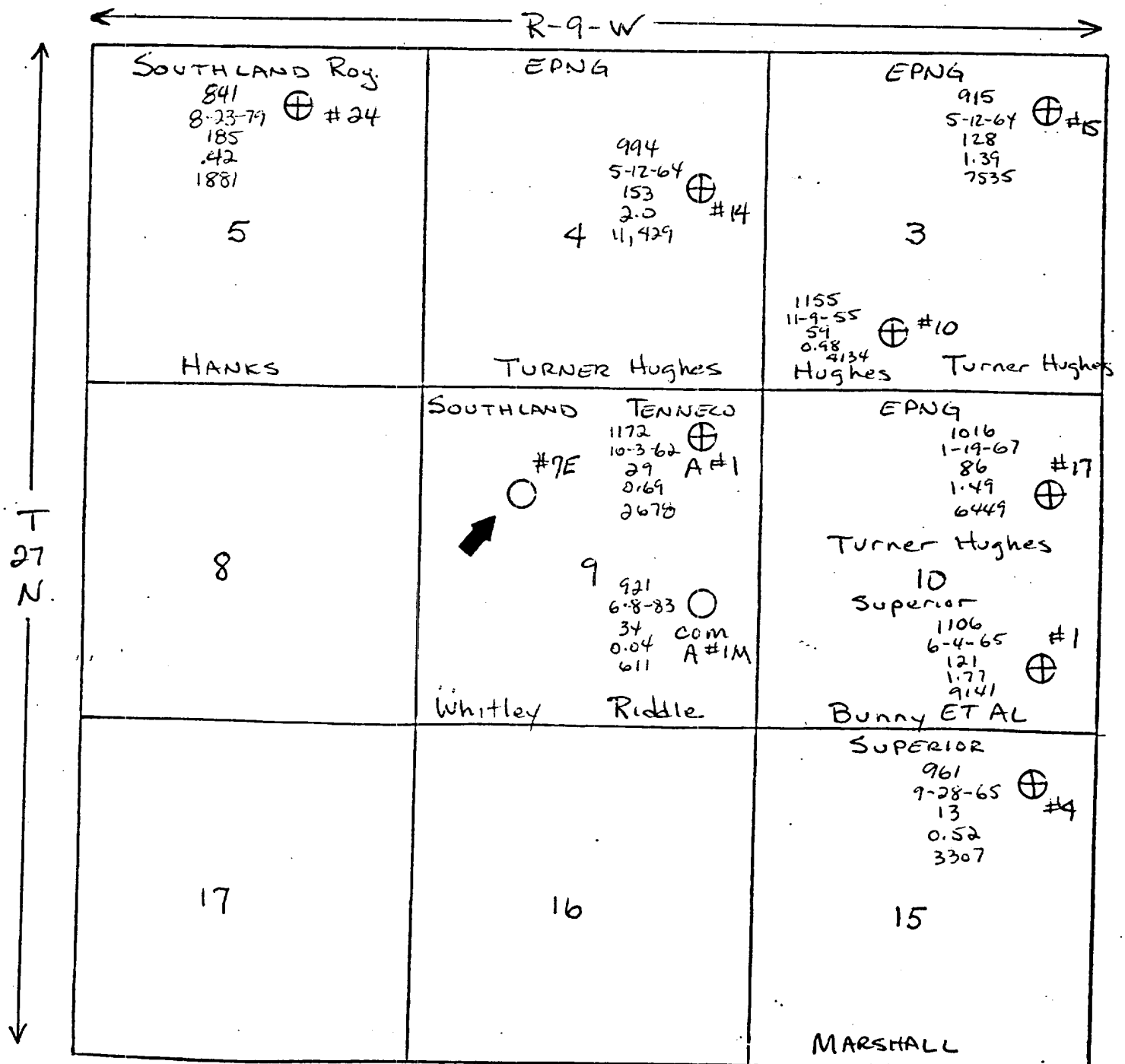
Date 14 Feb. 86

Location 1470 FNL, 1470 FWL, Sec. 9, T27N, R9W

Original WH SIP

DATE OF 1<sup>st</sup> Delivery

1985 avg. MCF/d gas production  
gas cumulative (mmcf)  
oil cumulative (bbbls)



Name Whitley #7E (Chacra)

Date 14 Feb 86

Location 1470 FNL, 1470 FWL, Sec. 9, T27N, R9W

original WHSIP  
date of 1<sup>st</sup> delivery  
1985 avg. mcf/d gas prod.  
gas cumulative (MMCF)  
oil cumulative (bbbls)

