

Case Number

4366

Application
Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

205 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 1, 1979

EXAMINER HEARING

IN THE MATTER OF:)

Application of Mobil Oil)
Corporation for down-hole)
commingling, Lea County,)
New Mexico.)

Case No. 4366

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. HATCH: Application of Mobil Oil Corporation for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools in the well-bore of its Bridges State Well No. 109, a triple completion, located in Unit N of Section 24, Township 17 South, Range 34 East, Lea County New Mexico. Examiner please, this case was heard on June 10 but there was a slight mistake in the advertising and so that no order has been issued. It was readvertised to give the interested party an opportunity to appear. If no one makes an appearance, I would recommend the order be issued on testimony given on June 10th.'

MR. UTZ: Is there any appearance on Case 4366?

Let the record show that 4366 was called as stated by Mr. Hatch. There were no appearances.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, PETER A. LIMIA, Certified Shorthand Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Peter A. Limia
 CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Exemption Hearing of Case No. 4386
 heard by me on July 19, 1950.
[Signature] Examiner
 New Mexico Oil Conservation Commission

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 S.W. 5th Bldg. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 10, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Benson-Montin-Greer
Drilling Corporation for
amendment of special pool rules,
Rio Arriba County, New Mexico

Case No. 4365

IN THE MATTER OF:

Application of Mobil Oil
Corporation for down-hole
Commingling, Lea County,
New Mexico

Case No. 4366

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: The first case is 4365.

MR. HATCH: Application of Benson-Montin-Greer Drilling Corporation for amendment of special pool rules, Rio Arriba County, New Mexico. The applicant has requested that this case be dismissed.

MR. NUTTER: Case No. 4365 will be dismissed, and we will go on with Case No. 4366.

MR. HATCH: Application of Mobil Oil Corporation for down-hole commingling, Lea County, New Mexico.

MR. NUTTER: At the outset, I might point out there was an error in the legal notice for this case in the Hobbs Daily News Sun. We will go ahead and hear the evidence in this case. We will re-advertise it and call it at the next hearing. We cannot enter an order in the case until we have had the correct advertisement.

MR. SPERLING: I am James E. Sperling of Modrall, Seymour, Sperling, Roehl and Harris, appearing for the applicant. We have one witness, and his name is William E. Simmons.

(Whereupon, Applicant's Exhibits
1 through 9 marked for
identification.)

(Witness sworn.)

WILLIAM B. SIMMONS, JR.

called as a witness, having been first duly sworn, was

examined and testified as follows:

DIRECT EXAMINATION

BY MR. SPERLING:

Q Please state your name, position, place of residence and employer.

A I am W. B. Simmons, Jr., employed as Associate Engineer in the Proration Group for the Midland Division Office of Mobil Oil Corporation.

Q Have you on any previous occasion testified as a Petroleum Engineer before the Commission?

A Yes, I have.

Q Your qualifications are a matter of record?

A Yes, they are.

MR. SPERLING: Are the witness's qualifications acceptable?

MR. NUTTER: Yes, they are.

Q (By Mr. Sperling) What is sought by Mobil in this application?

A Mobil Oil Corporation plans to seek exception to New Mexico Oil Conservation Commission's Rule 303 and requests authority to commingle within the well-bore of Mobil's Bridges State No. 109, production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools. The Upper Pennsylvania

Zone is now at its economic limit. Then it can continue to produce along with the Wolfcamp Zone. Both zones will realize an extension of their economic productive life and will ultimately result in additional oil recovery, thereby preventing waste.

Q Would you please refer to what has been marked as Exhibit 1 and explain its purpose?

A Exhibit 1 is an ownership plat that shows the location of the subject well, Bridges State 109, which is located in Unit N, 610 feet from the south line 1830 feet from the west line of Section 24, Township 17 South, Range 34 East in Lea County, New Mexico. The Upper Pennsylvania producers and the outlines of the field are noted in the red color and the Wolfcamp producers and the outline of the Wolfcamp field are outlined and noted in the green figure.

Q Is the entire area outlined here as the Bridges Lease, is that held under one lease?

A Yes, the lease consists of 5,281.38 acres, leased from the State of New Mexico.

Q Now, refer to Exhibit 2 and explain that exhibit and its purpose.

A Exhibit 2 is a graph and it shows the performance curves for the Wolfcamp Zone of Well 109. It shows that the production is decreasing at approximately 35% percent decline,

that the well is producing at a marginal rate and that the -- it's about 29 barrels of oil a day. We had a test at 2770. Now, not shown on this graph is the insignificant amount of water produced since 1966. It's cumulative is only about 114 barrels.

Q Now, refer to Exhibit 3, please.

A Exhibit 3 is a graph showing the performance curves for the Upper Penn Zone of Well 109. It shows that the oil production is decreasing at an approximate rate of 39% decline and the well is producing at a marginal rate.

Q And what, if any, water production is being encountered?

A On Graph 4, I have indicated the water production because of the crowded Graph 3. I wasn't able to put it on there, but this graph shows that the water production initially was somewhat high. It has dropped and has maintained a low water volume. We expect this trend to continue.

MR. NUTTER: Have you had a recent test in this Zone, Mr. Simmons?

THE WITNESS: Yes, sir, I have and it tested at 10 barrels per day with 4 barrels of water per day.

MR. NUTTER: What was the date of that?

THE WITNESS: That was 5-27-70.

MR. NUTTER: Same date as the other one?

THE WITNESS: Yes, sir.

MR. NUTTER: Thank you.

Q (By Mr. Sperling) Now, the last graph that you have offered is marked Exhibit 4, is that correct?

A Exhibit 4, yes.

Q Now, refer to Exhibit 5, please.

A Exhibit 5 is the backup information. It's a tabular data, tabular production history, and it just backs up the graphic.

Q Simply presents --

A In tabular form.

Q -- the information shown on the previous exhibits --

A Yes, sir.

Q -- three and four. O. K. Exhibit 6?

A Exhibit 6 is a graph that shows the anticipated production decline of both Zones if produced separately and then a composite production curve if the same two Zones were produced commingled down-hole. Now, the combined production will be 39 barrels of oil per day produced with a Ben pump operating under vented conditions.

Q What is the significance of the horizontal line on Exhibit 6?

A It was shown to, drawn on there to show the 80 barrels

of oil per day which is the maximum daily production allowed for both zones when commingled under Commission's Rule 303C. This Rule provides for an administrative procedure by which exceptions to Rule 303A may be granted by the Commission, provided certain facts, exhibits and the required conditions were met.

Now, since this Rule was written for specifically dually completed wells, this triply completed well is not eligible for administrative approval under this rule. The graph also shows that the total commingled production on line 3 there, is expected to decline from its initial rate at about 36 decline rate, with an extended life due to the commingling.

Q Are there any other facts or conditions existing in these two zones which would meet the guideline for Rule 303A?

A Yes. Both zones do require artificial lift and are under artificial lift at present, for any future production. Neither zone produces more than the 80 barrels of water per day allowed for this dip. Now actually, the combined water is only 4 barrels of water per day. The fluid from both zones are compatible with each other and their combination will not result in damaging precipitates in either reservoir.

The total value accrued will not be reduced by commingling. Ownership of the zones to be commingled is common.

The royalty interest of both zones is common. Mobil has no plans for secondary recovery in either of the zones to be commingled, nor do we know of any such plans.

Q Why do you consider that these points are significant in this matter?

A Well, in my opinion, the two zones in Well 109 has substantially satisfied the guidelines of eligibility set forth in Commission's Rule 303C and should receive consideration for these facts, along with any criterion that the Commission deems necessary in this case. If Mobil were required to continue production from separated zones, the Upper Penn Zone would have to be abandoned in the near future, thereby resulting in waste.

Q Now, would you refer, please, to what has been marked as Exhibit 7 and explain its purpose.

A Exhibit 7 is a data sheet with attachments that summarizes the background necessary for the Commission's consideration of this request. The two attached C-1 16 forms are current productivity tests for both zones.

Q Now would you please refer to Exhibit 8?

A Exhibit 8 is a computation of the relative values of the hydrocarbon production before and after down-hole commingling. It shows that the value of accrual will remain

the same before and after the proposed down-hole commingling. These two zones are presently commingled on the surface in accordance with Commission's Rule PC-100.

Q Would you please refer back to Exhibit 7, and there are bottomhole pressures indicated which do result in a pressure differential which conceivably could cause cross-flow insofar as these two zones are concerned after down-hole commingling. How do you propose to handle that problem?

A In answer to this question, I would like to submit Exhibit 9 which is a schematic well-bore sketch of Well 109. This shows the existing triple completion and the proposed dual completion, if down-hole commingling were allowed.

You will note that the packers are to be left in place and that the long string will be perforated as shown on the exhibit there, at about 10,000 feet. The existing Ben pump now pumping the Upper Penn Zone will be pulled, and a new pump installed, and operated in such a manner as to maintain a low fluid level in this well. This will minimize any tendency for cross-flow since we believe the reservoir pressure of the lower zone will more than offset the pressure encountered by normal pumping level of the commingled well. The gas lift equipment in intermediate string shown on the exhibit will be pulled, but the tubing will be left in place to provide

draining of the commingled zones.

We believe this will increase pumping efficiency of the well. However, if the well were to become inoperative for a rather long period of time, or a sufficient time for the fluid level to rise, the check valve, stemming valve would prevent cross-flow from the Wolfcamp Zone into the Upper Penn Zone.

After the proposed commingling the Abo Zone will continue to be produced, maintained and operated as an isolated zone and it will be completely isolated from the two lower zones.

Q Was notification given to the other operators in the area as to Mobil's proposed plan?

A Yes, we sent them individual letters. Now, there has been no adverse response to this application directed to Mobil. The State of New Mexico, as royalty owner, has been notified of this application by letter to the State Land Commissioner and a copy was sent to the Commission, and I believe the Commission has received a copy from the State Land Commissioner on this. At least, I was informed of that.

Q In response to the letter?

A Yes, stating they had no objections.

Q Now, in your opinion, Mr. Simmons, would the granting

of this application have any adverse effect upon the correlative rights of any other operators?

A In my opinion, no.

Q I believe you testified earlier that in your opinion the granting of the application would enable Mobil to recover oil that would not otherwise be economically recoverable, and thereby preventing waste, is that your testimony?

A Yes, sir, it will prevent the waste of oil, and we believe it will be in the best interest of conservation.

Q Were Exhibits 1 through 9 prepared by you, or under your supervision?

A Yes, they were.

MR. SPERLING: At this time, I would like to offer Exhibits 1 through 9.

MR. NUTTER: Mobil's Exhibits 1 through 9 will be admitted in evidence.

MR. SPERLING: That's all we have.

MR. NUTTER: Are there any questions of Mr. Simmons? He may be excused. Anything else, Mr. Sperling?

MR. SPERLING: No.

MR. NUTTER: Does anyone have anything they would like to offer in Case 4366? The case will be taken under advisement.

I N D E XWITNESSPAGE

WILLIAM B. SIMMONS, JR.

Direct Examination by Mr. Sperling

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EXHIBITMARKEDOFFERED AND
ADMITTED

Applicant's 1 through 9

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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, the undersigned, Notary Public in and for the
 County of Bernalillo, State of New Mexico, do hereby certify
 that the foregoing and attached Transcript of Hearing before
 the New Mexico Oil Conservation Commission was reported by me;
 and that the same is a true and correct record of the said
 proceedings, to the best of my knowledge, skill and ability.

Donalda Gonzalez
 NOTARY PUBLIC

MY COMMISSION EXPIRES:

March 26, 1974

I do hereby certify that the foregoing is
 a complete record of the proceedings of the
 the Executive Hearing of the New Mexico Oil Conservation Commission
 held by me on 6/10, 1970. 4365-66
Donalda Gonzalez, Notary
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

July 10, 1970

Mr. James E. Sperling
Modrall, Seymour, Sperl
Attorneys at Law
Post Office Box 2168
Public Service Building
Albuquerque, New Mexico

Re: Case No. 4366

Order No. R-3989

Applicant:

Mobil Oil Corporation

Dear Sir:

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

Very truly yours,

G. L. Parker, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC_____

Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4366
Order No. R-3989

APPLICATION OF MOBIL OIL CORPORATION
FOR DOWN-HOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 1, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of July, 1970, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Mobil Oil Corporation, is the owner
and operator of the Bridges State Well No. 109, located in Unit #
of Section 24, Township 17 South, Range 34 East, NMPM, Lea County,
New Mexico.

(3) That pursuant to authority granted by Administrative
Order MC-1716-A, the subject well was completed by the applicant
as a triple completion (conventional) to produce oil from the
North Vacuum-Abo, Vacuum-Wolfcamp, and the Vacuum-Upper Pennsyl-
vanian Pools through parallel strings of tubing.

(4) That the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian
zones are now capable of only low marginal production.

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CASE No. 4366
Order No. R-3989

(5) That the applicant now proposes to complete the subject well in such a manner as to produce oil from the North Vacuum-Abo Pool through one string of 2 3/8-inch tubing and to produce the low marginal production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools through a single parallel string of 2 3/8-inch tubing, commingling in the well-bore the production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian oil zones, with separation of the North Vacuum-Abo zone and the commingled Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones by means of a packer set at approximately 9500 feet.

(6) That the proposed commingling of the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones may substantially extend the productive lives of said zones.

(7) That the reservoir characteristics of the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones in the subject well are such that underground waste would not be caused by the proposed commingling in the well-bore.

(8) That the proposed commingling may result in the recovery of additional oil from each of the commingled zones, thereby preventing waste, and will not violate correlative rights.

(9) That the mechanics of the proposed completion are feasible and in accord with good conservation practices.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, approximately 75% of the future allowable and production should be attributed to the Vacuum-Wolfcamp zone, and 25% to the Vacuum-Upper Pennsylvanian zone.

(11) That approval of the subject application will prevent waste and protect correlative rights.

(12) That Administrative Order MC-1716-A should be placed in abeyance.

IT IS THEREFORE ORDERED:

(1) That the applicant, Mobil Oil Corporation, is hereby authorized to complete its Bridges State Well No. 109, located in Unit N of Section 24, Township 17 South, Range 34 East, NMPM,

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CASE No. 4366

Order No. R-3989

Lea County, New Mexico, in such a manner as to produce oil from the North Vacuum-Abo Pool through one string of 2 3/8-inch tubing and to produce oil from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools through a single parallel string of 2 3/8-inch tubing, commingling in the well bore the production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools, with separation of the North Vacuum-Abo zone and the commingled Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones by means of a packer set at approximately 9500 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Vacuum-Wolfcamp Pool.

(2) That approximately 75% of the future allowable and production from the commingled zones shall be attributed to the Vacuum-Wolfcamp zone and approximately 25% to the Vacuum-Upper Pennsylvanian zone of the subject well until further order of the Commission.

(3) That the commingling in the well-bore authorized by this order shall continue only so long as the commingled production of the two zones does not exceed 80 barrels of oil per day.

(4) That the maximum amount of gas which may be produced daily from the commingled zones in the subject well shall be determined by multiplying 2,000 by the top unit allowable for the Vacuum-Wolfcamp Pool.

(5) That Administrative Order MC-1716-A is hereby placed in abeyance.

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

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CASE No. 4366
Order No. R-3989

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



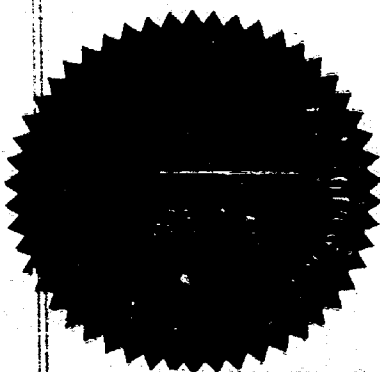
DAVID F. CARGO, Chairman



ALEX J. ARMILJO, Member



A. L. PORTER, Jr., Member & Secretary



esr/

Docket No. 16-70

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 1, 1970

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4354: (Continued from the May 13, 1970, Examiner Hearing)

Application of Michael P. Grace and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 11, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, said acreage to be dedicated to a well to be drilled in either the NE/4 NW/4 or the NW/4 NE/4 of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4165: (Reopened):

In the matter of Case No. 4165 being reopened pursuant to the provisions of Order No. R-3795, which order established 160-acre spacing units and an 80-acre proportional factor of 4.77 for the East Bagley-Pennsylvanian Pool, Lea County, New Mexico. All interested parties may appear and show cause why the said pool should not be developed on less than 160-acre spacing units and to show cause why the 80-acre proportional factor of 4.77 should or should not be retained.

CASE 4173: (Reopened):

In the matter of Case No. 4173 being reopened pursuant to the provisions of Order No. R-3811, which order established 80-acre spacing units and a limiting gas-oil ratio of 4000 cubic feet of gas per barrel of oil for the Hobbs-Drinkard Pool, Lea County, New Mexico. All interested parties may appear and show cause why the said pool should not be developed on 40-acre spacing units and why the limiting gas-oil ratio should not revert to 2000 to one.

CASE 4371: Application of Betty Oil Company for a waterflood expansion and amendment of Order No. R-2966, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Justis-McKee Unit Waterflood Project, Justis-McKee Pool, by the conversion to water injection of four additional wells in Units B and H of Section 24, Township 25 South, Range 37 East, and Units D and M of Section 19, Township 25 South, Range 38 East, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2966, as amended, to permit administrative approval for the drilling or conversion of additional injection wells at orthodox or unorthodox locations without a showing of well response.

CASE 4372: Application of International Hydrocarbons Incorporated for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 990 feet from the North and West lines of Section 8, Township 26 South, Range 33 East, Red Hills-Wolfcamp Gas Pool, Lea County, New Mexico.

CASE 4373: Application of Benson-Montin-Greer Drilling Corporation for pool redelineation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of certain pool boundaries to include the deletion of the following-described acreage from the East Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico.

TOWNSHIP 26 NORTH, RANGE 1 EAST

Section 20: W/2
Section 29: All
Section 32: All
Section 33: W/2

TOWNSHIP 25 NORTH, RANGE 1 EAST

Section 4: W/2
Section 5: All
Section 8: All
Section 9: W/2
Section 17: All
Section 20: All
Section 29: W/2

and for the extension of the West Puerto Chiquito-Mancos Oil Pool to include the above-described acreage and the following-described acreage in said county:

Examiner Hearing - July 1, 1970

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Docket No. 16-70

(Case 4373 continued)

TOWNSHIP 24 NORTH, RANGE 1 WEST

Sections 1 through 36 - All

TOWNSHIP 24 NORTH, RANGE 1 EAST

Section 6: All

Section 7: All

Section 8: W/2

Section 17: W/2

Section 18: All

Section 19: All

Section 20: W/2

Section 30: All

CASE 4374: Application of Benson-Montin-Greer Drilling Corporation for expansion of a unit area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Canada Ojitos Unit Area, authorized by Order No. R-2544, to include some 20,480 additional acres, more or less, of Federal, State and Fee lands in Township 24 North, Ranges 1 East and 1 West, Township 25 North, Ranges 1 East and 1 West; and Township 26 North, Range 1 East, Rio Arriba County, New Mexico.

CASE 4366: (Readvertised)
Application of Mobil Oil Corporation for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools in the well-bore of its Bridges State Well No. 109, a triple completion, located in Unit N of Section 24, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4375: Application of Pan American Petroleum Corporation for an exception to Rule 104 C. I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception Rule 104 C. I of the Commission Rules and Regulations to permit the completion within 660 feet of another producing

CASE 4375 - Continued from Page 3 -

well of its Byers "A" Well No. 1 which is being directionally drilled in Unit C of Section 5, Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico, pursuant to Order No. R-3973.

CASE 4376: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Lusk "A" Lease comprising the NE/4 of Section 6, Township 15 South, Range 30 East, Double L-Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said lease in an unlined surface pit.

CASE 4377: Application of Champlin Petroleum Company for a unit agreement, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of the State 32-7-33 Unit Area comprising 640 acres, more or less, of State lands in Section 32, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 4378: Application of Champlin Petroleum Company for a waterflood expansion and amendment of Order No. R-3550, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its State 32 Waterflood Project, Chaveroo-San Andres Pool, by the conversion of water injection of one additional well located in Unit B of Section 32, Township 7 South, Range 33 East, Roosevelt County, New Mexico. Applicant further seeks the amendment of Order No. R-3550 to permit administrative approval for the drilling or conversion of additional injection wells without a showing of well response.

Examiner Hearing - July 1, 1970

Docket No. 16-70

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CASE 4379: Application of Hal M. Stierwalt for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, for himself and as agent for Southern Union Production Company, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico. Said exception would be for eight of Stierwalt's wells and four of Southern Union Production Company's wells located in Sections 1 and 2 of Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits located in the vicinity of said wells.

CASE 4380: Application of Shenandoah Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Shugart Pool, Eddy County, New Mexico, by the injection of water into the Yates and Queen formations through its Shugart "B" Well No. 1 located in the SW/4 SE/4 of Section 33, Township 18 South, Range 31 East.

Docket No. 14-70

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 10, 1970

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

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, Alternate Examiner:

- CASE 4363: Application of Jack L. McClellan for unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for his Atlantic Federal Well No. 1 located 2130 feet from the South line and 660 feet from the East line of Section 24, Township 8 South, Range 37 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico. The S/2 of said Section 24 to be dedicated to said well.
- CASE 4364: Application of Roy E. Kimsey, Jr., for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of a 120-acre non-standard oil proration unit comprising the N/2 SW/4 and SE/4 SW/4 of Section 24, Township 9 South, Range 34 East, Jenkins-Cisco Pool, Lea County, New Mexico, to be dedicated to his Mounsey Well No. 1-Y located in Unit N of said Section 24.
- CASE 4365: Application of Benson-Montin-Greer Drilling Corporation for amendment of special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 1 of the Special Rules and Regulations governing the East and West Puerto Chiquito-Mancos Oil Pools to provide that wells completed or recompleted in the Mancos formation within one mile of said pools shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations governing said pools.
- CASE 4366: Application of Mobil Oil Corporation for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools in the well-bore of its Bridges State Well, No. 109, a triple completion, located in Unit N of Section 24, Township 17 South, Range 34 East, Lea County, New Mexico.
- CASE 4367: Application of Mobil Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Bridges State Waterflood Project, Vacuum Pool, by the drilling of an additional water injection well at an unorthodox location 100 feet from the South line and 1980 feet from the West line of Section 26, Township 17 South, Range 34 East, Lea County, New Mexico.

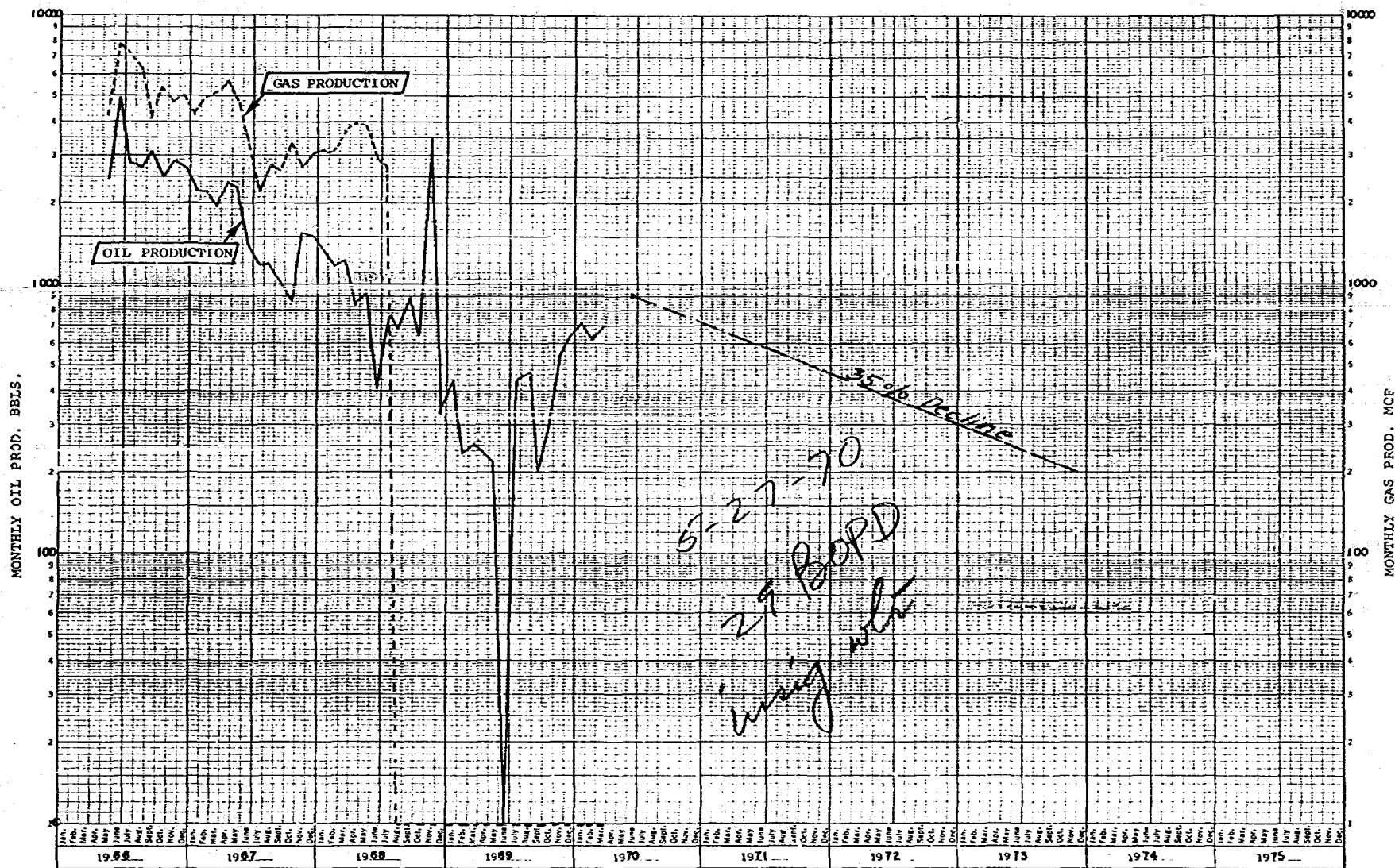
Examiner Hearing - June 10, 1970

-2-

Docket No. 14-70

CASE 4368: Application of Mobil Oil Corporation for a water flood expansion and amendment of rules governing same, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Bridges State Waterflood Project, Vacuum Pool, by the conversion to water injection of 13 additional wells and the drilling of one additional water injection well, all at standard locations in the N/2 of Section 25, Section 26, and E/2 of Section 27, Township 17 South, Range 34 East, Lea County, New Mexico. Applicant further seeks the amendment of the rules governing said project to permit expansion of the project administratively without a showing of well response.

CASE 4369: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Anadarko Production Company and all other interested persons to appear and show cause why the Anadarko Samwell No. 1, located in Unit B of Section 15, Township 19 South, Range 29 East, Turkey Track-Queen Pool, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.



BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 2
CASE NO. 4366

TIME-YEARS

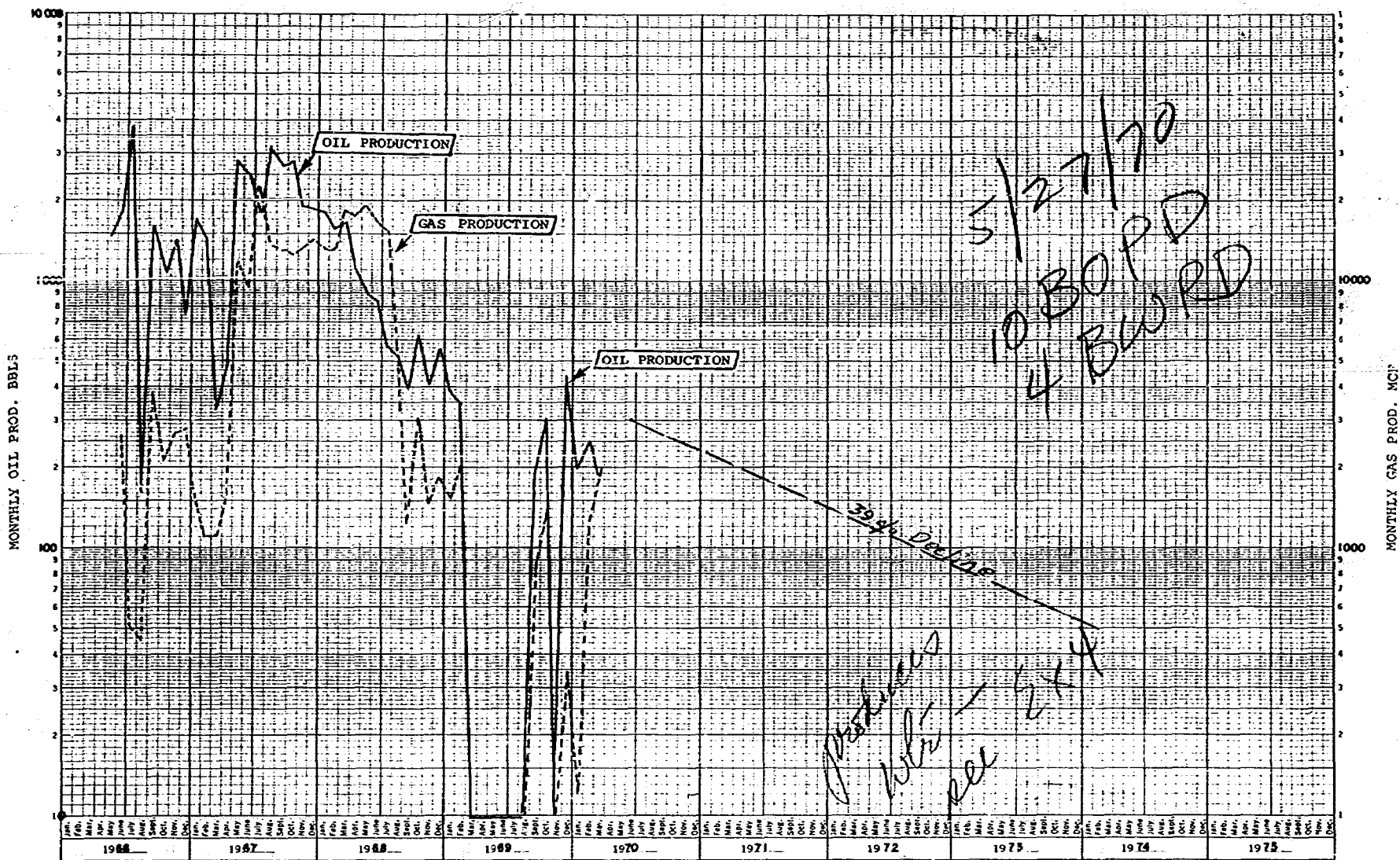
NOTE: WATER PRODUCTION HAS BEEN NEGLIGIBLE IN THIS WELL'S WOLFCAMP ZONE.

Mobil Oil Corporation

EXPLORATION AND PRODUCING DEPARTMENT
MOLAND DIVISION

PERFORMANCE CURVE
BRIDGES STATE #109
VACUUM (WOLFCAMP) POOL
LEA COUNTY, NEW MEXICO

SCALE
DATE 7/1/70
DRAWN BY JSB
CHECKED BY JSB
REV. 100



BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 4366

TIME-YEARS

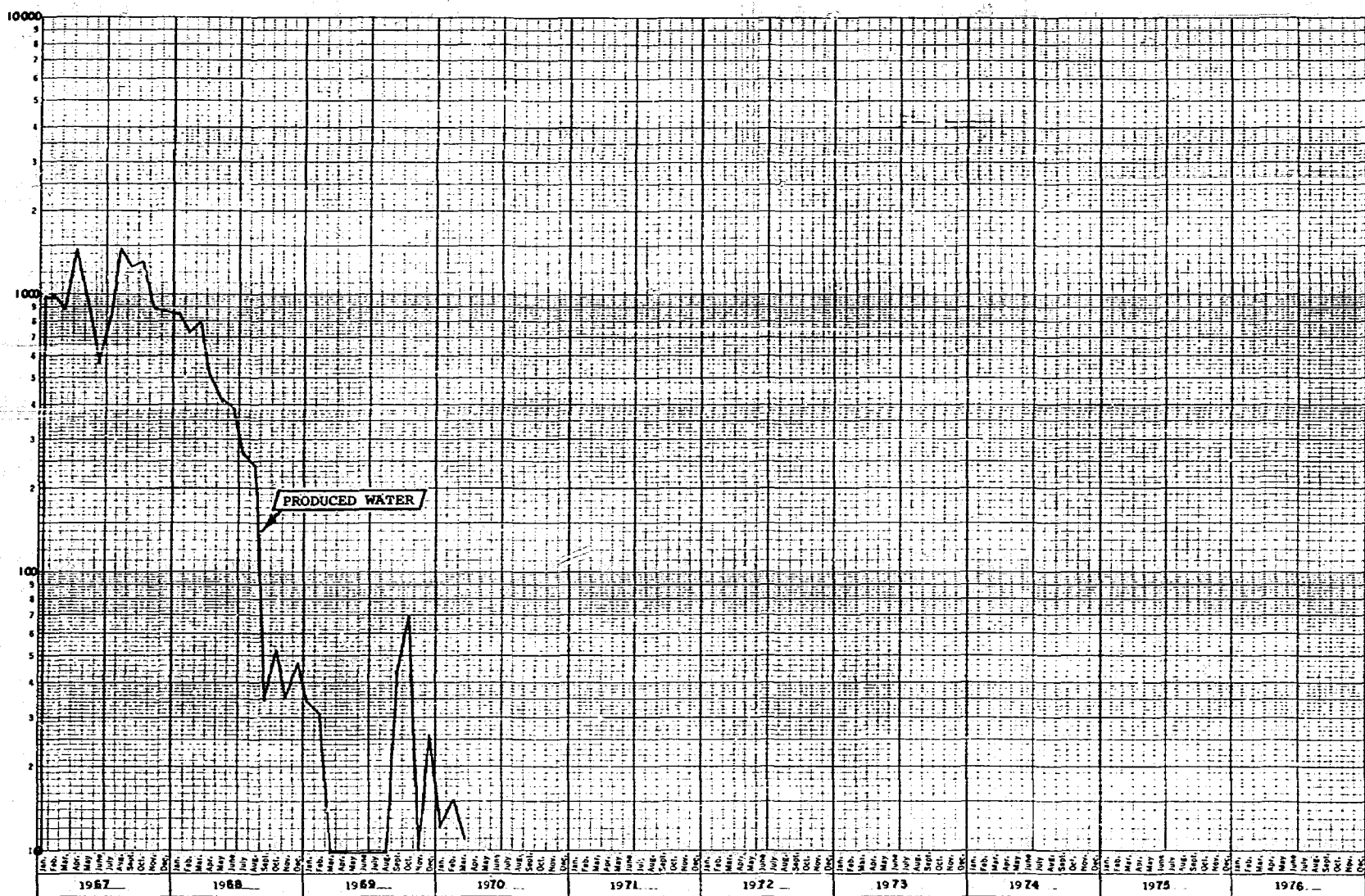
Mobil Oil Corporation

EXPLORATION AND PRODUCING DEPARTMENT
MIDLAND DIVISION

PERFORMANCE CURVE
BRIDGES STATE #109
VACUUM (UPPER PENN.) POOL
LEA COUNTY, NEW MEXICO

SCALE
DATE 5/21/70
DRAWN BY JIN
CHECKED BJS
APPROVED LJS
REVISED

MONTHLY WATER PROD. BEIS.



TIME-YEARS

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 4
CASE NO. 4366

Mobil Oil Corporation

EXPLORATION AND PRODUCING DEPARTMENT
WOLAND DIVISION

PRODUCED WATER CURVE
BRIDGES STATE #109
VACUUM (UPPER PENN.) POOL
LEA COUNTY, NEW MEXICO

SCALE
DATE 5/24/70
DRAWN BY J.H.
CHECKED G.S.
APPROVED V.V.
REVISED

TABULATION OF PRODUCTION HISTORY
 MOBIL OIL CORPORATION'S
 BRIDGES STATE LEASE, WELL NO. 109
 VACUUM FIELD
 LEA COUNTY, NEW MEXICO

Vacuum (Wolfcamp) Pool

<u>Year</u>	<u>Oil/Bbls</u>	<u>Water/Bbls</u>	<u>Gas/Mcf</u>
1966	24,009	56	44,895
1967	19,723	58	44,893
1968	12,718	0	23,280
1969	3,989	0	55
1970 Jan.	714	0	0
Feb.	623	0	0
March	692	0	0
Cumulative	<u>62,468</u>	<u>114</u>	<u>113,123</u>

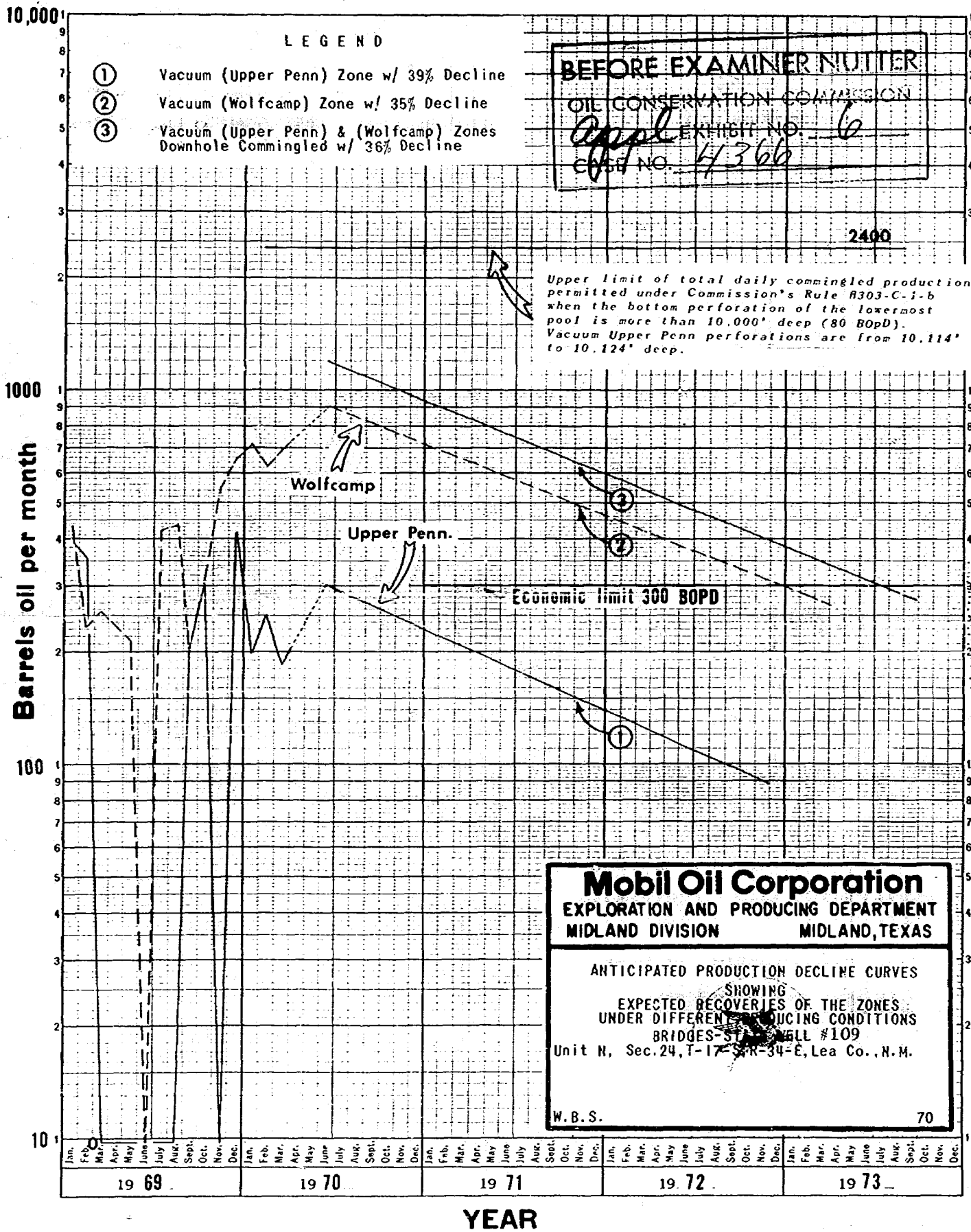
Vacuum (Upper Penn) Pool

<u>Year</u>	<u>Oil/Bbls</u>	<u>Water/Bbls</u>	<u>Gas/Mcf</u>
1966	12,247	0	15,074
1967	23,640	12,512	116,202
1968	11,010	4,378	127,775
1969	1,679	208	6,306
1970 Jan.	196	12	124
Feb.	250	15	1,269
March	183	11	1,946
Cumulative	<u>49,205</u>	<u>17,136</u>	<u>268,696</u>

BJStubbs/WBSimmons Jr:bjc
 5-25-70

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 5
 CASE NO. 4366

K-2 X 3 LOG CYCLES
MADE IN U.S.A.
KEUFFEL & ESSER CO.



DATA SHEET

MOBIL OIL CORPORATION
P. O. BOX 633
MIDLAND, TEXAS 79701

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 7
CASE NO. 4366

APPLICATION FOR EXCEPTION TO RULE 303(a) OF NEW MEXICO OIL CONSERVATION COMMISSION'S RULES & REGULATIONS AND FOR AUTHORITY TO DOWNHOLE COMMINGLE

1. Lease Name Bridges State
2. Well No. 109
3. Well Location: Unit N, 1830 feet from West line,
610 feet from South line of Section 24, Township 17 S,
Range 34 E, Lea County, New Mexico
4. Upper Zone Vacuum (Wolfcamp)
5. Completion Interval 9,532' - 10,049'
6. Lower Zone Vacuum (Upper Penn)
7. Completion Interval 10,114' - 10,124'
8. Triple Completion Authorized by Commission Order No. MC-1716
9. Current Productivity Test Summary (Form C-116 attached)

	Wolfcamp (Upper Zone)	Upper Penn. (Lower Zone)
Producing Method	Gas Lift	Beam Pump
Oil	29 BPD	10 BPD
Gas	11.3 Mcf	13.4 Mcf
Water	0 BPD	4 BPD
GOR	391:1	1341:1
GOR Limit	2000:1	2000:1

10. Bottom-hole Pressure of Upper Zone Wolfcamp 900
11. Bottom-hole Pressure of Lower Zone Upper Penn 800
12. Fluid Characteristics of Each Zone Production from both zones is an intermediate type crude. Total water production from both zones is 4 BWP and is expected to remain relatively low. Expect no problems from the formation of untreatable precipitates in the commingled produced water.

By: W. B. Simmons, Jr.
Date: 6-3-70

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Mobil Oil Corporation		Pool Vacuum Wolfcamp		County Lea												
Address Box 633, Midland, Texas 79701		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>	Completion <input type="checkbox"/>											
				Special <input checked="" type="checkbox"/>												
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT./BBL.
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
Bridges State	109	N	24	17	34	5-27-70	C	-	-	36	24	0	40.2	29	11.3	390
<p>This test taken prior to Wellbore commingling hearing for testimony in case 4366.</p>																

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 15,025 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 Rule 301 and appropriate pool rules.

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

W. Mills

(Signature)

Proration Clerk

(Title)

June 3, 1970

(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Mobil Oil Corporation		Pool Vacuum Upper Penn.				County Lea										
Address Box 633, Midland, Texas 79701						TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT./BBL.
		U	S	T	R							WATER BBL.	GRAV. OIL	OIL BBL.	GAS M.C.F.	
Bridges State	109	N	24	17	34	5-27-70	P	-	-	34	24	4	41.3	10	13.4	1340
<p>This test taken prior to Wellbore Commingling hearing for testimony in case 4366.</p>																

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 15.025 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 Rule 301 and appropriate pool rules.

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

CO Mills

(Signature)

Proration Clerk

(Title)

June 3, 1970

(Date)

MOBIL OIL CORPORATION
P. O. BOX 633
MIDLAND, TEXAS 79701
COMPUTATION OF RELATIVE
VALUES OF THE HYDROCARBON
PRODUCTIVE BEFORE AND
AFTER DOWNHOLE COMMINGLING

LEASE AND WELL NUMBER	Bridges State Well No. 109		
	<u>UPPER POOL</u>	<u>LOWER POOL</u>	<u>COMMINGLED</u>
POOL NAME	Vacuum (Wolfcamp)	Vacuum (U. Penn.)	
GRAVITY, API	<u>40.2</u>	<u>41.3</u>	<u>40.5</u>
SELLING PRICE /BBL.	<u>\$3.31</u>	<u>\$3.31</u>	<u>\$3.31</u>
DAILY PRODUCTION /BBL.	<u>29</u>	<u>10</u>	<u>39</u>
DAILY INCOME	<u>\$95.99</u>	<u>\$33.10</u>	<u>\$129.09</u>
TOTAL DAILY INCOME (POOLS SEPARATED)	\$ <u>129.09</u>		

Net difference realized from downhole commingling based on current well test =
0 /day---gain or loss.

REMARKS: Production information obtained from well tests taken May 27, 1970.

Relative values of separated and commingled crude oil production
will not be affected by changes in volumes since the gravities are
both in the same gravity range.

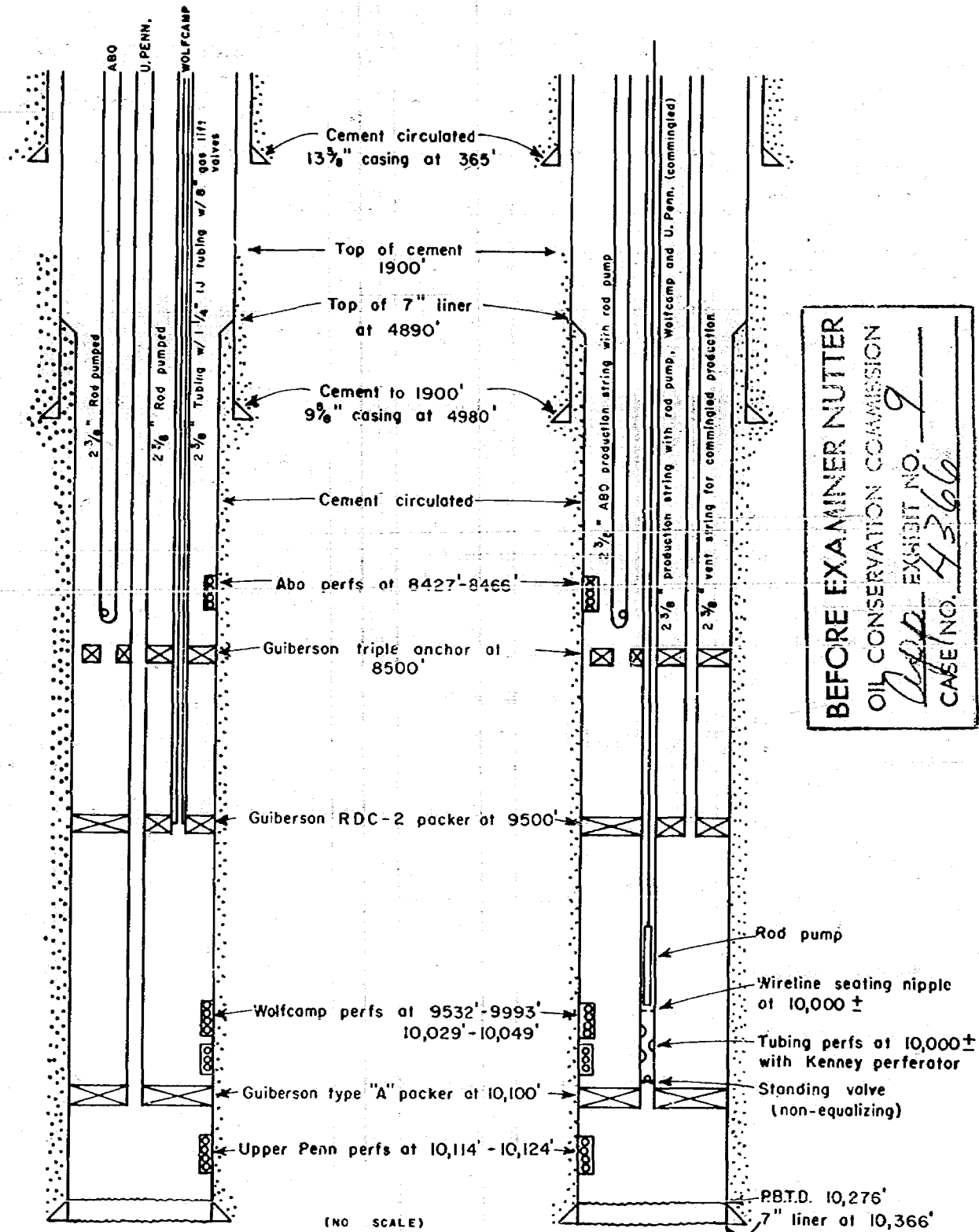
By: W. B. Simmons, Jr.
DATE: 6-3-70

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 8
CASE NO. 4366

BRIDGES STATE WELL NO. 109

EXISTING TRIPLE COMPLETION

PROPOSED DUAL COMPLETION



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 9
CASE NO. 4366

MOBIL OIL CORPORATION MIDLAND DIVISION MIDLAND, TEXAS SCHEMATIC WELL BORE SKETCH

Bridges State Well No. 109, Unit N, Sec. 24, T-17-S, R-34-E

Lea County, New Mexico

5/27/1970

W. B. Simmons, Jr.

Mobil Oil Corporation

May 26, 1970

JUN 1 AM 8 29

P.O. BOX 633
MIDLAND, TEXAS 79701

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

APPLICATION OF MOBIL OIL CORPORATION
FOR EXCEPTION TO NEW MEXICO OIL
CONSERVATION COMMISSION RULE 303 AND
AUTHORIZING THE DOWNHOLE COMMINGLING
OF THE VACUUM (UPPER PENN) ZONE AND
THE VACUUM (WOLFCAMP) ZONE IN MOBIL'S
BRIDGES STATE WELL NO. 109
LEA COUNTY, NEW MEXICO

Gentlemen:

Mobil Oil Corporation plans to seek exception to New Mexico Oil Conservation Commission's Rule 303 and request authority to commingle within the wellbore, of Mobil's Bridges State Well No. 109, production from the Vacuum (Upper Penn) Pool and Vacuum (Wolfcamp) Pool, said well being located in Unit M, Section 24, Township 17 South, Range 34 East, N.M.P.M., Lea County, New Mexico. It is Mobil's understanding that this hearing will be set for Examiner's hearing on June 10, 1970.

This well is presently a triple completion in the North Vacuum (Abo), Vacuum (Upper Penn) and Vacuum (Wolfcamp) zones and all three zones require artificial lift.

The downhole commingling of the production from the two pools will not effect the unit commercial value of the crude since it is presently being commingled on the surface in accordance with the Commission's Administrative Order PC-100. However, there will be an appreciable increase in the life of the well thereby resulting in additional oil production due to this more economical method of operation.

In support of the application, Mobil will state:

1. That said well is presently a triply completed well in the North Vacuum (Abo), Vacuum (Upper Penn) and Vacuum (Wolfcamp) zones, and, except for this fact, the application could be submitted for administrative approval under provisions of Rule 303-C.

May 26, 1970

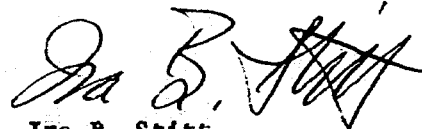
2. That the two zones to be commingled will be isolated from the third zone, the North Vacuum (Abo), with the existing packer, thereby eliminating the mixing of the North Vacuum (Abo) zone's production with any other zone's production. The well will, in effect, become a dually completed well.
3. That the production from the Abo zone will continue to be produced, maintained and operated as an isolated zone in a multiply completed well under existing Commission rules and orders.
4. That said well is located upon lands subject to lease from the State of New Mexico and that the royalty under said lease is common to the two pools which are the subject of this application.
5. That the granting of this application will enable Mobil to continue to produce the Vacuum (Upper Penn) zone, now at its economic limit, and extend the productive life of the Vacuum (Wolfcamp) zone.
6. That the granting of this application will prevent waste, will not affect and will protect correlative rights and will be in the best interests of conservation.

Attached is a plat of the area showing the well's location on the lease and a copy of Mobil's application to the Commission.

Since State lands are involved, Mobil must furnish the Commission with evidence that the Commissioner of Public Lands has consented to the proposed downhole commingling. If you have no objection to Mobil's proposal, a letter to the Commission so stating will be appreciated. Please send a copy to this office in order that we may know the status of this request. If additional information is required, contact W. B. Simmons, Jr., Midland, Texas.

Attached is a check for \$10.00 to cover the required filing fee.

Very truly yours,



Ira B. Stitt
Division Operations Engineer

WBSimmonsJr/bje
Attachments

cc: New Mexico Oil Conservation Commission (w/o attach.)

J. R. MODRALL
JAMES E. SPERLING
JOSEPH E. ROEHL
GEORGE T. HARRIS, JR.
LELAND S. SEDBERRY, JR.
ALLEN C. DEWEY, JR.
FRANK H. ALLEN, JR.
JAMES P. SAUNDERS, JR.
JAMES A. PARKER

JOHN R. COONEY
KENNETH L. HARRIGAN
PETER J. ADAMS
DALE W. EK
PETER J. BROULLIRE, III
CAMERON R. GRAHAM

LAW OFFICES OF
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

PUBLIC SERVICE BUILDING
P. O. BOX 2168
ALBUQUERQUE, NEW MEXICO 87103

JOHN F. SIMMS (1885-1954)
AUGUSTUS T. SEYMOUR
(1907-1965)

TELEPHONE 243-4511
AREA CODE 505

May 22, 1970

JRH
file Corr 4366

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Enclosed is original and two copies of Mobil Oil Corporation's application for downhole commingling authority within its Bridges State Well No. 109, Vacuum (Upper Penn) and Vacuum (Wolfcamp) Pools, Lea County, New Mexico.

We understand that this matter will be set for hearing on the June 10, 1970 docket.

Very truly yours,

James E. Sperling
James E. Sperling

JES:jv

Enclosures

cc: Mr. Ira B. Stitt, w/encl.
Mobil Oil Corporation

DOCKET MAILED

DOCKET MAILED

Date 5/28

Date 6-18-70

MAY 25 AM 8 24

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF MOBIL OIL CORPORATION FOR
EXCEPTION TO COMMISSION RULE 303
AND FOR AUTHORITY TO COMMINGLE
WITHIN THE WELLBORE PRODUCTION
FROM THE VACUUM UPPER PENN POOL
AND FROM THE VACUUM WOLFCAMP POOL
IN APPLICANT'S BRIDGES STATE WELL
NO. 109, LOCATED IN UNIT N, SECTION
24, TOWNSHIP 17 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Case No. _____

A P P L I C A T I O N

Mobil Oil Corporation by this Application seeks excep-
tion to Commission Rule No. 303 and requests authority to
commingle within the wellbore of Mobil's Bridges State Well
No. 109 production from the Vacuum Wolfcamp Pool and
Vacuum Upper Penn Pool, said well being located in Unit N,
Section 24, Township 17 South, Range 34 East, N.M.P.M.,
Lea County, New Mexico, and in support of such application
states:

1. That said well is presently a triple completion
in the North Vacuum (Abo), Vacuum (Wolfcamp) Pool and
Vacuum (Upper Penn) Pool and that except for this fact
the application could be submitted for administrative ap-
proval under the provisions of Rule No. 303-C.
2. That the zones proposed to be commingled will be
isolated from the Abo zone with the existing packer thereby
preventing any communication between the Abo zone and the
Upper Penn and Wolfcamp.
3. That the production from the Abo zone will contin-
ue to be produced, maintained and operated as an isolated
zone in a multiply-completed well under existing Commission
rules and orders.

4. That said well is located upon lands subject to lease from the State of New Mexico and that the royalty under said lease is common to the two pools or zones which are the subject of this application.

5. That the granting of this application will enable applicant to continue to produce the Vacuum Upper Penn zone now at its economic limit and extend the productive life of the Vacuum Wolfcamp zone.

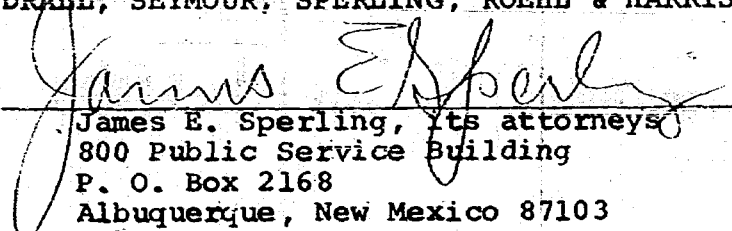
6. That the granting of this application will prevent waste, will not affect and will protect correlative rights and will be in the best interests of conservation of natural resources.

Respectfully submitted,

MOBIL OIL CORPORATION

BY: MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

By


James E. Sperling, its attorneys
800 Public Service Building
P. O. Box 2168
Albuquerque, New Mexico 87103

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4366

Order No. R- 3989

APPLICATION OF MOBIL OIL CORPORATION
FOR DOWN-HOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 1, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of July, 1970, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Mobil Oil Corporation, is the owner
and operator of the Bridges State Well No. 109, located in Unit N
of Section 24, Township 17 South, Range 34 East, NMPM, Lea County,
New Mexico.

(3) That pursuant to authority granted by Administrative
Order MC-1716-A, the subject well was completed by the applicant
as a triple completion (conventional) to produce oil from the
North Vacuum-Abo, Vacuum-Wolfcamp, and the Vacuum-Upper Pennsyl-
vanian Pools through parallel strings of tubing.

(4) That the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian
zones are now capable of only low marginal production.

(5) That the applicant now proposes to complete the subject well in such a manner as to produce oil from the North Vacuum-Abo Pool through one string of $2\frac{3}{8}$ -inch tubing and to produce the low marginal production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools through a single parallel string of $2\frac{3}{8}$ -inch tubing, commingling in the well-bore the production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian oil zones, with separation of the North Vacuum-Abo zone and the commingled Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones by means of a packer set at approximately 9500 feet.

(6) That the proposed commingling of the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones may substantially extend the productive lives of said zones.

(7) That the reservoir characteristics of the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones in the subject well are such that underground waste would not be caused by the proposed commingling in the well-bore.

(8) That the proposed commingling may result in the recovery of additional oil from each of the commingled zones, thereby preventing waste, and will not violate correlative rights.

(9) That the mechanics of the proposed completion are feasible and in accord with good conservation practices.

(10) That in order to assist in a determination of the amount of production to be allocated to each of the commingled zones, four weekly production tests of the commingled Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones should be taken by the applicant; that the results of said tests should be submitted to the Santa Fe and Hobbs offices of the Commission.

(11) That approval of the subject application will prevent waste and protect correlative rights.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, approximately 75% of the future recoverable and production should be attributed to the Vacuum-Wolfcamp zone, and 25% to the Vacuum-Upper Pennsylvanian zone.

(12) That Administrative Order MC-1716-A should be placed in abeyance.

IT IS THEREFORE ORDERED:

(1) That the applicant, Mobil Oil Corporation, is hereby authorized to complete its Bridges State Well No. 109, located in Unit N of Section 24, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the North Vacuum-Abo Pool through one string of $2\frac{3}{8}$ -inch tubing and to produce oil from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools through a single parallel string of $2\frac{3}{8}$ -inch tubing, commingling in the well bore the production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools, with separation of the North Vacuum-Abo zone and the commingled Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zones by means of a packer set at approximately 9500 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Vacuum-Wolfcamp Pool.

(2) That the applicant shall take one production test of the commingled Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian zone per week for a period of one month and submit results of said tests to the Santa Fe and Hobbs offices of the Commission.

(3) That the production from the Vacuum-Wolfcamp zone and from the Vacuum-Upper Pennsylvanian zone in the subject well shall be established and future production allocated to said zones in the subject well in the proportion that the production from each

(2) That approximately 75% of the future allowance and production from the commingled zones shall be attributed to the Vacuum-Wolfcamp zone and approximately 25% to the Vacuum-Upper Pennsylvanian zone of the subject well until further order of the Commission.

of said zones in the subject well bears to the combined production from both of said zones until further order of the Commission.

(4) That the commingling in the well-bore authorized by this order shall continue only so long as the commingled production of the two zones does not exceed 80 barrels of oil per day.

(5) That Administrative Order MC-1716-A is hereby placed in abeyance.

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

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

(7) That the maximum amount of gas which may be produced daily from the commingled zones in the subject well shall be determined by multiplying 2000 by the separator allowance for the Vacuum & Wolfcamp Pool.

off. Mobil -
D/H com

DOCKET MAILED

Date _____

Case #266

Bridges State Well No. 109
{ vacuum upper Penn
" Wolfcamp
sea

3rd N. vac. abo -

Unit N - Sec 24 - T17S
R34E

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CASE 4367: Application of MOBIL
OIL CORPORATION FOR A WATERFLOOD
EXPANSION, LEA COUNTY.