

Case Number

4420

Application  
Transcripts.

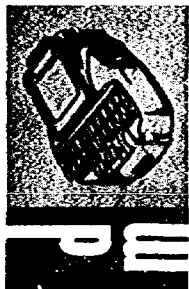
Small Exhibits

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

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



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 30, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Xplor Company for the  
creation of a new gas pool and  
special rules therefor, a dual com-  
pletion, and authority to comingle,  
Lea County, New Mexico.

Case No. 4420

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XPageJACK E. BROWN

Direct Examination by Mr. Kellahin  
Cross Examination by Mr. Nutter  
Redirect Examination by Mr. Kellahin

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E X H I B I T SOffered and  
Admitted

Applicant's Exhibits Nos. 1 thru 6  
(Previously marked)

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MR. NUTTER: We will call the next Case No. 4420.

MR. HATCH: Case No. 4420, the Application of Xplor Company for the creation of a new gas pool and special rules therefor, a dual completion, and authority to comingle, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin of Kellahin and Fox, Santa Fe, appearing for the Applicant. We have one witness I would like to have sworn.

(Whereupon, the witness was sworn.)

JACK E. BROWN

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Jack E. Brown.

Q By whom are you employed and in what position,  
Mr. Brown?

A Partner in Xplor Company, as a Petroleum  
Engineer.

Q Have you ever testified before the Oil  
Conservation Commission or its examiner and made your

qualifications as an engineer a matter of record?

A Yes, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. KELLAHIN:

Q Mr. Brown, the Application in Case No. 4420 was filed in the name of Xplor Company; is that the correct designation at the present time of the Applicant or has the ownership --

A (Interrupting) Since the filing, we have changed it to the name of the operator, to Stolt, Wagner and Brown which is the same partnership.

Q It is the same individuals involved?

A Same principals involved, yes.

Q But you have changed the name, as you have designated, of the operators, is that correct?

A Right.

Q Are you familiar with the Application in Case 4420?

A Yes, sir.

Q What is proposed by the Applicant in this case?

A Proposed to have a dual completion.

Q Well, you propose a creation of a new pool, do you not?

A Yes, and the creation of a new pool, yes.

Q And the adoption of pool rules?

A We propose a new field to be designated as a Pennsylvanian Gas Field with special field rules allocating 160 acres for the gas zone.

Q And you do ask for comingle production from the two zones involved in the dual completion, is that correct?

A Yes, sir.

Q Referring to what has been marked as the Applicant's Exhibit No. 1, would you identify that Exhibit?

A Exhibit No. 1 is a plat of the general area. The Stolts, Wagner and Brown No. 1 is colored in yellow in Section 23, northeast quarter, and we have a cross-section, A.A. Brown, running north and south through several wells that have penetrated the zone, the Pennsylvanian zone.

Q When you refer to the Pennsylvanian zone, are you talking about -- are there more than one Pennsylvanian zones in this area?

A Yes, the Pennsylvanian covers a large interval and this Exhibit 2 will demonstrate that gas production in the Cleveland Well has not been produced in any other well in the area.

Q Now, Exhibit No. 1 also reflects the ownership in the area as far as you know, is that correct?

A Yes, sir.

Q Now, turning to what has been marked as the Applicant's Exhibit No. 2, would you identify that Exhibit?

A Exhibit No. 2 is a cross-section, A.A. Brown, showing stratigraphic sections of the Pennsylvanian zone in which we discovered the gas production.

Q Actually, you have two cross-sections on there as reflected on your Exhibit No. 1, is that not correct?

A No, one cross-section.

Q One cross-section. Pardon me. Now, would you identify the zones you are talking about?

A This gas production in the Cleveland No. 1 is a zone that has been perforated between the intervals 9360 and 9418. There are several other wells on the cross-section that have produced some gas in different

stratographic sections, oh, some 200-foot below our zone. Another difference is that the other wells are producing from limestone and our gas zone has sand.

Q Do you find that sand present in any of the other wells in the area?

A No, it appears to be just a small length of sand that has been deposited in this large limestone section.

Q As reflected in your Cleveland Well No. 1?

A Yes, sir.

Q Is there any indication that this sand zone is separated from the other producing zones in the offsetting or adjacent wells?

A The Carper-Soldier Hill State-AE No. 1 is approximately 1000 feet offset to our well and indications on the log is it is a dense non-productive zone.

Q In your opinion, would that dense non-productive zone effectively separate the producing interval in the Cleveland Well from the other producing intervals in the area?

A Yes. As a matter of fact all of the wells on the cross-section have the same characteristics of being very dense and non-productive and the well,



Ashton and Hilliard-Hunt State-126 took a drill-stem test with this correlative zone and recovered 50-foot of mud which bears out the dense section.

Q Now, turning to Exhibit No. 3, would you identify that Exhibit?

A Exhibit No. 3 is a schematic diagram of how we propose to equip the well for dual production. We propose to separate the Pennsylvanian Gas and the Devonian Oil with a packer, produce the gas in the tubing casing annulus and produce the oil through the tubing. The oil will be pumped through the tubing, using a Kobe insert and hydraulic pump.

Q Is this the type of dual completion that has been approved by this Commission in other cases?

A Yes, sir.

Q It is a conventional dual completion, is that right?

A Yes.

Q In your opinion, will it effectively separate the two producing zones in this well?

A Yes, sir, they will be effectively separated through the packer.

Q Mr. Brown, have you any information on what

pressures you would expect to encounter in these two zones?

A Exhibit No. 4 --

Q (Interrupting) Okay, let's go ahead with Exhibit No. 4.

A The first sheet is a drill-stem test of the Pennsylvanian Gas zone with a shut-in bottom-hole pressure of 3249 pounds.

Q On what zone is that, now?

A That's the Pennsylvanian Gas zone.

Q Pennsylvanian Gas zone. Now, what would the pressures be in the Devonian, if you know?

A A drill-stem test of the Devonian was 4294 pounds.

Q Is that such a pressure differential that it would cause any problem in the dual completion which you propose to make?

A No, sir.

Q What other information do you show in your Exhibit No. 4?

A There is a subsequent bottom-hole pressure ran on the Pennsylvanian Gas zone that has been tested

for a short period.

Q You have completed this well in the Pennsylvanian and you have made a test on it, is this correct?

A Yes.

Q In your opinion, is it a commercial well from the Pennsylvanian?

A Yes, sir.

Q As completed now?

A That's right.

Q Now, turning to what has been marked as Exhibit No. 5, would you identify that Exhibit?

A Exhibit No. 5 is larger scale logs showing the Cleveland Well and that Carper-Soldier Hill, AE-1. The two wells are approximately south, a foot apart and the logs demonstrate that the sand body in the Cleveland Well is a porous permeable reservoir, whereas, the correlative interval in the Carper Well is very dense limestone and shale.

Q Does the information that is reflected on your Exhibit 2, the cross-section, and Exhibit 5 which you have just discussed, does that indicate that the area of the reservoir is a large one or what would you say?

A No. With the information we have, we could

not project that this sandstone would cover any large area or extend at all.

Q In your opinion, is this sandstone lens a separate common source of supply and should be designated as a separate pool?

A Yes, sir.

Q In your opinion, is a spacing of 160 acres proper for the new pool to be created?

A Yes, I think that would be the largest aerial extent that we could project that would carry the productive zone right at the time.

Q In other words, you are saying you don't think the productive area is any greater than that?

A That's right. I think we made the pattern on 320 acres and we would have no reason to project that it even covers 320 acres at this time.

Q You don't think you have 320 productive acres?

A That is correct.

Q Now, your Exhibit 6, would you discuss that Exhibit, please?

A Exhibit No. 6 is a structural map on the Wolfcamp-XX Marker which is common for a structure map, a few hundred foot above the Pennsylvanian zone which

illustrates that higher on the same structure, that gas hadn't been found higher on this structure from this particular zone.

Q And the zone is not found anywhere else in this area, is that correct?

A Productive, yes.

Q Productive. Is there another well completed in that zone or attempted completion in that area?

A No, the only test to that well is the Ashton-Hilliard Well which tested 50 foot of mud.

Q That's the one you discussed previously?

A Yes.

Q In the Application you asked for permission to comingle liquids produced from the Devonian and the Pennsylvanian Formations. What is the gravity of the two liquids?

A The Pennsylvanian's distillate is 62 degrees gravity and the Devonian Oil is 45 degrees gravity.

Q Would the comingling of the two fluids cause any change in the value of production from the two zones if produced separately?

A I feel that mixing this 62 gravity volatile liquid with the lower gravity liquid would help stabilize

it and have less loss due to vaporization.

Q Would it change the value at the market?

A You would have increased liquid value by --

Q (Interrupting) Higher volume?

A Higher volume remaining in your stock tank.

Q The change in the gravity of the fluid, would that effect the price of the oil?

A No, sir, price above 40 degrees is the same price.

Q What volumes of liquid do you anticipate you will produce from the two zones?

A Approximately 80 to 100 barrels a day from the Devonian of oil, and depending on the rate of the gas, between 5 and 15 barrels per million, and we will anticipate producing approximately a million cubic foot of gas a day.

Q Between 5 and how many?

A Between 5 and 15 barrels.

Q You don't know yet?

A I don't have a good test on that until I --

Q (Interrupting) How do you propose to allocate the production at the two zones if you are comingling it a common tank?

A I propose taking a monthly 24-hour test of each zone in separate tanks.

Q Then allocate on the basis of that well test?

A Yes.

Q Were Exhibits 1 through 6 prepared by you or under your supervision?

A Prepared under my supervision.

MR. KELLAHIN: At this time I would like to offer in evidence Exhibits 1 through 6.

MR. NUTTER: Applicant's Exhibits Nos. 1 through 6 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 through 6 were offered and admitted in evidence.)

BY MR. KELLAHIN:

Q Mr. Brown, in connection with the Application, we asked for pool rules other than 160-acre spacing. Do you have any suggestions for any other rules for this pool?

A None in particular.

Q You just asked for 160-acre spacing for your new pool?

A Yes, sir.

MR. KELLAHIN: That completes the direct

examination.

CROSS EXAMINATION

BY MR. NUTTER:

Q In other words, the reason for the 160-acre spacing is to keep it from going on the State-wide rule of 320 for the Pennsylvanian?

A Yes, sir. I believe on a State-wide rule would be giving credit there and not contributing production.

Q Mr. Brown, I notice here on your Exhibit No. 3, the schematic diagram that you will have 2 and 3/8 inch tubing in the lower portion of the well and that the gas will be produced up the casing tubing annulus. Then above 4000 feet you have your Kobe pump on a 3 1/2 inch tubing. Will the annulus between the 3 1/2 inch tubing and the 5 1/2 inch casing be sufficient to produce your gas without --

A (Interrupting) Yes, sir, the area between the 3 1/2 and the 5 1/2 represents more cross-section than a two-inch tubing.

Q So you have plenty of room to produce your gas?

A Yes.

Q And the oil will be power-lifted or will be



lifted by Kobe pump, then?

A Yes, sir.

MR. NUTTER: Are there any further questions of Mr. Brown?

You may be excused.

(Witness dismissed.)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all, Mr. Nutter.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 4420?

We will take the case under advisement.

MR. MOTTER: We have an interest in the well in question and we concur that the dual completion is acceptable with 160-acre spacing and a designation of a new gas pool, however, we would like to point out that our interest in the two separate formations is different, and we would like some reliable means of the allocation of the two fluids to comingle. I feel that some of the comingling orders that have been passed by the Commission in the past have been acceptable to City Service, so we would like to have, of course, some reliable means so that we get our proper allocation since we do have a

difference in ownership between the two zones. Other than that, we are in complete concurrence with the Application.

MR. NUTTER: Does City Service have any recommendations, Mr. Motter, as to an acceptable method of allocating production?

MR. MOTTER: Well, of course like I say, in the past I think you have allocated -- we have had several places where you have forced us to meter and so forth.

MR. NUTTER: Well, normally, for administrative approval of a comingling application it is a requirement that production coming from different ownerships must be metered. Of course, we are here at a Hearing today, but while the Rules provide that the comingling manual will be a criterion for the determination of production from separately owned tracts or levels, it is not mandate that it be. Are you agreeable to some means other than separate metering?

MR. MOTTER: Well, if I may refer to Mr. Brown's testimony, I believe he testified that the rate of condensate production ran from 5 to 15 barrels per million. I think you will see if he happens to settle for 5 barrels per million and an allocation was made for the next 30 days.

on that basis, yet the zone made 15 barrels, City Service would be shorted their equitable share of liquid from this particular zone. I might add we have written Mr. Brown and expressed a desire that a proper metering of this other zone be made. I realize that it is up to this Commission to set out these Rules and Regulations, but I would like to point this out.

MR. NUTTER: Mr. Brown, do you have any response to that?

MR. BROWN: My only response is that I told you ahead of time that I didn't want to make a big issue out of it. If they want to metering, I will just set a separate tank battery. I think that under a high pressure gas, separating it under a meter wouldn't be a very efficient method of measuring the fluid, so I will just have to set a separate battery for liquid from the gas zone.

MR. NUTTER: Mr. Brown, is the gas well ready at this time?

MR. BROWN: Yes, it is ready.

MR. NUTTER: Ready to produce?

MR. BROWN: Yes.

MR. KELLAHIN: Could I ask a question?

MR. NUTTER: Yes.

REDIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Brown, your testimony as to the rate of production of distillate from 5 to 15 barrels, was that an estimate or was that an actual figure?

A That was an estimate on varying rates. I think if we produce the gas well down the gas line at a constant daily rate, production will at that time be constant, but I cannot predict exactly what it will be at this moment.

Q But after you have adequate tests on it, do you think you can establish a constant rate of fluid production?

A Yes, sir.

Q Depending on how much gas you are producing?

A Yes, sir.

MR. NUTTER: Are there any further questions of Mr. Brown?

You may be excused.

(Witness dismissed.)

MR. NUTTER: We will take the case under advisement.

RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Steinhilber hearing of Case No. 442-D heard by me on 9/30, 19 70.

Received by me on 1/20, 19 70.  
*[Signature]* Secretary  
 New Mexico Oil Conservation Commission

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

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
State Land Office Building  
Santa Fe, New Mexico  
September 2, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Xplor Company for a dual  
completion, authority to gas-lift oil  
production, and to flare gas, Lea County,  
New Mexico.

Case No. 4420

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

MR. HATCH: This is the application of Xplor Company for a dual completion, authority to gas-lift gas production and to flare gas, Lea County, New Mexico. Applicant in the above styled cause, seeks approval for the dual completion (conventional) of its Cleveland Well No. 1 located in Unit G of Section 23, Township 12 South, Range 32 East, Lea County, New Mexico, in such a manner as to produce oil from the East Caprock-Devonian Pool through 2 3/8-inch tubing and gas from the Pennsylvanian formation within one mile of the East Caprock Pennsylvanian Pool. Applicant further seeks authority to use a portion of said gas to gas-lift said oil production and to subsequently flare said gas in exception to Rule 404 of the Commission Rules and Regulations.

MR. KELLAHIN: Jason W. Kellahin of Kellahin and Fox appearing for the applicant Xplor Company.

We would request that that case be continued to the hearing on September 30th, with permission to file an amended application.

MR. UTZ: Case 4420 will be continued until September 30th.

STATE OF NEW MEXICO     )  
                                  ) ss.  
COUNTY OF BERNALILLO    )

I, Peter A. Lumia, Court Reporter, 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. Lumia  
Peter A. Lumia, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings  
the hearing of Case No. 4420  
heard by us on 9-23-79  
Peter A. Lumia  
New Mexico Oil Conservation Commission





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. 4420  
Order No. R-4040  
NOMENCLATURE

APPLICATION OF XPLOR COMPANY FOR THE  
CREATION OF A NEW GAS POOL AND SPECIAL  
RULES THEREFOR, A DUAL COMPLETION, AND  
AUTHORITY TO COMMINGLE, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 30, 1970,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of October, 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, Stoltz, Wagner & Brown, formerly  
known as Xplor Company, seeks the creation of a new gas pool for  
Pennsylvanian production in Lea County, New Mexico, and the  
promulgation of special rules and regulations governing said  
pool, including a provision for 160-acre spacing units.

(3) That in the alternative to the provision for 160-acre  
spacing, the applicant seeks approval of a non-standard 160-acre  
gas proration unit comprising the NE/4 of Section 23, Township  
12 South, Range 32 East, NMPM, Lea County, New Mexico, to be  
dedicated to its Cleveland Well No. 1 located in Unit G of said  
Section 23.

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CASE No. 4420

Order No. R-4040

(4) That the applicant further seeks approval for the dual completion (conventional) of said well in such a manner as to produce oil from the East Caprock-Devonian Pool through tubing and gas from the aforesaid Pennsylvanian gas pool through the casing-tubing annulus and to commingle on the surface the liquids from said zones without separately metering said liquids prior to commingling.

(5) That the above-described Cleveland Well No. 1 has discovered a separate common source of supply which should be designated the East Caprock-Cisco Gas Pool; that the vertical limits of said pool should be the Cisco zone of the Pennsylvanian formation as found in the interval from 9320 feet to 9425 feet on the log of the aforesaid well; and that the horizontal limits of said pool should be the NE/4 of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.

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

(7) That the ownership of the two productive zones in the subject well is not identical, and the proposed commingling on the surface of the liquid hydrocarbons from the two zones without separately metering said production prior to commingling will not adequately protect the rights of all interest owners in the subject well and should not be permitted.

(8) That commingling of the liquid hydrocarbons from the two zones after separately metering the production from each will protect all interest owners and should be permitted.

**IT IS THEREFORE ORDERED:**

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Cisco production, is hereby created and designated the East Caprock-Cisco Gas Pool, with vertical limits comprising the Cisco zone of the Pennsylvanian formation as found in the interval from 9320 feet to 9425 feet on the log of the Stoltz, Wagner & Brown Cleveland Well No. 1, located in Unit G of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico, and horizontal limits as follows:

**TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM**  
**Section 23: NE/4**

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CASE No. 4420

Order No. R-4040

(2) That the aforesaid East Caprock-Cisco Gas Pool shall be governed by the acreage and well location requirements for 160-acre pools of Rule 104 C II (a) of the Commission Rules and Regulations.

(3) That the applicant is hereby authorized to complete the above-described Cleveland Well No. 1 as a dual completion (conventional) to produce gas from the East Caprock-Cisco Gas Pool through the casing-tubing annulus and oil from the East Caprock-Devonian Pool through tubing, with separation of zones by a packer set at approximately 10,800 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 East Caprock-Devonian Pool.

(4) That the applicant is hereby authorized to commingle the liquid hydrocarbons from the East Caprock-Cisco Gas Pool and the East Caprock-Devonian Pool after separately metering said liquid hydrocarbons;

PROVIDED HOWEVER, that said installation shall be operated in accordance with the provisions of the Commission's "Manual for the Installation and Operation of Commingling Facilities."

(5) 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.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

Docket No. 22-70

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 30, 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 4416: (Continued from the September 16, 1970, Examiner Hearing)

Application of Robert L. Parker Trust for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a cooperative waterflood project in the Langlie Mattix Pool on its George L. Erwin Lease by the injection of water through its Erwin Well No. 2 located in Unit L of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 4422: (Continued from the September 2, 1970, Examiner Hearing)

Application of Atlantic Richfield Company for amendment of Order No. R-3588, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3588, which order authorized the disposal of produced salt water into the Yates and Seven Rivers formation in the perforated and open-hole interval from 3110 feet to 3300 feet in the Sinclair ARC Federal Well No. 1 located in Unit O of Section 9, Township 20 South, Range 33 East, West Teas Pool, Lea County, New Mexico. Applicant now seeks authority to dispose into said zones in the interval from 3010 feet to 3300 feet.

CASE 4222: (Reopened)

In the matter of Case 4222 being reopened pursuant to the provisions of Order No. R-3850, which order established 80-acre spacing units for the West Sawyer-San Andres Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units and present evidence as to whether or not the subject pool is in fact an associated reservoir.

CASE 4429: Application of Union Texas Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie-Jal Unit Area comprising 3,748 acres, more or less, of federal, state, and fee lands in Townships 24 and 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4430: Application of Union Texas Petroleum Corporation of a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Langlie-Jal Unit by the injection of water into the Seven Rivers and Queen formations through 46 wells in Townships 24 and 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

.(Reopened)

CASE 4173: In the matter of Case 4173 being reopened pursuant to the provisions of Order No. R-3811-A, which order extended 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, for a period of 90 days. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing, why the limiting gas-oil ratio should not revert to 2000 to one, and/or why all casing-head gas produced by wells in the pool should not be reinjected.

CASE 4420: (Continued and Readvertised)

Application of Xplor Company for the creation of a new gas pool and special rules therefor, a dual completion, and authority to commingle, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian gas pool for its Cleveland Well No. 1 located in Unit G of Section 23, Township 12 South, Range 32 East, Lea County, New Mexico, and for the promulgation of special rules therefor, including a provision for 160-acre spacing units. In the alternative, applicant seeks approval of a non-standard 160-acre gas proration unit comprising the NE/4 of said Section 23 to be dedicated to said well. Applicant also seeks authority to dually complete said well in such a manner as to produce oil from the East Caprock-Devonian Pool and gas from said Pennsylvanian formation and to commingle on the surface the liquids from said zones.

CASE 4431: Application of William A. and Edward R. Hudson for unorthodox well locations and a dual completion, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to drill a well at an unorthodox location (off pattern) 660 feet from the South line and 1980 feet from the West line of Section 15, Township 17 South, Range 32 East, Lea County, New Mexico, for the production of oil from the Baish-Wolfcamp and Maljamar-Abo Pools and to dually complete said well in the subject pools.

CASE 4432: Application of MWJ production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the rules governing the Baum-Upper Pennsylvanian Pool to permit the drilling of an oil well at an unorthodox location 2310 feet from the South line and 990 feet from the West line of Section 5, Township 14 South, Range 33 East, Lea County, New Mexico.

CASE 4433: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Allied Chemical Corporation to appear and show cause why said corporation should be permitted to institute its proposed waterflood project in its Milnesand (San Andres) Unit Area, Milnesand-San Andres Pool, Roosevelt County, New Mexico, by the injection of fresh water; said corporation testified in the hearing that authorized said waterflood project that produced salt water be used for waterflooding purposes.

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Docket No. 22-70

CASE 4423: (Continued from the September 2, 1970, Examiner Hearing)

Application of Union Oil Company of California for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the San Andres formation underlying the N/2 NE/4 of Section 20, Township 8 South, Range 38 East, Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico. Said acreage to be dedicated to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 20. Also to be considered will be the cost 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 4434: Application of Union Oil Company of California for the creation of a new gas pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for its Pipeline Federal Well No. 1 located in Section 4, Township 19 South, Range 34 East, Lea County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing and proration units and fixed well location requirements.

CASE 4435: Application of Blackrock Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Mobil Atlantic Well No. 1 located in Unit D of Section 10, Township 9 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce oil from the Pennsylvanian formation through tubing and to dispose of produced salt water into the San Andres formation from 4300 feet to 5045 feet and possibly other formations between the 8 5/8-inch casing shoe at 4153 feet and the top of the cement at 9205.

Docket No. 20-70

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 2, 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 4415: Application of Depco, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by injection into the Grayburg and San Andres formations through 6 wells located in Sections 27, 33 and 34, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.
- CASE 4416: Application of Robert L. Parker Trust for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a cooperative waterflood project in the Langlie-Mattix Pool on its George L. Erwin Lease by the injection of water through its Erwin Well No. 2 located in Unit L of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 4417: Application of J. Cleo Thompson for an exception to Order No. R-3221, as amended, Eddy 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 the applicant's Evans Wells Nos. 9 and 12 located, respectively, in Units Grand B of Section 33, Township 16 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant seeks authority to dispose of water produced by said wells in unlined surface pits located in the vicinity of said wells.
- CASE 4418: Application of Texas Pacific Oil Company for amendment of Order No. R-3200, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3200, which order authorized the applicant to institute a waterflood project in the South Eunice Pool, Lea County, New Mexico, by the injection of water through six wells located in Sections 5, 8, and 9 of Township 22 South, Range 36 East. Applicant seeks authority to delete the six wells authorized in said Order R-3200 and substitute therefor six other wells located in said Sections 8 and 9.



- CASE 4419: Application of Billings, Keyser and Kennedy for a non-standard gas proration unit, Eddy County, New Mexico. Applicant in the above-styled cause, seeks, in exception to Rule 104 B I, approval of a 320-acre non-standard gas proration unit comprising the NW/4 of Section 2 and Lots 1, 2 and 3 and the SE/4 NE/4 of Section 3, Township 22 South, Range 26 East, Eddy County, New Mexico, said unit to be dedicated to a wildcat gas well to be drilled in the NE/4 NE/4 of said Section 3.
- CASE 4420: Application of Xplor Company for a dual completion, authority to gas-lift oil production, and to flare gas, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Cleveland Well No. 1 located in Unit G of Section 23, Township 12 South, Range 32 East, Lea County, New Mexico, in such a manner as to produce oil from the East Caprock-Devonian Pool through 2 3/8-inch tubing and gas from the Pennsylvanian formation within one mile of the East Caprock-Pennsylvanian Pool. Applicant further seeks authority to use a portion of said gas to gas-lift said oil production and to subsequently flare said gas in exception to Rule 404 of the Commission Rules and Regulations.
- CASE 4421: Application of Phillips Petroleum Company for creation of a new oil pool, special pool rules therefor, and redesignation of the vertical limits of the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Bough section of the Pennsylvanian formation for its Phillips West Ranger Lake Unit Well No. 1 located in Unit C of Section 26, Township 12 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special rules therefor including a provision for 80-acre spacing and proration units, with vertical limits of said pool to be the interval from sub-sea datum -5671 feet to -6016 feet as found in said Well No. 1. Applicant further seeks the contraction of the vertical limits of the Ranger Lake-Pennsylvanian Pool to that interval from sub-sea datum -6080 feet to -6230 feet as found in its West Ranger Lake Unit Tract 2 Well No. 1 located in Unit P of Section 23, said township and range.
- CASE 4422: Application of Atlantic Richfield Company for amendment of Order No. R-3588, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3588, which order authorized the disposal of produced salt water into the Yates and Seven Rivers formation in the perforated

September 2, 1970 - Examiner Hearing  
-3-

Docket No. 20-70

Case 4422 continued

and open-hole interval from 3110 feet to 3300 feet in the Sinclair ARC Federal Well No. 1 located in Unit O of Section 9, Township 20 South, Range 33 East, West Teas Pool, Lea County, New Mexico. Applicant now seeks authority to dispose into said zones in the interval from 3010 feet to 3300 feet.

CASE 4423: Application of Union Oil Company of California for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the San Andres formation underlying the N/2NE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico. Said acreage to be dedicated to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 20. Also to be considered will be the cost 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 4410: (Continued from the August 19, 1970 Examiner Hearing ) Application of Major, Giebel & Forster for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 of Section 28, Township 25 South, Range 37 East, Crosby-Devonian Pool, Lea County, New Mexico, said acreage to be dedicated to a well to be drilled in said quarter section. Also, to be considered will be the cost 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.

# Stoltz, Wagner & Brown

Oil & Gas Producers

Denver, Colorado 80203  
418 Lincoln Tower Bldg.  
(303) 825-1288

Suite 226 Central Building  
(915) 682-7936 — P. O. Box 1714  
MIDLAND, TEXAS 79701

Casper, Wyoming 82601  
625 First National Bank Bldg.  
Box 2573 - (307) 237-2541

CASE NO. \_\_\_\_\_  
NEW MEXICO OIL CONSERVATION COMMISSION

SEPT. 16, 1970

XPLOR NO. 1 - CLEVELAND  
SEC. 23, T12S, R32E  
LEA COUNTY, NEW MEXICO

EXHIBIT #1

LAND PLAT AND LEASE OWNERSHIP MAP

EXHIBIT #2

N-S STRATIGRAPHIC CROSS-SECTION

EXHIBIT #3

SCHEMATIC DIAGRAM

EXHIBIT #4

PRESSURE DATA-DEVONIAN & PENN ZONES

EXHIBIT #5

LOGS SHOWING LENTICULAR NATURE OF RESERVOIR

EXHIBIT #6

STRUCTURE MAP ON XX MARKER

## PENN GAS



FOSTER TESTERS, INC.

ODESSA, TEXAS

TEST TICKET NO. 2155

ORDER NO.

DATE JANUARY 8, 1970

COMPANY EXPLORER LEASE CLEVELAND WELL NO. 1

FIELD BAGLEY COUNTY LEA STATE NEW MEXICO TEST NO. 1

MAIL CHARTS TO STOLTZ AND COMPANY, BOX 1714, MIDLAND, TEXAS 79701

MAIL INVOICE TO SAME

FORMATION TESTED - TOTAL DEPTH 9,492' MAIN HOLE 7 7/8" RAT HOLE -  
 INTERVAL TESTED FROM 9,492' TO 9,330' PACKER TYPE BT SIZE 6 3/4" NUMBER 2  
 DRILL PIPE SIZE 4" H90 I.D. - DRILL COLLAR SIZE 4 1/2" H90 I.D. -  
 TIME PACKER SET A.M. 9:00 P.M. PACKER SET 3 HRS. 57 MIN. PRE FLO TIME 7 MINS.  
 INITIAL FLOW - MINS. 2ND FLOW - MINS. FINAL FLOW 65 MINS.  
 INITIAL SHUT-IN 45 MINS. 2ND SHUT-IN - MINS. FINAL SHUT-IN 120 MINS.  
 RECORDER TYPE AK-1 CAPACITY 8,000# NUMBER: TOP 1645 BOTTOM 3483  
 TOP RECORDER DEPTH 9,489' BOTTOM RECORDER DEPTH 9,492'  
 MAX. TEMP. 137° TEMP. DEPTH 9,489' CHOKE SIZE: TOP ADJ. BOTTOM 5/8"  
 MUD TYPE CHEMICAL MUD WEIGHT 9.1 VISCOSITY 44 FILTER CAKE 2/32 WTR. LOSS 10.6  
 FLUID CUSHION TYPE - AMOUNT - REVERSED OUT YES X NO  
 CONVENTIONAL TEST YES STRADDLE TEST - CASING TEST - MISS RUN -  
 SECOND ASSEMBLY YES ROTARY JAR YES SAFETY JOINT YES

SAMPLER YES X NO FEE FLOW TOOL YES X NO CIRC. SUB YES X NO  
 SURFACE ACTION: TOOL OPENED FOR PRE FLOW WITH WEAK BLOW INCREASING TO STRONG BLOW.  
 GAS TO SURFACE IN 15 MINUTES. OPENED TOOL FOR FINAL FLOW WITH STRONG BLOW  
 INCREASING TO 550 MCF IN 15 MIN. 730 MCF IN 17 MIN. 800 MCF IN 18 MIN.  
 900 MCF IN 21 MIN. 1000 MCF IN 23 MIN. 1100 MCF IN 25 MIN. 1200 MCF IN 30  
 MIN. 1500 MCF IN 40 MIN. 200 MCF IN 46 MIN. 2400 MCF IN 55 MIN. 3000 MCF IN  
 63 MIN. DISTILLATE TO SURFACE IN 40 MINUTES.

RECOVERY: TRIED TO REVERSE OUT. FILL UP LINE FROZEN. EQUILIZED MUD PULLED  
 OUT DRY TO CIRCULATING SUB. 124' SLIGHTLY GAS OUT MUD BELOW CIRCULATING SUB.

SAMPLER CONTENTS: HEAVY GAS OUT MUD WITH TRACE OF OIL. SAMPLER PLUGGED  
 WHILE UNLOADING IT.

REMARKS: 7 MINUTE PRE FLOW. 41' PERFORATION. 655' TOTAL DRILL COLLAR LENGTH.

TESTER RONNIE E. MASEY TEST APPROVED BY WILLIAM A. HECK

	RECORDER NO. 3483		RECORDER NO.		RECORDER NO.
A INITIAL HYDROSTATIC PRESSURE	4700 P.S.I.				P.S.I.
B INITIAL SHUT IN PRESSURE	3239 P.S.I.	B-1	P.S.I.		P.S.I.
C INITIAL FLOW PRESSURE	890 P.S.I.	C-1	P.S.I.		P.S.I.
D FINAL FLOW PRESSURE	1423 P.S.I.	D-1	P.S.I.		P.S.I.
E FINAL SHUT IN PRESSURE	3249 P.S.I.		P.S.I.		P.S.I.
F FINAL HYDROSTATIC PRESSURE	4700 P.S.I.		P.S.I.		P.S.I.

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 4

CASE NO. 4420

JOHN W. WEST ENGINEERING COMPANY  
412 NORTH DAL PASO, HOBBS, NEW MEXICO

PENN GAS

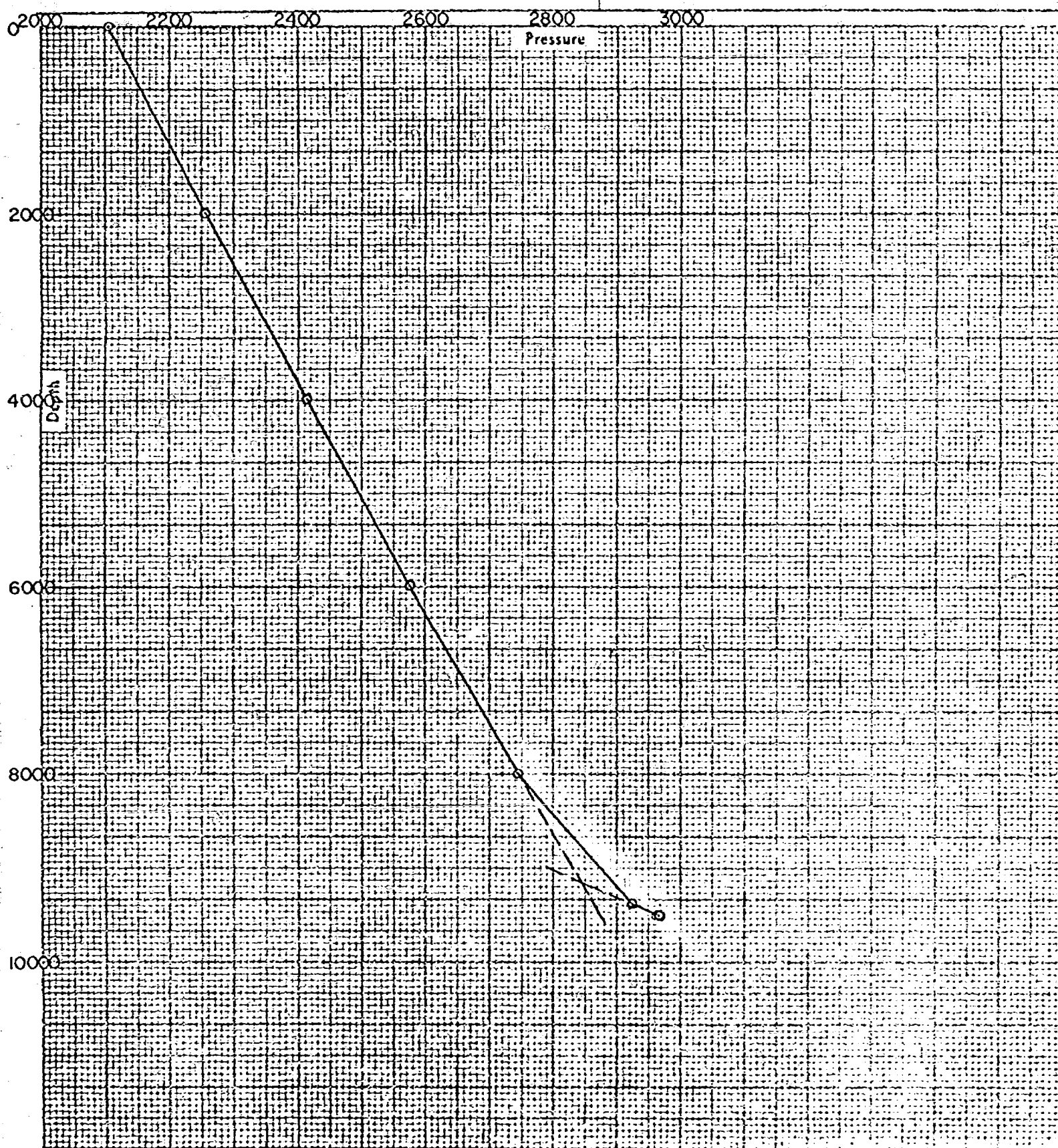
TELEPHONES 3-3942  
3-6770

## BOTTOM HOLE PRESSURE SURVEY REPORT

OPERATOR XPLOR Co.  
LEASE CLEVELAND  
WELL NO. 1  
FIELD \_\_\_\_\_  
DATE 3-7-70 TIME 11:00 A.M.  
STATUS SHUT-IN TEST DEPTH 9,495'  
TIME S.I. 67 HRS. LAST TEST DATE \_\_\_\_\_  
CAS. PRES. \_\_\_\_\_ BHP LAST TEST \_\_\_\_\_  
TUB. PRES. 2106 BHP CHANGE \_\_\_\_\_  
ELEV. \_\_\_\_\_ FLUID TOP 9250'  
DATUM \_\_\_\_\_ WATER TOP \_\_\_\_\_  
TEMP \_\_\_\_\_ RUN BY J.E.M.  
CLOCK NO. 27788 GAUGE NO. 19389  
ELEMENT NO. 14659-N

DEPTH	PRESSURE	GRADIENT
000	2106	
2000	2258	.076
4000	2415	.079
6000	2575	.080
8000	2742	.084
9389	2923	.130
9495	2969	.434

DEAD WEIGHT TEST 2103# P.S.I.



| U | ...

[illegible]

Cushion Type	Amount	Pressure	Bottom Choke
WATER	1200'	-	Size 5/8"

## MUD DATA

Mud Type	BRINE AND GEL	Wt.	9.3	
Viscosity	5.5	Water Loss	7.0	C.C.
Resist: of Mud	0.19 @ 64	°F <sub>i</sub> of Filtrate	- @ -	°F
Chloride Content	36000			PPM

EQUIPMENT & HOLE DATA	
Type Test	M, F, E, OPEN HOLE
Formation Tested	DEVONIAN
Elevation	- Ft.
Net Productive Interval	- Ft.
Estimated Porosity	1 %
All Depths Measured From	KELLY BUSHING
Total Depth	11227 Ft.
Main Hole/Casing Size	7 7/8" Ft.
Rat Hole/Liner Size	-
Drill Collar Length	- I.D. -
Drill Pipe Length	- I.D. -
Packer Depth(s)	11204 & 11209 Ft.

**MULTI-FLOW EVALUATOR  
FLUID SAMPLE DATA**

Sampler Pressure \_\_\_\_\_ P.S.I.G. at Surface \_\_\_\_\_  
 Recovery: Cu. Ft. Gas \_\_\_\_\_ 0.12 \_\_\_\_\_  
           cc. Oil \_\_\_\_\_ 1100 \_\_\_\_\_  
           cc. Water \_\_\_\_\_ 1220 \_\_\_\_\_  
           cc. Mud \_\_\_\_\_ \_\_\_\_\_  
           Tot. Liquid cc. \_\_\_\_\_ 2320 \_\_\_\_\_  
 Gravity \_\_\_\_\_ °API @ \_\_\_\_\_ °F.  
 Gas/Oil Ratio \_\_\_\_\_ 17 \_\_\_\_\_ cu. ft./bbl.

	RESISTIVITY	CHLORIDE CONTENT
Recovery Water	0.18 @ 67 °F.	25000 ppm
Recovery Mud	-- @ -- °F.	
Recovery Mud Filtrate	-- @ -- °F.	-- ppm
Mud Pit Sample	0.19 @ 64 °F.	
Mud Pit Sample Filtrate	-- @ -- °F.	36000 ppm

RECOVERY DESCRIPTION	FEET	BARRELS	% OIL	% WATER	% OTHERS	API GRAVITY	RESISTIVITY	CHL. PPM
• FREE OIL	2668	-				44.1 @ 60 °F.	@ °F.	
WATER CUSHION	1200	-				@ °F.	10 @ 76 °F.	2000
BLACK SULPHUR WATER	100	-				@ °F.	.42 @ °F.	11000
						@ °F.	@ °F.	
						@ °F.	@ °F.	
						@ °F.	@ °F.	
						@ °F.	@ °F.	
						@ °F.	@ °F.	

Remarks:

Address P.O. BOX 1714; MIDLAND, TEXAS 79701

Company XPLOR Field SOLDIER HILL

Well CLEVELAND #1 Location -

Test Interval 11209' TO 11227' Test # 4 Date 2-1-70

County LEA State NEW MEXICO

Technician MARRIOTT (HOBBS) Test Approved By MR. WILLIAM A. HECK

Field Report No. 15846 B

No. Reports Requested 5

## PRESSURE DATA

Instrument No.	J-084			Field Report No. 15846 B	
Capacity (P.S.I.G.)	6400				
Instrument Depth	11222'				
Instrument Opening	INSIDE				
Pressure Gradient P.S.I./Ft.					
Well Temperature °F.	188			TIME DATA	
				Time Given	Time Computed
Initial Hydrostatic Mud	A	5680		60 Mins.	_____ Mins.
Initial Shut-in	B	4289		7 Mins.	_____ Mins.
Initial Flow	C	574		- Mins.	_____ Mins.
	C-1	591		- Mins.	_____ Mins.
	C-2	611		- Mins.	_____ Mins.
Final Flow	D	1486		307 Mins.	_____ Mins.
Final Shut-in	E	4294		150 Mins.	_____ Mins.
Final Hydrostatic Mud	F	5665			

70 SEP 4 AM 8 09

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF XPLOR COMPANY FOR APPROVAL OF  
A DUAL COMPLETION, ADOPTION OF POOL  
RULES, AND FOR COMMINGLING OF PRODUC-  
TION, LEA COUNTY, NEW MEXICO.

*Case 4420*

AMENDED APPLICATION

Comes now Xplor company, and as its amended application, applies to the Oil Conservation Commission of New Mexico for creation of a new pool for production of gas from the Pennsylvanian formation, for adoption of pool rules providing for 160-acre spacing and proration units, and for commingling of fluids produced from two pools, Lea County, New Mexico, and in support thereof would show the Commission:

1. Applicant has discovered a gas zone for the production of gas from the Pennsylvanian formation at a depth of approximately 9,400 feet, in its Cleveland Well No. 1, located in Unit G of Section 23, Township 12 South, Range 32 East, which well was previously completed in the Devonian formation for the production of oil from a depth of approximately 11,227 feet.

2. Applicant proposes to make a dual completion of said well for the production of oil from the Devonian through 2-3/8th inch tubing set in a packer, with the production of gas from the Pennsylvanian formation through the casing-tubing annulus of the 5-1/2 inch casing in the well.

3. Applicant requests the creation of a new pool for the production of gas from the Pennsylvanian formation, and the adoption of pool rules for the operation of said pool,

DOCKET MAILED

Date 9-18-70

including a provision for 160-acre spacing and proration units, as an exception to the provisions of Commission Rule No. 104, C. II. (a), or, in the alternative, that applicant be granted an exception to said rules for the dedication of the NE/4 of Section 23 to said well.

4. Applicant further requests approval of the commission to commingle oil produced from the Devonian formation, with fluids produced from the Pennsylvanian formation in a common tank battery. Applicant proposes to measure production from the two zones on the basis of periodic well tests to be conducted at intervals of once a month, or such other interval as the Commission may direct.

WHEREFORE applicant prays that this application be set for hearing at the earliest possible date, and that after notice and hearing as required by law, the Commission approve this application as submitted.

Respectfully submitted,  
XPLOR COMPANY

BY Jason W. Kellahin  
KELLAHIN & FOX  
P. O. Box 1769  
Santa Fe, New Mexico  
ATTORNEYS FOR APPLICANT



BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF XPLOR COMPANY FOR APPROVAL OF  
A DUAL COMPLETION, AND FOR APPROVAL  
OF GAS LIFT OPERATIONS, LEA COUNTY,  
NEW MEXICO

A P P L I C A T I O N

Comes now Xplor Company and applies to the Oil Conservation Commission of New Mexico for approval of a dual completion, and for approval of gas lift operations for its Cleveland Well No. 1, located 1650 feet from the North line, and 2310 feet from the East line of Section 23, Township 12 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and in support thereof would show the Commission:

1. Applicant has discovered a gas zone for the production of gas from the Pennsylvanian formation at a depth of approximately 9400 feet in its Cleveland Well No. 1, which is located within one mile from the exterior boundaries of the East Caprock-Pennsylvanian Pool, which pool is spaced on 160 acres. The Cleveland Well No. 1 had previously been completed in the Devonian formation for the production of oil at a depth of approximately 11,227 feet.

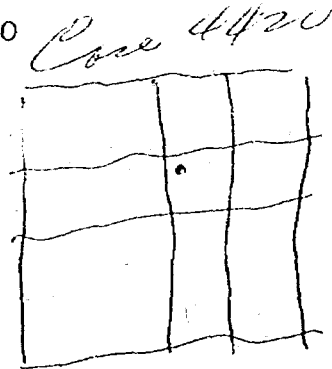
2. Applicant proposes to make a dual completion of said well for the production of oil from the Devonian through 2-3/8th inch tubing set in a packer, with the production of Pennsylvanian gas through the casing-tubing annulus of the 5-1/2 inch casing in the well.

3. Applicant further proposes to utilize a portion of the Pennsylvanian gas for gas-lift purposes by means of a positive orifice in the oil string.

DOCKET MAILED

Date 8-21-7

270 AUG 13 PM 4 '90



The approval of this application is in the interests of conservation and the prevention of waste, and the recovery of oil and gas that would not otherwise be recovered.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law the Commission enter its order approving the application as applied for.

Respectfully submitted,

XPLOR COMPANY

BY Jason W. Kellahin  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

GMH/esr

October 5, 1970

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:

RECORDS CENTER

CASE No. 4420

Order No. R- 4040  
NOMENCLATURE

APPLICATION OF XPLOR COMPANY FOR THE  
CREATION OF A NEW GAS POOL AND SPECIAL  
RULES THEREFOR, A DUAL COMPLETION, AND  
AUTHORITY TO COMMINGLE, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 30, 1970,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this            day of October, 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, Stoltz, Wagner & Brown, formerly  
known as Xplor Company, seeks the creation of a new gas pool for  
Pennsylvanian production in Lea County, New Mexico, and the  
promulgation of special rules and regulations governing said  
pool, including a provision for 160-acre spacing units.

(3) That in the alternative to the provision for 160-acre  
spacing, the applicant seeks approval of a non-standard 160-acre  
gas proration unit comprising the NE/4 of Section 23, Township  
12 South, Range 32 East, NMPM, Lea County, New Mexico, to be  
dedicated to its Cleveland Well No. 1 located in Unit G of  
said Section 23.

*dual* (4) That the applicant further seeks <sup>*approval for the*</sup> ~~authority to dual~~ completion <sup>*of*</sup> (conventional) <sup>*Pennsylvanian gas*</sup> said well in such a manner as to produce oil from the East Caprock-Devonian Pool through tubing and gas from the aforesaid pool through the casing-tubing annulus and to commingle on the surface the liquids from said zone without separately metering said liquids prior to commingling.

(5) That the above-described Cleveland Well No. 1 has discovered a separate common source of supply which should be designated the East Caprock-Cisco Gas Pool; that the vertical limits of said pool should be the Cisco zone of the Pennsylvanian formation as found in the interval from 9320 feet to 9425 feet on the log of the aforesaid well; and that the horizontal limits of said pool should be the NE/4 of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.

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

<sup>*ownership of the two production zones in the subject well is not identical, and the*</sup>  
(7) That the proposed commingling on the surface of the liquid hydrocarbons from the two zones without separately metering said production prior to commingling will not adequately protect the rights of all interest owners in the subject well and *should not be permitted.*

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Cisco production, is hereby created and designated the East Caprock-Cisco Gas Pool, with vertical limits comprising the Cisco zone of the Pennsylvanian formation as found in the interval from 9320 feet to 9425 feet on the log of the Stoltz, Wagner & Brown Cleveland Well No. 1, located in Unit G of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico, and horizontal limits as follows:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM  
Section 23: NE/4

*That commingling of the liquid hydrocarbons from the two zones after separately metering the production from each will protect all interest owners and should be permitted.*

(2) That the aforesaid East Caprock-Cisco Gas Pool shall be governed by the acreage and well location requirements for 160-acre pools of Rule 104 C II (a) of the Commission Rules and Regulations.

(3) That the applicant is hereby authorized to complete the above-described Cleveland Well No. 1 as a dual completion (conventional) to produce gas from the East Caprock-Cisco Gas Pool through the casing-tubing annulus and oil from the East Caprock-Devonian Pool through tubing, with separation of zones by a packer set at approximately 10,800 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 East Caprock-Devonian Pool.

(4) That the applicant is hereby authorized to commingle the liquid hydrocarbons from the East Caprock-Cisco Gas Pool and the East Caprock-Devonian Pool after separately metering said liquid hydrocarbons;

PROVIDED HOWEVER, that said installation shall be operated in accordance with the provisions of the Commission's "Manual for the Installation and Operation of Commingling Facilities."

(5) 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.

CASE 4421: Appli. of PHILLIPS FOR  
NEW OIL POOL, POOL RULES, REDESIG-  
NATION VERTICAL LIMITS OF RANGER  
LAKE-PENNSYLVANIAN POOL.