

Case Number

4488

Application

Transcripts.

Small Exhibits

ETC.

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209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 6, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Resler and
Sheldon for downhole commingling,
Lea County, New Mexico.

Case No. 4488

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XPAGEVILAS P. SHELDON

Direct Examination by Mr. Hatch

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MR. HATCH: This is the Application of Resler and Sheldon for downhole commingling, Lea County, New Mexico.

VILAS P. SHELDON

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

DIRECT EXAMINATION

BY MR. HATCH:

Q Would you please state your name for the record, where you live and your connection with the Company?

A My name is Vilas P. Sheldon and I am co-owner of Resler and Sheldon. I live in Artesia, New Mexico. I have appeared in front of the Commission several times.

Q You are representing yourself?

A I am representing myself.

Q Are there any exhibits that you wish to introduce that you will use in testimony?

A It will just be testimony; there will be no exhibits.

Q All right.

A The purpose of the hearing is for commingling of gas and liquid hydrocarbons produced from the Jalmat-Mattix Pool, and the oil and gas produced from the Langie-Mattix Oil Pool through a common string of tubing.

On January 31st, 1957 the Commission Order No. DC 39 was issued granting Resler and Sheldon permission to complete this particular Steeler Well in the Jalmat-Langlie-Mattix Pool. As provided in that Hearing, a Baker Production Packer was set at approximately 3,140 feet, and a Barrett Sleeve was installed just immediately above the Packer. The well has been producing in this fashion since early in 1957. The past two years, both zones, Jalmat Gas and Langlie-Mattix Oil, had declined to minimum stripper stage. The Jalmat has a tendency to load up with liquids and it is rather difficult to get the thing kicked off because we cannot swab. In the year starting in December of 1969 and even going on into November of 1970, the Jalmat Gas zone was sold to El Paso Natural Gas Company, 5,588 MCF.

Q What period of time was that, Mr. Sheldon?

A One year from December of 1969 through November of 1970, which was my latest figure. This Langlie-Mattix Gas zone, through tubing, was sold to El Paso Natural and there was 3,841 MCF of oil that was sold and this amounted to 1,061 barrels. We also have our annual Packer leakage test, which reflects a gas-oil ratio of something that I thought the actual sales were, which would be a lot more, really.

Q You say for a similar period of time of one

year?

A Beginning the First of December, 1969.

Q I had January, 1969, but it is December of 1969 through November of 1970. One year, apparently?

A Yes.

Q Then you sold 558 MCF from the Jalmat, and you sold 1,061 during the same period from Langlie-Mattix?

A Right.

Q Is it approximately about 3 barrels per day, roughly?

A Right, 3 barrels a day.

MR. NUTTER: Okay, proceed.

MR. SHELDON: We are asking or requesting permission to remove the Packer and produce the commingled gas and oil and the Jalmat through the tubing, and we think that this can be done with less production expense and perhaps prolong for another two or three years our ability to produce from the lease. What is more, I think that this would be in the interests of conservation, to remove the Packer and so commingle. In Resler and Sheldon's opinion, we would not be harming any correlative rights.

That is my case.

MR. NUTTER: As far as you know, Mr. Sheldon,

is Jalmat making any hydrocarbon liquids or is this all water?

MR. SHELDON: It is hydrocarbon.

MR. NUTTER: Hydrocarbon liquid.

MR. SHELDON: There is no water in evidence at all.

MR. NUTTER: I know from your letter of January 31 that you would produce that liquid and that it would be marketed; you have proposed that you can sell from Langlie proration and the liquids would be considered Jalmat hydrocarbons.

MR. SHELDON: That is what was in my letter of December 31st of 1970, yes, sir. I am not sure if that is the proper way, but it would be satisfactory from Resler and Sheldon's standpoint.

MR. NUTTER: Your letter of January 31st, 1957, that was the date of the completed order?

MR. SHELDON: The letter was written on December 2nd, 1970.

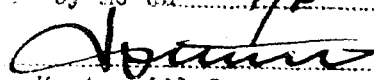
MR. NUTTER: Right. Are there any further questions of Mr. Sheldon?

There being none, this Case No. 4488 will be taken under advisement.

STATE OF NEW MEXICO)
) SS.
 COUNTY OF SANTA FE)

I, RICHARD L. NYE, 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 the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


 RICHARD L. NYE, Court Reporter

I hereby certify that the foregoing is a true and correct record of the proceedings at the hearing of Case No. 4488, held by me on 1/6, 1972.

 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

February 17, 1971

Mr. Vilas P. Sheldon
314 Carper Building
Artesia, New Mexico 88210

Re: Case No. 4488
Order No. R-4103
Applicant:

Resler and Sheldon

Dear Sir:

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

Very truly yours,

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. 4488
Order No. R-4103

APPLICATION OF REGLER AND SHELDON
FOR DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 6, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 17th day of February, 1971, 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 applicants, Resler and Sheldon, are the owners and operators of the Resler and Sheldon Steeler Well No. 1, located in Unit L of Section 20, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicants seek authority to commingle production from the Jalmat Gas Pool and the Langlie-Mattix Oil Pool in the well-bore of the above-described well and to produce the commingled production through a single string of tubing.
- (4) That from the Jalmat zone, the subject well is capable of extremely low marginal production only.
- (5) That from the Langlie-Mattix zone, the subject well is capable of low marginal production only.
- (6) That the reservoir characteristics of each of the subject zones is such that underground waste would not be caused by the proposed commingling.

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CASE No. 4488

Order No. R-4103

(7) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, 60% of the commingled gas production should be allocated to the Jalmat zone, 40% of the commingled gas production to the Langlie-Mattix zone, and 100% of the commingled liquids to the Langlie-Mattix zone.

(9) That Administrative Order DC-398 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicants, Resler and Sheldon, are hereby authorized to complete their Steeler Well No. 1, located in Unit L of Section 20, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and oil and gas from the Langlie-Mattix Oil Pool through a single string of tubing, commingling in the well-bore the production from each of said zones until further order of the Commission.

(2) That 60% of the commingled gas production shall be allocated to the Jalmat zone, 40% of the commingled gas production to the Langlie-Mattix zone, and 100% of the oil production to the Langlie-Mattix zone.

(3) That Administrative Order DC-398 is hereby superseded.

(4) 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

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

- CASE 4483: Application of Babco Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Kemnitz-Lower Wolfcamp East Unit Area comprising the SW/4 and W/2 NE/4 of Section 27, the E/2 NW/4 of Section 27, and the E/2 NE/4 of Section 28, Township 16 North, Range 34 East, Kemnitz-Lower Wolfcamp Pool, Lea County, New Mexico.
- CASE 4484: The application of the Oil Conservation Commission upon its own motion for an order granting an exception to the ninth paragraph of Chapter II, Section 2 of Order No. R-333-F to permit shutting in gas wells for the required shut-in test at some period during the 1971 test season other than immediately following the 7-day deliverability flow test; further to permit measuring the shut-in test pressure during the 8th to 15th day of shut-in of the well rather than on the 8th day as presently required. The above exceptions would be for the 1971 annual deliverability test season only and would be applicable to all wells in San Juan, Rio Arriba, McKinley, and Sandoval Counties, New Mexico, subject to the testing requirements of Chapter II of Order No. R-333-F.
- CASE 4485: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit comprising the NW/4 NW/4, S/2 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 1, Township 25 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Wells "A" Wells Nos. 2 and 7, located, respectively, in Units E and F of said Section 1. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.
- CASE 4486: Application of Continental Oil Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Langlie-Mattix Jack A-29 waterflood project, Langlie-Mattix Pool, by the drilling of an additional injection well at an orthodox location in the SW/4 NW/4 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 4487: Application of Pennzoil United, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the W/2 of Section 6, Township 23 South, Range 27 East, South Carlsbad Strawn Gas Pool, Eddy County, New Mexico, said acreage to be dedicated to a well in the W/2 of said Section 6. 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 4488: Application of Resler and Sheldon for downhole commingling, Lea County, New Mexico. Applicants, in the above-styled cause, seek approval for the downhole commingling of gas and liquids produced from the Jalmat Gas Pool and oil and gas produced from the Langlie-Mattix Oil Pool through a common string of tubing in their Steeler Well No. 1 located in Unit L of Section 20, Township 23 South, Range 37 East, Lea County, New Mexico.

CERTIFIED PROFESSIONAL GEOLOGIST
A.I.P.G. NO. 1204

LAND SURVEYOR — STATE OF
NEW MEXICO CERTIFICATE NO. 963

VILAS P. SHELDON

~~XXXXXXXXXX~~
ARTESIA, NEW MEXICO

314 Cargor Bldg.

11-2-70

ABERDEEN ANGUS CATTLE
HERD AND FARMS
OTOM, NEBRASKA

RESIDENTIAL RENTALS — ARTESIA

Oil Conservation Commission
Santa Fe, New Mexico

Re; Order DC 398
January 31, 1957

Gentlemen,

By virtue of above cited order Resler and Sheldon operates a dually completed well known as its Steeler well # 1, located in section 20, T.23 S. R. 37 E. Thereby, authorization exists to produce from the Langlie-Mattix Pool through the tubing string and from the Jalmat Gas Pool from the annulus.

The two reservoirs have become largely depleted. The gas zone has a 48 hour pressure build up of some less than 225 psi. El Paso Natural Gas Company has this tied into their 100 psi gathering system and buys the gas as "dry gas" although the price is discounted for low pressure. The gas output is quite small, far below the amount that would be authorized on the Jalmat proration schedule. The Langlie-Mattix zone produces very modestly, some less than 800 barrels of liquid per year with very little gas. On the last packer leakage test the Langlie Mattix producing section had a maximum surface indicated pressure build up of 158 psi. There was undoubtedly some oil in the tubing column and it is suggested that there is not enough pressure difference between the Jalmat and Langlie Mattix zones to allow appreciable movement of fluids.

It occurs to Resler and Sheldon that there is little reason for the dual completion at this stage of reservoir depletion. We contend that removal of the packer will not harm either producing zone. We do think and trust that removal of the packer will result in a somewhat better producing rate. It is probable that a small amount of liquid is retarding the Jalmat gas production.

Resler and Sheldon requests that Steeler # 1 be removed from the Langlie Mattix proration schedule and that DC Order 398 be cancelled. What little liquid is produced can be marketed as "incidental liquids" from the Jalmat Gas Pool.

Yours very sincerely,

Vilas P. Sheldon

DUCKET MAILED

Date 12-23-70

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OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
OIL PRODUCERS NOMINATION
REQUEST FOR ALLOWABLE CHANGES

(One copy of Form C-127 shall be filed with the Oil Conservation Commission, Box 2045 Hobbs, New Mexico not later than the 15th of the month preceding the month for which allowable changes are requested. This form shall include only the wells for which allowable changes are desired.)

Date 12-2-70

The following allowable changes for the month of January 19 71

are hereby requested by Resler and Sheldon
Operator
314 Carper Bldg. Artesia, New Mexico
Address

(No well can be assigned an allowable greater than the amount of oil produced on the latest G. O. R. test. For wells on which top allowable is desired, enter a "T" in the Allowable Requested Column.)

POOL	LEASE	Well No.	Unit	S	T	R	Allowable Requested	REMARKS
Langlie Mattix	Steeler A	1	L	20	23	37	Zero	

It is further requested that all other wells operated by this producer be assigned the allowables that they are currently receiving, with the exception that top allowable wells and wells affected by excessive gas-oil ratios be given the benefit of any increase in normal unit allowable.

Representing _____ Signed Sheldon
Resler and Sheldon Title _____ Co-Owner
Operator

DRAFT

GMH/esr
2-9-71

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. 4488

Order No. R-4103

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FOR DOWNHOLE COMMINGLING, LEA COUNTY,
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ORDER OF THE COMMISSION

BY THE COMMISSION:

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at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of February, 1971, 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.
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and operators of the Resler and Sheldon Steeler Well No. 1, located
in Unit L of Section 20, Township 23 South, Range 37 East, NMPM,
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- (3) That the applicants seek authority to commingle produc-
tion from the Jalmat Gas Pool and the Langlie-Mattix Oil Pool in
the well-bore of the above-described well and to produce the
commingled production through a single string of tubing.
- (4) That ^{from the Jalmat zone,} the subject well is capable of ^{extremely} ~~only~~ low marginal
^{only} production ~~from~~ the Jalmat zone.

(5) That ^{from the Langlie-Mattix zone} the subject well is capable of only low marginal production ^{only} ~~from the Langlie-Mattix zone~~.

(6) That the reservoir characteristics of each of the subject zones is such that underground waste would not be caused by the proposed commingling.

(7) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(8) That in order to allocate the commingled production to each of the commingled zones in the subject well, 60% of the commingled gas production should be allocated to the Jalmat zone, 40% of the commingled gas production to the Langlie-Mattix zone, and 100% of the commingled liquids to the Langlie-Mattix zone.

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(3) That Administrative Order DC-398 is hereby superseded.

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CASE No. 4488

(4) 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 4489:

SOUTHEASTERN NEW MEXICO
NOMENCLATURE