CASE 4646: Application of MANNING GAS & OIL CO. FOR DOWN-HOLE COMMINGLING & NON-STANDARD PRO. UNIT.

Case Number

4646

Application

Trascripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
January 19, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Manning Gas and Oil Company for down-hole commingling and a non-standard proration unit, Rio Arriba County, New Mexico.

Case No. 4646

BEFORE:

Daniel S. Nutter, Alternate Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Case 4646.

MR. HATCH: Case 4646: Application of Manning Gas and Oil Company for down-hole commingling and a non-standard proration unit, Rio Arriba County, New Mexico.

MR. DURRETT: I am James E. Durrett, from Albuquerque. I have one witness, Mr. Walch.

WALCH

a witness, having been first duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINTION

BY MR. DURRETT

Q Mr. Walch, would you state your occupation for the record?

A I am a petroleum engineer-consultant, and president of Walch Engineering Production Corporation, Farmington, New Mexico.

Q Have you previously testified as a petroleum engineer before the Commission and have your qualifications been made a matter of record and accepted by the Commission?

A Yes, I have.

MR. DURRETT: Is the witness acceptable?

MR. NUTTER: Yes, he is qualified.

Q (By Mr. Durrett) Mr. Walch, will you briefly state to the Examiner what it is that the Applicant, Manning Gas & Oil Company, is seeking with this application in Case 4646?

A We are basically requesting permission to complete the

Apache No. 100, which is located in the northeast east of Section 3, Township 24, North, Range 4 West, as a commingled well producing from an undesignated Gallup, undesignated Dakota Reservoir, and also to set forth the manner in which any future wells drilled on certain portions of or sections of Township 24 North, Range 4 West may be approved for a similar type of completion.

Q I don't think we actually colored that well on this plat?

A No, on Exhibit 1.

Q Can you see that, where it is?

A The well is indicated there, Manning Gas and Oil, 100, in the Northeast corner of Section 324, North Range 24 West.

Q That is right above that T.A. Dugan well, right?

A Yes.

Q Now, Mr. Walch, let's refer to your Exhibit No. 1, which is a map of the area, and state what that shows?

A This is a map of the general area covering Township 24, also with portions of the surrounding township and ranges.

On this map you may note that to the north of the subject well in 25 North, Range 4 West, there are, as indicated previously, completed down-hole commingled wells of Continental Oil Company.

In the Township 24 North, Range 4 West, you have indicated there in Section 1 the approximate Hall-Jicarilla 1-26-1, and the southwest southwest in, of Section 1 as a

Dakota only completion.

In Section 2, the southwest southwest, northwest production Jicarilla No. 126 is No. 116, which was recently completed as a Dakota-Gallup dual producer, using conventional methods.

However, at the present time it is producing only as a Gallup well.

MR. NUTTER: Oil in both zones?

THE WITNESS: Oil in both zones--at the bottom of them, we're producing.

The Dakota, that hasn't produced since 1967, as I understand, due to mechanical reasons, and the company has not repaired the mechanical problem.

Also in the northeast northeast of section 11, the northwest production 126 S-13 indicated there is a Gallup producer only as an oil well.

All of the other wells on the map are basically Pictured Cliff gas producing wells.

MR. NUTTER: Mr. Walch, while we are on the subject, how many of these Continental Oil well duals do you have on this exhibit are oil well completions, I should say?

THE WITNESS: Oil completions, there would be--I would like to give you a full description.

In Section 33 of 25 North, Range 4 West, with unit D or northwest, northwest, Continental Jicarilla 28 No. 6 and in

Section 33 25 North, Range 4 West, indicating in the southeast quarter, there are the Jicarilla 28-No. 5.

In Section 34, Township 25 North, Range 4 West, in the northwest northwest portion of the Section Jicarilla 28 No. 4, in section 34 in the Southeast quarter, there the Jicarilla 28-No. 3 is also in the row of sections above, in section 28 there are two wells, Continental Jicarilla B-9 and 12.

In Section 27 the Continental Jicarilla B No. 2, and as I believe the well indicated in the Southeast quarter of that section, although it is not colored here, I believe that is also a dual.

MR. NUTTER: That would be No. 7 or the square well?

THE WITNESS: The square well next to the seven.

MR. NUTTER: All of those wells are oil completion from two zones?

THE WITNESS: Yes.

MR. NUTTER: And are they equipped with a separation equipment or are they commingled in the well bore?

THE WITNESS: As I understand, these wells receive permission to commingle in the oil well bore.

Initially they were separated.

MR. NUTTER: That is that group of wells that several years ago were separate, and they were authorized to remove that equipment?

THE WITNESS: That is correct.

MR. NUTTER: I see. Go ahead.

Q (By Mr. Durrett) Well, just a matter of interest, mainly to me, I guess, are those the wells that were completed on this Continental Order here, 4203?

A The Continental Order?

Q It is R-4203.

A R-4203.

Basically you are concerned with only two wells, located in Section 27-25 North, Range 4 West.

However, I believe there are additional orders covering other wells, and also administrative approvals have been issued for the other wells that Continental wished to complete in this matter.

Q This was a base order?

A Yes, as I understand, a base order.

MR. DURRETT: We were going to talk about that well, Mr. Examiner, in that it was Order 4203 that set up a procedure where they have gone ahead and completed under that order.

MR. NUTTER: All right.

MR. ARNOLD: I am Emory Arnold. There is one other order.

THE WITNESS: I believe, Mr. Arnold, in the earlier order it concerned itself basically with the commingling, surface commingling of these wells. Wasn't this the first order, basically issued for down-hole commingling establishe the

procedure?

MR. ARNOLD: Possibly you are right.

MR. DURRETT: Well, we can check that out. We don't have the number of the other order with us.

THE WITNESS: Well, I have.

MR. NUTTER: Just go ahead with your case. We will get to the Order if it is pertinent.

Q (By Mr. Durrett) This referred now to your U.S.G.S. Application for a permit to drill?

A This was filed with the United States Geological Survey in Durango, Colorado, and approval received to drill the subject well which is currently drilling and nearing total depth.

The only thing on this, if there is no other questions, I would like to bring out that at the time that the Application for permit to drill was filed that their 72 acres was indicated as the acreage dedication to this well.

Accompanying with the Permit to drill is the Surveyor's Well Location and Acreage Dedication plat.

Q That shows 72 acres; is that correct?

A Yes. In the original copies the 72 acres was outlined in red pencil.

Q Let's go ahead and refer now to your Exhibit No. 3, which is a letter from San Juan Engineering to the Examiner, and states what the problem is on the acreage?

A At the time of the filing of the Application for Permit to Drill it was my understanding that Lot 1 of Section 3, Township 24 North, Range 4 West would consist of 72 acres, including the northeast northeast quarter and a portion of the section above the northeast northeast quarter, this coming about because this tier of sections in the top of this township are longer north and south than the normal section.

Subsequent conversations with Mr. Emory Arnold from the Aztec office resulted in advertising of this case to be stated that the acreage dedicated to this well would be 32 acres.

That is a result that, the thought being that Lot 1 would consist of only that excess portion of Section 1 above the northeast northeast quarter, and it was satisfactory to Manning Gas & Oil to dedicate 32 acres.

Q You were thinking at that time of a forty and a thirty-two?

A A forty and a thirty-two.

I had talked to the surveyor's office, his office manager, and he more or less confirmed this to me by telephone, that we had the forty plus the thirty-two.

I did request him to prepare a letter stating this.

However, when I received the letter from the surveyor Mr. James P. Reese, informed me that in accordance with the methods used for subdividing a section, that what we

considered the northeast quarter and the 32 acres would have to be called Lot 1.

Insofar as the amount of acreage to be dedicated to this well, Manning Gas and Oil would have no objection to dedicating a standard 40 acres of the seventy-two to the well instead of the full 72 or 32, whatever the Commission decides to do.

MR. DURRETT: We might just interrupt here just for a moment, Mr. Examiner, and state along the lines of what Mr. Walch is talking about, that Manning doesn't really have any rathers concerning the matter. We don't really care. We may have a little problem on the advertising, whatever the Commission thinks. I think it was advertised for 32.

MR. NUTTER: It is a non-standard unit. It would be probably limited to 32.

I think the Commission could probably approve 32 non-standard acres, since this has been defined on this private land survey. There is no Governmental land survey in here, is there?

MR. DURRETT: The U. S. public land survey has not been made at this time.

It is based on a private survey.

MR. NUTTER: This is designated as Lot 1 on that private survey?

THE WITNESS: Yes.

MR. NUTTER: I think we could either approve the 32

as a non-standard unit, that is the 32 northernmost acres in the lot, or if we went to a standard unit, we could define it as a northernmost 40 acres in the lot. There has got to be some acreage left over somewhere. Anyway, it will work out, one way or the other, Mr. Durrett.

I don't think we can go to a 72 non-standard unit within the scale of this hearing.

MR. DURRETT: We wanted to bring the problem out.

Q Let's move on to your off-set well 4, which I think is No. 4.

A Yes, sir, this is a tabulation compiled from the production data from the New Mexico Oil Gas Engineering records, which obtains its production information from the monthly production report filed with the Oil Conservation Commission.

The reason for this exhibit is to show the varying percentages of the production as reported during the time of segregation of production between the Gallup and Dakota.

As was established with the Continental Oil Company's wells, on approval for commingling down-hole, there was definite percentages set forth that the total production produced, its service on how it would be allocated to each producing zone.

From my study of the indicated off-set wells here, I

do not believe there would be any recommendation to change the percentages that were set forth for Continental, which were to allocate commingled production to each of the commingled zones, 53 percent of the commingled oil production would be allocated to the Gallup zone; 47 percent of the commingled oil production to the Dakota zone; 30 percent of the commingled gas production to the Gallup zone; and 61 percent of the commingled gas production to the Dakota zone.

In the commingled wells, my overall, you get varying percentages here, and statistically you probably come up with what you want.

My grand total percentage usage of the available for, I believe would more or less verify that these percentages could be used in the area of the proposed Manning well and acreage.

Q (By Mr. Durrett) That is the percecentages you are referring to that are set out in that Order 4203?

A Yes, it is.

Q Let's move to your schematic diagram.

A Exhibit 5 is a schematic diagram of the proposed final completion and ready for producing of the Apache 100 of Manning Gas and Oil.

It simply, this indicates approximate depth where your surface casing has been set, the estimated total depth

of the well, also that 4 1/2 inch casing will be run to the total depth.

This casing will be cemented in two stages.

The first or bottom stage with approximately 320 sacks of 50-50 post-mix-a cement.

This volume of cement will be adjusted in accordance with a caliber survey of the hole.

However, enough cement will be run on the first stage to bring the cement up at least 200 feet above the top of the Gallup perforation, at which the Gallup would be completed.

The second stage, or top stage cement would be placed by, through a stage collar, which would be in the casing string approximately 100 feet below the bottom of the Mesaverde Formation.

The second stage cement would consist of approximately 450 sacks of lightweight cement, and followed by 50 sacks of regular cement.

Again, the actual volume will be calculated on the basis of the caliber of the hole diameter.

However, the cement will be brought up to at least 200 feet above the top of the Pictured Cliffs Formation.

The Pictured Cliffs Formation is a producing formation in the area, and the reason for covering up the Mesaverde is essentially to prevent any future possible problems

with corrosive waters from the Mesaverde, as it has been exhibited in other wells in the Basin with a corrosion problem.

On completion of the well the Dakota perforation will be sand water frac'd, a bridge plug set in the Gallup perforation and the sand water frac'd, bridge plug cleaned out, drilled out, excess sand in the well removed from the well bore, and then when the well is satisfactorily cleaned up, tubing will be run and Rhodes sub-surface pumps for producing--the reason for the sub-surface pump indicated here is that Continental Oil Company's wells, although they were flowing at one time with the aid of gas lift, they eventually did go to a sub-surface pump to lift the fluids from the well bore.

Q Mr. Walch, as a petroleum engineer, what would be your opinion concerning the possibility or danger of communication between zones here in the event that this down-hole commingling that you propose is approved? Is there a danger?

A Communication between formations behind the casing?

Q Right, the Gallup and the Dakota.

A I think it would be very remote because of the distance between.

You are talking of approximately six to eight hundred feet between the Dakota and the Gallup.

Q O.K. Let's move on now to, just briefly, the administrative procedure that you are seeking.

You might refer there to your Order No. R-38-45, which I believe established a procedure under Rule 303.

A This established a procedure, yes. Order No. R-38-45 established a procedure for the Secretary-Director of the Commission to grant the commingling in the well bore of duly completed oil wells after certain information has been presented.

In part, some of the information that was necessary to present was a 24-hour productivity test and decline curve, if sufficient producing time justified preparing one, and estimated bottom hole pressure.

Of course, in our request we are requesting that the commingling be approved prior to any production from the well, so I believe as far as administrative approval for any future wells to be drilled in the area, in sections of Township 24 North, Range 4 West, Section 1, 2, 3, 4, 9, 10 11, 12, 13, 14, 23 and 24, that such administrative approval be established in the same manner as set forth for Continental Oil Company in Order R-4203.

Q That acreage that you just mentioned is set out in your application; is it not?

A In my letter, yes, to Mr. Porter, I set forth these sections.

Q Have you--Manning is just suggesting that that would be an appropriate area to include for this administrative procedure?

A Due to the reasoning that this is the area in which Manning Gas and Oil Company either has an interest or can earn interest in acreage by drilling.

Q You wouldn't have any objection from Manning's standpoint if the Commission wanted to make it larger or change it around some?

A No. If they wish to include other areas in between these sections or outside these sections, no.

Q I think we have previously mentioned this Order R-4203, which was on the Continental application for commingling, which established an administrative procedure. That is a similar procedure that you are seeking here; is that correct?

A Yes, it is.

Q Were Exhibit 1 through 5 prepared by you or under your supervision?

A Yes, they were.

MR. DURRETT: If the Examiner please, I would move the introduction of Exhibits 1 through 5, and that will conclude my direct examination.

MR. NUTTER: The applicant's Exhibits 1 through 5 will be admitted in evidence.

CROSS-EXAMINATION

CROSS-EXAMINATION

BY MR. NUTTER

Q Now, Mr. Walch, these figures that you mentioned on the Continental order, the 5347 for oil and the 3961 for gas, what Order were those figures taken from?

A This Order is R-4203.

Q What particular area does that Order apply to?

A Section 27, Township 25 North, Range 4 West, which I consider very close in proximity to the well concerned in this case.

Q That would be a section just two miles directly north?

A Yes. However, I believe possibly future administrative orders have included even wells closer than that.

If I am not mistaken, I have not seen the order myself, but due to having other previously newly completed wells less than one mile from this well, I would assume the administrative orders have taken them in.

Q I was wondering about the applicability of those numbers when we have two wells which are closer than Section 27 and in which the production appears to be reversed.

Now, we take on your Exhibit No. 2 for Continental 28 No. 4.

A Yes.

Q That is in Section 34, and I don't know--

A Northwest, northwest of Section 32.

Q So, that is closer than Section 27, and it appears that

you have just--no, I am looking at the wrong well.

The well number 28-5, which is in Section 33, then would be closer than Section 27. You have the reversal there in which you have the Dakota has produced 57 percent of the production and Gallup, 43 percent.

So, you have a direct reversal of the numbers.

Then you go over to the dual completion that you mention in Section 2 of Township 24 for the northwest No. 16 well there, the Gallup, it has produced 65 percent.

A In Section 2?

Q Yes.

A Yes, Mr. Nutter, I believe you can find reversals then even in close approximation down through these wells. I don't know the basis in which these previous percentages were established.

Q The other well I was looking at would be the 28-3, which is a--directly a north off-set to your proposed location, and here the Dakota is 58 percent and the Gallup is 42, which--

A Which is a reverse. Then you go to the 28-4, which comes back the other way.

Q It is getting farther away, isn't it?

A Yes, it is a little further away.

As I stated, I was not familiar with the basis of the establishing of percentages set forth in Order R-4203.

Q Where do you anticipate that the first additional

development by Manning would take place up in the northern part of this township?

A Excuse me.

Q They have got twelve sections, which you said they owned the interest or could own the interest?

A Yes, in addition possibly to this well, Apache 1 northeast of Section 3, possibly additional development would occur in maybe the northeast of two. Possibly even northeast of one, or we possibly would go to the southwest quarter of three, depending on what the characteristics of the formations are in this well.

Q You would anticipate development would be in the northern portion of 24-24 and moving south?

A Yes.

Q Working south?

A Yes.

Q Well, it maybe that the Commission could adopt a formula for the north portion, and then based on experience, revise that formula as you proceed southerly.

A I don't see any objection with taking this formula we have in the Continental order, and making it apply to all of this area you mentioned, the Commission would wish to do so, I don't believe there would be any objection to doing such.

MR. NUTTER: Are there any other questions of Mr.

Walch?

You may be excused.

Do you have anything further, Mr. Durrett?

MR. DURRETT: We don't have anything further.

MR. NUTTER: Does anyone have anything they wish to offer in Case 4646?

We will take the case under advisement and go back to Case No. 4642.

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

I, RICHARD STURGES, a 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.

CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4646 heard by me on 1/19, 1972

New Mexico Oil Conservation Commission, Examiner

I N D E X

E X H I B I T S

APPLICANT'S	OFFERED AND ADMITTED
Exhibits 1 through 5	

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

January 27, 1972

Re: Case No. 4646
Order No. R-4245
Applicant:
Manning Gas & Oil Company

Mr. J. M. Durrett, Jr.
Attorney at Law
1811 Carlisle Blvd., N.E.
Albuquerque, New Mexico 87110

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC x

Other Mr. Jim Kapteina - Engineering Division

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

October 12, 1971

Re: Case No. 4595
Order No. R-4203
Applicant:
Continental Oil Company

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC x

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. 4646
Order No. R-4245

APPLICATION OF MANNING GAS AND OIL
COMPANY FOR DOWN-HOLE COMMINGLING
AND A NON-STANDARD PRORATION UNIT,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 19, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of January, 1972, 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, Manning Gas and Oil Company, seeks authority to commingle production from undesignated Gallup and Dakota oil pools in the well-bore of its Apache Well No. 100 to be drilled 435 feet from the North line and 475 feet from the East line of Section 3, Township 24 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, on a 32-acre unit comprising the Northernmost portion of Lot 1 of said Section 3.

(3) That the applicant further seeks the establishment of a procedure whereby approval may be granted administratively for the similar completion of other wells to be drilled in Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 23, and 24 of Township 24 North, Range 4 West.

(4) That each well previously completed in the above-described pools has been capable of only low marginal production.

(5) That the evidence indicates that wells completed in the future in said pools will be capable of only low marginal production.

(6) That the reservoir characteristics of the above-described Gallup and Dakota oil pools are such that underground waste would not be caused by the proposed commingling in the well-bore of the well to be drilled.

(7) That the granting of authorization to complete the subject well as requested should permit the drilling of a well that would not otherwise be drilled and should result in the recovery of oil from each of the commingled zones in the subject well that would not otherwise be recovered, thereby preventing waste, and will not violate correlative rights.

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

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 53% of the commingled oil production should be allocated to the Gallup zone, 47% of the commingled oil production to the Dakota zone, 39% of the commingled gas production to the Gallup zone, and 61% of the commingled gas production to the Dakota zone in the subject well.

(10) That a procedure should be established whereby the Secretary-Director of the Commission may approve the similar completion of other wells to be drilled in Sections 1, 2, 3, and 4 of Township 24 North, Range 4 West.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Manning Gas and Oil Company, is hereby authorized to drill and complete its Apache Well No. 100 to be drilled 435 feet from the North line and 475 feet from the East line of Section 3, Township 24 North, Range 4

West, Rio Arriba County, New Mexico, on a 32-acre unit comprising the Northernmost portion of Lot 1 of said Section 3, in such a manner as to produce oil from undesignated Gallup and Dakota Oil pools through a single string of tubing, commingling in the well-bore the production from each of said pools.

(2) 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.

(3) That as to subject well, 53% of the commingled oil production shall be allocated to the Gallup zone, 47% of the commingled oil production to the Dakota zone, 39% of the commingled gas production to the Gallup zone, and 61% of the commingled gas production to the Dakota zone.

(4) That as to subject well, commingling in the well-bore shall continue only so long as the commingled production does not exceed 50 barrels of oil per day nor 100 barrels of water per day.

(5) That as to subject well, the maximum amount of gas which may be produced daily from the commingled zones shall be determined by multiplying 2000 by the top unit allowable for the Gallup zone.

(6) That the Secretary-Director of the Commission is hereby authorized to approve the drilling and completion of other wells in Sections 1, 2, 3, and 4 of Township 24 North, Range 4 West, NMPM, undesignated Gallup and Dakota Oil Pools, Rio Arriba County, New Mexico, in such a manner as to produce oil from the Gallup and Dakota formations through a single string of tubing, commingling in the well-bores production from each of said formations.

(7) Application for administrative approval shall be made in QUADRUPLICATE, with two copies of the application to be mailed to the Commission's Santa Fe Office, and two copies to the Aztec District Office of the Commission. The application shall be accompanied by the following:

(a) Diagrammatic Sketch of the proposed completion showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, and such other information as may be pertinent.

(b) Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.

(c) Waivers consenting to such completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.

(d) Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted when available.)

The Secretary-Director may approve the completion if, after a period of 20 days following the filing of the application, no operator has filed objection to the proposed completion.

(8) 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, Chairman

ALEX J. ARMIJO, Member

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

dr

Docket No. 2-72

DOCKET; EXAMINER HEARING - WEDNESDAY - JANUARY 19, 1972

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:

ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1972, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico;

(2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for February, 1972.

CASE 4645: Application of Acoma Oil Corporation for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Drinkard Pool and Wantz-Abo Pool in the well-bore of its S. J. Sarkeys A Well No. 1, a triple completion, located in Unit A of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4648: Application of Aztec Oil & Gas Company for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the off-pattern unorthodox location for its Vasaly Federal Well No. 1-Y to be located 790 feet from the North line and 1795 feet from the West line of Section 31, Township 32 North, Range 11 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

CASE 4625: (Continued from the December 15, 1971, Examiner Hearing) Application of Texaco Inc. for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Paduca-Morrow and Paduca-Wolfcamp Gas Pools in the well-bore of its Cotton Draw Unit Well No. 65 located in Unit G of Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.

CASE 4642: (Continued from the January 5, 1972, Examiner Hearing) Application of Fluid Power Pump Company for special pool rules and a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Media-Entrada Pool, including a provision for 160-acre spacing and proration units. Applicant further seeks authority to

(Case 4642 continued)

institute a pressure maintenance project in said pool by the injection of water into the Entrad formation through various wells located in Sections 10, 11, 22, and 23 of Township 19 North, Range 3, West, Sandoval County, New Mexico, and the promulgation of rules for said project including a procedure whereby additional injection or production wells at orthodox or unorthodox locations may be approved administratively.

CASE 4646: Application of Manning Gas and Oil Company for down-hole commingling and a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from undesignated Gallup and Dakota oil pools in the well-bore of its Apache Well No. 100 to be drilled 435 feet from the North line and 475 feet from the East line of Section 3, Township 24 North, Range 4 West, Rio Arriba County, New Mexico. Applicant further seeks a procedure whereby similar approval may be granted administratively for other wells to be drilled in the area of the above-described well. Applicant further seeks approval for a non-standard 32-acre proration unit comprising all of Lot 1 to be dedicated to the above-described Well No. 100.

CASE 4647: Application of Apache Corporation for the creation of a new pool and special pool rules, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Mesaverde formation for its Jicarilla Apache Well No. 1-7 located in the SE/4 NE/4 of Section 7, Township 22 North, Range 5 West, Sandoval County, New Mexico. Applicant further seeks the promulgation of special rules for said pool including provisions for 80-acre spacing units with wells to be drilled in the northwest or southeast quarter-quarter sections.

CASE 4650: Application of Walter W. Krug dba Wallen Production Company for an exception to Order No. R-111-A and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order No. R-111-A for his Wallen Federal Well No. 2 located 990 feet from the North line and 1650 feet from the West line of Section 20, Township 20 South, Range 34 East, North Lynch Yates-Seven Rivers Pool, Lea County, New Mexico. Applicant proposes to drill and complete said well in such a manner that upon completion, the well would be equipped with a 7-inch production casing to the top of the pay and a 4 1/2-inch liner through the pay, with cement to the surface. Applicant further seeks the promulgation of special pool rules for similar casing and cementing, of all wells drilled in the above-described pool.

CASE 4649: Application of the Oil Conservation Commission on its own motion for the amendment of the gas well testing procedures promulgated by Order No. R-333-F for Northwest New Mexico. The Commission proposes to amend Chapter I of said Order No. R-333-F in such a manner as to provide that most annual deliverability and shut-in pressure tests required by said order be filed within 60 days following the completion of the test and to provide for notice to the Commission of any re-scheduling of shut-in pressure tests. The Commission further proposes to amend the ninth paragraph of Chapter II, Section 2 of said order to permit shutting in gas wells for the required shut-in test other than immediately following the 7-day deliverability flow test and to permit measuring the shut-in test pressure during the 8th to 15th day of shut-in of of the well rather than on the 8th day as presently required.

CASE 4637: (Continued from the December 15, 1971, Examiner Hearing)
In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Luttrell Oil Company and all other interested persons to appear and show cause why the following-described wells in New Mexico should not be plugged and abandoned in accordance with a Commission-approved plugging program:

Luttrell Oil Company State Well No. 1 -
Unit M, Section 28, Township 2 South,
Range 26 East, De Baca County;

Luttrell Oil Company Corn Well No. 1 -
Unit A, Section 5, Township 8 South,
Range 24 East, Chaves County.

CASE 4651: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Lea and Roosevelt Counties, New Mexico.

(a) Create a new pool in Roosevelt County, New Mexico, classified as a gas pool for San Andres production and designated as the Baker-San Andres Gas Pool. The discovery well is the Cactus Drilling Corporation of Texas Kewanee State No. 2 located in Unit G of Section 9, Township 7 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
SECTION 9: NE/4

(Case 4651 continued)

(b) Extend the Bluitt-San Andres Associated Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
SECTION 15: All

(c) Extend the Littman-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM
SECTION 20: SE/4

(d) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 27: SW/4

(e) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
SECTION 18: W/2

(f) Extend the Vada-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
SECTION 36: NW/4

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
SECTION 17: NW/4
SECTION 18: N/2

EWELL N. WALSH
PETROLEUM ENGINEER CONSULTANT
EXECUTIVE BLDG. - 413 W. MAIN
P. O. BOX 254
FARMINGTON, NEW MEXICO
87401

TELEPHONE BUS. 325-8203

January 5, 1972

Case 4646

Mr. George M. Hatch
General Council
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Ref: Manning Gas and Oil Company,
Operator, Apache No. 100,
Gallup-Dakota Dual,
Rio Arriba County, New Mexico

Dear Mr. Hatch:

The enclosed copy of a letter from San Juan Engineering Company set forth the portion of Section 3-T24N-R4W that is designated as Lot 1 and indicates the amount of acreage in Lot 1.

At the time that Mr. Emery Arnold contacted you by telephone concerning the amount of acreage to be assigned to the well, it was assumed that Lot 1 would only be 32 acres. Also, at that time it was agreeable to change the acreage dedication from 72 acres to 32 acres or the acreage contained in the legal subdivision of Lot 1.

The reason for this letter is to be certain that the advertisement for the requested hearing will be correct and that the hearing will be held in view of the correct amount of acreage in Lot 1.

Thank you for your cooperation and consideration in this matter.

Very truly yours,

Ewell N. Walsh

ENW:lt

cc:Mr. Emery Arnold, NMOCC, Aztec (w/encl)

DOCKET MAILED
Date 1-6-72

Rec. 1-3-71

San Juan Engineering Company

WELL LOCATIONS - ROADS - SUBDIVISIONS - POWER LINES - LAND SURVEYS - PIPE LINES
CONSULTING-GENERAL ENGINEERING - DESIGN - REPORTS - MUNICIPAL

REGISTERED PROFESSIONAL ENGINEERING SERVICE
IN NEW MEXICO, COLORADO, UTAH, ARIZONA, OKLAHOMA, WYOMING

PHONES

HOME OFFICE
FARMINGTON, N.M. . . 325-7535
NIGHT . . . 325-2670

MUSKOGEE, OKLA. . . 687-6812

P. O. BOX 752
FARMINGTON, NEW MEXICO

28 December, 1971

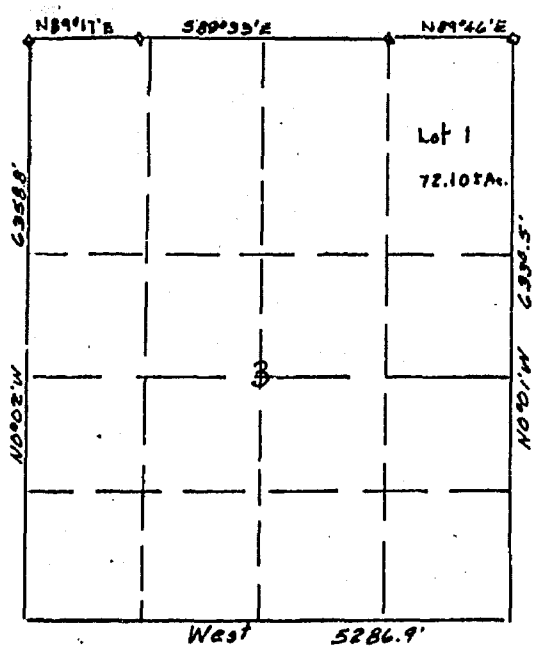
Walsh Engineering & Production Corp.
413 West Main
Farmington
New Mexico 87401

Dear Sir:

As shown on a plat of Survey by R. E. De Bolt and Assoc., Consulting Engineers, of a portion of T24N, R4W, N,M.P.M., Rio Arriba County, New Mexico, surveyed in October, 1955; Lot 1 of Section 3 of T24N, R4W, contains 72.10 Acres, more or less.

Lot 1 of Section 3 would be determined on this survey plat according to the G. L.OL methods for subdividing a section and would be the NE/4 NE/4 of said Section.

James P. Leese
Professional Engineer and
Land Surveyor
N. Mex. Reg. No. 1463



Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: Jicarilla Contr.#127

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Jicarilla Apache

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Apache

9. WELL NO.: 100

10. FIELD AND POOL, OR WILDCAT: Undesignated

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec.3-T24N-R4W N.M.P.M.

12. COUNTY OR PARISH: Rio Arriba

13. STATE: New Mexico

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [X]

2. NAME OF OPERATOR: Manning Gas & Oil Company

3. ADDRESS OF OPERATOR: 102 Continental Oil Building, 1755 Glenarm Place Denver, Colorado 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 435' from North Line, 475' from East Line, Sec.3-T24N-R4W
At proposed prod. zone: Same as surface

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: --

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 435

16. NO. OF ACRES IN LEASE: 2665

17. NO. OF ACRES ASSIGNED TO THIS WELL: 72

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: --

19. PROPOSED DEPTH: 7600'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6876' GR

22. APPROX. DATE WORK WILL START*: 12-30-71

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4	8-5/8	24.0	240	175 sxs
7-7/8	4-1/2	9.5 & 10.5	7600	450 sxs.

It is proposed to drill this well with rotary tools using mud as circulation through the Dakota Formation. Possible productive zones in the Gallup, Graneros and Dakota Formation will be completed. Production casing will be cemented in such a manner as to protect the Pictured Cliffs Formation.

Lot 1 and NE/4NE/4 Sec. 3 are dedicated to this well.

RECEIVED
DEC 20 1971
U. S. GEOLOGICAL SURVEY
DURANGO, COLO.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Appl. EXHIBIT NO. 2
CASE NO. 4646

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED: Ewell N. Walsh TITLE: Petroleum Engineer Consultant DATE: Dec.20, 1971

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Oral approval to drill by EAS on 12/30/71
Eastin - Mr Walsh

APPROVED
JAN 4 1972
E. A. SCHMIDT
ACTING DISTRICT ENGINEER

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
MANNING GAS & OIL COMPANY	APACHE	100

Unit Letter	Section	Township	Range	County
A	3	24 NORTH	4 WEST	RIO ARRIBA

Actual Footage Location of Well: 435 feet from the NORTH line and 435 feet from the EAST line

Level Elev.	Producing Formation	Pool	Dedicated Acreage
6,0	Gallup & Greenhorn Dakota	Undesignated	72 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

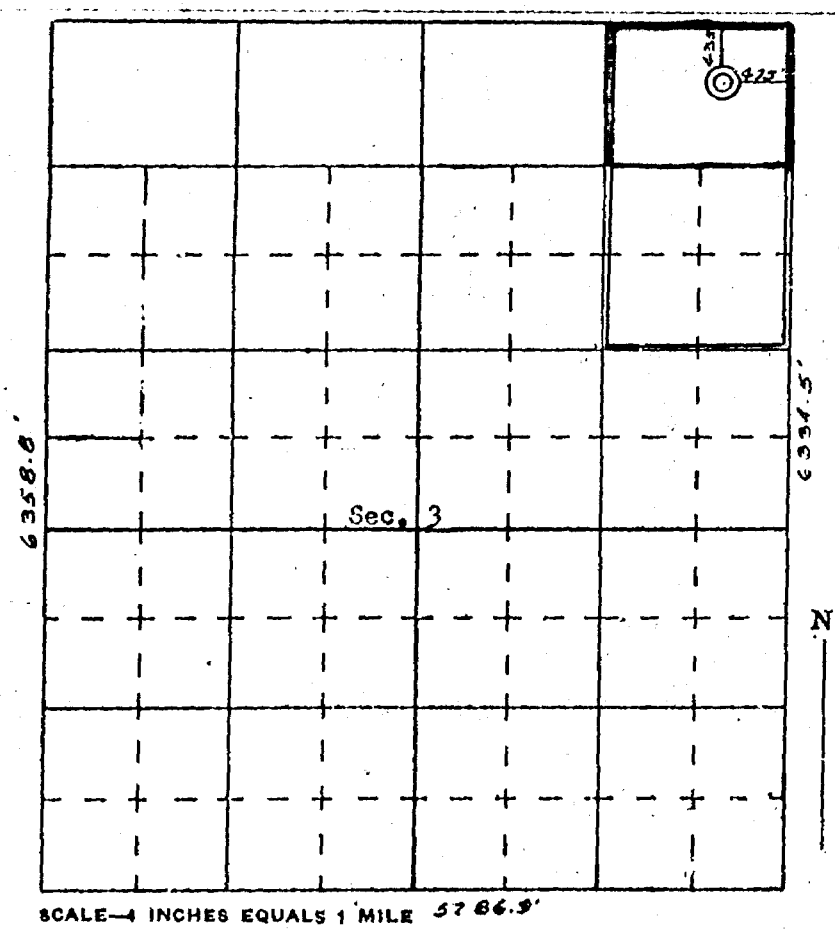
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

( ) Yes ( ) No If answer is "yes," type of consolidation .....

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

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



SCALE—4 INCHES EQUALS 1 MILE

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

CERTIFICATION

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

Name: Ewell N. Walsh

Position: Petroleum Engr.Consultant

Company: For: Manning Gas & Oil Co.

Date: December 20, 1971

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 18 December, 1971

Registered Professional Engineer and/or Land Surveyor: James P. Leese

Certificate No. 1463

Rec. 1-3-71

San Juan Engineering Company

WELL LOCATIONS - ROADS - SUBDIVISIONS - POWER LINES - LAND SURVEYS - PIPE LINES
CONSULTING-GENERAL ENGINEERING - DESIGN - REPORTS - MUNICIPAL

REGISTERED PROFESSIONAL ENGINEERING SERVICE
IN NEW MEXICO, COLORADO, UTAH, ARIZONA, OKLAHOMA, WYOMING

PHONES

HOME OFFICE
FARMINGTON, N. M. . . 325-7555
NIGHT . . . 325-2670

MUSKOGEE, OKLA. . . 687-6612

P. O. BOX 752
FARMINGTON, NEW MEXICO

28 December, 1971

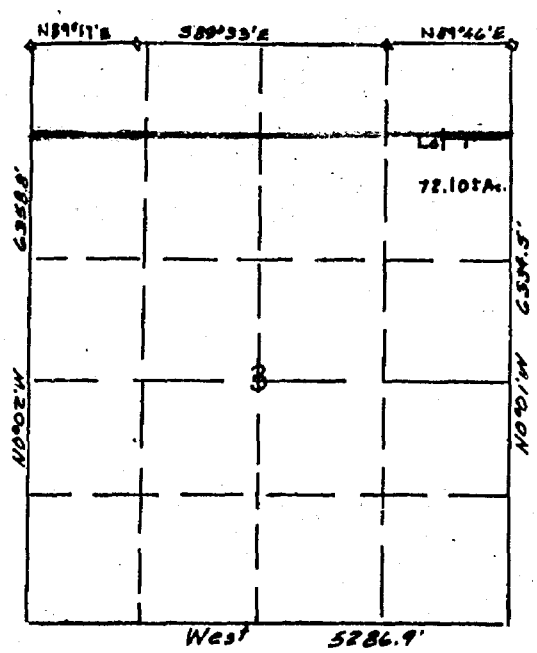
Walsh Engineering & Production Corp.
413 West Main
Farmington
New Mexico 87401

Dear Sir:

As shown on a plat of Survey by R. E. De Bolt and Assoc., Consulting Engineers, of a portion of T24N, R4W, N.M.P.M., Rio Arriba County, New Mexico, surveyed in October, 1955; Lot 1 of Section 3 of T24N, R4W, contains 72.10 Acres, more or less.

Lot 1 of Section 3 would be determined on this survey plat according to the G. L.OL methods for subdividing a section and would be the NE/4 NE/4 of said Section.

James P. Leese
Professional Engineer and
Land Surveyor
N. Mex. Reg. No. 1463



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Appl. EXHIBIT NO. 3
CASE NO. 4646

Ne Case 4467 Order No R-4071

MANNING GAS AND OIL COMPANY
OFFSET WELL INFORMATION

S-T-R		OIL PRODUCTION-BBLS. DAKOTA	GALLUP	TOTAL	% DAKOTA	GALLUP	GAS PRODUCTION-MCF DAKOTA	GALLUP	TOTAL	% DAKOTA	GALLUP
33-25-4	Continental Jicarilla 28 #6										
	1968	100	508	608	16	84	-0-	-0-	-0-	--	
	1969	8,085	3,222	11,307	72	28	21,965	7,150	29,115	75	25
	1970	3,488	3,696	7,184	49	51	23,634	15,916	39,550	60	40
	TOTAL	11,673	7,426	19,099	61	39	45,599	23,066	68,665	66	34
33-25-4	Continental Jicarilla 28 #5										
	1968	1,437	336	1,773	81	19	3,001	201	3,202	94	6
	1969	9,093	3,547	12,640	72	28	57,914	11,192	69,106	84	16
	1970	4,790	7,445	12,235	39	61	19,844	16,926	36,770	54	46
	TOTAL	15,320	11,328	26,648	57	43	80,759	28,319	109,078	74	26
34-25-4	Continental Jicarilla 28 #4										
	1968	1,027	1,816	2,843	36	64	1,372	9,499	10,871	13	87
	1969	1,546	1,862	3,408	45	55	10,615	10,641	21,256	50	50
	1970	532	1,093	1,625	33	67	5,795	5,125	10,920	53	47
	TOTAL	3,105	4,771	7,876	39	61	17,782	25,265	43,047	41	59
34-25-4	Continental Jicarilla 28 #3										
	1965	1,624	480	2,104	77	23	4,082	1,920	6,002	68	32
	1966	8,059	6,104	14,163	57	43	27,862	22,174	50,036	56	44
	1967	6,897	5,235	12,132	57	43	21,284	19,710	40,994	52	48
	1968	5,207	3,731*	8,938	58	42	14,771	16,603	31,374	47	53
	1969	2,949	1,718**	4,667	63	37	20,435	27,599	48,034	43	57
	1970	3,765	3,389	7,154	53	47	41,816	27,025	68,841	61	39
	TOTAL	28,501	20,657	49,158	58	42	130,250	115,031	245,281	53	47

*9 mo.
**5 mo.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 8
CASE NO. 4696

27-25-4

R-4203

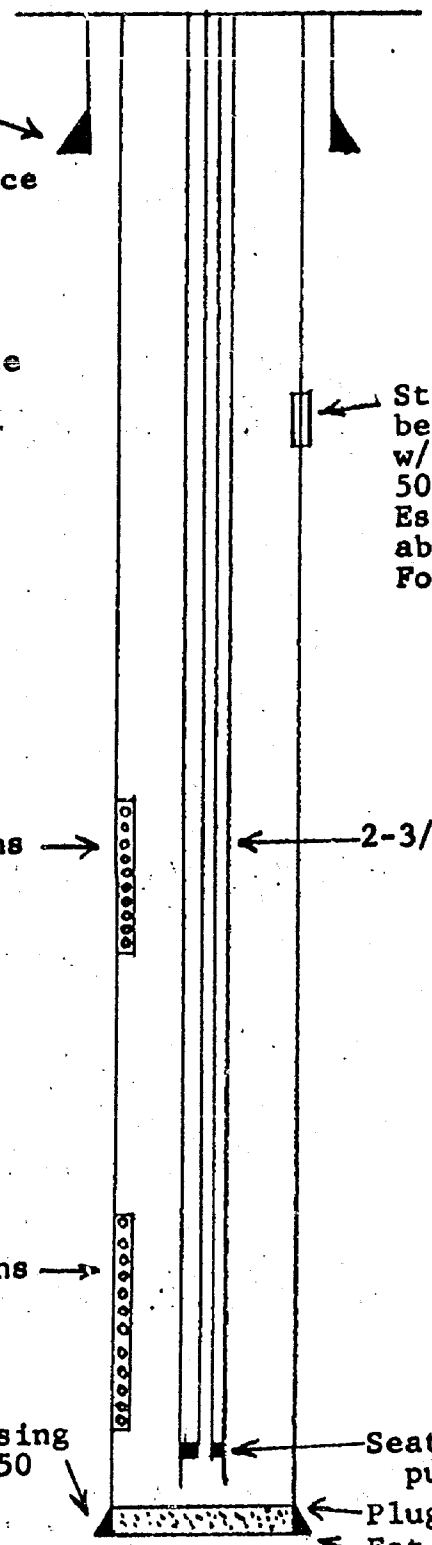
Wanted nomenclature Mesa Verde Dakota Gallup

31-25-4

MANNING GAS AND OIL COMPANY
OFFSET WELL INFORMATION

S-T-R		OIL PRODUCTION-BBLS. DAKOTA	GALLUP	TOTAL	% DAKOTA	GALLUP	GAS PRODUCTION-MCF DAKOTA	GALLUP	TOTAL	% DAKOTA	GALLUP
2-24-4	NW Production Jicarilla 126S #16										
	1959	2,293	1,142	3,435	67	33	220	47	267	82	18
	1960	5,161	6,994	12,155	42	58	1,501	1,394	2,895	52	48
	1961	2,564	6,276	8,840	29	71	2,657	5,566	8,223	32	68
	1962	2,190	4,996	7,186	30	70	2,614	6,336	8,970	29	71
	1963	1,916	4,702	6,618	29	71	2,086	4,176	6,262	33	67
	1964	2,101	4,625	6,726	31	69	1,710	4,683	6,393	27	73
	1965	1,593	3,921	5,514	29	71	1,165	3,500	4,665	25	75
	1966	1,474	3,571	5,045	29	71	1,900	3,200	5,100	37	63
	1967	1,423	2,941	4,364	33	67	1,792	3,957	5,749	31	69
	TOTAL	20,715	39,168	59,883	35	65	15,645	32,879	48,524	32	68
	GRAND TOTAL	79,314	83,410	162,664	49	51	290,035	224,560	515,595	56	44

MANNING GAS AND OIL COMPANY
APACHE NO. 100
PROPOSED
DOWNHOLE COMMINGLING INSTALLATION
(All Depths and Volumes Approximate)



8-5/8" Surface Casing at 255'KB W/175 sxs. Cement Circulated to Surface

Note: Both zones Produced by rods and subsurface pump.

Second Stage

Stage collar at 5500'(100' below Mesa Verde Formation) w/450 sxs. liteweight and 50 sxs. regular cement. Est. Top of cement 200' above Top of Pictured Cliffs Formation

Gallup Perforations

2-3/8" Tubing

Dakota Perforations

4½" OD, 10.5# & 11.6#, Casing at T.D. with 320 sxs. 50-50 Pozmix "A" Cement. Est. Top of cement 200' above top of Gallup

(1st Stage)

Seating Nipple & subsurface pump

Plug back T. D.

Est. T. D. 7580'

Centralizers on casing across Dakota and Gallup producing intervals. Centralizers above and below stage collar.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Applicant EXHIBIT NO. 5
CASE NO. 5646

EWELL N. WALSH
PETROLEUM ENGINEER CONSULTANT
EXECUTIVE BLDG. - 413 W. MAIN
P. O. BOX 254
FARMINGTON, NEW MEXICO
87401

RECEIVED
DEC 22 1971
OIL CONSERVATION COMM.
SAN TELEPHONE BUS. 325-8203

December 21, 1971

Case 1696

AIRMAIL

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

Ref: Manning Gas and Oil Company, Operator
Apache No. 100, Gallup, Graneros-
Dakota Dual Oil Well, NE/4NE/4
Section 3-T24N-R4W, Rio Arriba
County, New Mexico

Dear Mr. Porter:

Please consider this letter as a request on behalf of the above-referred-to operator to have a hearing before the New Mexico Oil Conservation Commission or an Examiner of the Commission. The request for the hearing is being submitted at this time in order for the hearing to be considered for being scheduled for January 19, 1972.

A hearing is requested to consider, but not limited to, the following:

1. Authority to commingle production from an undesignated Gallup Oil Pool and an Undesignated Dakota Oil Pool in the well bore of the above-referred-to well.

2. That each well previously completed in the above-described pools, and adjacent or offsetting the above-referred-to well, has been capable of only low marginal production.

3. That wells completed in the future in said pools will be capable of only low marginal production.

4. That underground waste would not be caused by the proposed commingling of the above-described pools, of production in the well bore of the above-referred-to well.

5. The mechanics of the proposed completion.

DOCKET MAILED
Date 1-6-72

6. The allocation of the commingled production to each of the commingled zones.

7. That a procedure be established whereby the Secretary-Director of the Commission may approve the similar completion of other wells to be drilled in the following area:

   Township 24 North, Range 4 West;

   Sections 1, 2, 3, 4, 9 thru 14, 23 and 24.

Enclosed you will find a copy of the Application For Permit to Drill which has been filed with the United States Geological Survey, Durango, Colorado.

Your consideration to schedule the requested hearing on January 19, 1971, would be greatly appreciated.

Very truly yours,

Ewell N. Walsh, P. E.

ENW:lt

Enclosure

cc:Mr. E. R. Arnold, NMOCC, Aztec, N.M. w/encl.
Mr. Jerry Long, U. S. Geological Survey, Durango wo/encl.
Mr. J. E. Manning, Manning Gas & Oil Co., Denver wo/encl.

Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425

RECEIVED
DEC 22 1971
OIL CONSERVATION COMM.
SANTA FE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: Jicarilla Contr. #127

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: Jicarilla Apache

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Apache

9. WELL NO.: 100

10. FIELD AND POOL, OR WILDCAT: Undesignated

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec.3-T24N-R4W N.M.P.M.

12. COUNTY OR PARISH: Rio Arriba

13. STATE: New Mexico

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [X]

2. NAME OF OPERATOR: Manning Gas & Oil Company

3. ADDRESS OF OPERATOR: 102 Continental Oil Building, 1755 Glenarm Place Denver, Colorado 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 435' from North Line, 475' from East Line, Sec.3-T24N-R4W
At proposed prod. zone: Same as surface

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: --

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 435

16. NO. OF ACRES IN LEASE: 2665

17. NO. OF ACRES ASSIGNED TO THIS WELL: 72

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: --

19. PROPOSED DEPTH: 7600'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6876' GR

22. APPROX. DATE WORK WILL START*: 12-30-71

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4	8-5/8	24.0	240	175 sxs
7-7/8	4-1/2	9.5 & 10.5	7600	450 sxs.

It is proposed to drill this well with rotary tools using mud as circulation through the Dakota Formation. Possible productive zones in the Gallup, Graneros and Dakota Formation will be completed. Production casing will be cemented in such a manner as to protect the Pictured Cliffs Formation.

Lot 1 and NE/4NE/4 Sec. 3 are dedicated to this well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Ewell N. Walsh TITLE Petroleum Engineer Consultant DATE Dec.20, 1971

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Page 4646

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the section

Operator: [illegible] OIL CORPORATION | Lease: [illegible] | Well No.: [illegible]

Unit Letter: [illegible] | Section: 3 | Township: 24 NORTH | Range: [illegible] | County: SAN JUAN

Actual Footage Location of Well: 433 feet from the [illegible] line and 465 feet from the [illegible] line

Ground Level Elev.: 6976.0 | Producing Formation: Dakota | Pool: Undesignated | Dedicated Acreage: 72

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

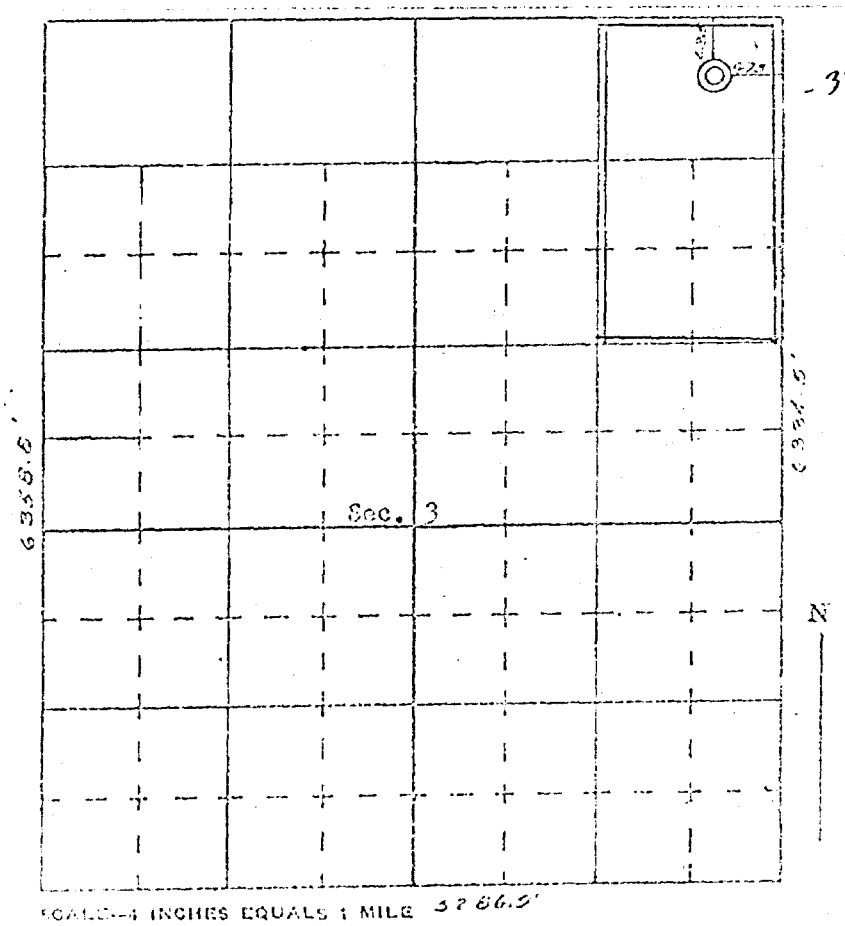
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

( ) Yes ( ) No If answer is "yes," type of consolidation .....

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

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



SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

CERTIFICATION

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

Name: Ewell N. Walsh

Position: Petroleum Engr. Consultant

Company: For: Manning Gas & Oil Co.

Date: December 20, 1971

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 16 December, 1971

Registered Professional Engineer and/or Land Surveyor: JAMES P. LEESE

Certificate No.: 1463

Note:
Copy of order
to Jim Kapteina

DRAFT

GMH/dr

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. 4646

Order No. R-4245

APPLICATION OF MANNING GAS AND OIL
COMPANY FOR DOWN-HOLE COMMINGLING
AND A NON-STANDARD PRORATION UNIT,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 19, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of January, 1972, 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, Manning Gas and Oil Company, seeks authority to commingle production from undesignated Gallup and Dakota oil pools in the well-bore of its Apache Well No. 100 to be drilled 435 feet from the North line and 475 feet from the East line of Section 3, Township 24 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, on a 32-acre unit comprising the northernmost portion of Lot 1 of said Section 3.

(3) That the applicant further seeks the establishment of a procedure whereby approval may be granted administratively for the similar completion of other wells to be drilled in ~~the area.~~ Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 23, and 24 of Township 24 North, Range 4 West.

(4) That each well previously completed in the above-described pools has been capable of only low marginal production.

(5) That the evidence indicates that wells completed in the future in said pools will be capable of only low marginal production.

(6) That the reservoir characteristics of the above-described Gallup and Dakota oil pools are such that underground waste would not be caused by the proposed commingling in the well-bore of the well to be drilled.

(7) That the granting of authorization to complete the subject well as requested should permit the drilling of a well that would not otherwise be drilled and should result in the recovery of oil from each of the commingled zones in the subject well that would not otherwise be recovered, thereby preventing waste, and will not violate correlative rights.

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

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 53 % of the commingled oil production should be allocated to the Gallup zone, 47 % of the commingled oil production to the Dakota zone, 39 % of the commingled gas production to the Gallup zone, and 61 % of the commingled gas production to the Dakota zone in ~~each of~~ the subject well.

(10) That a procedure should be established whereby the Secretary-Director of the Commission may approve the similar completion of other wells to be drilled in ~~the subject area~~ Sections 1, 2, 3, and 4 of Township 24 North, Range 4 West.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Manning Gas and Oil Company, is hereby authorized to drill and complete its Apache Well No. 100 to be drilled 435 feet from the North line and 475 feet from the East line of Section 3, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, on a 32-acre unit comprising the northwest quarter, in such a manner as to produce oil from undesignated Gallup and Dakota Oil pools through a single string of tubing, commingling in the well-bore the production from ~~the above described~~ each of said pools.

(2) 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.

(3) That as to subject well, 53% of the commingled oil production shall be allocated to the Gallup zone, 47% of the commingled oil production to the Dakota zone, 39% of the commingled gas production to the Gallup zone, and 61% of the commingled gas production to the Dakota zone.

(4) That as to subject well, commingling in the well-bore shall continue only so long as the commingled production does not exceed 50 barrels of oil per day nor 100 barrels of water per day.

(5) That as to subject well, the maximum amount of gas which may be produced daily from the commingled zones shall be determined by multiplying 2000 by the top unit allowable for the Gallup zone.

(6) That the Secretary-Director of the Commission is hereby authorized to approve the drilling and completion of other wells in Sections 1, 2, 3, and 4 of Township 24 North, Range 4 West, NMPM, undesignated Gallup and Dakota Oil Pools, Rio Arriba County, New Mexico, in such a manner as to produce oil from the Gallup and Dakota formations through a single string of tubing, commingling in the well-bores production from each of said formations.

(7) Application for administrative approval shall be made in QUADRUPLICATE, with two copies of the application to be mailed to the Commission's Santa Fe Office, and two copies to the Aztec District Office of the Commission. The application shall be accompanied by the following:

(a) Diagrammatic Sketch of the proposed completion showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, and such other information as may be pertinent.

(b) Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.

(c) Waivers consenting to such completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.

(d) Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted when available.)

The Secretary-Directory may approve the completion if, after a period of 20 days following the filing of the application, no operator has filed objection to the proposed completion.

(8) 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.