

Case Number

4855

Application
Transcripts.

Small Exhibits

ETC.

1 BEFORE THE
2 NEW MEXICO OIL CONSERVATION COMMISSION
3 OIL CONSERVATION COMMISSION CONFERENCE ROOM,
4 STATE LAND OFFICE BUILDING
5 SANTA FE, NEW MEXICO
6 Tuesday, November 14, 1972

EXAMINER HEARING

7 IN THE MATTER OF:

8 Application of Gulf Oil Corporation for
9 downhole commingling, Lea County, New
Mexico.

Case No. 4855

10 BEFORE: Daniel S. Nutter,
11 Examiner

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TRANSCRIPT OF HEARING

1 MR. NUTTER: We will call Case 4855, application
2 of Gulf Oil Corporation for downhole commingling, Lea County,
3 New Mexico.

4 MR. KASTLER: If the Examiner please, I'm Bill
5 Kastler from Midland, Texas, appearing on behalf of Gulf Oil
6 Corporation, and our witness is Charles Kalteyer, from Midland
7 also.

8 CHARLES KALTEYER,
9 a witness, having been first duly sworn according to law,
10 upon his oath, testified as follows:

11 DIRECT EXAMINATION

12 BY MR. KASTLER:

13 Q Will you please state your name, by whom you are employed,
14 and in what capacity?

15 A My name is Charles Kalteyer, I'm employed by Gulf Oil
16 Company, and I'm located in Midland, Texas, and my title
17 is District Proration Engineer.

18 Q Have you recently changed your job title from something
19 else to District Proration Engineer?

20 A Yes, sir. As of the 1st of November I changed to the
21 present title and I was formerly the Area Engineer in
22 Hobbs, in the Hobbs area office, for Gulf.

23 Q Have you for some time been employed by Gulf in it's
24 Hobbs area, and are you familiar with the application in
25 Case Number 4855?

1 A Yes, sir, I am.

2 Q Have you previously appeared before the New Mexico Oil
3 Commission and qualified as an expert petroleum engineer?

4 A Yes, sir, I have.

5 MR. KASTLER: Mr. Examiner, are the witness'
6 qualifications satisfactory?

7 MR. NUTTER: Yes, they are. Please proceed.

8 Q (By Mr. Kastler) Will you please state what Gulf is
9 seeking in this application?

10 A We are seeking authority to commingle in the wellbore,
11 the production from the Cary-Montoya and South McCormack-
12 Silurian Oil Pools in our R. E. Cole (NCT-A) Well No. 10,
13 located in Unit E of Section 16, Township 22 South, Range
14 37 East, Lea County, New Mexico.

15 Q Mr. Kalteyer, do you have a plat showing the R. E. Cole
16 (NCT-A) Lease in Well No. 10?

17 A Yes, sir, it's marked as Exhibit 1. The R. E. Cole Lease
18 is outlined in red and Well No. 10 is shown in two colors,
19 the pink circle identifying it as the subject well, and
20 the yellow coloring around Well 10 and the other wells in
21 the plat identifies it as South McCormack-Silurian
22 completions.

23 Well No. 11 is colored in blue. It was a Cary-
24 Montoya pool completion which has now been plugged off and
25 is presently producing from the Blinebry.

1 The offset operators are shown. There are three
2 operators in the South McCormack-Silurian Pool, Gulf;
3 Stoltz, Wagner and Brown; and Texas Pacific Oil Company;
4 and the notice of this application has been submitted
5 to each of these parties.

6 Q Is this well now dually completed in the Cary-Montoya and
7 South McCormack-Silurian Pools?

8 A Authority to dual was never obtained in the Montoya and
9 Silurian. At the time Well No. 10 was completed in 1967,
10 an attempt was made to complete in the Montoya but it
11 indicated marginal production, so a cast iron cement
12 retainer was set above the Montoya to seal off that
13 completion.

14 Exhibit 2 more clearly shows the present condition
15 of the wellbore and the single completion was made in
16 the South McCormack-Silurian Pool.

17 Q Refer to Exhibit 2 and explain, or discuss more fully,
18 the history of Well No. 10, if you please?

19 A Number 2 shows the present mechanical installation. The
20 well was drilled in July of 1967, a 9 5/8" OD casing was
21 set and cemented at 1,163 feet with 500 sacks of cement
22 circulated. It was drilled to a total depth of 7,383
23 feet and a 7" OD casing set at 7,382 with a DV tool at
24 3,822 and cemented in two stages with cement circulated.
25 The Montoya formation was perforated in the intervals

7,312-14 and 7,323-25 and acidized treated and the well swabbed several days.

The swab test indicated an average daily production of 24 barrels of oil and 22 barrels of water and would require pumping. Since the prospects were good for satisfactory completion in the Silurian, a cast iron bridge plug was set at 7,280 and cement placed on top, sealing off the Montoya formation.

The Silurian formation was perforated from 7,224 to 26 and 7,238 to 40 and a 24-hour potential test on August 3, '67, the well flowed 195 barrels of oil and 147 barrels of water. In August of '69, the Silurian perforations were extended to include the interval 7,166 to 68 and 7,146 to 48 and 7,128 to 30. The Silurian production from this well is now declined to an average of 9 barrels of oil and 25 barrels of water.

Q Again, referring to Exhibit Number 2, what will be required to accomplish downhole commingling?

A The cement retainer will be drilled out to expose the Montoya perforations. A retrievable full-bore tool will be run and set to isolate the Montoya completion and the Montoya will be swab tested for production and acid stimulated if necessary. After the testing, the production string will be rerun with a setting very similar to that in Exhibit 2.

dearnley, meier & mc cormick

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1 Q Does this well meet the requirements of Oil Commission
2 Rule No. 303-C for downhole commingling?

3 A Yes, with the exception of the insufficient production
4 information from the Cary-Montoya and the recent
5 production tests of the Silurian.

6 This test has been completed yesterday and a Form
7 C-116 will be forthcoming.

8 Q And that will be filed with the Commission?

9 A Right.

10 Q Can you briefly state what the results of that test show?

11 A Tests taken November 11 indicated the well was pumping
12 11 barrels of oil and 32 barrels of water, 64 Mcf gas,
13 the ratio of 5,818 to 1.

14 MR. NUTTER: What was that?

15 THE WITNESS: 5,818 to 1.

16 Q (By Mr. Kastler) Would you please briefly review these
17 requirements of Rule 303-C with the available information
18 that you have from the subject well?

19 A Both zones are classified as oil zones. The total daily
20 oil production from both zones in the 7,000 to 7,999
21 interval bracket is less than 50 barrels a day. The
22 anticipated production from the Cary-Montoya would have to
23 be verified by testing as previously outlined.

24 The upper zone is presently being pumped, the lower
25 zone died on completion attempt and would require pumping.

1 Neither zone is anticipated to produce more water than
2 the combined 50 barrels of oil per day limit.

3 The fluids from each zone are compatible with the
4 fluids from the other and combining the fluid will not
5 result in the formation of precipitants which might
6 damage the reservoir.

7 Exhibit A is a report of a compatibility test of
8 the Montoya oil sample from the Harry Leonard E. No. 5
9 located in Section 16, 21, 37, Lea County; and water and
10 oil samples taken from a Silurian from our R. E. Cole
11 No. 10. Prior to Well No. 11 being plugged back in by
12 Oil Commission Order PC329, Montoya production was
13 ~~surfaced, commingled~~ ^{surface-commingled} with the Silurian production without
14 operational problems. The total value of the crude will
15 not be reduced by commingling. The gravity of Silurian
16 oil is 43 degrees API and the gravity of the Montoya is
17 41.2. Both gravities fall within the same price category.
18 The ownership of the two zones to be commingled is
19 common and commingling will not jeopardize the efficiency
20 of secondary future recovery procedures.

21 Q Will you now refer to Exhibit Number 4 and explain what is
22 outlined and shown on there?

23 A Exhibit 4 is a tabulation of production for the period
24 January, 1971, through September, '72, from our Well No. 10.
25 The production is declined from approximately 30 barrels

dearnley, meier & mc cormick reporting services inc.

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1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

1 of oil per day in January, 1972, to approximately 9
2 barrels average in September. During the last three
3 months, production of oil, water, and gas appears to have
4 stabilized. The top allowable for the South McCormack-
5 Silurian Pool is 187 barrels, as is the top allowable in
6 the Cary-Montoya.

7 Q Please refer to Exhibit Number 5 and explain what it is
8 and what's shown thereon?

9 A Exhibit 5 is the Daily Workover Report for Well No. 10
10 during the completion attempt in the Cary-Montoya Pool.
11 This information was discussed earlier where we were
12 unable to get the well to produce by natural flow.

13 Q How would you recommend the allowable be treated if this
14 application should be approved?

15 A We would recommend that one allowable be assigned to this
16 well and it could be either to the Silurian or Montoya
17 Pool. Since there are no other wells in the Cary-Montoya
18 Pool at this time, we recommend that it be assigned to
19 the South McCormack-Silurian Pool.

20 Q Well, this being a State of New Mexico Lease, did you
21 contact the Commissioner of Public Lands concerning your
22 commingling proposal?

23 A Yes, sir, we did. Exhibit 6 is a copy of a letter of
24 approval from his office.

25 Q Do you have anything further to add in this case?

1 A No, sir.

2 Q In your opinion, will the granting of this request be
3 in the interest of conservation and prevention of waste?

4 A Yes, sir. At the present time the lower zone is not
5 being produced, it is not economically feasible to install
6 a second-string tubing and put the zone to pump as a dual.
7 By allowing the two zones to be commingled downhole,
8 in effect, a lower economic limit for each zone can be
9 realized, thereby recovering additional oil that would
10 remain unrecovered.

11 Q Have the exhibits been prepared by you or at your
12 direction and under your supervision?

13 A Yes, sir, they were.

14 MR. KASTLER: Mr. Examiner, I move at this time that
15 Exhibit 1 through 6 be admitted into evidence and this
16 concludes our questions on Direct Examination.

17 MR. NUTTER: Gulf Exhibits 1 through 6 will be
18 admitted into evidence.

19 CROSS EXAMINATION

20 BY MR. NUTTER:

21 Q Mr. Kalteyer, I note from your Exhibit 1 you only show
22 one well in blue being a Montoya completion; yet, this
23 analysis on Exhibit Number 3, I think, is an analysis of
24 Montoya oil from the Leonard E. 5. Now, where would that
25 well be?

- 1 A The Leonard E. 5 is located in Unit H of Section 16,
2 21, 37.
- 3 Q So that's a full township away, then, is this correct?
- 4 A Yes, sir.
- 5 Q How long has it been since this No. 11 produced from the
6 Montoya zone, on the Cole Lease?
- 7 A I don't believe I have that date with me of when that
8 was plugged back to the Blinebry, but I can establish
9 that date and supply that to you.
- 10 Q Well, this is the only well in this area that is
11 produced from the Montoya, is this correct, the No. 11?
- 12 A Yes, sir.
- 13 Q Now, you could have completed the No. 10 in 1967 as a
14 marginal producer from the Montoya, however, you
15 preferred to have a flowing well, so you just sealed it
16 off?
- 17 A That's correct.
- 18 Q Well, now, you mention that on the original completion it
19 was capable of making 24 barrels of oil per day, but now
20 your November 11 test if only 11 barrels per day.
- 21 A That is the Silurian test. The Cary-Montoya, we do not
22 have a current test on it because it's still plugged off.
- 23 Q I see. I thought you had already tested the Montoya.
24 This 11 barrels of oil and 32 barrels of water and the
25 GOR 5,818, that's the Silurian-Devonian?

1 A Yes, right. We will establish the rate from the Cary-
2 Montoya after we knock out the bridge plug.

3 Q Now, in 1967 when you got that swab test of 24 barrels
4 of oil, you had acidized the well in the Montoya, had
5 you not?

6 A Yes.

7 Q Probably the completion data on Exhibit Number 5 will
8 show the treatment that was used. Yes, I see you
9 acidized it.

10 So you don't anticipate anymore production than
11 you obtained in '67 on the well?

12 A No, sir.

13 MR. NUTTER: Are there any further questions of
14 the witness?

15 (No response.)

16 MR. NUTTER: He may be excused.

17 Do you have anything further, Mr. Kastler?

18 MR. KASTLER: Nothing further at this time, Mr.
19 Nutter.

20 MR. NUTTER: Does anyone have anything they wish to
21 offer in Case 4855?

22 (No response.)

23 MR. NUTTER: We will take the case under advisement
24 and call the next case.
25

1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF BERNALILLO)

4 I, JOHN DE LA ROSA, a Court Reporter, in and for the
5 County of Bernalillo, State of New Mexico, do hereby certify
6 that the foregoing and attached Transcript of Hearing before
7 the New Mexico Oil Conservation Commission was reported by me;
8 and that the same is a true and correct record of the said
9 proceedings to the best of my knowledge, skill and ability.

10 *John De La Rosa*
11 COURT REPORTER

12 I N D E X

13 WITNESS

PAGE

14 CHARLES KALTEYER

15 Direct Examination by Mr. Kastler

3

16 Cross Examination by Mr. Nutter

10

17 E X H I B I T S

18 ADMITTED

OFFERED

19 Gulf's Exhibits #1 through #6

10

10

20 I do hereby certify that the foregoing
21 complete record of the proceedings
22 the Examiner hearing of Case No. 4855-
23 heard by me on 11/14 1972
24 *[Signature]*
25 New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

March 19, 1973

COPY
Gulf Oil Company-U.S.
Post Office Box 670
Hobbs, New Mexico 88240

Attention: Mr. C. D. Borland

Re: Order No. R-4443
Case No. 4855

Gentlemen:

Reference is made to Commission Order No. R-4443, which authorized down-hole commingling of Montoya and Silurian production in the well-bore of your R. E. Cole Well No. 10, located in Unit E of Section 16, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, and calls for the establishment of a formula for the assignment of allowable and production to each zone.

The production tests taken immediately before and after commingling indicate that approximately 50 percent of the oil produced after commingling came from each zone. Allowable and production shall therefore hereafter be assigned on a 50-50 basis to each zone.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

cc: Oil Conservation Commission
Hobbs, New Mexico

Case File No. 4855 ✓

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. 4855
Order No. R-4443

APPLICATION OF GULF OIL CORPORATION
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 November 14, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of November, 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, Gulf Oil Corporation, is the owner and operator of the R. E. Cole (NCT-A) Well No. 10 in Unit E of Section 16, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That when said well was drilled in 1967, swab tests in the Montoya formation indicated low marginal producing capacity in said formation, and said zone was sealed off and the well completed in the South McCormack-Silurian Pool.

(4) That productivity in the South McCormack-Silurian zone of the subject well has now declined to the economic limit of production.

(5) That the applicant proposes to open the well to both the Silurian and Montoya formations and to commingle in the well-bore production from the South McCormack-Silurian and the Cary-Montoya Pools.

(6) That analysis of the combined liquid hydrocarbon production from both of the aforesaid pools indicates the fluids are compatible with each other and that no peculiar production problems should result from the proposed downhole commingling.

-2-

Case No. 4855
Order No. R-4443

(7) That approval of the application will not cause waste nor impair correlative rights, and should extend the economic life of the well, thereby resulting in the recovery of oil that would otherwise be lost.

(8) That the proposed downhole commingling should be approved.

(9) That the commingled production should be allocated upon the basis of production tests to be submitted to the Santa Fe office of the Commission at the time of conversion.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete its R. E. Cole (NCT-A) Well No. 10, located in Unit E of Section 16, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Cary-Montoya and South McCormack-Silurian Oil Pools through one string of tubing, commingling in the well-bore the production from both pools.

(2) That immediately upon completion of the above-described well in both zones, the operator shall furnish the Santa Fe office of the Commission production tests for the combined zones of the well, whereupon the Commission shall establish a formula for allocating the commingled oil production and commingled gas production to each zone.

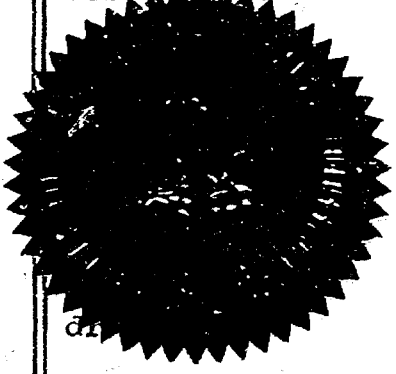
(3) That the commingling in the well-bore authorized by this order shall continue only so long as the commingled production of the two zones does not exceed 50 barrels of oil per day nor 50 barrels of water per day.

(4) 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.

(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


BRUCE KING, Chairman,

ALEX J. ARMISTO, Member

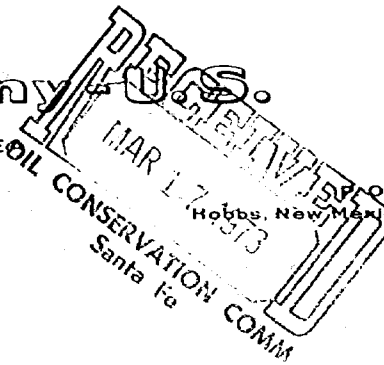
A. L. PORTER, Jr. Member & Secretary

Gulf Oil Company

HOBBS PRODUCTION AREA

March 16, 1973

C. D. Borland
AREA PRODUCTION MANAGER



P.O. Box 670
Hobbs, New Mexico 88240

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

Gentlemen:

Commission Order R-4443 authorized the downhole commingling of South McCormack Silurian and Carry Montoya production in our R. E. Cole (NCT-A), well No. 10, located 2310' FHL & 990' FWL, Section 16, 22-S, 37-E. Paragraph two of this Order required production tests for the combined zones, whereupon the Commission would establish a formula for allocating the commingled production. These tests were submitted January 23, 1973.

Would you, at your earliest convenience, please furnish us this formula so that we can properly allocate this production to each zone.

Yours truly,

C. D. Borland
C. D. BORLAND

lwd:



A DIVISION OF GULF OIL CORPORATION

Gulf Oil Company-U.S.

HOBBS PRODUCTION AREA

C. D. Borland
AREA PRODUCTION MANAGER

January 23, 1973

P. O. Box 670
Hobbs, New Mexico 88240

Mr. Dan Nutter
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

As required by R-4443, attached are the tests before and after commingling our R. E. Cole (NCT-A) Well No. 10, McCormack Silurian, South and the Carry Montoya Pools, in the well bore.

Please assign an allowable to each zone as stipulated by R-4443, based on these two tests.

Yours truly,



C. D. BORLAND

lwd

Att'd
cc: NMOCC, Hobbs, New Mexico



A DIVISION OF GULF OIL CORPORATION

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Gulf Oil Corporation		Pool McCormack Silurian, South & Carry Montoya				County Lea										
Address		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>								
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT./BBL.
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
R. E. Cole (NCT-A)	10	E	16	22S	37E	1-21-73	P	2"WO	55#	11	24	49	44.0	43	45.0	1046
Special test after comingline in well bore, as required by R-4443, in order to allocate production																

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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

Ray Lee

(Signature)

Well Tester

(Title)

January 23, 1973

(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Gulf Oil Corporation		Pool McCormack Silurian, South & Carry Montoya						County Lea								
Address						TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL
		U	S	T	R							WATER BBL.	GRAV. OIL	OIL BBL.	GAS M.C.F.	
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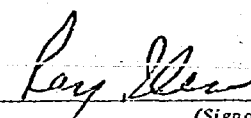
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(Signature)

Well Tester

(Title)

January 23, 1973

(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Gulf Oil Corporation		Pool McCormack Silurian, South				County Lea										
Address		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>								
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	T.B.G. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT./BBL.
		U	S	T	R							WATER BBL.	GRAV. OIL	OIL BBL.	GAS M.C.F.	
R. E. Cole (NCT-A)	10	E	16	22S	37E	1-17-73	P	2"WO	55	11	24	38	43.9	22	45.0	2045
Special test as required by R-4443 before commingling in well bore.																

No well will be assigned an allowable greater than the amount of oil produced on the official test.

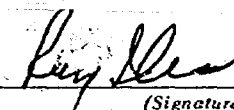
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(Signature)

Well Tester

(Title)

January 23, 1973

(Date)

C-116
Revised 1-1-65

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Ray D. Lee
(Signature)

(Title)

(Date)

Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

W. B. Hopkins
DISTRICT MANAGER

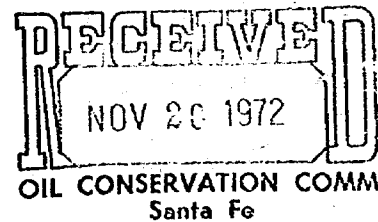
J. A. Hord
DISTRICT EXPLORATION
MANAGER

J. L. Pike
DISTRICT PRODUCTION
MANAGER

M. B. Moseley
DISTRICT SERVICES MANAGER

November 17, 1972

P. O. Drawer 1150
Midland, Texas 79701



Oil Conservation Commission
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention: Dan S. Nutter

Re: Case No. 4855
Application to Down-Hole Commingle
R. E. Cole (NCT-A) Well No. 10
Lea County, New Mexico

Gentlemen:

In connection with the subject Examiners Hearing, I am forwarding copies of current 24-hour productivity test on Commission Form C-116.

You will recall that the data was attested to at the hearing with a promise of a follow-up with this form.

Yours very truly,

J. L. Pike
J. L. PIKE

CFK:jmc
Attachment



A DIVISION OF GULF OIL CORPORATION

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Gulf Oil Corporation		Pool South McCormack Silurian				County Lea										
Box 670, Hobbs, NM						TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU. FT./BBL.
		U	S	T	R							WATER BBL.	GRAV. OIL	OIL BBL.	GAS M.C.F.	
R. E. Cole (NCT-A)	10	E	16	22	37	11-11-72	P	2" WO	60	11	24	32	43.0	11	64.0	5,818
<p>SPECIAL TEST FOR COMINGLING HEARING</p> <p>Chart on File in This Office</p>																

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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

Ray Watson
(Signature)

Well Tester

(Title)

November 13, 1972

(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Gulf Oil Corporation		Pool South McCormack Silurian				County Lea											
Box 670, Hobbs, NM		TYPE OF TEST - (X)				Scheduled <input type="checkbox"/>				Completion <input type="checkbox"/>				Special <input checked="" type="checkbox"/>			
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL	
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Ray Watson
(Signature)

Well Tester

(Title)
November 13, 1972

(Date)

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-65

Gulf Oil Corporation				Pool South McCormack Silurian				County Lea								
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I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Ray Watson
(Signature)

Well Tester

(Title)
November 13, 1972

(Date)



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87301

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.**

SECRETARY - DIRECTOR

November 28, 1972

Mr. Bill Kastler
Gulf Oil Corporation
Post Office Drawer 1150
Midland, Texas 79701

Re: Case No. 4855
Order No. R-4443
Applicant:
Gulf Oil Corporation

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 _____

Other

Docket No. 26-72

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 14, 1972

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

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1972, from seventeen 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 December, 1972.
- (3) Consideration of purchasers' nominations for the one-year period beginning January 1, 1973, for both of the above areas.

CASE 4608: (Reopened) (Continued from October 4, 1972)

In the matter of Case 4608 being reopened pursuant to the provisions of Order No. R-4213 which order established special rules and regulations for the Haystack Siluro-Devonian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4855: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of oil production from the Cary-Montoya and South McCormack-Silurian Oil Pools in the wellbore of its R. E. Cole (NCT-A) Well No. 10 in Unit E of Section 16, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 4856: Application of Gulf Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Shugart Pool, Eddy County, New Mexico, by the injection of water into the Queen formation through three wells on its Federal Littlefield "AB" Lease in Section 22, Township 18 South, Range 31 East, Eddy County, New Mexico.

CASE 4857: Application of Perry R. Bass for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for his Big Eddy Well No. 7 located 660 feet from the South line and 1980 feet from the East line of Section 19, Township 20 South, Range 31 East, Maroon Cliffs-Morrow Gas Pool, Eddy County, New Mexico, with the E/2 of said Section 19 to be dedicated to the well.

CASE 4858: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the two following Blinebry Gas Pool non-standard gas proration units in Township 21 South, Range 37 East:

A 120-acre unit comprising the N/2 SW/4 and the SW/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 11 located in Unit L of said Section 21, and a 160-acre unit comprising the NW/4 SE/4, S/2 SE/4 and SE/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 8 located in Unit O of said Section 21.

CASE 4859: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the two following Blinebry Gas Pool non-standard proration units in Township 21 South, Range 37 East:

An 80-acre unit comprising the SW/4 NW/4 of Section 13 and the SE/4 NE/4 of Section 14, to be dedicated to applicant's Lockhart B-14 "A" Well No. 1 located in Unit H of Section 14, and a 160-acre unit comprising the NW/4 SE/4, N/2 SW/4, and SW/4 SW/4 of Section 13, to be simultaneously dedicated to applicant's Lockhart B-13 "A" Wells Nos. 1 and 8 located in Units M and L, respectively, of said Section 13.

CASE 4860: Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4861: Application of Cities Service Oil Company for the amendment of Order R-4239, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4239, which order pooled all mineral interests in the South Carlsbad-Morrow Gas Pool underlying the N/2 of Section 19, Township 22 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 2173 feet from the North line and 1200 feet from the East line of said Section 19 and provided \$60.00 per month as the charge for supervision (combined fixed rates). Applicant proposes that said order be amended to provide for the drilling of a well on the pooled unit at a standard well location and that \$200.00 a month be established as the charge for supervision.

CASE 4862: Application of Adobe Oil Company for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 520-acre non-standard

(Case 4862 continued from Page 2)

gas proration unit comprising the NE/4, SE/4, E/2 SW/4, N/2 NW/4, and SE/4 NW/4 of Section 11, Township 23 South, Range 24 East, Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools in Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 320 feet from the South and East lines of said Section 11.

CASE 4863: Application of C & K Petroleum Inc. for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 225.59-acre non-standard West Atoka-Morrow gas proration unit in Section 18, Township 18 South, Range 26 East, comprising the SW/4, the SW/4 SE/4, and that portion of the NW/4 SE/4 described as follows:

Beginning at the Northwest corner of said NW/4 SE/4, thence South 1320 feet, thence East 1193.4 feet, thence North 639 feet, thence West 242.2 feet, thence North 30 degrees West, 452.6 feet, thence West 267 feet, thence North 8 degrees East, 267 feet to the North line of said NW/4 SE/4, thence West 507.4 feet to the point of beginning.

Applicant further seeks authority to drill a well for said unit at an unorthodox location 990 feet from the South and West lines of said Section 18.

CASE 4864: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Chaves, Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the South Carlsbad-Canyon Gas Pool. The discovery well is the Phillips Petroleum Company Drag B No. 1 located in Unit K of Section 18, Township 23 South, Range 27 East, NMPM. Said pool described as:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 18: S/2

(b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Hat Mesa-Morrow Gas Pool. The discovery well is the Phillips Petroleum Company Hat Mesa No. 1 located in Unit G of Section 11, Township 21 South, Range 32 East, NMPM. Said pool described as:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 11: E/2

(Case 4864 continued from Page 3)

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Rocky Arroyo-Morrow Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, NMPM. Said pool described as:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 8: E/2
Section 17: N/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, NMPM. Said pool described as:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 8: SE/4

(e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Lower Pennsylvanian production and designated as the South Sand Dunes-Lower Pennsylvanian Gas Pool. The discovery well is the El Paso Natural Gas Company Sundance Federal No. 1 located in Unit F of Section 4, Township 24 South, Range 31 East, NMPM. Said pool described as:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 4: N/2

(f) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Winchester-Morrow Gas Pool. The discovery well is the Penroc Oil Corporation Dero Federal No. 1 located in Unit P of Section 35, Township 19 South, Range 28 East, NMPM. Said pool described as:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2

(g) Extend the Blinebry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 25: SW/4

(h) Extend the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

(Case 4864, Paragraph (h) continued from Page 4)

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2
Section 18: N/2

(i) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 18: S/2

(j) Extend the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 16: NW/4 NE/4

(k) Extend the North Eunice-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 17: NW/4
Section 18: NE/4

(l) Extend the Grayburg Jackson Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 7: SE/4

(m) Extend the Haystack-Cisco Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPM
Section 9: All
Section 16: N/2

(n) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 5: SW/4
Section 6: S/2

(o) Extend the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 23: SE/4 NW/4, NE/4 SW/4, and
N/2 SE/4
Section 24: SE/4 and N/2 SW/4

(Case 4864 continued from Page 5)

(p) Extend the East Shoebar-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 29: NW/4

(q) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 36: NW/4

(r) Extend the West Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

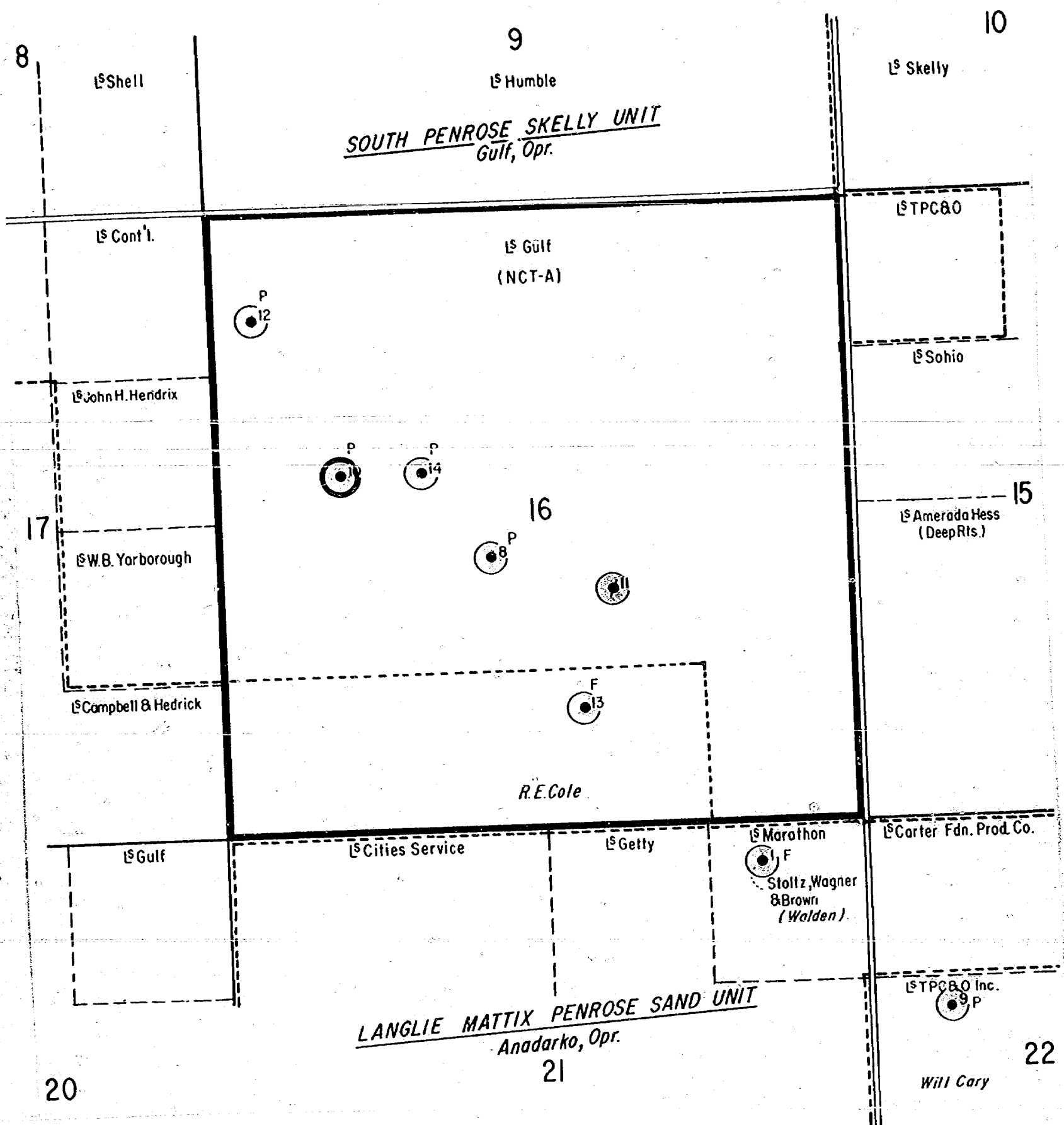
TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 30: NE/4

(s) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM
Section 2: W/2
Section 11: All

(t) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 32: All



GULF OIL CORPORATION
R.E. COLE (NCT-A) LEASE
SECTION 16, T-22-S, R-37-E
LEA COUNTY, NEW MEXICO

LEGEND

- PERTINENT LEASE
- PERTINENT WELL
- CARY MONTOYA POOL COMPLETION (Plugged Off)
- SOUTH McCORMACK SILURIAN POOL COMPLETION
- PUMPING
- FLOWING

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

FILE NO. 4855

Submitted by GULF

Hearing Date 11/14/72

Exhibit No. 1
Case No. 4855
November 14, 1972

SCHEMATIC DIAGRAM
GULF OIL CORPORATION
R. E. COLE (NCT-A) WELL NO. 10
CARY MONTOYA & SOUTH McCORMACK OIL POOLS
LEA COUNTY, NEW MEXICO

PRESENT MECHANICAL INSTALLATION

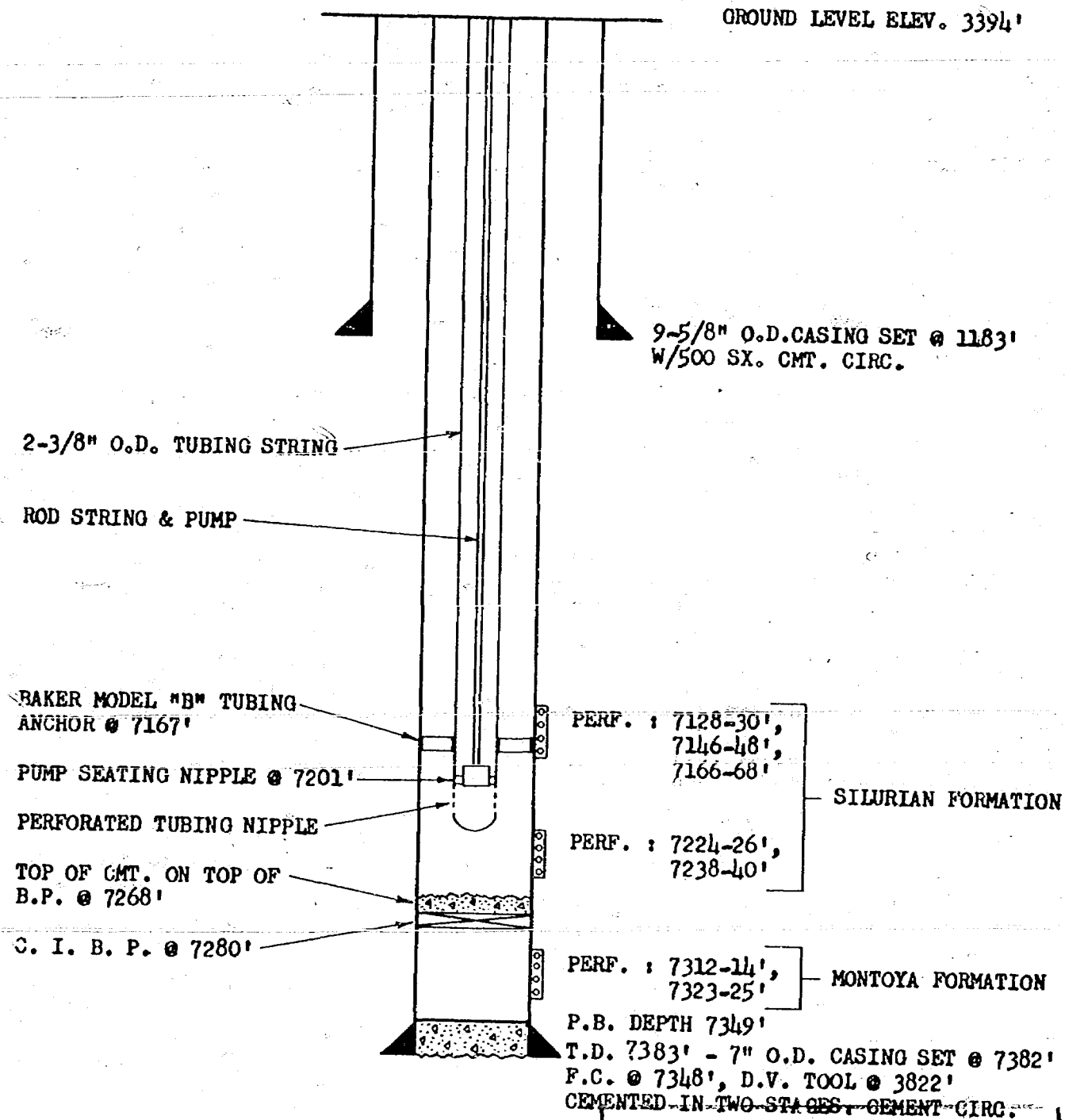


EXHIBIT 2
CASE NO. 4855
November 14, 1972

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 4855

Submitted by Gulf

Hearing Date 11/14/72

HALLIBURTON SERVICES
LOVINGTON, NEW MEXICO

LABORATORY REPORT

No. M72-106

To Gulf Oil Corporation

Date 8-21-72

Box 670

Hobbs, New Mexico

ATTN: Mr. Russell Worley

This report is the property of Halliburton Services and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management. It may however, be used in the course of regular business operations by any person or concern, and employees thereof receiving such report from Halliburton Services.

Submitted by

Date Rec. 8-19-72

Well No. As Marked

Depth

Formation As Marked

County

Field

Source

PURPOSE: Determine the compatibility of the submitted samples, and note the precipitate, if any, formed by mixing the samples.

RESULTS: Samples received - Oil and Water from Cole A-10 (Silurian)
Oil from Leonard # E-5 (Montoya)

The above samples were mixed as follows, and observed for 24 hours at 125° F., with the following results:

2 parts Silurian Oil
1 part Silurian Water
2 parts Montoya Oil

No emulsion was noted after 24 hours, and no precipitate was formed.

These samples are compatible.

EXHIBIT #3
CASE NO. 4855
November 14, 1972

BEFORE EXAMINER NOTED
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 4855

Submitted by GULF

Receiving Date 11/14/72

Respectfully submitted,

Analyst: Brewer
cc:

HALLIBURTON SERVICES

By

W. L. Brewer
DIVISION CHEMIST

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

TABULATION OF PRODUCTION
R. E. COLE (NCT-A) NO. 10
South McCormack Silurian Pool
Lea County, New Mexico

YEAR MONTH	OIL --- Bbls	GAS - MCF	WATER --- Bbls
1971			
Jan.	1122	810	752
Feb.	1043	742	642
Mar.	1001	758	650
Apr.	811	644	810
May	903	1084	810
June	811	957	730
July	838	978	837
Aug.	745	947	840
Sept.	746	864	-
Oct.	836	1688	730
Nov.	670	1226	528
Dec.	602	1415	486
1972			
Jan.	900	2086	290
Feb.	785	1755	972
Mar.	821	2306	796
Apr.	413	1626	1094
May	430	2106	1178
June	422	1565	1016
July	276	1293	872
Aug.	287	1346	723
Sept.	270	1302	752
1972 Daily Avg.	16.8 Bbls	56.1 MCF	28 Bbls.

Cumulative Oil Prod. to 10-1-72 - 129,328 Bbls.

EXHIBIT 4
CASE NO. 4855
November 14, 1972

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	<u>4855</u>
CASE NO.	<u>4855</u>
Submitted by	<u>GULF</u>
Hearing Date	<u>11/14/72</u>

WELL HISTORY

CARY MONTOYA POOL

R. E. COLE (NCT-A) NO. 10

History covers period from 7-24-67 to 8-2-67.

TD 7383', PBTD 7347', 7" casing.

- 7-24-67 - Perforated 7" csg 7323-25' w/3-1/2" JH. 7312-14' w/7-1/2" JH in Cary Montoya zone. Ran 2-3/8" tbq w/full bore pkr. Set pkr at 7264', ND BOP's, NU WH. Swbd 27 BW to pit from SN. RU Howco. Ppd 500 gal 15% NE acid to perfs 7312-25'. Attempted to acidize. Got approx 35 gal at 6000#, WN break down.
- 7-25-67 - Rel pkr. ND WH. NU BOP's, lowered 2-3/8" tbq. Spotted acid over perfs 7312-25'. Picked up & reset pkr at 7254'. Ppd 500 gal 15% NE acid into perfs 7312-25'. Broke down form w/2600#. Max press 2600#, min 2200#, AIR 3 BPM, ISIP 1600#, after 5 min 1100#, after 35 min 0#. Flshd w/30 BW. Swbd & rec all load & AR to pit. Swbd dry, no oil. TP 20%.
- 7-26-67 - Swbd 14 BW, no oil 2 hrs, swbd dry. Acidized down tbq w/1000 gal 28% NE acid w/AS-5 inhibitor. Used 12 - 7/8" RCN balls. Max press 3300#, min 2000#, IR 4.8 BPM, ISIP 1900#, after 5 min 1200#, after 20 min 0#. Flshd w/31 BW. CI 1 hr. Ran swab 4 times, WKO & fld 120 BO, 84 BAR, 71 BW on 24/64" ck in 18 hrs. FTP 100 PSI (see test recorded 7-28-67 report).
- 7-27-67 - Fld 74 BO, 73 BW on 24/64" ck in 24 hrs. FTP 25#.
- 7-28-67 - Fld 114 BO, 37 BW on 24/64" ck in 24 hrs (test) ending 12:30 7-26-67. 68.47 MCFPD, 476 GOR, corr grav 41.20. Fld 42 BO, 31 BW on 18/64" ck in 24 hrs end 7A 7-28-72. FTP 40#.
- 7-31-67 - Fld 48 BO, 44 BW on 16/64" ck 48 hrs end 7A 7-30-67 & died. CI 24 hrs end 7A 7-31-67. TP 0#.
- 8-1-67 - CI 8 hrs 3P 7-31-67. FU PU. Rel pkr. POH.
- 8-2-67 - Ran 7" 23# CIBP & set at 7280'. Pumped 2 sx cnt on top BP. Calc PBTD 7268'. Cary Montoya perf plugged off.

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	5
CASE NO.	4855
Examined by	644F
Hearing Date	11/14/72

EXHIBIT 5
CASE NO. 4855
November 14, 1972

State of New Mexico

TELEPHONE

505-827-2748



Commissioner of Public Lands

October 20, 1972

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Gulf Oil Company
P. O. Drawer 1150
Midland, Texas 79701

Re: Request for Approval to Down-Hole
Commingle Production in Gulf Oil
Corporation's R. E. Cole (NCT-A) Well
No. 10, Cary Montoya and South McCormack
Silurian Pools, Lea County, New Mexico
State Oil & Gas Lease No. B-3480-1

ATTENTION: Mr. J. L. Pike

Gentlemen:

Reference is made to your application dated October 16, 1972, requesting approval to Down-Hole Commingle Production in Gulf Oil Corporation's R. E. Cole (NCT-A) Well No. 10, Cary Montoya and South McCormack Silurian Pools. The well being located in the SW/4NW/4 of Section 16, Township 22 South, Range 37 East, Lea County, New Mexico.

You are hereby given approval to the above request. Any deviation from your proposed request will be reason to cancel approval. This approval is subject to like approval by the New Mexico Oil Conservation Commission.

Please remit a Ten (\$10.00) Dollar filing fee.

Very truly yours,

Ray D. Graham
RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

encls

cc:

New Mexico Oil and Gas Accounting Commission
New Mexico Oil Conservation Commission
Lease No. B-3480-1

EXHIBIT 6
CASE NO. 4855
November 14, 1972

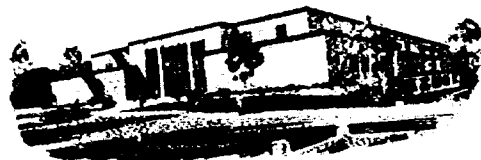
FILED EXAMINER NUTTER
CONSERVATION COMMISSION
EXHIBIT NO. 6
4855
by 646 F
Filing Date 11/14/72

State of New Mexico

TELEPHONE
305-627-2748



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands
October 20, 1972

Case 4855

P. O. BOX 1148
SANTA FE, NEW MEXICO

Gulf Oil Company
P. O. Drawer 1130
Midland, Texas 79701

Re: Request for Approval to Down-Hole
Comingle Production in Gulf Oil
Corporation's R. E. Cole (NCT-A) Well
No. 10, Cary Montoya and South McCormack
Silurian Pools, Lea County, New Mexico
State Oil & Gas Lease No. B-3480-1

ATTENTION: Mr. J. L. Pike

Gentlemen:

Reference is made to your application dated October 16, 1972, requesting approval to Down-Hole Comingle Production in Gulf Oil Corporation's R. E. Cole (NCT-A) Well No. 10, Cary Montoya and South McCormack Silurian Pools. The well being located in the SW/4NW/4 of Section 16, Township 22 South, Range 37 East, Lea County, New Mexico.

You are hereby given approval to the above request. Any deviation from your proposed request will be reason to cancel approval. This approval is subject to like approval by the New Mexico Oil Conservation Commission.

Please remit a Ten (\$10.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encls.
cc:

New Mexico Oil and Gas Accounting Commission
New Mexico Oil Conservation Commission
Lease No. B-3480-1

Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

W. B. Hopkins
DISTRICT MANAGER
J. A. Hord
DISTRICT EXPLORATION
MANAGER
J. L. Pike
DISTRICT PRODUCTION
MANAGER
M. B. Mosley
DISTRICT SERVICES MANAGER

October 16, 1972

OCT 19 10 06 AM '72

P. O. Drawer 1150
Midland, Texas 79701

SANTA FE, N. M.

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

Case 4855

Re: Request for Approval to Down-Hole Commingle
Production in Gulf Oil Corporation's R. E.
Cole (NCT-A) Well No. 10, Cary Montoya and
South McCormack Silurian Pools, Lea County,
New Mexico
State Oil and Gas Lease No. B-3480-1

Gentlemen:

Gulf Oil Corporation is requesting an Examiner Hearing with the New Mexico Oil Conservation Commission to consider its application for approval of down-hole commingling in the well bore of R. E. Cole (NCT-A) Well No. 10 oil production from the Cary Montoya and South McCormack Silurian Pools.

The applicant is owner and operator of the R. E. Cole (NCT-A) Lease covering, among other lands, all of Section 16 below 4000 feet, T22S, R37E, Lea County, New Mexico. Well No. 10 is located in Unit E, 2310 feet from the North Line and 990 feet from the West Line of Section 16.

The well is presently a single producer from the McCormack Silurian Pool with a current producing rate of approximately 22 barrels oil, 32 barrels water, 45 MCF gas and has a gas-oil ratio of 2000 to 1.

The well was drilled during July, 1967. A completion attempt was made in the Cary Montoya Pool at that time, however, testing indicated marginal production. A cast iron bridge plug was set at 7280 feet with 2 sacks of cement placed on top. The well was then completed in the South McCormack Silurian Pool.

In the opinion of the applicant the well now qualifies under Commission Rule 303-C for down-hole commingling. If you have no objection to this application, we would appreciate a letter so stating.

Yours very truly,

J. L. Pike
J. L. PIKE

ROB:jmc



A DIVISION OF GULF OIL CORPORATION

Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

W. B. Hopkins
DISTRICT MANAGER
J. A. Hord
DISTRICT EXPLORATION
MANAGER
J. L. Pike
DISTRICT PRODUCTION
MANAGER
M. B. Moseley
DISTRICT SERVICES MANAGER

October 16, 1972

OCT 19 10 06 AM '72 P. O. Drawer 1150
Santa Fe, New Mexico 87501

SANTA FE, N. M.

Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation for
Approval of Down-Hole Commingling of
Production in the R. E. Cole (NCT-A)
Well No. 10, Cary Montoya and South
McCormack Silurian Oil Pools, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiner Hearing to consider its application for approval of down-hole commingling in the well bore of R. E. Cole (NCT-A) Well No. 10 oil production from the Cary Montoya and South McCormack Silurian Pools.

In support of this application, the following information is submitted:

- (1) Applicant is owner and operator of the R. E. Cole (NCT-A) Lease covering, among other lands, all of Section 16 below 4000 feet, T22S, R37E, Lea County, New Mexico, as more fully shown on the attached plat. Well No. 10 is located in Unit E, 2310 feet from the North Line and 990 feet from the West Line of Section 16.
- (2) Pertinent Information
 - a) Well No. 10 is presently a single producer from the McCormack Silurian Pool.
 - b) Both zones, Montoya and Silurian, are classified as oil zones.
 - c) Upper zone, South McCormack Silurian, is presently being pumped. Lower zone, Cary Montoya, died on production test and would require pumping. The lower



A DIVISION OF GULF OIL CORPORATION

Oil Conservation Commission

- 2 -

RECEIVED
OCT 19 10:26 AM '72
STATE LANDS
SANTA FE, N. M.

zone is sealed off by a cast iron bridge plug with cement on top. (Note attached drawing of Present Mechanical Installation.) Permission was never obtained to dual complete the well.


- d) Total daily oil production from both zones in the 7000' to 7999' interval bracket is less than 50 barrels oil per day.
- e) Neither zone produces more water than the combined oil limit of 50 barrels per day.
- f) The fluids from each zone are compatible with the fluids from the other.

The attached list of offset operators are being furnished a copy of this application.

Respectfully submitted,

GULF OIL CORPORATION

By


R. O. Bobo

District Proration Engineer

ROB:jmc
Attachments

cc: New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

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

OFFSET OPERATORS

LIVED
OCT 19 10 06 AM '72
SANTA FE, N.M.

Amerada Hess Corporation
Drawer 817
Seminole, Texas 79360

Campbell & Hedrick
P. O. Box 401
Midland, Texas 79701

Carter Foundation Production Company
P. O. Box 1036
Fort Worth, Texas 76101

Cities Service Oil Company
P. O. Box 69
Hobbs, New Mexico 88240

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Getty Oil Company
P. O. Box 249
Hobbs, New Mexico 88240

Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas 79701

John H. Hendrix
316 Central Building
Midland, Texas 79701

Shell Oil Company
P. O. Box 1509
Midland, Texas 79701

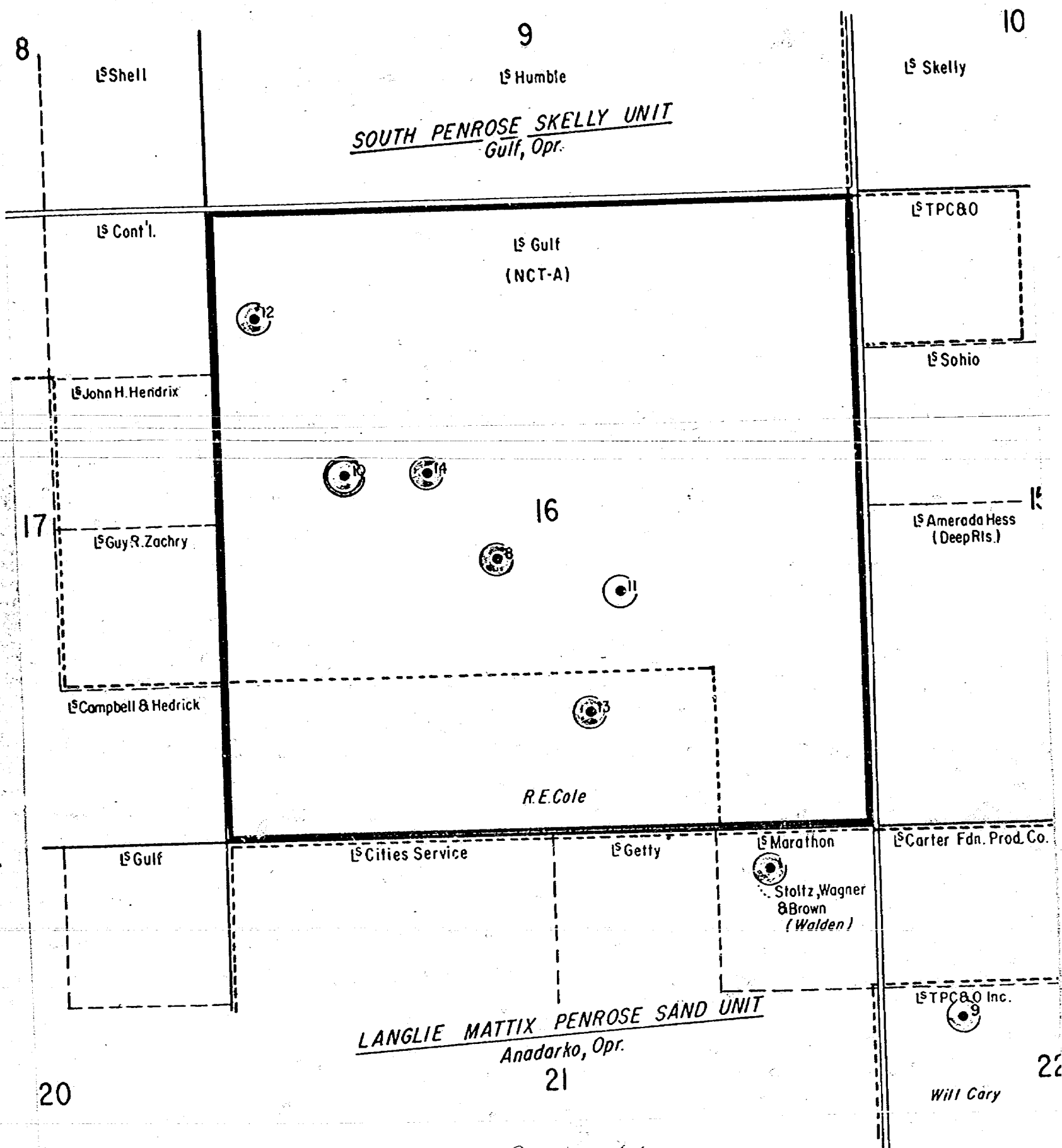
Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Sohio Petroleum Company
P. O. Box 3167
Midland, Texas 79701

Stoltz, Wagner & Brown
P. O. Box 1714
Midland, Texas 79701

Texas Pacific Oil Company
P. O. Box 1069
Hobbs, New Mexico 88240

Guy R. Zachry
P. O. Box 1685
Hobbs, New Mexico 88240



GULF OIL CORPORATION
R.E. COLE (NCT-A) LEASE
SECTION 16, T-22-S, R-37-E
LEA COUNTY, NEW MEXICO

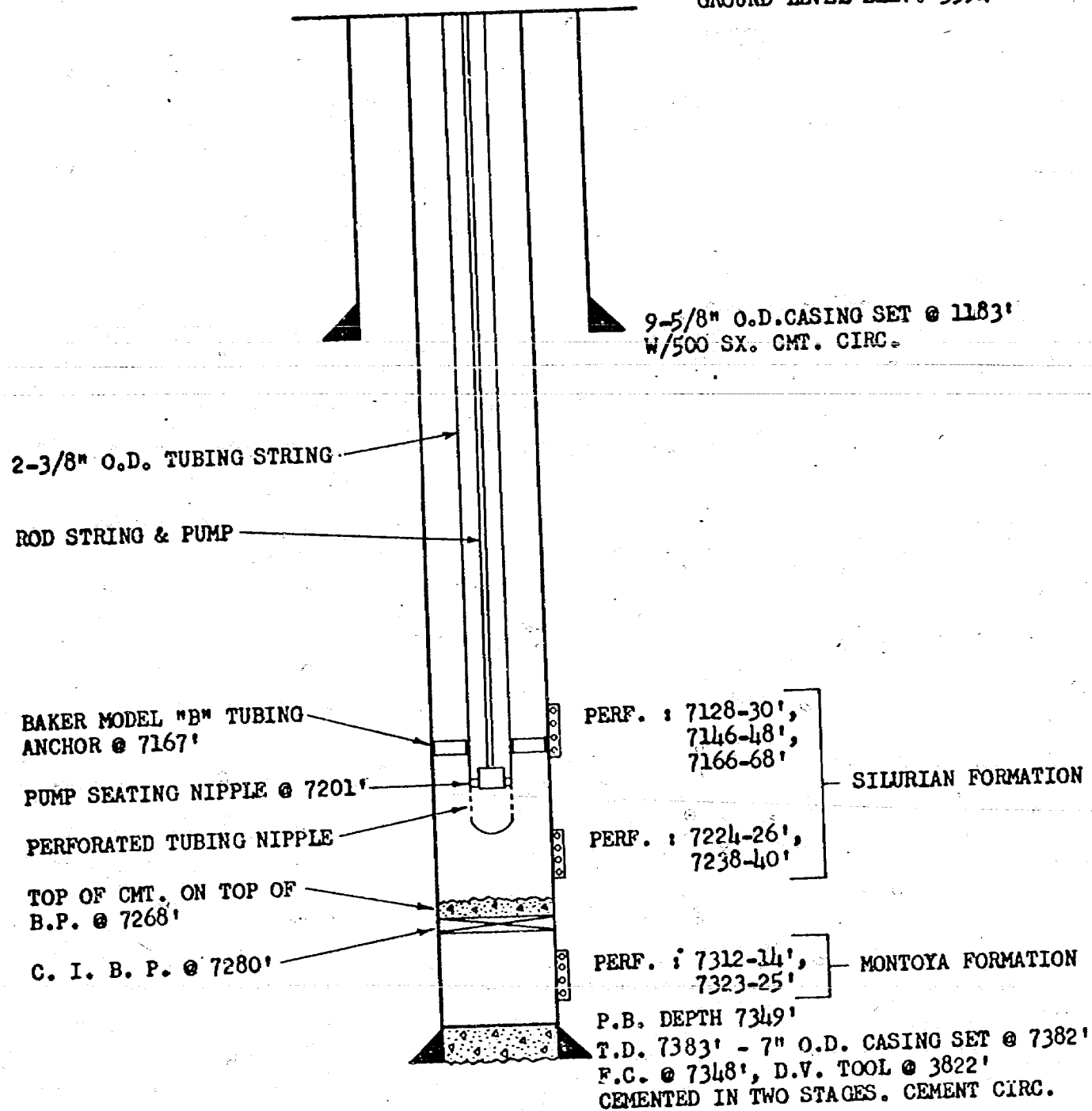
LEGEND

- PERTINENT LEASE
- PERTINENT WELL
- CARY MONTROYA POOL COMPLETION
- SOUTH McCORMACK SILURIAN POOL COMPLETION

SCHEMATIC DIAGRAM
GULF OIL CORPORATION
R. E. COLE (NCT-A) WELL NO. 10
CART MONTOYA & SOUTH McCORMACK OIL POOLS
LEA COUNTY, NEW MEXICO

PRESENT MECHANICAL INSTALLATION

GROUND LEVEL ELEV. 3394'



Case 4855

Gulf Oil Company - U.S.

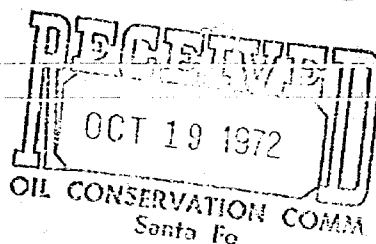
EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

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MANAGER
M. B. Moseley
DISTRICT SERVICES MANAGER

October 16, 1972

P. O. Drawer 1150
Midland, Texas 79701

Case 4855



Oil Conservation Commission
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Application of Gulf Oil Corporation for
Approval of Down-Hole Commingling of
Production in the R. E. Cole (NCT-A)
Well No. 10, Cary Montoya and South
McCormack Silurian Oil Pools, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation respectfully requests an Examiner Hearing to consider its application for approval of down-hole commingling in the well bore of R. E. Cole (NCT-A) Well No. 10 oil production from the Cary Montoya and South McCormack Silurian Pools.

In support of this application, the following information is submitted:

- (1) Applicant is owner and operator of the R. E. Cole (NCT-A) Lease covering, among other lands, all of Section 16 below 4000 feet, T22S, R37E, Lea County, New Mexico, as more fully shown on the attached plat. Well No. 10 is located in Unit E, 2310 feet from the North Line and 990 feet from the West Line of Section 16.
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A DIVISION OF GULF OIL CORPORATION

DOCKET MAILED

Date 11-2-72

October 16, 1972

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- d) Total daily oil production from both zones in the 7000' to 7999' interval bracket is less than 50 barrels oil per day.
- e) Neither zone produces more water than the combined oil limit of 50 barrels per day.
- f) The fluids from each zone are compatible with the fluids from the other.

The attached list of offset operators are being furnished a copy of this application.

Respectfully submitted,

GULF OIL CORPORATION

By R. O. Bobo
R. O. Bobo
District Proration Engineer

ROB:jmc
Attachments

cc: New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

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

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Midland, Texas 79701

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Midland, Texas 79701

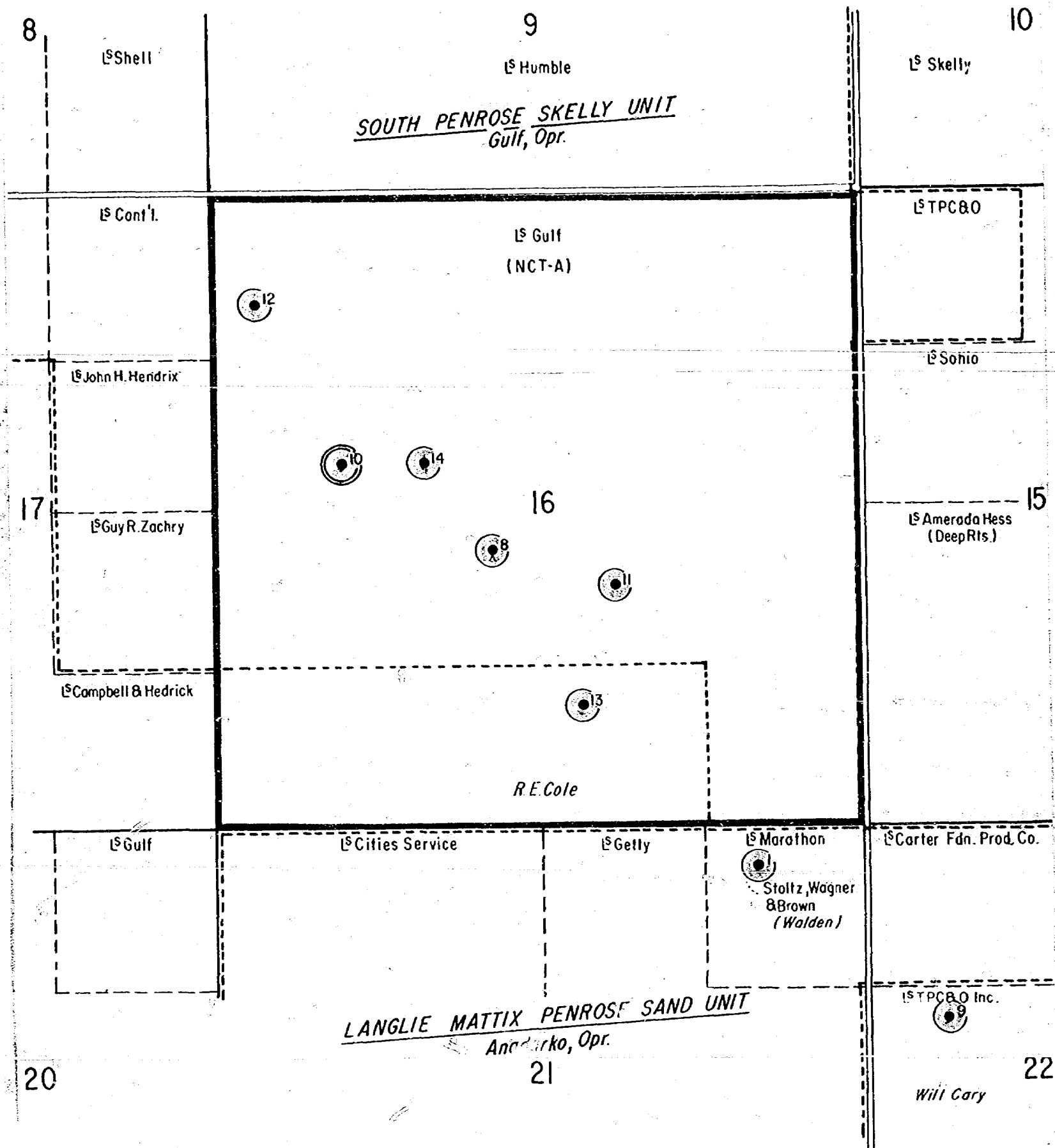
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Stoltz, Wagner & Brown
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P. O. Box 1069
Hobbs, New Mexico 88240

Guy R. Zachry
P. O. Box 1685
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GULF OIL CORPORATION
R.E. COLE (NCT-A) LEASE
SECTION 16, T-22-S, R-37-E
LEA COUNTY, NEW MEXICO

LEGEND

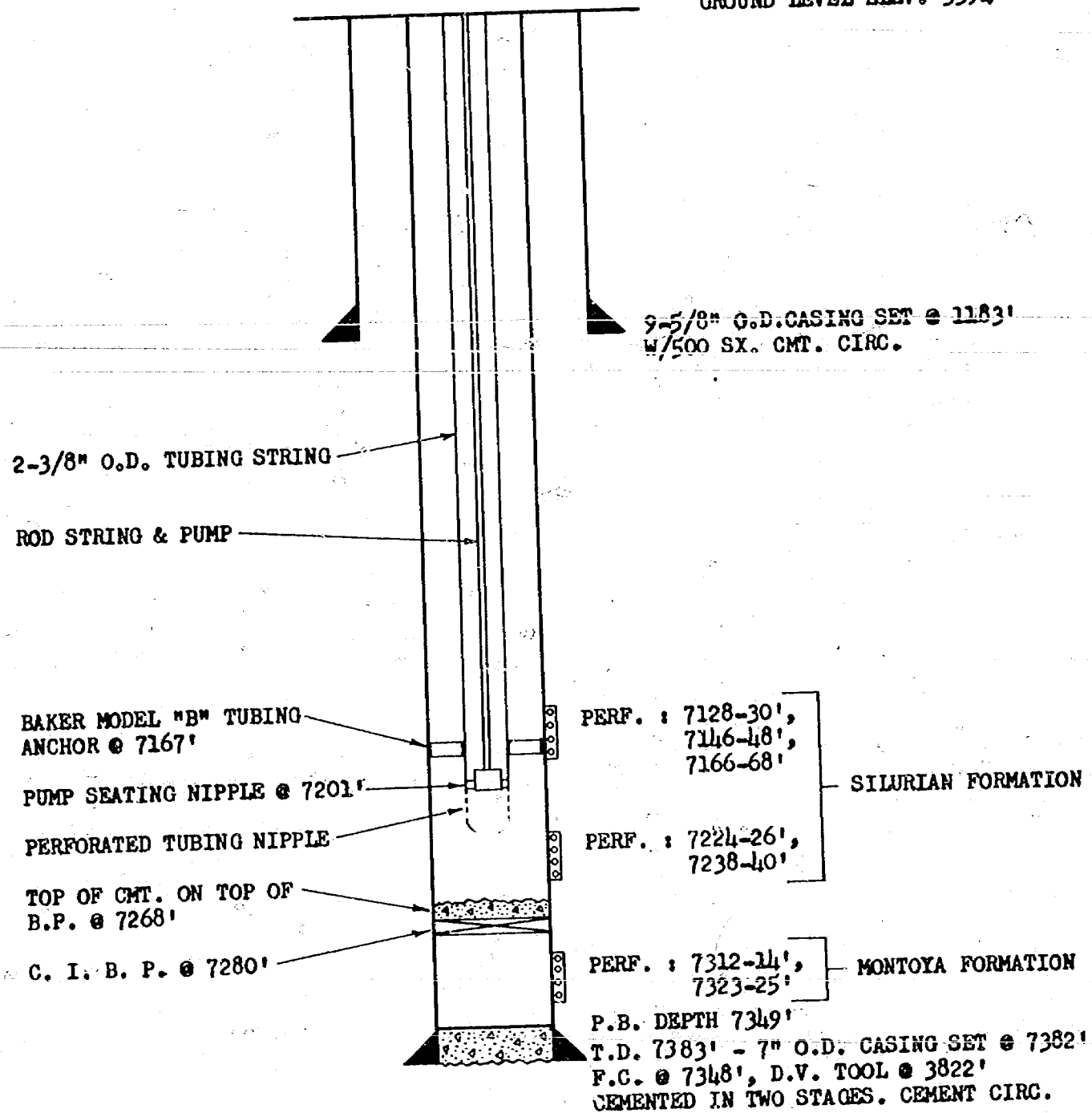
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- PERTINENT WELL
- CARY MONTROYA POOL COMPLETION
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GULF OIL CORPORATION
R. E. COLE (NCT-A) WELL NO. 10
CART MONTOYA & SOUTH McCORMACK OIL POOLS
LEA COUNTY, NEW MEXICO

Case 4855

PRESENT MECHANICAL INSTALLATION

GROUND LEVEL ELEV. 3394'



DRAFT

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. 4855

Order No. R- 4443

APPLICATION OF GULF OIL CORPORATION
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 November 14, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of November, 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, Gulf Oil Corporation, is the
owner and operator of the R. E. Cole (NCT-A) Well No. 10 in
Unit E of Section 16, Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico.

-2-

Case No. 4855

Order No. R-

(3) That when said well was drilled in 1967, swab tests in the Montoya formation indicated low marginal producing capacity in said formation, and said zone was sealed off and the well completed in the South McCormack-Silurian Pool.

(4) That productivity in the South McCormack-Silurian zone of the subject well has ^{now} declined to the economic limit of production.

(5) That the applicant proposes to open the well to both the Silurian and Montoya formations and to commingle in the well-bore production from the South McCormack-Silurian and the Cary-Montoya Pools.

(6) That analysis of the combined liquid hydrocarbon production from both of the aforesaid pools indicates the fluids are compatible with each other and that no peculiar production problems should result from the proposed downhole commingling.

(7) That approval of the application will not cause waste nor impair correlative rights, and should extend the economic life of the well, thereby resulting in the recovery of oil that would otherwise be lost.

(8) That the proposed downhole commingling should be approved.

(9) That the commingled production should be allocated upon the basis of production tests to be submitted to the Santa Fe office of the Commission at the time of conversion.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete its R. E. Cole (NCT-A) Well No. 10, located in Unit E of Section 16, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the Cary-Montoya and South McCormack-Silurian Oil Pools through one string of tubing, commingling in the well-bore the production from both pools.

-3-

Case No. 4855
Order No. R-

(2) That immediately upon completion of the above-described well in both zones, the operator shall furnish the Santa Fe office of the Commission production tests for the combined zones of the well, whereupon the Commission shall establish a formula for allocating the commingled oil production and commingled gas production to each zone.

(3) That the commingling in the well-bore authorized by this order shall continue only so long as the commingled production of the two zones does not exceed 50 barrels of oil per day nor 50 barrels of water per day.

(4) 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.

(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.