

CASE 4890: Application of TEXACO
FOR DOWNHOLE COMMINGLING, LRA
COUNTY, NEW MEXICO.

Cont. to Jan. 17th

Case Number

4890

Application
Transcripts.

Small Exhibits

ETC.

dearnley, meier & mc cormick

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

January 17, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc. for
downhole commingling, Lea County,
New Mexico.

Case No. 4890

BEFORE: Elvis A. Utz

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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MR. UTZ: Case 4890.

MR. CARR: Case 4890, Application of Texaco Incorporated for downhole commingling, Lea County, New Mexico.

MR. KELLY: Booker Kelly, of White, Koch, Kelly and McCarthy of Santa Fe, appearing on behalf of the Applicant.

KENNETH PETERS,

sworn to testify upon his oath as follows:

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name and by whom you are employed and in what capacity?

A My name is Kenneth Peters, I'm the District Production Engineer for Texaco Incorporated, located in Hobbs, New Mexico.

Q And have you previously qualified as an expert witness in the field of petroleum engineering before the Commission?

A Yes, I have.

Q Referring to the plat which has been marked Exhibit One, would you state what Texaco seeks?

A Texaco requests that approval be granted to wellbore commingle the fluids from the Vacuum-Upper Pennsylvanian, the Vacuum-Abo Norah, and the Vacuum-Wolfcamp, located in its Texaco Mobil State Well No. 1, in order to economically recover additional oil that would be

1 otherwise unrecovered under existing rules and
2 regulations.

3 Plat number one shows the Texaco-Mobil lease
4 outlined in yellow, and Well No. 1 is designated by
5 the red arrow. The well is located in Unit H of Section
6 25, Township 17 South, Range 34 East, Lea County, New
7 Mexico; and this well was completed in July, 1964, as
8 a trim-tubingless completion as authorized by Commission
9 Order Number MC-1526, dated August 23, 1964.

10 This plat also shows those existing wells within
11 a minimum of two miles adjacent to the subject well,
12 and their formations are designated by the letter below
13 the well and the legend at the bottom of the plat
14 designates their pool.

15 Q Now, could you give the Examiner a history of these
16 three zones in this well and also the present status
17 of the well itself?

18 A Okay. Referring to plat two showing the present
19 completion of the well, the well has surface casing
20 of 13 3/8 set at 350 foot and cement circulated to the
21 surface with 400 sacks. There is an intermediate
22 casing of 9 5/8 set at 4,800 feet, and that casing also
23 has cement circulated with 1,700 sacks.

24 The well is completed with 2 7/8 casing strings,
25 three of them set at a T.D. of approximately 10,300

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1 feet. At the present time, the Abo North and the
2 Vacuum-Wolfcamp are downhole commingled, and this was
3 done by Administrative Order DHC-12, dated December 8,
4 1969; and at that time, sixty-nine percent of the
5 production was allocated to the Abo Zone, and the
6 remaining thirty-one percent was allocated to the
7 Wolfcamp Zone.

8 Q All right. Now, referring to what has been marked
9 as Exhibit Three, would you go over the information
10 contained in that?

11 A Exhibit Number Three shows the well data involved.
12 We have the three zones flowing, the Wolfcamp and the
13 Abo flow intermittently and must be swabbed frequently.
14 The bottom hole pressures of these three zones were
15 taken by a pressure bottom.

16 The Abo and the Wolfcamp, since they are commingled,
17 are the same at 743 PSI, and the Pennsylvanian is
18 336 PSI.

19 The crude oil that is produced is sweet. The
20 common gravity of the Abo and Wolfcamp is 39.4; that
21 of the Pennsylvanian is 38.9.

22 The field has a GOR limit, these three pools,
23 have 2,000. The completion interval is shown, and the
24 current producing rates are shown by these tests.

25 The Abo North is producing at ten barrels of oil

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per day, one barrel of water, with a GOR of 766. The Wolfcamp is producing five oil, no water, with a GOR of 701. And, the Penn is producing eleven oil, no water, with a GOR of 1,250. The total production from these three pools is twenty-six oil and one water; and it may be noted that the water is negligible from these three zones.

The selling price of the crude is about \$3.50 per barrel of oil. These three crudes are presently commingled on the surface by Administrative Order PC-236, dated October 19, 1964; and there was no loss in the value of the crude.

Therefore, if the application is approved, downhole commingling will not reduce the value of the crude.

Q So, what you've got here, are two already approved commingled zones, and surface commingling approved on all three already?

A That's correct.

Q Now, is one of the already commingled zones in an already approved secondary recovery project?

A Yes, Mobil Oil Corporation had an application approved to initiate a secondary recovery operation in the Vacuum-Abo North Pool; and the subject well is located in this pool. By study of the well logs, it appears that the zone of interest, the Abo Zone, is limited

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- 1 on permeability and porosity.
- 2 Q Do you feel that commingling would have any adverse
- 3 effect on the project?
- 4 A No, I don't.
- 5 Q If it should be determined at a later date that it is
- 6 having some effect, what would you suggest?
- 7 A If commingling, if the approval of this application
- 8 to downhole commingle the three zones would have a
- 9 detrimental effect on reserves that are assigned to
- 10 the Abo, the Vacuum-Abo, Texaco would re-segregate the
- 11 Abo Zone by placing a bridge plug below that present
- 12 completion interval, therefore isolating it from the
- 13 other two zones.
- 14 Q Who is the operator of that fluid?
- 15 A Mobil Oil Corporation.
- 16 Q And does Mobil have an interest in the subject well?
- 17 A Yes. This well was drilled under communitization,
- 18 Texaco and Mobil both own fifty percent of the well.
- 19 Q Now, is all your other interest in the well common?
- 20 A Yes.
- 21 Q I take it there has been no response at all to date,
- 22 though, as far as this well is concerned, on that
- 23 project?
- 24 A No, there hasn't.
- 25 Q All right. Now, your next exhibit shows your completion

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1 that you propose, is that correct?

2 A Yes, sir. Exhibit Four is like the existing completion
3 exhibit. Texaco will downhole commingle the three
4 zones by re-perforating the existing Vacuum-Penn section
5 into the Vacuum-Wolfcamp and the Abo North, and produce
6 all three zones through the Vacuum and string. This,
7 although all three zones are flowing, production will
8 be obtained through a rod pop; and this is to assure
9 that the wellbore is pumped down at all times to
10 eliminate possibilities of crossflow, which would
11 result in a potential loss in reserves.

12 Texaco will monitor this pump-down situation
13 through additional well tests more frequently than
14 those that are required on a normal well; and also
15 through the use of a dynamometer, get surveys which
16 would give the bottom hole pressure.

17 Q All right. Now, Exhibits Five and Six and Seven are
18 performance curves on each of the zones.

19 A Yes, sir.

20 Q Would you go through those exhibits?

21 A Exhibit Number Five is depicting the performance of
22 the Penn Zone which is presently at a twenty-six percent
23 decline rate. If it continues to produce as a single
24 completion, it will reach its economic limit in June,
25 1975. If the subject application is approved, the

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1 Penn Zone will have a lower economic limit through
2 the combining of the three zones and it will reach an
3 economic limit, then, in April, 1977, thereby recovering
4 an additional 2,380 barrels of reserves.

5 Q And its present rate is what, now, eleven?

6 A The present producing rate is eleven barrels per day.

7 Q All right. Let's go on to Exhibit Number Six.

8 A Exhibit Number Six exemplifies the performance curve
9 of the Abo Zone, which is producing ten barrels of oil
10 per day at a twenty-six percent decline rate. It will
11 reach its economic limit as a dual completion, or
12 multiple completion, with the Abo Zone-- correction,
13 with the Wolfcamp Zone-- as it is now downhole
14 commingled, in June of 1974. By downhole commingling
15 all three zones, it will reach its economic limit
16 also in 1977, thereby recovering an additional 4,740
17 barrels of oil.

18 Q All right. Go on to the last performance curve.

19 A Exhibit Number Seven exemplifies the Wolfcamp performance
20 curve. The Wolfcamp presently produces five barrels
21 per day at a twenty-one percent decline rate. It will
22 reach an economic limit under the present producing
23 status in June of 1974; but if allowed to be downhole
24 commingled with the three zones, it will reach its
25 economic limit, too, in April, 1977, thereby recovering

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an additional 2,640 barrels of oil.

Q Now, by my calculations, then, by this commingling, you would increase your production by pretty close to 10,000 barrels, 9,750.

A Yes, that is correct. If the application is approved, based on present producing rates, the following production allocations may be made.

For proration purposes, on the oil, the Penn would receive forty-two percent, the Abo would receive thirty-nine percent, and the Wolfcamp the remaining nineteen percent. For gas proration, the Penn Zone would receive fifty-five percent, the Abo would receive thirty-one percent, and the Wolfcamp would receive fourteen percent.

MR. UTZ: Now, what was the oil percentage that you gave?

THE WITNESS: The Penn Zone would receive forty-two percent, the Abo would receive thirty-nine percent, and the Wolfcamp would receive nineteen percent.

Q (By Mr. Kelly) Now, your allocations between the Abo and the Wolfcamp, have they continued to show a decline, your production?

A Yes, sir, they have, exemplified by the two performance curves.

Q In your opinion, would the granting of this application

1 prevent waste by allowing you to produce oil and gas
2 that would otherwise be left in-place?

3 A Yes, sir, it would.

4 Q Were Exhibits One through Seven prepared by you or under
5 your supervision?

6 A Yes, sir, they were.

7 MR. KELLY: I would move the introduction of
8 Texaco's Exhibits One through Seven.

9 MR. UTZ: Without objection, Exhibits One through
10 Seven will be entered into the records of this case.

11 MR. KELLY: I have nothing further at this time,
12 Mr. Examiner.

13 * * * *

14 CROSS EXAMINATION

15 BY MR. UTZ:

16 Q Mr. Peters, the Abo and the Wolfcamp are now pumping?

17 A No, sir, both of these zones are flowing, but they are
18 flowing intermittently and they must be swabbed frequently.

19 Q How about the Penn Zone?

20 A It is flowing also.

21 Q Now, did you say you intended to pump these?

22 A Yes, sir. This is to insure that all production coming
23 to the wellbore through the commingling would be
24 produced.

25 Q Now, how are you going to pump them?

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1 A With a standard rod pump.

2 Q On each zone, each set of tubing?

3 A No, we would just have the rod pump placed in the
4 Vacuum-Penn Zone, which is the deepest of the three zones.

5 Q All three of these sets of tubing are actually casings
6 set in cement?

7 A Yes, sir.

8 Q And you will perforate, in order to effect the
9 commingling?

10 A Yes, sir.

11 MR. UTZ: Are there other questions of the witness?

12 MR. SEEREY: Mr. Examiner, I'm John Seerey, with
13 Mobil, we would like to make a statement at the conclusion
14 of this case.

15 MR. UTZ: The witness may be excused.

16 Make your statement.

17 MR. SEEREY: Mobil Oil Corporation, as offset
18 operator and working interest owner in the subject Mobil
19 State Well No. 1, questions the wisdom of uncontrolled
20 downhole commingling in the North Vacuum-Abo, Vacuum-
21 Wolfcamp, and Vacuum-Penn Zones in this well.

22 The upper zone of the North Vacuum-Abo Pool in
23 the North Vacuum-Abo Unit will soon be under pressure
24 maintenance operations as testified to. This unit offsets
25 Texaco's Mobil State Well No. 1, and because of the entered

1 injectivity, this zone will be at a higher pressure than
 2 the lower zones, which would not be on fluid injection.
 3 And under these circumstances, Mobil feels it is possible
 4 in the future for oil from the pressured zone in the North
 5 Vacuum-Abo to be lost into the lower zone.

6 We therefore respectfully recommend that any order
 7 allowing the downhole commingling in this wellbore has such
 8 safeguards to insure that response, production from Mobil's
 9 unit operations, will not be lost to the lower zone.

10 MR. UTZ: Do you have a copy of your statement?

11 MR. SEEREY: Yes, sir.

12 MR. KELLY: Mr. Utz, I would object to that
 13 statement being allowed into the record. It is a statement
 14 which purports to be factual rather than just a statement.
 15 The man was not sworn, usually statements are limited to
 16 statement of position, either pro or con; but he's attempted
 17 to present data as to what pressure effects might be.

18 MR. UTZ: Well, the North Vacuum-Abo is a pressure
 19 maintenance project offsetting this well, is it not?

20 THE WITNESS: Yes, it is.

21 MR. UTZ: And you mentioned that in your testimony?

22 THE WITNESS: Yes.

23 MR. KELLY: If that's the case, I'd like to be
 24 able to ask my witness one more question.

25 MR. UTZ: Fine.

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REDIRECT EXAMINATION

BY MR. KELLY:

Q Do you feel that the higher pressures in the Abo would have any adverse effect on this?

A No effect whatsoever, so long as the wellbore condition remains to be pumped down, as we intended to do so.

MR. KELLY: Mr. Examiner, I'd also like to ask you to take administrative notice of an application that I understand was granted recently, a Getty Oil application. It was Case No. 4888, and referring to Exhibit Number One, this particular application was in Section 36 immediately south, and it was in the Northwest of the Northwest, Well No. 6 there of Getty. As I understand it, and I think the transcript will bear me out, that was an identical application to this, even the same zones were par commingled and then the Penn was added to it.

There was an order entered some time in the last week or so.

MR. UTZ: Which well was it in Section 36?

MR. KELLY: It's in the Northwest of the Northwest, it's Getty's Number 6.

That's all we have.

MR. UTZ: All right. And I will again excuse the witness.

If there is nothing further, the case will be

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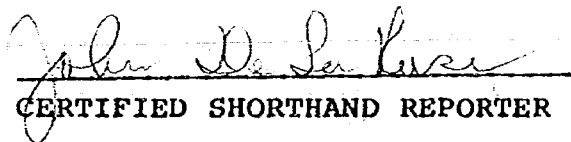
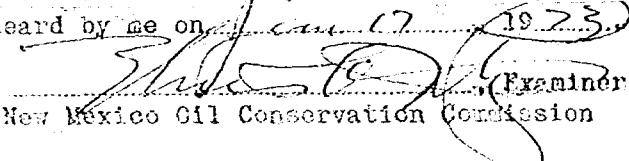
taken under advisement.

The hearing is adjourned.

* * * *

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| 1 | STATE OF NEW MEXICO) |
| 2 | COUNTY OF BERNALILLO } SS |
| 3 | |
| 4 | I, JOHN DeLaROSA, a Certified Shorthand Reporter, |
| 5 | in and for the County of Bernalillo, State of New Mexico, |
| 6 | do hereby certify that the foregoing and attached Transcript |
| 7 | of Hearing before the New Mexico Oil Conservation Commission |
| 8 | was reported by me; and that the same is a true and correct |
| 9 | record of the said proceedings to the best of my knowledge, |
| 10 | skill and ability. |
| 11 | |
| 12 |  |
| 13 | CERTIFIED SHORTHAND REPORTER |
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| 22 | I do hereby certify that the foregoing is |
| 23 | a complete record of the proceedings in |
| 24 | the Examiner hearing of Case No. 4,880, |
| 25 | heard by me on Jan. 17, 1923. |
| |  Examiner New Mexico Oil Conservation Commission |

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
January 3, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc. for downhole
commingling, Lea County, New Mexico.

Case No. 4890

BEFORE: Daniel S. Nutter,
Examiner

TRANSCRIPT OF HEARING

MR. CARR: 4890, application of Texaco Inc. for downhole commingling, Lea County, New Mexico. The applicant has requested that this case be continued to January 17.

MR. NUTTER: Case 4890 will be continued to the Examiner Hearing to be held at this same place at 9:00 A.M., January 17, 1973.

We will now call Case 4891.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, JANET RUSSELL, a Court 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.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4890 heard by me on Jan 3, 1973.

JANET RUSSELL
COURT REPORTER

Examiner
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

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

87501

**GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

February 14, 1973

Mr. Booker Kelly
White, Koch, Kelly & McCarthy
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: Case No. 4890
Order No. R-4475
Applicant: _____
Texaco Inc.

Dear Sir:

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

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. 4890
Order No. R-4475

APPLICATION OF TEXACO INC.
FOR DOWNHOLE COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 17, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 14th day of February, 1973, 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, Texaco Inc., is the owner and operator of the Mobil State Well No. 1, located in Unit H of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That pursuant to authority granted by Administrative Order MC-1526, said Well No. 1 was completed by the applicant as a triple completion (tubingless) to produce oil from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools.

(4) That subsequently Administrative Order DHC-12 authorized downhole commingling of the Abo and Wolfcamp production in the subject well.

(5) That each of the three zones in the subject well is capable of only low marginal production.

(6) That the applicant now seeks authority to complete said Well No. 1 in such a manner as to produce oil from the subject well through one string of 2 7/8-inch casing, commingling in the wellbore the production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools.

-2-

Case No. 4890
Order No. R-4475

(7) That the proposed commingling in the subject well of the three zones may substantially extend the productive lives of said zones in the subject well.

(8) That the reservoir characteristics of each of the zones in the subject well are such that underground waste would not be caused by the proposed commingling in the wellbore.

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

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

(11) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action the operator should notify the Hobbs District Office of the Commission any time the subject well is shut-in for seven consecutive days.

(12) That the allowable and commingled production should be allocated to each of the zones in the well upon the basis of 40 percent North Vacuum-Abo, 20 percent Vacuum-Wolfcamp, and 40 percent Vacuum-Upper Pennsylvanian.

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

(14) That Administrative Orders MC-1526 and DHC-12 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to complete its Mobil State Well No. 1, located in Unit H of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools through one string of 2 7/8-inch casing, commingling in the wellbore the production from the pools.

(2) That the allowable and commingled production shall be allocated to each of the zones commingled in the wellbore of the subject well on the basis of 40 percent to the North Vacuum-Abo, 20 percent to the Vacuum-Wolfcamp, and 40 percent to the Vacuum-Upper Pennsylvanian.

(3) That the commingling in the wellbore authorized by this order shall continue only so long as the commingled production of the three zones does not indicate significant stimulation of any of the zones by pressure maintenance operations in the area.

-3-

Case No. 4890
Order No. R-4475

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

(5) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for seven consecutive days and shall concurrently present to the Commission a plan for remedial action.

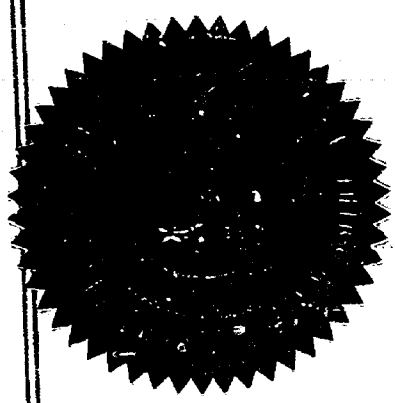
(6) That the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

(7) That Administrative Orders MC-1526 and DHC-12 are hereby superseded.

(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
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMILJO, Member

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

S E A L

dr/

Case 4890

Grant Texaco permission to
downhole commingle oil production
from the three zones in their Texaco
State #1 H-25-175-346. These

3 are are:

| | |
|-------------------------|-----------------------|
| Upper Vacuum | North Abo. |
| Upper Pool | North Vacuum - Abo |
| Middle pool. | Vacuum - Wolfcamp |
| Lower Pool. | Vacuum - Upper Perm. |

No loss in value of oil will be
result.

These wells are of a very marginal
nature

Thos. O. Mc

CASE 4893: Application of Continental Oil Company for three non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas proration units, Eumont Gas Pool, Lea County, New Mexico:

A 200-acre unit comprising the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, Township 21 South, Range 36 East, to be dedicated to the Meyer A-1 Well No. 6 located in Unit B of said Section 18; a 320-acre unit comprising the S/2 of Section 12, Township 19 South, Range 36 East, to be dedicated to the State KN-12 Well No. 1 located in Unit P of said Section 12; and a 158.9-acre unit comprising the N/2 S/2 of Section 7, Township 19 South, Range 37 East, to be dedicated to the State A-7 Com No. 1 located in Unit I of said Section 7.

CASE 4894: Application of Felmont Oil Corporation for a dual completion, contraction of vertical limits, creation of a new pool, and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, to exclude the producing interval from 8894 feet to 8914 feet as found in its Aaron Unit Well No. 1, located in Unit N of Section 11, Township 18 South, Range 26 East, and to redesignate said Atoka-Pennsylvanian Gas Pool as the Atoka-Lower Pennsylvanian Gas Pool, and for the creation of a new pool for the above-described producing interval to be designated Atoka-Upper Pennsylvanian Gas Pool. Applicant also seeks the adoption of special rules for said proposed new pool similar to the pool rules for the presently existing Atoka-Pennsylvanian Gas Pool; applicant further seeks approval for the dual completion of the above-described well to produce from the afore-said two pools.

CASE 4895: Application of Llano, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Grama Ridge Morrow Unit Area comprising 1,280 acres, more or less, of State Lands in Townships 21 and 22 South, Range 34 East, Lea County, New Mexico.

CASE 4896: Application of Llano, Inc. for gas injection, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject gas for secondary recovery and gas storage purposes in the Morrow formation through its State GRA Well No. 1 located in Unit N of Section 3, Township 22 South, Range 34 East, and its State GRB Well No. 1 located in Unit L of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, Lea County, New Mexico.

CASE 4890: (Continued from the January 3, 1973 Examiner Hearing)

Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its Mobil State Well No. 1 located in Unit H of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 17, 1973

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

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1973 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 February, 1973.

CASE 4875: (Continued from December 19, 1972 Examiner Hearing)

Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

CASE 4860: (Continued from the December 19, 1972 Examiner Hearing)

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 4482: (Reopened) (Continued from the January 3, 1973 Examiner Hearing)

In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093-A, which order continued the special rules and regulations for the Parkway-Strawn Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said special pool rules should be further extended.

CASE 4892: Application of Mobil Oil Corporation for a dual completion and water injection, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Carson Watson Com Well No. 13 located in Unit G of Section 33, Township 21 South, Range 37 East, in such a manner as to permit the production of gas from the Tubb Gas Pool and the injection of water into the Drinkard formation underlying the Central Drinkard Unit, Drinkard Pool, Lea County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 17, 1973

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

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1973 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 February, 1973.

CASE 4875: (Continued from December 19, 1972 Examiner Hearing)

Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

CASE 4860: (Continued from the December 19, 1972 Examiner Hearing)

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 4482: (Reopened) (Continued from the January 3, 1973 Examiner Hearing)

In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093-A, which order continued the special rules and regulations for the Parkway-Strawn Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said special pool rules should be further extended.

CASE 4892: Application of Mobil Oil Corporation for a dual completion and water injection, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Carson Watson Com Well No. 13 located in Unit G of Section 33, Township 21 South, Range 37 East, in such a manner as to permit the production of gas from the Tubb Gas Pool and the injection of water into the Drinkard formation underlying the Central Drinkard Unit, Drinkard Pool, Lea County, New Mexico.

CASE 4893: Application of Continental Oil Company for three non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas proration units, Eumont Gas Pool, Lea County, New Mexico:

A 200-acre unit comprising the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, Township 21 South, Range 36 East, to be dedicated to the Meyer A-1 Well No. 6 located in Unit B of said Section 18; a 320-acre unit comprising the S/2 of Section 12, Township 19 South, Range 36 East, to be dedicated to the State KN-12 Well No. 1 located in Unit P of said Section 12; and a 158.9-acre unit comprising the N/2 S/2 of Section 7, Township 19 South, Range 37 East, to be dedicated to the State A-7 Com No. 1 located in Unit I of said Section 7.

CASE 4894: Application of Felmont Oil Corporation for a dual completion, contraction of vertical limits, creation of a new pool, and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, to exclude the producing interval from 8894 feet to 8914 feet as found in its Aaron Unit Well No. 1, located in Unit N of Section 11, Township 18 South, Range 26 East, and to re-designate said Atoka-Pennsylvanian Gas Pool as the Atoka-Lower Pennsylvanian Gas Pool, and for the creation of a new pool for the above-described producing interval to be designated Atoka-Upper Pennsylvanian Gas Pool. Applicant also seeks the adoption of special rules for said proposed new pool similar to the pool rules for the presently existing Atoka-Pennsylvanian Gas Pool; applicant further seeks approval for the dual completion of the above-described well to produce from the aforesaid two pools.

CASE 4895: Application of Llano, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Grama Ridge Morrow Unit Area comprising 1,280 acres, more or less, of State Lands in Townships 21 and 22 South, Range 34 East, Lea County, New Mexico.

CASE 4896: Application of Llano, Inc. for gas injection, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject gas for secondary recovery and gas storage purposes in the Morrow formation through its State GRA Well No. 1 located in Unit N of Section 3, Township 22 South, Range 34 East, and its State GRB Well No. 1 located in Unit L of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, Lea County, New Mexico.

CASE 4890: (Continued from the January 3, 1973 Examiner Hearing)

Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its Mobil State Well No. 1 located in Unit H of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.

TEXACO
INC.

PETROLEUM PRODUCTS



January 3, 1973

RECEIVED
JAN 5 - 1973

OIL CONSERVATION COM. DRAWER 728
Santa Fe, NEW MEXICO 88240

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

Re: Examiner Hearing-January 3, 1973
Case 4890

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

Gentlemen:

TEXACO Inc. via phone conversation with Commission
secretary Mrs. Ida Rodriguez on January 2, 1973, requested
that the referenced case be continued due to inclement weather.
It is requested that the case be re-scheduled for the next
hearing to be held on January 17, 1973.

Yours very truly,

J. V. Gannon
J. V. Gannon
District Superintendent

KLP-ar

MAS, Jr.

DOCKET MAILED

Date 1-5-73

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 3, 1973

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

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

CASE 4723: (Continued from May 17, 1972 and July 12, 1972 Examiner Hearings)

Application of Black River Corporation for pool abolishment, creation of two new gas pools, and a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, and the creation of the Washington Ranch-Upper Morrow and Washington Ranch-Lower Morrow Gas Pools for the production of gas from the upper and lower Morrow formations. Applicant further seeks approval of the dual completion (conventional) of its Cities 3 Federal Well No. 1 located in Unit F of Section 3, Township 26 South, Range 24 East, to produce the lower Morrow through tubing and the upper Morrow through the casing-tubing annulus.

CASE 4876: (Continued from the December 19, 1972 Examiner Hearing)

Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.

CASE 4886: Application of Gulf Oil Corporation for two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard 80-acre oil proration units comprising the SW/4 NE/4 and NW/4 SE/4, and the SW/4 SE/4 and SE/4 SW/4, of Section 16, Township 24 South, Range 37 East, Fowler-Upper Yeso Pool, Lea County, New Mexico, to be dedicated to applicant's J. R. Holt (NCT-A) Well No. 4 located in Unit J and proposed Well No. 5, to be located in Unit O, respectively, of said Section 16.

CASE 4482: (Reopened)

In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093-A, which order continued the special rules and regulations for the Parkway-Strawn Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said special pool rules should be further extended.

CASE 4887: Application of GeoElectric, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of gas production from the Aztec-Fruitland and Aztec-Pictured Cliffs Gas Pools in the wellbore of its Ransom Well No. 1 located in Unit I of Section 13, Township 29 North, Range 11 West, San Juan County, New Mexico.

CASE 4888: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its State "BA" Well No. 6 located in Unit D of Section 36, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4889: Application of Universal Resources Corporation for a non-standard proration unit or in the alternative for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 16, Township 32 North, Range 12 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled approximately 1190 feet from the South line and 1850 feet from the West line of said Section 16, or, in the alternative, applicant seeks an order pooling all mineral interests in the Blanco-Mesaverde Pool underlying the entire S/2 of said Section 16 to be dedicated to the aforesaid proposed well. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4890: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its Mobil State Well No. 1 located in Unit H of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4891: Southeastern New Mexico nomenclature case calling for an order for the abolishment, contraction and extension of certain pools in Lea, Chaves, and Eddy Counties, New Mexico.

(a) Abolish the Teague-Grayburg Pool in Lea County, New Mexico, described as:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 20: SE/4
Section 21: SW/4

(b) Contract the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of the following described area:

Examiner Hearing - Wednesday - January 3, 1973
-3-

Docket No. 1-73

(Case 4891, paragraph (b), continued from page 2)

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 35: S/2 NW/4

(c) Extend the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 35: S/2 NW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 10: S/2 NW/4

(d) Extend the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 9: SE/4
Section 10: S/2

(e) Extend the Bell Lake-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 31: SW/4

(f) Extend the East Brunson-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 13: SW/4
Section 24: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 1: W/2
Section 2: All
Section 3: E/2

(h) Extend the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 8: SW/4

Examiner Hearing - Wednesday - January 3, 1973
-4-

Docket No. 1-73

(Case 4891 continued from page 3)

(i) Extend the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 5: NW/4

(j) Extend the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 8: NW/4
Section 32: S/2
Section 33: SW/4

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 5: NW/4
Section 6: NE/4

(k) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 14: SW/4
Section 15: S/2

*Completed
DHC-12
12-8-69*

2-7/8" csg. cemented with 1800 sacks. Calculated cement top at 3550'.

VACUUM WOLFCAMP

VACUUM ABO NORTH

13-3/8" csg. set at 350'. Cemented with 400 sacks. Cement circulated.

9-5/8" csg. set at 4800'. Cemented with 1700 sacks. Cement circulated.

2-7/8" csg. set at 10,298'

2-7/8" csg. set at 10,295'

2-7/8" csg. set at 10,293'

VACUUM, ABO NORTH
PERF: 8439' - 8511'
9093' - 9239'

VACUUM WOLFCAMP
PERF:
9626' - 9937'

DOWNHOLE
COMINGLED

VACUUM UPPER PENN
PERF: 10,021' - 10,085'

T.D. 10,300'

| | |
|--|--|
| BEFORE EXAMINER UTZ OIL CONSERVATION COMMISSION | |
| Texaco EXHIBIT NO. <u>3</u> | |
| CASE NO. <u>4890</u> | |
| Submitted by <u>Texaco</u> | |
| Hearing Date <u>JAN 17, 1973</u> | |

PRESENT COMPLETION
TEXACO INC.
TEXACO-MOBIL STATE WELL NO. 1
VACUUM, ABO NORTH, WOLFCAMP AND UPPER PENN
LEA COUNTY, NEW MEXICO

DATA SHEET FOR WELLBORE COMMINGLING

Operator: **TEXACO Inc.**

Address: **P.O. Box 728, Hobbs, New Mexico**

88240

Lease and Well No.: **Texaco-Mobil State Well No. 1**

Location: **Unit H, 2080' FNL & 560' FEL of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.**

Well Data

Name of Pool

Producing Method

BHP

Type Crude

Gravity

GOR Limit

Completion Interval

Current Test Date

Oil

Water

GOR

Selling Price of Crude - \$/Bbl. **3.50**

Daily Income - \$/Day

COMMINGLED DATA:

Gravity of Commingled Crude **39.2**

Selling Price of Commingled Crude - \$/Bbl. **3.50**

Daily Income - \$/Day **91.00**

Net (Gain) (Loss) from Wellbore Commingling - \$/Day **None - crudes now commingled on surface.**
based on current producing rates.

| Upper Pool Vacuum, Abo North | Middle Pool Vacuum Wolfcamp | Lower Pool Vacuum Upper Penn |
|------------------------------------|-----------------------------------|------------------------------------|
| Flowing | Flowing | Flowing |
| 743 | 743 | 336 |
| Sweet | Sweet | Sweet |
| 39.4 | 39.4 | 38.9 |
| 2000 | 2000 | 2000 |
| 8439'-8514' | 9626'-9937' | 10,024'-10,085' |
| 9093'-9239' | | |
| 12-7-72 | 12-7-72 | 12-6-72 |
| 10 | 5 | 11 |
| 1 | 0 | 0 |
| 766 | 701 | 1250 |
| 3.50 | 3.50 | 3.50 |
| 35.00 | 17.50 | 38.50 |

2-7/8" csg. cemented with 1800 sacks. Calculated cement top at 3550'.

VACUUM PENN

VACUUM WOLFCAMP

VACUUM, ABO NORTH

13-3/8" csg. set at 350'. Cemented with 400 sacks. Cement circulated.

9-5/8" csg. set at 4800'. Cemented with 1700 sacks. Cement circulated.

O.S. Bar

Penn 4270 55
W.C. 39 31
W.C. 19 14

2-7/8" csg. set at 10,298'

2-7/8" csg. set at 10,295'

2-7/8" csg. set at 10,293'

VACUUM, ABO NORTH
 PERF: 8139' - 8511'
 9093' - 9239'

DOWNHOLE COMMINGLED

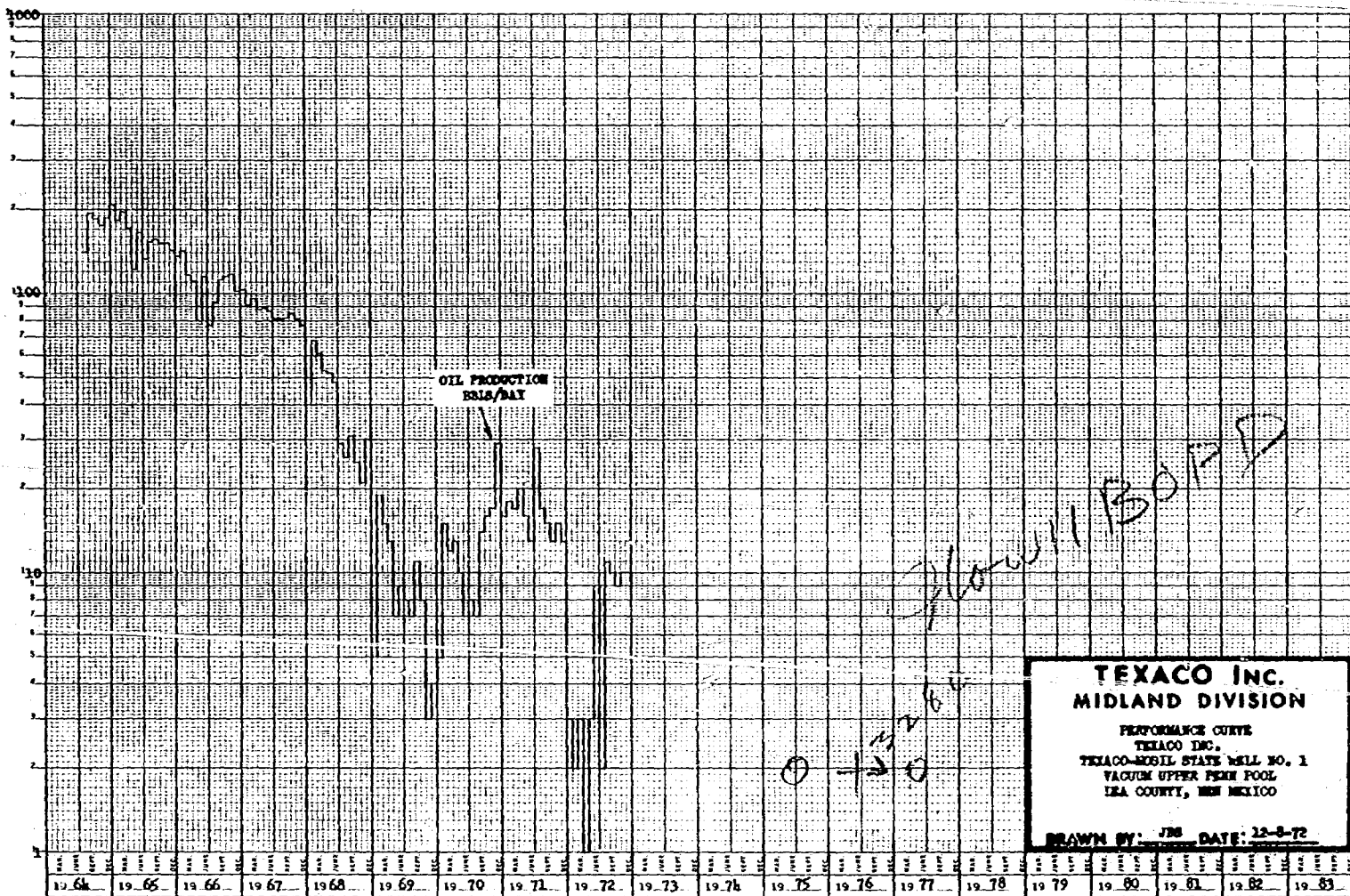
VACUUM WOLFCAMP
 PERF:
 9626' - 9937'

VACUUM UPPER PENN
 PERF: 10,021' - 10,085'

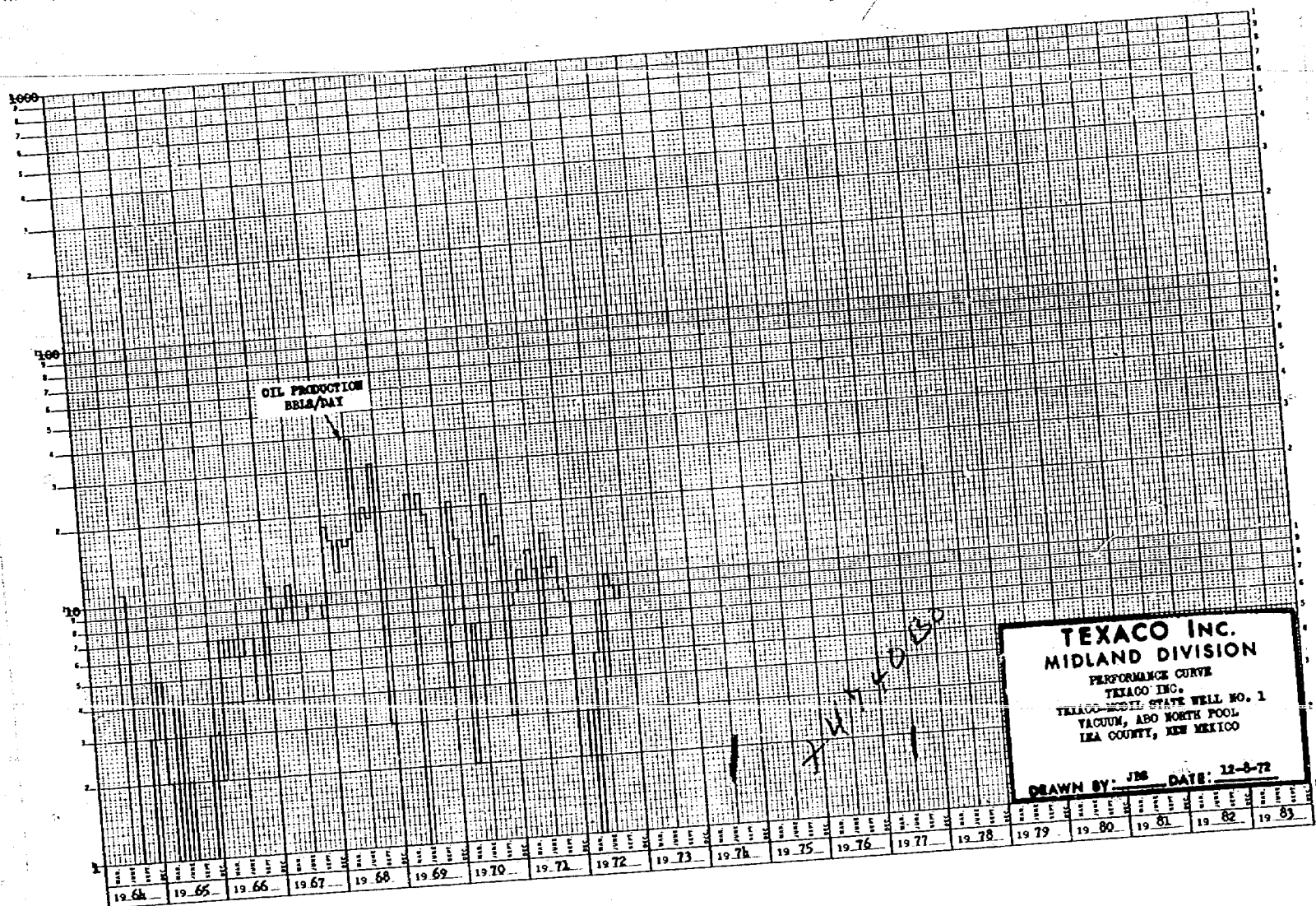
T.D. 10,300'

BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 4
Texaco
 CASE NO. 418-70
 Submitted by _____
 Hearing Date _____

PROPOSED COMPLETION
 TEXACO INC.
 TEXACO-MOBIL STATE WELL NO. 1
 VACUUM, ABO NORTH, WOLFCAMP AND UPPER PENN
 IEA COUNTY, NEW MEXICO



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
TEXACO EXHIBIT NO. 5
CASE NO. 4890
Submitted by _____
Hearing Date _____



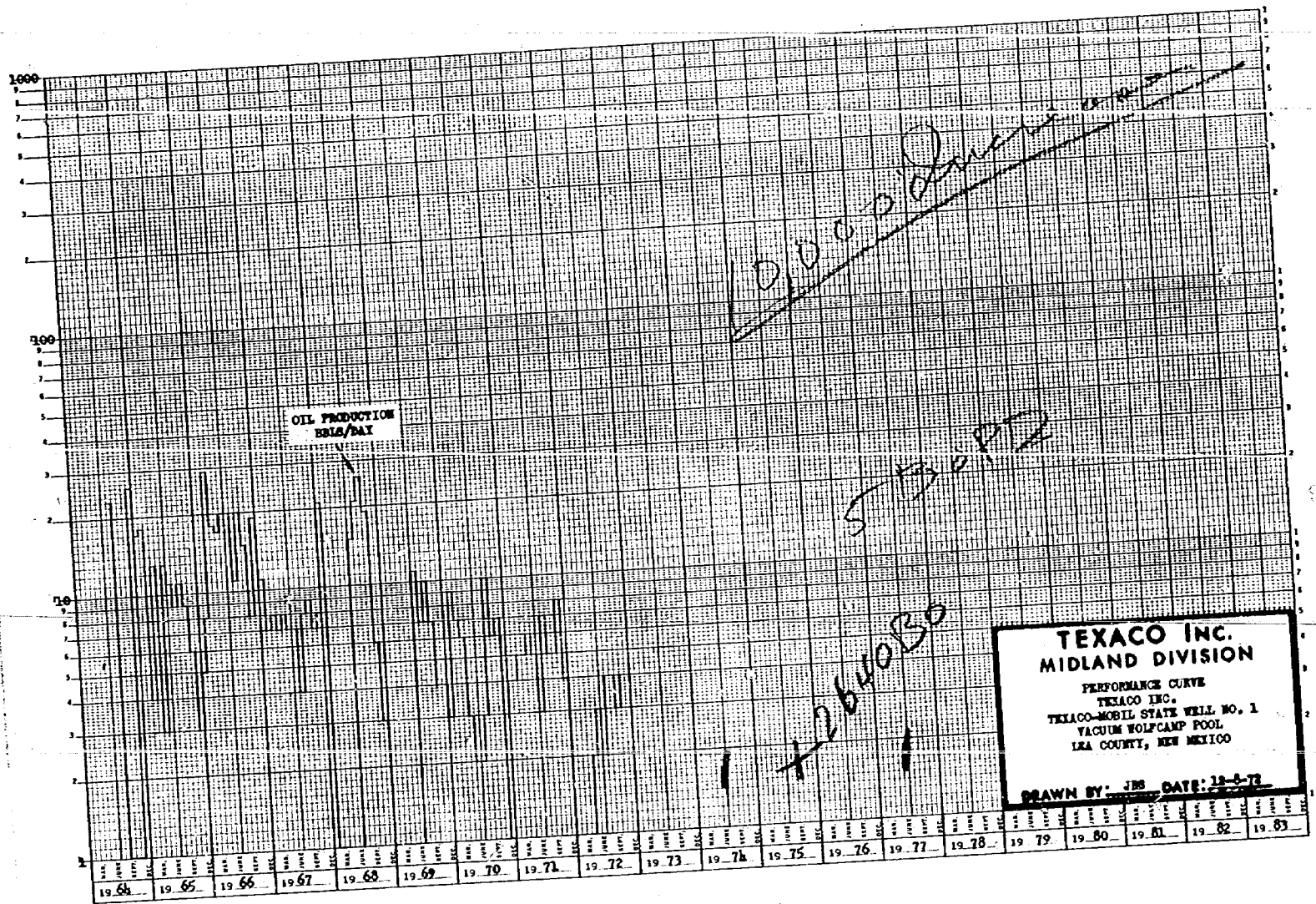
BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION

TEXACO EXHIBIT NO. **6**

CASE NO. **4890**

Scheduled by _____

Hearing Date _____



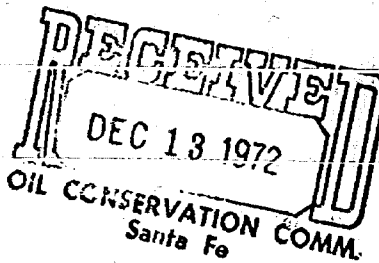
BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 TEXACO EXHIBIT NO. 7
 CASE NO. 4890
 Submitted by _____
 Hearing Date _____



PETROLEUM PRODUCTS

December 8, 1972

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240



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

Re: Request for Examiner Hearing
Texaco - Mobil "State" Well No. 1
Vacuum Upper Pennsylvanian, Vacuum
Wolfcamp, and Vacuum Abo North Pools

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

Gentlemen:

Texaco Inc. respectfully requests that an examiner hearing be scheduled to consider its application for the Texaco-Mobil "State" Well No. 1 to commingle in the wellbore oil production from the Vacuum Upper Pennsylvanian, Vacuum Wolfcamp, and Vacuum North Pools which are triple tubingless completions as authorized by Commission Order MC-1526 dated August 23, 1964. The Vacuum Wolfcamp and Vacuum Abo North Pools are presently downhole commingled as authorized by Commission Order No. DHC-12 dated December 8, 1969. The Texaco-Mobil "State" Well No. 1 is located in Unit 'H' of Section 25, T-17-S, R-34-E, Lea County, New Mexico.

Yours very truly,

J. V. Gannon
J. V. Gannon
District Superintendent

KLP:wg
White, Koch, Kelly &
McCarthy (Attn: Mr. Kelly)

DOCKET MAILED

EX-15-73
For Jan. 17th

DOCKET MAILED

Date 12/20/72

MOBIL OIL CORPORATION'S STATEMENT
ON TEXACO INCORPORATED APPLICATION
NEW MEXICO OIL CONSERVATION COMMISSION,
CASE NO. 4890, DOCKET NO. 2-73,
TO DOWNHOLE COMMINGLE PRODUCTION FROM THE
NORTH VACUUM-ABO, VACUUM-WOLFCAMP AND
VACUUM-UPPER PENNSYLVANIA POOLS IN THE
WELL BORE OF THEIR MOBIL STATE WELL NO. 1, UNIT H,
SECTION 25, TOWNSHIP 17 SOUTH, RANGE 34 EAST, LEA COUNTY, NEW MEXICO

Date of Hearing: January 17, 1973

Mobil Oil Corporation, an offset operator and a working interest owner of the subject Mobil State Well No. 1, questions the wisdom of uncontrolled downhole commingling in the North Vacuum-Abo, Vacuum-Wolfcamp and the Vacuum-Pennsylvania zones in said well.

The upper zone of the North Vacuum-Abo pool in the North Vacuum-Abo Unit will soon be under pressure maintenance operations. This unit offsets Texaco's Mobil State Well No. 1, and because of unit injection activities, this zone will always be at a higher pressure than the lower zones which would not be under fluid injection. In Mobil's opinion, it is possible under these circumstances in the future for oil from the pressured zone in the North Vacuum-Abo pool to be lost into lower zones.

Mobil, therefore, respectfully recommends that in any order allowing downhole commingling in this well bore, the Commission include sufficient safeguards to insure that response production from Mobil's unit operations will not be lost in a lower thief zone.

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:

APPLICATION OF TEXACO INC. FOR
DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

CASE NO. 4890

Order No. R-4475

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 17, 1973,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets EAU.

NOW, on this day of January, 1973, 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, Texaco Inc., is the owner and
operator of the Mobil State Well No. 1, located in Unit H of
Section 25, Township 17 South, Range 34 East, NMPM, Lea County,
New Mexico.

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(3) That pursuant to authority granted by Administrative Order MC-1526, said Well No. 1 was completed by the applicant as a ^{triple} ~~dual~~ completion ^(tubingless) ~~(conventional)~~ to produce oil from the North Vacuum-Abo ^{and Vacuum-Upper Pennsylvanian} and Vacuum-Wolfcamp Pools.

(4) That subsequent to the dual completion of the well in the aforesaid two pools, the applicant also completed the subject well to additionally produce oil from the Vacuum-Upper Pennsylvanian Pool.

(5) That only marginal production was obtained from the Vacuum-Upper Pennsylvanian Pool.

(6) That each of the three zones in the subject well is capable of only low marginal production.

(7) That the applicant now seeks authority to complete said Well No. 1 in such a manner as to produce oil from the subject well through one string of 2 7/8-inch ^{casing} tubing, commingling in the wellbore the production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools.

(8) That the proposed commingling in the subject well of the three zones may substantially extend the productive lives of said zones in the subject well.

(9) That the reservoir characteristics of each of the zones in the subject well are such that underground waste would not be caused by the proposed commingling in the wellbore.

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

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

(4) That subsequent to the applicant's completion of the Abo and Wolfcamp production in the subject well, the subject well is capable of only low marginal production.

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(12) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action the operator should notify the Hobbs District Office of the Commission any time the subject well is shut-in for seven consecutive days.

(13) That the allowable and commingled production should be allocated to each of the zones in the well upon the basis of 40 percent North Vacuum-Abo, 20 percent Vacuum-Wolfcamp, and 40 percent Vacuum-Upper Pennsylvanian.

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

(15) That Administrative Orders MC-1526 and DHC-12 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to complete its Mobil State Well No. 1, located in Unit H of Section 25, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, in such a manner as to produce oil from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools through one string of 2 7/8-inch ^{casing,} tubing, commingling in the wellbore the production from the pools.

(2) That the allowable and commingled production shall be allocated to each of the zones commingled in the wellbore of the subject well on the basis of 40 percent to the North Vacuum-Abo, 20 percent to the Vacuum-Wolfcamp, and 40 percent to the Vacuum-Upper Pennsylvanian.

(3) That the commingling in the wellbore authorized by this order shall continue only so long as the commingled production of the ^{three} ~~two~~ zones does not exceed ~~_____~~ barrels of oil

~~per day nor _____ barrels of water per day.~~ ^{significant} ~~indicate stimulation~~
of any of the zones by pressure maintenance operations in the area.

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

(5) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for seven consecutive days and shall concurrently present to the Commission a plan for remedial action.

(6) 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.

(7) That Administrative Orders MC-1526 and DHC-12 and ~~is~~ hereby superseded.

(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.