

CASE No.

4988

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Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
June 27, 1973

EXAMINER HEARING

IN THE MATTER OF:

Case No. 4988.

Application of Texaco, Inc. for  
down-hole commingling, Lea County,  
New Mexico.

BEFORE: ELVIS A. UTZ,  
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4988.  
2 MR. CARR: Case 4988, Application of Texaco Inc.  
3 for down-hole commingling, Lea County, New Mexico.  
4 MR. UTZ: Case 4988 has already been heard and  
5 had an error in the previous advertisement, which has  
6 been corrected in this docket. Do I have any appearances  
7 for this case?  
8 (No response.)  
9 MR. UTZ: The case will be taken under advisement  
10 and an order written on it.

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12  
13 STATE OF NEW MEXICO )  
14 COUNTY OF BERNALILLO ) SS.

15 I, JOHN DE LA ROSA, a Court Reporter, in and for  
16 the County of Bernalillo, State of New Mexico, do hereby  
17 certify that the foregoing and attached Transcript of  
18 Hearing before the New Mexico Oil Conservation Commission  
19 was reported by me; and that the same is a true and  
20 correct record of the said proceedings to the best of my  
21 knowledge, skill and ability.

22  
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24  
25  
John De La Rosa  
COURT REPORTER

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 4988  
heard by me on June 27, 1973  
[Signature], Examiner  
New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

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

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
Wednesday, June 6, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc.  
for down-hole commingling,  
Lea County, New Mexico.

Case No. 4988

BEFORE: Richard L. Stamets  
Examiner

TRANSCRIPT OF HEARING

1 MR. STAMETS: Call next Case 4988.

2 MR. CARR: Case 4988, application of Texaco, Inc.  
3 for down-hole commingling, Lea County, New Mexico.

4 MR. KELLY: Mr. Examiner, I think I misnumbered  
5 the case on this. On that one I had 4897. Would you  
6 make those necessary corrections on that?

7 MR. STAMETS: Okay.

8 MR. KELLY: Booker Kelly of White, Koch, Kelly &  
9 McCarthy, Santa Fe, appearing on behalf of the applicant,  
10 and I'd like the record to show that the same witness is  
11 appearing who has been sworn and has shown his  
12 qualifications as an expert witness in the field of  
13 Petroleum Engineering and is employed by Texaco in that  
14 capacity.

15 KENDALL L. PETERS,

16 was called as a witness and having been previously sworn  
17 according to law, testified as follows:

18 DIRECT EXAMINATION

19 BY MR. KELLY:

20 Q Again, Mr. Peters, referring to what has been marked  
21 Exhibit 1 on this ground plat, would you briefly state  
22 what you seek by this application?

23 A Yes. In the subject application, Texaco again requests  
24 approval that the wellbore commingling of fluids be  
25 permitted from the Blinbry, Tubb and Drinkard Pools in

1 its A.H. Blinebry Well Number 28.

2 And with Exhibit 1, this again exemplifies the  
3 A.H. Blinebry Tract 1 lease outlined in yellow; and the  
4 subject Well Number 28 is indicated by the red arrow;  
5 and this is located in Unit A of Section 29, Township 22  
6 South, Range 38 East, Lea County, New Mexico.

7 And the well was originally completed in August,  
8 1965 as a goal tubingless completion in the Tubb and  
9 Drinkard Pools as authorized by Commission Order MC-1658  
10 dated August 16, 1965.

11 The Tubb zone was temporarily abandoned while  
12 producing one barrel of oil and no water in February,  
13 1969. And then it was recompleted in the Blinebry Pool  
14 as authorized by Administrative Order MC-1658, dated  
15 June 18, 1969.

16 MR. STAMETS: Both of those were for dual  
17 completions?

18 THE WITNESS: Yes, sir. That is correct.

19 MR. STAMETS: And the first one was the Tubb-Drinkard  
20 and the second was the Blinebry-Drinkard?

21 THE WITNESS: Yes, sir. That's correct.

22 Q (By Mr. Kelly) Now, as I understand it, this is the  
23 same lease as the last case; is this correct?

24 A Yes, sir.

25 Q And the present status is that you are producing from the

1 Blinebry and the Drinkard and the Tubb is shut-in?

2 A Yes, sir. The Tubb is temporarily abandoned.

3 Q All right. Now, Exhibit Number 2 is again your present  
4 completion; is that correct?

5 A Yes. Exhibit Number 2 depicts that the Drinkard is  
6 producing from the designated interval with a rod-type  
7 pump and 2-7/8 inch casing and that the Blinebry is  
8 producing with the same type equipment in its designated  
9 perforated interval and that a retrievable bridge plug  
10 set at 6200 feet in the well has abandoned the tube  
11 interval located below it.

12 In this well, the surface casing has been set at  
13 1315 and cement has been circulated. Bottomhole strings  
14 of 2-7/8 casing has been cemented with 1,050 sacks and  
15 the top of the cement is at 1700 feet in the well.

16 Q Now, referring to Number 3, how would you plan to  
17 recomplete and down-hole commingle this well?

18 A The Tubb will be placed back on production by removing  
19 the retrievable bridge plug at 6200 feet and the interval  
20 from 7,000 feet to 7257 will be selectively perforated  
21 thereby commingling the dually completed Blinebry and  
22 tube string into the Drinkard string. And all three  
23 zones will be commingled and produced with a rod-pump  
24 placed in the Drinkard string.

25 Q So this again is basically the same installation as in the

1 last case?

2 A Yes, that is correct.

3 Q All right. Exhibit Number 4 has the pertinent data on  
4 each pool. Would you go over that for the Examiner?

5 A Yes. This information is very much like Well Number 20  
6 where the bottomhole pressure ranges from 350 to 500 psi.  
7 Both crudes, rather all three crudes are sweet, and the  
8 tests range from one barrel of oil and no water to four  
9 barrels of oil and three barrels of water.

10 And the crudes, that is the Blinebry and the Drinkard  
11 crudes are presently commingled on the surface as  
12 provided by Administrative Order PC-29; and this has been  
13 amended on May 18, 1973 and there has been or will be no  
14 value loss in the value of the crudes or to the formation  
15 from the surface commingling. And thereby, the same will  
16 stand for a down-hole commingled condition.

17 Q Do you feel there will be any adverse effect through this  
18 commingling on any other wells adjoining the subject  
19 well?

20 A No, I don't.

21 Q And in your opinion have all these wells or zones reached  
22 their economic level?

23 A Yes, sir. They have.

24 Q Do you feel that the Tubb zone will be able to produce  
25 oil if you recomplete it?



1 A Yes, it should.

2 Q Now, going on to Exhibits 5 and 6, your production curves,  
3 would you explain those?

4 A Yes. Exhibit 5 is the performance curve of the Tubb  
5 showing that it is presently shut-in and when it was  
6 shut-in in February, 1969.

7 The Exhibit Number 6 depicts the Blinebry Pool at  
8 a 21 percent decline rate that the Drinkard Pool at a  
9 14 percent decline rate..

10 And based on the last production test of the Tubb  
11 and the present producing rates of the Drinkard and  
12 Blinebry, the following allocations are recommended on  
13 future oil and gas producing rates with the approval of  
14 the subject application:

15 The Blinebry would be allocated on the basis of  
16 37-1/2 percent for the oil and 13 percent for the gas.  
17 The Tubb would have 12-1/2 percent of the oil and no gas.  
18 The Drinkard would have 50 percent of the oil production  
19 and 87 percent of the gas production.

20 In summary, the granting of this application will  
21 allow for the recovery of an additional 23,400 barrels  
22 of reserves from down-hole commingling these three  
23 reserves by extending its economic life with no detrimental  
24 effects to the crude or to the formation while protecting  
25 correlative rights.

1 Q Now, do you feel that that formula you have suggested  
2 will accurately reflect production as you commingle?

3 A Yes. This is the best predictable formula that we have.

4 Q And without commingling, you would have to abandon these  
5 individual zones before you would reach the productive  
6 limits that you have described here, I assume?

7 A Yes, sir. That's correct.

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

10 A Yes, they were.

11 MR. KELLY: I would move Texaco's Exhibits into  
12 evidence at this time.

13 MR. STAMETS: Without objection, they will be  
14 admitted into evidence.

15 MR. KELLY: That concludes our Direct testimony,  
16 Mr. Examiner.

17 CROSS-EXAMINATION

18 BY MR. STAMETS:

19 Q Mr. Peters, on Exhibit Number 3 the zones are commingled  
20 by perforating the Drinkard zone tubing into the Blinebry  
21 tubing. Has this been done before? Is this a new  
22 technique?

23 A No. It's not a new technique. Texaco has employed this  
24 on several previous operations with good success.

25 Q They haven't experienced any problem with this?

1 A No, we haven't.

2 Q And the oil is currently being commingled on the surface  
3 with no extra sedimentation, no corrosion problems,  
4 anything like that?

5 A No, sir.

6 MR. STAMETS: Are there any other questions of the  
7 witness? He may be excused. Anything further in this  
8 case? We will take the case under advisement.

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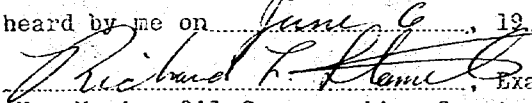
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1 STATE OF NEW MEXICO )  
2 ) ss  
3 COUNTY OF BERNALILLO )

4 I, JANET RUSSELL, a Notary Public, 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  
8 me; and that the same is a true and correct record of the  
9 said proceedings to the best of my knowledge, skill and  
10 ability.

11   
12 NOTARY PUBLIC

13  
14  
15 I do hereby certify that the foregoing is  
16 a complete record of the proceedings in  
17 the Examiner hearing of Case No. 4988,  
18 heard by me on June 6, 1973.  
19   
20 Examiner  
21 New Mexico Oil Conservation Commission  
22  
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I N D E XWITNESSPAGE

KENDALL L. PETERS

Direct Examination by Mr. Kelly

3

Cross-Examination by Mr. Stamets

8

I N D E X

Applicant's Exhibit Number 1

8

Applicant's Exhibit Number 2

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Applicant's Exhibit Number 3

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Applicant's Exhibit Number 4

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Applicant's Exhibit Number 5

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Applicant's Exhibit Number 6

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# OIL CONSERVATION COMMISSION

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

GOVERNOR  
BRUCE KING  
CHAIRMAN

**LAND COMMISSIONER  
ALEX J. ARMIG  
MEMBER**

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

**July 16, 1973**

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

Re: Case No. 4988

Order No. R-4587

**Applicant:**

**Texaco Inc.**

**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,

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. 4988  
Order No. R-4587

APPLICATION OF TEXACO INC.  
FOR DOWN-HOLE COMMINGLING,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 27, 1973,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of July, 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 A. H. Blinebry Well No. 28, located in Unit A  
of Section 29, Township 22 South, Range 38 East, NMPM, Lea  
County, New Mexico.

(3) That the applicant seeks authority to commingle  
production from the Blinebry, Tubb, and Drinkard Oil Pools in  
the wellbore of the above-described well and to produce the  
commingled production through a single string of tubing.

(4) That from the Blinebry zone, the subject well is  
capable of low marginal production only.

(5) That from the Tubb zone, the subject well is capable  
of low marginal production only.

(6) That from the Drinkard zone, the subject well is  
capable of low marginal production only.

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

(8) That the reservoir characteristics of each of the subject zones is such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(9) 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 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 37-1/2% of the commingled oil production should be allocated to the Blinebry zone, 12-1/2% of the commingled oil production to the Tubb zone, and 50% of the commingled oil production to the Drinkard zone, and that 13% of the commingled gas production should be allocated to the Blinebry zone, and 87% of the commingled gas production to the Drinkard zone.

(11) That Administrative Order MC-1658 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to complete its A. H. Blinebry Well No. 28, located in Unit A of Section 29, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to commingle in the well-bore the production from the Blinebry, Tubb, and Drinkard Oil Pools and to produce said commingled production through a single string of tubing until further order of the Commission.

(2) That 37-1/2% of the commingled oil production shall be allocated to the Blinebry zone, 12-1/2% of the commingled oil production shall be allocated to the Tubb zone, and 50% of the commingled oil production shall be allocated to the Drinkard zone, and that 13% of the commingled gas production shall be allocated to the Blinebry zone, and 87% of the commingled gas production shall be allocated to the Drinkard zone.

(3) 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 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That Administrative Order MC-1658 is hereby superseded.

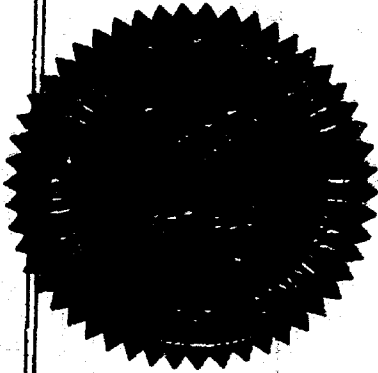
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.



-3-

Case No. 4988  
Order No. R-4587

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

*Alex J. Armijo*  
ALEX J. ARMILLO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 27, 1973

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

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

CASE 4983: (Continued from the June 6, 1973, Examiner Hearing)

Application of Gulf Oil Corporation for simultaneous well dedication and non-standard locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of two wells to a standard 640-acre gas proration unit comprising all of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, said wells being the W. A. Ramsay (NCT-A) Wells Nos. 20 and 7 at non-standard locations in the center of Units E and N, respectively, of said Section 35.

CASE 4966: (Continued from the June 6, 1973, Examiner Hearing)

Application of Read & Stevens, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 36, Township 12 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled to the Queen formation in Unit B of said Section 36, in the Southeast Chaves Queen Gas Area. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 200 percent charge for risk involved in drilling said well.

CASE 5008: Application of Hondo Drilling Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 5034 feet to 5038 feet, or in the alternative, from 5128 feet to 5134 feet in its Gulf "NW" State Well No. 2 located in Lot 6 of Section 6, Township 24 South, Range 33 East, Triple "X" Delaware Pool, Lea County, New Mexico.

CASE 5009: Application of Wendell C. Welch for an oil treating plant permit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 35, Township 17 South, Range 27 East, Eddy County, New Mexico.

- CASE 5010: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.
- CASE 5011: Application of El Paso Natural Gas Company for extension of Order No. R-4342, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the provisions of Order No. R-4342, which order authorized the applicant to produce certain non-marginal wells in the San Juan 32-9 Unit Area, Blanco Mesaverde Pool, San Juan County, New Mexico, at full capacity while conducting tests, making up said overproduction by underproducing other non-marginal wells within the participating area.
- CASE 5012: Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.
- CASE 5013: Application of Phillips Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through its Lea Wells Nos. 4 and 6 located in Units I and O, respectively, of Section 29, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.
- Applicant further seeks an administrative procedure for the drilling of additional injection and producing wells at orthodox and unorthodox locations without further notice and hearing.
- CASE 5014: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the W/2 of Section 26, Township 25 South, Range 24 East, adjacent to the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit.

(Case 5014 continued from page 2)

Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5015: Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Morrow formation underlying the S/2 of Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 4988: (Continued and Readvertised)

Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 28 located in Unit A of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 5016: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Seven Rivers-Queen Unit Area comprising 2262 acres, more or less, of State and Fee lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico.

CASE 5017: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Seven Rivers-Queen Unit Area by the injection of water into the Seven Rivers and Queen formations through 28 wells located in Sections 27, 34, and 35, Township 22 South, Range 36 East, and Sections 2 and 3, Township 23 South, Range 36 East, Lea County, New Mexico.

CASE 5018: Southeastern nomenclature case calling for an order for the creation, extension and contraction of certain pools, and the assignment of an oil discovery allowable, Lea and Roosevelt Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Humble City-Wolfcamp Pool. The discovery well is the Pubco Petroleum Corporation

(Case 5018 continued from page 3)

Shipp No. 4 located in Unit L of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 11: SW/4

Also the assignment of an oil discovery allowable of approximately 47,970 barrels of oil to the aforesaid Shipp Well No. 4.

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Shinnery-Queen Pool. The discovery well is the Burleson & Huff Cinco de Mayo Federal No. 1 located in Unit C of Section 24, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 24: NW/4

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
Section 34: S/2 NE/4

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM  
Section 34: S/2 NE/4

(e) Contract the South Prairie-Cisco Pool in Roosevelt County, New Mexico, by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM  
Section 28: NW/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: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 6: N/2

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

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
Section 7: NE/4

(i) Extend the Justice Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
Section 12: NW/4

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 6, 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 Daniel S. Nutter, Alternate Examiner:

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

CASE 4982: Application of Brunson and McKnight for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Ojo Chiso Unit Area comprising 5,120 acres, more or less, of Federal and State lands in Township 22 South, Range 34 East, Lea County, New Mexico.

CASE 4983: Application of Gulf Oil Corporation for simultaneous well dedication and non-standard locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of two wells to a standard 640-acre gas proration unit comprising all of Section 35, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, said wells being the W. A. Ramsay (NCT-A) Wells Nos. 20 and 7 at non-standard locations in the center of Units E and N, respectively, of said Section 35.

CASE 4749: (Reopened)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338, which order established special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units. All interested parties may appear and show cause why said pool should be developed on other than 40-acre units.

CASE 4984: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Miller Federal Well No. 1 located in Unit G of Section 3, Township 21 South, Range 27 East, Eddy County, New Mexico, in such a manner as to produce gas from undesignated Atoka gas pool and from the Burton Flat-Morrow Gas Pool through the casing-tubing annulus, and tubing, respectively.

CASE 4967: (Continued and readvertised from the May 9, 1973 Examiner Hearing)

Application of John M. Etcheyerry for dissolution of a standard proration unit and the creation of two non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks

(Case 4967 continued from page 1)

the dissolution of the standard 160-acre proration unit comprising the SW/4 of Section 29, Township 14 South, Range 34 East, West Tres Papalotes-Pennsylvanian Pool, Lea County, New Mexico, dedicated to the Mark Production Company Etcheverry Well No. 1 located in Unit L of said Section 29, and the creation of two non-standard 80-acre proration units, one comprising the N/2 and the other the S/2 of the SW/4 of said Section 29; the first unit would be dedicated to the aforesaid Etcheverry Well No. 1 and the second unit would be dedicated to a well proposed to be drilled in Unit M of said Section 29.

CASE 4985: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pipeline Deep Unit Area comprising 3,862 acres, more or less, of federal lands in Township 19 South, Range 34 East, Lea County, New Mexico.

CASE 4986: Application of Dalport Oil Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Queen formation underlying the E/2 of Section 17, Township 12 South, Range 31 East, Chaves County, New Mexico, to be dedicated to a well to be drilled in Unit G of said Section 17. Also to be considered will be the cost of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, the establishment of charges for supervision of said well, and the designation of applicant as operator.

CASE 4987: Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 20 located in Unit E of Section 20, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 4988: Application of Texaco Inc. for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of its A. H. Blinebry Well No. 28 located in Unit A of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 4989: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the amendment of the general rules governing prorated gas pools in Northwest and Southeast New Mexico as promulgated by Order No. R-1670, as amended. Rule 15 of the aforesaid general rules would be amended to provide that if a well is

(Case 4989 continued from page 2)

overproduced in an amount exceeding six times its average monthly allowable for the preceding twelve months (or, in the case of a newly connected well or a well in a newly prorated pool, six times its average monthly allowable for the months available), it shall be shut in during that month and each succeeding month until it is overproduced in an amount less than six times its average monthly allowable, as determined above.

Rule 15 would be further amended to permit the Secretary-Director of the Commission to grant a pool-wide moratorium of up to three months on the shutting in of gas wells during periods of high demand emergency if a significant number of the wells in the pool are subject to being shut in.

CASE 4966: (Continued from the May 23, 1973 Examiner Hearing)

Application of Read & Stevens, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 36, Township 12 South, Range 30 East, Chaves County, New Mexico, to be dedicated to a well to be drilled to the Queen formation in Unit B of said Section 36, in the Southeast Chaves Queen Gas Area. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 200 percent charge for risk involved in drilling said well.



2-7/8" csg. cemented with 1050  
sacks. Top of cement at 1700'.

BLINEBRY AND TUBB

DRINKARD

8-5/8" csg. set at 1315'. Cmt. with  
600 sacks. Cmt. circulated.

Rods and Pump.

2-7/8" csg. set at 7310'.

2-7/8" csg. set at 7310'.

Rods and Pump.

BLINEBRY  
PERF:  
5721' to 6019'

Ret. Bridge Plug at 6200'.

TUBB  
PERF:  
6312' to 6418'

DRINKARD  
PERF:  
7002' to 7257'

Total Depth 7310'.

PRESENT COMPLETION  
TEXACO INC.

A.H. BLINEBRY (NCT-1) WELL NO. 28  
BLINEBRY AND DRINKARD POOLS  
LEA COUNTY, NEW MEXICO

REGULATORY EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 4888

Signed by Texaco

Valid Date 6/6/73

2-7/8" csg. cemented with 1050  
sacks. Top of cement at 1700'.

BLINEBRY AND TUBB

DRINKARD

8-5/3" csg. set at 1315'. Cmt. with  
600 sacks. Cmt. circulated.

2-7/8" csg. set at 7310'.

2-7/8" csg. set at 7310'.

BLINEBRY  
PERF:  
5721' to 6019'

TUBB  
PERF:  
6312' to 6413'

Rods and Pump

Seating Nipple at 6090' with  
125' of 3/4" Tailpipe.

DRINKARD  
PERF:  
7000' to 7257'

Total Depth 7310'.

PROPOSED COMPLETION  
TEXACO INC.

A.H. BLINEBRY (NCT-1) WELL NO. 28  
BLINEBRY, TUBB AND DRINKARD POOLS  
LEA COUNTY, NEW MEXICO

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 4988

SUBMITTED BY Texaco

DATE 6/6/73

# DATA SHEET FOR WELLBORE COMMINGLING

Operator: **TEXACO Inc.**

Address: **P.O. Box 728, Hobbs, New Mexico 88240**

Lease and Well No.: **A. H. Blinebry Federal NCT-1 Well No. 28**

Location: **Unit A, 990 Feet from the North Line and 330 Feet from the East Line of Section 29, Township 22-S, Range 38-E, Lea County, New Mexico**

## WELL DATA

	Upper Pool	Middle Pool	Lower Pool
Name of Pool	<u>Blinebry</u>	<u>Tubb</u>	<u>Drinkard</u>
Producing Method	<u>Pumping</u>	<u>Shut-In</u>	<u>Pumping</u>
BHP	<u>350-400 (Est.)</u>	<u>500 (Est.)</u>	<u>500 (Est.)</u>
Type Crude	<u>Sweet</u>	<u>Sweet</u>	<u>Sweet</u>
Gravity	<u>38.0</u>	<u>38.8</u>	<u>38.7</u>
GOR Limit	<u>6,000</u>	<u>2,000</u>	<u>6,000</u>
Completion Interval	<u>5,721-6,019</u>	<u>5,312-5,418</u>	<u>7,002-7,257</u>
Current Test Date	<u>5-8-73</u>	<sup>28</sup> <u>2-20-69</u>	<u>5-14-73</u>
Oil	<u>3</u>	<u>1</u>	<u>4</u>
Water	<u>0</u>	<u>0</u>	<u>3</u>
GOR	<u>1,567</u>	<u>TSTM</u>	<u>8,250</u>
Selling Price of Crude - \$/BBL.	<u>3.51</u>	<u>3.51</u>	<u>3.51</u>
Daily Income - \$/Day	<u>10.53</u>	<u>-</u>	<u>14.04</u>

## COMMINGLED DATA:

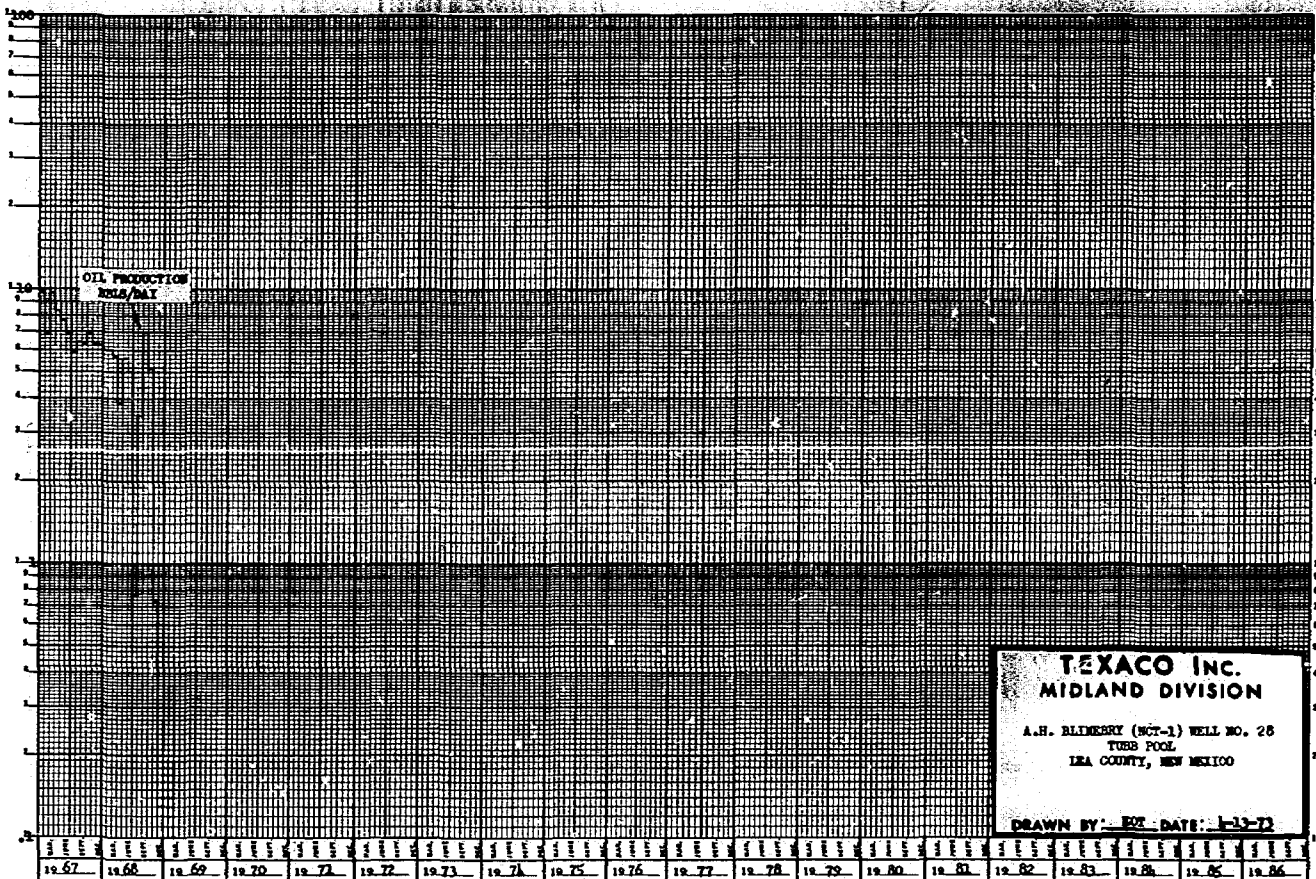
Gravity of Commingled Crude 38.4

Selling Price of Commingled Crude - \$/BBL. 3.51

Daily Income - \$/Day 24.57

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

REPORT NUMBER STAMETS  
OIL COMPANY WITH COMMISSION  
REPORT NO. 4  
COUNTY 4988  
STATE TEXAS  
DATE 6/6/73



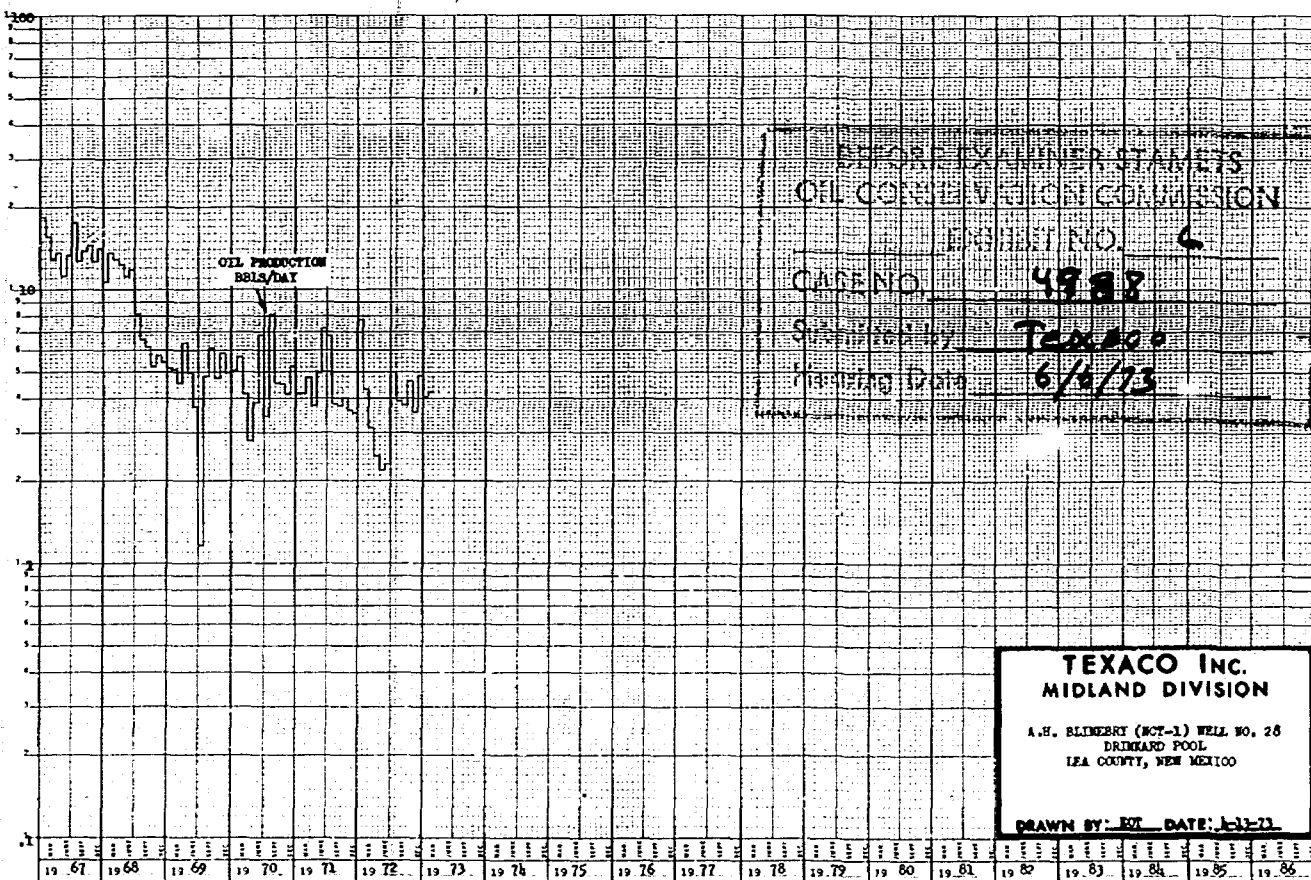
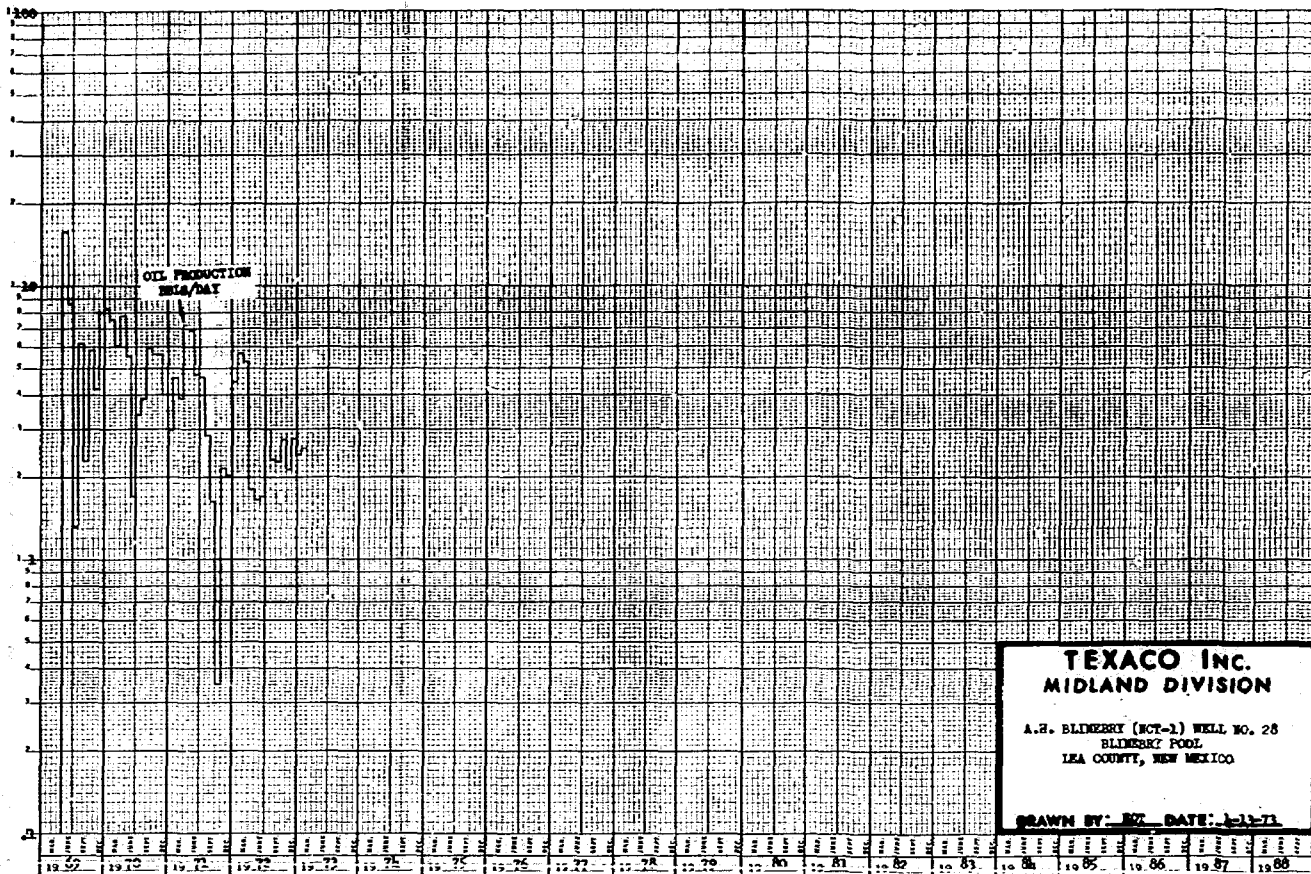
BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 5

CASE NO. 4988

Submitted by Texaco

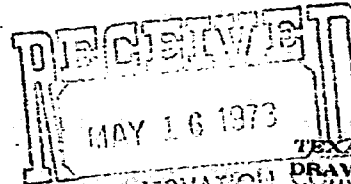
Hearing Date 6/6/73





PETROLEUM PRODUCTS

May 15, 1973



TEXACO INC.  
DRAWER 728  
OIL CONSERVATION HOBBS, NEW MEXICO 88240  
Santa Fe

*Case 4988*

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

Re: Request for Examiner Hearing  
Texaco Inc.  
Lea County, New Mexico

Attention: Mr. A. L. Porter

Gentlemen:

Texaco Inc. respectfully requests that an examiner hearing be scheduled to consider its application to commingle in the wellbore oil production from the following wells:

1. The A. H. Blinebry Federal (NCT-1) Well No. 20 located in Unit E, Sec. 20, T-22-S, R-38-E, Lea County. The well is presently a triple tubingless completion completed in the Blinebry Oil, Tubb Oil, and Drinkard Oil Pools as authorized by Commission Order No. MC-1574 dated December 9, 1964.
2. The A. H. Blinebry Federal (NCT-1) Well No. 28 located in Unit A, Sec. 29, T-22-S, R-38-E, Lea County. The well was originally completed as a dual tubingless completion in the Tubb and Drinkard Pools as authorized by Commission Order MC-1658 dated August 16, 1965. The Tubb Pool has subsequently been temporarily abandoned and the well has been recompleted in the Blinebry Pool.

In the hearing, Texaco will seek approval to downhole commingle all three zones in each well.

Yours very truly,

J. V. Cannon  
District Superintendent

KLP:wg  
MAS, Jr., JSR  
White, Koch, Kelly & McCartney  
(Attn.: Mr. B. Kelly)

DOCKET MAILED

DOCKET MAILED

Date 6-12-73 Date 5-25-73  
*gov 6-27-73*

DRAFT

dr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

(De)  
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 DOWN-HOLE COMMINGLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 4988

Order No. R-4587

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 27, 1973, at Santa Fe, New Mexico, before Examiner Richard A. Stevens, E.A.U.

NOW, on this          day of         , 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 A. H. Blinbry Well No. 28, located in Unit A of Section 29, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.



(3) That the applicant seeks authority to commingle production from the Blinebry, Tubb, and Drinkard Oil Pools in the wellbore of the above-described well and to produce the commingled production through a single string of tubing.

(4) That from the Blinebry zone, the subject well is capable of low marginal production only.

(5) That from the Tubb zone, the subject well is capable of low marginal production only.

(6) That from the Drinkard zone, the subject well is capable of low marginal production only.

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

(8) That the reservoir characteristics of each of the subject zones is such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(9) 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 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, <sup>87 1/2 %</sup> ~~87 1/2 %~~ of the commingled oil production should be allocated to the Blinebry zone, 12 1/2 % of the commingled oil production to the Tubb zone, and 50 % of the commingled oil production to the Drinkard zone, and that 13 1/2 % of the commingled gas production should be allocated to the Blinebry zone, ~~of the commingled gas production to the Tubb zone,~~ and 87 % of the commingled gas



production to the Drinkard zone.

(11) That Administrative Order MC-1658 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to complete its A. H. Blinebry Well No. 28, located in Unit A of Section 29, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, in such a manner as to commingle in the wellbore the production from the Blinebry, Tubb, and Drinkard Oil Pools and to produce said commingled production through a single string of tubing until further order of the Commission.

(2) That 37 1/2% of the commingled oil production shall be allocated to the Blinebry zone, 12 1/2% of the commingled oil production shall be allocated to the Tubb zone, and 50% of the commingled oil production shall be allocated to the Drinkard zone, and that 13% of the commingled gas production shall be allocated to the Blinebry zone, ~~\_\_\_\_\_ of the commingled gas production shall be allocated to the Tubb zone,~~ and 87% of the commingled gas production shall be allocated to the Drinkard zone.

(3) 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 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That Administrative Order MC-1658 is hereby superseded.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

CASE No.

4989

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Application,

Transcripts,

Small Exhibits

ETC.